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STAFF LOAN COMMITTEE

FORMAL MINUTES

1 - 200
Minutes of Meeting of Staff Loan Committee held at 2:30 p.m. on
April 13, 1943, in Room 419

1. There were present:

   Mr. H. L. Garner (Chairman)
   Mr. W. A. B. Illiff
   Mr. D. Crewe de Iongh
   Mr. A. F. Luxford
   Mr. L. B. Rist
   Mr. C. H. Davies (Secretary to Committee)

   In attendance:

   Mr. A. S. G. Hear
   Mr. W. Hill
   Mr. A. Basch

2. The Committee considered the Draft (4/12/43) Supplemental
   Netherlands Loan Agreement (Swiss Franc Loan - Dutch Part)
   and the Draft Letter (4/9/43) from the Dutch to the Bank
   relating to such Agreement, and

   APPROVED these documents.

Distribution
Copy No. 1 Mr. R. L. Garner
           2 Mr. W. A. B. Illiff
           3 Mr. D. Crewe de Iongh
           4 Mr. C. A. McLain
           5 Mr. L. B. Rist
Minutes of Meeting of Staff Loan Committee held at 3:00 p.m. on Friday, April 16, 1943, in Room 410.

1. There were present:

Mr. R. L. Garner (Chairman)
Mr. W. A. B. Iliff
Mr. D. Crena de Lough
Mr. A. Y. Luxford
Mr. L. B. Rist
Mr. C. H. Davies (Secretary to Committee)

In attendance:
Mr. A. C. C. Moon
Mr. W. Hill
Mr. M. Elliott
Mr. H. J. Madigan
Mr. J. Corbett
Mr. R. H. Buchanan

2. Application of Mexican Light and Power Company, Ltd.

(a) SLC/0/1 was approved, subject to:

(i) The addition to para. 3(b) of the words, "and of its subsidiaries, and that the Bank's loan would not be jeopardized by other outstanding junior issues".

(ii) The amendment of para. 3(c) to indicate that the proposed survey should cover the economic and marketing, as well as the engineering aspects of the Company's operations, and that the survey should be made at the Company's expense.
(iii) The amplification of para. 4 to indicate that, among the points which the Bank would wish to take up later, the question of the earning power of the Company would be prominent.

(b) The Committee recommended that:

(i) In view of the fact that Sofina might be able to carry through a rapid reorganization on the lines suggested, the preliminary survey by the Bank's engineer should not be long delayed.

(ii) The Bank should keep the Export-Import Bank informed as to its position.

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

Distribution

Copy No. 1. Mr. R. L. Garner
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3 Mr. D. Crenn de Iongh
4 Mr. A. F. Luxford
5 Mr. L. E. Hiet
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee held at 11:45 a.m. on Monday, April 19, 1948, in Room 410.

1. There were present:
   Mr. W. A. E. Iliff (Chairman)
   Mr. D. Grenade Tomah
   Mr. A. F. Luxford
   Mr. L. B. Hirst
   Mr. C. H. Davies (Secretary to Committee)

   In attendance:
   Mr. A. S. G. Hoar
   Mr. W. Hill
   Mr. E. Burland
   Mr. J. Rucinski
   Mr. G. S. Mason
   Mr. S. Aldewereld
   Mr. A. Brookes

2. Dutch Shipping Application

   (a) The Committee considered what guarantee fee, if any, in addition to the statutory guarantee commission, should be paid by the Dutch to the Bank, and recommended that:

       (i) In principle, a charge over and above the statutory commission ought to be made by the Bank for its guarantee;

       (ii) That in the particular case under consideration, though not necessarily in subsequent cases, the amount of such additional charge to be added to the one percent statutory guarantee commission should be at the rate of one-sixteenth of one percent per annum.

   (b) The Committee then considered the Annexes to SLC/0/2 and

       (i) APPROVED Annex 1, subject to the insertion in para. 3, sentence 2 after the words "fully paid for", of the additional words "by means of interim finance".
(11) **APPROVE** Annex 2, on the understanding that the question of whether it should be incorporated in the prospectus or otherwise dealt with would be taken up with Mr. McKittrick of the Chase National Bank.

(111) **TOOK NOTE** of Annex 3.

3. The meeting adjourned at 12:50 p.m.

**Distribution**

Copy No. 1  Mr. R. L. Garner
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3. Mr. E. Creda de Iongh
4. Mr. A. F. Luxford
5. Mr. L. B. Rist ✓
STAFF LOAN COMMITTEE

Minutes of Meeting of Staff Loan Committee held at 3:30 p.m., on Tuesday, April 27, 1943, in the Board Room (1005).

1. There were present:
   
   Mr. R. L. Garner (Chairman)
   Mr. W. A. B. Cliff
   Mr. D. Grema de Jongh
   Mr. D. Semmens
   Mr. L. B. Rist
   Mr. C. H. Davies (Secretary to Committee)

   In attendance:
   
   Mr. A. S. G. Hoar
   Mr. J. Racinski
   Mr. O. Schmidt
   Mr. G. S. Mason
   Mr. S. R. Cope
   Mr. S. Aldewereld
   Mr. A. Stevenson

2. Danish Loan

   The Committee considered the Danish request for changes in
   
   the list of goods and for an extension of the closing date in connection
   
   with Loan No. 3 De, as set out in SLO/0/3, and

   (a) AGREED:

   That the Danish request, by proposing that the period
   
   of disbursement of a loan should be considerably extended,
   
   and that the loan proceeds should be applied to purposes
   
   substantially different from those contemplated when the
   
   loan was made, raised an important question of principle,
   
   which called for a thorough investigation of the reasons
   
   for departure from the original program, and
(b) **APPROVED:**

The recommendation to send a representative of the Bank to Denmark immediately to conduct such an investigation.

3. **Dollar Payments Between European Countries**

The Committee considered Mr. D. Orme de Xongh's memorandum (SLC/0/4) on the above subject, raising the questions:

(i) Whether the Bank should supply dollars to a European borrower to finance purchases from another European country, instead of the currency of the latter, and

(ii) Whether the Bank should provide a certain local currency to reimburse a borrower for its purchases regardless of the fact that the borrower has sufficient amounts of such currency at his disposal, and

(a) **RECOMMENDED:**

That, in view of the complexity of the issues raised, these questions should be deferred for further study.

4. **I.M.F. Decision on Use of Its Resources by ERP Countries.**

The Committee considered the notes on the above subject by Messrs. Rist and Iliff in SLC/0/5, and

(a) **RECOMMENDED:**

That, without challenging the Fund's decision, further enquiry into the reasons on which it had been based was desirable.

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

Copy No. 1  Mr. R. L. Garner
          2  Mr. W. A. B. Iliff
          3  Mr. D. Crenna de Xongh
          4  Mr. G. A. McClain
          5  Mr. L. B. Rist
Minutes of Meeting of Staff Loan Committee held at 3:30 p.m., on Tuesday, April 27, 1948, in the Board Room (1005).

Please amend conclusion of item 3 (Dollar Payments between European Countries) as follows:

" (a) AGREED

That, as regards the first question, it was generally undesirable for the Bank to supply U.S. dollars to a borrower to finance purchases from a country other than the United States, although such a course might be justified in exceptional cases.

" (b) RECOMMENDED

That, in view of the complexity of the issues raised, the second question be deferred for further study. "

Distribution

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3. Mr. D. Crema de Jongh
4. Mr. C. A. McLain
5. Mr. L. E. Rist
Minutes of Staff Loan Committee held at 2:30 p.m. on Friday, May 7, 1948, in Room 1005.

1. There were present:

Mr. R. L. Garner (Chairman)
Mr. W. A. B. Iliff
Mr. H. W. Riley
Mr. A. F. Luxford
Mr. L. B. Rist
Mr. C. H. Davies (Secretary to Committee)

In attendance:

Mr. A. S. G. Hoar
Mr. W. Hill
Dr. J. S. Gould
Mr. D. Semmers
Mr. L. H. Bengston
Mr. J. T. Lund
Mr. M. Elliott
Mr. F. Consolo
Mr. E. Beecroft

2. Impending loan application from the Philippine Republic

The Committee considered SLC/0/6 and the accompanying report of the Bank mission to the Philippine Republic, and

RECOMMENDED

That, in the light of the views expressed during the discussion, the Loan Department should consider:

(a) Whether the Philippine Republic has at present any need of a loan;

(b) What general position the Bank should assume towards the development of the Philippine Republic,

and make appropriate recommendations to the Committee.
3. Conversion of service charges on proposed loan from Brazilian 10% subscription.

The Committee considered SLC/0/7 and

(a) AGreed

That, in the absence of further details of the proposed loan, no definite decision could be reached, and

(b) RECOMMENDED

That, pending receipt of such details, members should give further study to the questions of principle raised during the discussion.

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

Distribution

Copy No. 1. Mr. R. L. Garner
2. Mr. W. A. E. Iliff
3. Mr. D. C. de Lough
4. Mr. C. A. McLean
5. Mr. L. E. Munt
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held at 8 p.m. on Monday, May 17, 1948, in Room 1005.

1. **There were Present:**
   - Mr. E. L. Garner (Chairman)
   - Mr. W. A. B. Iliff
   - Mr. D. Crema de Tongh
   - Mr. L. H. Bengston
   - Mr. L. B. Rist
   - Mr. C. H. Davies (Secretary)

2. **Drinking Loan Application from the Philippine Republic**

   The Committee considered the Loan Director's recommendations and draft letter as in SLC/0/8, and

   **RECOMMENDED:**

   (a) That the draft be amended as seemed appropriate in the light of the discussion.

   (b) That the views expressed therein be discussed with Mr. Elizalde, the Philippines Ambassador, but that no substantial concession be made, and, finally,

   (c) That these views be then embodied in a formal letter to Mr. Elizalde, with a request that he transmit them to the Philippines Government.

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The Committee considered the draft letter from Mr. McGlory to Mr. Hoffman, SLO/0/9, and

APPROVED:

the draft, subject to:

(a) Its form being changed to that of a memorandum from the Economic Director to the President;

(b) The President being informed that the Committee was divided on the question of whether any proposal for use of the counterpart by any one of the participating countries should be transmitted to ECA only through GEMCO and be accompanied by the recommendations of GEMCO, some members being of the opinion that ECA should deal directly with the country concerned.

(c) Appropriate revisions being made in recognition of the possibility that the sterilisation of a major portion of local currency counterparts, or their use for retirement of government debt to the central bank, may not in all cases be desirable, in view of possible serious deflationary effects.

(d) Minor textual changes.

4. Terms for Exisbank Loans.

The Committee considered the memorandum SLO/0/10 on this subject, and, while the consensus of opinion was against the advisability of the IBRD's making representations on the subject,

APPROVED:

the memorandum, subject to minor textual changes, as appropriately representing the arguments in favour of raising the Exisbank rate to equality with that of the IBRD, should the President decide to advocate this course.

5. The meeting adjourned at 6:55 p.m.
Distribution:

1. Mr. R. L. Garner
2. Mr. W. A. B. Iliff
3. Mr. D. Grena de Zongh
4. Mr. C. A. McLain
5. Mr. L. B. Rist
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting Held at 9:30 a.m. on Wednesday, May 29, 1946, in Room 410.

1. There were Present:
   Mr. R. E. Garner (Chairman)
   Mr. V. A. B. Hill
   Mr. D. Cramo de Rouh
   Mr. C. A. McLain
   Mr. L. R. Rist
   Mr. C. H. Davies (Secretary)

In Attendance:
   Mr. C. E. Gleas
   Mr. E. W. Larson
   Mr. A. Basch
   Mr. W. Hill
   Mr. R. H. Demuth
   Mr. A. S. C. Hear
   Mr. L. H. Dongras

2. WBG's Attitude Towards Possible Loan Applications from Peru.

   The Committee considered SLC/0/11 and the accompanying reports on the Bank mission to Peru, and

   **Agreed:**

   That, in view of the fact that both the present discussion and that on the Philippines had revealed a divergence of opinion on an important question of principle, viz. to what extent, if any, the Bank should furnish advice and assistance to a member country in planning and executing the financial and economic reforms which appeared to be necessary before the country could be considered by the Bank to be an appropriate field for development loans, a further meeting, at which the President would be present, be held to determine this question.
3. The meeting adjourned at 10:45 a.m.

Distribution

Copy No. 1. Mr. R. E. Garner
2. Mr. V. A. B. Teiff
3. Mr. B. Crewe de Zanga
4. Mr. C. A. McLain
5. Mr. L. D. Rist
6-10. Loan Department
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting Held at 2:30 p.m. on Wednesday, May 19, 1965, in Room 1009.

1. There were Present:
   Mr. R. L. Garner (Chairman)
   Mr. W. A. E. Eiff
   Mr. D. Crewe de Young
   Mr. G. A. McLean
   Mr. L. E. Hill
   Mr. C. B. Davies (Secretary)

   In Attendance:
   Mr. A. S. C. Hoar
   Mr. W. Hill
   Mr. R. H. Dax
   Mr. P. H. Rosenstein-Rodan
   Mr. V. Urguitti

2. Policy and Planning Division of Loan Department

   The Committee considered the draft Terms of Reference (SLC/0/12) and the draft First Working Agenda (SLC/0/13) of the Policy and Planning Division, and

   APPROVED:

   these drafts, subject to the amendment of SLC/0/12, para. 1, (a) and (b), to read as follows:

   "(a) the study of, and development of recommendations on, Loan Policy in the general field;"

   "(b) the study of, and development of recommendations on, policy in regard to loan techniques;".

3. List of Questions for Advisory Council

   The Committee considered SLC/0/14 and

   APPROVED:

   the proposed list of questions.

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

Copy No. 1. Mr. R. L. Garnet
2. Mr. W. A. B. Cliff
3. Mr. D. Crean de Lough
4. Mr. C. A. McNair
5. Mr. L. E. Hilt

...
Minutes of Staff Loan Committee Meeting held at 11.30 a.m. on Friday, May 21, 1948, in Room 1005.

1. **There were Present:**
   - Mr. W. Hill (Chairman)
   - Mr. D. Crewe de Trench
   - Mr. C. A. McLean
   - Mr. P. H. Rosenstein-Rodan
   - Mr. C. F. Davies (Secretary)

   **In Attendance:**
   - Mr. F. H. Demuth
   - Mr. E. V. Herbert
   - Mr. J. Fenton

2. **Belgium: Linelux Project**

   The Committee considered the questions on the agenda SLC/1/9, and

   **Recommend:**

   (a) That the Belgians be asked as a first step whether they would care to release a portion of their 10½ subscription to the Bank's capital, which could in turn be lent to Linelux in order to permit them to buy the francs and sterling from the National Bank to finance necessary imports of equipment from France and the U.K.

   (b) That, in the event of a negative reaction from the Belgians, the Bank's policy would be reconsidered in the light of their reply.
Minutes of Staff Loan Committee Meeting Held at 5:00 p.m. on Wednesday, June 9, 1948, in Room 1005.

1. There were Present:

Mr. J. J. McCloy
Mr. W. Hill
Mr. D. Crema de Zongh
Mr. C. A. McLean
Mr. A. Basch
Mr. G. H. Davies (Secretary)

In Attendance:

Mr. J. Racinski
Mr. J. Fenton
Mr. A. Broches
Mr. E. Burland

2. Dutch Shipping Application.

The Committee considered the draft legal documents SLC/0/15, SLC/0/16, and SLC/0/17, and

(a) APPROVED these documents, subject to:

(i) The insertion in Article III, Section 2 of the Loan Agreement of the word "commercial" before the word "cargo".

(ii) The amendment of Article VII, Section 5 of the Loan Agreement to make the Bank's position as Trustee conform as closely as practicable to that of a Trustee under the Trust Indenture Act of the United States.

(iii) The Amendment of Article XII of the Loan Agreement to provide that the Agreement shall not become effective until the delivery to the Bank of the mortgage notes and legal opinions.

(iv) The designation in the Guarantee Agreement of the Netherlands Minister of Finance as empowered to sign on behalf of his government in respect of minor modifications of the terms of the Agreement.

(v) The review of the designation of the Chase National Bank as office of payment under the Mortgage Notes and Loan Agreement in the light of inquiry as to what charge, if any, the Chase National Bank would make for its services in this capacity.
(b) In approving the negative pledge clause as in Article III of the Guarantee Agreement,
AGREED that it ought to be the normal policy of the Bank to require the inclusion of the negative pledge clause in all loan and guarantee agreements with member governments.

3. The meeting adjourned at 6:25 p.m.

Distribution:

Copy No. 1. Mr. J. J. McElroy
2. Mr. W. A. B. Iliff
3. Mr. D. Crean de Jongh
4. Mr. C. A. McLain
5. Mr. L. B. Rist
Minutes of Staff Loan Committee Meeting Held at 10:00 a.m. on Thursday, June 10, 1948, in Room 1005.

1. There were present:
   - Mr. J. J. McCloy
   - Mr. W. Hill
   - Mr. D. Crema de Longh
   - Mr. B. Sommers
   - Mr. P. N. Rosenstein-Rodan
   - Mr. C. H. Davies (Secretary)

   In Attendance:
   - Mr. R. H. Demuth
   - Mr. M. Elliott
   - Mr. E. Burland
   - Mr. L. H. Bengston
   - Mr. A. Basch

2. Proposed Brazilian Traction Loan

   The Committee considered the questions raised in the Legal Department Memorandum SLC/0/13, and

   **RECOMMENDED:**

   (a) That in view of the course of current negotiations, the bonds be sinking fund bonds, although as a general rule serial bonds were preferable from the Bank's standpoint;

   (b) That the Bank reserve the right to ask for bonds bearing interest at a rate lower than the rate specified for the loan, being paid the difference by way of service charge; and that, if necessary, the Bank agree to bear any additional expense to the Company arising out of the Bank's exercise of this right;
(c) That as the Bank would not wish to sell the bonds except on a private basis, the question of registration need not be considered;

(d) That the question as to whether the Canadian Government might release interest payments to non-resident bondholders other than the Bank from any possible present or future liability to Canadian taxation or foreign exchange restrictions be discussed with the Canadian Alternate Executive Director;

(e) That the Company's proposals for a variation of the suspension provisions of the draft Loan Agreement be not accepted;

(f) That the provisions of the draft Loan Agreement giving the Bank a right to premature the loan on a default in the performance of those covenants in the Loan and Guarantee Agreements which are additional to those in the Trust Indenture be retained;

(g) That the Bank be willing to make disbursements in advance of completion of the setting up by the Company of all required security devices, but that any decision as to the amount to be so disbursed and agreement with the Company in this respect be deferred until all major problems which might prevent the signing of the Agreement were disposed of;

(h) That the Company be informed that, before signing the agreement, the Bank would require to be satisfied as to relations between the Brazilian Government and the IMF.

3. The meeting adjourned at 11:35 a.m.
Minutes of Staff Loan Committee Meeting Held at 6:00 p.m. on Wednesday, June 16, 1948, in Room 1005.

1. There were present:
   Mr. J. J. McCloy
   Mr. W. A. B. Iliff
   Mr. D. Craen de Longh
   Mr. A. Brochea
   Mr. F. N. Rosenstein-Rodan
   Mr. G. H. Davies (Secretary)

   In attendance:
   Mr. W. Hill
   Mr. R. H. Demuth
   Mr. J. Rucinski
   Mr. S. R. Cope
   Mr. O. Schmidt
   Mr. G. S. Mason
   Mr. S. Aldevereld
   Mr. A. Barch
   Mr. A. Wumbig

2. Danish Request for Change in the List of Goods to be Purchased out of the Loan of 1947

   The committee considered the recommendations in SLC/0/19, and RECOMMENDED:

   (a) That the Danish Government be informed that the Bank agreed to the proposed modifications in the list of goods as set out in Appendix "A" to SLC/0/19;

   (b) That the Bank should at this stage take no action which would in any way restrict its freedom in dealing with any balance outstanding at the closing date of loan.
3. Proposed Dutch Shipping Loan

The Committee had before it the Preliminary Report on the Dutch Shipping Loan Application, and

RECOMMENDED:

That the Report be distributed to the Executive Directors.

4. The meeting adjourned at 7:30 p.m..

Distribution

Copy No. 1. Mr. J. J. McCloy
        2. Mr. W. A. B. Iliff
        3. Mr. D. Grena de Longh
        4. Mr. C. A. McLean
        5. Mr. L. B. Rist
STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting Held at 2:30 p.m. on Thursday, June 17, 1968, in Room 615.

1. There were present:
   - Mr. J. J. McCloy
   - Mr. W. A. B. Iliff
   - Mr. D. Crema de Longh
   - Mr. L. Hurick
   - Mr. F. N. Koenzen-Roden
   - Mr. C. N. Davies (Secretary)

   In attendance:
   - Mr. W. Hill
   - Mr. R. H. Demuth
   - Mr. V. Urquidi
   - Mr. D. L. Gordon
   - Mr. J. Racinski

2. Draft Advisory Council Notes

   The Committee considered the drafts SLC/0/20-21-22, and

   APPROVED these documents, subject to:

   (a) Minor textual changes

   (b) The addition of a foreword to the effect that the documents

       have been prepared for purposes of discussion only and do not

       constitute statements of policy by the Bank.

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

Distribution

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3. Mr. D. Crema de Longh
4. Mr. C. N. Davies
5. Mr. L. B. Rist
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting Held at 10:30 a.m. on Friday, June 25, 1948, in Room 1005.

1. There were present:

   Mr. J. J. McCloy
   Mr. W. Hill
   Mr. D. Crena de Iongh
   Mr. L. Burick
   Mr. P. N. Rosenstein-Rodan
   Mr. G. H. Davies (Secretary)

   In attendance

   Mr. R. H. Demuth
   Mr. E. Burland
   Mr. D. L. Gordon
   Mr. V. Urquidi

2. Draft Advisory Council Notes

   The Committee considered the draft Advisory Council Notes,

   Nos. 3, 4, 6, 8, (SL0/10/23-24-25-26) and

   APPROVED;

   the drafts, subject to minor textual changes.

3. The meeting adjourned at 12:35 p.m.

Distribution:

Copy No. 1. Mr. J. J. McCloy
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3. Mr. D. Crena de Iongh
4. Mr. G. A. McLean
5. Mr. L. B. Rist
6. Mr. E. Fleetwood Dunstan
STAFF LOAN COMMITTEE

(International Bank for Reconstruction and Development)

Minutes of Staff Loan Committee Meeting Held at 9:30 a.m. on Monday, June 29, 1948, in Room 1005.

1. There were present:

   Mr. J. J. McColloch
   Mr. W. A. B. Eliff
   Mr. D. Crena de Jongh
   Mr. C. A. McLauch
   Mr. P. H. Rosenstein-Rodan
   Mr. C. H. Davies (Secretary)

2. Peru: Draft Letter from President to Minister of Finance.

   The Committee considered the draft (SLC/0/27), and

   **RECOMMENDED:**

   that the letter be redrafted in the light of the discussion.

3. The meeting adjourned at 10:40 a.m.

Distribution

Copy No. 1. Mr. J. J. McColloch
2. Mr. W. A. B. Eliff
3. Mr. D. Crena de Jongh
4. Mr. C. A. McLauch
5. Mr. L. B. Rist
6. Mr. E. F. Dunstan
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting Held at 4:30 p.m. on July 19, 1948, in Room 115

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Grena de Longh
Mr. C. A. McLain
Mr. L. B. Rist
Mr. C. H. Davies (Secretary)

In attendance:

Mr. A. S. G. Hoar
Mr. W. Hill
Mr. R. H. Demuth
Mr. E. Burland

2. Loan Request by an American Corporation in Respect of a Project in Another Member Country.

The Committee considered the Loan Director's Memorandum, SLC/0/28, and

AGREED

that the matter be discussed at a further meeting in the light of the report of the Bank Mission to the member country in question.


The Committee considered the Loan Director's Memorandum SLC/0/29 and

AGREED

that the points of view expressed in the discussion be placed before the President and his opinion requested.

4. The meeting adjourned at 6:25 p.m.

Distribution
Copy No. 1. Mr. R. L. Garner
          4. Mr. C. A. McLain
          2. Mr. W. A. B. Iliff
          5. Mr. L. B. Rist
          3. Mr. D. Grena de Longh
          6. Mr. E. F. Dunstan
**File Title**
Loan Committee - Minutes - 1948

**Document Date**
Jul 22, 1948

**Correspondents / Participants**

**Subject / Title**
Minutes of Staff Loan Committee Meeting Held at 10:00 on Thursday, July 22, 1948, in Room 415.

**Exception No(s).**

- [ ] 1
- [ ] 2
- [ ] 3
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- [ ] 10 A-C
- [ ] 10 D

**Reason for Removal**
Attorney - Client Privilege

**Additional Comments**

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Withdrawn by: Chandra Kumar  
Date: Jun 13, 2014

Archives 1 (May 2012)
Minutes of Staff Loan Committee Meeting Held at 3:00 p.m. on Friday, July 30, 1948, in Room 1005.

1. There were present:

   Mr. E. L. Garner
   Mr. W. A. B. Iliff
   Mr. D. Crewe de Xongh
   Mr. C. A. McLain
   Mr. L. B. Rist
   Mr. G. H. Davies (Secretary)

2. French Potash Loan Application

   The Committee considered SLC/6/32 and the Loan Department Report,
   "Survey of Economic Conditions in France", and

   (a) **RECOMMENDED:**
   that, although the giving of the negative pledge and consultation
   covenants either in the usual form or by reference to new Loan
   Regulations ought to be an essential condition of a loan,
   negotiations need not be suspended pending the French decision on
   this point.

   (b) **AGREED:**
   to submit to the President the question of the desirability of
   establishing a lien on the proceeds of the sale of potash in the
   Western Hemisphere, on which there was a difference of opinion.

   (c) **APPROVED:**
   the distribution of the "Survey of Economic Conditions in France"
Minutes of Staff Loan Committee Meeting Held at 10:00 a.m. on Wednesday, August 4, 1948.

1. There were present:

- Mr. J. J. McCloy
- Mr. R. L. Garner
- Mr. W. A. B. Iliff
- Mr. D. Grena de Iongh
- Mr. C. A. McLean
- Mr. L. B. Rist
- Mr. C. H. Davies (Secretary)

In attendance:

- Mr. A. S. G. Hoar
- Mr. W. Hill
- Mr. R. H. Demuth
- Mr. J. Rucinski

2. Bank Policy in Relation to Cuba

The Committee considered SLC/0/34, and

RECOMMENDED:

that further information as to saving and investment in Cuba should be obtained from the Cuban Alternate Executive Director, Mr. Joaquin Meyer.

3. Payment in Dollars for Trade Between Two European Countries Financed by Loans of the IBRD.

The Committee considered SLC/0/35, and

AGREED:

to defer a conclusion until a subsequent meeting at which a further memorandum on the subject by the Economic Director would be available.

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

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3. Mr. D. Grena de Iongh
4. Mr. C. A. McLean
5. Mr. L. B. Rist
6. Mr. E. F. Dunstan
to the Executive Directors.

3. **IBRD Loan to Constitute Guarantee Fund for Export of Patents, Technical Know-How, etc., to Countries of Eastern Europe.**

   The Committee considered SLC/6/33, and

   **AGREED:**

   that the type of financing proposed lay outside the scope of the Bank.

4. **Liaison with F.A.O.**

   The Assistant Economic Director stated that F.A.O. were undertaking certain researches into agricultural problems in various countries, and that they had offered to incorporate as far as possible in their program any problems in which the Bank was interested.

   The Committee considered this statement and

   **APPROVED:**

   the proposal to submit to F.A.O. a list of such problems drawn up in the light of present loan priorities.

5. **Norwegian Shipping Loan Application.**

   The Loan Director stated that Mr. Hunter, of the New York Trust Company, had approached the Bank on behalf of Norwegian shipping companies which were interested in obtaining a loan of about $15 million, to be guaranteed by the Norwegian Government, for the purchase of merchant vessels.

   The Committee considered this statement and

   **RECOMMENDED:**

   that negotiations proceed, subject to the Norwegian Government giving direct assurance of its interest in the proposed loan.

6. The meeting adjourned at 5:20 p.m.

**DISTRIBUTION:**

Copy No. 1. Mr. R. L. Garner  4. Mr. C. A. McLain
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3. Mr. D. Crane de Yongh  6. Mr. E. F. Dunstan
Minutes of Staff Loan Committee Meeting held at 2:30 p.m. on Wednesday, August 18, 1965

1. Those were present:

   Mr. H. L. Garner
   Mr. W. A. B. Iliff
   Mr. E. Riley
   Mr. P. N. Rosenberg-Reden
   Mr. C. A. McLean
   Mr. C. H. Davies (Secretary)

In attendance:

   Mr. A. S. G. Hear
   Mr. E. H. Beumth
   Mr. J. Panton
   Mr. N. C. Burland

2. Report on Kenya:

   The Committee considered the Report, and

   
   RECOMMEND:

   that Parts I and II, with minor amendments, be circulated to the
   Executive Directors.

3. The Netherlands:

   (a) Loan request by Finance Corporation for National Reconstruction:

   The Committee considered SLC/6/37, and

   
   RECOMMEND:

   That the Finance Corporation be informed that the Bank is in principle
   prepared to examine their projects with a view to the granting of credits to the
   extent of approximately $15 million in the next eighteen months, subject to its
   being satisfied.

   (i) as to the position of a Bank loan in relation to E.C.A. loans to
   the Netherlands
(ii) that arrangements will be made to ease the burden on the Netherlands of the heavy maturities of Eximbank loans during the next few years.

(iii) that the War Settlement with the United Kingdom will impose no serious strain on the Dutch balance of payments.

(b) Report on the Netherlands

The Committee considered the Report, and

RECOMMENDED

that Parts I and II be circulated to the Executive Directors.

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

DISTRIBUTION:

Copy No. 1. Mr. R. L. Garner
2. Mr. V. A. B. Eliff
3. Mr. H. Riley
4. Mr. F. N. Rosenstein-Noden
5. Mr. G. A. McLain
6. Mr. E. F. Dunstan
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting Held at 10:00 a.m. on Tuesday, August 24, 1948, in Room 1005.

1. There were present:

   Mr. R. L. Garner
   Mr. W. A. E. Eliff
   Mr. H. W. Riley
   Mr. A. F. Luxford
   Mr. P. N. Rosenstein-Brodan
   Mr. C. H. Davies (Secretary)

   In attendance:

   Mr. R. H. Demuth
   Mr. E. Burland
   Mr. G. H. Cleo
   Mr. J. Corbett
   Mr. E. Beecroft

2. Mexico: Proposed loan for electric power development

   The Committee considered SLC/0/39 and,

   APPROVED:

   the Loan Director's proposals contained therein, subject to the following qualifying or supplementary recommendations:

   (a) Proposed Loan of $21 million to Federal Electricity Commission

      (i) that both the Federal Electricity Commission and the Compania Financiera be required to be obligors in respect of the bonds as well as the contract, unless adequate reason to the contrary be given.

      (ii) that further study be given to the Mexican law empowering the Compania Financiera to guarantee the loan on behalf of the Mexican Government, with special reference to the question of power to give the negative pledge.

      (iii) that the term of the loan correspond with that of the Eximbank loan to the Commission, unless adequate reason be given for a longer term.
(iv) that security take the form of a lien on the Commission's tax revenue ranking pari passu with the liens of Eximbank and Westinghouse, and that the lien be coupled with a negative pledge in respect of the Commission's other revenues.

(b) Proposed Interim Loan of $11.5 million to Federal Electricity Commission for the benefit of Mexican Light and Power Company

That the prospective earning power of the Commission be studied in order to ascertain whether the term of the loan could be reduced to some period less than 20 years, but not less than five years.

(c) Proposed Loan of $25 million to Mexican Light and Power Company

That the Company be permitted to incur first mortgage obligations beyond those already existing, together with the Bank's proposed mortgage, to the extent of a fixed percentage of the cost of fresh construction.

3. Brazil: Bank policy with regard to immigration schemes

   The Committee considered SLC/0/40, and

   (a) AGREED:

      that the Bank ought not entirely to exclude the possibility of loans in aid of immigration schemes;

   (b) RECOMMENDED:

      that, pending the submission of a more concrete proposal by Brazil, the Economic Department should assign a member of its staff to collate the experience of immigration acquired by governments and other bodies.

4. Procedure for coordination of Bank and ECA activities in Europe

   The Committee considered SLC/0/41, and

   AGREED:

   to defer the matter until the Committee had had an opportunity of considering the Italian loan application in the light of the report of the Bank mission to Italy.

5. Fareham: Financial assistance to Mennonite Community

   The Committee considered SLC/0/42, and
RECOMMENDED:

that a Bank mission be sent as soon as possible to study conditions in Paraguay, and that Mr. Snyder be advised to extend his option for the purchase of land in Paraguay in order to await a Bank decision which would be made in the light of the report of this mission.

Distribution

Copy No. 1. Mr. R. L. Garner
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3. Mr. H. W. Riley
4. Mr. C. A. McLain
5. Mr. L. B. Rist
6. Mr. E. F. Dunstan
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, held at 5:00 p.m. on Friday, September 3, 1948 in Room 1005.

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. H. V. Riley
Mr. A. F. Luxford
Mr. L. B. Rist
Mr. G. H. Davies (Secretary)

In attendance:

Mr. J. Rucinski
Mr. L. Hurick
Mr. J. Corbett
Mr. E. Burland
Mr. G. de Fleurieu
Mr. O. Schmidt
Mr. D. Stephens
Mr. S. R. Cope
Mr. A. Basch
Mr. A. Stevenson

2. Eastern Europe: Proposed Timber Loan

The Committee considered SLC/A/22, and

(a) **RECOMMENDED:**

(i) that the Bank be prepared to make loans to Eastern European timber exporting countries of the general type proposed;

(ii) that the Bank, as soon as increased shipments of timber come forward and are paid for by ECA, retain sufficient of the proceeds to cover the loan, and that such proceeds be applied in repayment of Bank advances for the purchase of equipment as early as possible.

(b) **APPROVED:**

the recommendations made by the Loan Director in SLC/A/22

(paras. 4 through 7) as to rate of interest, assumption of risk of non-delivery, security, covenants, representations, ratifica-
tions and the relation of withdrawals to deliveries of equipment.

3. **Mexico: Economic Report**

   The Committee considered and

   **APPROVED:**

   the above Report, subject to minor amendments.

4. The meeting adjourned at 7:20 p.m.

**DISTRIBUTION**

Copy No. 1. Mr. R. L. Garner  
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4. Mr. C. A. McLain  
5. Mr. L. B. Rist  
6. Mr. E. F. Dunstan
Minutes of Staff Loan Committee Meeting, Held at 2:30 p.m. on Tuesday, September 14, 1948, in Room A15.

1. There were present:

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

In attendance:

Mr. A. S. G. Hoar
Mr. E. Burland
Mr. J. Fenton
Mr. G. H. Clee
Mr. H. W. Larsen

2. Chile:

The Committee considered SLC/0/44 and

RECOMMENDED:

(a) that the Bank maintain its right to be consulted when the borrower proposes to incur further external debt, and its right to be given information on the financial situation of the borrower.

(b) that Chile be informed that, while the Bank did not at the moment propose to exercise its option of cancelling the loan after the expiry of the time limit for ratification, it would be obliged seriously to consider this course after December 31, 1948.

(c) that Chile be informed that, while study of the railway electrification and forest industry projects would continue, the Bank could not enter into further loan negotiations until the present loan became effective.

(d) that Chile be informed that, until the loan became effective, any certification by the Bank that goods ordered were in accordance with the approved list and that prices were reasonable could only be made in a form which would make clear that the Bank was under no commitment to finance such purchases unless and until the loan became effective.
3. **Belgium**

The Committee considered SLG/0/45 and

**AGREED:**

that the Bank was in principle prepared to discuss with the Belgians the possibility of a reconstruction loan, provided that specific projects were put forward and that the Bank were not asked to finance local currency requirements.

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

**DISTRIBUTION:**

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6. Mr. E. F. Dunstan
STAFF LOAN COMMITTEE

Minutes of Staff Loan Committee Meeting, Held at 2:30 p.m. on Friday, September 17, 1948, in Room 1005.

1. There were present:

Mr. J. J. McCloy
Mr. W. A. E. Hiff
Mr. H. W. Hiley
Mr. A. F. Luxford
Mr. L. B. Rist
Mr. C. H. Davies (Secretary)

In attendance:

Mr. A. S. G. Hoar
Mr. G. H. Clee
Mr. J. Fenton
Mr. R. W. Rentubert
Mr. E. Suvoda
Mr. P. N. Rosenstein-Rodan
Mr. R. B. Clark
Mr. E. Lopez-Herrarte
Mr. A. Basch
Mr. A. Broches
Mr. H. W. Larsen
Mr. A. J. Rosenthal

2. Italy

The Committee considered SLC/A/24, and

RECOMMENDED:

(i) that the Bank be prepared to make Italian loans of the order of $30 to $40 million, the actual projects to be determined after further discussions with the Italian authorities;

(ii) that the Bank attempt to obtain from the U.S. the latter's agreement to subordinate its own loans to Italy to those of the Bank, but that failure to obtain such agreement should not prevent the Bank from making the loans. [deleted by Amendment A.]

(iii) that the reports on the Italian loan application be made available to the Italian Government.
3. Colombia

The Committee considered SLC/0/47 and the Report of the Bank Mission to Colombia, and

RECOMMENDED:

(i) that the Bank be prepared to make loans to Colombia, provided that fiscal reforms be undertaken;

(ii) that improvement in transportation facilities should constitute the most suitable field for Bank loans in the long run;

(iii) that, pending the formulation of an overall development plan, a small loan might be made in some appropriate but not yet determined field;

(iv) that such reports on Colombia as appropriate, when approved and any material unsuitable for transmission removed, be made available to the Colombian mission.

4. The meeting adjourned at 5:15 p.m.
Minutes of Staff Loan Committee Meeting, Held at 11:00 a.m. on Monday, September 20, 1948, in Room 1005.

1. There were present:

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

   In attendance:

   Mr. R. H. Bemuth
   Mr. G. H. Clee
   Mr. G. L. Sendelin
   Mr. H. W. Karsen
   Mr. A. Basch

2. Brazil

   The Committee considered SL/2/A/25, and

   (a) AGREED:

      (i) to defer the matter until the Committee had had time to give it
          further consideration.

   (b) RECOMMENDED:

      (i) that if the President's Report is approved, it be circulated to
          the Executive Directors without waiting for ratification of the
          Guarantee Agreement by the Brazilian legislature.

3. The meeting adjourned at 11:25 a.m.

DISTRIBUTION:

Copy No.1. Mr. J. J. McCloy
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   3. Mr. D. Crena da Xonagh
   4. Mr. L. B. Rist
   5. Mr. G. A. McLain
   6. Mr. E. F. Dunstan
Minutes of Staff Loan Committee Meeting, Held at 2:20 p.m. on Wednesday, September 22, 1948, in Room 1005.

1. There were present:
   Mr. J. J. McCloy
   Mr. W. A. B. Illiff
   Mr. D. Cane de Iongh
   Mr. D. Sessmers
   Mr. L. B. Rist
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   Mr. R. H. Denuth
   Mr. A. S. G. Roar
   Mr. E. Beecroft
   Mr. H. G. Burnard
   Mr. F. N. Rosenstein-Rodan

2. Philippines

   The Committee considered SIC/0/43 and Report, "Preliminary Conclusions from the Discussions with the Philippine Economic Mission", and

   **RECOMMENDED:**

   (a) that the Philippine Economic Mission be informed:

   (i) that the Bank regarded as potentially sound development possibilities the Philippine hydro-electric and fertilizer projects;

   (ii) that these projects (with the possible exception of the small Lumot Diversion) were not yet ready for active consideration;

   (iii) that urgent need for foreign exchange to finance these or other projects would not arise for two or three years;

   (iv) that if the Philippine Government carried through a program of fiscal reform and management of its foreign exchange resources and if the engineering and other surveys of these projects indicated satisfactory possibilities, the Bank would be prepared to give active consideration to the granting of a loan to cover their foreign exchange requirements; and
Minutes of Staff Loan Committee Meeting, Held on Tuesday, September 28, 1948, in Room 1003.

1. Present

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Crene de Jongh
Mr. A. F. Lusford
Mr. L. B. Rist
Mr. C. H. Davies (Secretary)

In Attendance:

Mr. A. S. G. Hoar
Mr. F. N. Rosenstein-Rodan
Mr. H. W. Riley
Mr. R. H. Desuth
Mr. E. Burland
Mr. S. R. Cope
Mr. E. Buchanan
Mr. O. Schmidt

2. Timber Equipment Project

The Committee considered SLC/0/49 and

APPROVED:

the Loan Director's recommendations contained therein, subject to:

(a) As regards Recommendation 20, the provision that further inquiries of the Timber Committee confirmed Yugoslavia's capacity to fulfill the recently increased pledge of "additional" exports.

(b) As regards Recommendation 4 (ii), the understanding that, even though delivery of equipment were expected to be completed by early 1949, repayment could be extended through 1950 in order to link more closely the life of a loan with the period of "additional" export obligations.

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

Distribution:
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Crene de Jongh

Mr. C. A. McLain
Mr. L. B. Rist
Minutes of Staff Loan Committee Meeting, Held Friday, October 8, 1948, at 4:00 p.m.
in Room 1007.

1. There were present:

Mr. J. J. McCloy
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. S. Aldesveral
Mr. C. A. McLean
Mr. L. B. Rist
Mr. C. H. Davies (Secretary)

In attendance:

Mr. A. S. C. Hoar
Mr. R. H. Denuth
Mr. G. de Fleurieu
Mr. B. Samare
Mr. J. Businski
Mr. E. Buriand


The Committee considered SLC/0/50 and

APPROVED:

the Loan Director's recommendations contained in paragraphs 7 and 8 thereof,

subject to:

(a) As regards para. 7 (1), consultation between the Bank on the one hand, and the U. S. Treasury, the Export-Import Bank and the
International Monetary Fund on the other hand, on the subject of
the attitude towards the exchange value of the peso implied in the
draft letter.

(b) the amendment of para. 7 (2) to read:

"that the compensatory rate increase already authorized, and such
further increase as would permit a return of 10% on the existing
rate base, as already accepted in principle by the Mexican
authorities, be put into effect prior to the making
of the loan, and that the Mexican Government give the Bank satisfactory assurances that further rate increases or rate base adjustments will be made as required to put the reorganized Company on a sound financial basis which would facilitate the Company's access to further financing; such assurances to include a formula for ensuring adjustment of the Company's rates to recent and future fluctuations in the value of the peso".

(c) Submission of the proposals to the Executive Directors of the Bank before the giving of any commitment to the Mexican Light and Power Company.

The Committee also

RECOMMENDED:

that it be made clear to the Mexican authorities that the Bank could not treat the proposed loan to the Federal Electricity Commission as a matter entirely separate from the proposed loan to the Mexican Light and Power Company.

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

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. E. Iliff
4. Mr. D. Crema de Jongh
5. Mr. C. A. McLain
6. Mr. L. B. Rost
Minutes of Staff Loan Committee Meeting, held Thursday, October 14, 1948, at 10:30 a.m., in Room 1005.

1. There were present:
   Mr. J. J. McClay
   Mr. A. L. Garner
   Mr. W. A. B. Iliff
   Mr. D. Crear de Longh
   Mr. B. Sayers
   Mr. L. B. Rist
   Mr. G. H. Davies (Secretary)

   In attendance:
   Mr. A. S. G. Roar
   Mr. R. H. DaVeth
   Mr. H. W. Riley
   Mr. J. Ucinski
   Mr. G. de Fleurieu
   Mr. M. J. Madigan
   Mr. R. Buriand

2. Mexico

   The Committee considered SLC/0/31 and

   RECOMMENDED:

   (a) that the Bank be prepared to extend the proposed interim credit for
       the benefit of the Mexican Light and Power Company, subject to:

       (i) the compensatory rate increase having been made effective;

       (ii) the Mexican Government having given an assurance satisfactory
            to the Bank on the rates to be allowed the Company;

       (iii) the Mexican Government having given satisfactory assurances
            on its future financial and economic policy;

   (b) that the questions:
be the subject of further consideration.

(c) that a decision on the advisability and form of the proposed long
term loan on behalf of the Company's projects need not be taken until
a later date, and that First Boston Corporation be accordingly informed
in writing that the Bank regarded the purpose of the present discussions
of reorganization as the creation of a situation in which the Bank
might be able to make such a long term loan for the benefit of the
Company;

(d) that the question of whether such a long term loan should be made
directly to the Company or to the Federal Electricity Commission
for re-lending to the Company be deferred until the Bank was able to
take a decision as to whether or not a loan should be made at all.

(e) that the Mexican authorities be informed that, if the Bank ultimately
found itself unable to make the proposed long term loan to the Company,
it would be prepared to fund the interim credit, provided that such
inability to make the long term loan were not due to any failure on
the part of the Mexican Government to carry out its assurances on
rates and financial and economic policy.

The Committee also

AGREED:

that, in the light of Recommendation (a) above, the question put
forward in FLD/0/51, para. 6 b, did not at present arise.

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

Distribution
Mr. J. J. McCoy
Mr. R. L. Garner
Mr. W. A. E. Iliff
Mr. D. Cronin de Leugh
Mr. C. A. McLain
Mr. L. E. Rist
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, Held at 10:30 a.m. on Tuesday, October 26, 1948, in Room 1005.

1. There were Present:
   - Mr. J. J. McCloy
   - Mr. E. L. Garner
   - Mr. A. E. G. Hour
   - Mr. D. Grams de Longh
   - Mr. C. A. McLaing
   - Mr. E. R. P. Rist
   - Mr. C. E. Davies (Secretary)

In Attendance:
   - Mr. E. E. Black
   - Mr. E. F. Dunstan
   - Mr. E. B. Demuth
   - Mr. J. H. Bucinski
   - Mr. E. G. Burland
   - Mr. H. H. Nason
   - Mr. G. S. Nason
   - Mr. A. J. Roentgen

2. Proposed Belgian Loan

   The Committee considered SLC/0/54, and

   RECOMMENDED:

   (i) that the proposed $16.8 million Belgian loan take the form of a direct loan to the Belgian Government;

   (ii) that if the Belgian Government so desired, the loan be set up in such form as to facilitate resale of the bonds;

   (iii) that no objection be raised to the participation of Morgan, Stanley and Co. in the negotiations in the capacity of advisors to the Belgian Government, should the latter so request; and

   (iv) that, if the Belgian Government should so request and on the understanding that any commission payable to Morgan, Stanley and Co. should be paid by it, the Bank would give Morgan, Stanley and Co. the opportunity of marketing such of the Belgian bonds as the Bank might decide to recall, provided that they were willing to meet any bids received from others.
3. **Subordination of Economic Cooperation Administration Loans to those of the Bank.**

The Committee considered SLC/6/55 (General Counsel's draft letters on this subject), and

**RECOMMENDED:**

that the letter be redrafted in the light of the discussion.

4. **Earnings in Currencies other than Dollars.**

The Committee considered SLC/6/52, and

**AGREED:**

to defer decision until the issue was presented in a more substantial and clearly defined form.

5. **Mexican Legislation.**

After hearing a statement by the General Counsel on the present legal powers of Nacional Financiera to negotiate and guarantee loans on behalf of the Mexican Government, the Committee considered whether any further enabling or ratification legislation on the part of the Mexican Government was necessary, and

**RECOMMENDED:**

(i) that such further legislation be requested only if the existing legislation were construed as not giving Nacional Financiera power to guarantee a Bank loan on behalf of the Mexican Government; and

(ii) that if such further legislation were requested, the suggestion be made that it be drafted in general rather than specific form.

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

**DISTRIBUTION:**

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. R. S. C. Hour
4. Dr. D. Cramer de Jongh
5. Mr. G. A. McClain
6. Mr. L. W. Hirst
Minutes of Staff Loan Committee Meeting, Held at 2:30 p.m. on Friday, October 29, 1943,
in Room 1005.

1. There were present:
   Mr. R. L. Garner
   Mr. A. S. G. Hoar
   Mr. D. Crease de Jongh
   Mr. C. A. McLain
   Mr. L. B. Rist
   Mr. R. H. Demuth

2. Insurance of Ships Mortgaged under Netherlands Shipping Loans

   The Committee considered SLC/0/55 and

   AGREED:

   that the problems presented should be resolved administratively by the Treasurer.

3. Proposed Extension of Danish Letters of Credit

   The Committee considered SLC/0/59, and

   RECOMMENDED:

   that Count Ahlefeldt should be notified as follows:

   (a) that the Bank would be prepared to extend the currency of the
       Danish loan to March 31, 1949;

   (b) that in no circumstances would any further extension be considered;
       and

   (c) that full interest, less the rate of annual discount on U. S. Treasury
       Bills for the period, would be payable from December 31, 1948, on
       the undisbursed portion of the loan.

4. Ecuadorian Loan Application

   The Committee considered the Report on the Economy of Ecuador and the Report on
   the Ecuadorian Loan Application, and

   AGREED:
to defer making recommendations until the conclusions of the reports had been co-ordinated, more precisely defined and re-submitted.

5. **Development of Electric Power in Brazil**

The Committee considered SLC/0/57; and

**RECOMMENDED:**

(i) that no action be taken without confirmation by the Brazilian Government that it would sponsor and guarantee the loans in question; and

(ii) that it be suggested to the companies which had approached the Bank that they request such confirmation from the Brazilian Government.

6. **Financing the Transportation Costs of European Immigrants to Brasil.**

The Committee considered SLC/0/58, and

**RECOMMENDED:**

that the Loan Department indicate to the Brazilian Government its interest in the project but request more precise information concerning the details of the project and the part the Bank would be expected to play.

7. **Philippine Hydro-Electric Projects.**

The Committee considered a statement on recent developments in connection with the proposed Philippine loan, and

**RECOMMENDED:**

that the Philippine representatives be informed that the Bank would consider making a loan of $10-15 million to finance part of the foreign exchange costs of the Lamut, Ambuklao and Itogon hydro-electric projects.

8. **The meeting adjourned at five o’clock.**
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, Held at 4:30 p.m., on Wednesday, November 3, 1943, in Room 1005.

1. There were present:

Mr. J. J. McCloy
Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. R. W. Riley
Mr. C. A. McLain
Mr. L. E. Rist
Mr. R. H. Denzil
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. J. Racinski
Mr. D. Sommers
Mr. F. G. Burland
Mr. G. de Fleurieu

2. Proposed Mexican Loans.

The Committee considered SLC/0/61, and

RECOMMENDED:

(i) that there was no objection in principle to part of the money lent being devoted to the reimbursement of approved expenditures made prior to the granting of the loans, provided that the Bank supervised the use of the proceeds of such reimbursement;

(ii) that the Mexican authorities be asked to resubmit their assurances on the rates to be allowed to Mexlight in a form revised in the light of the discussion; and

(iii) that, subject to such resubmission, a letter, in the form of the draft before the meeting, amended as suggested by the Committee, be sent to Nacional Financiera.

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

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. A. S. G. Hoar
4. Mr. D. Crewe de Xongh
5. Mr. C. A. McLain
6. Mr. L. E. Rist
7. Mr. R. H. Denzil
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, Held at 2:30 p.m. on Thursday, November 8, 1940, in Room 415.

1. There were present:

   Mr. R. L. Garner
   Mr. A. S. G. Hoar
   Mr. D. Sarnarz
   Mr. H. W. Riley
   Mr. L. B. Rist
   Mr. R. H. Demuth
   Mr. A. J. Rosenthal (Secretary)

   In attendance:

   Mr. E. G. Burland
   Mr. J. N. Panton
   Mr. E. A. Bayne
   Mr. W. A. Volk
   Mr. D. W. Sayer

2. Belgian Loan.

   The Committee considered SLC/0/60, and

   **RECOMMENDED:**

   that the terms of reference for Mr. Panton's forthcoming negotiations in Brussels proposed by the Acting Loan Director be followed.


   The Committee considered SLC/0/53 and SLC/0/62, and

   **RECOMMENDED:**

   that terms of reference for Mr. Bayne's forthcoming investigations in London and elsewhere be drafted in the light of the discussion and submitted for the consideration of the Staff Loan Committee at its next meeting.

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

**DISTRIBUTION:**

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. A. S. G. Hoar
4. Mr. D. Crema de Longh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, Held at 4:30 p.m. on Monday, November 8, 1948.

1. There were present:
   Mr. R. L. Garner
   Mr. A. E. C. Hoar
   Mr. B. Coen de Jongh
   Mr. B. Combs
   Mr. P. H. Rosenstock-Roden
   Mr. R. H. Davish
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   Mr. E. G. Burland
   Mr. D. V. Sayce
   Mr. H. A. Bayne
   Mr. V. Diamond
   Mr. E. E. Buchanan

2. British Colonial Development Corporation

   The Committee considered SLC/0/62, and

   RECOMMENDED:

   (i) that the date of Lord Trefgarne's projected visit to Washington be ascertained in order that it may be determined whether Mr. Bayne should be sent to London and Paris before or after such visit; and

   (ii) that if Mr. Bayne were sent before Lord Trefgarne's visit, the draft terms of reference, as modified in the light of the discussion, be utilized.

3. Proposed Timber Equipment Loan

   The Committee considered SLC/0/63, as well as the draft Loan Agreement dated October 26, 1948, and advices from Mr. Burick concerning the reluctance of the purchasers to make commitments as to the amounts of timber which they would buy, and

   RECOMMENDED:

   (i) that, if it proved necessary in order to obtain the adherence of the purchasers, the Bank should not insist on the inclusion of a price formula or of quantitative purchase commitments if the purchasers agreed to pay for whatever timber they bought, up to an agreed amount,
in dollars, even though this would mean that no commitment could be obtained from E. C. A. before the signing of the Loan Agreement; and (ii) that, subject to amendments suggested by the Committee, the draft Loan Agreement be approved, but not yet circulated to the Executive Directors.

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

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. A. E. G. Hoar
4. Mr. D. Crewe de Long
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. K. Demuth
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, Held at 4:30 p.m. on Thursday, November 18, 1948, at 4:30 p.m.

1. There were present:
   Mr. R. L. Garner
   Mr. A. S. C. Hoar
   Mr. D. Crana de Longh
   Mr. D. Scammell
   Mr. L. R. Nist
   Mr. R. H. Desnath
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   Mr. J. Racinski
   Mr. D. W. Sayyer
   Mr. E. G. Berland
   Mr. A. Waterston


   The Committee considered SLC/0/65, and

   RECOMMENDED:

   (i) that the commitment charge should run from the Effective Date, rather than from the date of the Loan Agreement, but that the period within which the Agreement would have to be ratified if it were not to be in formal danger of termination be reduced to thirty days from the date of signature; and

   (ii) that the end-use of pesos, which Mexlight would obtain from the $2.5 million designed to reimburse it for expenditures made before the granting of the loan, should not be specifically supervised. The Loan Department should, however, satisfy itself that the fees charged Mexlight by Sofina were not excessive.

3. Brazilian Traction Light and Power Company, Ltd., Loan

   The Committee considered whether the Bank should ask the Brazilian Government to make representations concerning its foreign debt and guarantees, and

   RECOMMENDED:

   that such representations not be requested of the Brazilian Government.

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

DISTRIBUTION:
Messrs. McCloy, Garner, Hoar, Crana de Longh, McLean, Nist, Desnath
TO: Mr. L. B. Rist

Please amend SLC/4/35 by replacing Paragraph 3 with the following:

"3. Brazilian Traction, Light and Power Co., Ltd. Loan

The Committee considered whether the Bank should ask the Brazilian Government to renew representations previously made by the Banco do Brasil concerning Brazil's foreign debt and guarantees, and

RECOMMENDED:

that such representations not be requested of the Brazilian Government".

Distribution
1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Ellison
4. Mr. D. Crane de Longh
5. Mr. G. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
Minutes of Staff Loan Committee Meeting, Held at 9:15 a.m. on Tuesday, November 23, 1948, in Room 1005.

1. There were present:
   Mr. A. L. Garner
   Mr. A. G. Hoar
   Mr. D. Crema de Jongh
   Mr. D. Connors
   Mr. F. H. Rosenstein-Boden
   Mr. R. H. Denuth
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   Mr. J. Racineki
   Mr. E. C. Burland
   Mr. G. L. Sandelin
   Mr. A. Basch

2. Brazilian Traction, Light & Power Co., Ltd.

   The Committee considered the Report and Recommendations of the President to the Executive Directors and the Appendices thereto, and

   RECOMMENDED:

   (i) that these documents be approved, subject to certain minor modifications suggested at the meeting;

   (ii) that, with the exception of certain representations of the Brazilian Traction, Light & Power Co., Ltd., they be reproduced and circulated to the Executive Directors for purposes of general information and discussion;

   (iii) that the aforementioned representations of the Brazilian Traction, Light & Power Co., Ltd., be made available to any Executive Director who specifically requested them; and

   (iv) that the Executive Directors be asked to pass upon the loan only when the Brazilian Government representatives had indicated their readiness to sign.

3. Proposed French Potash Development Loan

   The Committee considered recent advice from representatives of the Bank in Paris, and
RECOMMENDED:

that the Bank keep open for consideration the possibility of making such a loan, provided that it could obtain the positive and negative pledges which it had sought.

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

Distribution

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Creagh
5. Mr. C. A. McLain
6. Mr. L. E. Rist
7. Mr. R. H. Demuth
Minutes of Staff Loan Committee Meeting, Held at 10:30 a.m. on Wednesday, November 24, 1948, in Room 106.

1. There were present:
   - Mr. R. L. Garner
   - Mr. A. S. G. Hoar
   - Mr. E. Creagh de Longh
   - Mr. A. F. Laxford
   - Mr. E. B. Rist
   - Mr. A. J. Rosenthal (Secretary)

   In attendance:
   - Mr. J. H. Hughes
   - Mr. D. W. B. Bayar
   - Mr. E. H. Clee
   - Mr. G. S. Mason
   - Mr. E. G. Buxton
   - Mr. P. N. Rosenzweig-Boden
   - Mr. A. Stevenson
   - Mr. H. H. Rosen
   - Mr. A. Pasch
   - Mr. A. Breches

2. Netherlands: Herstelbank Loan

   The Committee discussed the proposed loan to the Herstelbank, and

   RECOMMENDED:

   (i) that the loan not be made conditional on the easing of the burden of the service of the Netherlands debt to the Eximbank or of the service of the War Debt Settlement with the United Kingdom;

   (ii) that the loan be made only if an agreement were reached with ECA concerning a satisfactory relationship between ECA loans and Bank loans to the Netherlands;

   (iii) that a large measure of reliance be placed upon the Herstelbank in its selection and prior investigation of projects;

   (iv) that although the Bank should not exclude textile projects from the program, it should have some reservations in financing the textile industry at this time in view of world output for this industry, and fuller information concerning this industry and the projects operating in this industry should be requested;

   (v) that unless the Belgian Government liberated some of its 18%
subscription for this purpose, the Belgian francs should be made available only if no objection to the purchase of such currency were made by ECA and OEEC;

(vi) that the companies should not be brought in as co-obligors;

(vii) that no lien or other security be requested from the companies, but that it be left open;

(a) whether arrangements should be made for the Bank to share in the securities and liens taken by the Exportbank; and

(b) whether the Bank should retain a right to recapture goods in transit to the Netherlands in case of emergency;

(viii) that the loan be in the amount of approximately $15 million, with a term of 12 years, the first two to be free of amortization, and amortization to start on a reduced scale in the third and fourth years should it be thought necessary.

3. Colombia: Report and Recommendations

The Committee considered the Report and Recommendations on Colombia, and

RECOMMENDED:

(i) that the Colombian representatives be informed that if measures were taken to effect needed fiscal and exchange control reforms, the Bank would enter into negotiations for a loan to cover the foreign exchange costs of the agricultural machinery and power plant projects;

(ii) that a mission be sent as soon as possible to investigate the engineering feasibility of these projects;

(iii) that in the absence of much more convincing evidence of its soundness, the project for a soda ash plant should not be approved;

(iv) that the Bank should at the same time ascertain whether the Colombian Government would agree to the Bank's sending an economic mission to Colombia to prepare a long-range development program; this mission would work closely with Colombia over an extended period, would report frequently, and its recommendations would be reviewed and revised at frequent intervals; this plan would serve as an experiment in long-range, closely supervised, development programming.

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

Distribution

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crena de Tongh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
Minutes of Staff Loan Committee Meeting, Held at 4:00 p.m. on Tuesday, November 30, 1968, in Room 1005:

1. There were present:
   Mr. R. L. Garner
   Mr. A. S. G. Roar
   Mr. D. Crena de Young
   Mr. D. Somers
   Mr. L. E. Hirst
   Mr. R. H. Demuth
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   Mr. J. Bucinski
   Mr. D. W. Mayser
   Mr. E. G. Burzland
   Mr. M. J. Madigan
   Mr. F. A. Consolo
   Mr. P. N. Rosenstein-Noden
   Mr. A. Waterston
   Mr. E. E. Clark


   The Committee considered the Economic and Projects Report and the Conclusions and Recommendations of the Mission, and

   RECOMMENDED:

   that the Bank investigate the possibility of procuring a qualified person who would serve as an overall advisor to the Costa Rican Government, if that Government would agree, in order that its management might be placed on a more efficient basis, with a view to making Costa Rica a more credit-worthy field for lending by the Bank.

3. Mexico: Interim Credit

   The Committee considered SLC/0/67, and

   RECOMMENDED:

   (1) that the Mexican representatives be informed that if, through no fault of the Mexican Government, the Bank were unable to make a long-term loan for the benefit of Mexlight, it would be prepared to negotiate the funding of the interim credit on reasonable
terms;

(ii) that the Bank should charge, for the interim credit, a rate of interest appropriate to the long-term loan contemplated for the ultimate financing of the Mexlight projects;

(iii) that the Bank should not object to Nacional Financiera and the Federal Electricity Commission charging Mexlight an interest rate higher than that which they would pay the Bank; a spread of the order of one-half per cent was regarded as reasonable.

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

Distribution

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Duff
4. Mr. D. Creme de Tongh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Damuth
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, Held at 10:30 a.m. on Wednesday, December 15, 1948, in Room 1005.

1. There were present:

Mr. J. J. McElroy
Mr. R. E. Garner
Mr. W. A. B. Tiffen
Mr. D. Greene de Kongh
Mr. C. A. McLaun
Mr. L. B. Rost
Mr. N. H. Remsh
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. S. Aldewereld
Mr. R. Burrland
Mr. G. H. Davies
Mr. G. deSauvigny
Mr. A. H. G. Roar
Mr. M. J. Madigan
Mr. J. H. Fenton
Mr. H. M. Rosen
Mr. P. N. Rosenstein-Rodan
Mr. J. Racinski
Mr. D. Sayser
Mr. D. Scamora

2. Proposed Mexican Loan

The Committee considered SLC/0/69 and an appended Table, "Estimated Interest and Sinking Fund Charges and Principal Revenues of the Mexican Federal Electricity Commission", and

RECOMMENDED:

(i) that, instead of seeking a pledge of revenues, the Bank should:

(a) require the Federal Electricity Commission to give a negative pledge; and

(b) limit further borrowing by the Commission without the Bank's consent, by the application of an earnings ratio formula of $1.5$ to $1$;

(ii) that the Bank be prepared to acquiesce in the present Westinghouse
prior lien;

(iii) that the amount of the loan to the Commission not be reduced by an amount corresponding to that portion of the orders to be placed with Westinghouse which would be manufactured or assembled in Mexico by the Westinghouse Mexican subsidiary (Industria Electrica), but:

(a) that this decision should be regarded as a reflection of the exceptional circumstances of the case and not construed as a general withdrawal from the Bank's position on local currency financing; and

(b) that the Bank would supervise the use of pesos contemplated for financing such expenditures in Mexico;

(iv) that, in the light of revised estimates of foreign exchange expenditures to be made by December 31, 1949, the amount of the proposed short-term loan be reduced to $10 million.

3. Proposed Belgian Loan

The Committee considered B10/2/68, and the Draft Agreement dated December 13, 1948, and

(i) RECOMMENDED:

(a) that the aforementioned Draft Agreement be approved, as modified to provide that the proposed bonds be delivered within sixty days after the signing of the Agreement;

(b) that if the Belgians objected to this provision for delivery of bonds before corresponding parts of the loan had been drawn down, the Bank should not press the proposal;

(c) that the Bank should not necessarily regard itself as bound by an agreement made with the Belgians in connection with a prior application to the effect that it would not exclude from the loan amounts corresponding to expenditures in currencies plentiful in Belgium; and

(ii) AGREED:

to obtain more facts and give further consideration to the question of exclusion from the loan of amounts referred in paragraphs (3) (i) (c), supra.

4. Consultation Provisions: Payments Agreements

The Committee considered the question of the extent to which the Bank should, in its Loan or Guarantee Agreements, provide for consultation on the terms
of bilateral payments agreements which would thereafter be entered into by
the borrowing or guaranteeing government, and

RECOMMENDED:

that the General Counsel appoint a committee to give the matter further
study.

5. The meeting recessed at 12:50 p.m. and reconvened at 2:30 p.m.

6. Proposed Mission to India

The Committee considered ISL/O/70, and

RECOMMENDED:

(i) that the Loan Director's recommendations be followed;

(ii) that Mr. Gilmartin of the Economic Department be included in the
    mission as its agricultural expert;

(iii) that the reply to the Indian Government make clear that the Bank
    regarded the suggested projects and amounts as merely tentative.

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


DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. R. C. C. de Xonk
5. Mr. C. A. McLean
6. Mr. L. B. Rist
7. Mr. R. H. Decourt
Minutes of Staff Loan Committee Meeting, Held at 2:30 p.m. on Thursday, December 23, 1948, in Room 1005.

1. There were present:
   Mr. R. L. Garner
   Mr. W. A. B. Iliff
   Mr. D. Crema de Torgh
   Mr. C. A. McLain
   Mr. L. B. Rist
   Mr. A. J. Rosenthal (Secretary)

2. In attendance:
   Mr. A. S. G. Hare
   Mr. R. H. Denath
   Mr. E. G. Burland
   Mr. J. M. Fenton
   Mr. E. A. Beacraft
   Mr. A. Basch
   Mr. M. H. Rosen
   Mr. W. M. Gilmartin

2. India: Proposed Mission

The Committee considered the "Summary Study of the Economy of India" and the Appendix thereto; SLC/0/71 (Terms of Reference for Proposed Mission to India); and the "Schedule of Important Questions on Indian Economic Problems for the Use of the Mission", and

RECOMMENDED:

(i) that the "Summary Study of the Economy of India", and the "Schedule of Important Questions on Indian Economic Problems" be approved;

(ii) that the "Terms of Reference" be approved, with the following modifications:

a. that there be added to the last sentence of Paragraph 1 (b) of the "Terms of Reference": "and their influence on the economy and balance of payments of India";

b. that it should be left to the discretion of the chief of the mission while in India whether to seek an invitation to visit the Dominion of Pakistan;
c. that the last sentence in Paragraph 6 be deleted;

(iii) that it be sought to induce the Indian Government to pay for the salaries and expenses of any outside experts who might be engaged in connection with the proposed Indian loans, only in cases where the services of such experts would work to the benefit of India rather than to that of the Bank.

3. Belgium: Proposed Loan

The Committee considered advice on the current status of negotiations with the Belgian representatives, and

RECOMMENDED:

that the Bank be willing to accept either of the following methods of drawing down the money to be lent:

a. an account would be set up in the Federal Reserve Bank of New York, in the name of the National Bank of Belgium; when withdrawing funds, the National Bank would certify to the IBRD the sums to which such funds would be put; or

b. the National Bank would buy from the Belgian Government the dollars lent by the IBRD, and in turn would sell those dollars to the companies. The companies would keep the dollars in accounts which could be drawn against only with the permission of the IBRD.

4. Belgium: Suggested Additional Loan

The Committee considered a proposal that a loan of the order of $50 million be made to Belgium, the dollars to be deposited in the National Bank, thereby to serve immediately as a currency reserve which would enable the Belgian Government to issue francs for a public works program without inducing a corresponding inflationary effect, but the dollars to be drawn down only for such specific projects proposed from time to time as met the approval of the IBRD, and

AGREED:

to give further consideration to the justification for and possible consequences of such a loan, with particular study of the extent to which Belgium’s relatively fortunate balance-of-payments position was the result of its own efforts rather than of fortuitous circumstances, and with a view to suggesting such conditions on the loan as would appear advisable.
5. The meeting adjourned at 5:00 p.m.

RESOLUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garmoe
3. Mr. W. A. B. Iliff
4. Mr. D. Greene de Longh
5. Mr. C. A. McLawin
6. Mr. L. D. Rist
7. Mr. R. H. Demuth
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, Held at 3:00 p.m. on Tuesday, December 28, 1948, in Room 1005.

1. There were present:
   
   Mr. J. J. Mccloy
   Mr. R. L. Garner
   Mr. W. A. B. Eliff
   Mr. D. Cramm de Longh
   Mr. C. A. McLean
   Mr. L. B. Rist
   Mr. A. J. Rosenthal (Secretary)

2. Belgian Loan Proposal

   The Committee considered the suggestion of a loan of the order of $50-100 million for the purpose of enabling Belgium to finance an internal modernization program without inducing an inflationary effect, and

   RECOMMENDED:

   (i) that the Belgian situation be regarded as one of "exceptional circumstances", under Article IV, Section 3 (b) of the Articles of Agreement, warranting consideration of a loan to be devoted principally to the financing of internal expenditures;

   (ii) that the Bank be willing to give active consideration to the possibility of lending to Belgium for such purpose, if it were determined that:

   (a) the proceeds would be devoted to productive projects;

   (b) there was no practicable alternative method whereby the money might be raised; and

   (c) Belgium was sufficiently creditworthy.
that the proposal not be put forward until discussions on the $16.8 million loan now being negotiated were sufficiently advanced as not to be confused or prejudiced by it;

(iv) that, subject to paragraph (iii), the Bank ask M. Freze whether he would be interested in such a loan, and, if so, explore with him the uses to which it would be put and suggest to him that the Bank send a mission to make a careful technical study of both the Belgian situation and the possible benefits to be derived by the rest of Western Europe from the loan.

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

DISTRIBUTION:

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

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

Minutes of Staff Loan Committee Meeting, Held at 11:15 a.m. on Wednesday, December 29, 1948, in Room 1005.

1. There were present:

Mr. J. J. McCloy
Mr. R. L. Gurner
Mr. W. A. E. Iliff
Mr. C. A. McLain
Mr. D. Crema de Longh
Mr. L. E. Rist
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. A. S. G. Hear
Mr. R. H. Denath
Mr. J. Rucinski
Mr. D. W. Sayser
Mr. E. G. Burland
Mr. F. A. Consolo
Mr. E. Lopez-Herrarte
Mr. A. Waterston
Mr. W. C. Volk

2. The Committee heard the President's impressions of his visit to Central America and discussed the general question of the Bank's approach to the development problems of Central America, and

RECOMMENDED:

(i) that, as to the area in general:

(a) the Economic Department bring its country studies to the point where the Bank would be in a position to form a preliminary view of the credit-worthiness of each of the Central American Republics;

(b) those countries which appeared to be unsuitable lending risks be given suggestions, if they desired, designed to assist them in undertaking measures to improve their credit-worthiness;
(c) there would be sent to those countries which appeared to be possible borrowers various experts who would go from country to country, in whatever sequence appeared most appropriate, examining development possibilities in their respective fields;

(1) an agricultural expert, preferably to be obtained through FAO;

(11) a farm credit expert, to study the local mortgage banks, preferably to be obtained through the U.S. Department of Agriculture or FAO;

(111) a power expert, who would, before departing for Central America, consult with American and British companies serving that area;

(1v) a transportation expert, to survey highway and railroad possibilities;

(d) Mr. Consolet devote his full time to serving as coordinator of all measures taken by all departments of the Bank in connection with Central American development, and to supervising and stimulating their progress, with special reference to the matters mentioned in (a), (b) and (c) above;

(e) drafts of enabling legislation authorizing borrowing from the Bank or guaranteeing of Bank loans be sent to all member governments in Latin America, adapted to meet local practices insofar as possible, but with the caveat that constitutional lawyers of the particular countries should be consulted to determine whether in fact local requirements had been met;

(11) that, as to Guatemala:

(a) technical assistance in connection with transportation and agriculture (including storage facilities) be sent as soon as possible;

(b) the Bank consult with American & Foreign Power Company with reference to the Guatemalan power situation before sending a power expert to Guatemala;

(c) the J. C. White report on irrigation be studied and brought up to date if necessary before sending a mission to investigate irrigation possibilities in Guatemala;

(d) general discussions concerning Guatemala be undertaken with the United Fruit Company;

(111) that, as to Honduras:

(a) general discussions concerning Honduras be undertaken with the United Fruit Company;
(b) missions not be sent to Honduras before the installation of the newly elected government;

(c) the President-elect be informed of the Bank's readiness to take further steps as soon as informed of the government's desire for it to do so;

(iv) that, as to El Salvador:

(a) no mission be sent to El Salvador until requested by the new government;

(b) a letter be sent immediately to the President of the Central Bank, informing him that if the new government desired, the Bank would be willing to take further measures, such as the sending to El Salvador of farm credit and power experts;

(c) the President of the Central Bank also be given the names of several engineering firms recommended by the Bank for the contemplated water supply project survey;

(v) that, as to Costa Rica:

(a) the Bank keep its information up-to-date, but take further active measures only when the constitutional government had been installed;

(b) the Costa Rican government be informed of the Bank's continued interest and intention to pursue the matter further when possible;

(vi) that, as to the Dominican Republic:

(a) the Bank consult with the Bethlehem Steel Company in respect to iron mining possibilities;

(b) no mission be sent until a promised memorandum had been received from the government;

(c) the Bank inform the government of its intentions and of the fact that it was most interested in agricultural, railroad, and mining projects;

(vii) that, as to Nicaragua:

(a) a letter be sent, informing the government of the Bank's interest, especially in agricultural (including irrigation) and transportation projects, and requesting confirmation of Nicaragua's intentions to seek assistance in those directions and indications as to its wishes concerning further action by the Bank.
(b) that irrigation studies in the possession of I.B.E.C. be obtained;

(viii) that, as to Panama:

(a) conversations be held with U.S. meat packing firms concerning the possibilities of expanding the Panamanian cattle industry;

(b) U.S. Department of Agriculture surveys of agriculture in Panama be studied;

(c) a mission be sent to Panama to investigate the agricultural and cattle raising possibilities of the country, and perhaps the fisheries as well;

(d) a letter be sent to the Minister of Finance setting forth the Bank's intentions;

(e) no concrete steps be taken by the Bank until Panama had returned to good standing with the International Monetary Fund.

3. Colombia

The Committee considered suggestions concerning the proposed mission to Colombia to prepare long-range development plans, and

RECOMMENDED:

that the mission be headed by an expert obtained from outside the staff of the Bank.


The Committee considered SL/0/72, and

RECOMMENDED:

(i) that the U.K. Treasury be informed, through the Executive Director for the U.K., that:

(a) to be at all satisfactory, any guarantee would have to cover not only principal and interest, but "other charges" as well;

(b) the Bank would accept an opinion of counsel for the U.K. that the legislation authorized the Government to enter into the usual covenants required by the Bank of guarantors to implement Guarantee Agreements entered into by them.
(c) the Bank would not now venture an opinion as to whether or not a guarantee by the U.K. Government of payments but not of other obligations of the borrower would in general be satisfactory to the Bank, but would indicate its views at appropriate times in connection with each concrete loan proposal under discussion;

(d) the aforementioned views apply to legislation guaranteeing loans made not only to colonial governments, but to government development corporations as well;

(ii) that the General Counsel and the Loan Director draft a telegram in conference with the foregoing recommendations.

5. The meeting recessed at 1:15 p.m., reconvened at 3:00 p.m., recessed at 4:30 p.m., reconvened at 5:30 p.m., and adjourned at 6:45 p.m.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. H. Eliff
4. Mr. D. Caven de Kough
5. Mr. C. A. McLain
6. Mr. L. E. Rest
7. Mr. R. H. Dennis
STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting, Held at 5:45 p.m., on Tuesday, January 4, 1949, in Room 1005.

1. There were present:

Mr. J. J. McGloey
Mr. R. L. Garner
Mr. W. A. B. Illiff
Mr. D. Crena de Iongh
Mr. G. A. McLain
Mr. L. B. Rist
Mr. A. J. Rosenthal (Secretary)

In Attendance:

Mr. A. S. G. Hear
Mr. J. M. Penion
Mr. E. G. Lurland
Mr. D. Sommers
Mr. S. Aldenbereld
Mr. N. M. Rosen

BELGIUM

2. The Committee considered SLG/0/73, and

RECOMMENDED:

that the Bank's proposal be clarified further and submitted to Mr. Berger in order that the latter's attitude might be more precisely ascertained.

3. The meeting adjourned at 6:55 p.m.

Distribution:

Mr. McGloey
Mr. Garner
Mr. Illiff
Mr. Crena de Iongh
Mr. McLain
Mr. Rist
Mr. Denath
Minutes of Staff Loan Committee Meeting, Held at 4:15 p.m. on Tuesday, January 11, 1949, Room 1005.

1. There were present:
   
   Mr. R. L. Gerner
   Mr. W. H. Bliff
   Mr. D. Crewe de Toush
   Mr. A. F. Luxford
   Mr. L. B. Fisk
   Mr. A. J. Rosenthal (Secretary)

   In attendance:
   
   Mr. R. B. Blumth
   Mr. H. G. Burdian
   Mr. C. N. Cloe
   Mr. H. W. Larsen
   Mr. A. D. Spottwood

2. Uruguay

   The Committee considered SLC/0/74, SLC/0/75, and the Economic Department Reports on Uruguayan External Credit and Appraisal of the Development Projects, and

   RECOMMENDED:

   (1) that the Bank inform the Government of Uruguay that the Bank was willing to consider, in principle, the making of a loan to U.T.E., to be guaranteed by the Government of Uruguay, for the purpose of financing such part of the foreign exchange costs of the electric power and telephone expansion program of U.T.E. as U.T.E. was obliged to borrow, and that the Bank will proceed forthwith to try to work out with the Uruguayan authorities the details of this loan after such further examination of the projects and of the financial position and structure of U.T.E. as the Bank may think necessary;

   (ii) that it should be pointed out to the Uruguayan authorities that although U.T.E. would be free to place its contracts in such countries as offered the best facilities by way of price, delivery, suitability of equipment, etc., the fewer dollars they were obliged to borrow the less would be the dollar burden of repayment;
(iii) that the Bank recommend to the Uruguayan authorities that if they decided to place orders in a particular country of which Uruguay was a substantial creditor on current account they should endeavor to obtain the needed equipment by using their available resources of that country's currency and so avoid the necessity of borrowing to finance that portion of their expenditures;

(iv) that if the Uruguayan authorities decided to place contracts in any member country other than the United States of America and if they were unable to finance such purchases out of their available resources of that country's currency, the Bank should make efforts to secure the consent of the member government concerned to the use of its eighteen per cent subscription as part of the loan;

(v) that the Bank inform the Uruguayan authorities that at first sight it inclined to the view that the scale of the telephone project to be financed initially might be somewhat reduced, but a final determination on that point would be made after the technical study had been completed;

(vi) that the rate of local currency earnings of the projects would be no criterion of the term of the loan;

(vii) that the Bank inform the International Monetary Fund of its intentions with respect to Uruguay.

3. The meeting adjourned at 6:15 p.m.

DISTRIBUTION:
1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crane de Longh
5. Mr. G. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
Minutes of Staff Loan Committee Meeting, Held at 10:00 a.m., on Monday, January 17, 1949, Room 1005.

1. **There were present:**
   - Mr. J. J. McCloy
   - Mr. R. L. Garner
   - Mr. W. A. B. Iliff
   - Mr. A. F. Luxford
   - Mr. N. W. Riley
   - Mr. E. B. Rist
   - Mr. A. J. Rosenthal (Secretary)

   **In attendance:**
   - Mr. E. H. Beath
   - Mr. S. Aldenwold
   - Mr. E. A. Bayne
   - Mr. J. J. Fenton
   - Mr. W. G. Walk
   - Mr. N. M. Rosen
   - Mr. A. Stevenson
   - Mr. A. Broche

2. **U.K. Colonial Development**
   
   The Committee considered SLC/3/76 and Appendices I to IV thereto, and

   **RECOMMENDED:**

   that the Loan Department’s recommendations be adopted.

3. **Proposed Belgian Loan**

   The Committee considered a report from Mr. Fenton on current progress in negotiations with the Belgian representatives, and

   **RECOMMENDED:**

   that the Bank accept the following proposal as to disbursement, which would be agreeable to the Belgian Government:

   (a) upon signature of the Loan Agreement, the International Bank would open on its books an account in favor of the National Bank of Belgium.
for order of the Belgian Government to be used for specified purposes;

(b) the National Bank would immediately pay to the Belgian Government the Belgian franc equivalent of the loan proceeds;

(c) the National Bank would present to the International Bank applications for withdrawals in the usual manner of borrowers from the International Bank;

(d) the companies would purchase the dollars from the National Bank for francs as and when they needed them.

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

DISTRIBUTION:
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2. Mr. E. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Crean de Tougal
5. Mr. G. A. Molain
6. Mr. L. B. Rist
7. Mr. R. H. Demuth
STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting, Held at 4:40 p.m. on Monday, January 24, 1949, in Room 1005.

1. There were present:

   Mr. J. J. McClay
   Mr. R. L. Garner
   Mr. D. Crema de Iough
   Mr. D. Simmers
   Mr. L. B. Rist
   Mr. O. A. Schmidt
   Mr. A. J. Rosenthal (Secretary)

   In attendance:

   Mr. R. H. Desaut
   Mr. P. H. Rosenstein-Hodan
   Mr. F. A. Consolo
   Mr. G. de Fleurieu
   Mr. A. Waterston

2. Central American Countries

   The Committee considered the Memorandum of the Economic Department, "Central American countries", and

   a. RECOMMENDED:

      (1) that a letter be sent to the Costa Rican authorities, setting forth the Bank's attitude towards financing Costa Rican
devolution projects, substantially as follows:

      (a) the Costa Rican economy was basically appropriate for
          such financing;

      (b) the Government had recognized that it would probably not
          be able to carry through fiscal and other necessary
          reforms without outside assistance;

      (c) Costa Rica required not only experts in separate fields
          but an overall advisor on economic administration;

      (d) the Bank would endeavor to assist by recommending such an
          advisor and other experts;

      (e) Bank financing would depend on and be timed by the
          formulation and execution of appropriate policies of
          reform;
(3) at the present time, and in the absence of adequate documentation, projects covering warehousing facilities, milk processing, fisheries, and agricultural processing equipment, seemed to offer the best opportunities for financing by the Bank;

(ii) that the President, when visiting Cuba in February, 1949, discuss with the Cuban authorities the possibilities of Bank financing of agricultural diversification projects and of the sale of Bank securities in Cuba;

b. AGREED:

to defer consideration of the measures to be taken with respect to the other Central American and Caribbean countries until answer had been received in response to communications sent to them.

3. The meeting adjourned at 5:50 p.m.

DISTRIBUTION:

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4. Mr. D. Crena de Longh
5. Mr. G. A. McLain
6. Mr. L. E. Hirst
7. Mr. R. H. Desuth
Minutes of Staff Loan Committee Meeting, Held at 4:30 p.m. on Wednesday, January 23, 1940, in Room 1005.

1. There were present:

Mr. R. E. Garner
Mr. O. A. Schmidt
Mr. D. Crema de Zongh
Mr. D. Sommers
Mr. A. F. Loxford
Mr. P. N. Rosenbaum-Eden
Mr. A. J. Rosenthal (Secretary)

In attendance:

Mr. R. K. Desmith
Mr. G. H. Clee
Mr. C. H. Davies
Mr. W. Glastra
Mr. N. W. Riley
Mr. N. W. Larsen
Mr. N. B. Packer

2. ECUADOR

The Committee considered the Operational and Economic Reports on Ecuador, and

RECOMMENDED:

that the recommendations of the Loan Department be adopted, with the deletion of the reference to initial priorities.

3. PARAGUAY

The Committee considered the Operational and Economic Reports on Paraguay, and

a. RECOMMENDED:

that the operations of the Bank in Paraguay should follow the pattern recommended in paragraph (a) of the Loan Department’s recommendations as to Ecuador, with the deletion of the reference to initial priorities;

b. AGREED:

to defer for further consideration its decision on the method and personnel to be used to put such operations into effect.
4. The meeting adjourned at 6:30 p.m.

DISTRIBUTION:

1. Mr. J. J. McCloy
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. D. Creagh de Longh
5. Mr. C. A. McLain
6. Mr. L. B. Rist
7. Mr. R. H. Damuth
SLC/M/48 - Interest rates and other terms of Belgian Loan