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THE WORLD BANK

Washington, D.C.

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Loan Committee — Minutes

1953

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STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, January 12, 1953 at
4:10 p.m. in Room 1005

DECLASSIFIED**JUN 13 2014**

1. Present:

Mr. E. R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. D. Sommers
Mr. M. M. Mendels

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. J. H. Adler
Mr. H. G. A. Woolley, Secretary

WBG ARCHIVES2. United Kingdom 18% Capital Subscription

The Committee considered the memorandum dated January 12 on the scheme for the provision of sterling to be lent by the Bank to Commonwealth countries, and

AGREED that

acceptance of the scheme was desirable, subject to:

- (a) the omission of the last sentence from para. 7;
- (b) amendment of para. 14 so that the procedure for consultation would be considerably less detailed; and

APPROVED that

- (a) Messrs. Iliff and Sommers should discuss any changes considered desirable with the Executive Director for the United Kingdom and his alternate;
- (b) after satisfactory changes had been made, the Executive Directors should be informed of the essence of the scheme.

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

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 and Liaison Staff
Secretary
Director, Public Relations
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STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, January 15, 1953 at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. J. B. Knapp
 Mr. D. Sommers
 Mr. H. W. Riley
 Mr. J. Rucinski
 Mr. S. R. Cope
 Mr. S. Aldewereld
 Mr. J. H. Adler
 Mr. H. G. A. Woolley, Secretary

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In attendance:

Mr. P. Acheson	Mr. E. de Vries	Mr. S. Lipkowitz
Mr. R. Brion	Mr. C. Flesher	Mr. R. Quandt
Mr. A. Broches	Mr. W. L. Jago	Mr. H. B. Ripman
Mr. L. Cancio	Mr. H. W. Larsen	Mr. O. A. Schmidt
Mr. J. Connors		

2. Brazil

The Committee considered Memorandum SLC/O/533, "Mission to Brazil" dated January 12, 1953 and Report WH-2 "Current Economic Conditions and Prospects of Brazil" dated January 14, 1953, and

AGREED that

- (a) events last year in Brazil had gravely disturbed the Bank;
- (b) subject to: the Brazilians providing information and assurances making the four projects acceptable to the Bank along the lines generally indicated in Annexes (a) to (d) to SLC/O/533 (except that in the case of the Highway Project the Mission should examine whether it might be preferable for this loan to be made to the Federal Government), the Bank would be prepared to negotiate loans for these projects during the coming year up to a maximum of approximately \$35 million. In the event that this approximate amount was found insufficient to cover the foreign exchange financing required from the Bank for the four projects, the number of projects in which the Bank could participate might have to be reduced;
- (c) as arrangements had already been made, the Bank should proceed with examination of the technical aspects of the Port projects but at the same time it should be made clear to the Brazilians that this did not in any way commit the Bank to a loan for these projects;

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Thursday, January 15, 1953 at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. J. B. Knapp
 Mr. D. Sommers
 Mr. H. W. Riley
 Mr. J. Rucinski
 Mr. S. R. Cope
 Mr. S. Aldewereld
 Mr. J. H. Adler
 Mr. H. G. A. Woolley, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. P. Acheson	Mr. E. de Vries	Mr. S. Lipkowitz
Mr. R. Brion	Mr. C. Flesher	Mr. R. Quandt
Mr. A. Broches	Mr. W. L. Jago	Mr. H. B. Ripman
Mr. L. Cancio	Mr. H. W. Larsen	Mr. O. A. Schmidt
Mr. J. Connors		

2. Brazil

The Committee considered Memorandum SLC/0/533, "Mission to Brazil" dated January 12, 1953 and Report WH-2 "Current Economic Conditions and Prospects of Brazil" dated January 14, 1953, and

AGREED that

- (a) events last year in Brazil had gravely disturbed the Bank;
- (b) subject to: the Brazilians providing information and assurances making the four projects acceptable to the Bank along the lines generally indicated in Annexes (a) to (d) to SLC/0/533 (except that in the case of the Highway Project the Mission should examine whether it might be preferable for this loan to be made to the Federal Government), the Bank would be prepared to negotiate loans for these projects during the coming year up to a maximum of approximately \$35 million. In the event that this approximate amount was found insufficient to cover the foreign exchange financing required from the Bank for the four projects, the number of projects in which the Bank could participate might have to be reduced;
- (c) as arrangements had already been made, the Bank should proceed with examination of the technical aspects of the Port projects but at the same time it should be made clear to the Brazilians that this did not in any way commit the Bank to a loan for these projects;

- (d) future lending to Brazil by the Bank, beyond the approximate amount of \$35 million referred to in (b) above, should be predicated on:
 - (i) satisfactory progress in working off the commercial backlog;
 - (ii) a definite trend indicating probability of a sustained balance of payments improvement;
- (e) the future role of the Bank in Brazil would depend greatly on the policy of the new U.S. Government about financial assistance by the U.S. Government to Brazil.

APPROVED that

- (f) the mission headed by Mr. Qandt should proceed to Brazil as already planned but should be careful not to create the impression that the Bank was ready to conduct immediate loan negotiations for the four projects described but should endeavor to obtain the information and assurances desired, advising the Bank of any serious changes and discussing the mission's recommendations with the Bank before commencing loan negotiations;
 - (g) the examination of the port projects should proceed in accordance with clause (c) above;
 - (h) Mr. Knapp in his visit should inform the Brazilian Government fully and frankly of the information contained in Report WH-2 on "Current Economic Conditions and Prospects of Brazil" and of the Bank's position as indicated in clauses (b), (c) and (d) above; and
 - (j) Mr. Knapp should prepare a summary of the statement that he would make to Minister Lafer and clear it with Mr. Black.
3. The meeting adjourned at 6:05 p.m.

Distribution

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STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, January 19, 1953 at 11:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. S. R. Cope	Mr. P. French	Mr. F. M. Oppenheimer
Mr. P. F. Craig-Martin	Mr. B. B. King	Mr. E. W. Rembert
Mr. J. V. Fletcher	Mr. M. M. Mendels	

2. Nigeria

The Committee considered Memorandum SLC/O/535 "Report on a visit to Nigeria by Mr. B. B. King" dated January 15, 1953, and

APPROVED that

the Bank should inform the British Colonial Office informally, following the procedure used in the case of the Mission to Jamaica, that if requested by the Nigerian Government, the Bank would be prepared to send a preliminary mission as recommended in para. 14.

3. Syria

The Committee postponed to January 21 the oral report by Mr. Stephens on his recent visit to Syria.

4. Criticisms of Bank Missions

The Committee noted doubts about some of the methods of the Bank's missions, expressed by Dr. Kindleberger in an article in the November 1952 issue of the Harvard Review of Economics and Statistics (Bank Press Digest 965 of December 23),

AGREED that

Dr. Kindleberger should be invited to meet with a small group of Bank staff and probably others at the Bank to discuss his criticisms.

5. The meeting adjourned at 12:05 p.m.

Tom Hagan
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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, January 16, 1953 at 10:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. R. Brion
Mr. I. P. Cargill
Mr. E. Clark
Mr. E. deVries

Mr. H. N. Graves
Mr. G. Marshall
Mr. E. W. Rembert
Mr. G. M. Street

2. India - Damodar Valley Corporation

The Committee considered the "Report and Recommendations of the President to the Executive Directors concerning a Proposed Loan to India" dated January 15, 1953, and the appendices attached thereto, and

APPROVED

these documents, with certain minor changes, and

AGREED that

- (a) the documents, amended as necessary, should be distributed to the Executive Directors p.m. January 16 and that the Executive Directors absent in New York should be informed that this was being done; and
- (b) a meeting of the Executive Directors should be called for January 23 for presentation of the loan.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, January 21, 1953 at 3:00 p.m. in Room 1005

1. Present:

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- Mr. E. R. Black
- Mr. R. L. Garner
- Mr. W. A. B. Cliffliff
- Mr. A. S. G. Hoar
- Mr. H. W. Riley
- Mr. L. B. Rist
- Mr. R. H. Demuth
- Mr. J. Rucinski
- Mr. S. Aldewereld
- Mr. E. E. Clark
- Mr. O. A. Schmidt
- Mr. H. G. A. Woolley, Secretary

In attendance:

- Mr. F. Bochenski
- Mr. P. F. Craig-Martin
- Mr. E. W. Rembert
- Mr. F. D. Stephens

2. Syria

The Committee considered an oral report by Mr. Stephens and Memorandum SIC/O/534 "Syria - Loan Negotiations" dated January 13, 1953, and

APPROVED

generally the action taken by Mr. Stephens, and

AGREED

(i) Port of Latakia

The withdrawal of Gibb and Co. as engineering consultants had left a confused situation and it was unlikely that the Bank would want to participate in the project.

(ii) Oil Refinery

Mr. Tim Wilkinson of Asiatic Petroleum should be asked whether Iraq Petroleum Company was prepared to build the refinery for its own account and, if so, was making an offer to do so to the Syrian Government.

(iii) Roads Project

The Bank would continue the study of the technical aspects of the counter-suggestions submitted by the Syrian authorities.

(iv) Euphrates Dam

(iv) Euphrates Dam

The Bank would consider sending Mr. de Fargues to Syria to complete the preliminary irrigation study.

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

Distribution

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, January 26, 1953 at 11:00 a.m. in Room 1005

1. Present:

- Mr. E. R. Black
- Mr. R. L. Garner
- Mr. W. A. B. Iliff
- Mr. L. B. Rist
- Mr. H. W. Riley
- Mr. J. Rucinski
- Mr. S. Aldewereld
- Mr. A. Broches
- Mr. H. W. Larsen
- Mr. H. G. A. Woolley, Secretary

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In attendance:

- | | |
|------------------|-------------------|
| Mr. Milton Cross | Mr. H. Prud'homme |
| Mr. D. Fontein | Mr. B. Spiro |
| Mr. H. N. Graves | |

2. Ethiopia

The Committee considered Memorandum SLC/O/537, "Ethiopia" dated January 21, and

APPROVED

generally the recommendations about the three projects, contained in paras. 10 (a), (b) and (d), 15 and 21, subject to the letter to Mr. Baranski, for communication to the Board of the Development Bank, stating the Bank's views rather than any action the Bank might take, and including that in the Bank's judgement unless the Development Bank continued some loans to industry, the Development Bank would have little need for foreign exchange before expiration date of the Loan (August 1954) and if the proceeds were not used by then, Ethiopia would lose the availability of this capital. The Committee also

AGREED that

- (a) some thought should be given to sending an engineer to Ethiopia before any additional road loans were made to check the progress of the present Highway Project.
- (b) the question of sending a general survey mission, including an economist, to Ethiopia should remain open until after Mr. Black's forthcoming visit to Ethiopia.

3. The meeting adjourned at 12:05 p.m.

Mr. Hoar
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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, January 28, 1953 at 3:00 p.m. in Room 1005

1. Present:

- Mr. R. L. Garner
- Mr. A. S. G. Hoar
- Mr. L. B. Rist
- Mr. R. H. Demuth
- Mr. J. Rucinski
- Mr. S. Aldewereld
- Miss V. Morsey
- Mr. H. G. A. Woolley, Secretary

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In attendance:

- | | | |
|------------------------|-------------------|-------------------|
| Mr. S. R. Cope | Mr. J. H. Haralz | Mr. E. W. Rembert |
| Mr. P. F. Craig-Martin | Mr. L. Kephart | Mr. A. Stevenson |
| Mr. Milton Cross | Mr. M. M. Mendels | Mr. L. Baranyai |

2. Iceland

The Committee considered Memorandum SLC/O/532, "Bank Lending Policy Toward Iceland" and the annexes thereto, and

APPROVED generally

the recommendation contained in para. 30 of the Memorandum; and

AGREED that

the communication to the Government of Iceland should state in effect that

- (a) while the Bank found that the creditworthiness of Iceland was such that additional loans in moderate amounts might be considered, the Bank was not prepared to consider loans for the agricultural and/or cement projects unless it received the assurances on the points listed in para. 30 of SLC/O/532; and
- (b) the Bank was ready to send a representative to Iceland for discussions on these and related matters.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, February 2, 1953 at 11:30 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
 Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. A. S. G. Hoar
 Mr. H. W. Riley
 Mr. L. B. Rist
 Mr. R. H. Demuth
 Mr. J. Rucinski
 Mr. S. Aldewereld
 Mr. A. Broches
 Mr. H. G. A. Woolley, Secretary

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In attendance:

Mr. L. G. Butcher
 Mr. S. Lipkowitz
 Mr. M. M. Mendels

Mr. M. M. Rosen
 Mrs. C. A. Ryshpan
 Mr. A. B. Spottswood

2. Yugoslavia

The Committee considered SLC/0/538 "Proposed Loan of \$30,000,000 Equivalent to Yugoslavia" and the documents attached thereto (EA-4, Loan Administration Report; EA-5, Current Economic Developments and Creditworthiness of Yugoslavia; draft Loan Agreement; and draft explanatory letter to the Bank from the Republic of Yugoslavia) and

APPROVED

- (a) the recommendations in paras. 4, 5, 6 and 7, and 9 of SLC/0/538 about the unallocated reserve, consultation clause, debt ceiling and terms of the loan, respectively;
- (b) the recommendation in para. 8 about the commitment charge, subject to no change being decided as a result of the forthcoming meeting of the Financial Policy Committee on this subject;
- (c) the documents attached to SLC/0/538; and

AGREED that

- (d) the rate of interest (including 1% commission) should be 4-7/8%;
- (e) a meeting to consider the Technical Report on the projects and the Report and Recommendations of the President should be called for Tuesday, February 3, at 3:00 p.m.

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

W. Hoar

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Tuesday, February 3, 1953 at 3:00 p.m. in Room 1005

1. Present:

- Mr. R. L. Garner
- Mr. W. A. B. Iliff
- Mr. A. S. G. Hoar
- Mr. L. B. Rist
- Mr. R. H. Demuth
- Mr. H. W. Riley
- Mr. S. Aldewereld
- Mr. A. Broches
- Mr. H. G. A. Woolley, Secretary

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WBG ARCHIVES

In attendance:

- | | |
|-------------------|----------------------|
| Mr. H. N. Graves | Miss V. Morsey |
| Mr. S. Lipkowitz | Mr. M. M. Rosen |
| Mr. D. Mallon | Mr. A. D. Spottswood |
| Mr. M. M. Mendels | |

2. Yugoslavia

The Committee considered

- (a) Report T.O.4 "Technical Report on the Projects included in the Second Yugoslav Loan Application" and the Annex thereto, dated January 30, 1953;
- (b) The draft "Report and Recommendations of the President to the Executive Directors concerning a Proposed Loan to Yugoslavia" dated February 3, 1953; and

APPROVED

these documents with minor alterations.

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

Distribution

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Mr. Hoar
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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, February 16, 1953 at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. H. W. Riley

Mr. F. Gregh
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches
Mr. H. G. A. Woolley, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. F. A. Consolo
Mr. D. Fontein
Mr. P. French
Mr. D. Gordon
Mr. L. Kephart

Mr. B. B. King
Mr. H. W. Larsen
Mr. M. L. Lejeune
Mr. J. C. Mehaffey
Mr. J. Rucinski
M. F. M. Oppenheimer

2. Nicaragua

The Committee considered Memorandum SLC/O/539, "Proposed Bank Operating Mission to Nicaragua and Possibly Panama" dated February 10, 1953, and

AGREED

with the conclusions contained in paras. 32 and 33;

NOTED

that Messrs. Garner and Consolo would if possible meet with Mr. Delgado (former Minister of Economy and now Executive Director of the Fund) on February 17 to discuss questions that had arisen regarding the status of the Bank's special mission; and

APPROVED

the recommendations contained in para. 34.

3. Northern Rhodesia

The Committee considered the documents on the proposed Loan to the Territory of Northern Rhodesia, and

APPROVED

- (a) the draft Loan, Subsidiary and Guarantee Agreements;
- (b) the draft Report and Recommendations of the President to the Executive Directors, subject to the following amendments:

- (i) para. 9 - "increasing" to be substituted for "diminishing";
- (ii) paras. 18 and 19 - to be revised to show in more specific terms that the Bank would be justified in making this loan in dollars (or other foreign exchange) because the provision of capital on a large scale by the United Kingdom for investment at home and abroad gives rise to a substantial need for foreign exchange;
- (iii) paras. 23 - 27 to be removed and a statement to be substituted to the effect that, based on the general creditworthiness report on the United Kingdom, the President is satisfied that the United Kingdom as guarantor will be in a position to meet its obligations under the proposed loan;
- (iv) para. 28 - to be revised to show that Northern Rhodesia is to be the borrower in deference to the preferences of both Rhodesias and the United Kingdom;
- (v) para. 30 - to be revised to state that the disbursement procedure will be the normal procedure and without the special modification employed in the Southern Rhodesian loan.

4. Creditworthiness of the United Kingdom

The Committee

AGREED that

- (a) the study of the creditworthiness of the United Kingdom be directed at a program of colonial lending by the Bank rather than at the Northern Rhodesia loan by itself; and
- (b) the economic study recently completed by Dr. Varvaressos (EC-8) should be distributed to the Committee and should be considered, with the report now being prepared on the creditworthiness of the United Kingdom, at a future meeting.

*Never
any
action
otherwise*

5. Economic Development Institute

The Committee postponed consideration of the "Preliminary Draft Prospectus for an Economic Development Institute" to a meeting to be called for February 17 at 3:00 p.m.

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

Wm Hoar
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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Tuesday, February 17, 1953 at 3:00 p.m. in Room 1005

I. Present:

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WBG ARCHIVES

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. L. B. Rist
Mr. R. H. Demuth

Mr. H. W. Riley
Mr. F. Gregh
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. H. G. A. Woolley, Secretary

In attendance:

J. H. Adler
Mr. A. Broches

Mr. P. French
Mr. M. M. Mendels

II. Economic Development Institute

The Committee considered the "Preliminary Draft Prospectus for an Economic Development Institute" and

AGREED that

A. the prospectus should be rewritten in memorandum form:

1. noting that discussion on the subject in the Bank to date had indicated that the matter might be approached along the lines of the memorandum;
2. setting forth the Bank's ideas and the reasons for them, including:
 - (a) the need for such an Institute;
 - (b) the purposes of the instruction;
 - (c) the reasons for its establishment by the Bank rather than by a University or other institution;
 - (d) possible cost, which had been estimated at about \$10,000 per student;
 - (e) qualifications for admission, in a more precise manner, i.e. that
 - (i) establishment of the Institute would not be justified unless there was strong assurance that it would be able to obtain mature, responsible participants already in, or intended to go in, government service at a fairly high level, and likely to go to higher levels;
 - (ii) standards for admission should not on any account be lowered.

- (f) further specialized courses might be found desirable after experience.

- B. the proposed Institute Board should have good academic standing and a certain amount of independence regarding the academic side of the institution;

- C. the Director of the Institute should, if possible, have had experience both in the development field and as an academic administrator; however perhaps a university or the Bank's staff could assume a great deal of the administrative burden;

- D. while, in building up the Institute, care should be taken not to draw too heavily on the Bank's staff and thus impair the main purpose of the Bank, the Institute staff should, at the Bank's discretion:
 - 1. be interchanged with Bank staff to provide the Institute with a wider range of instructors and so that faculty members might obtain or renew practical experience;
 - 2. when not required for Institute work, be available for service in the Bank;

- E. the office of the General Counsel should examine legal requirements relative to the establishment of such an institution in the District of Columbia;

- F. after the memorandum had been revised it should be discussed informally with academic and Foundation authorities in order to get their ideas and improve it;

- G. the Executive Directors should then be informed of the position;

- H. if satisfactory progress had been made, Foundations might then be approached formally regarding contributions;

- J. the time of commencement of the Institute should be left flexible.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, February 20, 1953 at 2:30 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. H. W. Riley

Mr. F. Gregh
Mr. S. Aldewereld
Mr. A. Broches
Mr. H. W. Larsen
Mr. H. G. W. Woolley, Secretary

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In attendance:

Mr. J. C. de Wilde

Mr. J. Rucinski

2. Japan

The Committee considered Report AS-5 "Brief Report and Recommendations of the International Bank Mission to Japan," and

Noting that the report was of a preliminary nature for discussion purposes,

AGREED

- (a) generally with the approach to the Japanese problem recommended therein;
- (b) that no quick steps could be taken, and that before the Bank committed itself to any loan policy regarding Japan
 - (i) a full report should be completed;
 - (ii) in addition to discussions with U.S. authorities, authorities of other member countries particularly concerned should be consulted at an early stage;
- (c) that the Report should be restricted to Committee members and to staff members to whom its use was essential in their work.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, March 2, 1953 at 2:30 p.m. in Room 1005

DECLASSIFIED

1. Present:

Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. F. Gregh
Mr. L. B. Rist

Mr. H. W. Riley
Mr. A. Broches
Mr. E. Lopez-Herrarte
Mr. H. G. A. Woolley, Secretary

JUN 13 2014

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In attendance:

Mr. E. E. Clark
Mr. A. E. Matter
Mr. F. M. Oppenheimer
Mr. M. M. Rosen

Mr. M. Hoss
Mr. J. Rucinski
Mr. S. P. Wheelock

2. Italy

The Committee considered Report EA-7, "Report and Recommendations of the Mission to Italy" and

AGREED

that the Italian Government should be informed to the effect that the Bank

- (a) was now prepared to enter into negotiations with Italy for a further \$10 million impact loan related to the whole cassa program;
- (b) was willing to consider additional projects up to a moderate amount;
- (c) would like to discuss with the Government the manner in which the counterpart of the \$10 million impact loan might best be handled;
- (d) did not consider the Genoa projects to be of the highest priority and therefore was reluctant to proceed with them.

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

Mr Hoar
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STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, March 2, 1953 at 9:30 a.m. in Rm. 1005

1. Present:

DECLASSIFIED

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. F. Gregh
Mr. L. B. Rist

Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches
Mr. E. Lopez-Herrarte
Mr. H. G. A. Woolley, Secretary

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. S. R. Cope
Mr. A. Kamarck
Mr. M. L. Lejeune

Mr. A. E. Matter
Mr. F. M. Oppenheimer
Mr. K. Varvaressos

2. Creditworthiness of the United Kingdom

The Committee considered Report EA-8, "The International Economic and Financial Position of the United Kingdom" dated February 20, and Report EC-8, "Post-Korean Developments and Prospects - The United Kingdom" dated February 9, and

APPROVED

these reports with minor changes; and

AGREED

that they should be distributed to the Executive Directors.

3. Italy

The Committee

AGREED

that consideration of Report EA-7, "Report and Recommendations of the Mission to Italy" should be postponed to a meeting called for 2:30 p.m., March 2.

4. The meeting adjourned at 11:40 a.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, February 25, 1953
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. L. B. Rist

Mr. H. W. Riley
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. E. Beecroft
Mr. D. Fontein
Mr. P. French

Mr. M. M. Rosen
Mrs. C. Ryshpan
Mr. S. P. Wheelock

2. Greece

The committee considered EA-6 "Proposed Bank Policy for Greece" and noted the recent invitation by the Greek Government to Mr. Black to visit Greece, and

AGREED that

- (a) the present situation should be discussed with the U.S. government, and with the Greek Minister of Coordination during his forthcoming visit to Washington;
- (b) subject to these discussions, a senior officer of the Bank, possibly Mr. Hoar, might visit Greece to examine the potential value of such a mission to Greece and, if his findings were favorable, to discuss its composition and terms of reference;
- (c) care should be taken so that the Greeks would understand that
 - (i) the mission, if sent, should be limited in scope to advice on the Greek Development Program; and
 - (ii) the possibility of financing by the Bank in Greece was remote;
- (d) Mr. Black should be informed by cable
 - (i) of the invitation by the Greek Government;
 - (ii) that it was proposed to reply that in view of his tight schedule, the visit could not be included in his present itinerary; and
 - (iii) briefly of the Committee's views relative to the proposed mission outlined in paras. (a), (b) and (c) above.

3. United Kingdom - Release of £60 Million out of 18% Capital Subscription

The Committee

APPROVED

- (a) the establishment of a Working Party to consider the circumstances in which it might be possible for the Bank to use part of this release for lending in the Dependent Overseas Territories of the United Kingdom;
 - (b) that this Working Party consist of representatives of the Europe, Africa and Australasia Department (as Chairman), Legal and Treasurer's Departments and Economic Staff. The names of Messrs. Cope, Broches, Cavanaugh and Adler were suggested and Heads of Departments might wish to nominate alternates;
 - (c) The Directors of the European, Asian and Technical Operations Departments should now confer on the procedure for consulting with the U.K. on the use of funds out of this release.
4. The meeting adjourned at 3:40 p.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, March 18, 1953 at 10:30 a.m. in Room 1005

DECLASSIFIED

1. Present:

JUN 13 2014

Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. A. S. G. Hoar
 Mr. F. Gregh
 Mr. J. B. Knapp
 Mr. D. Sommers

Mr. L. B. Rist
 Mr. S. Aldewereld
 Mr. E. Lopez-Herrarte
 Mr. R. W. Cavanaugh
 Mr. H. G. A. Woolley, Secretary

WBG ARCHIVES

In attendance:

Mr. W. Bennett
 Mr. C. deBeaufort
 Mr. M. M. Mendels

Mr. L. Nurick
 Mr. J. Rucinski

2. Private Investment

The Committee considered the report "Program for Increasing Private Investment in Foreign Countries," by August Maffry, dated December 18, 1952, and

AGREED that the Bank

- (a) should neither try to answer the report nor, at this time, take a position on the points raised therein;
- (b) should continue its efforts to crystallize its ideas on this subject.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, March 25, 1953 at 3:30 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. R. A. Wheeler

Mr. D. Sommers
Mr. J. H. Adler
Mr. R. W. Cavanaugh
Mr. P. French
Mr. H. G. A. Woolley, Secretary

WBG ARCHIVES

In attendance:

Mr. S. Aldewereld
Mr. J. Holmes
Mr. E. Lopez-Herrarte
Mr. O. A. Schmidt
Mr. A. D. Spottswood

(British Guiana only)

Mr. K. Bohr
Mr. E. H. Clark
Mr. C. H. Davies
Mr. H. Nijhoff

2. British Guiana

The Committee considered an oral report by E. Harrison Clark on the Mission to British Guiana, and

AGREED that

- (a) the Mission appeared to have achieved satisfactory results;
- (b) it was useful to have this type of oral report to the Committee soon after important missions returned, without waiting for a full report, and that this procedure should be followed in future.

3. National Policies in the Extractive Industries

The Committee also considered Memorandum SLC/O/547, "Proposed Study of National Policies in the Extractive Industries" dated March 23, 1953 and a majority of the Committee

AGREED that

- (a) a working party should be appointed to study this matter further and to prepare its proposals, in memorandum form for consideration by the committee, on the organization of a project for study and analysis with a view to publication of a report on the subject;
- (b) after consideration by the Committee, these proposals should be carefully discussed, particularly on their technical, psychological and public relations aspects, with suitable experts and authorities outside the Bank, in order to obtain their reactions before proceeding any further.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, April 3, 1953 at 9:30 a.m. in Room 1005

DECLASSIFIED

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WBG ARCHIVES

1. Present:

Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. F. Gregh
 Mr. A. S. G. Hear
 Mr. J. B. Knapp
 Mr. M. C. Cross

Mr. D. Sommers
 Mr. J. H. Adler
 Mr. R. W. Cavanaugh
 Mr. E. Lopez-Herrarte
 Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. Aldewereld
 Mr. A. Broches
 Mr. J. Camacho
 Mr. E. E. Clark
 Mr. C. H. Davies

Mr. G. Grayson
 Mr. H. B. Ripman
 Mr. J. Rucinski
 Mr. O. A. Schmidt
 Mr. A. Waterston

2. Colombia

The Committee considered SLC/O/553, "Colombia" and

AGREED that

- (a) the Bank should not make a loan to a private enterprise in Colombia under a direct government guarantee as long as Decree 0053 of January, 1953 was in effect, and that the Bank should exert its influence in getting this Decree withdrawn;
- (b) a central bank guarantee in the name of the government under Law 90 would be in effect no different from a direct government guarantee;
- (c) the Bank might be prepared to consider a loan to a private Industrial Finance Corporation under a central bank guarantee if this could be accomplished in such a way as to avoid governmental intervention in the affairs of the company, if the company was not relying upon the government for financial support, and if the Bank found the resources of the central bank sufficient to support such a guarantee;

AGREED also that

the draft letter to Mr. Martin del Corral should be revised accordingly and Mr. del Corral's views requested on the questions raised; and

a study should be made of banking laws in Colombia and any legislation necessary to permit satisfactory operation of the proposed Finance Company should be enacted before any loan for the Finance Company was made by the Bank.

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

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STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, April 6, 1953 at 10:00 a.m. in Room 1005

DECLASSIFIED

1. Present:

JUN 13 2014

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. M. C. Cross

Mr. D. Sommers
Mr. J. H. Adler **WBG ARCHIVES**
Mr. R. W. Cavanaugh
Mr. E. Lopez-Herrarte
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. Acheson
Mr. S. Aldewereld
Mr. J. Camacho
Mr. L. Cancio

Mr. C. H. Davies
Mr. R. F. Quandt
Mr. H. B. Ripman
Mr. O. A. Schmidt

2. Mexico - Mexlight

The Committee considered SLC/0/522 "Mexlight" and

RECOMMENDED that, subject to Mr. Black's approval,

- (a) the Bank would consent to Mexlight's borrowing the peso amounts estimated to be required to cover its cash deficit through December 31, 1953, provided that:
 - (i) the Government renewed the company's franchises;
 - (ii) the Government agreed to bring into effect not later than October 1, 1953, rate increases calculated to bring about a substantial increase in its rate of return and announced this decision now;
 - (iii) the Government agreed promptly to review, and, if appropriate, to revise the rate of return in the light of a comprehensive study, to be made by an independent expert or group of experts acceptable to the Bank and the Government, of Mexico's needs for investment in electric power facilities and the conditions under which adequate capital would be forthcoming;
 - (iv) the **additional** borrowing in question to be subordinated to the bonds issued under the indenture, and be serviced only out of moneys made available (after all other charges) by the rate increase referred to under (ii) above;
- (b) Mr. Messersmith should be asked to arrange for a meeting of the Board of Mexlight next week at which the Board would be prepared to discuss with Bank representatives the company's proposals for meeting the situation;
- (c) after the consultations referred to in (b) above, Bank representatives would go to Mexico to place the Bank's position before the Mexican Government.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, April 6, 1953 at
4:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

1. Present:

WBG ARCHIVES

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross

Mr. D. Sommers
Mr. J. H. Adler
Mr. R. W. Cavanaugh
Mr. E. Lopez-Herrarte
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. Acheson
Mr. S. Aldewereld
Mr. L. H. Bengston
Mr. J. Camacho
Mr. L. Cancio

Mr. C. Flesher
Mr. W. L. Jago
Mr. R. F. Quandt
Mr. O. A. Schmidt

2. Brazil

The Committee considered SLC/0/550, "Brazil" and

APPROVED

generally, the Mission's report and

AGREED that

Central do Brasil, Rio de Janeiro Suburban Project

- (a) the Brazilian Government be asked to provide the Bank with a statement of the program to be put in effect by the Central do Brasil immediately to raise its repair and maintenance service to the level required by the covenant referred to in B(g)(ii) of SLC/0/550;
- (b) a visit or visits be made by a Bank engineer to check that satisfactory progress is being made with this program, before any loan is made;

AGREED also that

formal loan negotiations not be opened until Mr. Black has had discussions with U. S. authorities on U. S. policy on financial aid to Brazil, and has given his covering approval.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, April 8, 1953
 at 11:00 a.m. in Room 1005

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JUN 13 2014

REG ARCHIVES

1. Present:

Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. F. Gregh
 Mr. J. B. Knapp
 Mr. M. C. Cross
 Mr. J. H. Adler

Mr. L. Cancio
 Mr. R. W. Cavanaugh
 Mr. S. R. Cope
 Mr. E. Lopez-Herrarte
 Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. Aldewereld
 Mr. J. Connors
 Mr. J. T. Lund

Mr. J. Rucinski
 Mr. B. P. Spiro

2. Utilization and Maintenance of Agricultural Machinery

The Committee considered Memorandum SLC/O/555, "Utilization and Maintenance of Agricultural Machinery" dated April 2, and

APPROVED

the report generally, and

AGREED that

- (a) when considering applications for the financing of the purchase of machinery and equipment the Bank should:
 - (i) examine the facilities for its maintenance;
 - (ii) withhold approval until reasonably satisfied that provision has been or is being made for adequate maintenance;
 - (iii) include suitable provisions in the Loan Agreement to cover, fully, this maintenance through the life of the loan;
- (b) the Department of Technical Operations should draw up now a memorandum of provisions to be included in Loan Agreements under clause (a)(iii) above;
- (c) the Department of Technical Operations should prepare a memorandum of conclusions reached by the Bank as the result of its experience in this connection, for circulation to member countries.

3. The meeting adjourned at 12:20 p.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, April 15, 1953 at 3:00 p.m. in Room 1005

DECLASSIFIED

1. Present:

JUN 13 2014

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross

Mr. J. H. Adler
Mr. R. W. Cavanaugh
Mr. M. M. Rosen
Mr. H. G. A. Woolley, Secretary

WBG ARCHIVES

In attendance:

Mr. S. Aldewereld
Mr. N. Bass
Mr. L. G. Butcher
Mr. L. Cancio
Mr. E. deVries
Mr. P. Liefertinck

Mr. S. Lipkowitz
Mr. M. M. Mendels
Mr. M. Ross
Mr. J. Rucinski
Mr. G. M. Street
Mr. S. P. Wheelock

2. Turkey - Cotton Textile Industry

The Committee considered SLC/0/554 "Turkey - Industrial Development Bank Financing of Cotton Textile Industry" dated April 3, 1953, and a majority

AGREED that

- (a) they had serious doubts about the desirability of
 - (i) increasing the proportion of IBRD's loan to IDB for cotton textiles;
 - (ii) expansion of spinning capacity in 1956/57 above the total of 439,252 spindles already assured;
 - (iii) over-expansion in this field at the expense of others;
- (b) these criteria should be explained to the IDB in detail and their comments invited;
- (c) the IDB should be informed:
 - (i) that on this basis the Bank was not prepared to approve at the present time applications from the IDB for credits to the loan account of more than about \$2 - 2.5 million for the cotton textile industry, with only loans which will not increase the imbalance between spinning and weaving facilities to be included;
 - (ii) of the projects presented, Bossa Ticaret and Suphi Koyuncu appeared to be the most suitable but choice of those to be presented to the Bank was left to the IDB.

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

chron *Garner*

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Thursday, April 16, 1953 at 9:30 a.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. J. B. Knapp
Mr. M. C. Cross

Mr. J. H. Adler
Mr. A. Broches
Mr. R. W. Cavanaugh
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. Aldewereld
Mr. J. Rucinski
Mr. O. A. Schmidt
Mr. A. Waterston

Peru only
Mr. W. Armstrong
Mr. G. Gondicas
Mr. J. H. Haralz
Mr. G. S. Mason
Mr. F. M. Oppenheimer
Mr. D. Groenveld

Colombia only

Mr. N. Bass
Mr. J. Camacho
Mr. E. E. Clark
Mr. G. Grayson
Mr. J. Torfs

2. Colombia

The Committee considered SLC/O/558 "Colombia: Supplementary Loan for Highway Project" dated April 13, 1953, and

APPROVED

the recommendations contained in paras. 24 and 25 thereof.

3. Peru

The Committee considered SLC/O/557 "Peru: Report and Recommendations of Mission" and

APPROVED

the Mission's report and recommendations.

4. The Meeting adjourned at 11:55 a.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, April 22, 1953 at 3:30 p.m. in Room 1005

DECLASSIFIED

1. Present:

Mr. Eugene R. Black
 Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. F. Gregh
 Mr. D. Sommers
 Mr. M. C. Cross
 Mr. R. H. Demuth

Mr. H. W. Riley
 Mr. J. H. Adler
 Mr. A. M. Kamarck
 Mr. O. A. Schmidt
 Mr. R. A. Wheeler
 Mr. H. G. A. Woolley, Secretary

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. S. Aldewereld
 Mr. A. Basch
 Mr. F. G. Bochenski
 Mr. E. deVries
 Mr. J. C. deWilde

Mr. D. Fontein
 Mr. W. M. Gilmartin
 Mr. H. Prud'homme
 Mr. E. W. Rambert
 Mr. H. B. Ripman

Mr. J. Rucinski
 Mr. F. D. Stephens
 Mr. G. M. Street
 Mr. E. Symonds
 Mr. G. Woods

2. India - Damodar Valley

The Committee considered the oral report of Mr. George Woods, and

NOTED that

- (a) Mr. Komora, the Chief Engineer of the Damodar Valley Project was rendering very able service in this key position;
- (b) Mr. Komora's contract, which will expire towards the end of 1953, had not been renewed; and

AGREED

that the Bank would use its good offices with the Indian Government in order to obtain, if possible, immediate renewal of this contract.

3. Thailand - Middle East

The Committee heard oral reports by Mr. Diamond on Thailand, and by Messrs. Stephens and Bochenski on Egypt, Syria, Lebanon, Jordan and Iraq. Mr. Prud'homme's report on Ethiopia was deferred to a future meeting.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, April 24, 1953 at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. M. C. Cross
 Mr. R. H. Demuth
 Mr. H. W. Riley
 Mr. J. H. Adler
 Mr. S. R. Cope
 Mr. O. A. Schmidt
 Mr. H. G. A. Woolley, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

(Br. East Africa)

(Nicaragua/Panama)

Mr. S. Aldewereld
 Mr. E. deVries
 Mr. J. S. Holmes

Mr. A. Dore
 Mr. A. Kamarck
 Mr. M. L. Lejeune
 Mr. J. C. Mehaffey
 Mr. J. H. Williams

Mr. J. Camacho
 Mr. F. A. Consolo
 Mr. L. Kephart

2. British East Africa

The Committee considered Memorandum SLC/0/560, "Report and Recommendations of the Mission to East Africa," and the documents attached thereto, and

APPROVED

the recommendations of the Mission.

3. Nicaragua - Panama

The Committee also considered the oral report by Mr. Consolo on the Missions to Nicaragua and Panama, and

APPROVED

that Mr. Bass should study the proposed private hydroelectric project in Panama on his way back from Colombia.

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

STAFF LOAN COMMITTEE

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

Minutes of SLC Meeting held Monday, April 20, 1953 at 9:30 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. J. B. Knapp

Mr. M. C. Cross
Mr. D. Sommers
Mr. S. R. Cope
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. S. Aldewereld
Mr. A. Broches
Mr. P. Liefstinck

Mr. M. M. Rosen
Mr. E. deVries

2. Industrial Development Banks

The Committee considered the Bank's policy in relation to development banks, arising out of the present applications by the Turkish Development Bank for use of the IBRD Loan for investment in the textile industry, and

AGREED that in relation to the present applications

- (A) additional information was required on the nature and amounts of applications, for financing in other fields of industry, received but not yet processed by the IDB;
- (B) that the IDB should be
 - (i) provided with a full explanation of the Bank's views (see SLC/M/417 of April 15, 1953);
 - (ii) informed that the Bank felt that
 - (a) at the present time additional credits by IBRD to the loan account for the cotton textile industry be confined to a total of about \$2.5 million;
 - (b) these only be used for financing projects which would not further increase the imbalance between spinning and weaving facilities.
 - (iii) asked whether in the light of these views the IDB wished to reconsider the applications presented; and
- (C) the full exposition of the Bank's views should be presented orally to the IDB.

3. The meeting adjourned at 12:00 noon.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, April 21, 1953 at 11:00 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. J. B. Knapp
Mr. F. Gregh
Mr. M. C. Cross

Mr. D. Sommers
Mr. R. H. Demuth
Mr. J. H. Adler
Mr. S. R. Cope
Mr. H. G. A. Woolley, Secretary

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In attendance:

Mr. P. Acheson
Mr. S. Aldewereld
Mr. L. H. Bengston
Mr. C. Flesher

Mr. H. N. Graves
Mr. W. L. Jago
Mr. R. F. Quandt
Mr. O. A. Schmidt

2. Brazil

The Committee considered Memorandum SLC/O/559 "Brazil: State of Rio de Janeiro Highway Project" and the documents attached thereto, and

APPROVED

these documents, subject to certain minor alterations;

DECIDED

that the rate of interest should be 4-1/4%; and

AGREED

that the Management, if required, should be prepared to make a statement at the meeting of the Executive Directors on the status of claims arising from the expropriation by Brazil of foreign-owned properties, and that the Brazilian Ambassador should be asked to provide up-to-date information for use in this statement.

3. The meeting adjourned at 12:00 noon.

STAFF LOAN COMMITTEE

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

Minutes of SLC Meeting held Tuesday, April 23, 1953 at 9:30 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. M. C. Cross
Mr. D. Sommers

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. J. H. Adler
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. H. G. A. Woolley, Secretary

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WBG ARCHIVES

In attendance:

Mr. A. Basch
Mr. W. M. Gilmartin
Mr. H. N. Graves
Mr. A. Kruithof

Mr. M. M. Mendels
Mr. F. R. Poore
Mr. J. Rucinski
Mr. R. A. Wheeler

2. Burma

The Committee heard an oral report on the Mission to Burma by Mr. R. H. Demuth.

//:10

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Tuesday, April 28, 1953 at 10:00 a.m. in Room 1005

1. Present:

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

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WBG ARCHIVES

In attendance:

Mr. F. G. Bochenski
Mr. L. Cancio
Mr. P. Liefertinck

Mr. F. D. Stephens
Mr. E. Symonds

2. Lebanon

The Committee considered Memorandum SLC/O/561, "Lebanon - Development Bank," dated April 23, 1953, and

AGREED

that further discussion was necessary before a decision could be reached, and that an early meeting should be called for this purpose.

3. Turkey

Consideration of the debt-capital ratio of the Industrial Development Bank was deferred to a future meeting.

4. The meeting adjourned at ^{12:20}~~11:30~~ p.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, April 28, 1953 at
3:00 p.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. W. A. B. Iliff
Mr. M. C. Cross
Mr. L. B. Rist
Mr. H. W. Riley
Mr. A. Broches
Mr. J. Rucinski
Mr. A. M. Kamarck
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. L. Baranski
Mr. O. H. Folk
Mr. J. Holmes

Mr. H. Prud'homme
Mr. R. A. Wheeler

2. Ethiopia

The Committee heard oral reports by:

- (a) Mr. Hector Prud'homme, on the recent mission to Ethiopia;
and
- (b) Mr. Leon Baranski, on the Ethiopian Development Bank.

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

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STAFF LOAN COMMITTEE

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Minutes of SLC Meeting held Monday, May 4, 1953 at 10 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. M. C. Cross
Mr. L. B. Rist
Mr. R. H. Demuth

Mr. H. W. Riley
Mr. A. Broches
Mr. M. M. Rosen
Mr. J. Rucinski
Mr. H. G. A. Woolley, Secretary

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In attendance:

(Lebanon)

(Turkey)

Mr. S. Aldewereld
Mr. P. Liefertinck

Mr. F. G. Bochenski
Mr. F. D. Stephens

Mr. L. Cancio
Mr. M. Ross

2. Lebanon

The Committee considered SLC/O/561 "Lebanon - Development Bank" and the Report by Mr. Liefertinck on the Desirability of Establishing a Bank for the Development of Lebanon's Industry and Agriculture (Z-3) dated February 20, 1953, and

APPROVED

that the Lebanese Government should be

- (a) provided with a copy of Mr. Liefertinck's report, with certain changes and omissions suggested by Mr. Liefertinck (see Appendix B to SLC/O/561), together with a supplemental report giving the Bank's views that
 - (i) the proposed development bank should be for the purpose of making credits to industry only; and
 - (ii) the provision of adequate agricultural credit facilities was also important but should be set up separately and, if desired, the Bank would be glad to advise the Government on methods for achieving this.
- (b) Informed of the Bank's readiness, if desired, to send a qualified advisor who would assist in the mobilization of capital and the setting up of the proposed industrial development bank.

3. Turkey

The Committee considered SLC/O/564, "Turkey: Debt Capital Ratio of the Industrial Development Bank," dated May 1, 1953, and

APPROVED

that discussions with the representatives of the Industrial Development Bank should proceed generally on the basis outlined in that paper, subject to the following modifications:

- (a) while the director suggested in para. 10(a) of SLC/O/564, should be someone in whom the Bank has confidence, he should not be formally nominated by the Bank;
 - (b) changes in legislation should be sought to permit the sale of securities, issued or guaranteed by the Industrial Development Bank, to institutional investors, including public funds; and
 - (c) satisfactory arrangements should be made to cover the exchange risk in loans made by the IDB in foreign currencies.
4. The meeting adjourned at 11:20 a.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held May 6, 1953 at 10:00 a.m. in Room 1122

1. Present:

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Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. J. B. Knapp
Mr. M. C. Cross
Mr. D. Sommers

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

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WBG ARCHIVES

In attendance:

Mr. S. Aldewereld
Mr. J. H. Collier
Mr. D. Crena de Iongh
Mr. H. N. Graves, Jr.
Mr. A. M. Kamarck

Mr. M. L. Lejeune
Mr. P. Lieftinck
Mr. L. Nurick
Mr. M. M. Rosen
Mr. G. M. Street

2. Union of South Africa

The Committee considered SLC/O/563, "Report of the Mission to the Union of South Africa;" EA-12, "Report of the Economy of South Africa;" and EA-13, "Report of the Mission to the Union of South Africa;" and

NOTING

the concern expressed by some of the members, about the risks of any further lending to South Africa, and in particular a long term loan to South Africa of a substantial amount, because of the potential effect on the South African economy of a further deterioration in racial relations

RECOMMENDED that

- (a) the Bank be prepared in principle to lend once more to South Africa; but
- (b) the term of the loan should be kept as short as possible, preferably not more than ten years;
- (c) the amount be kept as low as possible, preferably not more than \$50 million;
- (d) the Bank should not exclude the possibility of using sterling out of the United Kingdom 18% capital subscription for part of the loan; and
- (e) the South African Government be informed accordingly and told that if these general terms were acceptable, the Bank was prepared to send a mission to examine projects and to work out the general form of a loan at an early date.

3. Equipment Import Financing

The Committee deferred discussion of SLC/O/564, "Equipment Import Financing," and

AGREED that

- (a) a working party should be set up to study the proposals contained therein; and
- (b) a meeting of the Committee should be called to discuss this subject as soon as the working party's study was completed.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, May 19, 1953 at 10:30 a.m. in Room 1005

1. Presents:

- Mr. R. L. Garner
 - Mr. F. Cragh
 - Mr. J. B. Knapp
 - Mr. H. C. Cross
 - Mr. H. W. Elley
 - Mr. R. Kourth
 - Mr. A. M. Kamarek
 - Mr. E. Symonds
 - Mr. M. Mandala
 - Mr. H. G. A. Woolley, Secretary
- In attendance:

- Mr. J. Bucinski
- Mr. A. Broches
- Mr. S. Alderson

- Colombia
- Mr. A. Waterston
 - Mr. G. Grayson
 - Mr. J. Casancho
 - Miss V. Harney

- Malaya
- Mr. W. Diamond
 - Mr. W. Gilmer

2. Colombia

The Committee heard the preliminary report of Mr. Waterston on the recent mission to Colombia and the proposed supplementary loan for the Highway Project.

3. Malaya

The Committee considered SIC/O/567 "Malaya - Request for General Survey Mission" and

APPROVED the recommendations contained therein.

4. The meeting adjourned at 12:00 noon.

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STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, May 19, 1953 at 3:00 p.m. in Room 1005

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1. Present:

Mr. E. R. Black
Mr. R. L. Garner
Mr. F. Gregh
Mr. J. B. Knapp
Mr. H. C. Cross

Mr. D. Somers
Mr. H. W. Riley
Mr. S. R. Cope
Mr. G. H. Alter
Mr. E. Synonis

Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. Aldeverald
Mr. A. Broches
Mr. B. King

2. Germany

The Committee considered SLG/O/568 "Germany" and

AGREED that,

- (a) the Bank should not enter into a broad lending program with Germany, but might envisage, over a period of years, a series of small loans to finance the import of equipment needed from the dollar area for selected projects of a special nature;
- (b) the mission should return to Germany to complete its studies of the economy.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, May 26, 1953 at 10:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. F. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross
Mr. D. Sommers

Mr. M. Rosen
Mr. H. Graves
Mr. P. French
Mr. J. Adler
Mr. H. G. A. Woolley, Secretary

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WBG ARCHIVES

In attendance:

Mr. S. Aldewereld
Mr. J. Rucinski
Mr. W. Diamond
Mr. W. Gilmartin

Mr. H. Tolley
Mr. D. Fontein
Mr. A. Wubnig
Mr. A. Saitzoff

2. Thailand

The Committee considered:

SLC/O/569, "Thailand - Report of Bank Mission," dated May 20, 1953, AS-8, "Report of Mission to Thailand," dated May 14, 1953, Appendix I - AS-9 - "Recent Economic and Financial Developments in Thailand, dated May 19, 1953, and Appendix II - AS-7 - "First Loan Administration Report on the Bank's Loans to Thailand, dated May 8, 1953, and

AGREED

- (a) with the mission's recommendations, contained in Section VII of AS-8, and the supplementary recommendation of the Department, contained in SLC/O/569;
- (b) that, if and when agreement is reached that the U.S. Bureau of Reclamation will send a mission as discussed in SLC/O/569, arrangements should be made for a talk by Bank staff with the mission before it leaves for Thailand;
- (c) with the Loan Administration Report (AS-7) subject to minor amendment; and

APPROVED

(d) that letters should be sent now

(i) to the Minister of Finance as proposed in the mission's report, and

(ii) to the Government stating that the Bank hopes very soon to be able to consider the railway and highway programs and to be able to indicate individual projects which it is prepared to study with a view to consideration of Bank financial participation.

3. The meeting adjourned at 11:40 a.m.

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, May 27, 1953 at 10:00 a.m. in Room 1005

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WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. F. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross
Mr. D. Sommers

Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. J. H. Adler
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. Aldewereld
Mr. M. M. Mendels
Mr. J. Rucinski
Mr. E. Symonds

Economic Development Institute

Mr. W. F. Howell
Mr. P. French
Mr. F. R. Poore

Uruguay

Mr. J. Camacho
Mr. E. deVries
Mr. C. P. McMeekan
Miss V. Morsey
Mr. R. F. Quandt
Mr. M. F. Perkins

2. Economic Development Institute

The Committee considered a memorandum from the Director of Technical Assistance and Liaison Staff on the "Present Status of Economic Development Institute" dated May 22, 1953; and

NOTING that

- (a) some members did not favor establishment of an Economic Development Institute by the Bank;
- (b) others were of the opinion that
 - (i) there was sufficient justification for a "trial run" of the Institute; and
 - (ii) it might not be possible to determine whether the Institute was desirable until it had been under trial for a few years;

RECOMMENDED that

the Executive Directors be asked to authorize the first year's trial, subject to the following conditions being met step by step:

- (a) agreement by the Rockefeller Foundation to share the cost of the "trial run;"
- (b) a suitable person being found to head the Institute;

- (c) the prospective head of the Institute, after examining the project, reporting that conditions are satisfactory and recommending that it should go ahead;
- (d) approval by the Bank and the Rockefeller Foundation of his proposals for the trial run; and
- (e) the receipt of satisfactory assurances from member countries that sufficient candidates of suitable caliber would be available for the first course.

3. Uruguay

The Committee heard an oral report by Mr. C. P. McMeekan on the agricultural program.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Tuesday, June 2, 1953 at 10:30 a.m. in Room 1122

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WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. M. C. Cross

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. J. H. Adler
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. Aldewereld
Mr. D. Mallon
Mr. E. W. Rambert

Mr. M. M. Rosen
Mr. M. Ross
Mr. S. P. Wheelock

2. Italy

The Committee considered Memorandum SLC/O/572, "Italy - Negotiations for a Second \$10 Million Impact Loan to the Cassa per il Mezzogiorno" dated May 27, 1953, and

AGREED

to defer its decision until results of the forthcoming Italian elections were known.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, June 10, 1953 at 3:30 p.m. in Room 1005

WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. J. H. Adler
Mr. L. H. Bengston
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. Acheson
Mr. S. Aldewereld
Mr. J. Camacho
Mr. R. H. Dorr

Mr. C. Flesher
Mr. M. M. Mendels
Mr. R. F. Quandt

2. Brazil

The Committee considered Memoranda SLC/O/574, "Itutinga Hydroelectric Project" dated June 8, 1953, and SLC/O/575, "Central do Brasil Railroad, Suburban Car Project" dated June 9, 1953, and the documents attached thereto, and generally

APPROVED

- (a) the recommendations contained in these memoranda;
- (b) the draft Reports and Recommendations of the President, and the Technical Reports, subject to minor changes; and

AGREED that

- (c) the Bank's general policy relating to the rates of interest on its loans should be discussed, as soon as convenient after Mr. Black's return, before determining the rates to be charged on these proposed loans.

The Committee also AGREED that

Itutinga Hydroelectric Project

- (d) in the negotiations, the Bank's representative should negotiate for the maintenance of an appropriate ratio between the Companies' unimpaired capital, surplus and free reserves, on the one hand, and its long term indebtedness on the other;
- (e) fuller details of the method of obtaining bids for equipment, already purchased and to be financed under the loan, should be obtained before presentation of the loan to the Executive Directors;

Central do Brasil Railroad, Suburban Car Project

- (f) the cable informing the Brazilian Government that the Bank was prepared to negotiate this loan should stipulate that before the Bank signed the loan it would require evidence of substantial progress in the raising of the level of the Suburban System's repair and maintenance service, including the appropriation by the Government of necessary funds for the purpose; and
 - (g) acceptance by the Brazilian Government should be obtained in the loan negotiations of the general provisions along the lines of Clauses (a) and (b) of para. 5 of SLC/O/575.
3. The meeting adjourned at 6:05 p.m.

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, June 12, 1953 at 11:00 a.m. in Room 1005

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WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. F. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross
Mr. H. W. Riley

Mr. R. H. Demuth
Mr. J. H. Adler
Mr. A. Kamarck
Mr. L. Nurick
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. Acheson
Mr. S. Aldewereld
Mr. N. Bass

Mr. J. Camacho
Mr. R. A. Chaufournier
Miss V. Morsey

2. Colombia

The Committee considered Memorandum SLC/0/576, "Report and Recommendations of Mission" dated June 9, 1953 and the documents attached thereto, and

APPROVED

the recommendations contained therein.

3. Brazil

The Committee, in view of

- (a) the progress made with the Itutinga and Central do Brasil Suburban Railway projects; and
- (b) the delay in the Salto Grande project;

RECOMMENDED that

Mr. Garner should, subject to Mr. Borden's concurrence, inform Mr. Lafer in a personal letter, that the Bank felt it should now go ahead with the negotiations for the additional loan of \$18-19 million to Brazilian Traction.

4. Pakistan

The Committee, noting that

- (a) the Government of Pakistan wished the Bank to reconsider the Pulp and Paper Mill project; and
- (b) Mr. Faruque, Chairman of the Pakistan Industrial Development Corporation, would be visiting Washington soon;

AGREED that

the Bank should review the data available on this project.

5. The meeting adjourned at 11:40 a.m.

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Tuesday, June 16, 1953 at 10:00 a.m. in Room 1122

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross

Mr. D. Sommers
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. G. Gondicas, Secretary

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WBG ARCHIVES

In attendance:

Mr. J. Camacho
Mr. R. W. Cavanaugh
Mr. H. W. Larsen
Miss V. Morsey
Mr. M. F. Perkins

Mr. E. W. Rembert
Mr. G. L. Sandelin
Mr. O. A. Schmidt
Mr. R. A. Wheeler
Mr. A. D. Spottswood

2. Uruguay

The Committee considered oral reports by Messrs. Sandelin, Larsen, and Spottswood on the Mission to Uruguay.

3. Chile - Paraguay

The Committee considered an oral report by Mr. Schmidt on the Missions to Chile and Paraguay.

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Thursday, June 18, 1953 at 11:00 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross
Mr. D. Sommers

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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WBG ARCHIVES

In attendance:

Mr. A. Broches
Mr. L. Machado
Mr. M. M. Mendels
Mr. L. Nurick

Mr. J. W. Peyton
Mr. G. L. Sandelin
Mr. O. A. Schmidt
Mr. E. Symonds

2. Cuba

The Committee considered an oral report by Mr. John W. Peyton, who was sent by the Bank to Cuba to study the operations of the Development Bank and to make recommendations towards their improvement and towards the creation of a more effective market for the Development Bank's securities. Mr. Peyton suggested the following plan:

- (a) that the Development Bank be headed by a high-grade executive, experienced in banking;
- (b) that a five-member Advisory Council representing Cuban and foreign banks in Havana be set up to cooperate with the Development Bank;
- (c) that loans made by the Development Bank and approved by the Advisory Council be put in trust as security for special issues of Development Bank bonds;
- (d) that the Cuban banks be prepared to underwrite these issues, the size and terms of which would have been agreed beforehand with the Advisory Council; and
- (e) that the International Bank make a standby commitment to support the market prices of these issues.

Mr. Peyton said that he had been assured by the Cuban Banking Society that if the International Bank would cooperate they would be willing to go along with his proposal.

The Committee expressed great interest in Mr. Peyton's plan. While it felt that it would be difficult for the Bank to participate in the manner suggested under (e), it agreed that alternative ways of Bank cooperation should be explored.

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Minutes of Staff Loan Committee Meeting held Tuesday, August 4, 1953 at 3:00 p.m. in Room 1005

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WBG ARCHIVES

1. Present:

Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. L. B. ^Rist
Mr. H. W. Riley

Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. L. Bennett
Mr. R. W. Cavanaugh

Mr. E. E. Clark

2. Financing Purchases in Iron Curtain Countries

The Committee considered Memorandum SLC/O/577 "Financing Purchases in Iron Curtain Countries" and

AGREED

generally with paras. 4 and 5 of this Memorandum; but

DECIDED that

(a) the formalization of the policy, referred to in para. 6, was undesirable:

(i) because of the political background;

(ii) because inclusion of the provision in the Loan Regulations would require a specific endorsement of the policy by the Executive Directors;

(iii) because Czechoslovakia (the most probable supplier) would not be excluded;

(iv) because of probable prejudice to the position of Switzerland as a supplier; and

(b) the Bank could probably achieve the desired result by administrative methods.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, June 25, 1953 at 9:30 a.m. in Room 1005

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WBG ARCHIVES

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. J. B. Knapp

Mr. M. C. Cross
Mr. D. Sommers
Mr. L. B. Rist
Mr. R. W. Cavanaugh
Mr. G. Gondicas, Secretary

In attendance:

Mr. C. de Beaufort
Mr. J. C. de Wilde
Mr. R. H. Dorr
Mr. D. C. Fulton

Mr. S. Lipkowitz
Mr. G. M. Street
Mr. ~~J. H. Williams~~ R. B. J. Richards

2. Japan

The Committee considered Report AS-10, "Japan: Economic Situation and Prospects" and Report EC-14, "Summary of External Public Debt of Japan" and

APPROVED

these reports after making certain changes in the "Summary and Conclusions" of the former, and

AGREED

that both reports should be presented to the Executive Directors for their consideration, but after page v., para. 13, of Report AS-10, and page 1, para. I.3, of Report EC-14 had been cleared with the United States Government.

The Committee also

AGREED

that the financial and economic situation and outlook, as described in Report AS-10, indicated the need for caution in the Bank's approach to lending operations in Japan.

The Committee took note of the Vice President's announcement to the Japanese Ambassador that Japan should not base itself on any other assumption than that Bank investment in Japan over the next few years could not be more than an amount of the order of \$100 million.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, June 30, 1953 at
2:00 p.m. in Room 1005

DECLASSIFIED

1. Present:

JUN 13 2014

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. M. C. Cross
Mr. L. B. Rist

Mr. H. W. Riley
Mr. A. Broches
Mr. G. Gondicas, Secretary

WBG ARCHIVES

In attendance:

Mr. L. Baranyai
Mr. H. N. Graves
Mr. A. Kruithof
Mr. S. Lipkowitz

Mr. D. S. Mallon
Miss V. Morsey
Mr. N. J. Paterson

2. Iceland

The Committee considered Memorandum SLC/O/578, "Iceland - Loan Operations" from the Department of Operations, Europe, Africa and Australasia, dated June 25, 1953, and the documents attached thereto, and

APPROVED

the recommendations contained therein.

M. Fehon

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, July 1, 1953 at 10:30 a.m. in Room 1005

1. Present:

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WBG ARCHIVES

- | | |
|--------------------|----------------------------|
| Mr. R. L. Garner | Mr. H. W. Riley |
| Mr. W. A. B. Iliff | Mr. R. H. Demuth |
| Mr. F. Gregh | Mr. O. A. Schmidt |
| Mr. A. S. G. Hoar | Mr. A. Broches |
| Mr. M. C. Cross | Mr. G. Gondicas, Secretary |
| Mr. L. B. Rist | |

In attendance:

- | | |
|-----------------------|------------------|
| Mr. D. Fontein | Mr. G. M. Street |
| Mr. W. D. S. Fraser | Mr. H. E. Tolley |
| Mr. D. C. Fulton | Mr. A. Wubnig |
| Mr. F. M. Oppenheimer | |

2. Thailand

The Committee considered Memorandum SLC/0/579, "Thailand - Highway and Railways Programs," from the Department of Operations, Asia and Middle East, and the Technical Operations Reports TO-14, "Thailand Road Investment Program" and TO-15, "Thailand Railway Investment Program" attached thereto, and

APPROVED

the recommendations therein

- (a) that it would be appropriate for the Bank to provide the Thais with the Technical Reports TO-14 and TO-15, re-edited to exclude all references to possible Bank loans;
- (b) that the required technical and administrative improvements for implementing the Thai railway investment program be incorporated in the Loan Agreement;
- (c) that the Bank, after foreign contracting firms had been chosen by the Thai Government for construction of new national roads, explore the possibility of their forming partnerships with local Thai contractors for carrying out the work; and
- (d) that the Bank discuss with the Thai Government the advisability of allocating the proceeds from gasoline and vehicle taxes to highway development.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, July 9, 1953 at 10:30 a.m. in Room 1005

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WBG ARCHIVES

1. Present:

Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. M. C. Cross
Mr. L. B. Rist

Mr. H. W. Riley
Mr. A. Broches
Mr. O. A. Schmidt
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. Acheson
Mr. L. H. Bengston
Mr. C. Finne

Mr. W. L. Jago
Mr. R. F. Quandt

2. Brazil - Itutinga Project

The Committee considered Memorandum SLC/0/584, "Brazil - Itutinga Hydro-electric Project, State of Minas Gerais;" the draft President's Report and Recommendations; Report TO-11a, Technical Report; and the draft Loan Agreement, Guarantee Agreement, and Project Funds Agreement; and

AGREED

that the desirability of including in the Technical Report details of bids, for equipment already purchased and to be financed under the loan, should be discussed with Mr. Black, and otherwise

APPROVED

the documents with minor alterations;

RECOMMENDED that

- (a) while Westinghouse's agreement to participate in the proposed loan should not be made a condition of the loan, an attempt should be made to get Westinghouse to subscribe to some of the early maturities;
- (b) in future similar cases, an attempt should be made prior to negotiation of the loan to obtain the supplier's agreement to participate in the financing of the project; and

AGREED that

a brief report by Mr. Larsen on the recent movement of the cruzeiro should be included in the oral presentation to the Executive Directors.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, July 13, 1953 at 3:30 p.m. in Room 1005

1. Present:

DECLASSIFIED

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. M. C. Cross
Mr. L. B. Rist

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. A. Broches
Mr. O. A. Schmidt
Mr. H. G. A. Woolley, Secretary

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. A. Christelow
Mr. M. M. Mendels

Mr. S. Lipkowitz

2. Problem of Population Control

The Committee considered Memorandum SLC/O/585, "The Problem of Population Control" and

DECIDED

that the subject was of considerable importance to the Bank in its operations, and

AGREED

generally that the Bank should proceed with a project for the study of the economic effects of population growth, including discussion of investment requirements and supported by case histories of selected countries.

It was also AGREED that

- (a) the Bank should undertake the study without seeking co-sponsors;
- (b) since the project would require the full time of the man assigned to it, a special appointment to the staff would be necessary; and
- (c) although the study would be intended for publication, decision on the matter would have to await completion of the work.

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

Chow

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, July 17, 1953 at 9:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. M. C. Cross
Mr. L. B. Rist
Mr. H. W. Riley

Mr. R. H. Demuth
Mr. A. Broches
Mr. O. A. Schmidt
Mr. J. Rucinski
Mr. H. G. A. Woolley, Secretary

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WBG ARCHIVES

In attendance:

Mr. J. H. Collier
Mr. J. S. Holmes
Mr. A. M. Kamarck

Mr. L. Nurick
Mr. A. D. Spottswood
Mr. A. Wubnig

2. Union of South Africa

The Committee considered Memorandum SLC/O/586, "South Africa: Proposed \$60 Million Loan;" the Loan and Guarantee Agreements regarding this loan; and a Memorandum from Technical Operations Department on "Proposed New Loans on Electric Power and Railways Programs" and

DECIDED that

ESCOM Project

- (a) assurances should be obtained that charges for electricity will be increased to provide revenues to cover ESCOM's expenditures including service of its funded debt;
- (b) provision should be made in the Loan Agreement that the project may be revised with the consent of the Bank, ESCOM and the Union of South Africa;

Transport Project

- (c) the Bank should rely on the general covenant that the Government will cause the project to be carried out with due diligence and not weaken it by asking for a specific assurance that the loan capital to carry out the program will be provided;
- (d) Schedule 2 of the Loan Agreement should be amended to define the program as that contained for the railways and ports in the budget estimate submitted to Parliament for the Railways and Harbor Administration for the fiscal year 1953/1954;

and otherwise

APPROVED

the documents, subject to minor changes.

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

STAFF LOAN COMMITTEE

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

Minutes of SLC Meeting held Friday, July 24, 1953 at 9:30 a.m. in Room 1005

1. Present:

DECLASSIFIED

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. S. Aldewereld
Mr. A. Broches

Mr. E. Lopez-Herrarte
Mr. J. Rucinski
Mr. O. A. Schmidt
Mr. H. G. A. Woolley, Secretary

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. R. Brion
Mr. N. R. Chakravarti
Mr. R. H. Dorr
Mr. S. Lipkowitz

Mr. M. M. Mendels
Mr. R. B. J. Richards
Mr. L. Svoboda
Dr. E. W. Rembert

2. Japan

The Committee considered Memoranda SLC/0/587, "Japan - Loan Operations;" SLC/0/590, "Japanese Power Loans;" and Report TO-20, "Preliminary Report on the Japan Development Bank;" and

AGREED that

any exchange risk under this loan should be borne by the Japanese Government;

RECOMMENDED that

- (a) the Japan Development Bank and the Power Companies should be co-borrowers;
- (b) a direct mortgage on the Power Companies' properties should be obtained but

AGREED that, if the above proposal ran into serious difficulties,

- (c) the Japan Development Bank should be accepted as the formal borrower;
- (d) the Bank should protect itself with a Project Agreement with the Power Companies so that the Bank might deal with the project as closely as if the loan were made to them direct;
- (e) the Development Bank should be required to obtain mortgages on the Power Companies as security; 1/ and
- (f) assurance should be obtained from the Government that it would not permit the Development Bank to become bankrupt.

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

1/ Subsequent to the meeting it was decided that the Development Bank should be required to pledge its interest in these mortgages to the IBRD.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, July 27, 1953 at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. M. C. Cross
Mr. D. Sommers

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

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. S. Aldewereld
Mr. J. H. Collier
Mr. S. R. Cope
Mr. H. N. Graves

Mr. A. M. Kamarck
Mr. F. M. Oppenheimer
Mr. A. D. Spottswood

2. Austria

The Committee considered Memorandum SLC/O/589, "Austrian Loan Request," and

AGREED with the report generally, and

APPROVED

the recommendations contained in para. 25 thereof, and also

AGREED that

- (a) the Mission should explore the possibility of setting up the loan on a basis which would ensure that the service of the loan should be a first charge on the foreign exchange revenues of the project; and
- (b) the Executive Directors should be informed of the nature of the proposed loan before the Mission left for Austria. 1/

3. The meeting adjourned at 12:00 noon.

1/ After reviewing the information already given to the Executive Directors, Mr. Garner decided that no action need be taken on this proposal.

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STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, July 28, 1953 at
3:00 p.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. M. C. Cross
Mr. D. Sommers

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

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WBG ARCHIVES

In attendance:

Mr. L. Cancio
Mr. F. A. Consolo
Mr. L. Kephart
Mr. H. W. Larsen

Mr. M. M. Mendels
Mr. E. W. Rembert
Mr. J. F. Smythe

2. Nicaragua

The Committee considered Report WH-5, "Mission to Nicaragua;" TO-18, "Technical Memorandum on the Diesel Power Project, Nicaragua;" and TO-19, "Technical Report on the Appraisal of Proposed Highway Extension Project, Nicaragua;" and

AGREEING generally with these reports,

DECIDED that

- (a) the Government should be invited to send representatives to the Bank to negotiate the proposed loans; and
- (b) during loan negotiations, the Bank should satisfy itself that the power project would be satisfactorily administered.

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

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STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, July 31, 1953 at 11:00 a.m. in Room 1005

1. Present:

DECLASSIFIED

~~Mr. Eugene R. Black~~

- Mr. W. A. B. Iliff
- Mr. F. Gregh
- Mr. A. S. G. Hoar
- Mr. D. Sommers

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

JUN 13 2014

WBG ARCHIVES

In attendance:

- Mr. H. W. Larsen
- Mr. D. S. Mallon
- Miss V. Morsey

- Mr. M. F. Perkins
- Mr. G. L. Sandelin

2. Uruguay

The Committee considered Memorandum SLC/0/591, "Uruguay - Development Program for the Beef Cattle and Sheep Industry" and Report TO-21, "Report on the Development Program for the Beef Cattle and Sheep Industry of Uruguay" and

AGREED that

- (a) the success of the project depended greatly on its organization and administration;
- (b) it would be important, as a first step, to find a technical expert acceptable to both the Government and the Bank, who could provide the necessary organizational capacity, leadership and direction;
- (c) if a suitable expert could be found, the Bank should engage him as a consultant and assume, initially, the cost of his services. Subsequently, if appropriate, the Government might assume this cost; and

RECOMMENDED that

- (d) the Government should be informed that, provided the outstanding administrative and organizational problems were worked out satisfactorily, the Bank would be willing to assist in financing the project;

The Committee also **AGREED** that

- (e) Mr. de Vries might be asked to stop in Rome on his return journey from Ethiopia to ascertain the number of technicians FAO would provide and also to obtain the names of any persons FAO might suggest to serve as the chief foreign technical expert;
- (f) the local currency administrative costs should be provided by the Government;

- (g) the possible use of a preferential import rate in connection with the project should be discussed with the Fund;
 - (h) interest charges for that part of the loan going directly to farmers should not be capitalized in the loan as suggested in the Appendix to TO-21; and
 - (i) the project should not necessarily be restricted to 500 participants but should include all those willing and qualified to participate up to 1,000, the actual maximum to be determined during negotiations.
3. The meeting adjourned at 12:30 p.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, August 3, 1953 at 3:30 p.m. in Room 1005

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JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. Eugene R. Black
Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. A. S. G. Hoar
Mr. M. C. Cross
Mr. D. Sommers

Mr. L. B. Rist
Mr. H. W. Riley
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. P. French
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. R. Cope
Mr. C. deBeaufort
Mr. D. C. Fulton

Mr. B. B. King
Mr. F. M. Oppenheimer
Mr. J. Rucinski

2. Germany

The Committee considered Memorandum SLC/0/592, "Germany"; Report EA-19, "Economic Report on the Federal Republic of Germany"; Report TO-23, "Report on the Proposed Loan to the Industrial Credit Bank, Dusseldorf, for the German Export Intensive Industries"; Report EC-18, "Summary of the External Debt of Western Germany"; and Memorandum from the General Counsel, "The German Debt Settlement as Affecting Loans to Germany"; and

AGREEING generally with the documents,

APPROVED

the recommendations contained in paras. 14 and 16 of Memorandum SLC/0/592, subject to the amendment of Clause (d) of para. 14 to the effect that the Bank should inform the three Governments of the Bank's intention to obtain the pari passu position referred to in Clause (c) and should obtain the views of the three Governments on this proposal; and

RECOMMENDED

that the Economic Report (EA-19), after minor amendment, be circulated to the Executive Directors.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Tuesday, August 18, 1953 at 3:00 p.m. in Room 1005

1. Present:

DECLASSIFIED

Mr. Eugene R. Black
Mr. W. A. B. Clif
Mr. F. Gregh
Mr. J. B. Knapp
Mr. D. Sommers
Mr. L. B. Rist

Mr. H. W. Riley
Mr. S. R. Cope
Mr. S. Aldewereld
Mr. P. H. French
Mr. H. G. A. Woolley, Secretary

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. W. L. Bennett
Mr. F. A. Consolo
Mr. D. Fontein

Mr. L. Kephart
Mr. H. W. Larsen
Mr. E. Lopez-Herrarte

2. Panama

The Committee considered "Mission to Panama - Operational Report" (WH-6), "Mission to Panama - Economic Report" (WH-7), "Technical Report on the Agricultural Machinery Project, Panama" (TO-25), and "Technical Report on a Grain Storage Plan, Panama" (TO-26), and

APPROVED

these documents generally, subject to amendment of the Economic Report in:

- (i) para. 24 to clarify the position as regards Panamanian deposits;
- (ii) para. 17 to bring the statement relative to the floating debt up to date;
- (iii) para. 27 to correct the statement on the external debt; and

AGREED that in the negotiations

- (a) the Bank should protect itself by limitations against the pledge of the Canal payments for further borrowing;
- (b) statements should be obtained that the Government would not issue bonds for the new race track and that their policy of paying contractors by bonds had been discontinued;
- (c) more information should be obtained to ensure that IFE's policies, operating formula, financial structure, revenues, and limitations on borrowings are satisfactory; and

also AGREED that

the Area Department should, in the course of the negotiations, present to the SIC definite proposals of how these loans should be set up through IFE.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, August 19, 1953 at 3:00 p.m. in Room 1005

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JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. Eugene R. Black
Mr. W. A. B. Cliff
Mr. F. Gregh
Mr. J. B. Knapp
Mr. H. W. Riley

Mr. S. R. Cope
Mr. S. Aldewereld
Mr. L. Nurick
Mr. J. H. Adler
Mr. G. Gondicas, Secretary

In attendance:

Mr. R. Brion
Mr. M. L. Lejeune
Mr. P. G. Ramm

Mr. J. C. Mehaffey
Mr. E. Symonds

2. Union of South Africa

The Committee considered the following documents:

- Draft President's Report and Recommendations on Two Proposed Loans, one to the Union of South Africa and the other to the South African Electricity Supply Commission;
- Report on the Economy of South Africa (EA-12a);
- Technical Report on the South African Electricity Supply Commission Projects (Escom) (TO-29);
- Technical Report on the South African Railways and Harbours Development Program (TO-30);
- Draft Loan Agreement (Transport Project);
- Draft Loan Agreement (Escom Project);
- Draft Guarantee Agreement between the Union of South Africa and IBRD (Escom and Transport Projects);
- Certain supplementary legal documents; and

APPROVED the above documents, and

AGREED

that the interest rate for the proposed loans to the Union of South Africa should be $4\frac{3}{4}\%$.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, August 21, 1953 at 11:00 a.m. in Room 1005

DECLASSIFIED

1. Present:

JUN 13 2014

Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. J. B. Knapp
Mr. H. W. Riley
Mr. M. M. Rosen

Mr. S. Aldewereld
Mr. J. H. Adler
Mr. P. H. French
Mr. M. L. Lejeune, Acting Secretary

WBG ARCHIVES

In attendance:

Mr. P. Acheson
Mr. L. H. Bengston
Mr. D. H. Connor
Mr. C. Flesher
Mr. D. C. Fulton

Mr. H. W. Larsen
Mr. B. Luzzatto
Mr. R. F. Quandt
Mr. P. G. Ramm

2. Brazil

The Committee considered Memorandum SLC/0/595, "Brazilian Traction Light and Power Co., Ltd. Piratininga Thermal Generating Station (State of Sao Paulo, City of Sao Paulo)" and attached thereto a Technical Report (TO-31) on this project, and

DECIDED that

- (a) the Brazilian Traction, Light and Power Co., Ltd. be invited to send representatives to Washington to negotiate a loan on the terms recommended in the memorandum; and
- (b) in connection with the loan, the Company be required to give the Bank a letter stating its policy on the development of further hydroelectric generating capacity in the Sao Paulo area and the eventual use of the Piratininga station as standby only.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, August 25, 1953 at 3:00 p.m. in Room 1005

DECLASSIFIED

1. Present:

JUN 13 2014

Mr. W. A. B. Iliff
Mr. F. Gregh
Mr. J. B. Knapp
Mr. D. Sommers
Mr. H. W. Riley

Mr. S. Aldewereld
Mr. S. R. Cope
Mr. J. H. Adler
Mr. L. Doucet, Acting Secretary

WBG ARCHIVES

In attendance:

Mr. L. Baranyai
Mr. C. Finne
Mr. W. M. Gilmartin
Mr. A. Kruithof
Miss V. Morsey

Mr. N. J. Paterson
Mr. P. G. Ramm
Mr. A. D. Spottswood
Mr. E. Symonds

2. Iceland

The Committee considered the draft Report and Recommendations of the President on the Two Proposed Loans to the Republic of Iceland, the draft Loan and Guarantee Agreements on the Second Agricultural Project, the draft Loan and Guarantee Agreements on the Transmitter Project, and the First Loan Administration Report on the Loans to the Republic of Iceland (EA-22), and, after certain minor changes in the draft Report and Recommendations of the President,

APPROVED the above documents, and

AGREED

that these documents be sent to the Executive Directors in time for their meeting of September 3.

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

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STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 13 2014

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

Minutes of Staff Loan Committee Meeting held Thursday, August 27, 1953 at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F. ^Gregg
Mr. J. B. Knapp
Mr. D. Sommers
Mr. H. W. Riley

Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. J. H. Adler
Mr. E. Lopez-Herrarte
Mr. H. G. A. Woolley, Secretary

In attendance

Mr. C. Flesher

Chile

Nicaragua

Mr. L. Cancio
Mr. F. A. Consolo
Mr. W. L. Jago
Mr. A. E. Matter
Mr. A. D. Spottswood

Mr. R. Carlson
Mr. H. N. Graves
Mr. B. Luzzatto
Miss V. Morsey
Mr. G. L. Sandelin

2. Nicaragua

The Committee considered Memorandum SLC/O/596 "Nicaragua," draft Report and Recommendations of the President on the Proposed Loans, Economic Report (WH-8), draft Loan Agreement on Highway Project, draft Loan Agreement on Diesel Power Project, and Technical Report on the Diesel Power Project of the Empresa de Luz y Fuerza Electrica in Nicaragua (TO-18a), and

APPROVED

these documents, subject to minor amendments, and

AGREED

that the interest rate on the proposed loans should be 4-3/4% per annum.

3. Chile

The Committee considered Memorandum SLC/O/598, "Chile: Paper-Pulp Project," Chile's Economic Position and Prospects (WH-9), and Technical Report on Chemical Pulp and Newsprint Mills in Chile (TO-33), and

APPROVED

these documents, subject to minor amendments.

The Committee also considered the draft Loan and Guarantee Agreements and a form of Mortgage and Industrial Pledge, and after noting a Memorandum showing the principal differences between the loan documents for the Chilean Paper and Pulp Project and the Bank's usual forms of loan documents,

APPROVED

these documents.

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

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STAFF LOAN COMMITTEE

JUN 13 2014

WBG ARCHIVES

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

Minutes of Staff Loan Committee Meeting held Wednesday, August 26, 1953 at 10:15 a.m. in Room 1005

1. Present:

- | | |
|-----------------------|-----------------------------------|
| Mr. Eugene R. Black * | Mr. H. W. Riley |
| Mr. R. L. Garner | Mr. S. R. Cope |
| Mr. W. A. B. Liff | Mr. S. Aldewereld |
| Mr. F. D. Gregh | Mr. J. H. Adler |
| Mr. J. B. Knapp | Mr. W. M. Kluss, Acting Secretary |
| Mr. D. Sommers | |

In attendance:

- | | |
|-----------------------|-----------------------|
| Mr. R. Brion | Mr. M. M. Mendels * |
| Mr. N. R. Chakravarti | Mr. P. G. Ramm |
| Mr. R. H. Dorr | Mr. R. B. J. Richards |
| Mr. J. Exter | Mr. J. Rucinski |
| Mr. C. Finne | Mr. A. D. Spottswood |
| Mr. W. M. Gilmartin | Mr. L. Svoboda |
| Mr. D. S. Mallon * | |

2. Japan

The Committee considered Memorandum SLC/0/597, "Japan - Thermal Power Projects," and Report TO-32, "Technical Report on the Chubu, Kansai and Kyushu Thermal Power Projects in Japan" and

APPROVED

the general framework of the proposed loans as outlined, subject to the following changes in the proposals in the Memorandum:

- (a) the maximum principal amount of the loans should be \$21.4, \$11.2 and \$6.9 million for Kansai, Kyushu and Chubu respectively;
- (b) the Loan Agreement provision outlined in para. 8(b) should provide for refunding the companies' existing indebtedness only;
- (c) the Guarantee Agreement provision outlined in para. 23 should require such rates as are necessary to enable each company to service financial arrangements in connection with expansion necessary to serve its area. In addition, by an exchange of letters, the Japanese should recognize the inadequacy of present power rates, particularly in view of the needs of the power companies for funds for capital investment and for attraction of additional capital, and agree to study the problem of rates in conjunction with the Bank; and
- (d) in discussion of the participation in the loan, the Bank's first position should be to request the suppliers to share proportionately in each disbursement.

*For part of meeting only.

The Committee also

NOTED

that the legal situation regarding the outstanding securities of the companies is extremely complex; and

AGREED

- (a) that if it should eventuate that relatively small amounts of indebtedness rank ahead of the security obtainable from the three power companies, the Bank would be prepared to accept that position;
 - (b) that the Bank would have no objection if the loans from the JDB to the power companies should be in dollars; and
 - (c) if a detailed Improvement Program for each company cannot be settled prior to signing the loans, this requirement could be included as a condition to effectiveness of the loans.
3. The meeting adjourned at 12:15 p.m.

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Minutes of Staff Loan Committee Meeting held Friday, August 28, 1953 at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. M. M. Rosen
Mr. S. Aldewereld

H. W. Riley
Mr. ~~P. G. Ramm~~
Mr. L. Nurick
Mr. J. H. Adler
Mr. P. H. French
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. F. Craig-Martin
Mr. T. Finsaas
Mr. H. N. Graves
Mr. P. Lieftinck
Mr. J. C. Mehaffey

Mr. P. G. Ramm
Mr. A. Stevenson
Mr. E. Symonds
Mr. J. H. Williams
Mr. A. Wubnig

2. French West Africa

The Committee considered Memorandum SLC/O/600, "French Colonial Lending;" Report EA-20, "Operational Report of the Mission to French West Africa;" Report EA-21, "The Economy of French West Africa;" and Report TO-34, "Technical Report on the French West African Railways;" and

AGREED

generally with these documents, subject to the following modifications:

- (a) para. 59 of the Technical Report to be omitted and clause iv) of Section VI to be amended to read: "Before a loan could be made, the Bank would have to be satisfied as to the adequacy of the Regie's plan for equipping shops and training personnel to service diesel traction;
- (b) the French Government to be informed that the Bank:
 - (i) is prepared to accept in principle that the project to complete the conversion of the French West African Railroads to diesel operation is suitable for a Bank loan in dollars provided that the Bank is satisfied that the equipment is suitable and its prices reasonable;
 - (ii) following its usual policy of tying its loans in with the locality where Bank-financed equipment is to be used, is prepared to accept the Regie as the borrower; and
 - (iii) would have to have the guarantee of France to the loan, as the member country, and therefore would not desire any guarantee by the Federation but would desire in lieu an expression of the Federation's approval of the loan as an indication of the support of the locality in which the Bank-financed equipment was to be used; and

also AGREED that

a report on the dollar creditworthiness of **France** should be presented for consideration by the Committee before any loan proposal is presented to the Executive Directors.

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

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JUN 13 2014
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Minutes of Staff Loan Committee Meeting held Monday, August 31, 1953 at 10:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. F. Gregh
Mr. J. B. Knapp
Mr. H. W. Riley
Mr. M. M. Rosen

Mr. S. Aldewereld
Mr. A. Broches
Mr. J. H. Adler
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. L. G. Butcher
Mr. L. Cancio
Mr. H. N. Graves
Mr. P. Liefertinck
Mr. D. S. Mallon

Mr. A. E. Matter
Mr. J. C. Mehaffey
Mr. M. Ross
Mr. S. P. Wheelock

2. Turkey - Proposed Second Loan to IDB

The Committee considered the draft Report and Recommendations of the President concerning a Proposed Loan to the Industrial Development Bank of Turkey; Creditworthiness of Turkey (EA-23); Summary of the External Public Debt of Turkey (EC-20); and draft Loan and Guarantee Agreements; and

APPROVED these documents, subject to

- (a) the creditworthiness report being modified to give fuller treatment to the short term financial problems;
- (b) minor amendments to the Report and Recommendations of the President; and

AGREED that

- (c) before presenting the loan to the Executive Directors, the problem raised by non-servicing of the French part of the 1939 Armament Credit to Turkey should be discussed with the Executive Director for France;
- (d) a brief statement should be included in the oral presentation of the loan to the Executive Directors, pointing out that there are certain statistical differences in the Bank and Fund reports; and
- (e) the interest rate on the loan should be 4-7/8% per annum.

3. Turkey - Port Project Loan

The Committee considered Memorandum SLC/O/601, "Turkey - \$12.5 million Port Project Loan (28 TU)", and

AGREED

with the conclusions and recommendations contained in this memorandum.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, September 2, 1953 at 10:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. F. D. Gregh
Mr. J. B. Knapp
Mr. M. C. Cross
Mr. H. W. Riley

Mr. S. R. Cope
Mr. J. H. Adler
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. J. O. Bernard
Mr. G. Grayson
Mr. H. W. Larsen

Mr. J. C. Mehaffey
Mr. A. Waterston
Miss M. Wolfson

2. Colombia - Highway Project

The Committee considered Memorandum SLC/O/602, "Colombia - Report and Recommendations of Mission;" draft President's Report and Recommendations; "The Economic Situation of Colombia" (WH-10); "Report of a Bank Mission to Colombia" (WH-11); "Appraisal of Revised Highway Project, Colombia" (TO-10a); "A Program for Maintenance of National Highways in Colombia;" and a draft Loan Agreement; and

APPROVED

these documents with minor changes; and

AGREED that

- (a) the rate of interest on this loan should be 4-3/4%;
- (b) the loan documents should be circulated to the Executive Directors not later than September 4 and, if possible, on September 3;
- (c) the Bank should try to confirm that the Council of Ministers had approved the draft Loan Agreement before the documents are sent to the Executive Directors.

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

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Minutes of Staff Loan Committee Meeting held Wednesday, September 2, 1953
at 4:45 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. F. D. Gregh
Mr. M. C. Cross
Mr. D. Sommers
Mr. H. W. Riley

Mr. S. R. Cope
Mr. J. H. Adler
Mr. G. L. Sandelin
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. Aldewereld
Mr. E. E. Clark
Mr. O. H. Folk
Mr. W. M. Gilmartin
Mr. W. L. Jago

Mr. S. Lipkowitz
Mr. H. Prud'homme
Mr. J. Rucinski
Mr. E. Symonds

2. Pakistan

The Committee considered Memorandum SIC/O/599, "Pakistan - Paper Mill Project"; TO-16, Technical Report on the project; AS-11, "Recent Economic and Financial Developments; draft Loan and Guarantee Agreements; and a draft letter on management and on the Government's subscription to additional capital to cover losses during the first two years of operation of the enterprise; and an oral report by Mr. Prud'homme on his recent visit to the plant; and

APPROVED

these documents, subject to the following modifications:

Technical Report

- (a) the management of the enterprise should be looked into further and the report revised accordingly;
- (b) the Pakistani Government should not be asked for any commitment on the condition suggested in Clause (vi) of para. 61 of the Technical Report;

Loan Agreement

- (c) Section 5.01(e) should be amended by adding a provision that the net current assets will not be reduced below 15% of the sales during the preceding year and deleting the provision that dividends should be paid only to the extent that the earned surplus is not reduced below the amount required to service its outstanding debt during the next twelve months.

The Committee also

AGREED that

- (a) the Bank should aid Pakistan to the fullest possible extent in obtaining suitable management of the project satisfactory to the Bank;
 - (b) the results of the failure of Pakistan to provide suitable management in the Agricultural Machinery Loan showed that the Bank, both in its own interests and in the interests of Pakistan, should require a management set-up acceptable to the Bank be obtained prior to signing the proposed loan;
 - (c) in view of the forthcoming Annual Meeting and the effect of a postponement of the loan on the Bank's relations with Pakistan, this question should be further discussed with Mr. Black before any decision is reached. 1/
3. The meeting adjourned at 6:50 p.m.

1/ In a meeting with Mr. Black on September 3, it was concluded that the Bank would not wish to present the proposed loan to the Executive Directors until the management of the enterprise was satisfactory to the Bank.

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Thursday, September 3, 1953 at 3:00 p.m. in Room 1123

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. H. W. Riley
Mr. M. M. Rosen

Mr. S. Aldewereld
Mr. A. Broches
Mr. J. H. Adler
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. Liefertinck
Mr. S. Lipkowitz

Mr. E. Symonds

Turkey

Mr. L. G. Butcher
Mr. L. Cancio
Mr. A. E. Matter
Mr. M. Ross
Mr. S. P. Wheelock

Chile

Mr. R. Carlson
Mr. H. W. Larsen
Mr. B. Iuzzatto
Miss V. Morsey
Mr. G. L. Sandelin

2. Turkey - Proposed Loan to IDE

The Committee considered draft Progress Report on the Industrial Development Bank of Turkey, and

APPROVED

the Progress Report with minor changes, and

AGREED that

the loan documents should be sent to the Executive Directors as early as possible on September 4 and the proposed loan presented to the Executive Directors on September 10.

3. Chile - Paper and Pulp Project

The Committee considered the draft Report and Recommendations of the President, and

APPROVED

this document with minor changes, and

AGREED that

(a) comments on the Economic Report (WH-9a) should be sent to Mr. Knapp or Mr. Larsen by 10:00 a.m. on September 4; and

(v) the loan documents should be sent to the Executive Directors as early as possible on September 4 and the proposed loan presented to them on September 10.

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

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Minutes of Staff Loan Committee Meeting held Friday, September 4, 1953 at

11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. F. D. Gregh
Mr. J. B. Knapp
Mr. D. Sommers
Mr. H. W. Riley

Mr. S. R. Cope
Mr. S. Aldewereld
Mr. J. H. Adler
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. L. H. Bengston
Mr. W. Diamond
Mr. O. H. Folk
Mr. J. C. Mehaffey

Mr. A. E. Matter
Mr. H. Prud'homme
Mr. J. Rucinski
Mr. E. Symonds

2. Ethiopia

The Committee considered Memorandum SLC/O/603, "Ethiopia - Highway Loan," and "Report on the Field visits to the Ethiopian Highway Project"(TO-35), and

CONCURRED generally

in the memorandum and report, and

AGREED that

- (a) the Bank should urge the Ethiopian Government to take an early decision on the nature and extent of the program to be carried out after the expiration of the current program in February 1954;
- (b) the Bank should urge the Government to arrange promptly for a management staff beyond February 1954;
- (c) the continuing program and the management staff should be for a period of at least three years;
- (d) the Bank should discuss with the U.S. Bureau of Public Roads
 - (i) the Ethiopian request for a one-year extension of the management contract; and
 - (ii) the continuing program;
- (e) a modified version of Mr. Matter's Report should be prepared as soon as practicable and discussed with Mr. Rex S. Anderson, the Director of IHA, and the U.S. Bureau of Public Roads, as soon as possible after Mr. Anderson's arrival in Washington;

- (f) provided agreement could be reached with Mr. Anderson and the U.S. Bureau of Public Roads on the revised report, copies should be sent to the Ethiopian Government and to the Ethiopian Vice Minister of Finance, who was expected to be in Washington next week;
- (g) if asked for financial assistance for the future Ethiopian highway program, the Bank should make no commitment but should not refuse to consider aid provided the program and the organization and management of the continuing program were satisfactory to the Bank;

NOTED that

while the Area and the Treasurer's Departments had been working under the impression that under the Loan Agreement tolls collected were payable to the Highway Authority for use in the road program and the Area Department representative had so stated at the SIC meeting held on October 13, 1952, the Legal Department representative on the Working Party had and still considered that there was little, if any, legal obligation for such payment under the terms of the Loan Agreement; and

AGREED that

if a satisfactory program were agreed with the Ethiopian Government, the Bank should be ready to send a suitable representative to discuss the program and the recommendations and, if it appeared in any way necessary, to assist in the smooth working of relations between the Board or other authority substituted and the Highway Authority.

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

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Minutes of Staff Loan Committee Meeting held Monday, September 14, 1953 at 3:00 p.m. in Room 1005

1. Present:

Mr. Eugene R. Black	Mr. S. Aldewereld
Mr. W. A. B. Iliff	Mr. J. H. Adler
Mr. F. D. Gregh	Mr. A. M. Kamarck
Mr. H. W. Riley	Mr. E. E. Clark
Mr. R. H. Demuth	Mr. H. G. A. Woolley, Secretary
Mr. O. A. Schmidt	

In attendance:

Mr. O. H. Folk	Mr. A. D. Spottswood
Mr. J. C. Mehaffey	Mr. E. Symonds
Mr. H. Prud'homme	Mr. H. E. Tolley
Mr. J. Rucinski	

2. Pakistan

The Committee considered Memorandum SLC/O/604, "Pakistan - Mission Reports," Report and Recommendations of Mission to Pakistan (AS-12), and Economic Position and Prospects of Pakistan (AS-13), and

AGREED generally

with these documents;

also AGREED that

the Pakistani Minister of Finance be informed that the Bank finds Pakistan creditworthy for some additional financing (partly in dollars), sufficient to cover the foreign exchange cost of a number of the projects presented; and

APPROVED

the recommendations contained in pages (i) and (ii) of AS-12, subject to the following:

- (a) the Bank feels strongly the need for coordination between different countries and agencies furnishing financial aid for the Pakistan development program, and will be glad to have a representative take part in meetings to bring about coordination;
- (b) Clause (c) - the Bank is willing to send an expert to aid Pakistan in setting up the management of the Paper Mill Project;
- (c) Clause (d) - the Bank considers the Sui Gas Project to be of high priority for Pakistan. Before making any commitment the Bank would wish to examine the extent to which private capital might be available. The Bank would be unwilling to provide as much as 80% of the proposed capitalization;

- (d) Clause (e) - as to the power program in general, the Bank should encourage Pakistan to make more definite the respective responsibilities of the Central and Provincial Governments and should insist on the need for continuing study and planning of power requirements and proposed facilities. In the figures given on the thermal power project there are discrepancies to be checked, as to cost of installation per kwh in East Pakistan as against West Pakistan;
 - (e) Clause (f) - additional financing of the general railway rehabilitation program appears suitable for consideration by the Bank. The Bank should send a representative to check the project;
 - (f) Clause (g) - the Bank is willing to consider financing the Karachi East Wharves project. Subject to a check of the project, the Bank at this time would consider participation in the first three-year stage. If the Bank financed the first stage, it would, without any firm future commitment, do so on the basis that the whole project was necessary; thus, the Bank would look sympathetically towards plans for the second and third stages;
 - (g) Clause (h) - Karnafuli appears to be a high priority project but no commitment will be made by the Bank pending new engineering studies; and
 - (h) Clause (i) - as to the cement project, the Bank has doubts (i) about financing government-owned industries, and (ii) whether management of the enterprise will be independent. The Pakistani Government should be informed that this looks like a troublesome project to work out for Bank financing.
3. The meeting adjourned at 6:30 p.m.

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, September 18, 1953 at 10:00 a.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff
Mr. J. B. Knapp
Mr. M. C. Cross
Mr. D. Sommers
Mr. L. B. Rist

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. A. M. Kamarck
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. S. Aldewereld
Mr. F. A. Consolo
Mr. E. de Vries
Mr. H. W. Larsen
Mr. M. M. Mendels

Miss V. Morsey
Mr. H. B. Ripman
Mr. O. A. Schmidt
Mr. E. Symonds

2. Panama

The Committee considered Memorandum SLC/O/606, "Panama;" the draft Report and Recommendations on the Proposed Loans to Panama; Report on Instituto de Fomento Economico (IFE); draft Loan and Guarantee Agreements on the Agricultural Machinery Project and on the Grain Storage Project; and new paras. 36 to 40 to be substituted for paras. 36 and 37 in the draft Report and Recommendations of the President; and

APPROVED

these documents, with minor changes; and

AGREED

that the interest rate on each of these two loans should be 4-5/8%.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Thursday, September 24, 1953
at 10:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. D. Sommers
Mr. L. B. ^Rist

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. S. Aldewereld
Mr. J. Rucinski *
Mr. P. Acheson, Acting Secretary

In attendance:

Brazil

Local Expenditure
Loans

Mr. E. Symonds

Mr. L. H. Bengston
Mr. J. Camacho
Mr. R. Carlson
Mr. D. Connor
Mr. B. Luzzatto
Mr. J. C. Mehaffey
Mr. M. M. Mendels
Mr. R. F. Quandt

2. Brazil

The Committee considered Memorandum SLC/O/607, "Brazil," the draft Loan Agreement, Guarantee Agreement, and Indenture of Guarantee for the Piratininga Project, and

APPROVED

the recommendations contained therein; and

AGREED

(a) Piratininga

that the draft of a letter to be addressed by Brazilian Traction to the Bank regarding its future power development program was satisfactory;

(b) Salto Grande

that the Mission should also have preliminary discussions with Usinas Eletricas do Paranapanema S.A. regarding a debt limitation agreement;

(c) Central do Brasil Suburban Car

(i) to a 5 $\frac{1}{2}$ -year period of grace for the proposed loan; and

(ii) that, if necessary, the Bank would be prepared to consider giving Metropolitan-Vickers an irrevocable commitment to reimburse, covering the whole of the proposed loan.

3. Local Expenditure Loans

The Committee considered Memorandum SLC/O/609, "Local Expenditure Loans" and

AGREED

that the Memorandum should be redrafted along the lines discussed at the meeting.

4. The meeting adjourned at 12:05 p.m.

* Present for "Local Expenditures Loans" only.

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Minutes of Staff Loan Committee Meeting held Friday, September 25, 1953
at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. D. Sommers

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. S. Aldewereld
Mr. L. G. Butcher, Acting Secretary

In attendance:

Mr. R. Brion
Mr. E. E. Clark
Mr. A. E. Matter
Mr. E. W. Rembert

Mr. M. M. Rosen
Mr. M. Ross
Mr. E. Symonds
Mr. S. P. Wheelock

2. Italy - Second Cassa Loan

The Committee considered Memorandum SLC/0/609, "Italy - Proposed Second Loan of \$10 million to the Cassa per il Mezzogiorno", draft President's Report and Recommendations, Progress Report (TO-38), "Creditworthiness of Italy" (EA-25), "Summary of the External Public Debt of Italy" (EC-15), and the draft Loan and Guarantee Agreements, and

APPROVED

these documents with minor changes, and

RECOMMENDED

- (a) that the President's Report and Recommendations should be amended to mention the accomplishments of the Cassa to date without attempting to give detailed figures;
- (b) that the Progress Report on the Cassa should be amended to explain why it is not possible to give detailed figures on benefits of the Cassa program to date.

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

STAFF LOAN COMMITTEE

SLC/M/465

Summary of discussion at meeting held in New York Office on September 30,
1953, at 10:00 a.m.

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G E R M A N Y

No formal minutes.- See German file.

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Minutes of Staff Loan Committee Meeting held Friday, October 2, 1953 at 11:00 a.m. in Room 1005

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1. Present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. L. B. Rist
Mr. H. W. Riley

Mr. R. H. Demuth
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. R. Brion
Mr. S. R. Cope
Mr. J. S. Holmes
Mr. E. W. Rembert
Mr. A. D. Spottswood
Mr. S. P. Wheelock

Turkey only

Mr. L. Cancio
Mr. S. Lipkowitz

Austria only

Mr. J. H. Collier
Mr. A. M. Kamarck

2. Turkey

The Committee considered Memorandum SLC/O/613, "Turkey - Proposed Industrial Projects" and the memorandum attached thereto, and

AGREED

generally with the conclusions in the memorandum and oral proposals of the Director of Operations - Europe, Africa and Australasia, that:

- A. an economist should go to Turkey next week to examine the general economic situation and resources available for the Gediz plan;
- B. a technical expert should be sent to look at non-industrial projects;
- C. Mr. Rosen should be notified of the discussions at the Bank and should go to Turkey in about three weeks' time. Accompanied by Dr. Liefertinck he should:
 - (a) inform the Turkish Government
 - (i) of the Bank's limitations on its participation in the financing of Government-owned industrial projects;
 - (ii) of management requirements;
 - (iii) that the Bank's approach to the questions of management and Government ownership is made without prejudice to its final position;
 - (b) if possible, ascertain the Turkish Government's intention about the further operation of industrial projects by the Eti and Sumer banks;

(c) report back his general reactions;

D. if the situation is considered favorable, arrangements could then be made for Mr. Lipkowitz to go to Turkey to look at the copper and pyrites projects.

3. Austria

The Committee also considered Memorandum SIC/O/611, "Austria" and the draft "Interim Report on the Economy of Austria" and

AGREED

generally with the recommendations contained therein; and also

AGREED

that arrangements should be made as necessary between the Area Department and the Technical Operations Department for the coordination of the technical appraisal with the negotiations.

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

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Minutes of Staff Loan Committee Meeting held Monday, October 5, 1953 at 3:45 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth

Mr. J. Rucinski
Mr. S. R. Cope
Mr. S. Aldewereld
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. E. Exter
Mr. R. B. J. Richards
Mr. L. Svoboda

Lebanon only

Mr. F. G. Bochenski
Mr. J. S. Holmes
Mr. F. D. Stephens
Mr. W. C. P. Rutland

Ceylon only

Mr. D. C. Fulton
Mr. W. M. Gilmartin
Mr. G. M. Street

2. Lebanon

The Committee considered Memorandum SLC/O/612, "Lebanon - Industrial Development Bank" and

AGREED

that the Lebanese Government should be informed

- (a) of the Bank's interest in this project and its general agreement along the lines suggested by Mr. Johnson;
- (b) that the Bank is ready to work with Lebanon on the establishment of the Bank, subject to discussion of the specific questions outlined in clauses (a), (b) and (c) of the Area Memorandum and of other questions, including
 - (i) the estimated cost of operation;
 - (ii) the proposed Development Bank should be in a position to charge interest rates high enough to make a suitable profit;
 - (iii) any loan made by the International Bank should not take a junior position to Government loans and the term of Government loans should not be shorter than the term of any IBRD loan.

3. Ceylon

The Committee considered Memorandum SLC/O/614, "Ceylon - The Development Finance Corporation" and

AGREED

- (a) that in the Bank's view
 - (i) Government control and operation of the Development Finance Corporation would hinder rather than assist the development of private industry;
 - (ii) in order to fulfill the purpose for which the Corporation was intended, it should be owned by private **capital** and operated by private initiative but probably with some Government support until it was firmly established on a profitable operating basis;
 - (iii) in the initial period it might be necessary for the institution to carry out some promotional operations;
- (b) Mr. Gregh should be informed of the SIC discussion and during his forthcoming visit should explore:
 - (i) the need for a development corporation, to be owned by private capital;
 - (ii) whether the corporation should undertake some promotional operations;
 - (iii) whether private capital would be sufficiently interested in a development corporation to provide equity capital; and
 - (iv) whether there are suitable private industrial projects which cannot be executed because of the lack of adequate financing;
- (c) if Mr. Gregh reported that there appeared a reasonable prospect of development of the project along lines the Bank considered constructive, the Bank would be willing to consider sending an expert to Ceylon to make the further investigation necessary to see whether the required elements were available for a reasonable measure of success for the project.

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

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Minutes of Staff Loan Committee Meeting held Tuesday, October 6, 1953 at 2:30 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. L. B. Rist
Mr. H. W. Riley
Mr. J. Rucinski

Mr. S. R. Cope
Mr. S. Aldewereld
Mr. R. B. J. Richards
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. N. Chakravarti
Mr. R. H. Dorr
Mr. C. Finne
Mr. D. C. Fulton

Mr. W. M. Kluss
Mr. E. W. Rembert
Mr. G. M. Street
Mr. L. Svoboda

2. Japan - Thermal Power Projects

The Committee considered Memorandum SLC/O/615, "Japan - Chubu, Kansai, and Kyushu Thermal Power Projects," draft President's Report and Recommendations, draft letter re power rates, and the Loan, Guarantee and Project Agreements for the Kansai Project; and

APPROVED

these documents, subject to

- (a) the omission of the last two sentences in para. 2 of the draft letter re power rates, or clarification of these sentences if the Japanese pressed for inclusion of the points made;
- (b) the Japanese being informed that in discussions at the Bank there was a reaction that the third sentence of the third para. in the draft letter was contrary to the general tenor of the letter and, while the Bank did not insist, it would prefer to omit that sentence;
- (c) other minor alterations;

AGREED that

- (d) the interest rate on these loans should be 5%;
- (e) if possible, negotiations with the Japanese should be completed and the documents circulated to the Executive Directions on October 8;
- (f) the date for presentation of the loan to the Executive Directors should be set as soon as discussions had been completed with the manufacturing companies participating in the loans.

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

Mr. Cheon

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WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Wednesday, October 7, 1953 at 2:30 p.m. in Room 1005

1. Present:

- | | |
|------------------|---------------------------------|
| Mr. R. L. Garner | Mr. S. Aldewereld |
| Mr. J. B. Knapp | Mr. P. G. Ramm |
| Mr. L. B. Rist | Mr. A. M. Kamarck |
| Mr. R. H. Demuth | Mr. E. E. Clark |
| Mr. J. Rucinski | Mr. H. G. A. Woolley, Secretary |

In attendance:

- | | |
|---------------------|----------------------|
| Mr. R. W. Cavanaugh | Miss V. Morsey |
| Mr. E. deVries | Mr. M. F. Perkins |
| Mr. W. Diamond | Mr. E. W. Rembert |
| Mr. D. C. Fulton | Mr. G. L. Sandelin |
| Mr. B. Luzzatto | Mr. O. A. Schmidt |
| Mr. J. C. Mehaffey | Mr. A. D. Spottswood |

2. Uruguay

The Committee considered Memorandum SLC/O/619, "Uruguay - Policy questions involved in the proposed loan to the Uruguayan Railways" and

AGREED that

- (a) in general, government-owned revenue producing facilities should be financially self-supporting and operated autonomously under competent management. Where this is not the case, the burden of proof should be on the government to show why this policy should not be observed and why the Bank should participate in the financing of such projects;
- (b) the railway and UTE projects should be discussed with the Uruguayan Government at the same time after they had been reviewed by the Working Party and the Staff Loan Committee;
- (c) the Uruguayan Government should then be informed of the Bank's views as set forth in (a) above and advised that:
 - (i) if it concurred in principle with this policy, the Bank would be willing to collaborate with the management of the Uruguayan State Railways in preparing a program looking toward making the railways financially self-supporting within a reasonable period of time;
 - (ii) the Bank would expect the railways to take some substantial steps toward making its operations self-supporting before loan negotiations were commenced; and

(iii) unless the Uruguayan Government were prepared to proceed on the basis outlined above, the Bank would prefer to direct its lending in Uruguay toward other projects.

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

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Minutes of Staff Loan Committee Meeting held Tuesday, October 13, 1953 at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. D. Sommers
Mr. L. B. Rist
Mr. H. W. Riley

Mr. R. H. Demuth
Mr. S. R. Cope
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. N. Bass
Mr. D. H. Connors
Mr. P. F. Craig-Martin
Mr. E. deVries
Mr. J. S. Holmes

Mr. J. C. Mehaffey
Mr. M. M. Mendels
Mr. H. Prud'homme
Mr. H. B. Ripman

2. Ethiopia

The Committee considered Memorandum SLC/O/621, "Ethiopia" and Report TO-39, "Development Bank of Ethiopia" and

A. Development Bank

AGREED

generally with the recommendations contained in para. 7 of SLC/O/621; and

AGREED

also that a letter should be sent to the Ethiopian Government to inform them that

(a) the Bank considers that

- (i) a sound agricultural development program, including credit facilities, is needed in Ethiopia;
- (ii) there appears a good possibility of improving coffee production by using better methods;
- (iii) a general program of credits for this purpose without well-organized supervision would, however, be unsatisfactory;
- (iv) progress can only be made slowly until sufficient trained personnel are available, and for the next two or three years therefore only small sums will be necessary for the purpose;
- (v) since suitable bankable agricultural loans on a large scale are not likely to be available at this stage, unless the

Ethiopian Government and the Board of the Development Bank are willing to continue with industrial loans as well as the coffee development program, the Bank sees no purpose in proceeding further with the Development Bank project;

- (b) until agricultural and industrial loan policy are clarified, and until the question of a new Managing Director is taken care of, the Bank will not approve new projects of the Development Bank that would require disbursements under the Bank's loan;
- (c) Mr. Craig-Martin is being sent to Ethiopia in November to study the coffee situation, to explore with the Government and the Development Bank the possibilities for improvement of coffee production by establishing a system of credits, and to discuss any points arising out of the Bank's letter;

B. Telecommunications

AGREED

that before making the loan effective

- (a) compliance with the provisions contained in clauses (a), (b) and (c) of para. 11 of SLC/0/621 should be required;
- (b) assurance should be obtained from the Ethiopian Government that sufficient funds would be available to complete the project;
- (c) the loan documents, Charter of the Authority, and the Emperor's proclamation should be studied by the Working Party and the Ethiopian Government required to arrange for additional provisions, if any are necessary, to ensure that the Manager has the necessary authority to carry out his responsibilities.

C. Highways

CONSIDERED

it desirable that the personnel agreement should be extended for three years, but under the circumstances

AGREED

to accept that the Bureau continue the management of the I.H.A. for one year.

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

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Minutes of Staff Loan Committee Meeting held Thursday, October 15, 1953 at 3:00 p.m. in Room 1123

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth

Mr. S. Aldewereld
Mr. A. M. Kamarck
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. L. Cancio
Mr. R. A. Chaufournier
Mr. D. H. Connor
Mr. J. C. deWilde
Mr. T. Finsaas
Mr. C. Flesher
Mr. D. L. Gordon

Mr. A. Kruithof
Mr. G. S. Mason
Mr. J. C. Mehaffey
Mr. M. M. Mendels
Mr. O. A. Schmidt
Mr. E. Symonds

2. Ecuador

The Committee heard oral reports by Mr. Mason and other members of the recent Mission to Ecuador.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, October 16, 1953 at
2:30 p.m. in Room 1005

1. Present:

Mr. E. R. Black
Mr. R. L. Garner
Mr. J. Racinski
Mr. L. B. Rist
Mr. H. W. Riley

Mr. R. H. Demuth
Mr. S. Aldewereld
Mr. A. M. Kamarck
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. G. M. Alter
Mr. J. C. Antoine
Mr. A. Basch
Mr. N. Bass
Mr. I. P. Cargill
Mr. E. deVries
Mr. J. C. deWilde
Mr. J. E. Exter

Mr. H. N. Graves
Mr. L. G. Marshall
Mr. J. C. Mehaffey
Mr. M. M. Mendels
Mr. M. F. Perkins
Mr. E. W. Rembert
Mr. R. B. J. Richards
Mr. H. B. Ripman

2. Ceylon - India

The Committee heard oral reports by Messrs. Basch and Marshall on their recent Mission to Ceylon and India.

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

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WBG ARCHIVES

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Minutes of Staff Loan Committee Meeting held Wednesday, November 20, 1953 at 10:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W.A.B. Iliff
Mr. J. B. Knapp
Mr. M. C. Cross
Mr. D. Sommers
Mr. L. B. Rist

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. J. Racinski
Mr. S. R. Cope
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. M. M. Mendels
Mr. H. B. Ripman

Mr. E. Symonds

2. Form of Economic Reports

The Committee considered Memorandum SLC/O/631, "Form of Economic Reports" dated November 17, 1953, and

APPROVED

- (a) the recommendations contained therein, subject to minor amendments;
- (b) their incorporation in the series of Operational Memoranda; and
- (c) review of the Operational Memorandum after six months to see whether any improvements can be made.

3. Foreign Exchange Loans for Local Expenditure

The Committee also considered Memorandum SLC/O/622 Rev. 2, "Foreign Exchange Loans for Local Expenditure" dated November 20, 1953, and

APPROVED

its incorporation in the series of Operational Memoranda, subject to certain drafting amendments by Mr. Sommers, including an appropriate amendment of the third sentence in para. 4 to indicate that this is a convenient way of bringing pressure on these countries to raise as much as possible locally.

4. Problem of Management in Financing Industry

The Committee deferred consideration of Memorandum SLC/O/624, "Problem of Management in Financing Industry" dated October 26, 1953, to a future meeting.

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

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WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Thursday, November 5, 1953 at 11:00 a.m. in Room 1005

1. Present:

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

Mr. E. W. Rembert
Miss V. Morsey
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. H. N. Graves
Mr. C. Hahn
Mr. H. W. Larsen

Mr. M. M. Mendels
Mr. N. B. Parker

2. Paraguay

The Committee considered Memorandum SLC/O/626, "Paraguay: Proposed Operational Mission" and Report Z-5, "Report of the Special Representative to Paraguay" and

APPROVED

generally, the conclusions and recommendations contained in para. 17 and 18 of SLC/O/626.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, November 6, 1953 at 10:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. J. B. Knapp
Mr. D. Sommers
Mr. R. H. Demuth

Mr. S. R. Cope
Mr. E. W. Rembert
Mr. P. G. Ramm
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. R. W. Cavanaugh
Mr. G. Gondicas
Mr. C. E. Hahn
Mr. H. W. Larsen
Miss V. Morsey

Mr. M. F. Perkins
Mr. G. L. Sandelin
Mr. A. D. Spottswood
Mr. E. Symonds

2. Uruguay

The Committee considered Memoranda SLC/0/625, "Uruguay: Loan Proposals", and SLC/0/623, "Uruguayan Railway Loan Request", Report TO-40, "An Appraisal of a Proposed Program for the Expansion of Uruguay's Power Facilities", and Report WH-12a, "Current Economic Position and Prospects of Uruguay"; and

AGREED that

- (a) because Uruguay's creditworthiness in U.S. dollars is very limited, Bank lending to Uruguay should be primarily in non-dollar currencies;

and NOTING

- (b) the improbability of being able to obtain releases of 18% capital subscriptions to borrow non-dollar currencies to the extent required, and the competing requirements for these currencies for Bank-financed projects in other countries;

AGREED that

- (c) future lending to Uruguay should be restricted to the equivalent of \$60 million, of which approximately \$20 million might be in U.S. dollars and \$40 million in other currencies;
- (d) of the U.S.\$20 million, \$10 million would be held for the agricultural project now before the Bank and possible future agricultural financing, and \$10 million for the railway and power projects;
- (e) the Bank should not finance the purchase of diesel locomotives by the Uruguayan State Railways;
- (f) the loan proposals should be reshaped to fit the above limitations;

(g) since Uruguay has already signed U.S. dollar contracts for purchases under the existing loan, it would not be wise for the Bank to seek released 18% capital subscriptions in non-dollar currencies to cover these requirements.

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

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STAFF LOAN COMMITTEE

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WBG ARCHIVES
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JUN 13 2014

Minutes of Staff Loan Committee Meeting held Monday, November 9, 1953 at 11:00 a.m. in Room 1005

WBG ARCHIVES

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. J. B. Knapp
Mr. D. Sommers
Mr. L. B. Rist

Mr. R. H. Demuth
Mr. P. G. Ramm
Mr. J. Rucinski
Mr. E. W. Rembert
Mr. A. M. Kamarck
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. P. Acheson
Mr. L. H. Bengston
Mr. R. E. Carlson
Mr. D. H. Connor
Mr. C. Fleisher

Mr. W. L. Jago
Mr. H. W. Larsen
Mr. B. Luzzatto
Mr. M. M. Mendels
Mr. R. F. Quandt

2. Brazil

The Committee heard an oral report by Mr. Quandt on the recent mission to Brazil.

3.

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JUN 13 2014
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Thursday, December 3, 1953 at 10:30 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. M. C. Cross

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

In attendance:

Mr. H. B. Ripman

Mr. E. Symonds

2. Problem of Management in Financing Industry

The Committee considered Memorandum SLC/O/624, "The Problem of Management in Financing Industry" and

APPROVED

- (a) its incorporation, subject to certain minor amendments, in the series of Operational Memoranda;
- (b) that staff members should be invited to raise any questions they may have on this memorandum, and on the memoranda on "Foreign Exchange Loans for Local Expenditure" and "Form of Country Economic Reports" (see SLC/M/473 of November 25, 1953), at the next Professional Staff Meeting.

3. The meeting adjourned at 11:20 a.m.

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JUN 19 2011
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Wednesday, December 2, 1953 at 10:00 a.m. in Room 1005

1. Present:

- | | |
|-------------------------------|----------------------|
| Mr. R. L. Garner | Mr. L. B. Rist |
| Mr. W. A. B. Iliff | Mr. H. W. Riley |
| Mr. A. S. G. Hear | Mr. R. H. Demuth |
| Mr. J. B. Knapp (Brazil only) | Mr. J. Rucinski |
| Mr. M. C. Cross | Mr. H. G. A. Woolley |
| Mr. D. Sommers | |

In attendance:

- Syria only
- Mr. F. G. Bochenski
 - Mr. E. E. Clark
 - Mr. J. E. Exter
 - Mr. C. E. Hahn
 - Mr. E. W. Rembert
 - Mr. W. C. P. Rutland

- Brazil only
- Mr. P. Acheson
 - Mr. L. H. Bengston
 - Mr. J. Camacho
 - Mr. R. E. Carlson
 - Mr. D. H. Connor
 - Mr. C. Flesher
 - Mr. W. L. Jago
 - Mr. B. Luzzatto
 - Mr. R. F. Quandt

2. Syria

The Committee considered Memorandum SLC/O/634, "Syria - U.S. Government Proposal for Financing Development Projects" and

AGREED

- (a) with the recommendations contained in clauses (a) and (b) of para. 10 of the Memorandum;

also AGREED that

- (b) any participation by the Bank in the road construction program should be subject to as much engineering work on the program as possible being completed to the satisfaction of the Bank before the signing of any loan and engineering work on the balance of the program being completed to the Bank's satisfaction before funds are made available for it;
- (c) instead of informing the Executive Directors specially of these operations, the Executive Directors would be informed of them in the normal routine manner.

3. Brazil - Central do Brasil Suburban Car Project

The Committee also considered the proposed loan of \$12.5 million to Brazil for the Central do Brasil Suburban Car Project, and

APPROVED

the draft Report and Recommendations of the President and the Appendices thereto, subject to

- (a) amendment of the Report and the draft Loan Agreement to show that:
 - (i) it is the intention of the borrower to place the service on a self-sustaining basis as soon as the improvement of the service makes it practicable;
 - (ii) the introduction of a substantial part of the new equipment would be the appropriate time to start raising tariffs;
- (b) inclusion of the status of the loan (BR 65) made on June 27, 1952 in para. 2 of the Report;
- (c) elaboration of the justification for the loan in para. 43 of the Technical Report, for publicity purposes; and
- (d) other minor amendments.

The Committee also AGREED that

- (e) the proposed loan should not be presented to the Executive Directors until Brazil had paid the commitment charge past due on the loan (BR 65) made on June 27, 1952.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, December 4, 1953 at 3:00 p.m. in Room 1005

WDC ARCHIVES

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff (Brazil only)
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. M. C. Cross

Mr. D. Sommers (Brazil only)
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. J. Rucinski
Mr. G. M. Alter
Mr. H. G. A. Woolley (Secretary)

In attendance:

Mr. J. Camacho

Mexico only

Mr. F. A. Consolo
Mr. C. H. Davies

Brazil only

Mr. P. Acheson
Mr. L. H. Bengston
Mr. R. E. Carlson
Mr. C. Flesher
Mr. W. L. Jago
Mr. B. Luzzatto
Mr. R. F. Quandt
Mr. G. M. Street

2. Mexico

The Committee heard an oral report by Mr. Consolo on his recent mission to Mexico.

3. Brazil - Salto Grande Hydroelectric Power Project

The Committee considered the proposed loan of \$10 million to Brazil for the Salto Grande Hydroelectric Power Project, and

APPROVED

the draft Report and Recommendations of the President and the Appendices thereto, subject to

- (a) inclusion in the Report of a fuller explanation of the relationship of the five power companies to the borrower;
- (b) the addition of a protective provision in the Loan Agreement so that the borrower would dispose of the goods under the loan to the five power companies only on terms satisfactory to the Bank;
- (c) certain other minor amendments.

4. Bank Policy on Contingent Contracts

The Committee AGREED that in future Bank loans, contingent contracts, agreements, etc., should, whenever possible, be presented by the borrower for the Bank's approval and executed by the parties concerned, subject if necessary to certain subsequent adjustments, before the signing of the Bank's loan.

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

STAFF LOAN COMMITTEE

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WDS ARCHIVES

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Minutes of Staff Loan Committee Meeting held Wednesday, December 9, 1953 at 2:30 p.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. F-D Gregh
Mr. J. B. Knapp

Mr. M. C. Cross
Mr. D. Sommers
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. J. H. Adler
Mr. L. Doucet, Acting Secretary

In attendance:

Mr. S. R. Cope
Mr. G. Delaume
Mr. J. Fajans
Mr. A. M. Kamarck
Mr. D. S. Mallon

Mr. L. Nurick
Mr. A. Stevenson
Mr. J. H. Williams
Mr. A. Wubnig

2. Belgium

The Committee considered Memorandum SLC/0/637, "Belgium" and Memorandum SLC/0/632, "Belgium - Lending Policy" and

APPROVED

the general conclusions in Memorandum SLC/0/632, and

AGREED

that the President would raise with the Belgians the question of availability of Belgian francs for Bank operations before the Bank advised the Belgian authorities that it was prepared to send a mission to Belgium to examine the country's credit-worthiness, its public investment program, and the proposed projects.

3. French West Africa

The Committee also considered Memorandum SLC/0/638, "French Negotiations - West Africa Railroad Project" and

AGREED

(a) that so far as the negative pledge clause in the Guarantee Agreement is concerned;

(i) some way should be found to cover the gold holdings of the Bank of France, if necessary by side letter from the Bank of France;

- (ii) an effort should be made to include "agencies". To that end the British should be asked to include in any future Guarantee Agreement "agencies with substantial foreign exchange assets or earnings" and the French be asked to give the Bank a side letter to the West Africa Guarantee Agreement stating their understanding that "agencies" so defined were included;
- (b) that the Office and Regie should not be required to consult with the Bank before incurring debt;
- (c) with the recommendations contained in paragraphs 13, 14 and 16 of Memorandum SIC/O/638.

STAFF LOAN COMMITTEE

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JUN 13 1984
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Wednesday, December 9, 1953
at 10:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar *
Mr. J. B. Knapp
Mr. F-D Gregh

Mr. M. C. Cross *
Mr. D. Sommers
Mr. H. W. Riley
Mr. G. A. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. Camacho
Mr. L. Cancio
Mr. R. A. Chaufournier
Mr. D. H. Connor

Mr. C. Flesher
Mr. A. Kruithof
Mr. G. S. Mason
Mr. O. A. Schmidt

* Part of meeting only.

2. Ecuador

The Committee considered Memorandum SLC/O/636, "Ecuador" and the attachments thereto;

APPROVED

generally, the conclusions and recommendations contained therein; and

AGREED that

- (a) the Bank should wait for the decision of U.S. authorities on the project for financing of airports presented by Ecuador to the Export-Import Bank;
- (b) provided that this application is either transferred to the Bank or deferred, the Bank should
 - (i) invite Ecuador to send its representatives to the Bank to negotiate a loan of \$8.5 million to cover the foreign exchange costs of the Highway Project of the Guayas Province;
 - (ii) in these negotiations, follow its usual practice of requiring that conditions for the loan be fulfilled as far as possible by the prospective borrower before the loan is signed, and should take the position that the Comité should now proceed as far as possible with the arrangements for a general manager to head its Highway Department;
 - (iii) be prepared to finance the foreign exchange cost, limited to a maximum of \$1 million, for the improvement of the runways at Guayaquil and QUITO AIRPORTS;

- (c) in presenting any project for Ecuador to the Executive Directors, note should be made of the special risk due to the flood and earthquake hazards of the general area.
3. Whether the Bank should, in future loans for this type of project, lend to decentralized rather than centralized authorities would be included in the discussion by the Committee of the proposed Ecuador Planning Board after Mr. Gordon's return to the Bank.
4. The meeting adjourned at 12:25 p.m.

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JUN 13 2014

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Minutes of Staff Loan Committee Meeting held Wednesday, December 16, 1953 at 10:45 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black *
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F-D Gregh
Mr. J. B. Knapp *
Mr. M. C. Cross

Mr. D. Sommers *
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. A. M. Kamarck
Mr. G. A. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. C. Antoine
Mr. A. Basch
Mr. I. P. Cargill
Mr. J. E. Exter
Mr. D. J. Fontein

Mr. W. L. Jago
Mr. L. G. Marshall
Mr. R. B. J. Richards
Mr. H. B. Ripman

* Part of meeting only.

2. Ceylon

The Committee considered Memorandum SLC/0/639, "Report and Recommendations of the Mission to Ceylon", and

AGREED that

- (a) before entering loan negotiations with Ceylon the Bank would:
 - (i) wish to discuss Ceylon's economic and financial situation with the Minister of Finance;
 - (ii) have to be convinced of Ceylon's willingness and ability to adopt corrective economic and financial measures;
 - (iii) wish to discuss with the Minister of Finance the basis for the establishment of sound working relations between Ceylon and the Bank;
 - (iv) have to be satisfied of Ceylon's acceptance of this basis;
- (b) the proposed Aberdeen-Laksapana project appeared suitable for Bank financing, subject to the Government carrying out measures satisfactory to the Bank ensuring an effective management for Ceylon's expanding power operations; and
- (c) the Ceylonese Government should be informed accordingly.

3. The meeting recessed from 1:00 to 2:30 and adjourned at 3:35 p.m.

STAFF LOAN COMMITTEE

SLC/M/483

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WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Friday, December 18, 1953 at 10:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. F-D Gregh
Mr. J. B. Knapp
Mr. D. Sommers
Mr. L. B. Rist

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. A. M. Kamarck
Mr. A. Stevenson

Mr. E. Symonds
Mr. J. H. Williams

2. French West Africa

The Committee considered Report EA-28, "The Economy of France" and Report EA-29, "The Economies of France and French West Africa, Introduction and Conclusions" and

APPROVED

these reports generally; and

AGREED

- (a) that since the notes to be given by the Regie are not regarded primarily as security they may be denominated in francs and need not (subject to Mr. Black's agreement) be actually turned over to the Bank; and
- (b) that an attempt to solve the problem of the application of the negative pledge clause to the Banque de France and "agencies" be made by including a prohibition against Government action authorizing or creating liens; and that the general counsel, if this approach seems feasible, explore using a similar formula to solve the problem of agencies in the Bank's standard clause.

3. The meeting adjourned at 11:40 a.m.

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Minutes of Staff Loan Committee Meeting held Wednesday, December 23, 1953
at 10:45 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. A. S. G. Hear	Mr. S. Aldewereld
Mr. J. B. Knapp	Miss V. Morsey
Mr. L. B. Rist	Mr. L. Doucet, Acting Secretary

In attendance:

Mr. J. Camacho	Mr. J. C. Mehaffey
Mr. R. W. Cavanaugh	Mr. M. M. Mendels
Mr. E. de Vries	Mr. N. B. Parker
Mr. E. Franco-Holguin	Mr. O. A. Schmidt
Mr. J. H. Haralz	Mr. L. D. Schweng
Mr. P. A. Kanters	Mr. A. Waterston
Mr. L. Kephart	

2. Paraguay

The Committee heard an oral report by Mr. Waterston on the recent mission to Paraguay.

3. El Salvador

The Committee heard an oral report by Mr. Franco on the recent mission to El Salvador.

4. The meeting adjourned at 12:05 p.m.