Folder Title: Leonard B. Rist - IBRD Nine Percent Files - Subscriptions - Correspondence - Volume 1 - 1963 - 1964

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L.B. Rist: 9% File
1963-1964

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RAMIRO SACASA GUERRERO

MINISTRO DE HACIENDA

MANAGUA

NICARAGUA

APRIL 17, 1964

IBF GOVT.

PLEASED TO LEARN OF YOUR GOVERNMENTS DECISION TO RELEASE EIGHTEEN PERCENT PORTION OF NICARAGUAN SUBSCRIPTION TO CAPITAL OF BANK OVER SIX YEARS PERIOD ON BASIS DESCRIBED DRAFT LETTER ATTACHED TO MY LETTER OF FEBRUARY TWENTY STOP EXPECT SOON TO OBTAIN APPROVAL OF BOARD OF DIRECTORS AND TO WRITE TO COMPLETE FORMALITIES STOP BEST PERSONAL REGARDS,

SCHMIDT

INTBAFRAD

Orvis A. Schmidt

Western Hemisphere

Cleared with & cc: Mr. Vignes
Cleared in principle with & cc:
Mr. Cavanaugh & 18% Committee (Nic. Cope) (Mr. Rist)
cc: Mr. Doucet (Secretary's)

FSteuber/AJA

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Subscription Increases - September 1959 - April 15, 1964

(in millions of dollar equivalent)

Member	Date	additional Subscription	1%	9%
Afghanistan	January 2, 1962	10.0	.100	.900
Argentina	May 23, 1960	73.3	.733	6.597
Australia	June 3, 1960	133.0	1.330	11.970
Bolivia	March 21, 1961	7.0	.070	.630
Brazil	January 31, 1960	73.3	.733	6.597
Burma	December 4, 1959	10.0	.100	.900
Canada	August 1, 1960	100.0	1.000	9.000
Ceylon	June 20, 1961	30.0	.300	2.700
Chile	December 31, 1960	23.3	.233	2.097
Colombia	September 12, 1960	23.3	.233	2.097
Costa Rica	December 11, 1961	4.0	.040	.360
Denmark	December 14, 1959	37.3	.373	3.357
Ethiopia	September 30, 1959	4.0	.040	.360
Germany	December 1, 1959	390.0	3.900	35.100
Ghana	February 9, 1960	16.7	.167	1.503
Guatemala	December 31, 1959	4.0	.040	.360
Iceland	April 20, 1960	13.0	.130	1.170
Iran	February 1, 1960	22.8	.228	2.052
Iraq	December 16, 1959	3.0	.030	.270
Israel	April 26, 1960	18.3	.183	1.647
Israel	April 6, 1964	33.3	.333	2.997
Japan	December 29, 1959	166.0	1.660	14.940
Jordan	December 1, 1961	9.0	.090	.810
Libya	July 8, 1960	10.0	.100	.900
Mexico	December 1, 1959	43.3	.433	3.897
Norway	December 14, 1959	33.3	.333	2.997
Saudi Arabia	May 3, 1960	53.3	.533	4.797
Thailand	January 18, 1960	35.0	.350	3.150
Tunisia	May 10, 1960	6.0	.060	.540
Turkey	July 29, 1960	29.0	.290	2.610
United Syrian Rep.	September 6, 1960	7.0	.070	.630
United Syrian Rep.	April 6, 1964	13.3	.133	1.197
Venezuela	December 8, 1961	119.0 ✓	1.190	10.710
Viet-Nam	January 16, 1960	5.0	.050	.450
Yugoslavia	December 22, 1960	26.7	.267	2.403
El Salvador.	Sept '58.	2.–	.040	.360

Treasurer's Department
Finance Division
April 16, 1964

R

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP	Date April 16, 1964

NAME	ROOM NO.
~~Mr. Leonard B. Rist~~	1127
~~R. Cavanaugh~~ thanks	
Mr Rist	1127
~~return L. Rist~~	
	~~for your entry~~

	To Handle		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
	Information		Signature
	Initial		Send On

REMARKS

I thought you might like to have before tomorrow's meeting a copy of the attached memorandum.

I will bring other copies along to the meeting.

A

go/c
file

From

Orvis A. Schmidt

The Files April 16, 1964.

Orvis A. Schmidt

Method used by Inter-American Development Bank for maintenance of value in lending local currency portion of capital subscription within a member country.

1. Today I talked to Arnold Weiss, Assistant General Counsel of the Inter-American Development Bank, about the method used by the Inter-American Bank to maintain the value of the local currency portion of a member's capital contribution when it is lent for use within the country. The information I obtained is briefly summarized herein.

2. As in the case of IBRD, the capital subscription of a member is designated in dollars (e.g. a certain number of dollars worth of Chilean pesos) and as long as it is not used the obligation to maintain the value rests with the member country.

3. When the local currency part of a member's capital contribution is lent, the BID lends it in effect on a dollar basis placing upon the borrower the obligation to maintain the value. Weiss said that the arrangements were quite complex and had in one or two cases caused some difficulty. At the time a local currency loan is made (e.g. in pesos), BID arranges with the member country to obtain an amount of pesos which at the going market rate is worth the corresponding dollar value of the capital being lent. This amount of money must be quickly transferred to the borrower before its dollar value has deteriorated. During the life of the loan interest is figured as the number of pesos needed to constitute the specified percent of the dollar value of the pesos lent, and amortization payments must also be equivalent, at the going rate, to the dollar value of the pesos originally lent. In at least one case difficulties are now being encountered because the borrower alleges that the currency delivered to him at the time the loan was made did not have the dollar value that it was supposed to have.

4. I did not ask for specimen contracts but we may want to do so if we are seriously considering lending local currency contributions.

cc: Mr. Rist

OAS/eb

Messrs. R. Cope & R. Cavanaugh April 16, 1964

Leonard Rist

9% - 90% Subscriptions.-

I am attaching herewith:

a) a draft report to be submitted by me to the President;

b) a country-by-country review indicating the Area Departments views on the chances of getting releases. This will be amended to make clear the position of the countries which have had a capital increase independently from the doubling of our capital in 1959;

c) a draft brief for the President's statement to the Executive Directors on IDA 90%.

I'll be glad to have your personal comments on these papers, if possible before our meeting tomorrow at 11 o'clock.

att.

DRAFT -- April 16, 1964

Brief for President's Statement to Executive Directors

As the Executive Directors will remember, the World Bank has called upon its member countries to release their subscriptions in local currency. On various occasions a general approach was made, and on the whole it may be said that the results have been satisfactory. As you are aware, discussions are actively continuing with a number of countries, in the hope that they may make these local funds, which they have subscribed to in the capital of the Bank, actually usable for our loan operations.

When IDA was organized, the Part I countries obligated themselves to provide the full amount of their original subscription in convertible form. Part II countries provided only one-tenth of their subscription in convertible currencies, and nine-tenths were subscribed in local currency. In the Articles of Agreement, Article IV Section 1(a) indicates that these amounts "insofar as consistent with sound monetary policies ... may be used by the Association ... in payment for goods and services produced in the territories of [the] member and required for projects financed by the Association and located in such territories". The same Article goes on to say: "in addition when and to the extent justified by the economic and financial situation of the member concerned as determined by agreement between the member and the Association, such currency shall be freely convertible or otherwise usable for projects financed by the Association and located outside the territories of the member." Another reference to this problem is included in paragraph 6 of the Report of the Executive Directors which follows the Articles of Agreement, which states as follows: "While the members listed in Part II have no legal obligation to make more than 10% of their initial subscription available to the Association on a freely convertible basis, it is hoped that the more developed of these countries, upon accepting membership in the Association or reasonably soon thereafter, will be in a position to release at least some part of the 90% portion of their subscription."

In other words, the founders of the Association, while aware of the problems which Part II countries may encounter in releasing the 90% portion of their subscription, feel however that the member countries who can possibly contribute to the resources of IDA should do so as soon as possible.

I have the feeling that this is in strict conformity with the spirit of a cooperative organization where, as and when the members become able to assist their partners, they hasten to do so, and it seems to me that since the replenishment of IDA's resources is now under way, this may be a particularly suitable time for Part II countries to examine whether they can, on their side, place some of their local currency subscription at the disposal of the Association, either for exports or, preferably, on a convertible basis. One of the member countries already has suggested that its subscription could be used for export purposes, and it is one of those whose income per head is among the lowest.

I would therefore like to request the Executive Directors to ask the Part II countries which they represent to consider seriously whether they can, at this point or in the near future, release all or part of their 90% subscription, either for exports or preferably on a convertible basis.

I am fully aware that for a number of Part II countries there may be, at this stage, insurmountable obstacles, but I also remember that when the Bank made similar general approaches with respect to its own local currency subscriptions, it met with a response which in some cases was quite gratifying. I shall be deeply interested in hearing the results of your inquiry on behalf of IDA.

Meanwhile, the Directors of Area Departments may, if the opportunity arises, discuss this matter with the countries which seem to them likely to be able to respond favorably to our request.

April 8, 1964

SUMMARY OF COUNTRY BY COUNTRY REVIEW -- IBRD 9% LOCAL CURRENCY SUBSCRIPTIONS

AFRICA Part II countries

1. Countries having released all their 9% -- now on loan
   Ethiopia
   Sudan

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   Libya

3. Countries having released part of 9% on convertible basis, balance not released. Department suggests waiting until next loan operation to request release of balance.
   Ghana

4. Countries having released no part of 9%. Department feels request for release in part or by stages could be considered if a loan or credit were made.
   Algeria
   Gabon
   Morocco
   Nigeria
   Sierra Leone
   Tunisia

5. Countries having granted no release. Department feels an approach would be fruitless.
   All others

EUROPE A. Part I countries

1. Countries having released part of their 9%, and undertaken to release the balance over a period
   Finland

2. Countries having released no part of their 9%. Discussions now under way with them
   New Zealand
   Portugal

B. Part II countries

1. Countries having released all their 9% -- now on loan
   None

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   Ireland
   Spain

3. Countries having released part of their 9%. Discussions now under way for balance
   Iceland
   Yugoslavia (total released but not yet on convertible basis)

4. Countries having released no part of their 9%. Department feels approach could be made on the occasion of a loan or credit
   Jamaica
   Trinidad and Tobago

5. Countries having granted no release. Department feels an approach would be fruitless
   Cyprus
   Greece
   Turkey

<u>FAR EAST</u>   <u>Part II countries</u>

1. Countries having released all their 9% -- now on loan
   Malaysia (a new approach may be in order if subscription is increased)

2. Countries having released part of their 9%, and undertaken to release the balance over a period.
   None

3a. Countries having released part of their 9% -- now on loan. Department keeping up discussions
   Philippines
   Thailand
   China

3b. Countries having released part of their 9%. Department feels new approach would be fruitless
   Burma (part released and used)
   Ceylon (part released and used)

4. Countries having released no part of their 9%. Department feels approach could be made
   None

5. Countries having granted no usable releases. Department feels an approach would be fruitless
   Indonesia
   Korea
   Laos
   Viet-Nam

SOUTH ASIA AND MIDDLE EAST

A. Part I countries

1. Countries having released their 9% over a period of years -- part now on loan
   Kuwait

B. Part II countries

1a. Countries having released all their 9% -- now on loan
    Lebanon

1b. Countries having released all their 9%, part of which for purchases locally. Department feels approach to make balance convertible could well be made
    Israel

1c. Countries having released all their 9%, unused balance being available for local purchases only. Department reconsidering whether approach may be undertaken to make balance convertible at least in part
    India
    Pakistan

2. Countries having agreed to full release over a period
   None

3. Countries having released part of their 9%. Department keeping up discussions for obtaining release of balance
   Iran
   Iraq

4. Countries having released no part of their 9%. Department feels release may be obtained if asked
   Jordan
   Saudi Arabia

5. Countries having released no part of 9%. Department feels that request would be fruitless
   Afghanistan
   Nepal
   Syria
   UAR

<u>WESTERN HEMISPHERE</u> Part II Countries

1. Countries having released all their 9% -- now on loan
   - Ecuador
   - Honduras
   - Mexico
   - Panama
   - Peru

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   - Colombia
   - Uruguay

3a. Countries having released part of their 9%. Keeping up discussions
   - El Salvador
   - Venezuela

3b. Countries having released part of their 9%. Department suggests no new approach at this time.
   - Argentina
   - Costa Rica
   - Guatemala

4. Countries having released no part of their 9%. Department feels request for releases in part or by stages might be considered
   - Chile
   - Dominican Republic
   - Nicaragua (discussions under way)
   - Paraguay (release for local purchases, unusable)

5. Countries having released no part of their 9%. Department feels new approach would be fruitless at this time
   - Bolivia
   - Brazil
   - Haiti

DRAFT -- April 16, 1964

Release of IBRD 9% and IDA 90% Subscriptions

Meetings were held on the above subject at 10:00 a.m. on April 2 and 10, 1964, in room 1127. The meetings were chaired by Mr. L.B. Rist (Office of the President) and included Mr. R.W. Cavanaugh (Treasurer), as well as the following officers of Area Departments in at least one of the meetings: Mr. J.H. Williams and Mr. S.N. McIvor (Africa); Mr.I.P.M. Cargill (Far East); Mr. A. Stevenson (South Asia and Middle East); Mr. S.R. Cope, Mr. D.J. Fontein and Mr. C.H. Thompson (Europe); Mr.O.A. Schmidt and Mr. B.A. de Vries (Western Hemisphere). Mr. J. Hulley (Consultant, Economic Department) served as secretary.

The discussion included a country-by-country review of the prospects for release of IBRD 9% subscriptions; this is summarised in the attached Tables. The discussion also covered the six general questions which follow, about the need for releases and the kind of releases to be sought.

A. Concerning the 9% Subscriptions to IBRD

1. General versus Country-by-Country Approach: The question was raised whether the Bank should approach all countries which have not yet agreed to release the full amount of their subscription, or whether it would be wiser to leave it to the Area Department to choose an appropriate time or to seize suitable opportunities for discussions with individual countries, taking into account their position and our relation to them.

In favor of a general approach, it can be argued that making their capital subscriptions available for lending is an obligation of the member countries, and that it is easier to approach any one country when all others are also being approached. General approaches have been used twice before; the last time in 1957. True, letters from the Bank varied according to circumstances, there being about five different form letters; some additional releases resulted.

In favor of a country-by-country approach, it may be said that it would be useless or even unwise from the point of view of our relations with them, to request releases now from countries such as Ceylon and Brazil, which are both in a balance of payments crisis; or from various new African nations which can expect no Bank loans; or from countries in military or political crisis, like Cyprus, Greece, Turkey, Laos and Viet-Nam. Releases can most effectively be sought when countries are in a fair financial position or when they are receiving IBRD loans (and perhaps very rarely when they are receiving IDA credits). In practice we are continuously following up on the approaches of the late 1950's by direct contact with the countries where the prospects are fair. During its first decade, the Bank had to rely on a very few releases, some of them inconvertible. It was only in the middle 1950's, after the Marshall Plan and the Korean War, that it became possible to launch a systematic drive for convertible releases. We are still actively following up that drive on a country-by-country basis, and it would be repetitive to send new general letters.

It is therefore recommended that we should continue the country-by-country approach, seizing every favorable occasion to request releases.

2. Internal Use of Subscriptions: In countries where there is no chance of securing convertible releases, and where the prospects of procurement for exports are slim, should the Bank explore the possibility of obtaining releases for use within the country?

Internal use of subscriptions could, for instance, serve to assist internal investments which would not otherwise occur. The Inter-American Development Bank is said to use releases for similar purposes. There may be cases where local subscriptions could be used, without damaging the Bank's relation to its members, to influence the direction of development, or where the release of an IBRD subscription may be easier for the government than obtaining parliamentary appropriations.

Against these arguments, it can be said that the Bank's primary mission is to arrange the transfer of resources between countries rather than within them. But even disregarding this general point, internal intervention by the method proposed may turn out to be an optical illusion. Most governments are sufficiently sophisticated to be able to provide, directly by themselves, the amounts which they could provide to IBRD for use locally. In the case of Pakistan, for instance, the Government should not find it any easier to release to IBRD than to add directly to the resources of a development finance company. It would also be natural for the interest payable on such funds to accrue to the government which provides them rather than to the IBRD, which in this case would only be used as a channel. Moreover, lending of local currencies for internal purposes might seem costly to the country whose currency is used, when it would have to maintain the dollar equivalent value of the loans just as if the 9% had remained unused; no one wished to recommend abrogating the provision for maintenance of value. Finally it should be emphasized that the practice of accepting local currency subscriptions for local use would effectively undermine the drive to secure convertible releases (or releases for exports).

It is therefore recommended that the Bank should not use local currency subscriptions to finance domestic investment. It should continue to seek releases, preferably on a convertible basis, alternatively to finance procurement for export. In the latter case efforts should continue to be made to obtain convertibility of the unused balances.

B. Concerning the 90% Subscription to IDA

1. Should the Part II Countries be Asked for the 90% Subscription? The Articles of Agreement (Article IV, Section 1(a)) and the accompanying Report of the Executive Directors (paragraph 6) clearly envisage that at least the more developed Part II countries will contribute their local currency subscriptions.

Since IDA, like the Bank, is a cooperative institution, it could be expected from the more advanced countries that they might assist the less fortunate ones. In one case (India), a Part II country has suggested that part of its 90% subscription could perhaps be used to finance exports as part of IDA projects located in other countries. Similar arrangements might be suggested to others. We already know of small amounts of exports from Ireland and Malaysia which could have been financed in this manner. It is moreover likely that some releases in convertible form could be hoped for from the more prosperous members. Finally, if it were known that Part II countries are making some voluntary contribution to the common effort, future replenishment of IDA resources might be facilitated.

On the other hand, one cannot ignore the fact that there is a difference between 9% Bank and 90% IDA subscriptions. The sacrifice implied in IDA releases is heavier. Bank releases could theoretically revert to the shareholder as and when the loans are repaid. In the case of IDA the period involved is much longer. In addition the risk is less in the case of Bank loans than in the case of IDA credits. Another consideration would be that all Bank countries could in principle expect loans from it. But this is not so for IDA Part II members. Some of them can expect to receive credits, and they are precisely those for which a release would be a greater burden. But a large number of Part II countries cannot expect to receive credits. Asking them to contribute more than the original 10% in convertible form (or for exports) is almost the same as switching them into the Part I category. While this may be unobjectionable in a few cases, it could not be made a general rule for all. The Articles of Agreement were wise to avoid making a contribution of the 90% mandatory.

It is recommended that a careful selection be made of the few countries which are so advanced or so prosperous that a release of at least a fraction of their 90% would not constitute a substantial burden. Colombia, Iceland, Ireland, Malaysia, Mexico, New Zealand (if a Part II country), Portugal, Spain, Thailand, Venezuela, Yugoslavia, might be selected for a direct approach. India may also be asked to contribute in view of its above mentioned proposal. The same might apply to a few other countries receiving IDA credits which can be expected to compete for exports within the framework of IDA credits.

2. General versus Country-by-Country Approach: The preceding paragraphs lead to the conclusion that a general approach, in the form of a circular letter from IDA, even if worded in careful terms, could result in unfortunate misunderstandings. It is however recommended that a general approach in another form be attempted. The President could well make an appeal to the Executive Directors, asking them to consider seriously whether the countries they represent could, at this point or in the near future, release all or part of their 90% subscription. On their side, the Area Departments would discuss the possibility of a release with a few selected countries -- mentioned above -- as and when an opportunity presents itself.

3. Internal Use: If releases can be secured from some countries, should they be used for internal purposes?

The same arguments apply here as in the case of Bank subscriptions. It is therefore recommended that this matter not be pursued further.

4. <u>Other Uses</u>: Besides financing exports included in IDA projects, or releases in convertible form, are there any other uses which could be made of IDA 90% subscriptions without applying them to domestic investment? Mr. Hully has been asked to study this question further.

FORM No. 58

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO: Mr. Leonard Rist

DATE: April 10, 1964

FROM: JH John Hulley

SUBJECT: IDB use of Local Currencies

Mr. Sandelin of the Inter-American Development Bank supplied the following information by phone. (All of the figures are rough estimates).

1. The ordinary capital of the IDB included $124 million of local currencies from Latin America. Of this total, $57 million were committed by March 20, 1964.

2. The fund for Special Operations includes $28.5 of local currencies from Latin America, of which $18 million was committed by March 20, 1964.

3. There has been some procurement in one Latin American country for another (amount not immediately available).

4. The IDB has been able to finance projects which otherwise might not have been financed. For example, they have been able to supply local currencies to private firms and local development banks when the latter reported inability to get finances from other sources.

c.c. for Mr Rist

Messrs. Cavanaugh, Cargill, Cope, Hulley, Moussa, Reid, Schmidt

April 8, 1964

Leonard Rist

Release of Local Currency Subscriptions of IBRD Member Countries

The attached is supplementary to my memorandum to you of April 6, 1964. It summarises the country-by-country review of IBRD 9 per cent subscriptions and the views expressed by each Department at our meeting on April 2.

Corrections, if any, should be communicated to Mr. Hulley (Ext.2121).

Attachment

cc: Mr. Geoffrey Wilson

April 8, 1964

SUMMARY OF COUNTRY BY COUNTRY REVIEW -- IBRD 9% LOCAL CURRENCY SUBSCRIPTIONS

AFRICA Part II countries

1. Countries having released all their 9% -- now on loan
   Ethiopia
   Sudan

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   Libya

3. Countries having released part of 9% on convertible basis, balance not released. Department suggests waiting until next loan operation to request release of balance.
   Ghana

4. Countries having released no part of 9%. Department feels request for release in part or by stages could be considered if a loan or credit were made.
   Algeria
   Gabon
   Morocco
   Nigeria
   Sierra Leone
   Tunisia

5. Countries having granted no release. Department feels an approach would be fruitless.
   All others

EUROPE A. Part I countries

1. Countries having released part of their 9%, and undertaken to release the balance over a period
   Finland

2. Countries having released no part of their 9%. Discussions now under way with them
   New Zealand
   Portugal

B. Part II countries

1. Countries having released all their 9% -- now on loan
   None

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   Ireland
   Spain

3. Countries having released part of their 9%. Discussions now under way for balance
   Iceland
   Yugoslavia (total released but not yet on convertible basis)

4. Countries having released no part of their 9%. Department feels approach could be made on the occasion of a loan or credit
   Jamaica
   Trinidad and Tobago

5. Countries having granted no release. Department feels an approach would be fruitless
   Cyprus
   Greece
   Turkey

<u>FAR EAST</u> <u>Part II countries</u>

1. Countries having released all their 9% -- now on loan
   Malaysia (a new approach may be in order if subscription is increased)

2. Countries having released part of their 9%, and undertaken to release the balance over a period.
   None

3a. Countries having released part of their 9% -- now on loan. Department keeping up discussions
   Philippines
   Thailand
   China

3b. Countries having released part of their 9%. Department feels new approach would be fruitless
   Burma (part released and used)
   Ceylon (part released and used)

4. Countries having released no part of their 9%. Department feels approach could be made
   None

5. Countries having granted no usable releases. Department feels an approach would be fruitless
   Indonesia
   Korea
   Laos
   Viet-Nam

SOUTH ASIA AND MIDDLE EAST

A. Part I countries

1. Countries having released their 9% over a period of years -- part now on loan
   Kuwait

B. Part II countries

1a. Countries having released all their 9% -- now on loan
   Lebanon

1b. Countries having released all their 9%, part of which for purchases locally. Department feels approach to make balance convertible could well be made
   Israel

1c. Countries having released all their 9%, unused balance being available for local purchases only. Department reconsidering whether approach may be undertaken to make balance convertible at least in part
   India
   Pakistan

2. Countries having agreed to full release over a period
   None

3. Countries having released part of their 9%. Department keeping up discussions for obtaining release of balance
   Iran
   Iraq

4. Countries having released no part of their 9%. Department feels release may be obtained if asked
   Jordan
   Saudi Arabia

5. Countries having released no part of 9%. Department feels that request would be fruitless
   Afghanistan
   Nepal
   Syria
   UAR

WESTERN HEMISPHERE Part II Countries

1. Countries having released all their 9% -- now on loan
   - Ecuador
   - Honduras
   - Mexico
   - Panama
   - Peru

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   - Colombia
   - Uruguay

3a. Countries having released part of their 9%. Keeping up discussions
   - El Salvador
   - Venezuela

3b. Countries having released part of their 9%. Department suggests no new approach at this time.
   - Argentina
   - Costa Rica
   - Guatemala

4. Countries having released no part of their 9%. Department feels request for releases in part or by stages might be considered
   - Chile
   - Dominican Republic
   - Nicaragua (discussions under way)
   - Paraguay (release for local purchases, unusable)

5. Countries having released no part of their 9%. Department feels new approach would be fruitless at this time
   - Bolivia
   - Brazil
   - Haiti

FORM No. 57A
(5-48)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

TO: Messrs. Cavanaugh, Cargill, Cope, Hulley, Moussa, Reid, Schmidt

DATE: April 6, 1964

FROM: Leonard Rist *L.R.*

SUBJECT: Release of Local Currency Subscriptions of IBRD and IDA Member Countries

Our last meeting on the above mentioned subject (April 2, 1964) was devoted to IBRD local currency subscriptions. The area departments indicated, for each country, whether in their opinion there was a chance of obtaining additional releases of 9% subscriptions, either in convertible form or in the form of exports, i.e. procurement linked to IBRD projects. Time was too short to discuss IDA 90% subscriptions.

As a result of this meeting it has become clear that there are a number of policy questions which are worth detailed consideration. They are listed below. I would therefore like to have another meeting on Friday, April 10, at 10 a.m. In view of the importance of the subject I hope that you personally will be able to attend.

The points for discussion are the following:

A. Concerning the 9% subscription to IBRD

1. Should the Bank systematically approach all countries who have not yet agreed to release the full amount, irrespective of what we may know of their position or of our relationship with them at the time? This has been done before, and one department seems to be in favor of it. Others seem to feel that a better purpose would be served by seizing suitable opportunities for discussion when they arise; in other words, by approaching this problem on a country-by-country basis.

2. In countries where there is no chance of securing convertible releases, and where the prospects of procurement for Bank projects are slim, should the Bank explore the possibility of obtaining releases for use within the country itself?

3 mechanism for release of more on conv. basis

B. Concerning the 90% subscription to IDA

1. Is there any general reason why Part II countries should not be asked to release their subscription?

Should we wait until 9% is all out?

2. Assuming the answer to B.1 is negative, same question as under A.1.

3. If releases can be secured from some countries, should they be --
   a) convertible?
   b) used for procurement for the benefit of other countries within the framework of IBRD/IDA projects?
   c) used to finance domestic enterprises (e.g. those financed by IFC)?
   d) used for other purposes?
   e) used for any combination of the foregoing?

LR:at

cc: Mr. Geoffrey Wilson

April 6, 1964

SUMMARY OF COUNTRY BY COUNTRY REVIEW -- IBRD 9% LOCAL CURRENCY SUBSCRIPTIONS

AFRICA Part II countries

1. Countries having released all their 9% -- now on loan
   Ethiopia
   Sudan

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   Libya

3. Countries having released part of 9% on convertible basis, balance not released. Department suggests waiting until next loan operation to request release of balance.
   Ghana

4. Countries having released no part of 9%. Department feels request for release in part or by stages could be considered if a loan or credit were made.
   Algeria
   Gabon
   Morocco
   Nigeria
   Sierra Leone
   Tanganyika
   Tunisia

5. Countries having granted no release. Department feels an approach would be fruitless.
   All others

EUROPE A. Part I countries

1. Countries having released part of their 9%, and undertaken to release the balance over a period
   Finland

2. Countries having released no part of their 9%. Discussions now under way with them
   New Zealand
   Portugal

B. Part II countries

1. Countries having released all their 9% -- now on loan
   None

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   Ireland
   Spain

3. Countries having released part of their 9%. Discussions now under way for balance
   Iceland
   Yugoslavia (total released but not yet on convertible basis)

4. Countries having released no part of their 9%. Department feels approach could be made on the occasion of a loan or credit
   Jamaica
   Trinidad and Tobago

5. Countries having granted no release. Department feels an approach would be fruitless
   Cyprus
   Greece
   Turkey

FAR EAST   Part II countries

1. Countries having released all their 9% -- now on loan
   Malaysia (a new approach may be in order if subscription is increased)

2. Countries having released part of their 9%, and undertaken to release the balance over a period.
   None

3a. Countries having released part of their 9% -- now on loan. Department keeping up discussions
   Philippines
   Thailand

3b. Countries having released part of their 9%. Department feels new approach would be fruitless
   Burma (part released and used)
   Ceylon (part released and used)
   China (part released, and soon on loan)

4. Countries having released no part of their 9%. Department feels approach could be made
   None

5. Countries having granted no usable releases. Department feels an approach would be fruitless
   Indonesia
   Korea
   Laos
   Viet-Nam

SOUTH ASIA AND MIDDLE EAST

A. Part I countries

1. Countries having released their 9% over a period of years -- part now on loan
   Kuwait

B. Part II countries

1a. Countries having released all their 9% -- now on loan
   Lebanon

1b. Countries having released all their 9%, part of which for purchases locally. Department feels approach to make balance convertible could well be made.
   Israel

2. Countries having agreed to full release over a period
   None

3. Countries having released part of their 9%. Department keeping up discussions either for making all convertible or for obtaining release of balance.
   India
   Iran
   Iraq
   Pakistan

4. Countries having released no part of their 9%. Department feels release may be obtained if asked.
   Jordan
   Saudi Arabia

5. Countries having released no part of 9%. Department feels that request would be fruitless
   Afghanistan
   Nepal
   Syria
   UAR

WESTERN HEMISPHERE Part II Countries

1. Countries having released all their 9% -- now on loan
   - Ecuador
   - Guatemala
   - Honduras
   - Mexico
   - Panama
   - Uruguay

2. Countries having released part of their 9%, and undertaken to release the balance over a period
   - Colombia
   - Venezuela

3a. Countries having released part of their 9%. Keeping up discussions
   - El Salvador

3b. Countries having released part of their 9%. Department suggests no new approach at this time.
   - Costa Rica

4. Countries having released no part of their 9%. Department feels request for releases in part or by stages might be considered.
   - Chile
   - Dominican Republic
   - Nicaragua (discussions under way)
   - Paraguay (release for local purchases unusable)

5. Countries having released no part of their 9%. Department feels new approach would be fruitless at this time.
   - Argentina
   - Bolivia
   - Brazil
   - Haiti

CONFIDENTIAL

DRAFT

Apr. 3,1964

DECLASSIFIED

Date: 11/15/2010 STB

To: Files

From: J. Hulley

Subject: First Meeting on Subscriptions by Part II Countries, 10 a.m., 2 April, 1964

The meeting was chaired by Mr. L. Rist (Office of the President) and included Mr. P. Cargill (Far East), Mr. R. Cavanaugh (Treasurer), Mr. S. McIvor (Africa), Mr. A. Stevenson (S.A.& M.E.), Mr. C. Thompson (Europe), Mr. B. deVries (Western Hemisphere) and ~~Mr.~~ J. Hulley (Consultant, Economic Department) who served as Secretary.

Mr. Rist stated that the purpose of the meeting was to find ways of obtaining and utilizing contributions from Part II countries. There was some pressure from Congressional sources to induce these countries to undertake at least limited forms of mutual aid. According to remarks by Mr. Woods on 31 March, 1964, however, Senator Monroney was not pressing the point so hard at present; the need of a memorandum from the Bank for Congress (perhaps through Mr. Bullitt) is therefore not immediate.

To open the discussion he enquired whether there was felt to be a difference between releasing subscriptions to the IBRD and IDA. Mr. Cargill affirmed that it had been understood that IBRD subscriptions would be released whenever it was possible, but there had been no such understanding with respect to IDA. Mr. Cavanaugh believed that the records of Board meetings would confirm that there had been no interest in IDA subscriptions; he pointed out however, that the ability to subscribe varied by countries; for example, Mexico had the capacity to release its subscription. Mr. Stevenson pointed out that India was the only country to suggest making a small contribution, its motive being primarily to demonstrate its willingness to help. Mr. Cavanaugh added that India was interested in promoting exports, and that it hoped to recover financing for the import component.

Mr. Rist enquired about the state of release of IBRD subscriptions. Mr. Cavanaugh answered that the early releases were often tied. For example, the Norwegian release was for expenditure in Norway and British releases had been for use in the Commonwealth. However, there was a trend toward making them convertible. On our last drive for releases we have for the first time encouraged countries to adopt a schedule of yearly or half-yearly tranches. There has also been the necessity to secure permission of countries to relend funds which have been paid back to the Bank. Many countries have now given blanket permission to release.

Mr. Rist asked what was the distinction between convertible and transferable releases. Mr. Cavanaugh replied that transferable releases are used when the future value of the currency being loaned is rather uncertain. In such cases the Bank turns over the borrowed currencies to the ~~borrower~~ subscriber and he deposits an equivalent value in dollars with the Bank. The Bank undertakes to return the dollars on request. This procedure (known as a "Philippines transaction") is convenient to the Bank which can use the deposited dollars. It is also convenient for the ~~lender~~ subscriber since he is no longer obligated to maintain currency value ~~or~~ and to suffer the losses of devaluation.

Mr. Rist asked whether convertible transactions from Part II countries were always converted into dollars. Mr. Cavanaugh replied that they were converted into whatever currency was needed. The Board does not want the Bank to become a dollar institution. Mr. deVries thought that it might now be more convenient to use dollars since currencies have become convertible. Mr. Cavanaugh concurred.

Mr. Rist proposed three questions for discussion:

Question 1: From which countries should we seek convertible releases?

Question 2: From which countries should we seek other types of releases?

Question 3: In which countries should we alter the terms to a convertible basis?

Mr. Stevenson felt that the obligation to contribute to the IBRD should not be questioned. Mr. Rist noted however, that the situation was different between countries. Mr. Cargill thought that there were some countries which it would be very unwise to approach at the present time with requests for releases. Mr. Rist expressed the view that countries could represent their own interests in answering such a request. ~~He suggested that we review the situation in each~~

~~country~~. Mr. Stevenson said that it would be easier to approach one country if we could say we are approaching them all. Mr. Cavanaugh noted that general approaches had been used in previous years. In each case some additional releases resulted. Letters from the Bank had varied according to our expectations for each country; at the same time it had been possible to say that we were approaching every country. Mr. Cargill said that this tactic had no particular value in dealing with the Philippines or Thailand for example. In these cases a bilateral approach was successful. Mr. Rist asked whether it would not be possible for every country to release 10 per cent of its subscription. Mr. Stevenson answered that any country could, but the negotiating position was strong only when the Bank was lending to that country.

The Part II countries were then reviewed, region by region:

SOUTH ASIA & MIDDLE EAST

Mr. Stevenson said that we were unlikely to get anything from Afghanistan to which we are not at the moment making loans.

With respect to India he felt that there was very little chance of getting a convertible release. The current aid to Nigeria is an example of what India can do. Mr. de Vries pointed out that India could release convertible currencies for expenditure in India. Mr. Rist noted that the borrower (Nigeria) would then owe the convertible currencies to the Bank. Mr. Cavanaugh felt that this procedure would not help. He thought India could release $10 million a year inasmuch as they were receiving so much from the Bank. He said that the release could be constituted of convertible and inconvertible components according to the use made. Mr. McIvor thought that such a step would help establish a useful principle. The Bank could use the funds either way.

Mr. Stevenson said that Iran could release its subscription.

He said that discussions had been initiated with Iraq.

He said there was no problem in Israel. We will ask that the inconvertible release be made convertible.

He said that it would be possible to ask Jordan to make releases over a period of years. Mr. Cavanaugh suggested a figure of $270,000 a year, with which Mr. Stevenson concurred.

Mr. Stevenson pointed out that we are not lending to Nepal, but he felt that a mild letter might be in order.

He said that the situation in Pakistan could be reconsidered since they were receiving considerable aid. He added that there was less opportunity for procurement in Pakistan than in India.

While we are not aiding Saudi Arabia, he felt that we ought to ask for a release.

He felt that we could ask Syria in view of the IDA credit there, but the conditions there are not encouraging. Mr. Cavanaugh asked whether the aid of $8 million would not make it possible for Syria to release $300,000 a year? Mr. Stevenson answered that it was diplomatically feasible to make the request but there was not much chance of getting the money.

In the case of the U.A.R. he felt that it would be proper to ask. Since we are not doing any business there, there is in fact little hope of a release.

FAR EAST

Mr. Cargill pointed out that we are not doing any business with Burma now and are unlikely to. Burma might agree to a small release for procurement there (as in the case of the teak for railroad ties already procured). $1.25 million has already been released for this purpose. Mr. Cavanaugh asked whether we might also request a convertible release.

Mr. Cargill said that we were not doing any business with Ceylon which was in considerable difficulties and was relying on credit from Britain. Mr. Cavanaugh said there was no point in approaching them.

With respect to China, Mr. Cargill said that China has released $1 million in the last 3 months for the purchase of cement there. We should continue to press for this sort of release. We might seek $1 million a year for 5 years on a convertible basis.

M Mr. Cargill and Mr. Cavanaugh agreed that there would be no value in approaching Indonesia.

Mr. Rist asked whether we ought to request money from Korea since it is relying entirely on the U.S. for aid. Mr. Cavanaugh said that there was a possibility of an IDA loan there, but Mr. Cargill noted that this was uncertain. He said that the situation in Korea was difficult, with rapidly declining reserves and 40 per cent price inflation last year.

He said that there was no point in writing to Laos.

He said that Malaysia was considering an increase in its IMF quota. He has advised them that in this event the IBRD quota should also increase and should be on a convertible basis.

He said that the Philippines were asked for a release last January. They wrote back that they prefer the present arrangement (non-interest-bearing inconvertible notes). Mr. Cargill feels that, in view of our large loans to them, they should release $500,000 a year on a convertible basis. It is his feeling that we ought to be able to secure this, and perhaps more (e.g., $1 million a year) for 3 years. Mr. Cavanaugh asked whether such released might be made for 5 years.

Mr. Cargill has written to Thailand and will talk with them next month. He believes that they could not only pay $25 million of maturities, but could also release the 9 per cent. Their reserves are $320 million and they are investing in U.S. bonds.

He said that there is no point in writing to Viet Nam.

WESTERN HEMISPHERE

Mr. de Vries said that we should not approach Argentina, partly because of their balance of payments difficulties and partly because of the state of our relations with them.

He said that Bolivia is the weakest country in the hemisphere at present and that we should not approach them. Mr. Cavanaugh asked whether, considering the advanced state of consideration of an IDA credit of $10-$15 million, Bolivia might be asked for $300,000 a year. Mr. Rist suggested $250,000 a year. Mr. de Vries felt that such a request would be indefensible.

He said that we could not ask Brazil at a time when the most acute problem is how to avoid a default. Mr. Cavanaugh said that we could approach them if we were offering them a loan. Mr. de Vries said that it would depend on the type of loan.

In view of the volume of U.S. and Bank aid to Chile, he believes that we should discuss with them a possible inconvertible release to finance procurement of such items as copper fabricated goods. Mr. Cavanaugh feels that the absence of any release from Chile so far is deplorable. Mr. de Vries stated that our relations with them are poor and that the current loans are small. Mr. Rist noted that the Inter-American Development Bank has obtained contributions from them.

Mr. De Vries noted that the arrangements with Colombia are satisfactory.

He noted ~~that~~ the special difficulties of Costa Rica which is suffering from continuous volcanic eruptions.

With respect to the Dominican Republic he said that we will propose ~~perhaps get~~ something.

In Ecuador there is no problem.

He said that we had just asked El Salvador for $200,000 a year for 4 years on a convertible basis.

In Guatemala he said that our relations were bad, and that our mission is being liquidated.

He said that it would be hopeless to approach Haiti, with which Mr. Cavanaugh agreed.

There is no problem with Honduras.

There is no problem with Mexico.

Mr. de Vries said that we sent a letter to Nicaragua on February 20 asking for release on a convertible basis.

There is no problem in Panama.

He said that Paraguay is weak internally and in its balance of payments. Mr. Cavanaugh agreed.

There is no problem in Peru.

There is no problem in Uruguay.

Mr. de Vries said that discussions are now under way with Venezuela for a convertible release.

EUROPE

(Among Part I countries Mr. Thompson said that releases by New Zealand and Portugal are under discussion).

Mr. Thompson said that it would not be timely to approach Cyprus.

He said that it would also be very difficult to approach Greece.

He said that discussions are now under way with Iceland. We have proposed a 5-year plan.

There is no problem in Ireland.

There is a history of touchy relations with Jamaica. We should not propose a release until the question of a mission has been settled.

There is no problem in Spain.

There is a banking reorganization going on in Trinidad. We intend to raise the question of a release at the appropriate moment.

The external position of Turkey is so difficult that we should not propose a release now.

Yugoslavia has agreed to a full release. We are trying to get it on a convertible basis.

AFRICA

Mr. McIvor said that it would be pointless to approach many of the countries in this continent. Some of them are new and poor in resources. Particularly where they can expect nothing in return from the Bank it would be unreasonable to request a release.

Mr. Rist drew attention to the existence of common banking facilities among the French-speaking group of countries and also in East Africa. Since decisions are taken jointly by the member countries, he suggested that we approach the central banks before going to the countries. Mr. McIvor said this approach might work. Mr. Thompson suggested that it might be possible to switch sterling resources from the Currency Board in East Africa to the Bank. Mr. McIvor thought that this proposal deserved consideration.

There is a loan under consideration to a foreign company in Algeria. While the general situation there is weak, we might consider an approach if this loan goes through.

There is the possibility of a loan to Gabon. We should only approach them if this loan goes through.

The situation in GHana is deteriorating rapidly. Despite the Volta loan Mr. McIvor doubted whether we should make an approach.

It would be a waste of time to approach the Ivory Coast. They are not poor, but the Bank is inactive there.

Mr. McIvor would not rule out making an approach to Morocco.

Nigeria indicated two years ago that they were giving consideration at Cabinet level to making a release. It would be suitable to make an approach after the next big loan, i.e., in a few months.

A loan is under consideration for Sierra Leone. If it is approved, we might talk about a 10-year plan for releases.

A loan is under consideration for Tunisia. An approach could be made there, but Mr. McIvor felt uncertain as to whether this would be desirable.

* * *

FORM No. 57 INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO: Mr. L. Rist

DATE: April 3, 1964

FROM: J. Hulley

SUBJECT: Use of Subscriptions to IBRD and IDA

1) Attached is a draft of the list of four questions you outlined as a basis for discussion at the next meeting.

2) I understand that you are further expecting from me

a) Draft notes on the meeting of April 2nd (these should be ready late Friday or Monday).

b) Information to be sought from Counsel on the legality of domestic use of inconvertible IBRD subscriptions.

c) Information about the Board discussions concerning the purpose of IDA 90% subscriptions of Part II countries.

d) Information about IDB use of local currency subscriptions.

e) Information about the operations of the Exim-Bank.

f) A revision of my response to your questionnaire to the Economic Department, discussing the comparative inflationary effect in Part II countries of releasing subscriptions on a convertible basis, and other points.

Encl.

D R A F T

QUESTIONS

A. Concerning the 9% subscriptions to IBRD

1) Should we approach all countries systematically? Or would it be more useful to go to each country for releases when suitable opportunities arise?

2) In countries where there is no chance of securing convertible releases, and where the prospects of procurement through Bank procedures are slim, would there be any point in exploring the possibility of releases for internal use?

B. Concerning the 90% subscriptions to IDA

1) Is there any reason applying to all Part II countries why releases of these subscriptions should not be sought?

2) If releases are secured from some countries, should they be a) convertible or (b) unconvertible for procurement for the benefit of other countries, or (c) used to finance domestic enterprises, including development banks (financed by IFC), or (d) used for other purposes. or e) any combination ~~among the~~ of the

~~Return to Reif~~

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Summary of Status of 9% Subscriptions as at February 29, 1964
(Expressed in Millions of U S. Dollar Equivalent)

Area	Total subscription	Total 9%	In member currency at Central Banks	In non-negotiable, non-interest-bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released			Not yet released
								In U.S. dollars	Convertible into any currency	Non-convertible	
EUROPE	8,357.40	752.166	13.436	50.405	-	.300	688.025	-	11.865	9.990	42.286
AFRICA	803.90	72.351	19.413	46.802	-	.134	6.002	1.200	-	-	65.149
WESTERN HEMISPHERE	8,489.20	764.973	75.016	21.068	1.491	.773	666.625	6.927	-	.126	91.295
SOUTH ASIA AND MIDDLE EAST	1,468.90	132.201	3.630	92.819	-	.701	35.051	-	4.503	67.384	25.263
FAR EAST	2,011.00	180.990	13.772	79.354	16.802	.168	70.894	-	-	5.818	104.278
	21,130.40	1,902.681	125.267	290.448	18.293	2.076	1,466.597	8.127	16.368	83.318	328.271

1005

Treasurer's Department
Finance Division
March 31, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Subscriptions as at February 29, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non-negotiable, non-interest-bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released: In U.S. dollars	Agreed to be released: Convertible into any currency	Agreed to be released: Non-convertible	Not yet released	Comments
AFRICA												
Part II												
Algeria	80.00	7.200	7.200	-		-	-	-			7.200	
Burundi	15.00	1.350	-	1.350		-	-	-			1.350	
Cameroon	20.00	1.800	.015	1.782		.003	-	-			1.800	
Central African Republic	10.00	.900	.005	.891		.004	-	-			.900	
Chad	10.00	.900	.009	.891		-	-	-			.900	
Congo (Brazzaville)	10.00	.900	.009	.891		-	-	-			.900	
Congo (Leopoldville)	60.00	5.400	5.398	-		.002	-	-			5.400	
Dahomey	10.00	.900	.009	.891		-	-	-			.900	
Ethiopia	10.00	.900	-	-		-	.900	-			-	
Gabon	10.00	.900	.002	.891		.007	-	-			.900	
Ghana	46.70	4.203	-	1.501		-	2.702	-			1.501	Original "18%" released, convertible into any currency.
Guinea	20.00	1.800	1.798	-		.002	-	-			1.800	
Ivory Coast	20.00	1.800	.016	1.782		.002	-	-			1.800	
Kenya	33.30	2.997	.030	2.967		-	-	-			2.997	
Liberia	15.00	1.350	.013	1.337		-	-	-			1.350	
Libya	20.00	1.800	.012	1.185		.003	.600	1.200			-	To be released in annual instalments of $0.6 million through 12/1/65.
Malagasy Republic	20.00	1.800	1.796	-		.004	-	-			1.800	
Mali	17.30	1.557	1.550	-		.007	-	-			1.557	
Mauritania	10.00	.900	.006	.891		.003	-	-			.900	
Morocco	70.00	6.300	.058	6.225		.017	-	-			6.300	
Niger	10.00	.900	.008	.891		.001	-	-			.900	
Nigeria	66.70	6.003	.016	5.943		.044	-	-			6.003	
Rwanda	15.00	1.350	-	1.350		-	-	-			1.350	
Senegal	33.30	2.997	.026	2.967		.004	-	-			2.997	
Sierra Leone	15.00	1.350	.008	1.336		.006	-	-			1.350	
Somalia	15.00	1.350	1.349	-		.001	-	-			1.350	
Sudan	20.00	1.800	-	-		-	1.800	-			-	
Tanganyika	33.30	2.997	.024	2.967		.006	-	-			2.997	
Togo	15.00	1.350	.007	1.337		.006	-	-			1.350	
Tunisia	30.00	2.700	.017	2.678		.005	-	-			2.700	
Uganda	33.30	2.997	.026	2.967		.004	-	-			2.997	
Upper Volta	10.00	.900	.006	.891		.003	-	-			.900	
	803.90	72.351	19.413	46.802		.134	6.002	1.200			65.149	

Treasurer's Department
Finance Division
March 31, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Subscriptions as at February 29, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non-negotiable, non-interest-bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released: In U.S. dollars	Agreed to be released: Convertible into any currency	Agreed to be released: Non-convertible	Not yet released	Comments
EUROPE												
Part I Countries												
Australia	533.00	47.970	-	-		-	47.970		-	-	-	
Austria	100.00	9.000	-	-		-	9.000		-	-	-	
*** Belgium	450.00	40.500	-	-		-	40.500		-	-	-	
Denmark	173.30	15.597	-	-		-	15.597		-	-	-	
Finland	76.00	6.840	.468	-		-	6.372		.468	-	-	Entire 9% released; unused balance available for purchases in Finland, or for conversion into any currency at rate of $ 1.0 million a year. Balance to be released 1/1/65.
France	1,050.00	94.500	-	-		-	94.500		-	-	-	
Germany	1,050.00	94.500	-	-		-	94.500		-	-	-	
Italy	360.00	32.400	-	-		-	32.400		-	-	-	
*** Luxembourg	20.00	1.800	-	-		-	1.800		-	-	-	
Netherlands	550.00	49.500	-	-		-	49.500		-	-	-	
* New Zealand	166.70	15.003	.137	14.853		.013	-		-	-	15.003	Discussion being held with respect to release of 9% — have talked 2 weeks ago.
Norway	133.30	11.997	-	-		-	11.997		-	-	-	
* Portugal	80.00	7.200	.066	7.128		.006	-		-	-	7.200	Discussion being held with respect to release of 9% — trying
South Africa	200.00	18.000	-	-		-	18.000		-	-	-	
Sweden	200.00	18.000	-	-		-	18.000		-	-	-	
United Kingdom	2,600.00	234.000	-	-		-	234.000		-	-	-	
Part II Countries												
Cyprus	15.00	1.350	.012	1.335		.003	-		-	-	1.350	— NO.
Greece	50.00	4.500	4.465	-		.035	-		-	2.250 **	2.250	One-half of original "18%" released, subject to consultation. — NO
Iceland	15.00	1.350	.110	1.047		.013	.180		-	-	1.170	Original "18%" released in U.S. dollars. Discussion being held with respect to release of balance. — now underway
Ireland	60.00	5.400	.050	.585		-	4.765		.635	-	-	To be released 1/1/65.
Jamaica	26.70	2.403	.024	2.379		-	-		-	-	2.403	— on occasion of loan
Spain	200.00	18.000	.142	10.620		-	7.238		10.762	-	-	Being released in annual instalments of $3.6 million through 10/1/66.
Trinidad and Tobago	26.70	2.403	.024	2.379		-	-		-	-	2.403	Loan problem
Turkey	115.00	10.350	.041	10.079		.230	-		-	7.740 **	2.610	Original "18%" released in annual instalments of $ 1.8 million for purchases in Turkey.
Yugoslavia	106.70	9.603	7.897	-		-	1.706		-	-	7.897	Arrangements are being made for release of $ 7.897 million in annual instalments over a period of eight years
	8,357.40	752.166	13.436	50.405		.300	688.025		11.865	9.990 **	42.286	

* These countries are not members of IDA. It is assumed that if they were they would be considered Part I countries

** Generally unusable.

*** Membership not completed in IDA

Treasurer's Department
Finance Division
March 31, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Subscriptions as at February 29, 1964

(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non-negotiable, non-interest-bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released: In U.S. dollars	Agreed to be released: Convertible into any currency	Agreed to be released: Non-Convertible	Not yet released	Comments
FAR EAST												
Part I Country												
Japan	666.00	59.94	-	-	-	-	59.940			-	-	
Part II Countries												
Burma	40.00	3.60	.243	2.393	-	-	.964			.286*	2.350	$1.25 million released for purchases in Burma.
Ceylon	60.00	5.40	.593	4.265	-	.002	.540			-	4.860	Original "18%" ($2.7 million) released in annual instalments on convertible basis, subject to consultation upon conversion. Release suspended. situation deteriorated
China	750.00	67.50	.667	66.819	-	.014	-			.982	66.518	$0.982 million released for purchases in China. Any additional releases subject to consultation. 1 million convertible a year
Indonesia	220.00	19.80	.187	2.800	16.802 1/	.011	-			-	19.800	NO
Korea	25.00	2.25	2.247	-	-	.003	-			2.250 *	-	Released for purchases in Korea. million too low
Laos	10.00	.90	.897	-	-	.003	-			-	.900	NO
Malaysia (x)	50.00	4.50	-	-	-	-	4.500			-	-	
Philippines xx	100.00	9.00	6.236	-	-	.064	2.700			-	6.300 xx	Discussions being held with respect to release of $6.3 million. in trouble again
Thailand	60.00	5.40	.007	3.077	-	.066	2.250			-	3.150	Original "18%" ($2.3 million) released in dollars. Discussions being held for release of balance. under way
Viet-Nam	30.00	2.70	2.695	-	-	.005	-			2.300 **	.400	Original "18%" ($2.3 million) released for purchases in Viet-Nam, subject to consultation. NO
	2,011.00	180.99	13.772	79.354	16.802	.168	70.894			5.818	104.278	

* Generally unusable

1/ Non-negotiable non-interest-bearing, demand note in currency equivalent to the amount has been deposited at Bank Indonesia. Awaiting formal request for note substitution to be submitted for approval.

Treasurer's Department
Finance Division
March 31, 1964

(x) possible increase of capital - -   xx Peter will not press now but may after loan - over 3 years probably

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Subscriptions as at February 29, 1964

(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non-negotiable, non-interest-bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on Loan	Agreed to be released: In U. S. dollars	Agreed to be released: Convertible into any currency	Agreed to be released: Non-Convertible	Not yet released	Comments
SOUTH ASIA AND MIDDLE EAST												
Part I Country												
Kuwait	66.70	6.003	.055	4.443		.005	1.500		4.503	-	-	Being released in semi-annual instalments through 4/15/65
Part II Countries												
Afghanistan	30.00	2.700	1.200	1.500		-	-		-	-	2.700	not lending
India	800.00	72.000	.847	48.568		-	22.585		-	49.415 *	-	May be used only for purchases in India; reconsider
Iran	90.00	8.100	-	2.052		-	6.048		-	-	2.052	Original "18%" ($ 6.048 million) released, convertible into any currency; yes ask
Iraq	15.00	1.350	-	.270		-	1.080		-	-	.270	Original "18%" ($ 1.08 million) released, convertible into any currency. Discussions being held with respect to release of balance on a convertible basis. under way.
Israel	33.30	2.997	.131	-		-	2.866		-	131	-	Entire 9% released, unused balance available for purchases in Israel; reconsider
Jordan	15.00	1.350	.005	1.315		.030	-		-	-	1.350	yes over years
Lebanon	9.00	.810	-	-		-	.810		-	-	-	
Nepal	10.00	.900	.005	.891		.004	-		-	-	.900	not lending
Pakistan	200.00	18.000	1.363	15.951		.524	.162		-	17.838 *	-	Available for purchases in Pakistan; reconsider.
Saudi Arabia	73.30	6.597	.015	6.575		.007	-		-	-	6.597	ask yes
Syrian Arab Republic	20.00	1.800	.002	1.756		.042	-		-	-	1.800	we lent. ask but little hope.
United Arab Republic	106.60	9.594	.007	9.498		.089	-		-	-	9.594	ask but no hope.
	1,468.90	132.201	3.630	92.819		.701	35.051		4.503	67.384	25.263	

* Generally considered unusable

Treasurer's Department
Finance Division
March 31, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Subscriptions as at February 29, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non-negotiable, non-interest-bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released: In U.S. dollars	Agreed to be released: Convertible into any currency	Agreed to be released: Non-convertible	Not yet released	Comments	
WESTERN HEMISPHERE													
Part I Countries													
Canada	750.00	67.500	-	-	-	-	67.500	-		-	-		
United States	6,350.00	571.500	-	-	-	-	571.500	-		-	-		
Part II Countries													
Argentina	373.30	33.597	25.944	6.597	-	.056	1.000	-		-	32.597	Entire 9% released in five annual instalments of $6.719 million through 1/1/66 on convertible basis, subject to consultation on conversion. Release suspended.	present terrible against pressing now
Bolivia	21.00	1.890	.010	1.838	.039	.003	-	-		-	1.890		No. perhaps 150 a year
Brazil	373.30	33.597	33.441	-	-	.156	-	-		-	33.597		NO problem now
Chile	93.30	8.397	8.283	-	-	.114	-	-		-	8.397		why not ??
Colombia	93.30	8.397	4.809	-	-	.228	3.360	5.037		-	-	Being released in semi-annual instalments of $0.84 million through 12/1/66.	
Costa Rica	8.00	.720	.360	-	-	-	.360	-		-	.360	Original "18%" paid and lent in dollars.	volcano
Dominican Republic	8.00	.720	-	.715	-	.005	-	-		-	.720		will negotiate in
Ecuador	12.80	1.152	-	-	-	-	1.152	-		-	-		
El Salvador	6.00	.540	.352	-	-	.008	.180	-		-	.360	Original "18%" paid and lent in dollars. Negotiations in process for release of remainder.	just written
Guatemala	8.00	.720	.355	-	-	.005	.360	-		-	.360	Original "18%" paid and lent in dollars.	delayed for diplomatic reasons
Haiti	15.00	1.350	.002	1.315	-	.033	-	-		-	1.350		Hopeless.
Honduras	6.00	.540	-	-	-	-	.540	-		-	-		
Mexico	173.30	15.597	-	-	-	-	15.597	-		-	-		
Nicaragua	6.00	.540	.506	-	-	.034	-	-		-	.540	Negotiations are in process for release in semi-annual instalments over a 3 year period beginning 6/30/64.	are pressing in
Panama	.40	.036	-	-	-	-	.036	-		-	-		
Paraguay	6.00	.540	.472	-	-	.068	-	-		.126 *	.414	$0.126 million released for purchases in Paraguay.	problem serious
Peru	35.00	3.150	-	-	-	-	3.150	-		-	-		
Uruguay	10.50	1.890 1/	.375	-	1.452	.063	-	1.890		-	-	To be released in semi-annual instalments of $0.189 through 9/30/67.	
Venezuela	140.00	12.600	.107	10.603	-	-	1.890	-		-	10.710	Original "18%" released, convertible into any currency.	now negotiating on $ basis
	8,489.20	764.973	75.016	21.068	1.491	.773	666.625	6.927		.126	91.295		

1/ Total 18% Capital.

* Generally unusable.

Treasurer's Department
Finance Division
March 31, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

February 29, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non-Negotiable, Non-Interest-Bearing Demand Notes	Amount Past Due (Nov.8,1963)	Receivable for Maintenance of Value	Amount Not Yet Due 1/	Comments
Western Hemisphere								
Argentina	$ 18,830.0	$ 16,947.0	$ -	$ 13,557.6			$ 3,389.4	
Bolivia	1,060.0	954.0	-	763.4			190.8	One note paid in at rate yielding book gain of US$ 200.
Brazil	18,830.0	16,947.0	13,557.6	-			3,389.4	
Chile	3,530.0	3,177.0	2,541.6	-			635.4	
Colombia	3,530.0	3,177.0	2,541.6	-			635.4	
Costa Rica	200.0	180.0	144.0	-			36.0	
Dominican Republic	400.0	360.0	288.0	-			72.0	
Ecuador	650.0	585.0	468.0	-			117.0	
El Salvador	300.0	270.0	216.0	-			54.0	
Guatemala	400.0	360.0	288.0	-			72.0	
Haiti	760.0	684.0	136.8	410.4			136.8	
Honduras	300.0	270.0	216.0	-			54.0	
Mexico	8,740.0	7,866.0	6,292.8	-			1,573.2	
Nicaragua	300.0	270.0	216.0	-			54.0	
Panama	20.0	18.0	3.6	-			3.6	Paid first three instalments of initial subscription in US$ 10,800.
Paraguay	300.0	270.0	216.0	-			54.0	
Peru	1,770.0	1,593.0	-	1,274.4			318.6	
	$ 59,920.0	$ 53,928.0	$ 27,126.0	$ 16,005.8			$ 10,785.6	

1/ Fifth instalment of initial subscription due November 8, 1964.

Treasurer's Department
Finance Division
April 1, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

February 29, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non-Negotiable, Non-Interest-Bearing Demand Notes	Amount Past Due (Nov.8,1963)	Receivable for Maintenance of Value	Amount Not Yet Due 1/	Comments
South Asia and Middle East								
Afghanistan	$ 1,010.0	$ 909.0	$ 424.2	$ 303.0			$ 181.8	
India	40,350.0	36,315.0	72.0	28,980.0			7,263.0	Member has indicated its willingness, in principle, to release some of the subscription for procurement in India.
Iran	4,540.0	4,086.0	-	3,268.8			817.2	
Iraq	760.0	684.0	136.8	410.4			136.8	Note substituted for currency in March.
Israel	1,680.0	1,512.0	-	1,209.6			302.4	
Jordan	300.0	270.0	-	216.0			54.0	
Lebanon	450.0	405.0	324.0	-			81.0	
Nepal	500.0	450.0	-	360.0			90.0	
Pakistan	10,090.0	9,081.0	-	7,264.8			1,816.2	
Saudi Arabia	3,700.0	3,330.0	-	2,664.0			666.0	
Syrian Arab Republic	950.0	855.0	342.0	342.0			171.0	
United Arab Republic	5,080.0	4,572.0	-	3,657.6			914.4	
	$ 69,410.0	$ 62,469.0	$ 1,299.0	$ 48,676.2			$ 12,493.8	

1/ Fifth instalment of initial subscription due November 8, 1964.

Treasurer's Department
Finance Division
April 1, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

February 29, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non-Negotiable, Non-Interest-Bearing Demand Notes	Amount Past Due (Nov.8,1963)	Receivable for Maintenance of Value	Amount Not Yet Due 1/	Comments
Far East								
Burma	$ 2,020.0	$ 1,818.0	$ -	$ 1,454.4	$		$ 363.6	
Ceylon	3,030.0	2,727.0	-	2,181.6			545.4	
China	30,260.0	27,234.0	-	21,787.2			5,446.8	
Korea	1,260.0	1,134.0	907.2	-			226.8	
Laos	500.0	450.0	270.0	-	90.0		90.0	Note to be substituted for amount past due.
Malaysia	2,520.0	2,268.0	-	1,814.4			453.6	Member has been approached to release some of its subscription; about US$ 200,000 equivalent is currently being contemplated.
Philippines	5,040.0	4,536.0	-	3,628.8			907.2	
Thailand	3,030.0	2,727.0	-	2,181.6			545.4	
Viet-Nam	1,510.0	1,359.0	1,087.2	-			271.8	
	$ 49,170.0	$ 44,253.0	$ 2,264.4	$ 33,048.0	$ 90.0		$ 8,850.6	

1/ Fifth instalment of initial subscription due November 8, 1964.

Treasurer's Department
Finance Division
April 1, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

February 29, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non-Negotiable, Non-Interest-Bearing Demand Notes	Amount Past Due (Nov.8,1963)	Receivable for Maintenance of Value	Amount Not Yet Due 1/	Comments
Europe 2/								
Cyprus	$ 760.0	$ 684.0	$ -	$ 547.2			$ 136.8	
Greece	2,520.0	2,268.0	1,814.4	-			453.6	
Iceland	100.0	90.0	-	72.0			18.0	
Ireland	3,030.0	2,727.0	-	2,181.6			545.4	E. D. has been approached regarding release of the amount (£8,592-13-4, US$ equivalent $24,000) of an order received by a contractor in Ireland.
Spain	10,090.0	9,081.0	5,448.6	1,816.2			1,816.2	
Turkey	5,800.0	5,220.0	-	4,176.0			1,044.0	
Yugoslavia	4,040.0	3,636.0	2,908.8	-			727.2	
	$ 26,340.0	$ 23,706.0	$ 10,171.8	$ 8,793.0			$ 4,741.2	

1/ Fifth instalment of initial subscription due November 8, 1964.

2// Formal application for membership of Portugal is expected shortly. It will however probably be a Part I Country.

Treasurer's Department
Finance Division
April 1, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

February 29, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non-Negotiable, Non-Interest-Bearing Demand Notes	Amount Past Due (Nov.8,1963)	Receivable for Maintenance of Value	Amount Not Yet Due 1/	Comments
Africa								
Algeria	$ 4,030.0	$ 3,627.0	$ 2,176.2	$ -	$ 725.4		$ 725.4	Payment of amount past due agreed 3/30/64. Awaiting confirmation of note from depository.
Burundi	760.0	684.0	-	547.2			136.8	
Central African Republic	500.0	450.0	-	360.0			90.0	
Chad	500.0	450.0	-	270.0	90.0		90.0	Note approved 3/12/64 for amount past due. Awaiting confirmation from depository.
Congo (Brazzaville)	500.0	450.0	-	360.0			90.0	
Congo (Leopoldville)	3,020.0	2,718.0	2,174.4	-			543.6	
Dahomey	500.0	450.0	-	270.0	90.0		90.0	Note to be substituted for amount past due.
Ethiopia	500.0	450.0	-	357.8		2.2	90.0	Payment of maintenance of value being effected by deposit of note
Gabon	500.0	450.0	-	270.0	90.0		90.0	Note to be substituted for amount past due.
Ghana	2,360.0	2,124.0	-	1,699.2			424.8	
Ivory Coast	1,010.0	909.0	-	727.2			181.8	
Kenya	1,680.0	1,512.0	-	1,209.6			302.4	
Liberia	760.0	684.0	-	547.2			136.8	
Libya	1,010.0	909.0	-	727.2			181.8	
Malagasy Republic	1,010.0	909.0	727.2	-			181.8	Note substituted for currency in March.
Mali	870.0	783.0	469.8	-	156.6		156.6	Amount past due received in currency in March.
Mauritania	500.0	450.0	-	360.0			90.0	
Morocco	3,530.0	3,177.0	-	2,541.6			635.4	
Niger	500.0	450.0	-	360.0			90.0	
Nigeria	3,360.0	3,024.0	-	2,419.2			604.8	
Rwanda	760.0	684.0	-	547.2			136.8	
Senegal	1,680.0	1,512.0	-	1,209.6			302.4	
Sierra Leone	760.0	684.0	-	410.4	136.8		136.8	Amount past due paid by note in March.

- continued -

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non-Negotiable, Non-Interest-Bearing Demand Notes	Amount Past Due (Nov.8,1963)	Receivable for Maintenance of Value	Amount Not Yet Due 1/	Comments
Africa (Contd.)								
Somalia	$ 760.0	$ 684.0	$ 547.2	$ -	$	$	$ 136.8	
Sudan	1,010.0	909.0	-	727.2			181.8	
Tanganyika	1,680.0	1,512.0	-	1,209.6			302.4	
Togo	760.0	684.0	-	547.2			136.8	
Tunisia	1,510.0	1,359.0	-	1,087.2			271.8	
Uganda	1,680.0	1,512.0	-	1,209.6			302.4	
Upper Volta	500.0	450.0	-	360.0			90.0	
	$ 38,500.0	$ 34,650.0	$ 6,094.8	$ 20,334.2	$ 1,288.8	$ 2.2	$ 6,930.0	

1/ Fifth instalment of initial subscription due November 8, 1964.

Treasurer's Department
Finance Division
April 1, 1964

Messrs. Cargill, Cavanaugh, Cope, Moussa, Reid, Schmidt

March 30, 1964

Leonard Rist

Release of 9% and 90% Capital

At the last Senior Staff Meeting it was agreed that we would arrange a meeting to review the extent to which our member countries could, in the future, release more of their 9% IBRD and 90% IDA capital subscriptions.

I suggest Wednesday, April 1, at 3 p.m. in my office. I would appreciate it if you would let my office know who will represent your department.

As you know, I would first like to ascertain to what extent a contribution by any of our member countries would entail undesirable pressure on its monetary and balance of payment situation, or could be interpreted as entailing such pressure. Second, I would like to gather some suggestions as to the type of use that we might wish to make of these contributions should they be forthcoming. On that basis we could try to establish a list of countries who can afford to contribute and whose resources can be used in the framework of IBRD/IDA/IFC operations.

The Treasurer will have tables showing the extent to which releases have already been made and, in broad terms, the conditions attached to them.

LBR:at

cc: Mr. Hulley (Economic Dept.)

QUESTIONNAIRE

Distinguish Part I from Part II countries. Part I countries which have released in full do not need to be mentioned.

I. Monetary situation of each country, in brief.

A. Foreign exchange reserve position
(a) Is this position deteriorating?
improving?
(b) Prospects -- "good", or "uncertain" or "bad"?
(c) If a release has already been made, was the position at that time better or worse than now?

B. Same questions for inflationary trends

C. Same questions for balance of payments

(Note: If convenient, A, B, and C may be treated in one set of answers.)

D. Fiscal position. What percentage of annual budget expenditures would a full release represent:
(a) for IBRD subscription?
(b) for IDA subscription?

E. Has the IMF given assistance to the country in the past? When?
If so, were the releases interrupted during that period?
Is IMF giving assistance to the country now?
What are the prospects of the country's requesting IMF assistance in the foreseeable future?

F. For specific countries where monetary system warrants it, indicate particular consequences:
e.g. Liberia and Panama use dollars - pressure would be exclusively (?) on Treasury; or
Franc zone system results in Central Bank operations having effects beyond boundary of each member country;
Other similar problems (currency board, etc.)

II. A. For countries which still have not released all their 9% or their 90%:
What, in your opinion, would be the monetary or public finance effect of releasing local currency subscriptions?
(a) all at once; (b) over 3 years; (c) over 5 years?

B. For same countries. In your opinion what use could we make of such releases (externally or internally), if they could be obtained?

(continued

C. What would be the psychological reaction of the country if we asked for such releases (distinguish IBRD and IDA)?
e.g. Would a request for release be interpreted as running counter to national efforts in favor of stricter monetary or fiscal policies?

III. For countries which have released all or part:
To your knowledge, did any unfavorable internal effect result from previous releases?

IV. Other relevant comments.

THE HONORABLE
TAN SIEW SIN
MINISTER OF FINANCE
TREASURY
KUALA LUMPUR

(MALAYSIA)

MARCH 25, 1964

IBF GOVT.

MR. WOODS HAS JUST LEFT FOR EUROPE AND HAS ASKED ME TO ACKNOWLEDGE YOUR CABLE AND TO CONVEY THANKS FOR THE COOPERATIVE SPIRIT IN WHICH YOU HAVE REPLIED TO HIS REQUEST STOP WE INTEND SIMILARLY TO APPROACH OTHER PART II COUNTRIES WHOSE ECONOMIC POSITION AND BENEFITS FROM IDA WARRANT THEIR MAKING A CONTRIBUTION STOP MEANTIME I HOPE YOU WILL AGREE WITHOUT WAITING FOR RESULTS OF OUR GENERAL APPROACH TO A RELEASE TO COVER PURCHASES IN MALAYSIA FROM SIME DARBY BY INDIAN RAILWAYS FOR PROJECTS BEING FINANCED BY IDA CREDIT STOP ACCORDING OUR PRESENT INFORMATION TOTAL AMOUNT INVOLVED IN FIVE CONTRACTS IS JUST UNDER US$200,000 STOP ~~SHALL BE WRITING SOON REGARDING QUESTION OF GENERAL APPROACH STOP~~ WARMEST REGARDS

GEOFFREY M. WILSON
VICE-PRESIDENT

Geoffrey M. Wilson

Vice-President

Cleared with Mr. Lejeune, Mr. Rist

cc: Messrs. Wilson, Rist

UKGhoshal:os
IBRD/IDA

FORM No. 58
(5-48)

INTERN[ATI]ONAL BANK FOR RECONSTRUCTI[ON] AN[D] DEVELOPMENT

OFFICE MEMORANDUM

TO: Mr. Leonard B. Rist

DATE: March 25, 1964

FROM: John Hulley J. H.

SUBJECT: IDA Subscriptions of Local Currencies

Here are some partial notes on the above subject. More are to follow. Mr. Hayes contributed several ideas. I have written this with Congressional readers in mind.

Messrs. Filippi, Mathew, Picciotto, Scoll, Wyeth March 25, 1964

Robert F. Skillings

In connection with the study now being made about the possibility of using Bank and IDA holdings of national currency for lending to development finance companies, we have been asked to provide some information about each of the institutions with which we are now associated. A questionnaire is attached.

Would you be good enough to let me have the information, for each of the institutions for which you are responsible, not later than Monday, March 30.

I am afraid it will be difficult for you to guess the inflationary effect of this financing. Except in any obvious cases which you may know of off hand, therefore, you may omit this aspect.

Attachment

RFSkillings/vmv

cc: Mr. L. Rist

QUESTIONNAIRE

I. Can you trace how the local contributions to each of the 17 development banks in which you are interested have been financed?

e.g. (a) Private savings
(b) Bank credit
(c) Government contribution, or
(d) Central Bank contribution.

II. In the case of (c) and (d), was it based on -
budget?
counterpart funds?
Central Bank creation of money?

III. Still in the case of (c) and (d), is it possible to trace any inflationary (or anti-deflationary) effects from the transaction? And has any problem arisen with the Treasury or the Central Bank in connection with the provision of the local capital? In the case of PL 480 counterpart, has any problem arisen with the U.S. as controlling authority over the use of such counterpart?

IV. Any other relevant comments.

Mr. George D. Woods

March 18, 1964

29 II 64

Robert W. Cavanaugh

Status of Releases 9% Capital Subscriptions

This refers to my memorandum of December 6, 1963, in regard to the status of releases of the Bank's capital subscriptions. You asked that I give you an up-to-date report in March.

There is attached a statement showing the status of releases as of February 29, 1964, together with a summary of changes since November 7, 1963 when the last report was prepared.

2

cc: Messrs. Wilson
Knapp
Rist
Cargill
Cope
Moussa
Reid
Cavanaugh
Poore
Rutland

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Statement of 9% Capital Subscription

As of February 29, 1964

Summary of changes in the period November 7, 1963 through February 29, 1964

Department of Operations - Africa

Kenya was admitted as a member with total 9% capital of $ 2.997 million, none of which has been released.

Department of Operations - Europe

Arrangements are being made with Yugoslavia for release of the remainder of its 9% capital subscription ($ 7.9 million equivalent) to be made available in annual instalments over a period of eight years.

Discussions have been held with New Zealand with respect to release of 9% capital subscription ($ 15.0 million equivalent).

Discussions have been held with Iceland with respect to release of the balance of its 9% capital ($ 1.17 million equivalent)

In recent discussions, Portugal has indicated that it is prepared to consider favorably an early release of its 9% capital subscription ($ 7.2 million equivalent).

Department of Operations - Far East

China released the equivalent of $ 1.0 million for purchases in China. Any additional releases are subject to consultation.

Discussions have been held with Thailand for release of the balance of its 9% capital.

Discussions have been held with the Philippines for release of the balance of its 9% capital.

Department of Operations - South Asia and Middle East

No additional releases of 9% capital. Additional amounts have been used for purchases in India ($ .9 million equivalent) and Israel ($ .3 million equivalent).

Iraq has been approached with the suggestion that the unreleased portion of its 9% capital ($ .27 million equivalent) be released on a convertible basis.

Department of Operations - Western Hemisphere

No additional releases of 9% capital

Negotiations are in process with Nicaragua for release of its 9% capital ($ .54 million equivalent) in semi-annual instalments over the three year period beginning June 30, 1964.

Negotiations are also in process with El Salvador for release of the remainder of its 9% capital ($ .36 million equivalent) in dollars in annual instalments. The suggestion has also been made that the 9% portion of the pending increase in El Salvador's capital subscription be released annually, in dollars, when such increase becomes effective.

Treasurer's Department
Finance Division
March 13, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Statement of 9% Capital Subscription
(In Millions of United States Dollars)

As of February 29, 1964

Department of Operations: Africa

Country	Total 9% Capital	On loan and/or usable	Not Released
Partial or no release:			
Algeria	7.2		7.2
Burundi	1.35		1.35
Cameroon	1.8		1.8
Central African Republic	0.9		0.9
Chad	0.9		0.9
Congo (Brazzaville)	0.9		0.9
Congo (Leopoldville)	5.4		5.4
Dahomey	0.9		0.9
Gabon	0.9		0.9
Ghana	4.2	2.7	1.5
Guinea	1.8		1.8
Ivory Coast	1.8		1.8
Kenya	2.997		2.997
Liberia	1.35		1.35
Malagasy Republic	1.8		1.8
Mali	1.56		1.56
Mauritania	0.9		0.9
Morocco	6.3		6.3
Niger	0.9		0.9
Nigeria	6.0		6.0
Rwanda	1.35		1.35
Senegal	3.0		3.0
Sierra Leone	1.35		1.35
Somalia	1.35		1.35
Tanganyika	3.0		3.0
Togo	1.35		1.35
Tunisia	2.7		2.7
Uganda	3.0		3.0
Upper Volta	0.9		0.9
Fully released and usable:			
Ethiopia	0.9	0.9	
Libya	1.8	1.8 (1)	
Sudan	1.8	1.8	

(1) To be released in instalments

Treasurer's Department
Finance Division
March 10, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Statement of 9% Capital Subscription
(In Millions of United States Dollars)

As of February 29, 1964

Department of Operations: Europe

Country	Total 9% Capital	On loan and/or usable	Released only for purchases in own country	Not Released
Partial or no release:				
Cyprus	1.35			1.35
Greece	4.5			4.5 (1)
Iceland	1.35	0.18		1.17
Jamaica	2.4			2.4
New Zealand	15.0			15.0
Portugal	7.2			7.2
Trinidad and Tobago	2.4			2.4
Turkey	10.4		7.7	2.7
Fully released and usable:				
Australia	48.0	48.0		
Austria	9.0	9.0		
Belgium	40.5	40.5		
Denmark	15.6	15.6		
Finland	6.8	6.8 (3)		
France	94.5	94.5		
Germany	94.5	94.5		
Ireland	5.4	5.4 (3)		
Italy	32.4	32.4		
Luxembourg	1.8	1.8		
Netherlands	49.5	49.5		
Norway	12.0	12.0		
South Africa	18.0	18.0		
Spain	18.0	18.0 (3)		
Sweden	18.0	18.0		
United Kingdom	234.0	234.0		
Yugoslavia	9.6	9.6 (2)		

(1) One-half released subject to consultation

(2) Release not finalized with respect to U.S. equivalent $ 7.9 million to be released in dollars

(3) Being released in instalments

Treasurer's Department
Finance Division
March 10, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Statement of 9% Capital Subscription
(In Millions of United States Dollars)

As of February 29, 1964

Department of Operations: Far East

Country	Total 9% Capital	On loan and/or usable	Released only for purchases in own country	Not Released
Partial or no release:				
Burma	3.6	1.0	.25	2.35
Ceylon	5.4	0.54		4.86 (3)
China	67.5	1.0 (1)	66.5 (1)	
Indonesia	19.8			19.8
Korea	2.3		2.3	
Laos	0.9			0.9
Philippines	9.0	2.7		6.3
Thailand	5.4	2.3		3.1
Viet-Nam	2.7		2.3 (2)	0.4
Fully released and usable:				
Japan	59.9	59.9		
Malaysia	4.5	4.5		

(1) U.S. equivalent $1.0 million released immediately. Any further release subject to consultation.

(2) Released for purchases in Viet-Nam subject to consultation.

(3) U.S. equivalent $ 2.16 million released and release subsequently suspended; remainder, U.S. equivalent $ 2.7 million, not released.

Treasurer's Department
Finance Division
March 10, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Statement of 9% Capital Subscription
(In Millions of United States Dollars)

As of February 29, 1964

Department of Operations: South Asia and Middle East

Country	Total 9% Capital	On loan and/or usable	Released only for purchases in own country	Not Released
Partial or no release:				
Afghanistan	2.7			2.7
India	72.0	22.6	49.4	
Iran	8.1	6.0		2.1
Iraq	1.35	1.08		0.27
Jordan	1.35			1.35
Nepal	0.9			0.9
Pakistan	18.0	0.2	17.8	
Saudi Arabia	6.6			6.6
Syrian Arab Republic	1.8			1.8
United Arab Republic	9.6			9.6
Fully released and usable:				
Israel	3.0	2.9	0.1 (1)	
Kuwait	6.0	6.0 (2)		
Lebanon	0.8	0.8		

(1) Usable

(2) Being released in instalments

Treasurer's Department
Finance Division
March 10, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Statement of 9% Capital Subscription
(In Millions of United States Dollars)

As of February 29, 1964

Department of Operations: Western Hemisphere

Country	Total 9% Capital	On loan and/or usable	Released only for purchases in own country	Not Released
Partial or no release:				
Argentina	33.6	1.0		32.6 (1)
Bolivia	1.9			1.9
Brazil	33.6			33.6
Chile	8.4			8.4
Costa Rica	0.72	0.36		0.36
Dominican Republic	0.7			0.7
El Salvador	0.54	0.18		0.36
Guatemala	0.72	0.36		0.36
Haiti	1.35			1.35
Nicaragua	0.5			0.5
Paraguay	0.5		0.1 (2)	0.4
Venezuela	12.6	1.9		10.7
Fully released and Usable:				
Canada	67.5	67.5		
Colombia	8.4	8.4 (3)		
Ecuador	1.15	1.15		
Honduras	0.5	0.5		
Mexico	15.6	15.6		
Panama	0.04	0.04		
Peru	3.2	3.2		
United States	571.5	571.5		
Uruguay	1.9 *	1.9 (4)		

(1) Released and now suspended

(2) $ 126,000 released for purchases in Paraguay

(3) Being released in instalments

(4) Being released in semi-annual instalments of $ 189,000 through September 30, 1967. Arrangements in process for payment of $ 378,000 representing instalments due May 15, 1963 and September 30, 1963.

* Total 18% Capital

Treasurer's Department
Finance Division
March 10, 1964

D R A F T
JHulley/ts
March 23, 1964

THE USE OF IDA SUBSCRIPTIONS FROM LESS DEVELOPED COUNTRIES

The less-developed members of the IDA have subscribed local currencies which may be used, with their consent, for the benefit of other members. The greatest help which most of these countries can offer to each other is in the form of primary commodities (foods, raw materials); there is a small but growing list of manufactures. One project 1/ has been approved for the provision of railroad ties from one LDC to another. Procedures are under consideration to increase the number of this kind of transaction.

The resources needed for IDA projects are usually divided into two components. The hard currency component covers such items as machinery and equipment. Considerations of availability, as well as of cost, usually dictate procurement of these items in advanced countries. The second component covers such items as labor and building materials, which are available in the recipient country. Occasionally some of this equipment and materials may be procured from another less-developed country. In such a case, the IDA can draw upon the IDA contribution of that country, if it consents, to finance that part of the project.

An example of this kind of contribution is the project for ______________ ______________________ in India. The project requires a supply of railroad ties, which is being provided from Burma. Burma has consented to the use of its subscription to finance it. (Details to be added).

The success of this transaction provides a basis for further exploration by the IDA of this way of using its resources. It is uncertain, however, whether

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1/ Status to be checked.

such transactions will ever add up to substantial proportions. Raw materials are more commonly needed at the stage where a factory has become operational, rather than at the stage when it is under construction.

Yet the supply of raw materials for the production stage can be just as important to the development of a country as the initial construction of a project. And the supply of raw materials and other primary commodities is pre-eminently the ~~greatest~~ contribution which the less developed countries can offer one another.

Accordingly the IDA is considering other methods of using subscriptions in local currency from less-developed countries to encourage movements of primary commodities. One method might be to establish exim-banks in the countries concerned. Reports from a number of less developed countries indicate that scarcity of exim-financing is a serious hindrance to trade.

Another form of material assistance arises in the evolution of common markets among regional groupings of countries. The leading example, so far, is the Central American Common Market. Rapid expansion of trade (by a multiple of 5 in ten years) among the five member countries is ~~facilitating~~ accelerating economic progress and stimulating industrial investment. The common market is being facilitated by a network of roads and communications built with the combined resources of the countries involved, as well as of the IBRD group. (check). The same countries have established the Central American Bank for Economic Integration (CABEI), and it has been proposed that resources from the IBRD group be contributed to this.

Other common markets are at earlier stages of development. These may be encouraged by similar or other methods. Supporting measures must of course be tempered by an awareness of the inflationary problems in each country. So long as only the IDA subscriptions are used, the amounts appear to be small enough to avoid serious dangers. However, if it is proposed to use also the local currencies available under IBRD subscriptions, as well as those accruing to the U.S. under P.L. 480, the expenditure programs will have to be reviewed with care, and - where necessary - spread out over a number of years. (Details to be added).

The Articles of Agreement (Art. V, Sec. 1 (b)) of the IDA allow a reasonably wide latitude in the methods used to foster development. It is hoped that it will be possible gradually to devise sound means to encourage a substantial degree of mutual assistance among less-developed countries.

Addendum on Requested U.S. Subscription to IDA

The foregoing discussion may help to explain why the local currency contributions of less developed countries cannot be considered a substitute for the requested $312 million from the U.S. The labor and primary commodities which they principally contribute only supplement the machinery, equipment and services which the advanced countries supply.

FORM No. 89
(9-62)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

ROUTING SLIP	Date March 9

OFFICE OF THE PRESIDENT

Name	Room No.
Mr. ~~Rist~~ I.R.	1127
Mr. Wilson	1220

	Action		Note and File
	Approval		Note and Return
	Comment		Prepare Reply
	Full Report		Previous Papers
	Information		Recommendation
	Initial		Signature

Remarks

From G.M. Wilson

Form No. 57 INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

Mr. Rist.
I'd like to talk to you about this. Could you fix a time?
GMW 9/3

TO: Mr. G. M. Wilson

DATE: March 6, 1964

FROM: S. R. Cope

SUBJECT: IDA - Use of 90% subscription of Part II countries.

1. I mentioned to you yesterday that Mr. Poore came to see me about an approach to be made to the Irish Government for the use of approximately $15,000 of the 90% component of their subscription. You will recall that Article IV, Section 1(a), provides that currency representing this component "when and to the extent justified by the economic and financial position of the member concerned as determined by agreement between the member of the Association...shall be freely convertible or otherwise useable for projects financed by the Association and located outside the territories of the member."

2. I do not question that the economic and financial situation of Ireland is such as to justify our approaching them to reach an agreement on releasing part of the 90% component of their subscription. I feel, however, that the timing of the approach and the amount we ask for should not be related to the accident that an Irish firm happens to have received an order for goods included in an IDA credit. I believe that if we are to obtain use of significant amounts of the 90% component, we should make an appeal on the basis of the hope expressed in paragraph 6 of the report to the Executive Directors on the Articles, "that the more developed of these (Part II) countries, upon accepting membership in the Association, or reasonably thereafter, will be in a position to release at least some part of the 90% portion of their subscriptions." The only fair way to do this is to assess the position of the "more developed" Part II members and decide which of them can reasonably be expected to contribute to IDA's useable resources. To be effective, such an approach should be fully supported by the Executive Directors, and we should be able to show that we are dealing with Part II countries fairly. To base release requests on the incidence of orders placed in the releasing country is arbitrary, uncertain, and unfair.

3. A quick glance at the list of Part II members suggests that there might be up to 15 countries with a combined 90% of not more than $45 million whom we could justifiably approach. Some of them have only recently released their Bank "18%," and in any case we could expect to get the 90% only over a period of years.

4. A separate but related question is that of the release of the 90% for local use. If this subject is to be pursued actively, there is a strong case for taking this up with the Executive Directors at the same time. Since both questions should be prepared carefully and a paper sent to the Executive Directors beforehand, I do not see that we can raise the matter on Tuesday next.

SRCope:mmr
IDA

cc: Messrs. J. Burke Knapp
R. W. Cavanaugh
M. M. Mendels

FORM No. 57 INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

TO: Mr. Geoffrey M. Wilson

DATE: February 25, 1964

FROM: Francis R. Poore FRP

SUBJECT: Use of India's IDA 90% Subscription as Referred to in Mr. Cavanaugh's Letter

Mr. Rist. Yours! GMW 27/3

1. In Mr. Cavanaugh's letter to you in regard to the possibility of using some of the rupee subscription of India to IDA, he mentions three possibilities of things we might do to use rupees for disbursements for goods supplied by India to both IDA and Bank borrowers.

A. Krishna Moorthi is securing a list of goods and services India might be in a position to supply IDA borrowers. It is proposed that this list be distributed to Area Departments and the Technical Operations Department with the thought that these Departments might request IDA borrowers to invite tenders from India suppliers, or otherwise explore the possibility of acquiring goods in India.

B. Krishna Moorthi also suggests that we furnish the Executive Director from India with a detailed list of goods to be financed under each credit as soon as such lists would be available. Such a list could be used by the Government to follow up with Indian suppliers and through foreign office delegations in the territories of the borrowers.

C. Krishna Moorthi is anxious to have Indian consultants in the power, irrigation and industrial fields obtain contracts under IDA credits.

2. I have discussed these proposals with representatives of the Technical Operations Department and the Legal Department and with the Disbursements Division of the Treasurer's Department. There seems to be no legal reason why the suggestions made by Krishna Moorthi could not be carried out. There were very strong feelings by all concerned, however, that from a policy standpoint we should not enter into the arrangements proposed.

3. As regards the distribution of a list of goods and services India might be in a position to supply to borrowers, the Bank has always taken the line that it cannot act as a promotion agent for United States, Canadian and European suppliers. If we were to do this for one member country we would have to do it for all, and if we were to do this for some suppliers in a member country, we should have to do it for all suppliers in that country. To do it for all countries at the time loans or credits were being negotiated would present numerous and complex problems that the Bank should not get into.

4. To comply with our requirements for international competitive bidding the borrower is required to advertise in local papers and, if large contracts are involved, in one or more trade journals abroad. The borrower also informs embassies, legations, or consulates located in member countries of the Bank-IDA and Switzerland.

5. The feeling was expressed that in cases where Indian suppliers do not have their own representation in borrowing countries the Indian government through its commercial counsellors or consuls in the borrowing countries should be in a position to know what was going on and that the government should urge them to watch out for Bank-IDA projects and assume a more active role in getting contracts by obtaining the necessary information to enable a would-be Indian supplier to submit a bid. This is the advice we have consistently given to any supplier making inquiries about possible business.

6. As regards the proposal for making a list of goods available, there was also an unfavorable reaction. Normally "Lists of Goods" are not prepared in great detail and there has been a tendency in recent years to make the categories as few and as broad as possible in order to avoid the necessity of frequent changes in the List of Goods. (See Annex "A" for representative lists). As will be noted, the list of goods is not a detailed shopping list but merely consists of a few main categories which correspond to a summary of the type of goods and services needed for a project and sets out the portion of the Loan allocated to each category.

The Bank has always taken the position that it should not influence negotiations between its borrowers and their suppliers and to that end endeavors to avoid any direct relationship with suppliers. Should suppliers approach the Bank they are advised to contact the borrower direct. There is considerable doubt whether the proposal to distribute such a general list of categories to Executive Directors would be very helpful to suppliers and contractors in member countries.

7. The Technical Operations Department indicates that use of Indian consultants has been limited. One consultant was used recently but it is generally felt that consultants are not available. We would welcome details of consulting firms in India who might be interested in international business.

8. As you know, we have been requested by Part I--IDA countries to submit information showing procurement from Part I funds in such contributing countries. Canada, United States, Germany and Norway, to mention a few recent cases, have felt the need for this information to justify requests to parliaments for additional IDA funds. As desirable as it would be to have India's Part II funds available, it would not be desirable to take any action that would give one country a special advantage over others, particularly when the other countries have put up funds on a freely convertible basis.

9. Finally, a review of releases of capital for purchases within the country at present indicates that the use of funds so released is very limited. Of the nearly $200 million equivalent of capital of countries making such releases, about $157 million equivalent has been released during the last 15 years for purchases within the country. Of this amount only about $8 million (equivalent) is on loan.

10. Separate schedules are attached as Annex B to show those countries that have made full releases to the Bank; partial releases; and releases for procurement within the country; and no releases. These tables compare Bank capital with IDA 90% subscriptions receivable as of November 8, 1963.

11. Since in the Bank releases for purchases within the country have not been fruitful, an IDA program to have Part II countries make releases will only be effective if such releases are on a convertible basis, preferably in full but alternatively extended over a period of time. This program would apply, no doubt, to those Part II countries who have made full or partial releases to the Bank on a freely convertible basis.

12. In the meantime, we have asked our disbursements division to provide that any disbursements on IDA credits for procurement in Part II countries will be specifically called to our attention with the view that the Part II country concerned will be requested to release 90% IDA funds to make the payment.

ANNEX "A"

IDA CREDIT NO. 28 IN

(Telecommunications Project)

ALL FOREIGN EXCHANGE EXPENDITURES DISBURSED AGAINST USUAL DOCUMENTS

List of Goods

Items		In millions of U.S. $ equivalents
1.	Coaxial Cables	11.3
2.	Subscriber Installations	10.9
3.	Automatic and Trunk Exchanges	7.5
4.	Open Wire Line Plant	4.0
5.	Radio Plant	3.4
6.	Railway Telecommunications	3.4
7.	Telegraph, building and miscellaneous equipment	1.3
8.	Accounting consultants' services	0.2
	TOTAL	$ 42.0

LIST OF GOODS

September 14, 1962

IDA 27 INDIA - Bombay Port Project

(Amounts expressed in U.S. dollars)

I.	Equipment, materials and services for the four-berth extension of Alexandra Dock, the Ballard Pier extension, the new ferry wharf, five new transit sheds, adjustments and extensions to road and railway services, a pumping installation at Alexandra Dock, and new cargo-handling equipment for the expansion scheme facilities.	5,200,000.
II.	Equipment, materials and services for dredging the main harbor channel to a depth of about 34 feet below Mean Low Water Spring Tides	1,800,000.
III.	Floating craft, including a drag-suction dredger with 2,000 tons hopper, two grab dredger units, one dock and six harbor tugs, four launches, and a salvage cum water boat	5,100,000.
IV.	Port equipment, materials and services, including reorganization of electrical distribution system, and electrification of other port facilities light buoys, spare lock gates, ten diesel locomotives mechanical cargo-handling equipment, improvements to oil-handling facilities, spares for dock plant and machinery and hospital equipment	3,900,000.
V.	Consultants' services including preparation of a master plan for port development	1,000,000.
VI.	Contingencies	1,000.000
	TOTAL	18,000.000

This is a straight foreign exchange Credit disbursed against normal import documentation for import goods, and contractors and consultants' invoices in respect of services.

March 22, 1963

LIST OF GOODS * IDA 36 INDIA

Seventh Railway Project

Locomotives, locomotives components and parts, steel and parts for wagons and coaches, rails, equipment for signalling and electrification, other railway equipment and materials, services, freight and other charges

	Amount expressed in U.S. $ Equivalent
	67,500,000.00

This is a straight import Credit disbursed against normal import documentation.

LIST OF GOODS

IDA 20 SW

		U.S. dollars Equivalent
1.	Services of contractors and direct costs of own forces for work on the trans-Swaziland highway and connections as follows:	
	A. Oshoek-Mahlanya (including Mbabane by-pass)	750,000.
	B. Mahlanya-Point X (Mpaka)	850,000.
	C. Point X - Nokwane and Point A.	336,000.
	D. Nokwane O Namaacha and Mhlume	394,000.
	E. Umbuluzi Bridge	110,000.
II.	Engineering Consulatnts' fees and charges	120,000.
III.	Contigency	240,000.
	TOTAL	2,800,000.

This Credit is disbursed against a statement of Expenditures of which we originally disbursed 67%, which was subsequently, reduced to 58%

IDA CREDIT NO. 15 IN

(Punjab Flood Protection and Drainage Project)

List of Goods

Items	(Amounts expressed in U.S. $ equivalents)
I. Draglines, tractors, trailers, compaction equipment, workshop machinery and spare parts	3,400,000
II. Other equipment, services and materials for parts A and B of the Project	6,600,000
TOTAL	$ 10,000,000

NOTE: Category I - represents expenditures in foreign exchange which will be disbursed against usual documents.

Category II - IDA disburses 40% of local currency expenditures against an unsupported statement of expenditures.

LIVESTOCK PROJECT

List of Goods
CREDIT NO. 47-PA

		United States Dollar Equivalent
1.	75% of loans for ranch development	3,300,000
2.	Loans to contractors for machinery	200,000
3.	Technical services including transport and equipment	100,000
	Total	3,600,000

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EMBAJADA DEL PARAGUAY

WASHINGTON, D. C.

CREDIT NO. 12-PA

PARAGUAY ROAD CONSTRUCTION AND MAINTENANCE PROJECT

ASUNCION (PARAGUARI) TO ENCARNACION HIGHWAY

Category	U.S. Dollars
1) Construction of Highway No. 1	4,200,000
2) Equipment for maintenance	1,100,000
3) Consulting engineer's fees	425,000
4) Contingencies................................	275,000
TOTAL U. S. $	6,000,000

LIST OF GOODS

CREDIT NO. 31-ES

to be financed out of the proceeds of the Credit, Third Highway Project between Republic of El Salvador and International Development Association.

Category	U.S. Dollar Equivalents
Part A.	
1. Construction Contracts	5,500,000
Part B.	
1. Maintenance Equipment	285,000
2. Spare Parts	40,000
3. Maintenance Operations	250,000
Part C.	
1. Consultants	700,000
Unallocated	1,225,000
	8,000,000

ggs

ANNEX "B"

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of Releases of 18% Capital (IBRD) and

90% Subscriptions Receivable as of November 8, 1963 (IDA)

(Expressed in Million U.S.$ Equivalent)

	Country Fully Released and Freely Available to IBRD on Convertible Basis:	I. B. R. D. Total 18% Capital (All released)	I. D. A. 90% Subscription Receivable as of November 8, 1963
I.	Australia	48.00	14.529
I	Austria	9.00	3.629
I	Belgium	40.50	*
I	Canada	67.50	27.237
I	Denmark	15.60	6.293
	Ecuador	1.15	.468
	Ethiopia	0.90	.360
I	France	94.50	38.131
I	Germany	94.50	38.131
	Honduras	0.50	.216
I	Italy	32.40	13.075
I	Japan	59.90	24.185
	Lebanon	0.80	.324
I	Luxembourg	1.80	*
	Malaysia	4.50	1.814
	Mexico	15.60	6.293
I	Netherlands	49.50	19.973
I	Norway	12.00	4.838
	Panama	.036	.014
	Peru	3.20	1.274

Country Fully Released and Freely Available to IBRD on Convertible Basis:		I. B. R. D. Total 18% Capital (All released)	I. D. A. 90% Subscription Receivable as of November 8, 1963
I	South Africa	18.00	7.265
	Sudan	1.80	.727
I	Sweden	18.00	7.265
I	United Kingdom	234.00	94.421
I	United States	571.50	230.609
	Totals	1,395.186	541.071

Country	I. B. R. D. Total 18% Capital	Released and on loan		Balance (No release unless noted)		I. D. A. 90% Subscription Receivable as of November 8, 1963
Partially Released and Freely Available to IBRD on Convertible Basis						
Argentina	33.60	1.00		32.60		13.558
Ceylon	5.40	0.54		4.86		2.182
Colombia	8.40	3.40		5.00	1/	2.542
Costa Rica	0.72	0.36		0.36		.144
El Salvador	0.54	0.18		0.36		.216
I Finland	6.80	6.40		.40	1/	2.758
Ghana	4.20	2.70		1.50		1.699
Guatemala	0.72	0.36		0.36		.288
Iceland	1.35	0.18		1.17		.072
India	72.00	22.60	2/	49.40	2/	29.052
Iran	8.10	6.00		2.10		3.269
Ireland	5.40	4.75		.65	1/	2.182
I Kuwait	6.00	1.50		4.50	1/	2.419
Libya	1.80	0.60		1.20		.727
Philippines	9.00	2.70		6.30		3.629
Spain	18.00	7.20		10.80	1/	7.265
Thailand	5.40	2.30		3.10		2.182
Uruguay	1.90			1.90	3/	*
Venezuela	12.60	1.90		10.70		*
Totals	201.93	64.67		137.26		74.184

Country	I. B. R. D. Total 18% Capital	Released		Portion released which is on loan	Balance (Not released)	I. D. A. 90% Subscription Receivable as of November 8, 1963
Available for Purchases Within Country:						
Burma	3.60	1.25		1.00	2.35	1.454
China	67.50	67.50	4/	-		21.787
Greece	4.50	2.25	5/		2.25	1.814
India			6/			
Iraq	1.35	1.10	7/	1.10	.25	.547
Israel	3.00	3.00		2.90		1.210
Korea	2.30	2.30		-		.907
Pakistan	18.00	18.00		.20		7.265
Paraguay	0.50	.126		-	.374	.216
Turkey	10.40	7.70		-	2.70	4.176
Viet-Nam	2.70	2.30	8/	-	.40	1.087
Yugoslavia	9.60	1.85	9/	1.70	7.75	2.909
Totals	123.45	107.376		6.90	16.074	43.372

Country	I. B. R. D. Total 18% Capital (No release)	I. D. A. 90% Subscription Receivable as of November 8, 1963
No release:		
Afghanistan	2.7	.727
Algeria	7.2	2.902 10/
Bolivia	1.9	.763
Brazil	33.6	13.558
Burundi	1.35	.547
Cameroon	1.8	*
Central African Republic	0.9	.360 10/
Chad	0.9	.360 10/
Chile	8.4	2.542
Congo (Brazzaville)	0.9	.360
Congo (Leopoldville)	5.4	2.175
Cyprus	1.35	.547
Dahomey	0.9	.360
Dominican Republic	0.7	.288
Gabon	0.9	.360 11/
Guinea	1.8	*
Haiti	1.35	.547
Indonesia	19.8	*
Ivory Coast	1.8	.727
Jamaica	2.4	*
Jordan	1.35	.216

(continued)

Country	I. B. R. D. Total 18% Capital (No release)	I. D. A. 90% Subscription Receivable as of November 8, 1963
No release (cont'd.)		
Kenya	2.997	1.210
Laos	0.9	.360 11/
Liberia	1.35	.547
Malagasy Republic	1.8	.727
Mali	1.56	.626 11/
Mauritania	.9	.360
Morocco	6.3	2.542
Nepal	0.9	.360
New Zealand	15.0	*
Nicaragua	0.5	.216
Niger	0.9	.360
Nigeria	6.0	2.419
Portugal	7.2	*
Rwanda	1.35	.547
Saudi Arabia	6.6	2.664
Senegal	3.0	1.210
Sierra Leone	1.35	.547 10/
Somali	1.35	.547
Syrian Arab Republic	1.8	.684
Tanganyika	3.0	1.210
Togo	1.35	.547

(continued)

Country	I. B. R. D. Total 18% Capital (No release)	I. D. A. 90% Subscription Receivable as of November 8, 1963
No release (cont'd.)		
Trinidad and Tobago	2.4	*
Tunisia	2.7	1.087
Uganda	3.0	1.210
United Arab Republic	9.6	3.658
Upper Volta	0.9	.360
Totals	182.107	51.337

FOOTNOTES

1/ Balance being released in instalments in dollars.

2/ Entire 18% released; $21.6 million convertible into any currency; $50.4 million for purchases in India.

3/ Entire 18% to be paid and lent in dollars in semi-annual instalments of $189,000 through September 30, 1967. Instalments due and not paid to IBRD - $378,000.

4/ U.S.$ equivalent $982,206 released immediately. Balance released subject to consultation.

5/ $2.25 million released subject to consultation.

6/ See Footnote 2/.

7/ Convertible into currencies of E.P.U. area.

8/ Released for purchases in Viet-Nam subject to consultation.

9/ $1.85 million released for purchases in Yugoslavia, subject to use of two dinars' worth of transferable currency for each 18% dinar used.

10/ Arrangements are in process for settlement of instalment due November 8, 1963.

11/ Instalment due November 8, 1963 not yet collected.

* Not a member of International Development Association.

Treasurer's Department
Finance Division
February 17, 1964

Mr. Francis R. Poore

Walter G.P. Rutland

18% Capital - I.B.R.D.
90% Contributions - I.D.A.

February 18, 1964

8 XI 63

Attached are schedules showing by country the I.B.R.D. 18% Capital and I.D.A. 90% Contributions receivable as at November 8, 1963.

Attachments

cc: Mr. Rutland
Mr. V. Chung
Mr. Gray
Miss O'Brien
Miss Lennon

DWGray/tp

FILE - Miscellaneous Reports

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

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90% Subscriptions Receivable as of November 8, 1963 (IDA)

(Expressed in Million U.S.$ Equivalent)

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* Not a member of International Development Association.

Treasurer's Department
Finance Division
February 17, 1964

Await Reply
Feb. 14

~~Helen~~ For Mr. Rutland

FORM NO. 57

INTERNATIONAL DEVELOPMENT ASSOCIATION | INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT | INTERNATIONAL FINANCE CORPORATION

OFFICE MEMORANDUM

6 XII 63

TO: Mr. Geoffrey M. Wilson

DATE: December 6, 1963. ea.

FROM: Robert W. Cavanaugh RWC

Mr Woods wants report
Mar 31 / Sept 30

SUBJECT: 18%

The review of the 18% situation with each of the Area Department Directors has resulted in the following:

(1) Area Directors will immediately request releases to be made available as soon as possible:

	(in millions of dollars)
China	$67.50 — Released $1
Costa Rica	0.36
Cyprus	1.35
El Salvador	0.36
Gabon	0.90
Ghana	1.50
Iceland	1.17
Iraq	0.25
Jordan	1.35
Nicaragua	0.50
Philippines	6.30
Thailand	3.10
Venezuela	10.70
Total	$95.34

(2) Area Directors will request releases when lending operations make approach appear more fruitful:

	(in millions of dollars)
Chile	$ 8.40
Dominican Republic	0.70
Greece	4.50
Guatemala	0.36
Iran	2.10
Ivory Coast	1.80
Jamaica	2.40
Nepal	0.90
New Zealand	15.00
Nigeria	6.00
Portugal	7.20 — 2/10/64 may consider early release
Saudi Arabia	6.60
Senegal	3.00
Sierra Leone	1.35
Trinidad & Tobago	2.40
	$62.71

The remaining countries who have not released their 18% for lending are believed to lack foreign exchange or our relations are such that an approach at this time or in the near future would not be useful. As you requested we will keep this matter under review.

cc: Mr. Woods
Mr. Knapp
Mr. Cargill
Mr. Cope
Mr. Moussa
Mr. Reid
Mr. Schmidt
Mr. Poore
Mr. Rutland

RWCavanaugh:emk

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

Mr Rist

When I
return - after
Mar 9 - pls
see me re this
and also IDA local
Currencies

[illegible] 2/28

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

OFFICE OF THE PRESIDENT

February 10, 1964

Mr. Woods:

The Finance Division of Treasurer's Department is responsible for the compilation of attached summary dealing with the availability of the 9% capital. The head of that division is Mr. Walter Rutland who has been with the Bank for many years.

Francis Poore says that if you want to talk with Walter Rutland about this statement, he (Francis Poore) would like to be present.

G.C.W.

Mr. Woods to see. 2/7

Wouldn't you like this for your desk drawer, please? yes

jmw 7 Feb.

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 18% Capital

(As of December 31, 1963)

SUMMARY

1. A summary of the availability of 18% capital for lending is as follows:

		(in million $ equivalent)
On Loan	1,462.0	
Usable by December 31, 1968	28.4	1,490.4
Not yet released, or released but without a use in sight		409.3
	Total 18%	1,899.7

The total 18% capital on loan and usable is thus $1,490.4 million compared with $1,482.6 million at June 30, 1963, showing an increase of $7.8 million during the six months period. The increase is the result of releases by Kuwait ($6 million) and Libya ($1.8 million).

2. Attached is a detailed statement together with a chart, showing the availability of the 18% capital.

Attachments

1) Why is this 18% throughout, not 9%?

2) Knapp re Argentine situation

3) see notes - loaned to IFC?

Treasurer's Department
January 1964

Walter R[illegible]

Head of FINANCE DIV
Treasurer's Dept.

Availability of 18% Capital

(in million U.S.$ equivalent; disbursements as of December 31, 1963; figures in parentheses refer to total 18%)

	On Loan	Usable	Balance
Afghanistan ($2.7 million)			
No release.	--	--	2.7
Algeria ($7.2 million)			
No release.	--	--	7.2
Argentina ($33.6 million)			
Entire 18% released in five annual installments of $6,719,000 through January 1, 1966 on convertible basis, subject to consultation on conversion. Release suspended.	1.0	--	32.6
Australia ($48.0 million)			
Entire 18% released, convertible into any currency.	48.0	--	--
Austria ($9.0 million)			
Entire 18% released, convertible into any currency.	9.0	--	--
Belgium ($40.5 million)			
Entire 18% released, convertible into any currency.	40.5	--	--
Bolivia ($1.9 million)			
No release.	--	--	1.9
Brazil ($33.6 million)			
No release.	--	--	33.6
Burma (3.6 million)			
$1.25 million released for purchases in Burma.	1.0	--	2.6
Burundi ($1.35 million)			
No release.	--	--	1.35
Cameroon ($1.8 million)			
No release.	--	--	1.8
Canada ($67.5 million)			
Entire 18% released, convertible into any currency.	67.5	--	--
Central African Republic ($0.9 million)			
No release.	--	--	0.9
Ceylon ($5.4 million)			
Original 18% ($2.7 million) released in annual installments of $540,000 January 1, 1958 through January 1, 1962, on convertible basis, subject to consultation on conversion. Release suspended.	0.5	--	4.9
Chad ($0.9 million)			
No release.	--	--	0.9
Chile ($8.4 million)			
No release.	--	--	8.4
China ($67.5 million)			
No release.	--	--	67.5
Colombia ($8.4 million)			
Entire 18% to be paid and lent in dollars in semi-annual (January and July 1) installments of $840,000 through December 1, 1966.	2.5	5.9	--

Explanation:

On Loan: Disbursements less repayments at December 31, 1963. No account has been taken of 18% used for administrative expenses.

Usable: All convertible releases usable before December 31, 1968 and all tied releases for which the Bank has a specific use in sight under existing loans.

Balance: Capital not yet released, or released only subject to consultation, or so restricted that the Bank does not have a use in sight.

	On Loan	Usable	Balance
Congo (Brazzaville) ($0.9 million)			
No release.	—	—	0.9
Congo (Leopoldville) ($5.4 million)			
No release.	—	—	5.4
Costa Rica ($0.72 million)			
2 Original 18% ($360,000) paid and lent in dollars.	0.36	—	0.36
Cyprus ($1.35 million)			
No release.	—	—	1.35
Dahomey ($0.9 million)			
No release.	—	—	0.9
Denmark ($15.6 million)			
Entire 18% released; unused balance immediately available for purchases in Denmark, or for conversion into any currency on January 1, 1964.	14.4	1.2	—
Dominican Republic ($0.7 million)			
No release.	—	—	0.7
Ecuador ($1.15 million)			
Entire 18% paid and lent in dollars.	1.15	—	—
El Salvador ($0.54 million)			
2 Original 18% ($180,000) paid and lent in dollars.	0.18	—	0.36
Ethiopia ($0.9 million)			
Entire 18% paid and lent in dollars.	0.9	—	—
Finland ($6.8 million)			
Entire 18% released; unused balance available for purchases in Finland or for conversion into any currency at rate of $1 million a year.	5.4	1.4	—
France ($94.5 million)			
Entire 18% released, convertible into any currency.	94.5	—	—
Gabon ($0.9 million)			
No release.	—	—	0.9
Germany ($94.5 million)			
Entire 18% released, convertible into any currency.	94.5	—	—
Ghana ($4.2 million)			
2 Original 18% ($2.7 million) released, convertible into any currency.	2.7	—	1.5
Greece ($4.5 million)			
Half of 18% released subject to consultation.	—	—	4.5
Guatemela ($0.72 million)			
2 Original 18% ($0.36 million) paid and lent in dollars.	0.36	—	0.36
Guinea ($1.8 million)			
No release.	—	—	1.8
Haiti ($1.35 million)			
No release.	—	—	1.35
Honduras ($0.5 million)			
Entire 18% paid and lent in dollars.	0.5	—	—
Iceland ($1.35 million)			
2 Original 18% ($0.18 million) paid and lent in dollars.	0.18	—	1.17
India ($72.0 million)			
IFC Entire 18% released; $21.6 million convertible into any currency; $50.4 million for purchases in India.	21.7	—	50.3

	On Loan	Usable	Balance
Indonesia ($19.8 million)			
No release.	—	—	19.8
Iran ($8.1 million)			
Original 18% ($6.0 million) released, convertible into any currency.	6.0	—	2.1
Iraq ($1.35 million)			
Original 18% ($1.1 million) released, convertible into currencies of the EMA area.	1.1	—	0.25
Ireland ($5.4 million)			
Entire 18% released and available in annual installments of $650,000 through January 1, 1965, convertible into any currency.	4.1	1.3	—
Israel ($3.0 million)			
IFC Entire 18% released; unused balance available for purchases in Israel.	2.8	0.2	—
Italy ($32.4 million)			
Entire 18% released, convertible into any currency.	32.4	—	—
Ivory Coast ($1.8 million)			
No release.	—	—	1.8
Jamaica ($2.4 million)			
No release.	—	—	2.4
Japan ($59.9 million)			
Entire 18% released, convertible into any currency.	59.9	—	—
Jordan ($1.35 million)			
No release.	—	—	1.35
Korea ($2.3 million)			
Entire 18% released for purchases in Korea.	—	—	2.3
Kuwait ($6.0 million)			
Entire 18% released and available in semi-annual installments of $1.5 million through April 15, 1965, convertible into any currency.	1.5	4.5	—
Laos ($0.9 million)			
No release.	—	—	0.9
Lebanon ($0.8 million)			
Entire 18% paid and lent in dollars.	0.8	—	—
Liberia ($1.35 million)			
No release.	—	—	1.35
Libya ($1.8 million)			
Entire 18% to be paid and lent in dollars in annual installments of $0.6 million through December 1, 1965.	0.6	1.2	—
Luxembourg ($1.8 million)			
Entire 18% released, convertible into any currency.	1.8	—	—
Malagasy Republic ($1.8 million)			
No release.	—	—	1.8
Malaysia ($4.5 million)			
Entire 18% released, convertible into any currency.	4.5	—	—
Mali ($1.56 million)			
No release.	—	—	1.56
Mauritania ($0.9 million)			
No release.	—	—	0.9
Mexico ($15.6 million)			
Entire 18% released for purchases anywhere; preference to be given to Latin American borrowers.	15.6	—	—

	On Loan	Usable	Balance
Morocco ($6.3 million)			
? IFC No release.	—	—	6.3
Nepal ($0.9 million)			
No release.	—	—	0.9
Netherlands ($49.5 million)			
Entire 18% released, convertible into any currency.	49.5	—	—
New Zealand ($15.0 million)			
? No release.	—	—	15.0
Nicaragua ($0.5 million)			
? No release.	—	—	0.5
Niger ($0.9 million)			
No release.	—	—	0.9
Nigeria ($6.0 million)			
? No release.	—	—	6.0
Norway ($12.0 million)			
Entire 18% released, convertible into any currency.	12.0	—	—
Pakistan ($18.0 million)			
IFC Entire 18% available for purchases in Pakistan.	0.2	—	17.8
Panama ($36,000)			
Entire 18% paid and lent in dollars.	0.04	—	—
Paraguay ($0.5 million)			
IFC $126,000 released for purchases in Paraguay.	—	—	0.5
Peru ($3.2 million)			
Entire 18% paid and lent in dollars.	3.2	—	—
Philippines ($9.0 million)			
? Original 18% ($2.7 million) paid and lent in dollars.	2.7	—	6.3
Portugal ($7.2 million)			
? No release.	—	—	7.2
Rwanda ($1.35 million)			
No release.	—	—	1.35
Saudi Arabia ($6.6 million)			
? No release.	—	—	6.6
Senegal ($3.0 million)			
No release.	—	—	3.0
Sierra Leone ($1.35 million)			
No release.	—	—	1.35
Somalia ($1.35 million)			
No release.	—	—	1.35
South Africa ($18.0 million)			
Entire 18% released, convertible into dollars and sterling.	18.0	—	—
Spain ($18.0 million)			
Entire 18% released and available in annual installments of $3.6 million through October 1, 1966, convertible into any currency.	7.2	10.8	—
Sudan ($1.8 million)			
Entire 18% released, convertible into any currency.	1.8	—	—

	On Loan	Usable	Balance
Sweden ($18.0 million)			
Entire 18% released, convertible into any currency.	18.0	—	—
Syrian Arab Republic ($1.8 million)			
? No release.	—	—	1.8
Tanganyika ($3.0 million)			
IFC No release.	—	—	3.0
Thailand ($5.4 million)			
?, IFC Original 18% ($2.3 million) paid and lent in dollars.	2.3	—	3.1
Togo ($1.35 million)			
No release.	—	—	1.35
Trinidad and Tobago ($2.4 million)			
No release.	—	—	2.4
Tunisia ($2.7 million)			
? No release.	—	—	2.7
Turkey ($10.4 million)			
IFC Original 18% ($7.7 million) released in annual installments of $1.8 million for purchases in Turkey.	—	—	10.4
Uganda ($3.0 million)			
No release.	—	—	3.0
United Arab Republic ($9.6 million)			
? IFC No release.	—	—	9.6
United Kingdom ($234.0 million)			
Entire 18% released, convertible into any currency.	234.0	—	—
United States ($571.5 million)			
Entire 18% released, convertible into any currency.	571.5	—	—
Upper Volta ($0.9 million)			
No release.	—	—	0.9
Uruguay ($1.9 million)			
Entire 18% to be paid and lent in dollars in semi-annual installments of $189,000 through September 30, 1967.	—	1.9	—
Venezuela ($12.6 million)			
? Original 18% ($1.9 million) released, convertible into any currency	1.9	—	10.7
Viet-Nam ($2.7 million)			
Original 18% ($2.3 million) released for purchases in Viet-Nam, subject to consultation.	—	—	2.7
Yugoslavia ($9.6 million)			
? $1.85 million released for purchases in Yugoslavia, subject to use of two dinars' worth of transferable currency for each 18% dinar used.	1.7	—	7.9
Total 18%: $1,899.7 million	1,462.0	28.4	409.3

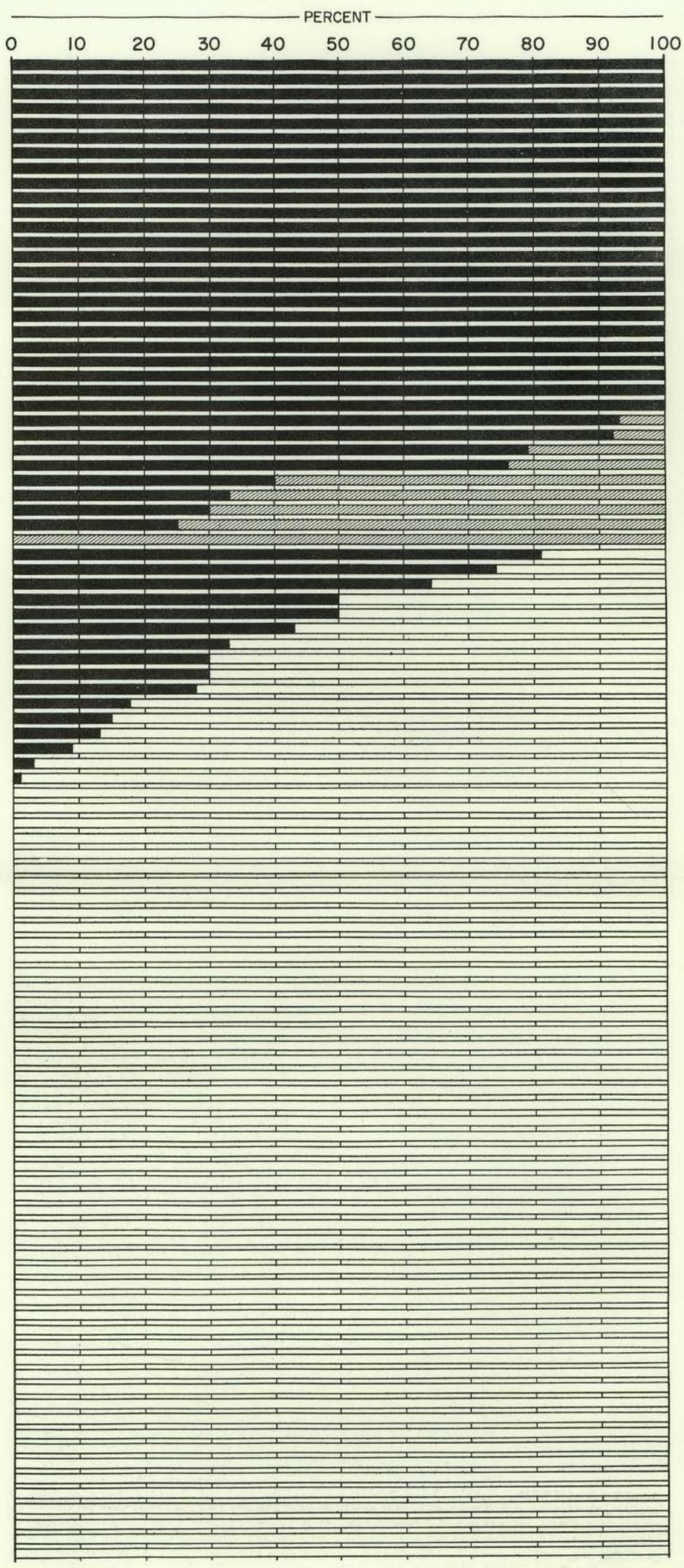
AVAILABILITY OF 18% CAPITAL – TO DECEMBER 31, 1968

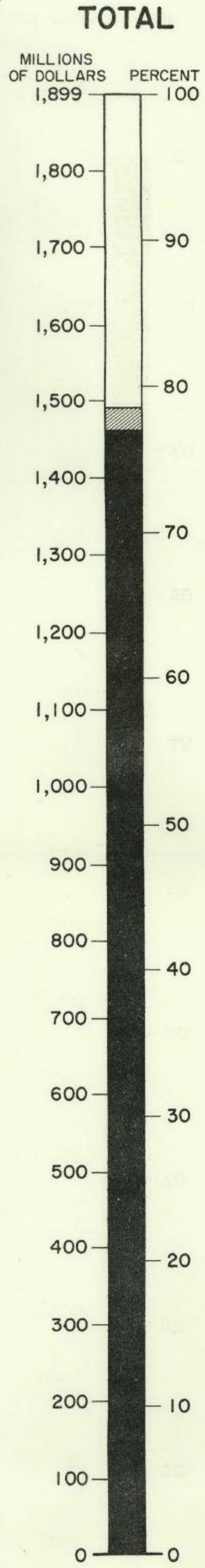
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

DECEMBER 31, 1963

IN MILLIONS OF DOLLARS

TOTAL 18%		ON LOAN (A)	USABLE (B)	BALANCE (C)
571.5	UNITED STATES	571.5	–	–
234.0	UNITED KINGDOM	234.0	–	–
94.5	FRANCE	94.5	–	–
94.5	GERMANY	94.5	–	–
67.5	CANADA	67.5	–	–
59.9	JAPAN	59.9	–	–
49.5	NETHERLANDS	49.5	–	–
48.0	AUSTRALIA	48.0	–	–
40.5	BELGIUM	40.5	–	–
32.4	ITALY	32.4	–	–
18.0	SOUTH AFRICA	18.0	–	–
18.0	SWEDEN	18.0	–	–
15.6	MEXICO	15.6	–	–
12.0	NORWAY	12.0	–	–
9.0	AUSTRIA	9.0	–	–
4.5	MALAYSIA	4.5	–	–
3.2	PERU	3.2	–	–
1.8	LUXEMBOURG	1.8	–	–
1.8	SUDAN	1.8	–	–
1.15	ECUADOR	1.15	–	–
0.9	ETHIOPIA	0.9	–	–
0.8	LEBANON	0.8	–	–
0.5	HONDURAS	0.5	–	–
0.04	PANAMA	0.04	–	–
3.0	ISRAEL	2.8	0.2	–
15.6	DENMARK	14.4	1.2	–
6.8	FINLAND	5.4	1.4	–
5.4	IRELAND	4.1	1.3	–
18.0	SPAIN	7.2	10.8	–
1.8	LIBYA	0.6	1.2	–
8.4	COLOMBIA	2.5	5.9	–
6.0	KUWAIT	1.5	4.5	–
1.9	URUGUAY	–	1.9	–
1.35	IRAQ	1.1	–	0.25
8.1	IRAN	6.0	–	2.1
4.2	GHANA	2.7	–	1.5
0.72	COSTA RICA	0.36	–	0.36
0.72	GUATEMALA	0.36	–	0.36
5.4	THAILAND	2.3	–	3.1
0.54	EL SALVADOR	0.18	–	0.36
72.0	INDIA	21.7	–	50.3
9.0	PHILIPPINES	2.7	–	6.3
3.6	BURMA	1.0	–	2.6
9.6	YUGOSLAVIA	1.7	–	7.9
12.6	VENEZUELA	1.9	–	10.7
1.35	ICELAND	0.18	–	1.17
5.4	CEYLON	0.5	–	4.9
33.6	ARGENTINA	1.0	–	32.6
18.0	PAKISTAN	0.2	–	17.8
67.5	CHINA	–	–	67.5
33.6	BRAZIL	–	–	33.6
19.8	INDONESIA	–	–	19.8
15.0	NEW ZEALAND	–	–	15.0
10.4	TURKEY	–	–	10.4
9.6	UNITED ARAB REP.	–	–	9.6
8.4	CHILE	–	–	8.4
7.2	ALGERIA	–	–	7.2
7.2	PORTUGAL	–	–	7.2
6.6	SAUDI ARABIA	–	–	6.6
6.3	MOROCCO	–	–	6.3
6.0	NIGERIA	–	–	6.0
5.4	CONGO (LEOPOLDVILLE)	–	–	5.4
4.5	GREECE	–	–	4.5
3.0	SENEGAL	–	–	3.0
3.0	TANGANYIKA	–	–	3.0
3.0	UGANDA	–	–	3.0
2.7	AFGHANISTAN	–	–	2.7
2.7	TUNISIA	–	–	2.7
2.7	VIET-NAM	–	–	2.7
2.4	JAMAICA	–	–	2.4
2.4	TRINIDAD & TOBAGO	–	–	2.4
2.3	KOREA	–	–	2.3
1.9	BOLIVIA	–	–	1.9
1.8	CAMEROON	–	–	1.8
1.8	GUINEA	–	–	1.8
1.8	IVORY COAST	–	–	1.8
1.8	MALAGASY REP.	–	–	1.8
1.8	SYRIAN ARAB REP.	–	–	1.8
1.56	MALI	–	–	1.56
1.35	BURUNDI	–	–	1.35
1.35	CYPRUS	–	–	1.35
1.35	HAITI	–	–	1.35
1.35	JORDAN	–	–	1.35
1.35	LIBERIA	–	–	1.35
1.35	RWANDA	–	–	1.35
1.35	SIERRA LEONE	–	–	1.35
1.35	SOMALIA	–	–	1.35
1.35	TOGO	–	–	1.35
0.9	CENTRAL AFRICAN REP.	–	–	0.9
0.9	CHAD	–	–	0.9
0.9	CONGO (BRAZZAVILLE)	–	–	0.9
0.9	DAHOMEY	–	–	0.9
0.9	GABON	–	–	0.9
0.9	LAOS	–	–	0.9
0.9	MAURITANIA	–	–	0.9
0.9	NEPAL	–	–	0.9
0.9	NIGER	–	–	0.9
0.9	UPPER VOLTA	–	–	0.9
0.7	DOMINICAN REP.	–	–	0.7
0.5	NICARAGUA	–	–	0.5
0.5	PARAGUAY	–	–	0.5
1,899.7		1,462.0	28.4	409.3





EXPLANATION

A. ON LOAN: DISBURSEMENTS LESS REPAYMENTS AT DEC. 31, 1963. NO ACCOUNT HAS BEEN TAKEN OF 18% USED FOR ADMINISTRATIVE EXPENSES.

B. USABLE: ALL CONVERTIBLE RELEASES USABLE BEFORE DEC. 31, 1968, AND ALL TIED RELEASES FOR WHICH THE BANK HAS A SPECIFIC USE IN SIGHT UNDER EXISTING LOANS.

C. BALANCE: CAPITAL NOT YET RELEASED, OR RELEASED ONLY SUBJECT TO CONSULTATION OR SO RESTRICTED THAT THE BANK DOES NOT HAVE A USE IN SIGHT.

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Prepared 2/5/64