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 during the week-end January 6 - 7, 1950

1. There were present:

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

Others in attendance

Mr. E. H. Demuth
General R. A. Wheeler

2. The Staff Loan Committee considered the Loan Director's Memorandum, SLC/0/163, and reached the following conclusions:

(1) The Italian Executive Director should be informed that:

(a) It had hitherto been the policy of the Bank to require the automatic conversion into U.S. dollars of amounts payable by borrowers in respect of interest and commission on amounts loaned by the Bank out of its non-dollar capital subscriptions (e.g. Italian lira);

(b) That the Management was prepared to recommend to the Board that this policy should now be altered to the extent that the Bank, while not abrogating its right to call for conversion, would no longer require automatic convertibility into U.S. dollars of the amounts in question. So far as any amounts received by way of interest were concerned, the Bank would expect to be able to use these freely, and without the consent of the member government, for relending in other operations where that particular currency was needed as a component of a Bank loan.

(2) If the Italian Executive Director required more specific assurances as to the circumstances in which the Bank might exercise its right to call for conversion, the matter should be discussed again by the Staff Loan Committee.

(3) The matter raised in paragraph 5(b) of the Loan Director's Memorandum was left over for consideration by the Staff Loan Committee at some subsequent date.

Distribution

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

Minutes of Meetings of Staff Loan Committee Held Tuesday, January 17, 1950 at 2:30 p.m., Room 1005 and Friday, January 27, 1950 at 10:30 a.m., in Room 415

1. There were present
   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. L. B. Rist
   Mr. A. Broches
   Mr. S. Aldeswereld
   Mr. O. H. Folk, Secretary

   In attendance:
   Mr. R. H. Demuth
   General R. A. Wheeler
   Mr. O. A. Schmidt
   Mr. S. W. Anderson
   Mr. S. P. Wheelock
   Mr. J. E. Knapp
   Mr. J. Torfs

2. The Committee considered Loan 79, Report of the Bank Mission to Brazil, dated January 12, 1950, and SLC/0/165, Loan Director's Memorandum dated January 13, 1950 and

   AGREED:

   (a) that Brazil's financial position at present is such that the Bank can proceed with consideration of the Paulo Alfonso Project and other high priority development projects up to possibly as much as $200 million, subject to a continuing review of Brazil's financial position;

   (b) that the conclusions of the mission concerning the priorities of Bank investment in Brazil be accepted;

   (c) that the proposed letter to the Government of Brazil, attached to the Report of the Mission, be reviewed by the Loan Director, the Economic Director and the Assistant to the Vice President in the light of the discussions of the Committee;

   (d) that, instead of establishing a field office in Brazil, a loan officer should be assigned exclusively to Brazilian loan operations who would be expected to spend sufficient time in Brazil to be fully conversant with the economic, financial and political developments in that country;
(e) that the President and the Vice President hold further discussions with high officials of the U.S. Government regarding Eximbank operations in countries to which the Bank is prepared to lend, using Brazil as an example.

(f) that the Report of the Mission be circulated to the Executive Directors after having been revised to reflect primarily the observations of the mission while in Brazil, and without any reference to the figure of the possible future amount of Bank lending.

3. The January 17 meeting adjourned at 9:10 p.m. and the January 27 meeting adjourned at 11:45 a.m.

Distribution

1. Mr. E.H. Block
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. camer
5. Mr. B. Green de Iongh
6. Mr. L.E. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Bosworth
9. Mr. A.S.G. Hoar
10. Mr. C.A. Schmidt
12. Mr. E.G. Barland
13. Mr. C.H. Folk
14. Files
15. Mr. S.W. Anderson
16. Mr. C.F. Wheelock
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 2:30 p.m., Wednesday, January 18, 1950, in Room 1005

1. There were present:
   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. L. B. Rist
   Mr. H. W. Riley
   Mr. A. Brookes
   Mr. O. H. Folk, Secretary

   Also in attendance
   Gen. R. A. Wheeler
   Mr. H. E. H. Demuth
   Mr. E. G. Burland
   Mr. E. W. Anderson
   Mr. F. D. Stephens
   Mr. C. V. H. Engert
   Mr. W. G. Weil
   Mr. L. Svoeda

2. Iraq

   The Committee considered SLC/8/166, Loan Director’s Memorandum on Iraq dated January 17, 1950 and
   CONCURRED:
   in the recommendations of the Loan Director.

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

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Summers
5. Mr. D. Crena de Longh
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
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. Anderson
16. Mr. Svoeda
Minutes of Meeting of Staff Loan Committee Held Friday, January 20, 1950 at 4:30 p.m., in Room 1005

1. There were present:
   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. D. Sommers
   Mr. L. E. Rist
   Mr. Henry Riley
   Mr. O.H. Folk, Secretary

   In attendance:
   Mr. R. H. Demuth
   General R.A. Wheeler
   Mr. E. G. Burland
   Mr. C. A. Schmidt
   Mr. S.W. Anderson
   Mr. E.W. Rembert
   Mr. S.P. Wheelock
   Mr. J. B. Knapp
   Mr. N. B. Parker

2. Brazil — Paulo Afonso Project

   The Committee considered SLC/0/170, Loan Director's Memorandum on the Paulo Afonso Project in Brazil dated January 17, 1950 and Loan 80, Technical Report on the Paulo Afonso Project dated January 18, 1950 and

   RECOMMENDED:

   that the Bank advise Cia Hidro Electrica do Sao Francisco that the Bank is willing to open discussions concerning the Paulo Afonso Project, including a review of arrangements for the sale of power and, if such discussions are satisfactory, to proceed with negotiations on the conditions set forth in SLC/0/170.

3. The meeting adjourned at 6:35 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. Crena de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R. H. Demuth
9. Mr. A.G. Hoar
10. Mr. C.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. Anderson
16. Mr. Rembert
17. Mr. Wheelock
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, January 26, 1950 at 10:00 a.m., in Room 1005

1. There were present:

   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. D. Summers
   Mr. L. B. Rist
   Mr. Henry Riley
   Mr. O. H. Folk, Secretary

In attendance:

   Mr. A.S.G. Hoar
   Mr. O.A. Schmidt
   Mr. J.B. Knapp
   Mr. P.N. Rosenstein-Rodan
   Mr. M.M. Rosen

2. Italy

   The Committee considered SLC/0/0/172, Proposed Terms of Reference for a Bank Mission to Italy, dated January 20, 1950, and

   AGREED

   to the Terms of Reference as presented.

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

Distribution:

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Summers
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.A. Schmidt
10. Mr. J.B. Knapp
12. Mr. E.G. Burland
13. Mr. 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 Meeting of Staff Loan Committee, Held Tuesday, January 24, 1950 at 2:30 p.m., in Room 1005

1. There were present:
   
   Mr. R. L. Garner
   Mr. W.A.B. Illiff
   Mr. L. B. Hist
   Mr. D. Crema de Iongh
   Mr. L. Bengston
   Mr. O. H. Folk, Secretary

   In attendance:
   
   Mr. A.S.G. Hoar
   Mr. O.A. Schmidt

2. Use of 10% Currency

   The Committee considered SLC/0/171, dated January 20, 1950 and the proposed memorandum from the President to the Financial Policy Committee of the Executive Directors, and

   AGREED:

   (a) to the proposed memorandum as amended, copy of which is attached;

   (b) that a further memorandum be prepared for circulation to the Executive Directors on the general question of the use by the Bank of the 10% capital subscriptions in its lending operations.

   (c) that Mr. Luxford be asked to prepare a statement on Section 3(d) Article IV of the Articles of Agreement.

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

Distribution

1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Illiff
4. Mr. D. Sommers
5. Mr. D. Crema de Iongh
6. Mr. L. B. Hist
7. Mr. L.B. Hist
8. Mr. R. H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. O.A. Schmidt
11. Mr. H. Folk
12. 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 Thursday, January 26, 1950 at 2:30 p.m., in Room 115

1. There were present:
   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. L. B. Rist
   Mr. Crena de Longh
   Mr. L. Cancio
   Mr. O. H. Folk, Secretary

   In attendance:
   Gen. R. A. Wheeler
   Mr. O. A. Schmidt
   Mr. S. W. Anderson
   Mr. D. W. Smyser
   Mr. W. Glastra
   Mr. E. Franco-Holquin
   Mr. J. B. Knapp
   Mr. D. L. Gordon
   Mr. J. Torfs
   Mr. L. Currie

2. Colombia

   The Committee considered SLC/0/173, Loan Director's Memorandum on IBRD Relations with Colombia, dated January 23, 1950 and

   CONCURRED:

   in the recommendations of the Loan Director that the Bank resume negotiations with respect to the La Isaula hydroelectric project and consideration of the Lebrija and Anchicaya hydroelectric projects, and

   RECOMMENDED:

   that consideration of the Container Corporation project and other projects be withheld pending the review of the over-all Colombian situation based on the Currie Mission report.

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. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
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
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Mr. S. W. Anderson
15. Mr. Lauchlin Currie
16. Mr. David Gordon
Minutes of Meetings of Staff Loan Committee Held Tuesday, January 17, 1950 at 2:30 p.m., Room 1005 and Friday, January 27, 1950 at 10:30 a.m., in Room 415

January 27, 1950 Meeting

1. There were present
   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. L. B. Rist
   Mr. A. Broches
   Mr. S. Aldewereld
   Mr. O. H. Folk, Secretary

   In attendance:
   Mr. R. H. Demuth
   General R. A. Wheeler
   Mr. O. A. Schmidt
   Mr. S. W. Anderson
   Mr. S. P. Wheelock
   Mr. J. B. Knapp
   Mr. J. Torfs

January 17, 1950 Meeting


   AGREED:

   (a) that Brazil's financial position at present is such that the Bank can proceed with consideration of the Paulo Alfonso Project and other high priority development projects up to possibly as much as $200 million, subject to a continuing review of Brazil's financial position;

   (b) that the conclusions of the mission concerning the priorities of Bank investment in Brazil be accepted;

   (c) that the proposed letter to the Government of Brazil, attached to the Report of the Mission, be reviewed by the Loan Director, the Economic Director and the Assistant to the Vice President in the light of the discussions of the Committee;

   (d) that, instead of establishing a field office in Brazil, a loan officer should be assigned exclusively to Brazilian loan operations who would be expected to spend sufficient time in Brazil to be fully conversant with the economic, financial and political developments in that country;
(e) that the President and the Vice President hold further discussions with high officials of the U.S. Government regarding EXIMbank operations in countries to which the Bank is prepared to lend, using Brazil as an example.

(f) that the Report of the Mission be circulated to the Executive Directors after having been revised to reflect primarily the observations of the mission while in Brazil, and without any reference to the figure of the possible future amount of Bank lending.

3. The January 17 meeting adjourned at 5:10 p.m. and the January 27 meeting adjourned at 11:45 a.m.

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Distribution

1. Mr. W.H. Black
2. Mr. R.L. Garnar
3. Mr. W.A.B. Illiff
4. Mr. D. Senners
5. Mr. D. Coman de Iongh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Demuth
9. Mr. A.S.G. Hear
10. Mr. O.A. Schmidt
12. Mr. E.G. Burrell
13. Mr. O.H. Folk
14. Files
15. Mr. S.W. Anderson
16. Mr. S.P. Wheeler
Minutes of Meeting of Staff Loan Committee Held on Thursday, February 2, 1950, in Room 1005, at 4:00 p.m.

1. There were present:

   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. D. Sommers
   Mr. D. Crena de Jongh
   Mr. J. B. Knapp
   Mr. G. H. Folk, Secretary

   Others in attendance:

   Mr. A. H. Demuth
   Mr. D. L. Gordon
   Mr. E. Lopez-Herrarte
   General R. A. Wheeler
   Mr. E. G. Burland
   Mr. S. Biddle
   Mr. A. Waterston
   Mr. G. de Fleurieu
   Mr. G. L. Martin

2. The Committee considered SLC/0/175, the Assistant to the Vice President's memorandum on the request for a survey mission by Guatemala dated January 31, 1950, and

   CONCURRED:

   in the recommendations of the Assistant to the Vice President.

3. The meeting adjourned at 4:55 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 at 10:30 a.m., Friday, February 3, 1950 in Room 1005

1. There were present:
   Mr. R. L. Garner
   Mr. W.A.B. Duff
   Mr. D. Sommers
   Mr. D. Crena de Iongh
   Mr. J. B. Knapp
   Mr. Harold Folk, Secretary

In attendance:
   Gen. R. A. Wheeler
   Mr. E. G. Burland
   Mr. S. W. Anderson
   Mr. D. W. Smyser
   Mr. Wiebe Glastra
   Mr. E. Franco-Holquin
   Mr. David Gordon
   Mr. A. Broches
   Mr. V. Harrama

2. Colombia - Anichicaya Project

   The Committee considered SLC/0/176, Loan Director's Memorandum on the Anichicayan Project dated January 31, 1950 and Loan 81, Report on Colombian Anichicaya Hydroelectric Project, dated January 31, 1950 and

   CONCURRED

   in the recommendations of the Loan Director, including an invitation to representatives of Central Hidroelectrica del Rio Anichicaya Ltda. to come to Washington at an early date to begin negotiations.

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

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Duff
4. Mr. D. Sommers
5. Mr. D. Crena de Iongh
6. Mr. L.B. Hist
7. Mr. L.B. Hist
8. Mr. R.H. Demuth
9. Mr. A.S.C. Hoar
10. Mr. C. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. Anderson
16. Mr. D.W. Smyser
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held 11:30 a.m., Friday, February 10, 1950, and subsequent informal meetings, in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. A.F. Luxford
Mr. D. Crena de Jongh
Mr. L.B. Rist
Mr. O.H. Folk, Secretary

Also in attendance:

Mr. R.H. Deemuth
Gen. R.A. Wheeler
Mr. C.V. Engert
Mr. E.G. Burland
Mr. O.A. Schmidt
Mr. F.D. Stephens
Mr. J.E. Knapp
Dr. W.S. Walk
Mr. J.H. Collier

2. Ethiopia

The Committee considered SLC/0/177, Loan Department Memorandum on Ethiopia dated February 8, 1950 and

RECOMMENDED:

that the Bank send a fact-finding mission to Ethiopia in response to their request and that the mission should consist of Messrs. Schmidt and Engert of the Loan Department, Walk and Collier of the Economic Department and M. de Fargues, Consulting Engineer to the Bank in connection with the Sayhan Dam project in Turkey and the Quena Project in Egypt, and Mr. Crawford, Head of the Development Division of the British Middle East Office.

Distribution

1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Schumers
5. Mr. D. Crena de Jongh
6. Mr. L.B. Rist
7. Mr. R.H. Deemuth
8. Mr. A.S.G. Hear
9. Mr. O.A. Schmidt
10. Mr. O.H. Folk
12. Mr. E.G. Burland
13. Mr. O.H. Folk
14. Files
15. Mr. F.D. Stephens
Minutes of Meeting of Staff Loan Committee Held 3:00 P.M., Monday, February 13, 1950, in Room 1005

1. There were present:

- Mr. R. L. Garner
- Mr. W. A. B. Iliff
- Mr. A. F. Luxford
- Mr. D. Crena de Iongh
- Mr. B. Knapp
- Mr. O. H. Folk, Secretary

In attendance:

- Mr. R. H. Demuth
- General R. A. Wheeler
- Mr. E. G. Burland
- Mr. O. A. Schmidt
- Mr. S. W. Anderson
- Mr. P. Craig-Martin
- Mr. V. Marrama
- Mr. Gerald Alter, U.S. Federal Reserve Board

2. Chile

The Committee considered SLC/0/178, Loan Director's Memorandum on Chile Dated February 9, 1950 and

AGREED:

(1) that the Loan Department prepare a letter setting forth the Bank's position with respect to Chile, including an expression of interest in the development of Chilean resources, concern regarding the size of Chile's indebtedness, a desire to continue discussions, and an indication that future Bank lending in Chile will be determined to a large extent by their ability to stabilize their economy; and

(2) pending a demonstration of progress in stabilizing Chile's economy, that the Bank make further examinations of select, high-priority projects which will benefit both the Chilean balance of payments position and the internal economy.

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

Distribution:

- Mr. E. R. Black
- Mr. R. L. Garner
- Mr. A. S. G. Hoar
- Mr. W. A. B. Iliff
- Mr. D. Crena de Iongh
- Mr. D. Sommers
- Mr. B. Knapp
- Mr. O. A. Schmidt
- Mr. L. B. Rist
- Gen. Wheeler
- Mr. R. H. Demuth

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held 10:15 a.m., Monday
February 20, 1950, in Room 1905

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Illiff
Mr. A. F. Luxford
Mr. H. W. Biley
Mr. L. B. Rist
Mr. O. H. Folk

Others in attendance:

Mr. E. H. Benson
Mr. A. S. G. Hear
Mr. E. G. Burland
Mr. O. A. Schmidt
Mr. J. B. Knapp

2. The Committee considered SLG/0/179, Loan Director's Memorandum on Bank policy on supplying non-dollar currencies to borrowers under dollar loans dated February 15, 1950, and SLG/0/180, memorandum from Sir Ernest Rowe-Button on loan repayments dated February 13, 1950, and

AGREED:

(1) that the Loan Director discuss orally with Sir Ernest Rowe-Button the reasons for the Bank following the practice of amortizing its loans over the life of the loan and

(2) that a paper be prepared for further consideration by the Committee on the pros and cons of the Bank making dollars available to the borrower when non-dollar currencies are received and that the paper also indicate the effect on the Bank's ability to obtain consent to the use of the 18% subscriptions.

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

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Illiff
4. Mr. D. Sommers
5. Mr. D. Grena de Jong
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. E. H. Benson
9. Mr. A. S. G. Hear
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Files
15. Mr. J. B. Knapp
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held at 2:30 p.m., Monday, February 27, 1950, in Room 1005

1. There were present:

   Mr. R. L. Garner
   Mr. A. F. Luxford
   Mr. L. B. Rist
   Mr. H. W. Riley
   Mr. O. H. Folk, Secretary

   In attendance

   Mr. R. H. Demuth
   Mr. S. W. Anderson
   Mr. S. P. Wheelock
   Mr. E. Wayne Reabert

2. Brazil - Paulo Afonso Project

   The Committee considered SLC/0/181, Loan Director's Memorandum on Brazil - Paulo Afonso Project, dated February 3, 1950 and

   AGREED:

   (1) that further consideration should be given to the wording of the consultation clause, and

   (2) that the representative of CHESF now in Washington (Colonel Berenhauser) not be given the draft guarantee agreement considered by the Committee and containing the consultation clause recommended by the Staff Committee formed to report on the consultation provisions of the Bank's agreements.

3. The meeting adjourned at 5:55 p.m.

Distribution:

1. Mr. E. R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
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. General R. A. Wheeler
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Files
15. Mr. S. W. Anderson
Minutes of Meeting of Staff Loan Committee Held 2:30 p.m., Thursday, March 2, 1950, in Room 1005

1. There were present:
   
   Mr. R. L. Garner  
   Mr. W.A.B. Iliff  
   Mr. A. F. Luxford  
   Mr. H.W. Riley  
   Mr. L. B. Rist  
   Mr. O.H. Folk, Secretary

2. In attendance:
   
   Mr. E. G. Burland  
   Mr. E. W. Rembert  
   Mr. C. H. Davies

3. The Committee considered SLC/0/182, Loan Director's Memorandum on Local Purchases under the Mexico Loan dated February 27, 1950 and

   CONCURRED:

   in the recommendations of the Loan Director, on the basis that the decision should be communicated to the Board at its next meeting.

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

Distribution

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

9. Mr. A. S. G. Hore  
10. Mr. O. A. Schmidt  
11. General R. A. Wheeler  
12. Mr. E. G. Burland  
13. Mr. O. H. Folk  
14. Files  
15. Mr. C. H. Davies  
16. Mr. J. B. Knapp
STAFF LOAN COMMITTEE

Minutes of Staff Loan Committee Held at 2:30 p.m. on Monday, March 6, 1950
in Room 1005.

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. F. Luxford
Mr. H. W. Riley
Mr. L. B. Rist
Mr. O. H. Folk, Secretary

Others in attendance:

Mr. A. S. G. Hoar
Mr. S. R. Cope
Mr. M. M. Rosen
Dr. H. W. Robinson

2. Denmark

The Committee considered SLC/0/183, the Loan Director's Memorandum dated February 27, 1950, and Loan 82 dated February 24, 1950, on the Second Loan Administration Report on the $40 million loan to the Kingdom of Denmark granted August 22, 1947 covering the period July 31, 1948 through December 31, 1949 and

CONCURRED:

in the Loan Director's recommendation that the Bank discuss with the Danish Government its plans for dealing with their balance of payments difficulties and the servicing of their indebtedness, and

RECOMMENDED

that after having been revised in accordance with the recommendations of the Loan Director and after the revised report has been cleared on questions of fact with the Financial Counsellor to the Danish Embassy, Loan 82 be circulated to the Executive Directors with a memorandum from the President pointing out that Denmark's situation is basically similar to that of other Western European Countries.

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

DISTRIBUTION

Mr. E. R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Sommers
Mr. D. Grena

Mr. L. B. Rist
Mr. R. H. Demuth
Mr. A. S. G. Hoar
Mr. O. A. Schmidt
Gen. R. A. Wheeler

Mr. E. G. Burland
Mr. C. H. Folk
Mr. S. R. Cope
Mr. J. B. Knapp
Files
Minutes of Meeting of Staff Loan Committee

Held 11:00 a.m., Wednesday, March 1, 1950, in Room 1005

1. There were present:
   
   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. A.F. Luxford
   Mr. H.W. Riley
   Mr. J.B. Knapp
   Mr. G.W. Folk

   Others in attendance:
   Mr. G.S. Mason
   Mr. A.J. Rosenthal
   Mr. Murray Ross

2. Turkey

   The Committee considered SLG/0/184, letter from Mr. Harold F. Johnson on
   the establishment of an industrial credit institute in Turkey, dated February 21,
   1950 and

   AGREED:

   that Mr. Johnson be encouraged to proceed with the establishment of
   the institute and that he be advised that the Bank is relying on his
   judgment and that of the Bank's legal counsel in Turkey to insure con-
   formity of the legal structure of the corporation to Turkish law and that
   he be advised of the specific suggestions of the committee concerning the
   statement of purposes of the corporation and the resolution to be
   adopted at the first meeting of the Board of Directors.

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

Distribution

1. Mr. E. H. 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. 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. O.H. Folk
14. Files
15. Mr. G.S. Mason
16. Mr. J.B. Knapp
Minutes of Meeting of Staff Loan Committee, Held Friday, March 3, 1950
at 10:30 a.m. in Room 1005

1. There were present:
   Mr. Eugene Black
   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. A.F. Luxford
   Mr. H.W. Riley
   Mr. L.B. Rist
   Mr. H. Folk

   In attendance:
   Mr. A.S.C. Hoar
   Mr. E.G. Burland
   Mr. J.B. Knapp

2. Exchange Risk of 18% Subscriptions on Loan.

   The Committee considered the question of the exchange risk in connection
   with loans made from 18% subscriptions, and

   AGREED:
   (1) that the Bank's Articles of Agreement should be interpreted to require
       the member country to bear the exchange risk on its 18% subscription
       while on loan, and
   (2) that a paper supporting this position, weighted on the practical side,
       be prepared for consideration by the Interpretations Committee and
       subsequently the Executive Directors.

3. The meeting adjourned at 12:00 noon.

Distribution
1. Mr. Black
2. Mr. Garner
3. Mr. Iliff
4. Mr. Rist
5. Mr. Sommers
6. Mr. Crena de Jongh
7. Mr. Demuth
8. Mr. Hoar
9. Mr. Schmidt
10. Gen. Wheeler
11. Mr. Burland
12. Mr. Folk
13. 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 11:30 a.m., Monday, March 6, 1950 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. A.F. Luxford
Mr. H.W. Riley
Mr. J.B. Knapp
Mr. O.H. Folk, Secretary

In attendance:

General R.A. Wheeler
Mr. E.C. Burland
Mr. O.S. Mason
Mr. A.J. Rosenthal
Mr. D. Gordon
Mr. M.H. Rosen
Mr. Wubnig

2. Turkey

The Committee considered SLC/0/126, Loan Director's Memorandum on Turkey dated March 2, 1950 and S-82, The Creditworthiness of Turkey, dated March 1, 1950 and

AGREED:

(1) that the financial position of Turkey, with the exercise of appropriate controls, is such as to warrant Bank lending up to $50 million; and

(2) that in principle the Bank should consider initial investments in Turkey for projects amounting to about $20 to $25 million and hold the remaining approximately $25 million in reserve, and

CONCLUDED:

in the Loan Director's recommendations that loan negotiations
be opened immediately for the financing of the grain storage facilities and port projects; that the Bank be prepared to make the loan for port projects in two tranches; and that consideration of the Seyhan Dam project be deferred for the time being.

3. The meeting adjourned at 1:40 p.m.

Distribution
1. Mr. H.L. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. B. Sommers
5. Mr. D. Greene de Longch
6. Mr. L. E. Bist
7. Mr. L. E. Bist
8. Mr. R. H. Decect
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee Held at 2:30 p.m. Thursday, March 9, 1950, Room 1005

1. There were present:
   - Mr. R. L. Garner
   - Mr. W. A. B. Illiff
   - Mr. A. F. Luxford
   - Mr. H. W. Riley
   - Mr. J. B. Knapp
   - Mr. O. H. Folk
   
   Others in attendance
   - Mr. A. S. G. Hoar
   - Mr. E. G. Burland
   - Mr. John Fenton
   - Mr. G. H. Davies
   - Mr. J. Fajans
   - Mr. H. M. Rosen
   - Mr. F. F. Craigmartin
   - Mr. V. Harrama

2. Ecuador
   The Committee considered SLC/0/185, Loan Director's Memorandum on Ecuador, dated March 1, 1950 and E-63, Recent Economic Developments in Ecuador, dated February 21, 1950 and
   CONCURRED:
   in the Loan Director's recommendations.

3. France:
   The Committee considered SLC/0/187, Loan Director's March 6 memorandum on the Bank's Loan to Credit National and
   CONCURRED:
   in the Loan Director's recommendations.

4. The meeting adjourned at 3:25 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. B. Crema de Longhi
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Penuth
9. Mr. A. S. G. Hoar
10. Mr. G. A. Schmidt
11. Gen. A. A. Wheeler
12. Mr. E. G. Burland
13. Mr. O. H. Folk 2 copies
14. Mr. J. Fenton
15. Mr. C. H. Davies
16. Mr. J. B. Knapp
17. Files
Minutes of the Meeting of the Staff Loan Committee held 2:30 p.m. Monday, March 13, 1950

1. Those present:
   Mr. E. R. Black
   Mr. W. A. B. Iliff
   Mr. D. Sommers
   Mr. D. Crena de Longh
   Mr. O. H. Folk

   In attendance:
   Mr. A. S. C. Hoar
   Mr. E. R. Burland
   Mr. S. R. Cope
   Mr. M. Rosen
   Dr. H. W. Robinson

2. The Committee considered SLC/0/188 Loan Director's March 9 memorandum on the loan of $12.5 million to the Bank of Finland, and

   CONCURRED:
   in the Loan Director's recommendations.

3. The meeting adjourned at 3:05 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. Crena de Longh
6. Mr. L. R. Rist
7. Mr. L. R. Rist
8. Mr. R. H. Demuth
9. Mr. A. S. C. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. J. B. Knapp
14. Mr. S. R. Cope
15. Mr. H. Folk
16. Files
Minutes of Meeting of Staff Loan Committee Held 2:30 p.m., Friday, March 17, 1950 in Room 1005

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

   Also in attendance:
   Mr. R. H. Demuth
   Mr. D. L. Gordon
   Mr. E. G. Burland
   Mr. F. A. Consolo
   Mr. C. H. Davies
   Mr. L. Cancio
   Mr. G. deFleurieu
   Mr. A. Waterston

2. Nicaragua
   The Committee considered Loan 84, Report of Visit of Bank Representatives to Nicaragua October 27 – November 6, 1949 and
   CONCURRED:
   in the recommendations contained in the report.

3. Mexico
   The Committee considered SLC/0/189, Loan Director's Memorandum on Mexlight: Local Purchases, dated March 16, 1950 and
   CONCURRED:
   in the recommendations of the Loan Director.

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

Distribution
1. Mr. E.R. Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Iongh
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
15. Mr. F.A. Consolo
16. Mr. C.H. Davies
Minutes of Meeting of Staff Loan Committee Held 10:30 a.m., Wednesday, March 22, 1950 in Room 1005

1. There were present:

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

Also in attendance

Mr. A. S. G. Hoar
Mr. E. G. Burland
Mr. O. A. Schmidt
Mr. A. F. Luxford

2. Supplying Non-Dollar Currencies Under Dollar Loans:

The Committee considered SLC/0/190, Loan Director's Memorandum on Bank policy on supplying non-dollar currency under dollar loans and

AGREED:

that a paper should be prepared for consideration by the Financial Policy Committee of the Board on the question of Bank policy with respect to supplying dollars under dollar loans for non-dollar purchases, concluding with the recommendation that since there are some instances in which the dollars should be made available to the borrower and others in which the dollars should be made available to the supplier, the Bank should maintain a flexible policy which will permit it to make dollars available to either the borrower or the supplier in accordance with the individual circumstances of each case.

3. The meeting adjourned at 12:40 p.m.

Distribution:

1. Mr. E. R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Iongh
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
12. Mr. E. G. Burland
13. Mr. O. H. Folk
14. Files
15. Mr. J. B. Knapp
Minutes of Meeting of Staff Loan Committee Held 10:00 a.m., Friday, March 31, 1950 in Room 1005

1. There were present:

   Mr. E. R. Black
   Mr. W.A.B. Iliff
   Mr. D. Sommers
   Mr. B. Crena de Iongh
   Mr. J. B. Knapp
   Mr. O. H. Folk, Secretary

   Also in attendance:

   Mr. N.M. Tucker
   Mr. A.S.G. Hoar
   Gen. R.A. Wheeler
   Mr. E.A. Beecroft
   Mr. A.D. Spottswood
   Mr. J. Fajans
   Mr. L. Butcher
   Mr. A. Basch
   Mr. M.M. Nosen
   Mr. W.M. Gilmartin
   Mr. W. Hill

2. The Netherlands - Herstelbank Loan

   The Committee considered SLC/0/192, the Loan Director's Memorandum of March 30, on the Herstelbank Loan granted July 6, 1949, and

   **CONCURRED:**

   in the recommendations of the Loan Director.

3. India - Bokaro Konar Project

   The Committee considered SLC/0/191, Loan Director's Memorandum on the Bokaro Konar Project dated March 29, 1950, and

   **CONCURRED:**

   in the recommendations of the Loan Director.
AGreed:

that the rate of interest for the proposed loan to the Government of India in connection with the Bokaro Konar Project should be 4%.

4. The meeting adjourned at 10:45 a.m.

Distribution

1. Mr. Eugene Black
2. Mr. R.E. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crana de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R. H. Demuth
9. Mr. A. E. G. Hear
10. Mr. G.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. Fajans
16. Mr. R.A. Beacroft
17. Mr. J.B. Knapp
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee Held 4:30 p.m., Tuesday, April 11, 1950 in Room 415

1. There were present:

   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. Crema de Longh
   Mr. A. F. Luxford
   Mr. J. B. Knapp
   Mr. P. Acheson, Acting Secretary

   In attendance:

   Mr. Harold Johnson
   Mr. Paul F. Foster
   Mr. G. S. Mason
   Mr. F. B. Stephens
   Mr. William Diamond
   Mr. D. Gordon
   Mr. Murray Ross

2. Turkey

   The Committee considered "Report on the Establishment of the Industrial Development Bank in Turkey" dated April 6, 1950 and

   AGREED:

   (a) That the recruitment of a foreign manager for the Industrial Bank is a matter of key importance and that International Bank assistance in this matter be given top priority;

   (b) That further study be given to:

      (1) the type of loan agreement under which the International Bank might lend to the Industrial Bank;

      (2) the method by which the Industrial Bank would make loans;

      (3) the problem of who should bear the exchange risks of Industrial Bank loans for the importation of goods;

   (c) That E.C.A.'s views with regard to making E.C.A. assistance available to private enterprise be explored, and the suggestion be made to E.C.A. to make technical assistance funds available to the Industrial Bank;
(d) That the Board of Directors of the Industrial Bank be advised of the desirability of lending its foreign exchange resources for the importation of goods and services rather than of equipment only.

3. The meeting adjourned at 6:10 p.m.

Distribution

1. Mr. Eugene Black 9. Mr. A.S.G. Hoar
2. Mr. H. L. Garner 10. Mr. O. A. Schmidt
4. Mr. E. Sommers 12. Mr. E. Boulding
5. Mr. D. Crean de Longh 13. Mr. H. Folk
6. Mr. L. R. Hirst 14. Files
7. Mr. L. R. Hirst 15. Mr. Mason
8. Mr. H. B. Demuth 16. Mr. Knapp
Minutes of Meeting of Staff Loan Committee held at 10:30 a.m., Friday, April 7, 1950 in Room 1005

1. There were present:
   - Mr. E. R. Black
   - Mr. D. Sommers
   - Mr. D. Crena de Jongh
   - Mr. J. Rucinski
   - Mr. J.B. Knapp
   - Mr. O. H. Folk, Secretary

   Also in attendance
   - Mr. R. H. Demuth
   - Gen. R. A. Wheeler
   - Mr. H.W. Riley
   - Mr. A.F. Luxford
   - Mr. W. J. Hull
   - Mr. W. Hull
   - Mr. P. Acheson

2. Iraq

   The Committee considered SLC/0/193, Loan Director's Memorandum on the Proposed Loan for the Wadi Tharthar Flood Control Project in Iraq, dated April 4, 1950, and

   CONCURRED:

   in the recommendation of the Loan Director that the commitment fee accrue from the earlier of (1) the effective date of the loan, or (2) a date four months after the date of signing the loan agreement, and

   AGREED:

   that the Bank negotiators should not volunteer the elimination of the negative pledge clause but, if the question of eliminating the negative pledge clause is raised by the Iraq negotiators, that the Bank negotiators agree to eliminate the negative pledge clause in return for a strengthening of the positive pledge.

3. The meeting adjourned at 11:10 a.m.
Minutes of Meeting of Staff Loan Committee Held at 12:30 p.m., Wednesday, April 19, 1950, in Room 1005

1. There were present:
   - Mr. R. L. Garner
   - Mr. W.A.B. Iliff
   - Mr. D. Sommers
   - Mr. D. Crena de Iongh
   - Mr. J. B. Knapp
   - Mr. P. Abheson, Acting Secretary

   In attendance:
   - Mr. R. H. Demuth
   - Gen. R. A. Wheeler
   - Mr. G.S. Mason
   - Dr. E. W. Rembert
   - Mr. A.J. Rosenthal
   - Mr. Martin M. Rosen

3. Turkey

   The Committee considered SLC/0/197, Loan Director's Memorandum on Turkey dated April 17, 1950, and Loan 86 Report on Seyhan River Multi-Purpose Project in Turkey, dated April 13, 1950, and

   RECOMMENDED:
   
   (a) That a written statement be sent to the Turkish Government to the effect that:

   (1) when the Seyhan Dam Project was first submitted to the Bank, its estimated costs were of modest proportions but had since increased greatly;

   (2) the Bank has indicated its willingness to give active consideration to financing other projects, the foreign exchange costs of which amount to about $25 million;

   (3) from both the Bank's and the Turkish Government's standpoint it would be a mistake for the Bank to make a commitment for a project which would involve such heavy costs in both foreign exchange and local currency before having benefit of the Barker Mission study;
(a) it was the suggestion of the Bank that the Turkish authorities might be well advised in any event to complete the necessary borings at the Dam site.

(b) That a copy of the Bank's statement to the Turkish Government be sent to the Head of the ECA Mission in Turkey.

(c) That conversations be held with ECA in Washington with regard to priorities of projects.

3. The meeting adjourned at 4:10 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 Longh
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
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. G. S. Mason
16. Mr. J. B. Knapp
Minutes of Meeting of Staff Loan Committee Held at 10:30 a.m., Wednesday, April 19, 1950, in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Crena de Longh
Mr. D. Sommers
Mr. J. B. Knapp
Mr. P. Acheson, Acting Secretary

In attendance:
Mr. R. H. Demuth
General R. A. Wheeler
Mr. F. A. Consolo
Mr. A. Waterston

2. Cuba

The Committee considered SLC/O/196, Memorandum on Technical Missions to Cuba, and

AGREED:

That present information from Price Waterhouse was not sufficient to permit the Bank to decide on the dispatch of a Mission to Cuba in June 1950.

RECOMMENDED:

That further talks be held with:
(a) Mr. Smith of Price Waterhouse concerning the preliminary report to be made to the Bank and terms of reference for the second stage of the financial investigation;
(b) Mr. Truslow, on a tentative basis, concerning terms of reference and composition of the proposed Mission.

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. Sommers
5. Mr. D. Crena de Longh
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
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. D. Gordon
16. Mr. J. B. Knapp
17. Mr. F. A. Consolo
Minutes of Meeting of Staff Loan Committee Held 2:30 p.m., Friday, April 28, 1950 in Room 1005

1. There were present:
   - Mr. R. L. Garner
   - Mr. W. A. B. Iliff
   - Mr. A. F. Luxford
   - Mr. D. Grena de Jongh
   - Mr. J. B. Knapp
   - Mr. Harold Folk, Secretary

   In attendance:
   - Mr. A. S. G. Hoar
   - Gen. R. A. Wheeler
   - Mr. E. W. Rembert
   - Mr. G. S. Mason
   - Mr. A. J. Rosenthal
   - Mr. L. Nurick
   - Mr. Murray Ross

2. Turkey

   The Committee considered SLC/0/199, Loan Director's Memorandum on Turkey dated 25 April 1950 and

   CONCURRED:

   in the Loan Director's recommendations except (1) that in connection with the proposal of local currency financing by the Turkish negotiators, the Bank inform them that the method of paying for part of the work by the issuance of Treasury bonds to contractors was not considered by the Bank to be a sound financial arrangement; (2) that the covenant by the Turkish Government regarding local currency financing should require only that the "borrower will provide the local currency required;" (3) that the phrase "by a pledge of gold" be eliminated from the recommendation contained in paragraph 9, and (4) that the phrase "provided that the property disposed of is replaced" be eliminated from the recommendation contained in paragraph 10, and

   AGREED:

   that the Bank should not require the borrower to bear the expense of a public sale of its bonds since the sale of the bonds was at the Bank's determination and for its advantage.
3. The meeting adjourned at 4:40 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. Crena de Longh |
| 6. | Mr. L.B. Rist |
| 7. | Mr. L.B. Rist |
| 8. | Mr. R.H. Demuth |
| 9. | Mr. A.G.G. Hoar |
| 10. | Mr. O.A. Schmidt |
| 12. | Mr. E.G. Burland |
| 13. | Mr. H. Folk |
| 14. | Files |
| 15. | Mr. G.S. Mason |
| 16. | Mr. J.B. Knapp |
STAFF LOAN COMMITTEE

(The 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 3:00 p.m., Monday, May 1, 1950 in Room 415

1. There were present:

Mr. R. L. Garner
Mr. W.A.B. Illiff
Mr. D. Crena de Longh
Mr. L.B. Rist
Mr. A.F. Luxford
Mr. O.H. Folk, Secretary

2. The Committee considered SLC/0/200, the proposed memorandum from the President to the Financial Policy Committee, and SLC/0/203, Memorandum from the Treasurer to the President concerning Bank Policy on Supplying Non-Dollar Currencies Under Dollar Loans, dated April 10, 1950 and

RECOMMENDED:

that the management not refer for consideration by the Financial Policy Committee at this time the question of supplying non-dollar currencies under dollar loans as previously contemplated inasmuch as (1) the members of the Committee are not in general agreement on this question and (2) no firm policy is being proposed; and

AGREED:

to postpone to a later meeting consideration of Bank policy with respect to liquidity and commitment charges.

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

Distribution
1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Illiff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
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
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J.B. Knapp
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 4:00 p.m., Tuesday, May 2, 1950 in Room 415

1. There were present:
   - Mr. K.L. Garner
   - Mr. W.A.B. Diff
   - Mr. A.F. Luxford
   - Mr. D. Crena de Longh
   - Mr. O.H. Folk, Secretary

   In attendance
   - Mr. R.H. Demuth
   - Mr. L. Murick
   - Dr. Currie

2. Colombia

   The Committee considered the Bank's position vis-a-vis the Fund with respect to the Currie Mission Report and
   
   AGREED:

   that Chapter XIV, The International Economic Position of Colombia, and Chapter XV, Foreign Trade and Exchange, should be included in the report and that the Bank in transmitting the report to the Colombian Government expresses no opinion on these two chapters since they pertain to a subject within the jurisdiction of the International Monetary Fund.

3. The Committee discussed the review by the Bank of the Currie Mission Report, and

   AGREED:

   that the senior staff of the Bank would review the chapter on conclusions and recommendations and would discuss with Dr. Currie questions of significance and the other chapters of the report would be reviewed by the appropriate department which would provide Dr. Currie with their comments.

4. The Committee adjourned at 5:20 p.m.

Distribution:
1. Mr. Eugene Black
2. Mr. R.H. Garner
3. Mr. W.A.B. Diff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
6. Mr. L.B. Rist
7. Mr. R.H. Demuth
8. Mr. J.B. Knapp
9. Mr. A.S.O. Hear
10. Mr. David Gordon
11. Mr. O.H. Folk
12. Dr. Currie
13. Files
Minutes of Meeting of Staff Loan Committee Held 9:15 a.m., Wednesday, May 3, 1950 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. A.F. Laxford
Mr. D. Crena de Lough
Mr. J.B. Knapp
Mr. O.H. Polk, Secretary

In attendance:

Mr. H. H. Demuth
Mr. G.S. Mason

2. Turkey

The Committee considered the objections of the Turkish negotiators to the negative pledge clause as applied to gold and their counter-proposal that:

(a) Turkey would accept the negative pledge clause with respect to pledges of gold to secure debts of more than one, and not more than ten, years duration;

(b) if Turkey pledged gold to secure a debt for a term of more than ten years, and if the interest rate was the same as or higher than the interest rate on the Bank's loan, the Bank would share ratably in the pledge; and

(c) however, if Turkey pledged gold to secure a debt for a term of more than ten years, and if the interest rate was lower than that on the Bank's loan, the Bank would have the option of either:

(i) modifying the interest rate and term of its loan to conform to Turkey's new debt, in which case the Bank would share ratably in the pledge of gold; or

(ii) retaining the interest rate and the term of its loan and foregoing any right to share ratably in the pledge of gold; and

AGREED:

(i) that the Bank should neither agree to the Turkish counter-proposal nor except gold completely from the negative pledge clause;
(ii) that further efforts should be made to induce the Turkish representatives to accept the Bank's proposals with respect to the application of the negative pledge clause to gold pointing out that it was a standard requirement that had been agreed to by previous borrowers;

(iii) that, if the Turkish representatives would not accept this, they be encouraged to discuss the matter further with their Government; and

(iv) that, if the Turkish Government should likewise be unwilling to accept this, the Bank should consider sending a representative to Turkey to explore the matter fully with them.

3. The purpose of the Regular SLC Meetings:

The Committee

AGREED:

that the regular meeting of the SLC to be held at 9:15 a.m., on Tuesday of each week should consider matters arising in connection with loan operations which were not of sufficient importance to warrant the call of a special meeting and those matters which have normally been discussed at the Department Head Staff Meetings.

4. The meeting adjourned at 10:30 a.m.

Distribution
1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crews de Xongh
6. Mr. L. B. Rist
7. Mr. R. H. Denuth
8. Mr. C. H. Folk
9. Mr. G. S. Mason
Minutes of Meeting of Staff Loan Committee held at 11:00 a.m., Thursday, May 4, 1950 in Room 1005

1. There were present:

   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. A.F. Luxford
   Mr. D. Crena de Iongh
   Mr. L.B. Rist
   Mr. O.H. Folk, Secretary

2. Uruguay

   The Committee considered SLC/0/207, Memorandum on Technical Assistance to Uruguay from the Assistant to the Vice President dated May 1, 1950 and part of Loan 87, Report of the Mission to Uruguay, dated April 21, 1950 pertaining to the Uruguayan request for technical assistance and

   AGREED:

   to the recommendations of the Assistant to the Vice President.

3. The meeting adjourned at 1:00 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. Crena de Iongh
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
12. Mr. E.G. Burland
13. Mr. O.H. Folk
14. Files
15. Mr. S.W. Anderson
16. Mr. J.B. Knapp
Minutes of Meeting of Staff Loan Committee Held 9:30 a.m., Wednesday, May 10, 1950 in Room 102h.

1. There were present:
   - Mr. R.L. Garner
   - Mr. W.A.B. Illiff
   - Mr. D. Sommers
   - Mr. D. Crena de Jongh
   - Mr. J.B. Knapp
   - Mr. H. Folk, Secretary

In attendance:
   - Mr. A.S.G. Hoar
   - Mr. A. Luxford
   - Mr. E. King
   - Mr. H.W. Riley
   - Mr. R. Cavanaugh

2. The Committee considered (a) SLC/0/210, Treasurer's April 19 Memorandum to the Vice President; (b) SLC/0/202, the General Counsel's April 4 Memorandum to the Vice President; (c) SLC/0/204 (Revised 2 May 1950), [Loan Director's Memorandum on Liquidity Policy and Commitment Charges dated May 2, 1950]; and (d) SLC/0/210, Treasurer's May 8 Memorandum, and

   RECOMMENDED:
   that the Bank's liquidity policy should provide for the maintenance of funds equivalent to the anticipated disbursements during the succeeding twelve months, and

   AGREED:
   that consideration of the Bank's policy on commitment charges would be continued at a subsequent meeting of the Committee on the basis of computations being made by the Treasurer.

3. The meeting adjourned at 11:30 a.m.
Minutes of Meeting of Staff Loan Committee held 3:00 p.m., Thursday, May 4, 1950 in Room 1005

1. There were present:
Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. D. Crena de Longh
Mr. A.F. Luxford
Mr. L.B. Rist
Mr. O.H. Folk, Secretary

In attendance:
Mr. A.S.G. Hoar
Gen. R.A. Wheeler
Mr. R.H. Demuth
Mr. E.A. Beecroft
Mr. S. Lipkowitz

2. Iraq
The Committee considered SLC/0/208, Loan Director's Memorandum on Iraq dated May 4, 1950 and

AGREED:

(1) that the Bank be prepared to increase the amount of the loan on the Wadi Thanthar Project to as much as $13.2 million and that the loan be made in the currency required to purchase the goods on the basis of international bids; and

(2) to the elimination of the negative pledge if the Bank succeeds in getting a satisfactory positive pledge.

3. The meeting adjourned at 4:05 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. Crena de Longh
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
12. Mr. R.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. Rucinski
16. Mr. J.B. Knapp
Minutes of Meeting of Staff Loan Committee Held 2:30 p.m., Friday, May 12, 1950 in Room 1005

1. There were present
   
   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. B. Soemers
   Mr. B. Crena de Iongh
   Mr. L.B. Rist
   Mr. O. N. Folk, Secretary

   In attendance:
   
   Mr. A.S.O. Hoar
   Mr. J. Rucinski
   Mr. E. Lopez-Herrarte

2. The Committee considered SLC/0/211, Loan Director's Memorandum on Proposed Financing of an International Opium Monopoly, dated May 10, 1950 and

   AGREED:
   
   that the IOM proposal merits further consideration and exploration, including discussions with leading pharmaceutical organizations which are large purchasers of opium.

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

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

Minutes of Meeting of Staff Loan Committee Held 10:00 a.m., Friday, May 12, 1950
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. I.B. Rist
Mr. Harold Folk, Secretary

In attendance:

Mr. E. Lopez-Herrarte
Mr. J.B. Knapp
Mr. S.P. Wheelock
Mr. A. Waterston

2. Cuba

The Committee considered Price Waterhouse's memorandum on their initial survey of the debt position of the Cuban Government as of February 28, 1950 which proposed (1) to review and test check the movement of certain transactions through some of the departments to see how the machinery works, (2) do the same for the Customs House on the collection of certain duties, (3) to further study the accounting controls to be put into the National Development Corporation since they are likely to be the borrower, (4) to review procedures now in effect and those that are contemplated for the collection of major taxes, (5) to determine the cash and securities in the Treasury and Customs House, (6) to confirm the funded debt, (7) to review data supporting the funded debt of the Government, and (8) to review the post-audit procedures carried out in certain of the departments, and

AGREED:

that Price Waterhouse should undertake a survey along the lines of their proposal with emphasis on (1) achieving an efficient and tight control of the Government's fiscal operations with little attention to the past except as it provides guidance for the future and (2) establishing separately the machinery for carrying out the functions of disbursement, audit and a tribunal for reviewing appeals on claims on the government.
3. The meeting adjourned at 11:20 a.m.

Distribution

1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Eliff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Demuth
9. Mr. A.S.O. Hoar
10. Mr. C.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. D. Gordon
16. Mr. F. Consolo
17. Mr. J.B. Knapp
Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Thursday, May 18, 1950, Room 1005.

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

   In attendance:
   - Dr. Currie
   - Mr. D. Gordon
   - Mr. S. W. Anderson
   - Mr. W. Glastra
   - Mr. E. Franco
   - Mr. J. B. Knapp
   - Mr. J. Torfs
   - Mr. H. W. Larsen
   - Mr. A. Broches
   - Mr. M. F. Verheyen

2. The Committee considered the method of handling the Currie Mission Report, and

   AGREED:
   (1) that in transmitting the report to the Colombian Government, the Bank should (a) indicate its desire that the ad hoc commission to be appointed to study the report commence deliberations immediately, (b) state that it has been the Bank's understanding that the report was to be published and that we should like to coordinate the release of our English edition with the release of their Spanish edition, agreeing to a reasonable delay in publication if they request, and (c) express the willingness of the Bank to assist in the implementation of the report; and

   (2) that the Committee continue its consideration of the content of the report at a subsequent meeting.

3. The meeting adjourned at 1:05 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. Crena de Lombe
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
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. B. Knapp
16. Mr. S. W. Anderson
Minutes of Meeting of Staff Loan Committee Held 9:30 a.m., on Wednesday, May 24, 1950, in Room 145

1. There were present:
   Mr. H.R. Black
   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. A.F. Luxford
   Mr. S. Aldeswereld
   Mr. L.B. Rist
   Mr. O.H. Folk, Secretary

   In attendance:
   Mr. R.H. Beemth
   Mr. A.S.G. Hoar
   Mr. J. Penton
   Mr. J.B. Knapp
   Mr. M.M. Rosen

2. Belgian Congo

   The Committee considered SLC/0/215, Loan Director's Memorandum on the Belgian Congo, dated 2 May 1950 and

   AGREED:

   that the Bank in principle is prepared to give consideration to the Belgian Congo proposal as contained in the May 5, 1950 letter from the Belgian Minister of Colonies to the President.

3. OEBC Report on International Investments

   The Committee considered SLC/0/216, Economic Director's Memorandum on the Bank Attitude on the International Investment Committee's Draft Report dated May 22, 1950, and

   AGREED:

   to the proposed brief for the purpose of discussions within the OEBC Committee on investments, after being amended in accordance with the suggestions of the Committee, and with the understanding that it will not be published without the permission of the Bank.

4. The Committee adjourned at 11:30 a.m.

Distribution
1. Mr. Eugene Black
2. Mr. L.B. Rist
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
6. Mr. L.B. Rist
7. Mr. R.L. Garner
8. Mr. R.H. Beemth
9. Mr. A.S.G. Hoar
10. Mr. O.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J.B. Knapp
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 3:00 p.m., on Wednesday, May 24, 1950, in Room 415

1. There were present

Mr. R. L. Garner
Mr. W.A.B. Illiff
Mr. L.B. Rist
Mr. A.F. Luxford
Mr. G.H. Folk, Secretary

In attendance:

Mr. R.H. Beauth
Mr. A.S.G. Hoar
Gen. R.A. Wheeler
Mr. E.G. Burland
Mr. S.W. Anderson
Mr. S.P. Wheelock

Mr. E. Wayne Rembert
Mr. J. Grauman
Mr. J.B. Knapp
Mr. S. Aldenwoerth
Mr. L.H. Bengston
Mr. N.B. Parker

2. Brazil - Proposed Paulo Afonso Loan

The Committee considered SLC/0/2114, Report and Recommendations of the President to the Executive Directors concerning the proposed loan to Companhia Hidro Elétrica do Sao Francisco, and

CONCURRED:

in the proposal to transmit the report to the Executive Directors, subject to the suggested amendments, the important ones of which were: (1) that the report contain a statement to the effect that while the project is self-liquidating and financially sound it was considered to be of top priority by the Government of Brazil and favorably considered by the Bank because of the future expansion and development potentialities of the area in which the project was located; (2) that the economic sections be redrafted; and (3) that the recommendation paragraph on page 17 of Loan 00-a be omitted, and

AGREED:

that the interest rate, including a 1% commission, would be 4 1/2% per annum.
3. Policy on lending to countries in default to external creditors.

The Committee considered SLQ/0/217, Loan Director's Memorandum on Bank Policy with respect to loans to countries in default to their external creditors, dated May 23, 1950 and

AGREED:

to the following statement of policy for internal working purposes:

The Bank's general position is that it will not be prepared to enter into a commitment for a loan to a member country, unless it is satisfied with the position taken by that country towards its external creditors.

While suspensions of payment may affect various classes of debt, the situation with which the Bank is most frequently confronted is that of default on privately held external bonds. The Bank's attitude towards such a situation will normally be that the Bank will not be prepared to enter into a Loan Agreement unless one of the following three conditions is satisfied:

(a) A settlement has been reached with the debtor which the recognized bondholders' representatives have agreed to recommend to the bondholders' acceptance.

(b) The Bank is persuaded that, notwithstanding the absence of a settlement, there is no reason for the creditors to consider the debtor's attitude unsatisfactory.

(c) The debtor has offered a settlement to the bondholders' representatives which, in the judgment of the Bank, has been unreasonably refused.

Where ratification of a debt settlement is necessary for its implementation, the effectiveness of any Loan Agreement into which the Bank might have entered would be contingent on ratification of the debt settlement.

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

Distribution

1. Mr. Eugene Black
2. Mr. R.L. Garver
3. Mr. W.A.B. Illiff
4. Mr. D. Summers
5. Mr. F. Crema de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Bemuth
9. Mr. A.S.C. Hoar
10. Mr. O.A. Schmidt
12. Mr. H.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. S.K. Anderson
16. Mr. J.B. Knapp
Minutes on Meeting of Staff Loan Committee held 3:00 p.m., Monday, May 29, 1950, in Room 1005

1. There were present:
   - Mr. W. A. B. Illiff
   - Mr. A. F. Luxford
   - Mr. D. G. da Iacongh
   - Mr. L. B. Rist
   - Mr. O. R. Folk, Secretary

   In attendance:
   - Mr. A. S. G. Hoar
   - Mr. R. H. Darmuth
   - Mr. E. G. Burland
   - Mr. R. Cavanagh

2. Liquidity and Commitment Charge Policy

   The Committee continued its discussion on Liquidity and Commitment Charge Policy and

   AGREED:

   that the additional computations should be made on the basis of maintaining an average cash balance of $100,000,000.

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

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Illiff
4. Mr. D. Soemers
5. Mr. D. G. da Iacongh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Darmuth
9. Mr. A. S. G. Hoar
10. Mr. G. G. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. E. Knapp
Minutes of Meeting of Staff Loan Committee Held 12:00 a.m., Thursday, May 25, 1950, in Room 1005

1. There were present:
   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. A. F. Luxford
   Mr. L. B. Rist
   Mr. H. Folk, Secretary

   In attendance
   Mr. R. H. Demuth
   Dr. Currie
   Mr. David Gordon
   Mr. S. W. Anderson
   Mr. E. Franco
   Mr. H. W. Larsen
   Mr. J. Torfs

2. Colombia - Currie Mission Report

   The Committee considered the contents of the Summary Report of the Report of the Currie Mission and

   AGREED:

   that consideration of the Report should be continued at a subsequent meeting.

3. The meeting adjourned at 11:10 a.m.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
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
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. B. Knapp
16. Mr. S. W. Anderson
17. Dr. L. Currie
Staff Loan Committee

Minutes on Meeting of Staff Loan Committee Held at 10:00 a.m., Friday, 26 May, 1950, Room 1005

1. There were present:
   - Mr. Eugene Black
   - Mr. R. L. Garner
   - Mr. W. A. B. Illiff
   - Mr. D. Sommers
   - Mr. B. Crena de Jongh
   - Mr. J. B. Knapp
   - Mr. H. Folk, Secretary

   In attendance:
   - Mr. R. H. Demuth
   - Mr. A. S. G. Hear
   - Gen. R. A. Wheeler
   - Mr. E. G. Burland
   - Mr. J. Rucinski
   - Mr. P. F. Foster
   - Mr. J. Penton
   - Mr. G. Burgess
   - Mr. M. Rosen
   - Mr. A. Stevenson

2. France - Loan Administration Report

The Committee considered SLC/0/212 and Loan 89, Loan Administration Report on the $250 million loan to the Credit National granted May 9, 1947 dated May 22, 1950, and

CONCURRED

In the recommendation of the Loan Director that Loan 89 be transmitted to the Executive Directors with the proposed memorandum from the President, after having been amended in accordance with the suggestions of the Committee, and after the Report had been cleared with the French authorities.

3. India - Agricultural Machinery Loan

The Committee considered SLC/0/218 Loan Director's Memorandum on the Indian Agricultural Machinery Loan dated May 24, 1950 and

CONCURRED

In the Loan Director's recommendations except that the Bank should propose to the Indian Government that they retain and delegate sufficient authority to a foreign expert to assure the successful operation of this project.

4. The Committee adjourned at 12:15 P.M.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Illiff
4. Mr. G. A. McNair
5. Mr. D. Crena de Jongh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Demuth
9. Mr. A. S. G. Hear
10. Mr. C. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. B. Knapp
16. Mr. J. Penton
17. Mr. Paul Foster
18. Mr. J. Rucinski
19. Mr. Burgess
Minutes of Meeting of Staff Loan Committee Held 3:00 p.m., Wednesday, May 31, 1950 and 11:00 a.m., Thursday, June 1, 1950 in Room 1005

1. There were present:
   Mr. R. L. Garner
   Mr. A. Crena de Longh
   Mr. D. Sommer
   Mr. J.B. Rist
   Mr. O.H. Folk, Secretary

   Also in attendance:
   Dr. L. Currie
   Mr. R. H. Demuth
   Mr. D. Gordon
   Mr. S. W. Anderson
   Mr. C. Flesher
   Mr. E. Franco
   Mr. D. W. Larsen
   Mr. J. Torfs

2. Colombia - Currie Mission Report

   The Committee considered the Summary Report of "Basis of a Development Program for Colombia", Report of the Mission headed by Dr. Lauchlin Currie under the sponsorship of the IBRD and

   AGREED:

   (1) to the Summary Report as written, after having been revised in accordance with the suggestions of the Committee, and

   (2) that the Chapter on Foreign Trade and Exchange should be re-written to more closely relate foreign trade and exchange to the development program.

3. The Committee adjourned at 6:30 p.m., May 31 and 1:10 p.m., on Thursday, June 1.
Minutes of Meeting of Staff Loan Committee Held 2:30 p.m., Monday, June 5, 1950, in Room 1005

1. There were present:
   - Mr. R.L. Garner
   - Mr. W.A.B. Iliff
   - Mr. A.F. Luxford
   - Mr. D. Crena de Longh
   - Mr. L.B. Rist
   - Mr. O.N. Folk, Secretary

   Also in attendance:
   - Mr. R.H. Demuth
   - Mr. David Gordon
   - Gen. R.A. Wheeler
   - Mr. S.W. Anderson
   - Mr. S.F. Wheeslock
   - Mr. J.L. Sandelin
   - Mr. G. de Stackelberg
   - Mr. A. Waterston
   - Mr. H.W. Larsen

2. Cuba

   The Committee considered SLC/0/219, the Assistant Vice President's Memorandum on the Economic Survey Mission to Cuba dated June 1, 1950 and

   AGREED:

   to the recommendations of the Assistant to the Vice President subject to a revision of the terms of reference in accordance with the suggestions of the Committee.

3. Chile

   The Committee considered SLC/0/220, Mr. Anderson's June 1, 1950 Memorandum and Attachments on the Proposed French Franc Loan for Agricultural Machinery and

   AGREED:

   that the Bank should advise Corporacion de Fomento de la Produccion that the Bank does not wish to proceed with this particular proposal, but is prepared to give consideration to future operations of this nature.

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. Crena de Longh
6. Mr. L.B. Rist
7. Mr. J.L. Sandelin
8. Mr. G. de Stackelberg
9. Mr. A. Waterston
10. Mr. H.W. Larsen
Minutes of Meeting of Staff Loan Committee held at 2:30 p.m., Wednesday, June 7, 1950 in Room 1005

1. There were present:
   - Mr. R.L. Garner
   - Mr. W.A.B. Iliff
   - Mr. D. Sommers
   - Mr. D. Orena de Longh
   - Mr. N.H. Rosen
   - Mr. C.H. Folk, Secretary

   In attendance:
   - Mr. A.S.G. Hoar
   - Mr. A.F. Luxford
   - Mr. H.W. Riley
   - Mr. S. Aldeswereld
   - Mr. R.W. Cavanaugh

2. The Committee considered the Bank's Liquidity and Commitment Charge Policy and

   AGREED:

   that a working party should be organized to study and recommend a
   formula for the computation of the commitment charge, after which
   the Committee should give further consideration to the Bank's
   liquidity and commitment charge policy.

3. The Committee adjourned at 12:10 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. Orena de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Beimuth
9. Mr. A.S.G. Hoar
10. Mr. O.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
Minutes of Special Meeting of the Staff Loan Committee Held 3:00 p.m., Friday, June 9, 1950 in Room 1005

1. There were present:

   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. A. F. Luxford
   Mr. D. Crena de Iongh
   Mr. L. B. Rist
   Mr. O. H. Folk, Secretary

   In attendance
   Gen. R. A. W. heater
   Mr. H. G. Burland
   Mr. E. A. Beacroft
   Mr. L. H. Bengston
   Dr. A. Basch
   Dr. W. G. Walk

2. Iraq

   The Committee considered the request of the Government of Iraq for a loan to finance the foreign exchange costs of the Wadi Tharthar Flood Control Project and

   CONCURRED:

   in the Loan Director's recommendation that

   (1) the commitment charge begin on the effective date or December 1, 1950, whichever is earlier;

   (2) the loan request be favorably recommended to the Executive Directors; and

   (3) a special meeting of the Board be called at 3:00 p.m., Wednesday, June 14, to consider this request.

3. The meeting adjourned at 4:30 p.m.
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 Meeting of Staff Loan Committee Held 10:00 a.m., Friday, June 16, 1950 in Room 1005

1. There were present:

   Mr. R. L. Garner
   Mr. W. A. B. Illiff
   Mr. D. Sommers
   Mr. D. Crean de Longh
   Mr. L. B. Rist
   Mr. O. H. Folk

   In attendance
   Mr. A. E. Hoar
   Mr. L. Doucet
   Mr. L. Hurick
   Mr. C. G. Parker

2. Poland

   The Committee considered SLC/O/222, Memorandum with respect to certain financial questions arising from Poland's withdrawal from membership with the Bank and

   CONSIDERED:

   in the draft memorandum attached to SLC/O/222 and the proposal that it be considered by an ad hoc committee of the Executive Directors to be appointed at the next Board meeting.

3. The Committee adjourned at 12:15 p.m.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Illiff
4. Mr. D. Sommers
5. Mr. D. Crean de Longh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. N. Denman
9. Mr. A. E. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. C. G. Parker
16. Mr. W. N. Mandels
Minutes of Meeting of Staff Loan Committee Held at 2:30 p.m., Monday, June 12, 1950 in Room 1005

1. There were present:

Mr. R. L. Garner  
Mr. W. A. E. Iliff  
Mr. D. Somers  
Mr. D. Grena de Iongh  
Mr. L. E. Rist  
Mr. O. H. Folk, Secretary

In attendance

Mr. R. H. Demuth  
Mr. E. King  
Mr. A. S. G. Hoar  
Mr. A. F. Luxford  
Mr. P. Rosenstein-Rodan  
Mr. M. M. Rosen

2. The Committee discussed SLC/0/223, May 29, 1950 Letter from Mr. W. S. Szyneczak, Member of the Board of Governors of the Federal Reserve System, preparatory to a meeting between representatives of the Bank and the Board of Governors of the Federal Reserve System.

3. The Meeting adjourned at 5:20 p.m.
Minutes of Meeting of Staff Loan Committee Held Monday, June 19, 1950 at 10:00 a.m., in Room 1005

1. There were present:

   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. A.F. Luxford
   Mr. D. Crena de Iongh
   Mr. L. E. Rist
   Mr. O.N. Folk, Secretary

   In attendance:

   Mr. A.S.C. Hoar
   Mr. E.G. Burland
   Mr. S.W. Anderson
   Mr. E. Franco
   Mr. S. Lipkowitz
   Mr. P. Pajunen

2. Mexico

   The Committee considered E 86, Report on Mexico's Creditworthiness dated May 22, 1950 and

   CONCURRED:

   in the Economic Director's conclusions as to the creditworthiness of Mexico, and

   RECOMMENDED:

   that the Bank take a positive approach with respect to Eximbank lending by informing the U.S. Government of the approximate amount of the additional credit that the Bank would be willing to extend to Mexico but that the magnitude of the Bank's operations will be commensurately diminished by the extent to which Eximbank remains in the field.

3. The meeting adjourned at 12:35 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. Crena de Iongh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R. H. Demuth
9. Mr. A.S.C. Hoar
10. Mr. O.A. Schmidt
12. Mr. E.G. Burland
13. Mr. Harold Folk
14. Files
15. Mr. S.W. Anderson
16. Mr. F.A. Consolo
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 2:30 p.m., Tuesday, June 27, 1950 in Room 1095

1. There were present:
   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. D. Somers
   Mr. D. Orena de Iongh
   Mr. L. B. Rist
   Mr. O. H. Folk, Secretary

   In attendance
   Mr. G. A. Schmidt
   Mr. Paul Foster
   Mr. H. W. Robinson
   Mr. H. Paterson

2. Finland - Loan Administration Report

   The Committee considered SLO/0/225, Loan Director's Memorandum on the Loan Administration Report on the Bank's Loans to Finland, dated June 15, 1950 and

   CONCLUDED:

   in the Loan Director's recommendations.

3. The Committee recommended that, as a matter of general procedure, a copy of each Loan Administration Report, after having been considered by the Board of Directors, should be transmitted formally to the Member Government concerned, under cover of a letter from the President, which would contain such expressions of view and such recommendations as the Bank thought appropriate in the particular case.

4. The Committee adjourned at 3:10 p.m.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Somers
5. Mr. D. Orena de Iongh
6. Mr. L. B. Rist
7. Mr. H. R. Rist
8. Mr. R. H. Demuth
9. Mr. A. S. G. Hoar
10. Mr. G. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. Paul Foster
16. Mr. S. H. Copeland
Minutes of Meeting of Staff Loan Committee held 10:30 a.m., Thursday, June 22, 1950 in Room 1005

1. There were present:
   Mr. R.L. Garner
   Mr. W.A.E. Diff
   Mr. A. F. Luxford
   Mr. D. Crena de Longh
   Mr. L. B. Rist
   Mr. O.H. Folk, Secretary

   In attendance
   Mr. A.S.G. Hoar
   Mr. E. G. Burland
   Gen. R.A. Wheeler
   Mr. R. H. Demuth

2. Honduras

   The Committee considered SLC/O/226, the Assistant to the Vice President's Memorandum on Technical Assistance for Honduras dated June 12, 1950 and

   AGREED:

   that Mr. Consolo should visit Honduras early in July to discuss with the Government their request for technical assistance and indicate (1) the Bank's willingness to send a staff engineer to review the power situation and (2) the Bank's willingness to consider their request for a transportation survey after receiving additional information.

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

Distribution
1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.E. Diff
4. Mr. D. Crena de Longh
5. Mr. D. Sommers
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
12. Mr. E. Burland
13. Mr. O.H. Folk
14. Files
15. Mr. S.W. Anderson
16. Mr. G. Burgess
17. Mr. J. Rucinski
Minutes of Meeting of Staff Loan Committee, Held 10:30 a.m., Thursday, July 6, 1950 in Room 1005

2. Thailand

The Committee considered:

a. Loan 95, Report on the Mission to Thailand and Recommendations for Action dated June 29, 1950;


e. Loan 98, Technical Report on the Chainat Hydro-electric Project in Thailand dated June 30, 1950; and

f. E 89, Economic Report on Thailand; and

CONCURRED:

in the Recommendations contained in Loan 95 with the exception that the Bank should be prepared to lend Thailand up to $20 million for the foreign exchange costs of the four projects if the Government could justify its inability to participate in financing these foreign exchange costs to the extent of $5 million, and
AGREED:

(1) that while it would not agree itself to pay for technical assistance needed in connection with the projects, the Bank would be prepared to include the costs of such assistance in the amount of its loan; and

(2) that while it would not require the imposition of water rates as a condition of a loan, the Bank should strongly urge the adoption by the Government of a policy of making the Irrigation Project a revenue producer, and

RECOMMENDED:

(1) that it be reported to the Board at the July 11 Meeting that the Bank is prepared to open negotiations for a loan for these projects;

(2) that the four Technical Reports and the Economic Report should be circulated to the Board;

(3) that the State Department and ECA should be informed as soon as possible of the Bank's intentions.

3. Uruguay

The Loan Director reported on the status of the UTE loan negotiations. The Committee concurred in the Loan Director's recommendation that the Board be informed of the situation.

4. The meeting adjourned at 1:05 p.m.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. C. A. McLein
5. Mr. D. Crena de Longh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Demuth
9. Mr. O. A. Schmidt
10. Mr. A. S. G. Boar
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. Bucinski
16. Mr. G. Burgess
17. Mr. G. deBeaufort
18. Mr. E. Franco
Minutes of Meeting of Staff Loan Committee Held 2:30 p.m., Monday, July 10, 1950
in Room 1005

1. There were present:
   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. D. Crena de Jongh
   Mr. A. F. Luxford
   Mr. L. B. Rist
   Mr. O. H. Folk, Secretary

   In attendance:
   Mr. A. S. G. Hoar
   Mr. J. Racinski
   Mr. G. Burgess
   Mr. A. Rasch
   Mr. M. M. Rosen

2. India

   The Committee considered Loan 92, Report on the Mission to India and
   Recommendations for Action, dated June 16, 1950 and E-92, Review of
   Recent Economic and Financial Developments in India dated June 24, 1950 and

   AGREED

   that further Bank financing in India should await developments re-
   lating to relationships with Pakistan and other major problems.

3. The meeting adjourned at 4:00 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. Crena de Jongh
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
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. G. Burgess
16. Mr. J. Racinski
Minutes of Meeting of Staff Loan Committee Held Monday, 26 June 1950 at 2:15 p.m., in Room 1005

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

   In attendance:
   - Mr. A. S. G. Hoar
   - Mr. J. Rucinski
   - Mr. E. G. Burland
   - Mr. R. H. Demuth

2. Turkey

   The Committee considered SL6/0/228, Loan Director's Memorandum on Turkey dated June 26, 1950 and

   CONCURRED:

   in the Loan Director's recommendations.

3. The meeting adjourned at 2:25 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. Crena de Longh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Demuth

9. Mr. A. S. G. Hoar
10. Mr. G. A. Schmidt
12. Mr. E. G. Burland
13. Mr. D. Folk
14. Files
15. Mr. Diamond
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 2:30 p.m., Wednesday, June 28, 1950 in Room 1005.

1. There were present:
   Mr. W.A.B. Illiff
   Mr. D. Cranis Ha Longh
   Mr. A. F. Luxford
   Mr. R. W. Larsen
   Mr. O. H. Folk, Secretary

   In attendance:
   Gen. R. A. Wheeler
   Dr. E. W. Rembert
   Mr. E. W. Anderson
   Mr. G. de Stoppenberg
   Mr. C. Flasher

2. Colombia - Lebrija Project

   The Committee considered SLG/0/227, Loan Director's memorandum on the Lebrija Project in Colombia dated June 23, 1950 and Loan 94, Technical Report on the Lebrija Hydroelectric Project in Colombia dated June 23, 1950 and

   CONCLUDED:

   in the recommendations of the Loan Director.

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

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Illiff
4. Mr. D. Stoppenberg
5. Mr. D. Cranis Ha Longh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Desmuth
9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. W. Barland
13. Mr. H. Folk
14. Files
15. Mr. S. W. Anderson
16. Mr. W. Glastra
Minutes of Meeting of Staff Loan Committee Held 9:30 a.m., Friday, June 30, 1950 in Room 1005

1. There were present:
   Mr. Eugene Black
   Mr. W. A. B. Iliff
   Mr. A. F. Luxford
   Mr. H. Riley
   Mr. L. B. Rist
   Mr. F. Acheson, Acting Secretary

   In Attendance
   Gen. R. A. Wheeler
   Mr. E. G. Burland
   Mr. E. W. Rembert
   Mr. J. Rucinski
   Mr. Wm. Diamond
   Mr. H. M. Rosen
   Mr. H. W. Robinson

2. Turkey

   The Committee considered SLC/0/229, Loan Director's Memorandum on Turkey dated June 29, 1950 and

   CONCURRED:
   in the proposal to transmit the President's Report to the Executive Directors; and

   AGreed:
   that, if necessary for purposes of ratification, the 90-day effective date period (Grain Storage Project) might be extended to 180 days, but, nevertheless, commitment charge would accrue from 90 days after expiration, or the effective date, whichever was earlier.

3. The Committee adjourned at 9:57 a.m.

DISTRIBUTION
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. B. Somers
5. Mr. B. Crema de Iongh
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
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. Rucinski
16. Mr. Wm. Diamond
Minutes of Meeting of Staff Loan Committee, Held 3:00 p.m., Thursday, July 13, 1950
in Room 1005

1. There were present:

   Mr. R. E. Garner
   Mr. W. A. B. Illiff
   Mr. L. E. Rist
   Mr. D. Sommers
   Mr. H. W. Riley
   Mr. C. H. Folk, Secretary

In Attendance:

   Mr. A. H. Denath
   Mr. C. A. Schmidt
   Mr. F. A. Consolo
   Mr. F. Foster
   Mr. C. deStackelberg
   Mr. J. Fajans
   Mr. L. Caneio
   Mr. A. Stevenson
   Mr. A. Waterston

2. Belgium and Luxembourg Loan Administration Reports

   The Committee considered Loan 96, Loan Administration Report on the $16,000,000
   Loan to the Kingdom of Belgium, granted March 1, 1949, and Loan 97, Loan Administra-
   tion Report on the $12,000,000 Loan to the Grand Duchy of Luxembourg, granted
   August 28, 1947, and

   AGREED

   to the reports and to their circulation to the Executive Directors
   after having been cleared with the Member Governments concerned.

3. Mr. Consolo reported that

   (1) the Mexicans are opposed to the establishment of a separate Industrial
       Development Bank since they consider present machinery adequate and the
       Deputy Director of the Banco de Mexico suggests the alternative of
       forming a consortium of the 5 leading commercial banks, Nacional
       Financiera and the Central Bank to screen and guarantee the projects;

   (2) Mr. Nesbitt requested the Bank to discuss informally with the
       Mexican Government its hope that the labor contract with Mexlight
       would be on fair terms;
the Bank's mission to Guatemala had been well received, Guatemala was interested in Mr. Tucker's work in El Salvador, and in response to their inquiry regarding obtaining Mr. Tucker’s services in Guatemala he suggested they discuss the matter with Mr. Black in Paris in September; and

the Honduran Government had no clear idea as to what technical assistance was desired but that Mr. Narrama would bring with him on his visit to the Bank next month a letter from the Government setting forth more clearly the assistance they desire. The Committee

AGREED

(1) in general to the suggestion of consortium put forth by the Deputy Director of the Banco de Mexico and recommended that a working party prepare a paper setting forth the proposal and the Bank’s views;

(2) that Mr. Console, en route to Guatemala, should express the Bank’s views to the Mexican officials; and

(3) that Mr. Console would discuss with Mexican officials the Bank’s concern about the effect of the strike settlement on the cash position of Mexlight and the repercussions on the construction of the Bank financed project.

4. Bolivia

The Committee considered SLG/0/233, Loan Director’s Memorandum on Bolivia dated July 11, 1950 and

CONCURRED

in the recommendations of the Loan Director.

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

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Illiff
4. Mr. D. Sommers
5. Mr. D. Cerna de Longh
6. Mr. L. B. Hirst
7. Mr. L. B. Hirst
8. Mr. R. H. DeMuth
9. Mr. A. S. G. Roar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
15. Mr. Paul Foster
16. Mr. S. W. Anderson
17. Mr. F. A. Console
18. Mr. C. deStackelberg
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 Monday, July 17, 1950 at 3:00 p.m.
in Room 1005

1. There were present:
   Mr. Eugene R. Black
   Mr. R. L. Garner
   Mr. W. A. B. Cliff
   Mr. D. Somers
   Mr. D. Crena de Jongh
   Mr. L. E. Rist
   Mr. O. H. Folk, Secretary

   In attendance:
   Mr. R. H. Demuth
   Gen. R. A. Wheeler
   Mr. O. A. Schmidt
   Mr. F. D. Stephens
   Mr. R. A. Beecroft
   Mr. W. C. Walk
   Mr. J. H. Collier
   Mr. L. H. Bengston
   Mr. A. M. Saitzoff
   Mr. J. R. DeFargues

2. The Committee considered (a) Loan 100, Report on Mission to Ethiopia and Recommendations for Action dated July 13, 1950; (b) E-94, Ethiopia's Creditworthiness dated July, 1950; and (c) Loan 102, Technical Report on the Road Rehabilitation Project in Ethiopia dated July 13, 1950; and

   CONCLUDED

   in the Mission's recommendations; and

   AGREED

   (1) that the Bank should approach I T & T to ascertain whether they would consider acquiring an equity interest in the Ethiopia telecommunications system; and

   (2) that a memorandum from the President on the proposals for Bank action in Ethiopia should go to the Executive Directors this week, accompanied by E-94 and Loan 102.

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

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Cliff
4. Mr. D. Sommers
5. Mr. D. Crena de Jongh
6. Mr. L. E. Rist
7. Mr. R. A. Schmidt
8. Mr. R. H. Demuth
9. Mr. A. S. G. Hore
10. Mr. O. H. Folk
11. Mr. L. H. Bengston
12. Mr. A. M. Saitzoff
14. Mr. J. R. DeFargues
15. Mr. J. H. Collier
16. Mr. W. C. Walk
17. Mr. F. D. Stephens
18. Mr. R. A. Beecroft
19. Mr. O. H. Folk
20. Mr. O. A. Schmidt
21. Mr. L. E. Rist
22. Mr. D. Sommers
23. Mr. D. Crena de Jongh
24. Mr. W. A. B. Cliff
25. Mr. R. L. Garner
26. Mr. Eugene R. Black
27. Files
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held Monday, July 17, 1950 at 3:00 p.m. in Room 1005

1. There were present:

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

In attendance

Mr. R.H. Demuth       Mr. W.G. Welk
Gen. R.A. Wheeler     Mr. J.H. Collier
Mr. O.A. Schmidt      Mr. L.H. Bengston
Mr. F.D. Stephens     Mr. A.H. Spitzoff
Mr. E.A. Beecroft     Mr. J. R. DeFargues

2. The Committee considered (a) Loan 100, Report on Mission to Ethiopia and Recommendations for Action dated July 13, 1950; (b) E-9h, Ethiopia's Creditworthiness dated July, 1950; and (c) Loan 102, Technical Report on the Road Rehabilitation Project in Ethiopia dated July 13, 1950; and

CONCURRED:
in the Mission's recommendations; and

AGREED:

(1) that the Bank should approach I T & T to ascertain whether they would consider financing the supply of telecommunications equipment and its installation in Ethiopia; and

(2) that a memorandum from the President on the proposals for Bank action in Ethiopia should go to the Executive Directors this week, accompanied by E-9h and Loan 102.

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

Distribution

1. Mr. Eugene Black    9. Mr. A. S. C. Hoar
2. Mr. R. L. Garner    10. Mr. O.A. Schmidt
4. Mr. D. Sommers     12. Mr. E.G. Burland
5. Mr. D. Crena de Longh  13. Mr. H. Folk
6. Mr. L.B. Rist      14. Files
7. Mr. O.H. Folk       15. Mr. Beecroft
8. Mr. R.H. Demuth
Minutes of Meeting of Staff Loan Committee Held at 10:00 a.m., Wednesday, July 19, 1950 in Room 1005

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

   In attendance:
   - Mr. R. H. Demuth
   - Mr. P. N. Rodan
   - Mr. J. H. Addler
   - Mr. H. N. Graves
   - Mr. A. Broches
   - Mr. B. B. King

2. The Committee discussed:
   (1) A Reply to Mr. Gordon Gray’s July 10 letter;
   (2) The President’s Speech at the Governors’ Conference;
   (3) Western European Development Bank; and
   (4) SLC/0/231, General Counsel’s July 12 Memorandum advocating that the Bank should be prepared, in appropriate cases, to inform a member government of the approximate amount of credit which the Bank would be willing to extend to it.

3. As regards Item (4) above, the Committee expressed itself as agreeing in principle with the General Counsel’s proposal, and asked the Loan Director to set up a Working Party to examine the proposal in detail and to make recommendations as to the technique of putting it into effect.

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

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Jongh
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
12. Mr. E. G. Burland
13. Mr. H. Folk
14. Files
Minutes of Meeting of Staff Loan Committee Held 10:30 a.m., Thursday, July 20, 1950 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. B. Rist
Mr. O. H. Folk, Secretary

In attendance

Mr. S. Aldeweerd
Mr. R. W. Cavanaugh

2. The Committee considered SLC/O/235, Loan Director's Memorandum on Commitment Charge Policy dated July 17, 1950 and

RECOMMENDED

(1) that the commitment charge rate be changed to a flat rate of 3/4 of 1% per annum;

(2) that the General Counsel and the Treasurer should draft a provision to be included in future loan agreements to the effect that the borrower must draw promptly on the loan at the time that goods provided under the loan agreement are shipped in order for them to be eligible for Bank financing; and

(3) that the offer of the lower commitment charge be made to the borrowers of currently undisbursed loans on condition of their accepting an amendment to their loan agreement to include the provision referred to in (2) above.

3. The Committee adjourned at 12:10 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 10:00 a.m., Friday, July 2, 1950
in Room 1005

1. There were present:
   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. D. Crena de Longh
   Mr. D. Sommers
   Mr. L.B. Kist
   Mr. C.H. Folk, Secretary

   In attendance
   Gen. R.A. Wheeler
   Mr. W. Diamond
   Mr. C. Burgess
   Miss H. Wolfson
   Mr. S.P. Wheelock
   Mr. W. Hull
   Mr. F.D. Stephens
   Mr. H. N. Graves
   Mr. D. de Stackelberg
   Mr. J. Torfs
   Mr. G.L. Sandelin
   Dr. H.W. Robinson
   Mr. A.D. Spottswood

2. Uruguay
   The Committee considered SLG/0/238, Loan Director's Memorandum on UTE: Electric Power and Telephone Projects, dated July 24, 1950, and

   AGREED:
   to the Loan Director's recommendation that the Technical Report on the UTE Project (loan 101) be circulated to the Executive Directors.

3. Turkey
   The Committee considered SLG/0/239, Loan Director's Memorandum on the Turkish Development Bank dated July 24, 1950 and

   AGREED:
   (1) to a single contract for the $9 million credit;
   (2) that individual projects would be put to IBRD for approval within the $9 million credit contract rather than requiring IBRD to notify the IBRD 90 days prior to withdrawals by requesting a firm commitment for an amount equal to or greater than an agreed minimum;
   (3) that there would be no commitment charge against the $9 million credit but the usual commitment charge would apply with respect to each individual project loan;
(4) that the Bank would be prepared to consider individual projects involving foreign exchange costs of a reasonable minimum amount, say $25,000 to $50,000;

(5) an interest rate would be set in the $9 million credit contract with a provision to the effect that it would be applicable to each of the individual loans under the contract and would be subject to review at any time upon the request of either the Bank or the borrower on the basis of major changes in the money market in the country of the currency being borrowed;

(6) that there be included in the $9 million credit contract a provision to the effect that IDB may submit projects for financing up to three years from the effective date of the agreement, such period to be extended by mutual agreement;

(7) that the working fund provided IDB in foreign exchange would be limited to the amount needed for salaries of foreign personnel and such other incidental expenses as may be justified and would not be used to finance projects;

(8) the loan contract with IDB would require the right of IBRD approval of all projects financed by IDB; and

(9) that IDB should not bear the exchange risks and that we should begin negotiations by taking the position that we assume the exchange risks will be borne by the Turkish Government; and

REAFFIRMED:

its decision on the miscellaneous items set forth in Paragraph 7 of SLG/0/239 except Paragraph 7(c) which the Committee agreed should be amended to provide that all standard covenants with regard to inspection and supervision would not be required with respect to IBRD clients.

4. Brasil

The Committee considered SLG/0/237, Loan Director’s Memorandum on Increasing the Brazilian Traction Loan to $90 million dated July 21, 1950, and

AGREED:

that Brazilian Traction should be informed (1) that they should first approach the Brazilian Government, and (2) that the General Counsel has reservations as to whether existing legislation is sufficient authority to permit the Brazilian Government to guarantee the additional amount proposed.

5. The meeting adjourned at 1:00 p.m.

Distribution

| 2. Mr. R.L. Garner | 12. Mr. K.G. Durand |
| 3. Mr. W.A.B. Iliff | 13. Mr. H. Folk |
| 4. Mr. D. Sorensen | 11. Files |
| 5. Mr. D. Crena de Longh | 15. Mr. J. Racinski |
| 6. Mr. L.B. Rist | 16. Mr. S.W. Anderson |
| 7. Mr. L.B. Rist | 17. Mr. G. Burgess |
| 8. Mr. N. H. Dethur | 18. Mr. S.P. Wheeler |
| 10. Mr. C.R. Schmidt | 19. Mr. C. de Stackelberg |
Minutes of Meeting of Staff Loan Committee held 3:30 p.m., Monday, July 31, 1950
in Room 1008

1. There were present:
   Mr. R. L. Garner
   Mr. W. A. B. Illiff
   Mr. D. Crema de Jongh
   Mr. L. E. Rist
   Mr. C. H. Folk, Secretary

In attendance
   Gen. R. A. Wheeler
   Mr. F. B. Stephens
   Mr. L. Svoboda
   Mr. A. Saitschaff
   Mr. G. Flasher
   Mr. Ellsworth Clark
   Mr. H. S. Graves
   Mr. F. G. Bochenaki
   Mr. French

2. Iran


CONSIDERED

in the recommendations of the Mission, and

AGREED

that the Bank should ascertain the extent of proposed U.S. Government Loans to Iran.

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

Distribution
  1. Mr. E. R. Black
  2. Mr. R. L. Garner
  3. Mr. W. A. B. Illiff
  4. Mr. D. Crema de Jongh
  5. Mr. L. E. Rist
  6. Mr. C. H. Folk
  7. Mr. L. E. Rist
  8. Mr. R. H. Desaint
  9. Mr. A. S. O. Bear
  10. Mr. O. A. Schmidt
  12. Mr. E. G. Burland
  13. Mr. C. H. Folk
  14. Files
  15. Mr. J. Rusinski
  16. Mr. F. B. Stephens
  17. Mr. H. S. Graves
Minutes of Meeting of Staff Loan Committee Held 10:00 a.m., Wednesday, August 9, 1950 in Room 102b

1. **There were present:**
   - Mr. E. R. Black
   - Mr. H. L. Garner
   - Mr. W. A. B. Iliff
   - Mr. D. Somers
   - Mr. D. Crena de Iongh
   - Mr. O. E. Folk, Secretary

   **In attendance:**
   - Mr. R. H. Demuth
   - Gen. R. A. Wheeler
   - Mr. S. E. Cope
   - Mr. J. B. Knapp
   - Mr. A. Croches
   - Mr. A. Stevenson
   - Mr. R. W. Robinson

2. **Australia**

   The Committee considered an oral presentation on discussions with the Australian Delegation, and

   AGREED:

   (1) that a paper should be circulated to the Executive Directors for consideration at their meeting on August 15, 1950 setting forth the results of discussions between the Bank and the Australian Delegation and indicating

   (a) that the Bank is prepared to commence negotiations forthwith for a loan of $50 million to the Commonwealth of Australia to cover the dollar cost of goods in specified categories needed for Australian Development, repayment to be made on the basis of the maximum life of 20 to 25 years; and

   (b) the Bank to send representatives to Australia in the fall of this year to

   (i) examine Australia's development plans in more detail,
(ii) endeavor to formulate a basis for a second loan to be made possibly early in 1951; and

(iii) consider the nature and extent of the assurances which the Bank might see fit to give regarding its attitude to the further financing of Australian development over the next five years; and

(2) that prior to the circulation of this paper, however, Mr. Black should discuss with the Australian Delegation, and if necessary the Prime Minister, the amount of the loan.

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

Distribution

1. Mr. R.R. Black
2. Mr. A.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. B. Sommers
5. Mr. D. Crema de Jongh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. Dornath
9. Mr. A.S.G. Roar
10. Mr. G.A. Schmidt
11. Mr. E.R. Burtlel
13. Mr. G.H. Folke
14. Files
15. Mr. A.L. Merton
16. Mr. H.H. Graves
17. Mr. J.B. Knapp
18. Mr. S.H. Cope
Minutes of Meeting of Staff Loan Committee Held 10:00 a.m., Thursday, August 10, 1950 in Room 1005

1. There were present:
   
   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. D. Crema de Longh
   Mr. A.P. Luxford
   Mr. J.B. Knapp
   Mr. C.H. Folk, Secretary

   In attendance:
   
   Mr. A.L. Morton
   Mr. F. French
   Mr. H.N. Graves
   Mr. C. Flesher
   Mr. P.N. Rosenstein-Rodan
   Mr. A. Stevenson
   Mr. F.M. Oppenheimer

2. Italy


   AGREED:

   (1) to the conclusion reached in E 97 as to the creditworthiness of Italy;

   (2) that the Bank is prepared in principle to consider a loan to Italy (based largely upon indirect foreign exchange costs) to assist in the financing of the Southern Italy Development Program;

   (3) that, as a matter of technique, the Bank should finance a portion of the total costs of four or five representative projects in the development program;

   (4) a mission be sent to Italy at once to examine the technical feasibility of the program and to select the individual projects for Bank financing;
(5) that initial discussions with respect to the amount of the loan should be on the basis of the first year's requirements of $10 million, but that the Bank would be prepared to consider the first two years' requirements of $20 million if adequate justification was presented;

(6) that the working party should prepare a proposal with respect to the type of commitment which the Bank should make to the Italian Government with respect to the ten-year program;

(7) that a paper should be prepared for early circulation to the Executive Directors setting forth the Italian proposal to the Bank and the results of discussions thereon; and

(8) that the Bank should set forth in a letter to the Italian Government its interest in and its position with respect to their request for financing in connection with the development program of Southern Italy.

3. The meeting adjourned at 12:30 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. D. Crenna de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Denuth
9. Mr. A.S.G. Hoar
10. Mr. O.A. Schmidt
11. Mr. E.R. Burland
13. Mr. O.H. Folk
14. Files
15. Mr. H.M. Graves
16. Mr. A.L. Morton
17. Mr. J.B. Knapp
18. Mr. R.A. Cope
Minutes of Meeting of Staff Loan Committee Held 4:30 p.m., Wednesday, August 9, 1950, in Room 1005

1. There were present:
   - Mr. E.R. Black
   - Mr. R.L. Garner
   - Mr. W.A.B. Iliff
   - Mr. D. Sommers
   - Mr. D. Crena de Longh
   - Mr. Rosenstein-Nodan
   - Mr. H. Folk, Secretary

   In attendance
   - Gen. R.A. Wheeler
   - Mr. A.F. Luxford
   - Mr. C. de Stackelberg
   - Mr. E. Franco
   - Mr. G.L. Sandelin
   - Mr. J. Torfs

2. Uruguay

   The Committee considered an oral report that the Government of Uruguay accepts the negative pledge with respect to the assets of the Government and the Central Bank but has competent legal opinion to the effect that inclusion in the negative pledge of governmental agencies and political subdivisions is unconstitutional and

   AGREED:

   to include in the loan contract the negative pledge with respect to the assets of the Government and the Central Bank with a preface which will preserve the Bank's principle on the negative pledge by stating that it is the intent of the Uruguayan Government that no other public foreign debt would have priority over the Bank loan.

3. The meeting adjourned at 5:40 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. Crena de Longh
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
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. Morton
16. Mr. Graves
17. Mr. J.B. Knapp
18. Mr. C. de Stackelberg
19. Mr. A.F. Luxford
20. Mr. E. Franco
21. Mr. E.L. Sandelin
Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Thursday, August 10, 1950
in Room 1005

1. There were present:

Mr. E.B. Black
Mr. R.L. Garner
Mr. W.A.B. Tiff
Mr. D. Grena de Iongh
Mr. A.F. Luxford
Mr. J.B. Knapp
Mr. C.H. Folk, Secretary

In attendance

Mr. A.S.G. Hoar
Mr. F.D. Stephens
Gen. R.A. Wheeler
Mr. C. de Stockelberg
Mr. G.L. Sandelin
Mr. E. Franco

Miss M. Wolfson
Miss V. Morsey
Mr. A.H. Morton
Mr. J. Torfs

2. Uruguay

The Committee considered an oral report on negotiations with the Uruguayan Ambassador to the effect that he does not accept the Bank's proposal with respect to the negative pledge and further that he insists upon the agreements being interpreted on the basis of the laws of Uruguay or on the basis of the provisions of Article 38 of the Statute of the International Court of Justice, and

REAFFIRMED:

its position of yesterday (SLC/M/177) with respect to the negative pledge, and

AGREED:

that the Bank could not accept the Ambassador's suggestions regarding the laws to be applied in interpreting the Loan and Guarantee Agreements.

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

Distribution

1. Mr. E.B. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Tiff
4. Mr. D. Sommers
5. Mr. D. Grena de Iongh
6. Mr. L.B. Rist
7. Mr. E.B. Rist
8. Mr. R.H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. G.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. A.L. Morton
16. Mr. H.N. Graves
17. Mr. J.B. Knapp
18. Mr. G. de Stockelberg
19. Mr. A.F. Luxford
20. Mr. E. Franco
21. Mr. G.L. Sandelin
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 9:15 a.m., Friday, August 11, 1950
in Room 1005

1. There were present:
   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. D. Grena de Longh
   Mr. A. Broches
   Mr. J.B. Knapp
   Mr. O.H. Folk, Secretary

   In attendance
   Gen. R.A. Wheeler
   Mr. C. de Stackelberg
   Mr. W. Glastra
   Mr. G. Fleshier
   Mr. S.P. Wheelock

2. Colombia

   The Committee considered SLG/0/241, Loan Director's Memorandum on Colombia - Consultation, dated August 9, 1950 and

   AGREED:

   (1) that the Loan Director should orally inform the Colombian Ambassador of the Bank's grave concern over the proposed Paz de Rio credit and that the Bank would give him a letter shortly setting forth its position;

   (2) that the Bank's letter should (a) set forth Colombia's legal responsibility under the provisions of the loan agreement with respect to consultation with IBRD; (b) indicate the Bank's concern about Colombia proceeding with the Paz de Rio Project because of the amount of the total cost and the large proportion of their current creditworthiness which would be required to meet the foreign exchange cost and (c) indicate that the Bank attaches so much importance to this project that a decision by the Colombian Government to proceed with it would necessitate reassessing its position with respect to further lending in Colombia; and

   (3) that further consideration should be given by the Bank as to whether it should send someone to Bogota to discuss the matter.
3. **Brazil**

The Committee considered SLG/0/242, Loan Director's Memorandum on Brazil dated August 9, 1950 and

**AGREED:**

*to eliminate the third paragraph of the draft letter.*

4. The meeting adjourned at 10:50 a.m.

---

**Distribution**

1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.E. Iliff
4. Mr. D. Sommers
5. Mr. D. Grena de Jongh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Demuth
9. Mr. A.S.C. Hear
10. Mr. G.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. H.N. Graves
16. Mr. A.L. Morton
17. Mr. J.B. Knapp
18. Mr. S.W. Anderson
19. Mr. R. Glastra
20. Mr. S.P. Wheelock
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held 2:30 p.m., Tuesday, August 15, 1950 in Room H15

1. There were present:
   - Mr. R.L. Garner
   - Mr. A.S.G. Heor
   - Mr. A.F. Luxford
   - Mr. H.W. Riley
   - Mr. J.E. Knapp
   - Mr. O.H. Folk, Secretary

   In attendance:
   - Gen. R.A. Wheeler
   - Mr. F.D. Stephens
   - Mr. Geo. Burgess
   - Mr. L. SLOBoda
   - Mr. A.W. Morton
   - Mr. R.H. Demuth
   - Mr. Ellsworth Clark
   - Mr. F. Bochemski
   - Mr. W.W. Gilmartin

2. Iran

   The Committee considered SLC/0/24h, Loan Department Memorandum on Iran - Proposed Industrial Development Bank and Public Utility Company dated August 11, 1950, and

   AGREED:

   (1) that the Bank should advise the State Department that it is prepared to look into the problem of establishing an industrial development bank when the Iranian Government's policies have been clarified, particularly as regards the Plan Organisation, and as soon as other circumstances permit; and

   (2) that the Bank should advise OCI-New York of the substance of its cable to the Iranian Government on August 10, 1950 and that consideration of the public utility company financing must await developments as in the case of the industrial development bank proposal.

3. India

   The Committee considered SLC/0/245, Loan Director's Memorandum on India - Agricultural Machinery Loan, dated August 11, 1950 and
AGREED:

to the working party proposal.

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

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Minutes of Meeting of Staff Loan Committee held 3:30 p.m., Thursday, August 17, 1950 in Room 1005 and Room 1024.

1. There were present:
   - Mr. E.R. Black
   - Mr. R.L. Garner
   - Mr. W.A.B. Iliff
   - Mr. A.F. Luxford
   - Mr. H.W. Riley
   - Mr. J.B. Knapp
   - Mr. O.H. Folk, Secretary

   An attendance:
   - Mr. R.H. Demuth
   - Mr. A.S.G. Hoar
   - Mr. S.R. Cope
   - Mr. L. Murick
   - Mr. M.M. Rosen
   - Mr. S. Lipkowitz

2. South Africa

   The Committee considered Mr. Rosen's oral report on discussions between South African officials and the Bank Mission to South Africa and

   AGREED:

   that the South African working party should discuss this matter
   and refer to the committee for consideration next week.

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

Distribution
1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. Crena de Jongh
6. Mr. L.B. Rist
7. Mr. R.H. Demuth
8. Mr. A.S.G. Hoar
9. Gen. Wheeler
10. Mr. H. Folk
11. Files
12. Mr. J.B. Knapp
13. Mr. S.R. Cope
Minutes of Meeting of Staff Loan Committee held 5:45 p.m., Thursday, August 17, 1950 in Room 1005

1. There were present:
   - Mr. R.L. Garner
   - Mr. W.A.B. Illiff
   - Mr. A.F. Luxford
   - Mr. H.W. Riley
   - Mr. J.B. Knapp
   - Mr. O.H. Folk, Secretary

In attendance:
   - Gen. R.A. Wheeler
   - Mr. S.R. Cope
   - Mr. Geo. Burgess
   - Mr. W.W. Morton
   - Mr. H.N. Graves
   - Mr. W.M. Gilmartin
   - Mr. E. Clark
   - Mr. F.M. Oppenheimer
   - Mr. A. Broches
   - Mr. H.W. Robinson
   - Mr. A. Stevenson
   - Mr. J.H. Adler

2. Australia

The Committee considered the Report and Recommendations of the President to the Executive Directors on the Proposed Loan to Australia and

CONCURRED:

in the Report as amended in accordance with the suggestions of the Committee.

3. The meeting adjourned at 7:00 p.m.

Distribution

1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Illiff
4. Mr. D. Sommers
5. Mr. D. Crenan de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. H.R. Deneth
9. Mr. A.S.G. Hoar
10. Mr. O.A. Schmidt
11. Mr. E.G. Burland
12. Mr. H. Folk
14. Files
15. Mr. S.R. Cope
16. Mr. W.W. Morton
17. Mr. J.B. Knapp
18. Mr. H.N. Graves
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 Meeting of Staff Loan Committee held 11:00 a.m., Thursday, August 17, 1950 in Room 1005

1. There were present:
   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. A.F. Luxford
   Mr. H.W. Riley
   Mr. O.H. Folk, Secretary

   In attendance:
   Gen. R.A. Wheeler
   Mr. G. deStackelberg
   Mr. G.L. Sandelin
   Mr. E. Franco
   Miss V. Morsey
   Mr. H.W. Larsen
   Mr. A.W. Morton

2. Uruguay

   The Committee considered the Draft Report and Recommendations of the President to the Executive Directors on the Proposed UTE Loan, including draft Loan and Guarantee Agreements, and

   CONCURRED:

   in the Report and the Loan and Guarantee Agreements after having been amended in accordance with the suggestions of the Committee.

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

Distribution
1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommer
5. Mr. D. Sommer
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. C.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. S.W. Anderson
16. Mr. G. de Stackelberg
17. Mr. G.L. Sandelin
18. Mr. H.N. Graves
19. Mr. J.B. Knapp
20. Mr. A.W. Morton
21. Mr. D.Crema de Jongh
Minutes of Meeting of Staff Loan Committee held 10:30 a.m., Monday, August 21, 1950 in Room 1005

1. There were present:
   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. A. S. G. Hoar
   Mr. D. Sommers
   Mr. H. W. Riley
   Mr. O. H. Folk, Secretary
   Mr. J. B. Knapp

   In attendance:
   Gen. R. A. Wheeler
   Mr. W. Rembert
   Mr. Geo. Burgess
   Mr. S. P. Wheelock
   Mr. C. Flescher
   Mr. E. Clark
   Mr. A. W. Morton

2. Brazil
   The Committee considered SLC/0/219, Loan Director's Memorandum on Brazil dated August 17, 1950 and

   AGREED:
   that the Bank should receive further justification for the proposal to include the steel towers under the loan before reaching a decision.

3. Pakistan
   The Committee considered SLC/0/217, Loan Director's Memorandum on Pakistan dated August 16, 1950 and

   AGREED:
   to the recommendations of the working party.

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

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Sommers (2)
5. Mr. D. Crena de Longh (2)
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
12. Mr. E. G. Burland
13. Mr. H. Folk (2)
14. Files
15. Mr. S. W. Anderson
16. Mr. J. Bucinski
17. Mr. Geo. Burgess
18. Mr. S. P. Wheelock
19. Mr. J. B. Knapp
20. Mr. A. W. Morton
21. Mr. H. N. Graves
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 2:30 p.m., Thursday, August 24, and 10:00 a.m., Friday, August 25, 1950, in Room 1005

1. There were present:

Mr. A.S.G. Hear
Mr. A.F. Luxford
Mr. R.W. Riley
Mr. J.B. Knapp
Mr. C.H. Folk, Secretary

In attendance:

Gen. R.A. Wheeler
Mr. R.W. Rembert
Mr. S.P. Wheelock
Mr. S.H. Cope
Mr. R.H. Densuth
Mr. H.W. Graves
Mr. A.W. Norton
Mr. N.B. Parker
Mr. M.M. Rosen

2. Brazil

The Committee considered further information submitted by Colonel Berenhauser, and

AGREED:

(1) that such information did not justify the Bank financing the steel towers in connection with the CHESF project; and

(2) that the Bank should be prepared to accept further justification from CHESF with respect to their decision to accept a bid other than the lowest before making the above decision final.

3. Ethiopia

The Committee considered a cable from the Bank's negotiators in Addis Ababa stating in effect that the Ethiopian Government requested a term of 25 years and a five-year grace period in connection with the road project and a term of 20 years with four or five years grace in connection with the agricultural and industrial development bank and

RECOMMENDED:

that the Bank agree to this request of the Ethiopian Government.
4. Interest Rate on Non-Dollar 18% Subscriptions

The Committee considered SIG/0/230, August 10 letter from Mr. Walter Hill, and

AGREED:

that the Vice President should discuss with the Bank's European representative the Bank's policy on the establishment of interest rates on loans made from non-dollar 18% subscriptions and that the Loan Department should prepare a paper discussing the points involved for the Vice President's guidance.

5. Mexico

The Committee considered the draft Loan Agreement circulated to the members of the Committee by the General Counsel and

AGREED:

to the proposed loan agreement as amended in accordance with the suggestions of the members of the Committee.

6. The meeting adjourned at 5:45 p.m., August 24, and 12:00 noon, August 25.

Distribution
1. Mr. E. N. Black
2. Mr. R.L. Garner
3. Mr. W.A.H. Iliff
4. Mr. D. Crema de Jongh
5. Mr. D. Sommers
6. Mr. R.H. Demuth
7. Mr. L.H. Rist
8. Mr. L.B. Rist
9. Mr. A.S.O. Hoar
10. Mr. O.A. Schmidt
12. Mr. E.O. Burland
13. Mr. O.H. Folk
14. Files
15. Mr. J.B. Knapp
16. Mr. S.R. Cope
17. Mr. S.P. Wheeloock
18. Mr. A.W. Morton
19. Mr. M.M. Graves
20. Mr. J. Rucinski
Minutes of Meeting of Staff Loan Committee held 4:30 p.m., Wednesday, August 30, 1950 in Room 1005

1. There were present:
   Mr. A.S.G. Hoar
   Mr. H.W. Riley
   Mr. A.F. Laxford
   Mr. L.B. Rist
   Mr. F. Achenson, Acting Secretary

   In attendance
   Mr. J. Racinski
   Mr. W. Diamond
   Mr. J.B. Knapp
   Mr. H.W. Robinson
   Mr. J.A. Willechaise
   Mr. A.L. Norton
   Mr. H.H. Graves

2. Turkey

The Committee considered a cable dated August 30, 1950 from Mr. Hull concerning the proposed Turkish Industrial Development Bank loan agreement and

AGREED:

that a reply should be cabled to Mr. Hull informing him

(a) of the Bank's

(1) objection to the revision of section 3.05 suggested by the Development Bank as an escamulation of the provision;

(2) disturbance at the reasons assigned by the Development Bank for objecting to section 3.05 as contrary to the Government's assurances that it would not interfere in the operations of the Development Bank;

(3) view that he should seek assurances from the Government that if the Development Bank should agree to the inclusion of section 3.05 as originally proposed by the Bank, neither the Government nor the Central Bank would expect a similar covenant.
(b) that section 3.09 should be recast along the lines proposed by the Associate General Counsel, which would not impair the rights of the borrower but would define the consequences if these rights were exercised without the Bank's written approval.

(c) that the exchange risk clause in the Guarantee Agreement as submitted to the Turkish Government appeared to be satisfactory.

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

Distribution
Mr. W.A.S. Haff
Mr. A.F. Lomford
Mr. H.W. Riley
Mr. L.W. Riley
Mr. L.B. Rist
Mr. L.B. Rist
Mr. H.M. Deneth
Mr. A.W. Horton
Mr. H.M. Graves

Mr. A.J.O. Reaf
Mr. C.A. Schmidt
Gen. R.A. Wheeler
Mr. E.O. Burland
Mr. H. Folk
Files
Mr. Geo. Burgess
Mr. J. Rucinski
Mr. W. Diamond
Minutes of Meeting of Staff Loan Committee held 11:30 a.m., Monday, August 28, 1950 in Room 1005

1. There were present:

   Mr. R.L. Garner
   Mr. A.S.G. Hoar
   Mr. A.F. Luxford
   Mr. H.W. Riley
   Mr. L.B. Rist
   Mr. P. Acheson, Acting Secretary

   In attendance:

   Mr. S.R. Cope
   Mr. J.B. Knapp
   Mr. A. Wubnig
   Mr. H.N. Graves
   Mr. A. W. Morton

2. South Africa

   The Committee considered SLC/0/251, draft Memorandum from the President to the Executive Directors on the Union of South Africa, dated August 25, 1950 and

   AGREED:

   that the memorandum should be modified in the light of the discussions at the meeting and forwarded to the President in Paris for circulation, if he should see fit, to the Board of Executive Directors.

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

Distribution

1. Mr. R.L. Garner
2. Mr. A.F. Luxford
3. Mr. H.W. Riley
4. Mr. L.B. Rist
5. Mr. R.H. Demuth
6. Mr. J.B. Knapp
7. Mr. A.S.G. Hoar
8. Mr. R.H. Demuth
9. Mr. O.A. Schmidt
10. Mr. H. Folk
12. Files
13. Mr. S.R. Cope
14. Mr. H.N. Graves
15. Mr. A.W. Morton
STAFF LOAN COMMITTEE

Minutes of Weekly Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, August 29, 1950 in Room 1005

1. There were present:
   Mr. A.S.G. Hear
   Mr. A.F. Luxford
   Mr. H.W. Riley
   Mr. J.B. Knapp
   Mr. F. Acheson, Acting Secretary

   In attendance:
   Mr. C.A. Schmidt
   Mr. W.G. Welk
   Mr. F.W. Fetter

2. Ethiopia

   The Committee considered certain questions raised by Mr. Schmidt in connection with the Ethiopian loan negotiations and

   AGREE:

   (1) that the Bank negotiators should

   (a) be informed that

   (i) while the Bank must retain the substance of the prior approval of projects provision in the agricultural and industrial development bank loan agreement, we could state our willingness to write a letter indicating that the Bank would, in the light of experience, consider waiving this requirement for certain cases in due course;

   (ii) the Bank would give Ethiopia the benefit of the commitment fee provision being used for the loans now under negotiation with the Turkish and Mexican banks;

   (iii) it would be desirable to have the Road Project and Telecommunications Project loan agreements require as explicitly as possible that the management and charter should be satisfactory to the Bank during the life of the loan;

   (b) that the Bank negotiators should be informed that

   (i) the Bank would retain the prior approval of projects provision in the agricultural and industrial development bank loan agreement;

   (ii) the Bank would give Ethiopia the benefit of the commitment fee provision being used for the loans now under negotiation with the Turkish and Mexican banks;

   (iii) it would be desirable to have the Road Project and Telecommunications Project loan agreements require as explicitly as possible that the management and charter should be satisfactory to the Bank during the life of the loan;
(b) explore the possibility that the Government would subscribe the full amount of Eth$6 million but pay in only Eth$3 million with the balance subject to call by the Development Bank as needed, or that the Government and the State Bank would each subscribe a part on the same terms. In either case, drawings on the Bank's loan would be limited to paid in local currency capital unless the Bank agreed otherwise.

(2) that the Bank would be satisfied if the capitalisation of the Development Bank were to amount to not less than Eth $10 million.

3. The meeting adjourned at 10:30 a.m.

Distribution
Mr. W.A.B. Iliff
Mr. A.F. Luxford (2)
Mr. H.W. Riley (2)
Mr. L.B. Rist (2)
Mr. R.H. Demuth
Mr. A.S.C. Hour

Mr. C.A. Schmidt
Mr. O.H. Folk
Gen. R.A. Wheeler
Files
Mr. J.B. Knapp
Mr. J. Hucinski
Mr. E.A. Beecroft
Minutes of Meeting of Staff Loan Committee held 9:30 a.m. and 4:00 p.m., Tuesday September 12, 1950

1. There were present:
   - Mr. A.S.G. Hoar
   - Mr. A.F. Luxford
   - Mr. H.W. Riley
   - Mr. J.B. Knapp
   - Mr. P. Acheson, Acting Secretary

   In attendance
   - Mr. S.W. Anderson
   - Mr. S.R. Cope
   - Mr. D.W. Rembert
   - Mr. S.P. Wheelock
   - Mr. F. French
   - Mr. H.N. Graves
   - Mr. A.W. Morton
   - Mr. L. Cancio
   - Mr. J.H. Adler
   - Mr. H.W. Larsen
   - Mr. Newton Parker

2. Interest Rates

   The Committee considered SLC/0/251, Loan Department Memorandum on Interest Rates to be Applied on Amounts Advanced by the Bank in Currencies Other Than Dollars, and

   AGREED:

   that the Memorandum should be redrafted by the Loan Department along the lines discussed at the meeting, for further consideration by the Committee.

3. Brasil

   The Committee considered SLC/0/252, Assistant Loan Director's Memorandum concerning Brazil - Monsanto Chemical Company, dated September 11, 1950 and

   AGREED:

   that the Loan Department should prepare for consideration by the Committee a memorandum which would include

   (1) the draft of a letter to Monsanto Chemical Company which would indicate the Bank's willingness to consider a proposal for an investment in Brazil of the type suggested; and
(2) an explanation of the proposal.

The Committee recessed at 11:00 a.m., resumed at 4:00 p.m., and adjourned at 5:30 p.m.

Distribution
Mr. W.A.B. Iliff
Mr. A.F. Luxford
Mr. H.W. Riley
Mr. L. B. Rist
Mr. R.H. Demuth
Mr. A.W. Morton
Mr. N. N. Graves
Mr. J.B. Knapp

Mr. A.S.G. Hoar
Mr. O.A. Schmidt
Mr. E.G. Burland
Gen. R.A. Wheeler
Mr. H. Folk
Mr. S.W. Anderson
Mr. S.P. Wheelock
Mr. S.R. Cope
Memorandum

No. SIO/F3/69

September 12, 1950

Staff Loan Committee Meeting held 10.30 a.m., 11th September 1950,
Committee Room 'C', Banque de France, Paris

Those present:  Mr. E. R. Black, Mr. R. L. Garner, Mr. W. A. B. Iliff,
Mr. Leonard Rist, Mr. Cowne de Longh, Mr. Davison Sommers,
Mr. R. Denham, General Wheeler, Mr. Burland, Mr. N. M. Rosen,
Mr. J. H. Collier, Mr. H. Patterson (Secretary).

Turkey:

The possibility of a dollar guarantee being obtained from the Central
Bank was discussed. It was decided that such a dollar guarantee would be
acceptable to the Bank and would avoid the difficulties that might arise in
obtaining a direct dollar guarantee from the Turkish Government. It was
agreed that Mr. Mason, accompanied by Mr. Bull, would shortly proceed to
Turkey and would remain there until the problem of the dollar guarantee had
been settled.

South Africa:

It was pointed out that South African creditworthiness for a loan in the
vicinity of about $50-60 million was at present satisfactory, although the
element of risk was that South Africa depended on continued capital inflow to
cover its current account deficit and that the inflow of private capital from
the United Kingdom might be discouraged by the rise of political nationalism
coupled with an anti-English attitude. However, it was felt that South Africa
could service its debt and dividend obligations, if necessary, by severely
restricting imports in order to achieve a current account balance and that
it would probably take necessary action to maintain debt service even though
very difficult actions were needed.

It was decided that before buying sterling from the United Kingdom
against dollars the U.K. Treasury be approached with a request that it con-
sider the amount so purchased to be dollar capital.

It was agreed that at the present time a 12-year loan with a 6-year period of
grace in the amount of $50-60 million would be feasible.
Minutes of Meeting of Staff Loan Committee held at 3:30 p.m., Wednesday, September 20, 1950, in Room 406

1. There were present:
   - Mr. A.S.Q. Hear
   - Mr. A.F. Luxford
   - Mr. H.W. Riley
   - Mr. J.B. Knapp
   - Mr. F. Acheson, Acting Secretary

   In attendance:
   - Mr. S.W. Anderson
   - Mr. F.A. Consolo
   - Mr. H.W. Graves
   - Mr. A.W. Morton
   - Mr. L. Cancio
   - Mr. O. deFleurieu

2. Mexico

   The Committee considered SLC/0/255, draft Report and Recommendations of the President to the Executive Directors on the $10 million Line of Credit for Private Enterprise in Mexico, dated September 19, 1950, together with the Consortium Agreement and draft Loan and Guarantee Agreements appended thereto, and

   AGREED:

   (a) to the proposed Report and Recommendations and the Appendices, subject to their revision along the lines discussed at the meeting. The most important changes made were:

   (i) that the participation of five rather than six banks in a project would be sufficient;

   (ii) that the $25,000 loan minimum should be subject to revision in exceptional circumstances; and

   (iii) that the Consultation Clause in the Guarantee Agreement should follow the Australian Loan pattern with the deletion of the exception regarding the use of existing credits;
(b) that the Draft Loan and Guarantee Agreements, as amended, should be sent to the Consortium and Nacional Financiera respectively for their approval in principle;

(c) that upon receipt of their approval, the Draft Loan and Guarantee Agreements should be circulated to the Executive Directors, accompanied by an explanatory memorandum;

(d) that the Draft Loan and Guarantee Agreements, the Consortium Agreement and the explanatory memorandum should be sent confidentially to the Colombian Executive Director;

(e) that the possibility of signing the Agreements in Mexico City should be discussed with the President upon his return.

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

Distribution
Mr. W.A.B. Iliff, Mr. E.G. Burland
Mr. A.F. Luxford, Mr. H. Folk
Mr. H.W. Riley, Files
Mr. L.B. Hist, Mr. S.W. Anderson
Mr. L.B. Hist, Mr. F.A. Console
Mr. R.H. Demuth, Mr. A.W. Merton
Mr. A.S.C. Hoar, Mr. H.N. Graves
Mr. C.A. Schmidt, Mr. J.B. Knapp
Gen. R.A. Wheeler
Minutes of Meeting of Staff Loan Committee held 3:30 p.m., Tuesday, October 3, 1950 in Room 1005

1. There were present:

Mr. A.S.C. Hoar
Mr. A.F. Luxford
Mr. H.W. Riley
Mr. J.B. Knapp
Mr. P. Acheson, Acting Secretary

In attendance:

Mr. J. Rucinski
Mr. C. deBeaufort
Mr. H.N. Graves
Mr. A.W. Morton
Mr. F.M. Oppenheimer
Mr. A. Basch
Mr. J.C. deWilde

2. Thailand

The Committee considered points presented orally by the Loan Department in connection with the Thai loan negotiations, and

AGREED:

(a) that the Port Loan should not become effective until

   (i) the Port Authority had come into being;

   (ii) a dredging contract had been entered into on terms satisfactory to the Bank;

(b) that the Bank would give sympathetic consideration to an application by Thailand for a loan to finance the dredging contract when more particulars are known;

(c) that Government representation on the Boards of the Railway Agency and Port Authority ought to be limited to one member respectively;

(d) that while the Government should receive a part of any surplus the Railways might earn the Working Party should devise a formula whereby the bulk of that surplus would remain with the Agency;
(e) that the Bank would be prepared to finance the total foreign exchange costs of the three projects, apart from purchases from Japan, but including interest during construction of the Irrigation Project, even though they were in excess of $20 million; and

CONCURRED:

in the understanding reached by Mr. Luxford with the Thai Ambassador regarding the procedure to be followed by the Thai Government for securing authorization of the proposed loans by Parliament.

3. The Committee adjourned at 5:05 p.m.

Distribution
1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. A.F. Luxford
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. E. H. Graves
14. Mr. A.W. Morton
15. Mr. J. Rucinski
16. Mr. C. deBeaufort
17. Mr. J.E. Knapp
18. Files
19. Mr. F.F. Foster
Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Wednesday, October 11, 1950 in Room 1005

1. There were present:

   Mr. E. R. Black
   Mr. R. L. Garner
   Mr. A.S.G. Hear
   Mr. A.F. Luxford
   Mr. H.W. Rile"y
   Mr. L.B. Rist
   Mr. P. Acheson, Acting Secretary

   In attendance:

   Mr. S.W. Anderson Mr. L. Cancio
   Mr. J. Rucinski Mr. W.J. Hull
   Mr. F.A. Consolo Mr. J.B. Knapp
   Mr. W. Diamond Mr. G. deFleurieu
   Mr. A.W. Morton Mr. H.W. Robinson
   Mr. N.M. Tucker

2. Turkey

   The Committee considered SLG/0/257, Assistant Loan Director's Memorandum on Industrial Development Bank of Turkey, dated October 6, 1950; and

   CONCURRED:

   in the Assistant Loan Director's recommendations.

3. Mexico

   The Committee considered SLG/0/258, Assistant Loan Director's Memorandum on Mexico - $10 Million Line of Credit; and

   CONCURRED:

   in the draft President's Report and Recommendations subject to its modification to reflect the Bank's inability to assess accurately the effect that loans incurred under the $150 million line of credit recently extended to Mexico by the Export-Import Bank might have upon Mexico's ability to repay; and
AGREED:

that the Bank should not require for itself the right to inspect individual projects.

2. Pakistan

The Committee considered SLR/O/259, Assistant Loan Director's Memorandum on the Mission to Pakistan, dated October 9, 1950; and

CONCURRED:

in the terms of reference of the Mission to Pakistan subject to their revision to make clear that the authority of the Head of the Mission over members of the Mission would, upon the Mission's return to the Bank extend only to assuring coordination in the preparation of an integrated report; and

AGREED:

that, as a general principle, Departments of the Bank which make staff members available for Bank missions should do everything possible, after the return of the missions, to release such members from the conflicting pressure of other work so that the missions' reports may be completed as quickly as possible.

5. The meeting adjourned at 12:40 p.m.

Distribution
1. Mr. E.H. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. A.F. Luxford
5. Mr. H.W. Riley
6. Mr. L.B. Rist
7. Mr. R.H. Demuth
8. Mr. A.W. Morton
9. Mr. H.N. Graves
10. Mr. A.S.G. Hoar
11. Mr. C.A. Schmidt
13. Mr. H.G. Burland
14. Files
15. Mr. J. Rucinski
16. Mr. S.W. Anderson
17. Mr. P.A. Consolo
18. Mr. W. Diamond
19. Mr. J.B. Knapp
Minutes of Meeting of Staff Loan Committee held 3:30 p.m., Thursday, October 12, 1950 in Room 1005

1. There were present:
   - Mr. R.L. Garner
   - Mr. A.S.G. Hoar
   - Mr. A.F. Luxford
   - Mr. H.W. Riley
   - Mr. J.B. Knapp
   - Mr. P. Acheson, Acting Secretary

   In attendance
   - Mr. J. Rucinski
   - Mr. C. deBeaufort
   - Mr. S.R. Cope
   - Mr. A.W. Morton
   - Mr. F.M. Oppenheimer
   - Mr. A. Basch
   - Mr. J.C deWilde

2. Netherlands

   The Committee considered SLC/0/260, Treasurer's Memorandum on Netherlands, Commitment Charge on the Herstelbank Loan, dated October 11, 1950 and

   AGREED:
   (a) that if the Herstelbank withdraws all funds for items which have either been delivered to them or for which they have made progress payments within a period of time adequate to allow them so to do, the Bank would permit the 3/4% commitment charge to apply; and

   (b) that future cases in which borrowers are not prompt in the submission of requests for withdrawal should be dealt with on an ad hoc basis.

3. Thailand

   The Committee considered SLC/0/261, Assistant Loan Director's Memorandum on Thailand, dated October 12, 1950;

   CONCURRED:
   in the recommendations of the Assistant Loan Director; and
AGREED:

(a) that the Bank should not try to persuade Thailand to withdraw its request for inclusion of interest during the period of construction in the Irrigation Loans;

(b) that the Vice President should see the Thai Ambassador and

(1) express his concern that the Thais do not seem to accept the concept that the Railway and Port Authorities should be fully autonomous, and

(2) suggest that

(i) either the Port and Railway Authorities Boards should be constituted along lines acceptable to the Bank, or

(ii) if the Boards of these Authorities should have a majority of Government appointees, each Authority should have a General Manager satisfactory to the Bank and endowed with adequate powers.

4. The meeting adjourned at 4:50 p.m.

Distribution
1. Mr. E.R. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D.Crena de Iongh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. H.H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. C.A. Schmidt
12. Mr. E.G. Burland
13. Mr. H. Folk
14. Files
15. Mr. J. Rucinski
16. Mr. C. deBeaufort
17. Mr. S.R. Cope
18. Mr. A.W. Morton
19. Mr. H.N. Graves
20. Mr. J.B. Knapp
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee held 3:30 p.m., Thursday, October 19, 1959 in Room 106

1. There were present:
   - Mr. R.L. Garner
   - Mr. A.S.G. Hoar
   - Mr. D. Sommers
   - Mr. H.W. Riley
   - Mr. J.B. Knapp
   - Mr. P. Acheson, Acting Secretary

   In attendance
   - Gen. R.A. Wheeler
   - Mr. J. Rucinski
   - Mr. G. deBeaufort
   - Mr. A.M. Saitzoff
   - Mr. R.H. Demuth
   - Mr. A.W. Horton
   - Mr. F.M. Oppenheimer
   - Dr. A. Basch
   - Mr. J.C. deWildt

2. Thailand

   The Committee considered SLC/0/262, Assistant Loan Director's Memorandum on Thailand dated October 19, and

   CONCURRED:

   in the President's Report and Recommendations, subject to the revisions proposed by members of the Committee including the following:

   (a) that the recommendations that the Thai Government have the necessary plant to keep the channel properly dredged be a condition of the Irrigation Project loan should be omitted from Loan 106, Supplements to the Technical Reports on Thailand;

   (b) that the form of letter from the President on the Port and Railway Authorities should be revised to reflect the recognition by the Government of the Bank's interest in the efficient functioning of the Port and Railway Authorities and of its right to make representations regarding the improvement of their operations; and that the memorandum summarizing suggested points to be covered in either the legislation establishing
or the regulations of, the Port and Railways Authorities should be given to the Thai Representative separately, and should not form part of the Loan documents; and

(c) that reference to the requirement that the establishment and functioning of the Port and Railway Authorities be satisfactory to the Bank should be omitted from Schedule 2 of the Port Project and Railways Project Loan Agreements, and that instead, the first sentence under (c) in Schedule 2 should read: "the establishment of an autonomous authority satisfactory to the Bank . . ."

AGREED:

(a) that the form of letter from the Thai Government making certain representations on the financial policy of the Thai Government should be altered to a letter of intent which would be circulated to the Board but would not form part of the Loan documents;

(b) that the following should not form part of the Loan documents nor be circulated to the Board;

(1) memorandum for information which would be substituted for the form of letter from the Thai Representative on the availability of local currency for the irrigation project; and

(2) letter from the Bank strongly recommending that the irrigation project be made a revenue producer which would be substituted for the form of letter from the Thai Representative on the introduction of water rates.

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

Distribution
1. Mr. Eugene Black 10. Mr. G.A. Schmidt
3. Mr. W.A.B. Iliff 12. Mr. E.G. Burland
4. Mr. D. Sommers 13. Mr. F. Acheson
5. Mr. D. Crena de Jongh 14. Files
6. Mr. L.E. Rist 15. Mr. A.W. Morton
7. Mr. L.B. Rist 16. Mr. H.N. Graves
8. Mr. R.H. Damuth 17. Mr. J. Rucinski
9. Mr. J.B. Knapp 18. Mr. G. deBeaufort
Minutes of Meeting of Staff Loan Committee held 3:30 p.m., Thursday, October 26, 1950 in Room 1005

1. There were present:
   Mr. R.L. Garner
   Mr. A.G. Hoar
   Mr. L.B. Rist
   Mr. D. Sommers
   Mr. F. Crema de Longh
   Mr. F. Acheson, Acting Secretary

   In attendance:
   Mr. O.A. Schmidt
   Mr. E.W. Rembert
   Mr. J. Rucinski
   Mr. J.W. Anderson
   Mr. P.D. Stephens
   Mr. S.P. Wheelock
   Mr. G.V.H. Engert
   Mr. H.W. Graves
   Mr. A.W. Morton
   Mr. P. French
   Mr. H.W. Larsen
   Dr. A. Rasch

2. Missions to Syria and Iraq

   The Committee considered SLC/0/264, Assistant Loan Director's Memorandum on the Missions to Syria and Iraq, and

   AGREED:

   to the terms of reference for the Mission to Iraq, as amended by the Committee, and for the Mission to Syria.

3. Iraq

   The Committee considered SLC/0/266, Assistant to the Vice President's Memorandum on Request for Mission to Iraq, and

   CONCURRED:

   in the Assistant to the Vice President's recommendation that the Bank should agree in principle to organize the general survey mission requested by the Government of Iraq, and

   AGREED:

   that the Draft of the Bank's proposed reply should be given to Mr. Stephens to discuss with the Government.
4. **Brazil**

The Committee considered SLC/0/263, Assistant Loan Director's Memorandum on Brazil and E 113, Brazil - External Creditworthiness, and

**AGREED:**

that the Loan Department should prepare a draft memorandum of the points to be discussed with the U.S. Department of State along the lines discussed by the Committee.

5. The meeting adjourned at 6:05 p.m.

---

**Distribution**

1. Mr. E.H. Black  
2. Mr. R.L. Garner  
3. Mr. W.A.B. Iliff  
4. Mr. D. Sommers  
5. Mr. D. Crena de Longh  
6. Mr. L.B. Rist  
7. Mr. L.B. Rist  
8. Mr. K.H. Demuth  
9. Mr. A.S.G. Roar  
10. Mr. O.A. Schmidt  
12. Mr. E.G. Burland  
13. Mr. Acheson  
14. Files  
15. Mr. J. Rusinski  
16. Mr. F.D. Stephens  
17. Mr. S.W. Anderson  
18. Mr. S.P. Wheelock  
19. Mr. J.B. Knapp  
20. Mr. A.W. Morton  
21. Mr. H.N. Graves
Minutes of Meeting of Staff Loan Committee held Friday, October 27, 1950 at 3:30 p.m., in Room 606

1. There were present:
   Mr. R.L. Garner
   Mr. A.S.C. Hoar
   Mr. H.W. Riley
   Mr. A.F. Luxford
   Mr. L.B. Rist
   Mr. P. Acheson, Acting Secretary

   In attendance
   Dr. E.W. Rembert
   Mr. G.W. Anderson
   Mr. W. Glastra
   Mr. J. Grauman
   Mr. A.W. Morton
   Mr. A. Broches
   Mr. H.W. Larsen

2. Colombia

   The Committee considered SIC/0/265, Assistant Loan Director's Memorandum on Colombia - Anchicaya Project, and

   CONCURRED:
   
in the Assistant Loan Director's recommendations with the exception that
   
   (1) the commitment charge should accrue from the effective date of the loan or from February 1, 1951, whichever is the earlier, and
   
   (2) the loan should bear interest at the rate of 4%, including commission; and

   AGREED:
   
   (1) to the Draft President's Report and Recommendations as amended by the Committee;
   
   (2) to the Loan and Guarantee Agreements dated October 23, 1950;
   
   (3) to Loan 107, Report on the Anchicaya Hydroelectric Project; and
(4) to E Hl, Recent Developments in the Economy of Colombia.

3. The meeting adjourned at 4:20 p.m.

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<th>Distribution</th>
<th>1. Mr. E.R. Black</th>
<th>11. Mr. Burland</th>
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<td>3. Mr. W.A.E. Iliff</td>
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<td>15. Mr. S.W. Anderson</td>
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<td>6. Mr. L.B. Rist</td>
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<td>10. Mr. O.A. Schmidt</td>
<td>20. Mr. J.B. Knapp</td>
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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 Meeting of Staff Loan Committee held November 2, 1950 at 3:00 p.m. in Room 1005

1. There were present:

   Mr. E.R. Black
   Mr. R.L. Garner
   Mr. A.S.C. Hear
   Mr. H.W. Riley
   Mr. D. Sommers
   Mr. L.B. Hirst
   Mr. F. Acheson, Acting Secretary

2. Mexico

   The Committee considered SLC/0/269, Assistant Loan Director's Memorandum on Mexico - Suggested Bank Policy, and E.III.1, Recent Developments Affecting Mexico's Creditworthiness, and

   AGREED:

   (a) that consideration of the suggested Bank policy towards Mexico should await clarification of Mexico's (i) position regarding its obligations under the consultation provisions of the Mexican Guarantee Agreements; and (ii) intentions regarding the creation of further foreign indebtedness; and

   (b) that Mr. Cortina should be informed

      (i) of the Bank's desire to clarify the consultation question; and

      (ii) that the Bank was prepared either to write the Mexican Government a letter on this subject or to discuss it with Mr. Carillo Flores;

   (c) that Mr. Black should inform the Bank of America by telephone that
(i) on the basis of the facts at present available to the Bank, the proposed Bank of America loan to Mexico appeared to be a violation of the negative pledge provision, and

(ii) the Bank does not have sufficient information to pass upon the merits of the project but has asked Mexico for details.

3. South Africa

The Committee considered SLC/O/271, Assistant Loan Director’s Memorandum on the Proposed Loans to the Union of South Africa and

AGREED:

(a) that Dillon Read’s second alternative proposal was acceptable to the Bank;

(b) that the private financing proposed should be in reduction of the Bank’s proposed railway loan;

(c) that the Bank should defer amortization of both of its loans from the fourth to the eighth year without increasing the rates of interest it would otherwise have charged; and

(d) that an assurance should be obtained from the Union Government to the effect that the equivalent of the Dillon Read financing (except the three-year revolving credit) would be made available in 1951 and 1952 for the railway program in addition to the Bank’s loan.

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

Distribution
1. Mr. E.R. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Cliff
4. Mr. D. Sommers
5. Mr. D.Crena de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Deneth
9. Mr. A.S.G. Bonar
10. Mr. O.A. Schmidt
12. Mr. E.S. Burland
13. Mr. F. Acherson
14. Files
15. Mr. S.W. Anderson
16. Mr. F.A. Consolo
17. Mr. S.F. Wheelock
18. Mr. S.R. Cope
19. Mr. A.W. Morton
20. Mr. H.W. Graves
21. Mr. J.B. Knapp
Minutes of Meeting of Staff Loan Committee held November 3, 1950 at 3:00 p.m. in Room 406

1. There were present:

   Mr. R.L. Garner
   Mr. A.S.C. Hoar
   Mr. H.W. Riley
   Mr. A.F. Luxford
   Mr. L.B. Hirst
   Mr. F. Acheson, Acting Secretary

2. In attendance

   Mr. O.A. Schmidt
   Mr. E.W. Anderson
   Mr. E.H. Cope
   Mr. J. Fajans
   Mr. R.H. Denath
   Mr. A. Stevenson
   Mr. H.W. Larsen

2. Netherlands

   The Committee considered SLC/0/270, Assistant Loan Director's Memorandum on Netherlands - First Loan Administration Report and

   AGREED:

   (a) to the Assistant Loan Director's proposal that, after minor revisions had been made, the Loan Administration Report be sent to the Dutch Government for factual comment prior to its transmittal to the Board, and

   (b) to the proposed memorandum of the President to the Executive Directors, subject to the revision of the paragraph on the dollar position along the lines discussed by the Committee.

3. Brazil - Monsanto Chemical Company

   The Committee considered SLC/0/267, Assistant Loan Director's Memorandum on Brazil - Monsanto Chemical Company Proposals and

   AGREED:

   that the Bank should inform Monsanto:
(a) that the Bank would consider Monsanto's proposals providing Monsanto could obtain the Brazilian Government's assurance that it desired this project and would guarantee a loan for it, and

(b) that the Bank might be prepared to accept the guarantee of the Banco do Brasil instead of the Brazilian Government.

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

Distribution
1. Mr. E.H. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
6. Mr. L.B. Rist
7. Mr. L.E. Rist
8. Mr. R.N. Demuth
9. Mr. A.S.G. Roar
10. Mr. O.A. Schmidt
11. Mr. E.G. Burland
13. Mr. P. Acheson
14. Mr. S.W. Anderson
15. Mr. S.P. Wheelock
16. Mr. S.R. Cope
17. Mr. A.W. Morton
18. Mr. H.N. Graves
19. Mr. J.B. Knapp
20. Files
Ethiopia

The Committee has considered SLC/0/273, Loan Director's Memorandum on Draft Charters for the Imperial Highway Authority and the Development Bank of Ethiopia, and without the requirement of a formal meeting has CONCURRED:

in the Loan Director's recommendations, except that with regard to paragraph six, "insistence" on the alteration of the requirement was not deemed essential.
Minutes of Meeting of Weekly Staff Loan Committee Held 9:30 a.m., Tuesday, November 21, 1950 in Room 1005

1. There were present:
   Mr. E. R. Black
   Mr. W. A. B. Iliff
   Mr. L. B. Rist
   Mr. D. Sommers
   Mr. E. C.rena de Iongh
   Mr. M. L. Lejeune, Secretary
   Mr. P. Acheson, Asst. Secretary

   In attendance:
   Mr. E. G. Burland

2. South African Loans

   The Committee considered portions of the draft loan contracts between the Bank and (1) the Electricity Supply Commission, and (2) the Union of South Africa, and

   AGREED:
   (a) that the draft loan contracts as worded gave the Bank sufficient rights of inspection, and

   (b) that the Bank should write a letter to the South African Government stating that when a Borrower's bonds are sold without recourse, it is the general policy of the Bank to pass on to the Borrower, either in whole or in part (according to the circumstances of the particular case), any saving of interest which may result from such sale.

3. The meeting adjourned at 11:05.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. E. Crena de Iongh
5. Mr. D. Sommers
6. Mr. L. B. Rist
7. Mr. R. H. Benmuth
8. Mr. A. S. G. Hear
9. Mr. O. A. Schmidt
10. Mr. C. G. B. Kennedy
11. Gen. R. A. Acheson
12. Mr. R. G. Burland
13. Mr. M. L. Lejeune
14. Files
15. Mr. S. H. Cope
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., Wednesday, November 22, 1950

1. There were present:

Mr. A.L. Garner
Mr. W.A.S. Iliff
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. A.F. Luxford
Mr. M.L. Lejeune, Secretary
Mr. F. Acheson, Asst. Secretary

In attendance:

General E. A. Wheeler
Mr. G.S. Mason
Mr. Wm. Diamond
Mr. H. Ross
Mr. B.U. Ratchford
Mr. James E. Barker

2. Turkey – Seyhan Dam Project

The Committee considered SIO/0/275, Loan Director's Memorandum on Turkey – Seyhan Dam Project, and

CONCURRED:

in the Loan Director’s recommendations, and

AGREED:

that the Bank’s reply to the Turkish Minister of State should

(a) set out the reasons why the Bank would not undertake the financing of the Seyhan Dam at present, and

(b) state that this decision had been reached after consultation with the Barker Mission.

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

Distribution

1. Mr. Eugene Black
2. Mr. A.L. Garner
3. Mr. W.A.S. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Jongh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. H.N. Demarest
9. Mr. A.S.G. Hoar
10. Mr. G.A. Schmidt
12. Mr. E.G. Burland
13. Mr. M.L. Lejeune
14. Files
15. Mr. J. Racinski
16. Mr. G. Mason
Minutes of Meeting of Staff Loan Committee held Monday, November 27, 1950
at 3:00 p.m. in Room 1005

1. There were present:

Mr. R.I. Garner
Mr. W.A.B. Iliff
Mr. A.S.G. Hour
Mr. L.B. Rist
Mr. A.F. Luxford
Mr. D. Grena de Iongh
Mr. M.L. Lejeune, Secretary
Mr. F. Ackerson, Asst. Secretary

In attendance:

Mr. R.H. Beath
Mr. E.G. Burland
Gen. R.A. Wheeler
Mr. S.W. Anderson
Mr. C. deStockelberg
Mr. C.W. Flesher
Miss Margaret Wolfson
Mr. H.W. Larsen
Mr. S. Lipkowski
Miss Virginia Morsey

2. Chile

The Committee considered Loan 113, Chile - Proposals for a Bank Policy;
E 116, Development Programming with Special Reference to Chile; E 116; Chile
Creditworthiness; and E 117, Prospects for Chilean Copper Exports, and

AGREED:

To continue the discussion at a future meeting.

3. Nicaragua

The Committee considered a verbal report by Mr. Garner of his conversation
with the Nicaraguan Ambassador in which Nicaragua made an informal application
for a loan, and

AGREED:

That Nicaragua's informal application for a loan be referred to a
working party for study and recommendations.

4. The meeting adjourned at 5:30 p.m.
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<td>Mr. D. Grena de Longh</td>
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<td>Mr. R.H. Demuth</td>
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<td>Mr. S.W. Anderson</td>
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<td>Mr. C. deStackelberg</td>
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<td>Mr. F.A. Consolo</td>
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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 3:30 p.m., Tuesday, November 28, 1950 in Room 1005

1. There were present:

Mr. E. R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. L. R. Rist
Mr. D. Sorensen
Mr. B. Crema de Longh
Mr. H. L. Lejeune, Secretary

In attendance:
Mr. R. H. Bealum
Mr. S. W. Anderson
Mr. F. A. Consolo
Mr. G. deFleurieu
Mr. B. W. Larson

2. Mexico

The Committee considered a verbal account by Mr. Black of his meeting with Sr. Carillo Flores, Director General of Nacional Financiera, on the subject of a development program for Mexico and

AGREED:

(a) That the Loan Director should discuss Mexico’s development program with Sr. Carillo Flores, and

(b) That in the course of the discussion the Loan Director should ask for information as to the present status of the proposed Bank of America loan to Mexico.

3. Chile

The Committee continued its consideration of Loan 111, E 118, E 116, and E 117 and

AGREED:

That before taking any further action, preliminary consultations with the Fund should take place.
4. The meeting adjourned at 5:00 p.m.

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<td>4. Mr. B. Sommers</td>
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<td>7. Mr. L. B. Rist</td>
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<td>8. Mr. R. H. Damuth</td>
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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 4:00 p.m., Wednesday, November 29, 1950 in Room 1005

1. There were present:

   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. A.S.G. Hoar
   Mr. A.P. Lusford
   Mr. L.B. Rist
   Mr. D. Crema de Yough
   Mr. N.L. Lejeune, Secretary

   In attendance:

   Gen. R.A. Wheeler
   Mr. R.H. Demuth
   Mr. E.G. Burland
   Mr. C. Zondag
   Mr. C.W. Flesher
   Mr. G. deFleurieu

2. Cuba

   The Committee considered draft letter from Mr. Black to the President of the Republic of Cuba and letter from Mr. Truslow to Mr. Black with attached "Comments and Recommendations of the Cuban Mission with Respect to the Public Service Railways of Cuba", and

   AGREED:

   (a) that the portion of the Cuban Mission's Report, entitled "Comments and Recommendations of the Cuban Mission with Respect to the Public Service Railways of Cuba", and a copy of the letter from Mr. Francis Truslow to Mr. Black dated November 20, 1950 be transmitted to the Government of Cuba under a transmittal letter from Mr. Black to the President of Cuba.

   (b) that the draft letter of transmittal from Mr. Black to the President of Cuba dated November 20, 1950, be redrafted in accordance with the Committee's discussion.

3. Discussions on Colombia and Bank General Survey Mission, scheduled for this meeting were postponed.

4. 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. D. Sommers
5. Mr. D. Crema de Yough
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Demuth
9. Mr. A.S.G. Hoar
10. Mr. C. A. Schmidt
12. Mr. E.G. Burland
13. Mr. C. Zondag
14. Files
15. Mr. N.L. Lejeune
16. Mr. S. W. Anderson
17. Mr. Patterson French
Minutes of Meeting of Staff Loan Committee held 10:30 a.m., Thursday, November 30, 1950 in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. A. S. G. Roar
Mr. D. Gens de Lough
Mr. D. Senars
Mr. L. B. Nist
Mr. M. L. Lefoune, Secretary

In attendance

General R. A. Wheeler
Mr. C. Flesher
Mr. S. W. Anderson
Mr. W. Castea
Mr. S. R. Cope

Mr. H. Paterson
Mr. L. Hutnick
Mr. H. W. Larsen
Mr. M. M. Rosen
Mr. H. W. Robinson

2. Colombia

The Committee considered plans for implementing a development program for Colombia and

AGREED:

(a) That the Bank's interest in Colombia's development plans was sufficient to warrant assigning a high-level person full time to relations with Colombia;

(b) That in order to be able to meet its obligation to consult with Colombia on its development plans, and in order to be able to act quickly on any Colombian request for financing, a group within the Bank should undertake an exhaustive study of the Currie Report and the recommendations of the Colombian Committee for Economic Development.

3. Finland

The Committee considered a verbal report by Mr. Cope of the status of the discussions between the Bank, Finland and the United Kingdom relating to a change in the List of Goods of the Timber Loan, and
CONFIRMED:

that the Bank should not approve without the consent of the Belgian and Dutch Governments a change in the List of Goods under the Tiber Loan involving dollar payments to the United Kingdom, and

AGREED:

that a preferable solution should be sought along the lines of cancelling the outstanding balance of the Tiber Loan and by making good the amount cancelled either out of the $12.5 million Bank of Finland Loan, or by making a supplemental agreement thereto.

b. The Committee considered a verbal report by Mr. Garner of his conversations in Finland and

AGREED:

that a creditworthiness study of Finland should be made preliminary to exploring the possibilities of future lending to Finland.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. E. P. Iliff
4. Mr. D. Simpsons
5. Mr. D. Gove de Read
6. Mr. L. E. Ruh
7. Mr. L. W. Rist
8. Mr. R. N. Demuth
9. Mr. A. E. G. Hour
10. Mr. O. A. Schmidt
12. Mr. E. C. Burland
13. Mr. M. L. Lejeune
14. Files
15. Mr. S. W. Anderson
16. Mr. W. Olastra
17. Mr. S. E. Gope
Minutes of Meeting of Staff Loan Committee held 10:00 a.m., Friday, December 1, 1950

1. There were present:
   Mr. R.L. Garner
   Mr. A.S.C. Noar
   Mr. B. Crema de Leongh
   Mr. D. Somsers
   Mr. M.L. Lejeune, Secretary
   In attendance:
   Mr. S.W. Anderson
   Gen. R.A. Wheeler
   Mr. R.H. Demuth
   Mr. A. Waterston
   Mr. L. Caccio

2. Guatemala

   The Committee considered a proposal by Mr. Demuth that a member of the Bank's staff should go to Guatemala to prepare the way for the reception of the Guatemalan Mission's Report, and

   AGREED:

   That Mr. Consolo should go to Guatemala for the above purpose in January, 1951.

3. Bank General Survey Mission to Iraq

   The Committee considered SLC/0/276, Memorandum to Mr. Black from Mr. Demuth on Bank-Fund Relationship on General Survey Missions, and

   AGREED:

   That at the appropriate time a memorandum of understanding substantially in the form of SLC/0/276 should be presented by Mr. Black to Mr. Gutt for consideration by the Fund.

4. Nicaragua

   The Committee considered SLC/0/280, Loan Director's Memorandum on Nicaragua and
CONCURRED:

in the Loan Director's recommendations, with the modification that in order to make a thorough investigation of the road-building program a second engineer should accompany the Mission.

5. The meeting adjourned at 12:15 p.m.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Somers
5. Mr. P. Crema de Longh
6. Mr. E. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Rossmith
9. Mr. A. S. G. Hoar
10. Mr. G. A. Schmidt
12. Mr. E. G. Burland
13. Mr. M. L. Lejeune
14. Files
15. Mr. S. W. Anderson
16. Mr. F. A. Consolo
17. Mr. J. Rucinski
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 Meeting of Staff Loan Committee held 3:00 p.m., Wednesday, December 6, 1953

There were present:
Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. E. Smowes
Mr. D. Crena de Iongh
Mr. L.S. Rist
Mr. M.L. Lejeune, Secretary

In attendance:
Mr. J. Rucinski
Mr. G. deBeaufort
Mr. A. Rastch

2. Thailand

The Committee considered SIC/0/282, letter from Mr. Iver C. Olsen to Mr. Black, requesting that a representative of the Bank be sent to Thailand, and

AGREED:

That the Bank should acknowledge Mr. Olsen's letter stating its general interest in participating in the economic development of Thailand, but also stating that any request for Bank participation should come from the Thai Government.

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

Distribution
1. Mr. Eugene Black 9. Mr. A.S.G. Hoar
2. Mr. E.L. Garner 10. Mr. C.A. Schmidt
4. Mr. E. Smowes 12. Mr. E.G. Burland
5. Mr. D. Crena de Iongh 13. Mr. M.L. Lejeune
6. Mr. L.S. Rist 14. Files
7. Mr. L.S. Rist 15. Mr. J. Rucinski
8. Mr. R.L. Demuth 16. Mr. G. deBeaufort
STAFF LOAN COMMITTEE

FORMAL MINUTES

201 - 330
Minutes of Meeting of Staff Loan Committee held 3:00 p.m., Friday, December 1, 1950

1. There were present:
   
   Mr. E.R. Black  
   Mr. R.L. Garner  
   Mr. W.A.B. Iliff  
   Mr. A.S.G. Hear  
   Mr. L.B. Rist  
   Mr. D. Crena de Iongh  
   Mr. D. Sommers  
   Mr. N.L. Lejeune, Secretary  

   In attendance:  
   Gen. R.A. Wheeler  
   Mr. E.C. Burland  
   Mr. R.H. Desmith  
   Mr. S.W. Anderson  
   Mr. F.A. Consolo  
   Mr. J. Grauman  
   Mr. G. deFleurieu  
   Mr. L. Cencio  

2. Mexico  

   The Committee considered a verbal report by Mr. Iliff of his conversations with the Mexican representatives, Messrs. Carrillo-Flores, Cortina, and Paez, regarding (a) the use of the Export-Import Bank credit of $150 million dollars, (b) the proposed Bank of America loan for 15 million dollars, and (c) the likelihood of further IBRD lending to Mexico, and

   AGREED:

   That the Mexican representatives should be told

   (1) that the Bank considered $165 million external debt to be Mexico's limit and that further external borrowing would be unwise;  
   (2) that the Bank would consider further financing in Mexico only if the Eximbank credit were cut by an amount equivalent to any Bank financing;  
   (3) that the Bank requires from Mexico agreement as to interpretation of the consultation clause;
that in the Bank's view the negative pledge clause applied to the Bank of America Loan, but that the Bank would not exert its rights under this clause.

Distribution

1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Desmuth
9. Mr. A.S.G. Hoar
10. Mr. C.A. Schmidt
12. Mr. E.G. Burland
13. Mr. L. Lejeune
14. Files
15. Mr. Anderson
16. Mr. Consolo
Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Friday, December 15, 1950

1. There were present:
   - Mr. R.L. Garner
   - Mr. W.A.B. Iliff
   - Mr. A.S.G. Hoar
   - Mr. D. Crena de Longh
   - Mr. D. Sommers
   - Mr. L.B. Rist
   - Mr. M.L. Lejeune, Secretary

2. In attendance:
   - Mr. S.W. Anderson
   - Mr. A.M. Saitzoff
   - Mr. E. France
   - Mr. R.H. Demuth
   - Mr. S. Lipkowitz
   - Mr. H.W. Larsen

2. Brazil - Icomi, Amapa

   The Committee considered SLC/0/285, Loan Director's Memorandum on Icomi - Amapa Project, and AGREED:

   (a) that the proposal for Bank participation on the basis presented by Bethlehem was not acceptable and

   (b) that in principle the Bank should be prepared to participate if, in the course of further negotiations, a satisfactory basis could be established with Bethlehem.

   The Vice-President undertook to discuss the proposal with the President and then to lay down the general principle on which Bank participation might take place.

3. The meeting adjourned at 1:15 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. Crena de Longh
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
12. Mr. E.G. Burland
13. Mr. M.L. Lejeune
14. Files
15. Mr. S.W. Anderson
16. Mr. C. Zondag
17. Mr. Graves
Minutes of Meeting of Staff Loan Committee held 11:30 a.m., Thursday, December 14, 1950

1. There were present:
   Mr. R. L. Garner
   Mr. W.A.B. Iliff
   Mr. A.S.C. Hoar
   Mr. D. Sommers
   Mr. D. Crena de Iongh
   Mr. L.R. Rist
   Mr. M.L. Lejeune, Secretary

   In attendance
   Mr. O.A. Schmidt
   Mr. J. Adler
   Mr. M.M. Rosen

2. End-Use Covenants

   The Committee considered SLG/0/274 (Revised), Memorandum from the Treasurer to the President on End-Use Covenants, and

   AGREED:

   (a) That in omitting from loan agreements with development banks and banking consortia covenants giving the Bank the right to inspect projects and goods for purposes of end-use supervision the Bank is acting in conformity with the spirit of delegation of administrative responsibility implicit in such agreements and

   (b) That in omitting or including from "project" loan agreements covenants giving the Bank the right to inspect goods or projects or covenants requiring the completion of projects, the Bank should be guided by circumstances rather than by precedent or standard practice.

3. Charge for Firm Commitments

   The Committee considered SLG/0/284, Loan Department Memorandum on Report and Recommendations of Special Working Party on Charge for Firm Commitments, and
CONCURRED:

In the recommendations of the Special Working Party contained in SIC/0/284.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Iongh
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
12. Mr. E. G. Burland
13. Mr. M. L. Lejeune
14. Files
15. Mr. Graves
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 3:00 p.m., Tuesday, December 19, 1950

1. There were present:

   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. A.S.G. Hoar
   Mr. D. Summers
   Mr. L.E. Rist
   Mr. D. Crona de Longh
   Mr. M.L. Lejeune, Secretary

   In attendance:

   Gen. R.A. Wheeler
   Mr. A. Kamarck
   Dr. E.W. Reabury
   Mr. A.F. Luxford
   Mr. S.R. Cope
   Mr. F.H. Oppenheimer
   Mr. J. Fajans
   Mr. K.M. Rosen
   Mr. F.M. Rosenstein-Rodan
   Mr. H.M. Graves (Observer)
   Mr. A. Stevenson

2. Finland

   The Committee considered SLC/0/286, Loan Director's Memorandum on Finland, and

   (a) CONCURRED:

       In the Loan Director's recommendations, and

   (b) AGREED:

       That any approach to the Finns should be made informally by personal letter from Mr. Garner to Governor Tuomela for the purpose of eliciting the Finns' interest in entering into general discussion with the Bank.

3. Italy

   The Committee considered SLC/0/287, Loan Director's Memorandum on Italy—Development of Southern Italy, and

   (a) CONCURRED:

       In the Loan Director's recommendations, and
(b) AGREED:

That the Bank's reply to the letter from the President of the Committee of Ministers for the South should contain an implication of the Bank's awareness of the changes in the organizational form of the Cassa.

4. The meeting adjourned at 4:20 p.m.

Distribution

1. Mr. Eugene Black 9. Mr. A.S.G. Hoar
2. Mr. R.L. Garner 10. Mr. O.A. Schmidt
4. Mr. D. Somers 12. Mr. E.G. Burland
5. Mr. D.G. Gunna de Longh 13. Mr. M.L. Lejeune
6. Mr. L.B. Rist 14. Files
7. Mr. L.B. Rist 15. Mr. S.H. Cope
8. Mr. R.H. Demuth 16. Mr. M. Graves
Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Wednesday, December 20, 1950

1. There were present:
   - Mr. R. L. Garner
   - Mr. W.A.B. Illiff
   - Mr. A.S.G. Hoar
   - Mr. L.B. Rist
   - Mr. D. Crena de Iongh
   - Mr. A.F. Luxford
   - Mr. M.L. Lejeune, Secretary

2. Peru

The Committee considered Loan 103, Report on Bank Mission to Peru and E 126, The Economic Position of Peru, and

AGREED:

(1) That the potentialities and creditworthiness of Peru warrant preliminary discussions between the Bank and Peru with a view to

   (a) reaching agreement as to the priority of projects within an over-all development program;

   (b) obtaining technical evaluations of such projects;

   (c) negotiating Bank financing on a project by project basis.

(2) That these discussions be deferred until after the return to Washington of the Peruvian Ambassador;

(3) That any discussions with the Peruvian Ambassador should take place only after further consultation with the management.

3. The meeting adjourned at 12:15 p.m.

Distribution

1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W.A.B. Illiff
4. Mr. D. Bowmers
5. Mr. D. Crena de Iongh
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Desmuth
9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
12. Mr. E. G. Burland
13. Mr. M. L. Lejeune
14. Files
15. Mr. S. W. Anderson
16. Mr. W. Glastra
Minutes of Meeting of Staff Loan Committee held 10:00 a.m., Friday, December 22, 1950

1. There were present:
   Messrs. R.L. Garner
   W.A.B. Iliff
   D. Crenus de Jongh
   A.S.C. Hoar
   A.F. Luxford
   R.H. Demuth
   S.W. Anderson
   E.G. Burland
   Gen. R.A. Wheeler
   A. Broches
   H.W. Larsen
   W. Glastra
   J. Grauman

2. Colombia — La Insula Project (Caldas)
   The Committee considered SLC/6/285, Loan Director's Memorandum on
   Colombia — La Insula Project (Caldas) with attachments, and
   (a) APPROVED:
      The documents as submitted, and
   (b) AGREED:
      That the interest rate (including 1% commission) should be 4%.

3. The meeting adjourned at 10:55 a.m.

Distribution
1. Mr. E.H. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crenus de Jongh
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Demuth
9. Mr. A.S.C. Hoar
10. Mr. G.A. Schmidt
12. Mr. E.G. Burland
13. Mr. M.L. Lejeune
14. Files
15. Mr. S.W. Anderson
16. Mr. W. Glastra
Minutes of Meeting of Staff Loan Committee held 3:00 p.m., Thursday, December 21, 1950

1. There were present:
   Mr. R.L. Garner
   Mr. W.A.B. Iliff
   Mr. A.S.G. Hoar
   Mr. D. Crena de Yongh
   Mr. D. Sosman
   Mr. I.B. Rist

In attendance
   Gen. R.A. Wheeler
   Mr. E.G. Burland
   Mr. A.D. Spottwood
   Mr. S.R. Cope
   Mr. C. deBaufort

2. South Africa
   The Committee considered The Draft Report and Recommendations of the President to the Executive Directors concerning Two Proposed Loans to the Union of South Africa with attachments, and
   
   APPROVED:
   The documents as submitted except for minor modifications in paragraphs 30 and 33 of the Report and Recommendations of the President.

3. The meeting adjourned at 4:10 p.m.

Distribution
1. Mr. E.R. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sosman
5. Mr. D. Crena de Yongh
6. Mr. I.B. Rist
7. Mr. I.B. Rist
8. Mr. E.H. Desmuth
9. Mr. A.S.G. Hoar
10. Mr. O.A. Schmidt
12. Mr. E.G. Burland
13. Mr. K.L. Lejeune
14. Files
15. Mr. S.R. Cope
16. Mr. M.M. Graves
STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Thursday, December 28, 1950.

1. There were present:
   
   Mr. R.L. Garner
   Mr. W.A.S. Iliff
   Mr. A.S.C. Hear
   Mr. H.W. Riley
   Mr. A. Brochse
   Mr. H.N. Larsen
   Mr. W.L. Lejeune, Secretary

   In attendance
   Gen. H.A. Wheeler
   Mr. C. Flesher
   Mr. S.H. Anderson
   Mr. G. Grayson
   Mr. E. France
   Mr. R.M. DeLath
   Mr. J. Terfs

2. Colombia

   The Committee considered SLC/3/290, Loan Department Memorandum on Colombia: Procedures (Memorandum No. 2), and

   (a) CONFIRMED:

       the agreements reached at the Staff Loan Committee meeting of November 30;

   (b) ASCRIBED:

       that the working party should consider and make recommendations on the following matters:

       (i) Sending a Loan Department representative to Colombia in the reasonably near future for the purpose of showing the Bank's support of the work of the Committee for Economic Development and measures proposed by the Government;

       (ii) Terms of reference of the above representative and the instructions to be given to him;
(iii) Preparation of a letter to be sent to Colombia stating the Bank's interest in the recommendations of the Committee for Economic Development, requesting a copy of these recommendations, and also informing the Colombians of the Bank's intention of sending a representative to Bogota at an early date;

(iv) Whether the letter should be addressed to the President of the Republic or the President of the Committee for Economic Development, or whether letters should be sent to both;

(v) The advisability, in view of the scarcity of technicians on the staff of the Committee for Economic Development, of the Bank's using its good offices to obtain further technical help for the Colombians; and

(e) AGREED:

that Mr. Torfs should return to Colombia to continue to assist the Committee for Economic Development.

3. The meeting adjourned at 4:20 p.m.

Distribution
1. Mr. Eugene Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. B. Sommers
5. Mr. D. Crena de Iengan
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Remuth
9. Mr. A. S. G. Hoar
10. Mr. C. A. Schmidt
12. Mr. H. G. Surland
13. Mr. W. L. Lejeune
14. Files
15. Mr. S. W. Anderson
16. Mr. W. C. Glastra