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THE WORLD BANK

Washington, D.C.

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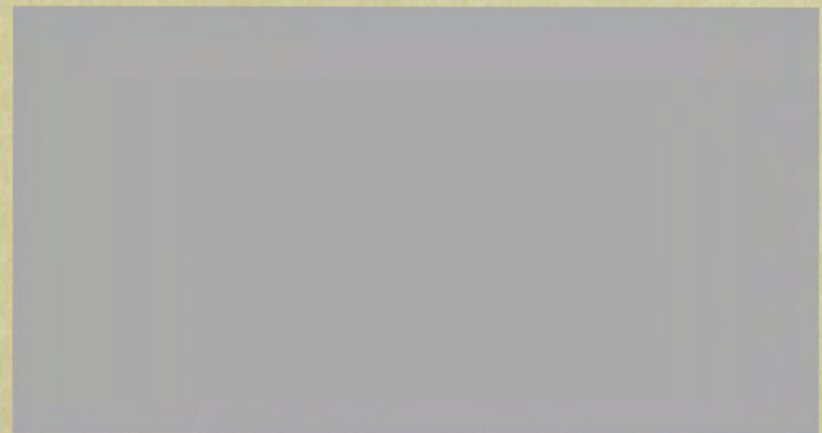
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Loan Committee — Minutes 1956



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STAFF LOAN COMMITTEE

DECLASSIFIED SIC/M/610

JUN 13 2014

Minutes of Staff Loan Committee Meeting held Wednesday, January 11, 1956
at 3:00 p.m. in Room 1005

WEGARCHIVES

1. Present:

Mr. Eugene R. Black
Mr. D. Sommers
Mr. S. R. Cope
Mr. J. B. Knapp *
Mr. S. Aldewereld

Mr. J. Rucinski
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. Acheson
Mr. G. M. Alter
Mr. J. Camacho
Mr. R. E. Carlson
Mr. A. M. Kamarck
Mr. B. Luzzatto

Mr. R. F. Quandt
Mr. P. J. Ramm
Mr. M. M. Rosen
Mr. O. A. Schmidt
Mr. E. Symonds
Mr. G. R. Young

2. Brazil

The Committee heard an oral report by Mr. Luzzatto on the political and economic situation in Brazil.

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

STAFF LOAN COMMITTEE

SLC/M/611

Minutes of Staff Loan Committee Meeting held Friday, January 6, 1956
at 10:30 a.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner	Mr. H. W. Riley
Mr. W. A. B. Iliff *	Mr. R. H. Demuth
Mr. J. Rucinski	Mr. V. Umbricht
Mr. S. Aldewereld	Mr. O. A. Schmidt
Mr. L. B. Rist	Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. F. G. Bochenski	Mr. D. Fontein
Mr. V. E. Bolis	Miss A. L. Maher
Mr. L. Cancio	Mr. E. W. Rembert
Mr. B. Chadenet	Mr. M. M. Rosen
Mr. P. Craig-Martin	Mr. W. C. P. Rutland
Mr. J. C. de Wilde	Mr. G. R. Young

* Part of meeting only.

2. Syria

The Committee considered Memorandum SLC/O/819, "Syria" and

(a) NOTING that

- (i) the economic value of the project appeared to be greater than indicated on page 11 of the Technical Report;
- (ii) there appeared to be some subsidy to the project in the form of the low interest rate charged by the Government;

AGREED that

the pertinent sections of the Report should be appropriately revised by the Technical Operations Department in cooperation with the Area Department;

(b) also AGREED that

- (i) the draft letter about contractors (Annex I) should be reviewed by the Bank's negotiators in the light of the discussion by the Committee and that while the second sentence on page 3 should be clarified, any other changes in presentation should be left to their discretion;
- (ii) under the circumstances, it would suffice if the Government signed a copy of the letter or wrote that it had taken note of its contents;

- (c) subject to the above, APPROVED the recommendations in the Area Memorandum;
 - (d) AGREED that generally
 - (i) it was desirable that working parties should thoroughly review the points the Bank considered should be covered in loan documents and that these points should be negotiated with the representatives of the parties to each transaction before being inserted in the documents;
 - (ii) an informal exchange of experiences should take place between the operating departments with a view to improving negotiating procedures.
3. The meeting adjourned at 12:00 noon.

STAFF LOAN COMMITTEE

SLC/M/612

Minutes of Staff Loan Committee Meeting held Friday, January 20, 1956
at 11:00 a.m. in Room 1005

DECLASSIFIED
JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner	Mr. R. H. Demuth
Mr. W. A. B. Iliff *	Mr. M. M. Rosen
Mr. D. Sommers	Mr. A. M. Kamarck
Mr. J. B. Knapp	Mr. J. C. de Wilde
Mr. L. B. Rist	Mr. H. G. A. Woolley, Secretary
Mr. H. W. Riley	

In attendance:

Mr. C. de Beaufort	Mr. O. A. Schmidt
Mr. G. Gondicas	Mr. A. D. Spottswood
Mr. H. Havlik	Mr. G. M. Street
Mr. P. A. Kanters	Mr. E. Symonds
Mr. G. S. Mason	Mr. M. L. Weiner
Miss V. Morsey *	Mr. G. R. Young *

* Part of meeting only.

2. Ecuador

The Committee considered Memorandum SLC/O/817, "Ecuador - Proposed Loan to Empresa Electrica Quito, S.A." dated January 18, 1956, and

I. APPROVED

the invitation of negotiators for the proposed loan;

II. AGREED that

- (a) the Ambassador should be informed that the Bank would be unwilling to negotiate the Loan Guarantee Agreement until arrangements had been completed for making payments due under the 1955 debt settlement with the British Bondholders Protective Council;
- (b) while not making it a prerequisite for this loan, the Bank should press for the settlement of the outstanding French claims;
- (c) the Executive Directors for the U.K. and France should be informed accordingly before the negotiations on the Guarantee Agreement were undertaken;

III. NOTING that

while progress had been slow in Ecuador up to 1948, development was now starting on a more rapid scale which would impose much more serious burdens of financial management,

AGREED that

- (a) the Bank would require effective control over the incurring of external debts as a prerequisite to any large lending program by the Bank in Ecuador;
- (b) provided that such control was established and maintained and general conditions continued to be satisfactory, Ecuador should be able to carry additional loans requiring an annual service of about \$3 million;
- (c) the Bank should consider each project separately and not commit itself to any maximum lending figure;

IV. AGREED also that

- (a) at the time a loan is made
 - (i) the Government of the country concerned should be required to furnish the Bank with a complete statement of its external indebtedness and of the security, if any, pledged therefor; and
 - (ii) if any balance sheets provided by the borrower are not up to date, the borrower should be required to furnish the Bank with a certificate that there has been no substantial change in the data presented;
- (b) while it had been the rule that these requirements should be fulfilled, the rule had not always been followed and that therefore a working party, consisting of a representative designated by each of the Operations Departments, should prepare for the management a draft operational memorandum on the subject for the guidance of staff members concerned.

3. The meeting adjourned at 12:45 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED
JUN 13 2014 SLC/M/613
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Wednesday, February 8, 1956
at 2:30 p.m. in Room 1005

1. Present:

- | | |
|--------------------|---------------------------------|
| Mr. R. L. Garner | Mr. B. H. Colquhoun |
| Mr. W. A. B. Iliff | Mr. V. Umbricht |
| Mr. D. Sommers | Mr. J. C. de Wilde |
| Mr. J. B. Knapp | Mr. M. M. Rosen |
| Mr. L. B. Rist | Mr. P. J. Ramm |
| Mr. R. H. Demuth | Mr. H. G. A. Woolley, Secretary |

In attendance:

- | | |
|---------------------|--------------------|
| Mr. A. Broches | Mr. C. de Beaufort |
| Mr. R. W. Cavanaugh | Mr. G. R. Young |

2. Medium-Term Credits

The Committee considered Memorandum SLC/O/822, "IBRD Cooperation with Agencies Guaranteeing or Financing Medium-Term Credits", and

AGREED that

- (a) to guarantee a credit insurer, who in turn guarantees suppliers, would be contrary to the Bank's policy in its approach to the examination of a project;
- (b) the Bank should endeavor to develop relations with the various sources of capital and work with them as regards participation in the Bank's loans;
- (c) participations in the Bank's loans should be considered on an ad hoc basis, until the Bank gained more experience;
- (d) when the Bank started on a project, the staff members concerned should in each case see what could be done to increase the participation of private capital;
- (e) when bids were invited, suppliers might be asked to state the terms and amounts of any credits they were willing to give so that these might also be taken into consideration in awarding the contracts. Credits at higher rates than payable on the Bank's loans would not necessarily be ruled out in principle.

3. International Inland Waterways

The Committee considered Memorandum SLC/O/821, "Projects on International Inland Waterways", and

APPROVED

the proposed draft Operational Memorandum.

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

STAFF LOAN COMMITTEE DECLASSIFIED

JUN 13 2014 SLC/M/614

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Wednesday, February 8, 1956
at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner	Mr. O. A. Schmidt
Mr. W. A. B. Iliff	Mr. J. C. de Wilde
Mr. R. H. Demuth	Mr. M. M. Rosen
Mr. B. H. Colquhoun	Mr. G. M. Alter
Mr. A. Broches	Mr. P. J. Ramm
Mr. V. Umbricht	Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. Fajans	Mr. A. Stevenson
Miss A. L. Maher	Mr. M. M. Verheyen

2. Ruanda-Urundi

The Committee considered the conclusions and recommendations in paras. 28 and 29 on page 9 of Memorandum SLC/O/823, "Report of the Mission to Ruanda-Urundi," and

AGREED with the recommendations made, and

NOTING that

- (a) in any local expenditure loan the Bank would not pay for local labor costs but would finance goods originating outside Ruanda-Urundi;
- (b) Ruanda-Urundi could generally rely on the Belgian Administration for advice on agricultural matters;

also AGREED that

- (c) it would not be easy for the Bank to find suitable projects and that there were some doubts about what the Bank might be able to accomplish in Ruanda-Urundi;
- (d) in informing the Belgian authorities of its decision the Bank should emphasize that it would be unable to lend unless it was thoroughly satisfied with the project or projects presented.

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

STAFF LOAN COMMITTEE

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SLC/M/615
JUN 13 2011
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Monday, February 13, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner	Mr. B. H. Colquhoun
Mr. D. Sommers *	Mr. M. M. Rosen
Mr. S. R. Cope	Mr. G. M. Alter
Mr. J. B. Knapp	Mr. P. J. Ramm
Mr. J. Rucinski	Mr. H. G. A. Woolley, Secretary
Mr. R. H. Demuth	

In attendance:

Mr. A. Broches	Mr. O. A. Schmidt
Mr. L. Cancio	Mr. G. M. Street
Mr. G. Gondicas	Mr. M. L. Weiner
Mr. H. F. Havlik	Mr. A. Wubnig
Mr. J. F. Main	Mr. G. R. Young
Mr. G. S. Mason	Mr. H. R. Young
Mr. M. M. Mendels *	

* Part of meeting only.

2. Ecuador

The Committee considered Memorandum SLC/O/824, "Ecuador - Transportation Projects," and

AGREED

- (a) with the conclusions and recommendations about the highway and port projects in para. 12;
- (b) that the Bank should defer action to assist in recruiting new management for the railways until the new Administration, to be elected in June 1956, had shown its intention to reorganize the railways on suitable lines.

3. The meeting adjourned at 4:22 p.m.

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SLC/M/616
WBG ARCHIVES

STAFF LOAN COMMITTEE

Minutes of Staff Loan Committee Meetings held Wednesday, February 15, 1956 at 3:00 p.m.; Friday, February 17, at 10:30 a.m., Monday, February 20, at 3:00 p.m.; Friday, February 24, at 11:00 a.m.; and Monday, February 27, at 10:00 a.m.; all in Room 1005

I. Present:

- | | |
|----------------------------------|--------------------------------------|
| Mr. R. L. Garner | Mr. S. Aldewereld <u>1/2/3*/4/5/</u> |
| Mr. W. A. B. Iliff <u>1/2/3/</u> | Mr. L. B. Rist |
| Mr. D. Sommers <u>1*/2*/</u> | Mr. H. W. Riley |
| Mr. S. R. Cope <u>1/2/3/5/</u> | Mr. R. H. Demuth <u>1/2/3/5</u> |
| Mr. J. B. Knapp | Mr. B. H. Colquhoun <u>1/4/</u> |
| Mr. J. Ricinski <u>1/3/5/</u> | Mr. K. Kapur, Acting Secretary |

In attendance:

- | | |
|--|---------------------------------|
| Mr. G. M. Alter <u>1/2/3/5/</u> | Mr. C. Lacayo-Fiallos <u>3/</u> |
| Mr. N. Bass <u>3/</u> | Mr. H. W. Larsen <u>5/</u> |
| Mr. K. A. Bohr <u>1/2/3/</u> | Mr. S. Lipkowitz <u>2/</u> |
| Mr. A. Broches <u>1/4/5/</u> | Mr. J. C. Mehaffey <u>3/</u> |
| Mr. R. E. Carlson <u>2/</u> | Mr. M. M. Mendels <u>4*/</u> |
| Mr. R. W. Cavanaugh <u>1/2/4/5/</u> | Miss V. Morsey |
| Mr. C. H. Davies | Mr. H. B. Ripman <u>2/</u> |
| Mr. B. A. de Vries | Mr. O. A. Schmidt <u>1/2/</u> |
| Mr. J. C. de Wilde <u>4/</u> | Mr. A. Stevenson <u>4/</u> |
| Mr. P. H. French <u>1/</u> | Mr. E. Symonds <u>1/2/3/4/</u> |
| Mr. G. Grayson <u>1/2/3/4/</u> | Mr. J. Volmuller <u>3/</u> |
| Mr. A. J. Hazlett (consultant) <u>4/</u> | Mr. A. Waterston |
| Mr. W. Jahn | Mr. G. R. Young <u>5/</u> |
| Mr. F. Jurascheck (consultant) <u>2/</u> | |

- 1/ First session
- 2/ Second session
- 3/ Third session

- 4/ Fourth session
- 5/ Fifth session
- * Part only.

II. Colombia

The Committee considered "Colombia - A Program for Colombian Public Investment and External Borrowing," including revised versions of Part One and Appendix III, and

(A) APPROVED

the revised version of Part One, and Part Two, subject to:

- (1) avoidance of specification of \$45 million as the limit on aggregate annual external debt service which Colombia might be able to undertake in the near future;
- (2) the inclusion of a paragraph about suppliers' credits;
- (3) emphasis on the importance of sound monetary policy for reducing imports; and
- (4) other minor changes;

(B) RECOMMENDED that

the Government be advised that the current annual debt service of about \$40 million was approaching the prudent limit; this limit being subject to review with the passage of time;

Electric Power Development

(C) APPROVED

Annex I, with minor changes; and

(D) AGREED that

no recommendation should be made to increase the rate of investment in 1958-60 in power appreciably above that scheduled for 1956-57;

Water Supply Development

with reference to Annex II,

(E) NOTED

the need for the development of urban water supplies in Colombia; but

(F) AGREED that

investment in this sector should not be so large as to risk slowing the pace of development in more essential fields, such as transport, agriculture and power;

Paz del Rio Steel Plant

(G) APPROVED

the revised Annex III, subject to:

- (1) the addition that the presence of foreign technical personnel should not in any way be considered a substitute for the top level management recommended by the Mission;
- (2) the inclusion of a chart showing the type of management the Mission has in mind;
- (3) its being made clear that the firm engaged to provide top level management should have no interest in contracts for procurement of equipment needed for the project; and
- (4) other minor changes;

Transmittal of Report

(H) AGREED that

- (1) the revised report be transmitted to the Government with a covering letter stating the Bank's reservations on negotiations for future possible loans;
- (2) copies of the report, after it has been sent to the Government, be distributed to the Executive Directors for information;

Resident Representative

(J) NOTED

the oral recommendation of the Director of Operations, Western Hemisphere, for the appointment of a resident representative in Colombia at a senior level.

III. The meeting adjourned at 5:30 p.m.; reconvened at 10:30 a.m. on February 17, adjourned at 1:05 p.m.; reconvened at 3:00 p.m. on February 20, adjourned at 5:15 p.m.; reconvened at 11:00 a.m. on February 24, adjourned at 1:05 p.m.; reconvened at 10:00 a.m. on February 27 and adjourned at 12:15 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED
SLC/M/617
JUN 13 2014
WEB ARCHIVES

Minutes of Staff Loan Committee Meeting held Monday, February 20, 1956
at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner	Mr. H. W. Riley
Mr. W. A. B. Iliff	Mr. R. H. Demuth
Mr. S. R. Cope	Mr. A. Broches
Mr. J. Rucinski	Mr. O. A. Schmidt
Mr. S. Aldewereld	Mr. H. G. A. Woolley, Secretary
Mr. L. B. Rist	

In attendance:

Mr. J. C. de Wilde	Mr. H. N. Graves, Jr.
Mr. R. H. Dorr	Mr. H. Pollan
Mr. D. Fontein	Mr. E. Symonds

2. Indonesia

The Committee considered the conclusions and recommendations contained in paras. 43 to 54 of the "Report of the Mission to Indonesia" (A.S. 48) and

AGREED

- (a) with the conclusions and recommendations contained in paras. 43 to 52;
- (b) that the Economic Report should be edited to provide in a short precise form an objective frank appraisal of the situation, as the Bank sees it, for presentation to the Indonesian Government;
- (c) that a letter of transmittal should be drafted for the presentation of the Economic Report to the new Government when formed, stating:
 - (i) in fairly general terms the Bank's observations on the possibilities and the basic problems;
 - (ii) the Bank's interest to observe the policies adopted by the new Government;
 - (iii) the Bank's willingness to participate in further discussions with the new Government on the subject;
- (d) that the Bank should not indicate willingness to finance any project until the new Government had been established and had begun to do some of the things the Bank considers necessary so that on balance a judgement could be made that it was moving in the right direction;

also AGREED generally that, in preparing maps to accompany reports, care should be taken

- (i) to coordinate the information inserted with the text of the report;
 - (ii) in order to avoid the appearance of the Bank taking sides in any territorial dispute, that territorial divisions and designations inserted are those normally used by cartographers.
3. The meeting adjourned at 12:25 p.m.

STAFF LOAN COMMITTEE

SLC/M/618

Minutes of Staff Loan Committee Meeting held Thursday, March 1, 1956
at 3:30 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner	Mr. B. H. Colquhoun*
Mr. J. Rucinski	Mr. A. Broches
Mr. S. Aldewereld	Mr. A. Stevenson
Mr. L. B. Rist	Mr. O. A. Schmidt *
Mr. H. W. Riley	Mr. H. G. A. Woolley, Secretary
Mr. R. H. Demuth *	

In attendance:

Mr. G. M. Alter	Mr. J. F. Main *
Mr. J. C. Antoine	Mr. E. Myatt (consultant) *
Mr. L. Baranyai	Mr. M. F. Perkins
Mr. A. Basch	Mr. G. M. Street
Mr. R. G. Bateson	Mr. P. Wright
Mr. T. Finsaas *	Mr. A. Wubnig *
Mr. G. W. Gillette (consultant) *	Mr. G. R. Young

* Part only.

2. Burma

The Committee considered the recommendations in paras. 61 to 65 of the Report (A.S. 50) of the Mission to Burma and in Memorandum SLC/O/835, "Burma - Electrification Program," and

AGREED

- (a) with the recommendations made in the Report (A.S. 50);
- (b) with the recommendations on the electrification program, subject to:
 - (i) consideration of whether it might not be desirable for the proposed mission to be under the Bank's direction and to be accompanied by a member of the Bank's staff;
 - (ii) a review of the estimated cost of the mission, which appeared to be excessive; and
 - (iii) a definite proposal to the Government being drafted along the lines discussed by the Committee for consideration by the Management;
- (c) that, after the Executive Directors had been informed that the Bank intended to invite representatives to come to Washington to negotiate the two proposed loans, the Government should be so informed by cable; they should also be informed that their request for aid in reviewing their electrification program was under study and would be answered shortly.

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

STAFF LOAN COMMITTEE

SLC/M/619

Minutes of Staff Loan Committee Meeting held on Friday, March 16, 1956
at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. D. Sommers
Mr. S. R. Cope
Mr. J. Rucinski
Mr. L. B. Rist
Mr. H. W. Riley

Mr. R. H. Demuth
Mr. O. A. Schmidt 2*/
Mr. M. M. Rosen
Mr. H. W. Larsen
Mr. H. G. A. Woolley, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. J. G. Beevor
Mr. C. H. Davies 2*/
Mr. G. R. Delaume
Mr. C. Finne 1/
Mr. E. B. King 1/
Mr. J. F. Main 2*/

Mr. F. M. Oppenheimer 2*/
Mr. N. J. Paterson 1/
Mr. E. W. Rembert 1/
Mr. E. Symonds
Mr. J. A. Tremont 1/
Mr. M. L. Weiner 2*/

1/ Finland and Iceland.
2/ Haiti.

* Part only.

2. Finland

The Committee considered Memorandum SLC/O/834, "Finland - Proposed Loan," and

AGREED

that the Bank could rely on the Bank of Finland and should not press for enactment of an amendment of the law governing mortgage banks to improve the financial structure of the proposed borrower;

otherwise **AGREED**

- (a) with the recommendations made in para. 7 of Memorandum SLC/O/834; and
- (b) that in informing the Government of its willingness to send the mission to discuss the proposed operation, the Management should reserve the right to review its position before presenting the proposed loan to the Executive Directors in the event of any further serious deterioration in the economy due to the strike or other political development.

3. Iceland

The Committee considered oral reports by Messrs. Cope and King on the financing of the cement plant in Iceland by Denmark and the proposed Bank mission, and

CONFIRMED

its agreement (see SLC/M/602) with the recommendations made in Memorandum SLC/O/807, "Iceland - Mission Request," dated October 28, 1955.

4. Haiti

The Committee considered an oral report by Mr. Larsen on Haiti's foreign debt position, and

AGREED that

- (a) although the short-term balance of payments position is still difficult, the mission should proceed to Haiti as planned to negotiate outstanding points in the loan documents;
- (b) while in Haiti the mission should obtain up-to-date information in order that critical aspects of Haiti's current economic position may again be reviewed before negotiations are concluded; and
- (c) the limit on undertaking of new highway projects by the Government might be in terms of a stated rate of expenditure per annum and the Bank should be prepared to include in the Loan Agreement a suitable general statement of its intention to continue to work with Haiti on its highway program.

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

STAFF LOAN COMMITTEE

SLC/M/620

Minutes of Staff Loan Committee Meeting held Monday, March 5, 1956 at
3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff *
Mr. S. R. Cope
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. B. H. Colquhoun

Mr. A. Broches
Mr. H. W. Larsen
Mr. J. C. de Wilde
Mr. E. W. Rembert
Mr. P. J. Ramm
Mr. H. G. A. Woolley, Secretary

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JUN 13 2014
WBG ARCHIVES

In attendance:

Mr. G. R. Delaume
Mr. W. L. Jago
Mr. B. B. King
Mr. L. G. Marshall
Mr. M. M. Mendels *

Miss V. Morsey
Mr. E. Symonds
Mr. J. A. Trempont
Mr. M. M. Verheyen *

* Part only.

2. Norway

The Committee considered Memorandum SLC/O/833, "Norway - Proposed Loan and Public Issue," and

AGREED

- (a) with the recommendations in paragraph 5;
- (b) that a brief statement on the proposed loan should be made to the Executive Directors at their next meeting; and
- (c) copies of the Economic Report, after minor changes had been made, should be distributed to the Executive Directors prior to the filing of the registration statement for the proposed public issue.

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

STAFF LOAN COMMITTEE

SIC/M/621

Minutes of Staff Loan Committee Meeting held Thursday, March 1, 1956
at 10:00 a.m. in Room 1005

1. Present:

Mr. E. R. Black
Mr. R. L. Garner
Mr. D. Sommers
Mr. S. R. Cope
Mr. J. B. Knapp
Mr. J. Rucinski

Mr. S. Aldewereld
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. B. H. Colquhoun
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. W. F. Howell
Mr. M. M. Mendels

Mr. A. Stevenson
Mr. G. R. Young

2. Algeria

The Committee heard oral reports by Messrs. Cope and Stevenson on the situation in Algeria and its possible effect on the loan to Electricite et Gaz d'Algerie; and

AGREED that

(a) Mr. Cope should

- (i) discuss with Mr. Perouse whether it might not be desirable to postpone making this loan effective or, if it became effective, to suspend disbursements from the Loan Account;
- (ii) suggest to Mr. Perouse that Mr. Black would be glad to talk with him about this matter if he wished;
- (iii) inform Mr. Black of Mr. Perouse's reactions;

(b) Mr. Chadenet should be asked to go from Rome to Algiers and to obtain and report to the Bank the views of officials of EGA and the Government on the possible effect of the situation on the projects.

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

STAFF LOAN COMMITTEE

SLC/M/622

Minutes of Staff Loan Committee Meeting held Thursday, March 8, 1956
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. S. R. Cope
Mr. J. B. Knapp 1/2*/
Mr. L. B. Rist

Mr. A. Broches
Mr. M. M. Rosen
Mr. P. J. Ramm
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. G. Beevor 1/2*/
Mr. J. Camacho 1*/2/
Mr. L. Cancio 2/
Mr. F. A. Consolo 2*/
Mr. P. F. Craig-Martin 2*/
Mr. C. H. Davies 2*/
Mr. T. Finsaas 2/
Mr. C. Gillette (consultant) 2/
Mr. H. W. Larsen 2/

* Part only.

Miss A. L. Maher 2*/
Mr. J. F. Main 2/
Mr. J. C. Mehaffey
Mr. M. M. Mendels 1*/
Mr. F. M. Oppenheimer 1/
Mr. A. Stevenson 1/
Mr. E. Symonds 1/
Mr. M. M. Verheyen 1/

1/ Moselle River only.
2/ Nicaragua only.

2. Moselle River Project

The Committee considered Memorandum SLC/O/836, "The Moselle River Project," and

AGREED that the Bank

- (a) should not consider the project in any detail until it was satisfied that the three countries directly involved, France, Germany and Luxembourg, supported it;
- (b) should not at the present stage come to a decision on the points raised about the kind of guarantee it would require; and
- (c) should inform the French and Germans of the decisions under (a) above and in talking to them should ask what kind of guarantees the countries concerned had in mind, in view of the international character of the project.

3. Nicaragua

The Committee considered Memorandum SLC/O/838, "Nicaragua - Port of Corinto," and

AGREED

- (a) that the proposed loan would not place an undue burden on the creditworthiness of Nicaragua;
- (b) on the suitability of the project for Bank financing;

- (c) with the proposed basis for negotiating the loan, subject to:
 - (i) steps being taken now to find a suitable manager in the hope that he might be appointed before the proposed loan is signed;
 - (ii) the consultants for the project being appointed before the proposed loan is signed;

AGREED also that

- (d) if the cotton study now in preparation was not completed in time, the pertinent facts on the cotton situation should be brought out in the President's Report or orally, if and when the proposed loan was presented to the Executive Directors;
- (e) Report T.O. 104 should be revised to take into account:
 - (i) the U.S. proposal to export up to 5 million bales of cotton after July 31 at "competitive prices";
 - (ii) other minor changes recommended by the Committee.

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

STAFF LOAN COMMITTEE

SLC/M/623

Minutes of Staff Loan Committee Meeting held Friday, March 9, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. S. R. Cope
Mr. J. B. Knapp
Mr. J. Rucinski
Mr. S. Aldewereld

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. A. Broches
Mr. K. Kapur, Acting Secretary

DECLASSIFIED
JUN 13 2014
WBG ARCHIVES

In attendance:

Mr. J. G. Beevor
Mr. J. Camacho
Mr. F. A. Consolo
Mr. D. Fontein
Mr. G. Grayson
Mr. N. G. Jones

Mr. E. Lopez-Herrarte
Mr. J. C. Mehaffey
Mr. M. M. Mendels *
Mr. J. F. Smythe
Mr. G. R. Young

* Part only.

2. Panama

The Committee considered Memorandum SLC/O/839, "Panama - Panamanian Highway Loan," and

AGREED that

- (a) the situation reported was serious and needed strong action;
- (b) a strong letter of protest, without threatening suspension of the loan, should be delivered to the President of Panama by the proposed mission personally;
- (c) if immediate remedial measures were not taken to correct the situation, the mission was authorized to state, in the course of its discussions with the Panamanian authorities, that suspension of the loan might well be necessary;
- (d) the two requests for disbursement of \$264,000 should be withheld until further decision;
- (e) the participating banks should be advised confidentially that:
 - (i) some difficulties had arisen in connection with the project;
 - (ii) the Bank was trying to have them corrected;
- (f) the Executive Directors should be informed at their regular meeting on March 13 that:

- (i) serious difficulties had developed in the project; and
- (ii) the Bank was sending a mission to Panama to discuss the situation.

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

STAFF LOAN COMMITTEE

SLC/M/624

Minutes of Staff Loan Committee Meeting held Tuesday, March 20, 1956
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner	Mr. H. W. Riley
Mr. D. Sommers *	Mr. B. H. Colquhoun
Mr. S. R. Cope	Mr. O. A. Schmidt
Mr. J. Rucinski	Mr. G. M. Alter
Mr. S. Aldewereld	Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. A. Broches	Mr. R. B. J. Richards
Mr. S. Lipkowitz	Mr. H. B. Ripman
Mr. O. J. McDiarmid	Mr. E. Symonds
Mr. H. Pollan	Mr. B. Walstedt

* Part only.

2. Japan

The Committee considered Memorandum SLC/O/341, "Japan - Kawasaki Steel Project," and

AGREED that

- (a) the project, subject to further checks of the estimated investment and operating costs and the market prospects for the high quality cold strip steel output, appeared to be reasonably justified except for the financial situation of the Company;
- (b) before making a loan, the Bank would have to be satisfied that the drastic reorganization of the Company on the lines indicated had been carried out;
- (c) effecting this reorganization to meet the Bank's standards would create difficulties and problems in Japan, e.g.:
 - (i) independent chartered accountants should be employed to establish the financial basis for the reorganization and to certify the execution of the financial plan;
 - (ii) the Bank's lawyers in Japan would have to be satisfied that the Bank's requirements had been fulfilled;
- (d) the costs involved under (c) would have to be borne by the borrower;
- (e) from the Bank's past experience, a far-reaching financial reorganization might delay the making of a loan for a year or more;

(f) the Government and the Company should be informed of the Bank's views of the difficulties involved; at the same time it should be pointed out that the Bank seriously questions whether it would be to the Company's interest to go through with what the Bank considered would be a protracted and costly operation.

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

STAFF LOAN COMMITTEE

SLC/M/625

Minutes of Staff Loan Committee Meeting held Tuesday, March 27, 1956 at
3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Sommers
Mr. S. R. Cope
Mr. J. B. Knapp
Mr. J. Rucinski

Mr. S. Aldewereld
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. R. W. Cavanaugh
Mr. K. Kapur, Acting Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. G. M. Alter
Mr. J. G. Beevor
Mr. M. L. Lejeune
Mr. S. Lipkowitz
Mr. L. Nurick
Mr. E. W. Rembert

Mr. R. B. J. Richards
Mr. H. B. Ripman
Mr. M. M. Rosen
Mr. E. Symonds
Mr. A. Wenzell

2. Protective Financial Covenants

The Committee considered Memorandum SLC/O/840, "Protective Financial Covenants", and

AGREED

- (a) with the Memorandum, subject to minor changes; and
- (b) that copies of the revised Memorandum should be circulated to the professional staff as an introduction to a talk to be given on the subject by Mr. Aldewereld at a future professional staff meeting.

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

STAFF LOAN COMMITTEE

SLC/M/626

Minutes of Staff Loan Committee Meeting held Wednesday, March 28, 1956
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner *
Mr. D. Sommers
Mr. J. B. Knapp
Mr. S. Aldewereld *
Mr. L. B. Rist

Mr. R. H. Demuth
Mr. B. H. Colquhoun
Mr. A. M. Kamarck
Mr. O. A. Schmidt
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. C. Allardice
Mr. J. G. Beevor
Mr. K. A. Bohr
Mr. S. Lipkowitz
Mr. E. W. Rembert

Mr. M. M. Rosen
Mr. E. Symonds
Mr. A. Wenzell
Mr. G. R. Young

* Part of meeting only.

2. Nuclear Power

The Committee considered Memorandum SLC/O/843, "Nuclear Power",
and

AGREED

- (a) with the suggestions, made, subject to minor changes in the Technical Operations Report;
- (b) that the following steps should be taken:
 - (i) the data in the report should be checked with official and private organizations involved in nuclear reactor design, construction and operation, both in the U.K. and the U.S.;
 - (ii) copies of the report, if necessary amended as the result of the discussions under (i) above, should then be presented to the Executive Directors, together with a memorandum regarding the project studies to be made.

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

STAFF LOAN COMMITTEE

SLC/M/627

Minutes of Staff Loan Committee Meeting held Monday, April 16, 1956 at
3:00 p.m. in Room 1005

I. Present:

Mr. R. L. Garner	Mr. A. Broches
Mr. W. A. B. Iliff *	Mr. O. A. Schmidt
Mr. S. R. Cope *	Mr. R. H. Dorr *
Mr. H. W. Riley *	Mr. M. M. Rosen *
Mr. R. H. Demuth *	Mr. G. M. Alter *
Mr. B. H. Colquhoun	Mr. H. G. A. Woolley, Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. J. G. Beevor	Mr. E. W. Rembert
Mr. R. W. Cavanaugh *	Mr. A. D. Spottswood
Mr. J. H. Collier	Mr. E. Symonds
Mr. A. M. Kamarck	Mr. V. Umbricht
Mr. F. M. Oppenheimer	

* Part only.

II. Austria

The Committee considered Memorandum SLC/O/844, "Austria - Proposed Loan," and

AGREED

- (1) with the conclusions and recommendations in paras. 30 and 31 of the Mission Report, subject to:
 - (a) further consideration and discussion during the loan negotiations of whether it might be more advantageous
 - (i) to speed up the Bank's disbursements for the Reisseck-Kreuzeck project to cover the present gap in the financing of that project than to reimburse the borrower for expenditures before the end of 1955 on the Ybbs-Persenbeug project;
 - (ii) to make two separate loan agreements for the Donaukraftwerke and Draukraftwerke projects, with the Verbundgesellschaft (V.G.) as co-borrower;
 - (b) a letter instead of a covenant being obtained to cover the Bank's requirement in clause (f) (ii) of para. 31;
 - (c) amendment of clause (f) (iv) of para. 31 to provide that the V.G. should obtain the Bank's agreement before undertaking, in the period 1956-60, any substantial capital expenditure not already included in its program;
- (2) that the Bank should inform the Government by cable that it considers a rate increase of 22% suitable and that it is ready to start negotiations on the proposed loan.

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

SLC/M/628

STAFF LOAN COMMITTEE

Minutes of Staff Loan Committee Meeting held Thursday, April 19, 1956
at 10:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner 1*/2/
Mr. S. R. Cope
Mr. J. B. Knapp
Mr. S. Aldewereld 1/
Mr. H. W. Riley
Mr. R. H. Demuth 1*/2/

Mr. B. H. Colquhoun 1*/2/
Mr. A. Broches 1/2*/2/
Mr. R. H. Dorr
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED
JUN 13 2014
WBG ARCHIVES

In attendance:

Mr. J. G. Beevor 1/
Mr. O. H. Calika 1/
Mr. R. E. Carlson 1*/2/
Mr. A. M. Kamarck
Mr. M. L. Lejeune 1/
Mr. M. Piccagli 1/
Mr. E. W. Rembert 1/

Mr. R. B. J. Richards 1/
Mr. G. L. Sandelin 1*/2/
Mr. O. A. Schmidt 1*/2/
Mr. H. N. Scott
Mr. E. Symonds 1*/2/
Mr. G. W. Trancart 1/
Mr. V. Umbricht

1/ Rhodesia & Nyasaland only. 2/ Chile only.
* Part only.

2. Federation of Rhodesia and Nyasaland

The Committee considered Memorandum SLC/O/845, "Federation of Rhodesia and Nyasaland - Proposed Loan for the Kariba Hydroelectric Project," and

AGREED

- (a) with the conclusions and recommendations made;
- (b) that the problem of international water rights, referred to in para. 28, should be discussed with the Executive Director for the United Kingdom, with a view to the Bank obtaining
 - (i) information on the action being taken by the United Kingdom about this matter; and
 - (ii) the recommendation of the United Kingdom of the manner in which the problem might best be resolved to meet the Bank's requirements.

3. Chile

The Committee also heard an oral report by Messrs. Schmidt and Carlson on the situation in Chile and their forthcoming mission.

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

STAFF LOAN COMMITTEE

SLC/M/629

Minutes of Staff Loan Committee Meeting held Friday, April 27, 1956
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff 1*/2*/
Mr. D. Sommers 1*/2/
Mr. S. R. Cope
Mr. J. B. Knapp
Mr. H. W. Riley

Mr. B. H. Colquhoun
Mr. R. H. Dorr
Mr. M. M. Rosen
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. A. Broches 1*/
Mr. E. E. Clark 1/
Mr. J. Fajans 2/
Mr. C. Finne
Mr. D. Groenveld 1/
Mr. M. M. Mendels 2*/
Mr. L. Nurick 1*/
Mr. F. M. Oppenheimer 2*/

Mr. E. W. Rembert 1/
Mr. M. Ross 1/
Mr. A. Stevenson 2/
Mr. V. Umbricht
Mr. M. M. Verheyen
Mr. S. P. Wheelock 1/
Mr. G. R. Young

* Part only.

1/ Italy only.
2/ Luxembourg only.

2. Italy

The Committee considered Memorandum SLC/O/850, "Italy - Additional Lending", and

AGREED

with the recommendations made.

3. Luxembourg

The Committee also considered Memorandum SLC/O/849, "Luxembourg - The Our Project", and

AGREED

with the conclusions and recommendations in paras. 11 and 12.

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

STAFF LOAN COMMITTEE

SLC/M/630

Minutes of Staff Loan Committee Meeting held Thursday, April 26, 1956
at 10:15 a.m. in Room 1005

1. Present:

Mr. R. L. Garner *
Mr. W. A. B. Iliff
Mr. S. R. Cope
Mr. J. B. Knapp *
Mr. H. W. Riley
Mr. B. W. Colquhoun

Mr. A. Broches
Mr. R. H. Dorr
Mr. M. M. Rosen
Mr. G. M. Alter
Mr. P. H. French
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED
JUN 13 2014
WBG ARCHIVES

In attendance:

Mr. A. Basch
Mr. R. G. Bateson
Mr. T. Finsaas
Mr. W. D. S. Fraser

Mr. J. F. Main
Mr. G. M. Street
Mr. E. Symonds

* Part only.

2. Burma

The Committee considered the proposed loans for the Port of Rangoon and the Railway Projects, and

APPROVED

the presentation of the proposed loans to the Executive Directors, subject to:

- (a) the inclusion of undertakings duly authorized by the Government re:
 - (i) the provision of funds;
 - (ii) the rate structure;
 - (iii) the treatment of the Board debt to the Government;as outlined in the draft letter from the Borrower confirming certain financial matters, as a condition of effectiveness in the Loan Agreement for the proposed Railway loan;
- (b) the insertion of a brief section on the economic situation in the President's Reports;
- (c) the inclusion of the side letters in the documents distributed to the Executive Directors; and
- (d) minor other changes in the documents.

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

SLC/M/631

STAFF LOAN COMMITTEE

Minutes of Staff Loan Committee Meeting held Thursday, May 17, 1956
at 10:35 a.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Sommers
Mr. S. R. Cope
Mr. J. B. Knapp
Mr. J. Rucinski

Mr. S. Aldewereld
Mr. B. H. Colquhoun
Mr. G. M. Alter
Mr. P. G. Ramm
Mr. P. H. French
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. H. N. Graves, Jr.
Mr. W. H. Howell

Mr. M. M. Mendels

2. Problem of Excessive Paper Work in Bank's Operations

The Committee considered the draft of the proposed memorandum to the professional staff on "The Problem of Excessive Paper Work in the Bank's Operations" and

AGREED that

- (a) after minor amendments had been made to the draft, the memorandum should be sent by Mr. Garner to Department Heads; and
- (b) Department Heads should explain to their staffs the objectives sought by Mr. Garner, and should be responsible for seeing that all concerned worked toward those objectives.

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

STAFF LOAN COMMITTEE

SLC/M/632

Minutes of Staff Loan Committee Meeting held Friday, May 11, 1956
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. W. A. B. Iliff
Mr. S. R. Cope
Mr. J. B. Knapp
Mr. J. Rucinski
Mr. H. W. Riley *

Mr. A. Broches
Mr. M. M. Rosen
Mr. G. M. Alter
Mr. K. Kapur, Acting Secretary

In attendance:

Mr. H. D. Auchincloss, Jr.
Mr. P. Bernard
Mr. J. Camacho
Mr. F. A. Consolo
Mr. E. Franco

Mr. G. B. Leib
Mr. P. A. Reid
Mr. B. P. Spiro
Mr. G. M. Street

* Part only.

2. Guatemala

The Committee considered Memorandum SLC/O/851, "Guatemala - Proposed Agricultural Loan", and

AGREED that

- (a) fulfillment of the conditions laid down in the recommendations of Section VII of the Technical Report (T.O. 111) would constitute an appropriate basis for proceeding with the proposed loan;
- (b) before negotiations were started, an undertaking on the points raised in para. 67 of T.O. 111, satisfactory to the Bank should be obtained from the Government in letter form;
- (c) this undertaking should also be included in the Loan Agreement;
- (d) during the execution of the project, the functions and management of the credit department of INFOP should be watched closely.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

SLC/M/633

Minutes of Staff Loan Committee Meeting held Thursday, May 17, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner	Mr. S. Aldewereld
Mr. W. A. B. Iliff	Mr. B. H. Colquhoun
Mr. D. Sommers	Mr. O. A. Schmidt
Mr. S. R. Cope	Mr. G. M. Alter
Mr. J. B. Knapp	Mr. P. G. Ramm
Mr. J. Rucinski	Mr. K. Kapur, Acting Secretary

In attendance:

Mr. A. Broches *	Mr. M. M. Mendels
Mr. J. Camacho	Miss V. Morsey
Mr. J. Hancock	Mr. G. L. Sandelin
Mr. W. Jahn	Mr. A. D. Spottswood
Mr. H. W. Larsen	Mr. A. Waterston

* Part only.

2. Colombia

The Committee considered Memorandum SLC/O/852, "Colombia - Preliminary Report on a Project for Extension of the Electric Facilities of the Bogota Power Company" and

AGREED

with the recommendations made in para. 2 of the Memorandum.

3. Uruguay

The Committee heard an oral report by Mr. Larsen on his recent mission to Uruguay, and

AGREED

that present economic conditions and prospects enabled the Bank to proceed with the Baygorria and livestock loan proposals.

4. The meeting adjourned at 5:10 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 12 2014
SLC/M/634

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Thursday, May 24, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner	Mr. S. Aldewereld
Mr. D. Sommers *	Mr. H. W. Riley
Mr. S. R. Cope	Mr. B. H. Colquhoun
Mr. J. B. Knapp *	Mr. G. M. Alter
Mr. J. Rucinski	Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. A. Basch	Mr. G. N. Perry
Mr. A. Broches	Mr. E. W. Rembert
Mr. E. E. Clark	Mr. H. B. Ripman
Mr. B. A. de Vries	Mr. L. Svoboda *
Mr. W. D. S. Fraser	Mr. E. Symonds

* Part only.

2. India

The Committee considered Memorandum SLC/O/853, "India - Preliminary Report of a Project for Expansion of Tata Iron and Steel Co. Ltd." and

AGREED

generally with the recommendations made in the Memorandum and the attached Project Report, subject to:

- (a) the Bank obtaining the strongest assurances that can reasonably be expected from the Company, that it will be able to raise the funds necessary to cover the gap referred to in para. 2(a) of the Memorandum;
- (b) a commitment being obtained from the Borrower, before the proposed loan is signed, that the prior mortgage (referred to in para. 2(b)(ii) of the Memorandum) will be subordinated to the Bank's loan, but that fulfillment of this commitment should not be made a condition of effectiveness of the proposed loan;
- (c) the evidence referred to in para. 2(c) of the Memorandum being obtained before the proposed loan is signed;
- (d) the substitution, for the representation suggested in para. 47 of the Project Report, of a provision to prevent the payment of dividends from reducing the amount of surplus on a given date;
- (e) minor changes in the Project Report.

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

STAFF LOAN COMMITTEE

Minutes of Staff Loan Committee Meeting held Thursday, June 14, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff
Mr. D. Sommers
Mr. S. R. Cope
Mr. J. Rucinski 1/ 2*/
Mr. S. Aldewereld
Mr. L. B. Rist

Mr. R. H. Demuth
Mr. B. H. Colquhoun
Mr. O. A. Schmidt
Mr. P. G. Ramm
Mr. K. Kapur, Acting Secretary

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JUN 13 2014
WBG ARCHIVES

In attendance:

Mr. P. Acheson 2/
Mr. G. M. Alter
Mr. H. E. Bachem 1/
Mr. J. G. Beevor
Mr. A. Broches
Mr. I. P. G. Cargill 1/
Mr. J. Camacho
Mr. R. E. Carlson 2/
Mr. J. C. Evans, Jr.

Mr. D. Fontein
Mr. O. J. McDiarmid 1/
Mr. N. M. McKitterick
Mr. J. C. Mehaffey 1/
Miss V. Morsey
Mr. E. W. Rembert
Mr. A. Saitzoff 1/
Mr. G. L. Sandelin 2/
Mr. G. M. Street

* Part only.

1/ Thailand only.
2/ Chile only.

2. Thailand - Yanhee

The Committee considered Memorandum SLC/O/857, "Thailand - The Yanhee Hydroelectric Power Project" and

AGREED

(a) with the conclusions and recommendations in paras. 13 and 14 of the Memorandum;

RECOMMENDED

(b) that, subject to the Government's agreement with the proposed procedure, Mr. Gilmartin should be asked to make the study referred to in para. 14, clause (2).

3. Thailand - Port Project

The Committee heard an oral statement on the proposed port project by the Area Department, and

AGREED that

- (a) while it would be useful to have a survey and model studies of the approach channels to the Port of Bangkok, the Bank should not insist on having, as a prerequisite for the proposed loan, an undertaking that these would be made;
- (b) the Bank should reimburse the borrower for the full amount of expenditures made since July 1954 for the two dredges from the Netherlands;
- (c) as the borrower had made dollar payments on account of these dredges and reimbursement in guilders out of the Netherlands 18% capital subscription would be of little use to the borrower if the guilders were not convertible, the Bank should continue to pursue with the Netherlands Government the possibility of permitting the conversion of the guilders into sterling or dollars for this purpose, and that, if the Netherlands Government did not agree to the conversion, the borrower should be reimbursed in dollars.

4. Chile

The Committee considered the conclusions and recommendations in Section IV of Report W.H. 47, "Mission to Chile" and

AGREED

with the conclusions and recommendations made.

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

STAFF LOAN COMMITTEE

SLC/M/636

Minutes of Staff Loan Committee Meeting held Tuesday, June 26, 1956
at 3:30 p.m. in Room 1005

UNCLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner	Mr. R. H. Demuth
Mr. D. Sommers *	Mr. B. H. Colquhoun
Mr. S. R. Cope	Mr. O. A. Schmidt
Mr. S. Aldewereld	Mr. G. N. Perry
Mr. L. B. Rist	Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. C. Mehaffey	Mr. E. Symonds
Mr. F. M. Oppenheimer	

* Part only.

2. Consultants and Contracting Procedures

The Committee considered Memorandum SLC/O/353, "Consultants and Contracting Procedures" and

AGREED

- (a) generally with the attached draft on the policies concerning the employment of consultants, subject to:
 - (i) the inclusion of a paragraph to the effect that the Bank, in accordance with good established practice elsewhere, believes the use of consulting engineers to be desirable in most cases and will insist on their employment unless they are not needed because of particular facilities available to the borrower;
 - (ii) the deletion of Section IV;
 - (iii) other minor changes;
- (b) that the draft, after having been so amended, should be issued in the printed series of Operational Memoranda;
- (c) that it might be desirable to communicate the information in the Operational Memorandum to the Executive Directors and that the decision whether this should be done would be made after the Operational Memorandum had been prepared.

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

STAFF LOAN COMMITTEE

DECLASSIFIED SLC/A/637

Minutes of Staff Loan Committee Meeting held Monday, July 16, 1956
at 3:00 p.m. in Room 1005

UN 13 2014
WBG ARCHIVES

1. Present:

- | | |
|-------------------------------|---------------------------------|
| Mr. R. L. Garner | Mr. H. W. Riley |
| Mr. W. A. B. Iliff | Mr. R. H. Demuth <u>1*/2/</u> |
| Mr. S. R. Cope <u>1*/2*/</u> | Mr. G. N. Perry |
| Mr. J. B. Knapp <u>1*/2*/</u> | Mr. M. M. Rosen |
| Mr. L. B. Rist <u>1*/2/</u> | Mr. R. B. J. Richards |
| | Mr. H. G. A. Woolley, Secretary |

In attendance:

- | | |
|-----------------------------|--------------------------------|
| Mr. J. G. Beevor <u>1*/</u> | Mr. B. B. King <u>2*/</u> |
| Mr. O. H. Calika <u>1/</u> | Mr. M. L. Lejeune <u>1/</u> |
| Mr. J. Connors <u>2/</u> | Mr. S. Lipkowitz <u>1/</u> |
| Mr. R. H. Dorr | Mr. J. C. Mehaffey |
| Mr. J. C. Evans <u>1*/</u> | Miss V. Morsey <u>2/</u> |
| Mr. A. M. Kamarck <u>1/</u> | Mr. G. M. Street <u>1*/ 2/</u> |

- 1/ Australia only.
- 2/ Japan only.

* Part only of starred item.

2. Australia

The Committee considered Memorandum SLC/O/861, "Further Lending to Australia," dated July 12, 1956, and

AGREED

- (a) with recommendations (a), (b), (c) and (f) in para. 20 of the Memorandum;
- (b) that
 - (i) a reappraisal of Australia's economy and prospects would have to be made before the Bank could decide whether it should lend further;
 - (ii) any question of lending foreign exchange for local expenditure on projects should be held in abeyance;
 - (iii) a paper setting out the considerations in lending further to Australia and reflecting the need for caution should be prepared by the Area Department to show to the Australian authorities.

3. Japan

The Committee considered the procedures outlined in Memorandum SLC/O/859, for the proposed loan to the Agricultural Land Mechanized Development Public Corporation, and

RECOMMENDED that

in view of the circumstances of this particular case, the procedures proposed should be followed; and

AGREED that

any similar cases in the future should be considered on their merits.

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

STAFF LOAN COMMITTEE

SLC/M/638

Minutes of Staff Loan Committee Meeting held Friday, July 20, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. A. Broches

Mr. V. Umbricht
Mr. G. N. Perry
Mr. J. C. Mehaffey
Mr. G. M. Street
Mr. K. Kapur, Acting Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. I. P. Cargill
Mr. P. H. French
Mr. F. M. Oppenheimer

Mr. A. Saitzoff
Mr. O. A. Schmidt
Mr. E. Symonds

2. Thailand

The Committee considered Memorandum SLC/O/862, "Proposal for Survey Mission to Thailand," and

AGREED that

- (a) a survey of the economy of Thailand was desirable;
- (b) the Bank should be prepared to cooperate in making the necessary arrangements;
- (c) the proposal to set up a joint commission should not be pursued, because, whatever advantages it might have, they would not outweigh the disadvantage that the Bank mission would not in this case be able to write an independent report;
- (d) the sending of a survey mission should be conditional on the setting up by the Thais of a group, satisfactory to the Bank, to work with the mission during its stay in Thailand;

RECOMMENDED that

- (e) Mr. Gilmartin should conduct the exploratory talks, referred to in para. 11 (d) of the Memorandum, instead of sending a mission for that purpose;
- (f) further discussions might be held with the Thai representatives at the Annual Meeting.

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

STAFF LOAN COMMITTEE

SLC/M/639

Minutes of Staff Loan Committee Meeting held Friday, August 3, 1956
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. J. B. Knapp (Chairman)
Mr. O. A. Schmidt *
Mr. A. Broches
Mr. L. B. Rist
Mr. H. W. Riley

Mr. V. Umbricht
Mr. G. N. Perry
Mr. M. M. Rosen
Mr. P. H. French
Mr. H. G. A. Woolley (Secretary)

In attendance:

Mr. D. Sommers *
Mr. M. M. Mendels *
Mr. G. R. Young
Mr. J. C. Antoine
Mr. D. Avramovic
Mr. G. H. Bacon
Mr. J. C. de Wilde
Mr. W. D. S. Fraser
Mr. A. M. Kamarck

Mr. B. B. King *
Mr. H. W. Larsen
Mr. T. H. McKittrick
Mr. H. N. Scott
Mr. G. M. Street
Mr. M. Van der Mel
Mr. E. P. Wright

* Part only.

2. India - Economic Mission

The Committee

- (a) heard an oral report by Mr. McKittrick (head of Mission);
- (b) gave preliminary consideration to the draft summary report of the mission; and

RECOMMENDED that

- (i) the Staff Economic Committee should review the full report of the mission as soon as possible, holding its first meeting on the subject on August 9;
- (ii) a further meeting of the Staff Loan Committee should be called for August 15 to continue consideration of the mission report and to recommend action to be taken on it.

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

STAFF LOAN COMMITTEE

SLC/M/640

Minutes of Staff Loan Committee Meeting held Tuesday, August 21, 1956 at
3:00 p.m. in Room 1005

1. Present:

DECLASSIFIED

Mr. J. B. Knapp (Chairman)
Mr. A. Broches *
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. V. Umbricht

Mr. F. A. Consolo
Mr. G. N. Perry
Mr. M. M. Rosen *
Mr. H. G. A. Woolley (Secretary)

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. D. Sommers
Mr. M. M. Mendels *
Mr. W. F. Howell *
Mr. A. K. Cairncross
Mr. G. M. Alter *

Mr. G. R. Young *
Mr. J. H. Adler
Mr. W. Diamond
Mr. K. S. Krishnaswamy
Mr. S. Lipkowitz

* Part only.

2. Economic Development Institute

The Committee considered the draft report dated July 11, 1956, analyzing the experience of the Institute during the first course, and documents pertaining to the plans for the second course, and

NOTED

- (a) ~~the revised~~ curriculum proposed for the second course;

AGREED that

- (b) more encouragement might be given to appropriate Bank staff members to attend the discussions during future courses;
- (c) subject to candidates with suitable qualifications being available, 25 should be considered the optimum number of participants;
- (d) while the strongest endeavors should be made to obtain and priority should continue to be given to qualified candidates from underdeveloped countries, consideration might be given to the inclusion in future courses of two or three suitably qualified staff members of the Bank, in cases in which it was considered that their participation would be of benefit to the Bank. Because of their knowledge and previous experience, these candidates might possibly only attend for a month or two during a selected part of the course which might be most beneficial to them. Staff members who had expressed interest in

attending the course should be considered first and Mr. Howell would consult with the appropriate Heads of Department to obtain names of those who might be available for consideration by the selection committee;

- (e) in order to assist in obtaining suitably qualified candidates from the underdeveloped countries:
 - (i) special recruiting missions by a Bank representative, similar to that made by Mr. Moffat to the Middle East last spring, would be desirable;
 - (ii) in appropriate cases, Heads of Missions to areas abroad would be briefed before their departure so that they would include the nomination of participants to EDI in their agenda for discussion during their visits;
 - (iii) advantage should be taken of the presence in Washington of delegates to the Annual Meeting to draw their attention to the courses offered at EDI;
- (f) the next two courses should each be for a six-month period although, if the Institute continued further, it might later be desirable to experiment with a four-month course;
- (g) the report on the first course should be edited and adapted for distribution to the Executive Directors and to the participating Foundations. For this purpose it should be somewhat shorter and should give due weight to the favorable aspects of the course as well as to the criticisms and the changes that were being made for the second course.

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

STAFF LOAN COMMITTEE

SLC/M/641

Minutes of Staff Loan Committee Meeting held Wednesday, August 15, 1956
at 3:00 p.m. and Thursday, August 16, 1956 at 10:15 a.m. in Room 1005

JUN 13 2014

1. Present:

Mr. J. B. Knapp (Chairman)
Mr. O. A. Schmidt 1/ 2*/
Mr. L. B. Rist
Mr. H. W. Riley 1*/ 2*/
Mr. R. H. Demuth 1*/

Mr. V. Umbricht **WBG ARCHIVES**
Mr. G. N. Perry
Mr. M. M. Rosen 1/ 2*/
Mr. E. E. Clark 1/
Mr. H. G. A. Woolley (Secretary)

In attendance:

Mr. Eugene R. Black 1/ 2*/
Mr. D. Sommers 2*/
Mr. H. N. Graves 1/
Mr. A. K. Cairncross 2*/
Mr. G. M. Alter
Mr. J. C. Antoine
Mr. D. Avramovic
Mr. G. H. Bacon (consultant)
Mr. J. C. de Wilde
Mr. W. D. S. Fraser

Mr. B. B. King
Mr. H. W. Larsen
Mr. S. Lipkowitz
Mr. T. H. McKittrick (consultant)
Mr. T. M. Noone 2/
Mr. H. N. Scott
Mr. G. M. Street
Mr. M. Van der Mel
Mr. E. D. Wright

* Part only.

1/ First session.
2/ Second session.

2. India - Economic Mission Report

The Committee continued its consideration of the Report of the Mission,
and

RECOMMENDED that

a letter to the Prime Minister from Mr. Black should be drafted by the Area
Department along the following lines:

- (a) the mission had returned and had made its report;
- (b) the Bank's management recommended to the attention of the Indian authorities the observations made by the mission in the field;
- (c) enumerating the points which the management considered required particular emphasis;
- (d) the Bank already had a large stake in India but felt that the strength of the Indian economy justified substantial additional external borrowing;
- (e) the Bank's willingness to participate on a substantial scale and on a continuing basis was dependent, at least in part, on whether the expectations of foreign aid are realized, or alternately adjustments are made in the development program;

- (f) commenting on policies of the Government necessary for the success of the Plan and noting that the pace and scale of the Bank's lending would have to be guided by the degree to which these policies were followed;
- (g) the Bank was prepared to commence forthwith the consideration of loan projects, with the field of transport being suggested for priority action;
- (h) it was highly desirable that the present relationship of mutual confidence between the Government and the Bank should be continued and that there should be free consultation and discussion between them of the economic and financial problems as the Plan developed;
- (j) consultation should include India's borrowing from other sources which would have to be reviewed by the Bank and taken into consideration from time to time as its lending operations developed;

AGREED that

- (k) the economic report, after suitable editing, might be sent to the Government and copies distributed to the Executive Directors;
- (l) the Area Department and the Department of Technical Operations should consider how the Bank might best schedule its reviews of:
 - (i) India's creditworthiness;
 - (ii) the progress of its lending operations in India.

3. The meeting adjourned at 5:00 p.m., reconvened at 10:15 a.m. on August 16, 1956 and adjourned at 12:25 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 13 2014

SLC/N/642
WBG

Minutes of Staff Loan Committee Meeting held Thursday, September 6, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp (Chairman)	Mr. G. N. Perry
Mr. S. R. Cope	Mr. G. M. Alter
Mr. O. A. Schmidt	Mr. P. G. Ramm *
Mr. S. Aldewereld	Miss V. Morsey *
Mr. R. H. Demuth	Mr. H. G. A. Woolley (Secretary)

In attendance:

Mr. D. Sommers *	Mr. Robert Skillings
Mr. G. R. Young	Mr. A. Stevenson
Mr. V. A. Christensen	Mr. L. Svoboda *
Mr. B. B. King	Mr. M. F. Verheyen
Mr. N. J. Paterson	

* Part only.

2. Iceland

The Committee considered the conclusions and recommendations in paras. 39 to 42 of Report No. E.A. 63, "Iceland - Mission Report" and

AGREED

- (a) with the conclusions and recommendations made;
- (b) that the proposed letter should make it clear that the Bank would wish to discuss in general terms their investment intentions over the next year or so and to be informed regarding their plans for financing these investments, especially insofar as this might involve borrowing abroad.

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

STAFF LOAN COMMITTEE

DECLASSIFIED
SLC/M/643
JUN 13 2014

Minutes of Staff Loan Committee Meeting held Monday, September 18, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt *
Mr. J. Rucinski *
Mr. S. Aldewereld *

Mr. R. H. Demuth *
Mr. G. M. Alter
Mr. P. G. Ramm
Mr. D. Fontein *
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Eugene R. Black *
Mr. W. A. B. Iliff *
Mr. D. Sommers *
Mr. V. Umbricht
Mr. F. A. Consolo *
Mr. G. N. Perry
Mr. M. M. Rosen

Mr. G. R. Young *
Mr. O. H. Calika
Mr. M. L. Lejeune
Mr. S. Lipkowitz *
Mr. J. F. Main
Mr. G. M. Street *
Mr. H. van Helden *

* Part only.

2. Australia

The Committee heard an oral report by Mr. Kamarck on the economic mission to Australia, and considered the position to be taken by the Bank in forthcoming discussions with Australian representatives; and

NOTED

that the findings of the economic mission:

- (a) confirmed that Australia was creditworthy for further loans;
- (b) indicated that a project approach was feasible; and

AGREED

- (c) that the question of whether to continue lending on the present basis or to change to lending only for projects depended largely upon whether the Bank contemplated a series of loans in the future or merely one more loan at this particular time;
- (d) that this question should be discussed further with Mr. Black.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 1984

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Wednesday, September 19, 1956 at 2:30 p.m. in Room 1122 and Thursday, September 20, 1956 at 4:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman <u>1*/</u> <u>2/</u>	Mr. A. Broches <u>1*/</u> <u>2/</u>
Mr. S. R. Cope <u>1*/</u> <u>2*/</u>	Mr. R. H. Demuth <u>1*/</u> <u>2/</u>
Mr. O. A. Schmidt <u>1/</u>	Mr. G. M. Alter
Mr. J. Bucinski <u>1*/</u> <u>2/</u>	Mr. P. G. Ramm
Mr. S. Aldewereld	Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Eugene R. Black <u>1*/</u> <u>2/</u>	Mr. D. Groenveld
Mr. W. A. B. Iliff <u>1*/</u> <u>2/</u>	Mr. F. Hoskins
Mr. D. Sommers <u>1*/</u> <u>2/</u>	Mr. A. M. Kamarck <u>1/</u>
Mr. H. N. Graves <u>1*/</u>	Mr. S. Lipkowitz <u>2/</u>
Mr. G. N. Perry	Mr. O. J. McDiarmid
Mr. M. M. Rosen	Mr. G. M. Street
Mr. E. E. Clark <u>2/</u>	Mr. H. van Helden
Mr. V. A. Christenson	Mr. A. Wubnig
Mr. C. Finne	

* Part only.

1/ First session.
2/ Second session.

2. Iran

The Committee heard an oral report by the mission to Iran and considered the position to be taken by the Bank in the forthcoming discussions with Iranian representatives; and

AGREED that

- (a) the upper limit of the proposed credit should not exceed \$75 million;
- (b) the limit of \$75 million would be reduced to the extent that Iran proposed to draw on a contemplated credit from the European bankers' group;
- (c) it would be necessary to obtain an understanding, satisfactory to the Bank, limiting the rate of disbursement of the Plan Organization;
- (d) the credit, if made, would probably be in dollars;
- (e) it was desirable that, as far as possible, in this particular case, the proposed credit should not identify the Bank with any specific projects;

- (f) Mr. Ebtehaj should be left to complete his negotiations with the Eximbank about Eximbank's security position but, if the Eximbank maintained its position, this should not be considered as a barrier to the proposed Bank credit;
 - (g) a brief outline of the Bank's views should be communicated informally to Mr. Prud'homme for the information of Mr. Ebtehaj.
3. The meeting adjourned at 4:20 p.m. on September 19, reconvened at 4:00 p.m. on September 20 and adjourned at 5:50 p.m.

STAFF LOAN COMMITTEE

SLC/M/645
DECLASSIFIED

JUN 13 2014

Minutes of Staff Loan Committee Meeting held Friday, September 21, 1956
at 11:00 a.m. in Room 1005

WBG ARCHIVES

1. Present:

Mr. J. B. Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. J. Rucinski
Mr. S. Aldewereld

Mr. A. Broches *
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. D. Sommers
Mr. P. H. French
Mr. H. E. Bachem
Mr. I. P. M. Cargill
Mr. W. Diamond
Mr. D. Fontein

Mr. W. M. Gilmartin
Mr. E. W. Rembert
Mr. R. Sadove
Mr. A. Saitzoff
Mr. G. M. Street

* Part only.

2. Thailand

The Committee considered Memorandum SLC/O/867, "Thailand - The Yankee Hydroelectric Power Project," and

AGREED

that, after review of Mr. Gilmartin's report by the Staff Economic Committee, a further meeting should be called to consider the Bank's position.

3. The meeting adjourned at 12:10 p.m., reconvened at 3:00 p.m. and adjourned at 3:15 p.m.

STAFF LOAN COMMITTEE

SLC/M/646

Minutes of Staff Loan Committee Meeting held Friday, September 21, 1956
at 3:15 p.m. in Room 1005

1. Present:

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

Mr. J. B. Knapp, Chairman
Mr. S. R. Cope
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. A. Broches

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. V. Umbricht
Mr. G. N. Perry
Mr. G. M. Alter
Mr. P. H. French
Mr. T. V. Andersen
Mr. H. E. Bachem
Mr. L. Baranyai
Mr. I. P. M. Cargill

Mr. D. Fontein
Mr. W. M. Gilmartin
Mr. O. J. McDiarmid
Mr. J. F. Main
Mr. A. E. Matter
Mr. G. M. Street
Mr. H. van Helden
Mr. C. W. Wang

2. Ethiopia

The Committee heard an oral report by the mission to Ethiopia; and

AGREED

- (a) generally with the sense of the conclusions and recommendations made by the mission;
- (b) that the Ethiopian delegation to the Annual Meeting should be informed that:
 - (i) the Bank was prepared to consider participation to the extent of \$15-\$20 million in a highway program and to send a technical mission to prepare a suitable program with the Imperial Highway Authority;
 - (ii) Ethiopia's creditworthiness would also permit the Bank to consider the proposed Assab Port project; and that the Bank would first wish to send a mission to examine the economic justifications of the project;
- (c) that no action should be taken on the proposed expansion of the tele-communications system until the new General Manager had reviewed the position and prepared a project covering future requirements.

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

STAFF LOAN COMMITTEE

SLC/M/647

Minutes of Staff Loan Committee Meeting held Tuesday, October 2, 1956 at
3:00 p.m. in Room 1005

1. Present:

DECLASSIFIED

Mr. J. B. Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt 1*/ 2/
Mr. J. Rucinski 1/ 2*/
Mr. S. Aldewereld

Mr. A. Broches 1/ JUN 13 2014
Mr. L. B. Rist
Mr. H. W. Riley WBG ARCHIVES
Mr. R. H. Demuth
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. D. Sommers
Mr. V. Umbricht 1/
Mr. G. N. Perry 1*/ 2/
Mr. M. M. Rosen
Mr. E. E. Clark
Mr. G. M. Alter 1/
Mr. P. H. French 2*/
Mr. W. J. Armstrong 1/
Mr. H. E. Bachem 2/
Mr. R. G. Bateson 1/
Mr. I. P. M. Cargill 2/
Mr. B. Chadenet 1/

Mr. D. Fontein 2/
Mr. W. M. Gilmartin 2/
Mr. D. Groenveld 1/
Mr. P. Kanters 1/
Mr. G. Lefort 1/
Mr. J. D. Miller 1/
Mr. E. W. Rembert 1/ 2*/
Mr. M. Ross 1/
Mr. R. Sadove 1/
Mr. G. M. Street 2/
Mr. M. F. Verheyen 1/
Mr. S. P. Wheelock 1/

1/ Italy only.
2/ Thailand only.

* Part only.

2. Italy

The Committee considered the proposed loan to the Cassa per il Mezzogiorno, and

APPROVED

the presentation of the proposed loan to the Executive Directors at their next regular meeting, subject to:

- (a) the inclusion in the President's Report of a statement in general terms about procurement under the proposed loan;
- (b) minor other changes in the loan documents.

3. Thailand

The Committee considered the proposed General Survey Mission to Thailand, and

AGREED that

(a) the Thai Government should be informed that:

(i) in principle, the Bank is prepared to undertake the organization of a small resident mission of about a year's duration to formulate recommendations for a development program;

(ii) it is understood that a suitable Thai group would be set up to cooperate with the mission and to provide the nucleus of a planning organization which would implement the mission's recommendations;

(iii) the Bank would endeavor to select a suitable head for the mission so that he could arrive in Thailand early in 1957 to review the mission's requirements and arrive at definite decisions about next steps, including establishing relationships with the various technical assistance missions already working in the country;

(b) Mr. Gilmartin, on his return to Thailand as the Bank's resident representative, should offer to aid the Government in forming the Thai group and in its preparation of data for the mission.

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

STAFF LOAN COMMITTEE

SLC/M/648

Minutes of Staff Loan Committee Meeting held Wednesday, October 3, 1956
at 3:00 p.m. in Room 1005

1. Present:

DECLASSIFIED

Mr. J. B. Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt *
Mr. J. Rucinski
Mr. S. Aldewereld

Mr. A. Broches
Mr. L. B. Rist
Mr. H. W. Riley *
Mr. P. H. French
Mr. H. G. A. Woolley, Secretary

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. D. Sommers
Mr. G. N. Perry
Mr. M. M. Rosen
Mr. G. M. Alter
Mr. H. E. Bachem
Mr. I. P. M. Cargill

Mr. D. Fontein *
Mr. W. M. Gilmartin
Mr. A. M. Kamarck
Mr. J. McDiarmid
Mr. R. Sadove
Mr. A. Saitzoff

* Part only.

2. Thailand

The Committee considered Memorandum SLC/O/867, "Thailand - The Yankee Hydroelectric Power Project", and

AGREED

- (a) with the recommendation made in para. 4;
- (b) that, in accordance with normal practice, the mission should also examine the merits of the alternative and/or supplementary development of thermal power;
- (c) that it should be made clear to the Government that the Bank would be unable to determine the economic justification of the project until this mission had made its report.

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

STAFF LOAN COMMITTEE

SLC/M/649

Minutes of Staff Loan Committee Meeting held on Thursday, October 11, 1956
at 2:30 p.m. in Room 610

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. J. B. Knapp, Chairman 1/ 2*/
Mr. J. Rucinski
Mr. S. R. Cope 1*/ 2*/
Mr. O. A. Schmidt
Mr. S. Aldewereld 1/ 2*/

Mr. A. Broches
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth 1/ 2*/
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff 1*/ 2*/
Mr. D. Sommers 2*/
Mr. M. M. Mendels 2*/
Mr. G. N. Perry
Mr. J. C. Antoine 2/
Mr. A. Basch
Mr. V. E. Bolis 2/
Mr. O. H. Folk 2/

Mr. D. Fontein 2/
Mr. W. D. S. Fraser
Mr. R. J. Goodman
Mr. S. Lipkowitz 1*/
Mr. R. B. J. Richards
Mr. H. B. Ripman 1/
Mr. P. A. Wright

* Part only.

1/ India only.
2/ Afghanistan only.

2. India

The Committee considered Memorandum SLC/O/872, "India - IISCO Expansion Project" and

AGREED

with the conclusions and recommendations contained in para. 7, subject to:

- (a) (i) deletion of para. 80 in the Technical Report;
- (ii) modification of para. 81 so that the loan, if made, would not become effective until an amount of the proposed issue of ordinary shares, agreed by the Bank during the negotiations as necessary to finance anticipated needs, had been floated successfully;
- (iii) an addition to para. 82 to indicate that the economic benefits of the investment accruing to the Indian economy would be substantially greater than the probable financial returns; and
- (iv) minor other changes in the Technical Report;
- (b) the omission of the proposed protective arrangements from the invitation to the company to send negotiators.

3. Afghanistan

The Committee heard an oral report by Mr. Basch on the recent mission to Afghanistan; and

AGREED that

a brief draft memorandum on the mission's principal observations and the Bank's position should be prepared for consideration by the management so that it could be handed to and discussed with Mr. Malik on his return to Washington.

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

STAFF LOAN COMMITTEE

SLC/M/650

Minutes of Staff Loan Committee Meeting held on Wednesday, October 17, 1956
at 2:30 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. S. Aldewereld
Mr. A. Broches

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. F. A. Consolo
Mr. H. G. A. Woolley, Secretary

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WBG ARCHIVES

In attendance:

Mr. W. A. B. Iliff
Mr. D. Sommers
Mr. G. N. Perry
Mr. M. M. Rosen
Mr. G. R. Young
Mr. A. Basch
Mr. J. L. Blondeel

Mr. O. H. Calika
Mr. M. L. Lejeune
Mr. R. B. J. Richards
Mr. G. M. Street
Mr. A. Wenzell
Mr. A. Wubnig

2. Australia

The Committee considered the nature and form of possible participation by the Bank in the financing of the purchase of aircraft for Qantas Empire Airways, and

NOTING that

the financing as contemplated would be led and mainly undertaken by banks and private investors and that the Bank, with the end of facilitating the transaction, would be taking only a minority participation,

RECOMMENDED that

- (a) the Bank, without departing from its general principles, should in this case bring the terms of its lending as closely as possible into line with the terms envisaged by the market;
- (b) in keeping with the above:
 - (i) the Bank should lend direct to the Commonwealth;
 - (ii) no project agreement with Qantas would be required;
 - (iii) special covenants on project matters, including procurement, might be modified or eliminated to meet the special case;
 - (iv) a brief report on Qantas Empire Airways and its operations and prospects should be prepared for the Executive Directors, but no field investigation should be necessary;

- (v) assurance should be obtained on the financing of the total cost of the project;

and AGREED that

- (c) the Working Party should put forward recommendations on the application of the above general principles to particular aspects of the transaction and loan documents;
 - (d) any proposals made by other member countries for similar operations for the financing of aircraft should be considered on their merits.
3. The meeting adjourned at 4:00 p.m.

STAFF LOAN COMMITTEE

SLC/M/651

Minutes of Staff Loan Committee Meeting held on Tuesday, October 23, 1956
at 11:15 a.m. in Room 1005

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WEST ARCHIVES

A. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt 1*/2*/
Mr. S. Aldewereld 1*/

Mr. A. Broches 1*/
Mr. L. B. Rist 1*/2*/
Mr. H. W. Riley
Mr. R. H. Demuth 1*/
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff
Mr. D. Sommers 1*/2*/
Mr. G. N. Perry 1*/2*/
Mr. M. M. Rosen 1*/2*/
Mr. E. E. Clark

Mr. R. G. Bateson 1*/2*/
Mr. R. W. Cavanaugh
Mr. O. H. Folk
Mr. G. Keep 1*/2*/
Mr. O. J. McDiarmid

B. Iran

The Committee considered the proposed loan to Iran, and

AGREED

- (1) with the draft Loan Agreement and the draft letters (including the draft letter from the Government of Iran to the Bank distributed at the meeting), subject to:
 - (a) the method of implementation of the provision in the last sentence of Sec. 4.01 of the Loan Agreement being evidenced by a side letter before the loan is signed;
 - (b) Mr. Ebtehaj being given the choice of whether the amortization schedule should be on the basis of level payments of principal and interest combined, or of equal payments of principal plus interest;
 - (c) the drawing on the Fund of \$5 million in September 1956 not being treated as a receipt which would diminish the gap to be financed by the Bank;
 - (d) the Plan expenditure ceilings in Sec. 6.02 being expressed in U.S. dollars and not in rials;
 - (e) the undertaking in Sec. 6.03 being redrafted so that the restriction would also be applicable to Government borrowing for the purposes of the Plan;

1/ First session only.
2/ Second session only.
* Part only.

(f) as regards Schedule 2,

(i) Sec. 4.01 of Loan Regulations No. 3 not being deleted but being amended by the deletion of the first sentence and Clauses (a) and (b) of the second sentence;

(ii) deletion of sub-para. (f);

(g) minor other changes in the draft Loan Agreement and draft letters;

- (2) that a revised draft of the Loan Agreement should be prepared as quickly as possible for delivery to Mr. Eftehaj p.m. on October 23 and discussion with him on October 24;
- (3) that revised drafts of the proposed letters should be prepared as soon as possible, after completion of the revised draft of the Loan Agreement, for presentation to and discussion with Mr. Eftehaj.

C. The meeting adjourned at 1:00 p.m., reconvened at 2:15 p.m. and adjourned at 3:25 p.m.

STAFF LOAN COMMITTEE

JSLC/M/652

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on Tuesday, November 13, 1956
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. S. R. Cope *
Mr. S. Aldewereld
Mr. A. Broches
Mr. L. B. Rist *

Mr. H. W. Riley
Mr. R. H. Demuth *
Mr. G. N. Perry
Mr. H. W. Larsen
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. Fajans
Mr. T. Finsaas
Mr. L. Kephart
Mr. James F. Main

Mr. F. M. Oppenheimer
Mr. A. Stevenson
Mr. E. Symonds
Mr. M. F. Verheyen

* Part only.

2. Ruanda-Urundi

The Committee heard an oral report by members of the recent mission to Ruanda-Urundi.

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

STAFF LOAN COMMITTEE

SLC/M/653

Minutes of Staff Loan Committee Meeting held on Tuesday, December 4, 1956
at 10:00 a.m. in Room 1005

1. Present:

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Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. A. Broches
Mr. L. B. Rist

Mr. H. W. Riley
Mr. V. Umbricht
Mr. F. A. Consol
Mr. H. G. A. Woolley, Secretary

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WBG ARCHIVES

In attendance:

Mr. W. A. B. Iliff *
Mr. D. Sommers *
Mr. G. N. Perry
Mr. G. M. Alter
Mr. W. J. Armstrong
Mr. R. H. Dorr

Mr. R. J. Goodman
Mr. D. W. Jeffries
Mr. R. B. J. Richards
Mr. E. Symonds
Mr. B. Walstedt
Mr. A. Wenzell

* Part only.

2. Japan - Kawasaki Steel Project

The Committee considered Memorandum SIC/O/877 and the draft President's Report and Recommendations on the proposed loan to the Japan Development Bank for the Kawasaki Steel Project, and

AGREED

- (a) with the President's Report, subject to minor changes;
- (b) with the Area Department recommendation that the underlying agreements necessary to implement the financial plan should not be distributed with the other loan documents to the Executive Directors but should be made available to them on request;
- (c) that the Area Department should prepare recommendations on the future pattern of lending to Japan for consideration by the Committee and that this should be done before proceeding further with the Aichi project.

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

STAFF LOAN COMMITTEE

SIC/M/654

Minutes of Staff Loan Committee Meeting held on Thursday, December 6, 1956 at 3:00 p.m., Monday, December 10, 1956 at 3:00 p.m. and Wednesday, December 12, 1956 at 3:00 p.m. in Room 1005

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JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. J. B. Knapp , Chairman
Mr. J. Rucinski
Mr. S. Aldewereld 1*/
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth 1*/ 2/

Mr. V. Umbricht
Mr. F. A. Consolo 1/
Mr. G. M. Perry 1/2/ 3*/
Mr. M. M. Rosen
Mr. E. E. Clark 1/2/ 3*/
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff 2*/ 3*/
Mr. D. Sommers 2*/ 3*/
Mr. M. M. Mendels 1*/
Mr. L. Bengston 1/
Mr. B. Chadenet 1/2/ 3*/
Mr. J. C. de Wilde
Mr. O. H. Folk
Mr. D. J. Fontein
Mr. H. Havlik
Mr. M. Hoffman 3/

Mr. G. Keep
Mr. H. W. Larsen
Mr. J. F. Main 1/
Mr. N. McKitterick 1/
Mr. B. Haskell (IFC) 1/
Mr. E. Symonds 1/2/
Sir Herbert Stewart 1/
Mr. G. M. Street 2*/ 3/
Mr. H. E. Tolley
Mr. G. Wiese

2. Pakistan

The Committee considered Report No. A.S. 56 on the Current Economic Position and Prospects of Pakistan, and

AGREED

(a) with the report subject to

(i) more emphasis being given to the dangers of developing uneconomic industries;

(ii) fuller discussion of the need of increasing and diversifying exports, and of the situation of the domestic capital market particularly for Government securities;

(iii) other minor changes;

- 1/ First session only.
- 2/ Second session only.
- 3/ Third session only.
- * Part only.

(b) that

- (i) these changes should be made and the report reviewed and edited for presentation to the Government and distribution to the Executive Directors as quickly as possible;
- (ii) in order to avoid delay, the revised report should be forwarded as soon as ready with a statement in the covering letter that the Bank's observations on the report would be forwarded at an early date;
- (iii) a draft of the Bank's observations on the report should be prepared by the Area Department for consideration by the Management and despatch next week;
- (iv) the Bank's observations should include a statement of the Bank's willingness, subject to the continuance of foreign aid to Pakistan at about the present level, to consider financing the gap envisaged in the report in Pakistan's development import requirements;
- (v) the Bank should not in future consider loans to Pakistan 'tied' to non-dollar currencies and the Pakistan Government should be informed about this at this time;

(c) that the Bank should not participate in agricultural projects in the Indus Basin until agreement had been reached between Pakistan and India on the division of the Waters of the Indus River.

3. The meeting adjourned at 5:15 p.m. on December 6, reconvened at 3:00 p.m. on December 10 and adjourned at 5:20 p.m., and reconvened at 3:00 p.m. on December 12 and adjourned at 5:15 p.m.