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THE WORLD BANK

Washington, D.C.

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A1995-291 Other #: 2 Box # 213541B

Loan Committee - Minutes - 1959

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Loan Committee - Minutes - 1959

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STAFF LOAN COMMITTEE

SLC/M/738

January 27, 1959

Minutes of Staff Loan Committee Meeting held on
Thursday, January 15, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED
JUN 10 2014
WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. M. M. Rosen *
Mr. A. Broches
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. M. L. Lejeune

Mr. G. N. Perry
Mr. P. J. Squire
Mr. D. L. Gordon *
Mr. D. Avramovic
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers
Mr. M. M. Mendels *
Mr. L. Nurick
Mr. J. H. Adler
Mr. P. Craig-Martin

Mr. B. Rao
Mr. A. Stevenson
Mr. M. L. Verheyen
Mr. C. E. Webb

* Part only.

2. British Guiana

The Committee considered Memorandum SLC/O/982 on possible loan operations in British Guiana, and

AGREED that

- (a) after checking with the Executive Director for the United Kingdom, a letter should be sent to the Government of British Guiana to inform them that:
 - (i) the Bank would be willing to consider lending for projects in British Guiana, assuming that the British Government supports the proposals and will give its guarantee;
 - (ii) agriculture seems the most suitable field for Bank lending at this time;
 - (iii) with this in mind, the Bank would be prepared to examine projects in this field, as for example the provision of rural credit (possibly through the British Guiana Credit Corporation), and the Tapakuma drainage and irrigation scheme;
- (b) the Bank's letter should express concern regarding the scale of the Government's planned expenditures and a suitably amended copy of the mission's report should be transmitted to the Government in due course.

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

STAFF LOAN COMMITTEE

SLC/M/739

February 5, 1959

Minutes of Staff Loan Committee Meetings held on Friday,
January 23, 1959 at 11:30 a.m. and on Wednesday,
January 28, 1959 at 2:30 p.m. in Room 1005

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JUN 10 2014
WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski 1*/
Mr. S. R. Cope 1*/ 2/ 3/
Mr. O. A. Schmidt
Mr. M. M. Rosen 2*/ 3/
Mr. S. Aldewereld 1*/ 2/ 3/
Mr. A. Broches

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth 1*/ 2*/ 3/
Mr. H. Prud'homme 2/ 3/
Mr. W. M. Gilmartin 1/
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff 2/ 3/
Mr. Davidson Sommers 1*/ 2/ 3/
Mr. M. M. Mendels 2*/ 3*/
Mr. M. L. Hoffman 2/ 3/
Mr. M. L. Lejeune
Mr. P. J. Squire 1/ 2/ 3*/
Mr. E. E. Clark 1/ 2/
Mr. C. Allardice
Mr. N. Bass 1/ 2/
Mr. R. G. Bateson 1/ 2/
Mr. K. A. Bohr 1/ 2/

Mr. R. W. Cavanaugh 1/ 2/
Mr. W. Diamond 1/
Mr. C. Finne 1/ 2/
Mr. G. A. Hathaway 1*/ 2/ 3/
Mr. A. M. Kamarck 3/
Mr. S. Lipkowitz 1/
Mr. G. S. Mason 1/ 2/
Mr. H. N. Scott 1/ 2/
Mr. A. Wenzell 1/ 2/
Mr. G. R. Young

1/ First session (Italy).
2/ Second session (Italy).

3/ Bank/Fund Collaboration.
* Part only.

2. Italy

The Committee considered Memorandum SLC/O/983 on the proposed loan for the nuclear power project and

AGREED that

- (a) the Cassa should be the borrower;
- (b) the protection, if any, to be extended to SENN by the Government against the exchange risk was a matter for decision by the Italian Government in which the Bank should not intervene;
- (c) SENN should covenant to hold its accumulated reserves in liquid form until such time as the Bank, SENN and the Cassa decided that the amount was more than adequate for this project;

- 2 -

- (d) the Bank should inform the Italian Government, SENN and the Cassa that it would be prepared to begin negotiations for the proposed loan in March or as soon thereafter as they were ready to provide the assurances required in para. 103 of the technical appraisal.

3. Nuclear Operations

The Committee also heard an oral report by Mr. Allardice on the Bank's possible future in this field and

AGREED that

- (a) the Bank's requirement of competitive bidding had appeared to be of value to the SENN project; and
- (b) decisions on the general technique to be followed by the Bank in future operations of this type should be made on an ad hoc basis after projects had been presented.

4. Bank/Fund Collaboration

The Committee considered Memorandum SLC/O/984 on Bank/Fund collaboration in assisting member countries to design measures for economic stabilization and

AGREED that

the Bank should wait for a specific case before determining the course of action to be followed.

- 5. The meeting adjourned at 1:00 p.m., reconvened at 2:30 p.m. on January 28 and adjourned at 5:00 p.m.

STAFF LOAN COMMITTEE

SLC/M/741

February 20, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, February 13, 1959 at 3:00 p.m. in Room 927

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JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. M. M. Rosen
Mr. L. B. Rist
Mr. H. W. Riley
Mr. H. Prud'homme

Mr. P. J. Squire
Mr. E. E. Clark
Mr. G. M. Alter
Mr. G. M. Wishart
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff *
Mr. H. N. Graves
Mr. G. R. Young
Mr. P. Craig-Martin *
Mr. R. J. Goodman
Mr. D. W. Jeffries

Mr. N. G. Jones
Mr. H. W. Larsen
Mr. B. Rao
Mr. H. N. Scott
Mr. G. Wiese

* Part only.

2. India

The Committee considered the proposals suggested in para. 10 of Report No. AS 71 for presentation to participants at the March 1959 meeting of India's principal creditors; and

AGREED

- (a) with the proposals suggested;
- (b) that the report, after suitable changes, should be presented to the governments concerned and to the Executive Directors; and
- (c) that, provided the Bank's conditions are accepted for the Koyna project, negotiations for the proposed loan might be started in March.

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

STAFF LOAN COMMITTEE

SLC/M/742

February 19, 1959

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Friday, February 13, 1959 at 11:00 a.m. in Room 927

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. L. B. Rist
Mr. H. W. Riley

Mr. R. H. Demuth *
Mr. H. Prud'homme
Mr. P. J. Squire
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. G. N. Perry
Mr. G. M. Alter
Mr. C. L. Austin
Mr. R. Chaufournier
Mr. S. R. Chevrier
Mr. P. Craig-Martin
Mr. P. Finsaas
Mr. H. Havlik

Mr. N. G. Jones
Mr. W. M. Keltie
Mr. J. C. Main
Mr. B. Rao
Mr. E. Symonds
Mr. C. F. Webb
Mr. M. L. Weiner
Mr. G. M. Wishart

* Part only.

2. Peru

The Committee considered the conclusions in Memorandum SLC/O/987,
"Peru - Prospective Lending Operations," and

AGREED that

- (a) Peru's creditworthiness warranted consideration by the Bank of loans of about \$20 million in the near future and that a further \$10 million might be considered in 1960, subject to continued progress with the stabilization program and the satisfactory development of the economic and financial situation, including the exercise by Peru of appropriate restraint in making commitments on other external debt, especially suppliers' credits;
- (b) the projects proposed for:
 - (i) agricultural development credit;
 - (ii) the Port of Salaverry;
 - (iii) construction on the eastern sector of the Central Highway;
and
 - (iv) irrigation in the Tinajones area, at a later date;appeared prima facie suitable for further consideration.

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

STAFF LOAN COMMITTEE

SLC/M/743

March 11, 1959

Minutes of Staff Loan Committee Meetings held on Friday,
February 6, 1959 at 3:00 p.m. in Room 927, and on Friday,
February 27, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

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

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

In attendance:

Mr. Davidson Sommers 1*/
Mr. M. M. Mendels 2*/
Mr. G. N. Perry 1*/ 2*/
Mr. P. J. Squire 1/ 2*/
Mr. L. Nurick 1/ 2*/
Mr. P. G. Ramm 2/
Mr. D. Avramovic 1*/
Mrs. S. Boskey 1/
Mr. P. Craig-Martin
Mr. T. Finsaas 2/
Mr. D. L. Gordon 2/
Mr. C. L. Kauffmann
Mr. W. M. Keltie

Mr. H. Johnson 1/
Mr. C. Lacayo 2*/
Mr. H. W. Larsen
Mr. B. Luzzatto 2/
Mr. P. Pajunen
Mr. B. Rao 2/
Mr. H. B. Ripman 1/
Mr. M. Ross 2/
Mr. G. L. Sandelin 1/
Mr. E. Symonds
Mr. J. Volmuller 2/
Mr. A. Waterston
Mr. G. M. Wishart 2/

* Part only.

1/ First session.
2/ Second session.

2. Paraguay

The Committee considered Memorandum SLC/O/986 on the proposal to establish a Development Bank, and Memorandum SLC/O/989 on the mission's recommendations, and

AGREED that

- (a) as a prerequisite to any further Bank lending, an expansion of exports and the strengthening of foreign exchange reserves should be required;
- (b) agricultural credit directly linked to meat exports, and later on a possible highway project, should be given priority;
- (c) if requested, the Bank should make available the services of an agricultural technician to advise and assist in carrying out the necessary changes in COPACAR;

- (d) subject to (a) above, the Bank should be prepared to consider some form of limited device by which a Bank loan of not more than \$1 million might be made, perhaps to the Central Bank, to be re-lent through the local private banks for capital improvements directed specifically toward maintaining a higher level of meat exports;
- (e) the Government should hire consulting engineers to prepare their highway program and advise on its execution and might be able to obtain financial assistance from the UN Special Projects Fund for this purpose;
- (f) subject to continuing satisfactory progress, the employment of consulting engineers as recommended above and the availability of the required local currency, the Bank might consider a loan of up to approximately \$2 million for the highway project; and
- (g) the Government should be informed along these lines.

3. The meeting adjourned at 5:20 p.m., reconvened at 3:00 p.m. on February 27 and adjourned at 5:10 p.m.

STAFF LOAN COMMITTEE

SLC/M/744

March 9, 1959

Minutes of Staff Loan Committee Meeting held on
Monday, March 2, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. A. Broches *

Mr. L. B. Rist
Mr. H. W. Riley
Mr. H. Prud'homme
Mr. P. J. Squire
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. G. N. Perry *
Mr. G. M. Alter
Mr. W. J. Armstrong
Mr. R. Benrubi
Mr. C. H. Davies
Mr. B. A. de Vries

Mr. C. Lacayo
Mr. J. F. Main
Mr. E. Symonds
Mr. G. E. Webb
Mr. H. C. Wytzes

* Part only.

2. Colombia

The Committee considered Memorandum SLC/O/990 on prospective lending operations, and

AGREED that

- (a) the Bank should be prepared to work on new projects which, subject to the continuation of sound financial policies by the Government, might result in loans of up to approximately \$30 million in the next eighteen months; and
- (b) the following projects appeared prima facie suitable for consideration:
 - (i) a small (\$1 million) interim power expansion program for Manizales to supplement the Bank's \$4.6 million loan to CHEC;
 - (ii) the expansion program of the Bogota Power Company (\$10 million);
 - (iii) a new highway construction project (\$5 million); and
 - (iv) a limited diversification program for the Paz del Rio steel works (\$11 million).

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

SLC/M/745

STAFF LOAN COMMITTEE

March 23, 1959

Minutes of Staff Loan Committee Meeting held on
Wednesday, March 18, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. A. Broches
Mr. H. W. Riley
Mr. H. Prud'homme *
Mr. M. L. Lejeune
Mr. G. N. Perry

Mr. P. J. Squire **WBG ARCHIVES**
Mr. P. H. French
Mr. W. M. Gilmartin
Mr. D. Avramovic
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers *
Mr. F. Bochenki
Mr. C. H. Davies
Mr. R. A. Deely
Mr. G. Delaume
Mr. H. Havlik

Mr. H. Mirza
Mr. E. Symonds
Mr. H. van Helden
Mr. J. Volmuller
Mr. H. R. Young

* Part only.

2. Haiti

The Committee considered Memorandum SLC/O/991 on the report of the recent mission to Haiti; and

AGREED that

- (a) the grace period of the Bank's loan should be extended to July 1, 1961, and the first four semi-annual amortization payments spread *proportionately* equally over the remaining amortization payment dates of the loan;
- (b) the Executive Directors should be asked to approve the revision of the amortization schedule accordingly;
- (c) the closing date of the loan should be postponed to March 31, 1961 and the List of Goods revised as necessary;
- (d) while there was no objection to the Bank passing on informally to the UN Special Fund, DLF, etc., Haiti's request for aid to facilitate a regional development study of the Southern Peninsula, the Bank should be careful not to give the impression that it was a sponsor of the proposed survey in any way;
- (e) the Bank should confirm to the President of Haiti that it did not intend, for the present, to re-station a resident representative in Haiti.

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

STAFF LOAN COMMITTEE

SLC/M/746

March 31, 1959

Minutes of Staff Loan Committee Meeting held on
Thursday, March 26, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED
JUN 10 2014
WBG ARCHIVES

1. Present:

Mr. Davidson Sommers, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. R. H. Demuth

Mr. P. J. Squire
Mr. P. G. Ramm
Mr. L. Cancio
Mr. D. Avramovic
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. G. N. Perry
Mr. G. M. Alter
Mr. E. B. Arnold
Mr. F. G. Bochenski
Mr. G. Grayson

Mr. G. A. Hathaway
Mr. H. F. Havlik
Mr. L. V. Perez
Mr. P. A. Reid
Mr. A. D. Spottswood

2. Nicaragua

The Committee considered Memorandum SLC/O/992 on the Bank's relations with Nicaragua; and

AGREED that

(a) the Bank should not proceed with:

(i) the Rio Tuma project unless the Government was prepared to take suitable action on power rates;

(ii) either the Rio Tuma or the INFONAC project unless the Bank were satisfied that the Government would follow a suitable fiscal policy;

(b) decision on whether to proceed with the proposed loans should await:

(i) the outcome of the forthcoming discussions with the Nicaraguan authorities arriving in Washington shortly;

(ii) discussions with the Fund and U. S. authorities on the probable extent of their financial assistance to Nicaragua;

(c) the Economic Report might be used by the Area Department in these discussions, but should not be sent to the Executive Directors at the present stage.

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

SLC/M/747

STAFF LOAN COMMITTEE

April 3, 1959

Minutes of Staff Loan Committee Meeting held on
Wednesday, April 1, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. M. L. Lejeune

Mr. G. N. Perry
Mr. H. W. Larsen
Mr. C. E. Webb
Mr. D. Avramovic
Mr. F. G. Bochenski, Acting Secretary

In attendance:

Mr. ~~Davidson~~ Sommers
Mr. M. L. Hoffman
Mr. P. J. Squire
Mr. N. Bass
Mr. N. L. Caiola
Mr. C. H. Davies

Mr. J. d'Oilliamson
Mr. G. A. Hathaway
Mr. W. M. Keltie
Mr. H. Mirza
Mr. A. Wenzell
Mr. G. R. Young

2. Colombia

The Committee considered Memorandum SLC/O/994 on the proposed loan for the Guadalupe hydroelectric project of the Empresas Publicas de Medellin; and

AGREED that

- (a) the Bank should not proceed with negotiations until a consultant had been engaged by the Empresas Publicas de Medellin to study the problem of sedimentation in the reservoir;
- (b) the adoption by the borrower of satisfactory measures to alleviate sedimentation should be a condition of effectiveness of the proposed loan;
- (c) reorganization of the Empresas involving separation of power from the other Departments should not be made a condition of the proposed loan.

3. The meeting adjourned at 3.25 p.m.

STAFF LOAN COMMITTEE

SLC/M/748

April 17, 1959

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Wednesday, April 15, 1959 at 3:00 p.m. in Room 1005

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski *
Mr. H. W. Riley
Mr. M. L. Lejeune
Mr. G. N. Perry

Mr. I. P. M. Cargill
Mr. P. J. Squire
Mr. L. Nurick
Mr. D. Avramovic
Mr. F. G. Bochenski, Acting
Secretary

In attendance:

Mr. Davidson Sommers *
Mr. H. Prud'homme
Mr. E. B. Arnold
Mr. W. Brakel
Mr. D. L. Gordon
Mr. G. A. Hathaway
Mr. H. W. Larsen

Mr. S. Lipkowitz
Mr. S. Nehmer
Mr. B. L. Prins
Mr. P. A. Reid
Mr. E. Symonds
Mr. C. E. Webb

* Part only.

2. Sudan

The Committee considered Memorandum SLC/O/997 on the proposed Managil and Roseires projects; and

AGREED that

- (a) the Bank, as an international institution, cannot consider a loan for the Managil and Roseires projects in the absence of an appropriate agreement on the use of Nile waters;
- (b) once an adequate water agreement is reached and if no adverse changes occur in the financial position of the country, the Bank would be prepared:
 - (i) to negotiate a loan to finance the foreign exchange cost of Stages 3 and 4 of the Managil project, provided that availability of resources to meet local currency cost is assured;
 - (ii) subject to further studies required for adequate appraisal of the Roseires project and to a satisfactory solution of the problem of reservoir sedimentation, to consider a loan for this project in the light of such factors as the amount of foreign exchange obligations Sudan could assume without unduly burdening its balance of payments and the country's ability to finance local currency costs of the project without undue curtailment of other investments and without inflation;

- 2 -

- (c) the attitude of the Bank should be communicated to the Government in a letter transmitting the Report of the Technical Mission on Sudan Irrigation (TO-204);
- (d) the Report on the Current Economic Position and Prospects of Sudan (AS-72) should not be transmitted to the Government but the letter referred to in (c) above should point up the consequences of the recent deterioration of the country's economic position;
- (e) both the letter and the Report referred to in (c) should be distributed to the Executive Directors for information.

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

SLC/M/749

April 27, 1959

STAFF LOAN COMMITTEE

Minutes of Staff Loan Committee Meeting held on
Wednesday, April 22, 1959 at 2:30 p.m. in Room 1005

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. A. Broches
Mr. H. W. Riley
Mr. R. H. Demuth

Mr. M. L. Lejeune
Mr. P. J. Squire
Mr. A. Kruithof
Mr. D. Avramovic
Mr. F. G. Bochenski, Acting Secretary

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

In attendance:

Mr. Davidson Sommers
Mr. W. J. Armstrong
Mr. G. R. Delaume
Mr. N. G. Jones
Mr. A. M. Kamarck
Mr. S. Lipkowitz
Mr. H. B. Ripman

Mr. E. Symonds
Mr. H. van Helden
Mr. B. Walstedt
Mr. E. R. L. Weimar
Mr. J. H. Williams
Mr. G. M. Wishart

2. Tunisia

The Committee considered Memorandum SLC/O/999 on the findings of the mission to Tunisia; and

AGREED that

- (a) the Bank should inform the Government that it would be willing, if requested, to explore how it might suitably provide advice on whether and how a Tunisian development bank should be organized;
- (b) the letter to the Government should be distributed to the Executive Directors for information;
- (c) the Report of Mission to Tunisia (EA-95) should not be transmitted to the Government or distributed to the Executive Directors.

3. France - Comilog

The Committee considered Memorandum SLC/O/998, "France - Comilog Mangnese Project," and

AGREED that

- (a) the Bank should invite the prospective borrower to send representatives to Washington to negotiate the proposed loan of \$35 million;
- (b) the Committee should meet again to give further consideration to the proposed protective arrangements.

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

STAFF LOAN COMMITTEE

SLC/M/750

May 1, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, April 24, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. A. Broches
Mr. L. B. Rist

Mr. H. W. Riley
Mr. P. J. Squire
Mr. A. Kruithof
Mr. G. A. Kheradjou
Mr. F. G. Bochenski, Acting Secretary

In attendance:

Mr. Davidson Sommers
Mr. M. L. Lejeune
Mr. G. R. Young
Mr. W. J. Armstrong
Mr. D. Avramovic
Mr. G. R. Delaume

Mr. S. Lipkowitz
Mr. H. B. Ripman
Mr. W. C. P. Rutland
Mr. H. van Helden
Mr. J. H. Williams

2. France - Comilog

The Committee considered the protective covenants to be included in the Loan Agreement, as proposed in Memoranda SLC/O/998 and SLC/O/1000; and

AGREED

that the contractual arrangements should contain provisions to assure that:

- (a) shareholders should be obliged to make good the deficiency if net working capital at any time fell below a level satisfactory to the Bank;
- (b) shareholders' advances be effectively subordinated to all external debt of the borrower for the life of the Bank's loan, but:
 - (i) the Bank would consider sympathetically the borrower's requests for repayments on shareholders' advances paid in to finance construction of the project, provided net working capital were not reduced below the level satisfactory to the Bank and the debt/equity ratio would not be reduced below 25 : 75;
 - (ii) advances paid in by shareholders to make good deficiencies in net working capital might be repaid so long as repayment would not reduce net working capital below the level satisfactory to the Bank;
- (c) interest on shareholders' loans would be paid only to the extent to which it was earned and only if such payment did not reduce the borrower's net working capital below an agreed level;

- 2 -

- (d) the borrower should pay dividends only if earned and if such payment would not reduce net working capital below the agreed level. A dividend could be paid in excess of $6\frac{1}{2}\%$ only if an amount equal to the excess would be used to prepay the Bank and the Caisse Centrale;
- (e) in calculating profits, the full depreciation permitted under the tax convention should be charged;
- (f) the borrower should not, without the Bank's consent, incur any further external long-term debt.

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

STAFF LOAN COMMITTEE

SLC/M/751

May 18, 1959
DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Wednesday, May 13, 1959 at 11:00 a.m. in Room 1005

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. A. Broches

Mr. L. B. Rist
Mr. R. H. Demuth
Mr. H. Prud'homme
Mr. P. G. Ramm
Mr. F. G. Bochenski, Acting
Secretary

In attendance:

Mr. Davidson Sommers
Mr. M. M. Mendels
Mr. E. E. Clark
Mr. G. R. Young
Mr. L. G. Butcher *
Mr. J. H. Collier *
Mr. D. J. Fontein
Mr. R. J. Goodman

Mr. C. G. Goor *
Mr. S. Lipkowitz
Mr. G. S. Mason *
Mr. G. Morra
Mr. T. M. Noone
Mrs. H. Paulson *
Mr. R. Sadove *
Mr. G. Wiese *

* Part only.

2. Israel

The Committee heard an oral report by the recent mission to Israel.

3. Charts on Net Investments and Loan Commitments

After considering some draft charts regarding the Bank's net investments and loan commitments in individual countries, the Committee

AGREED that

it would be useful for charts along these lines to be attached to Area Department memoranda to the Committee recommending new loan operations.

4. Austria - Investitionskredit

After hearing a preliminary oral report on a new loan request from the Oesterreichische Investitionskredit A.G., the Committee

AGREED

to consider the matter further on the basis of a memorandum to be prepared by the Area Department.

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

STAFF LOAN COMMITTEE

SLC/M/752

June 10, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, May 29, 1959 at 11:00 a.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. A. Broches

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. R. J. Goodman
Mr. F. G. Bochenski, Acting Secretary

In attendance:

Mr. G. M. Alter
Mr. K. A. Bohr
Mr. P. A. Courbois
Mr. A. F. D'Souza
Mr. G. Grayson
Mr. F. Habib
Mr. H. F. Havlik

Mr. S. Lipkowitz
Mr. R. Maestri
Mr. S. Nehmer
Mr. P. A. Reid
Mr. A. D. Spottswood
Mr. R. Sadove

2. Nicaragua

The Committee considered Memorandum SLC/O/1002; and

AGREED that

- (a) negotiations should be initiated with the Empresa Nacional de Luz y Fuerza and the Nicaraguan Government for a loan for the Rio Tuma Hydroelectric Project along the lines indicated in para. 9 of the Memorandum, but on the basis of \$12.5 million rather than \$15 million;
- (b) if a loan were to be made, a letter of representation should be obtained from the Nicaraguan Government as to the measures taken and to be taken to deal with its financial and economic situation, which should also contain an undertaking limiting the use of suppliers' credits.

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

STAFF LOAN COMMITTEE

SLC/M/753

June 26, 1959

Minutes of Staff Loan Committee Meeting held on
Wednesday, June 3, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman	Mr. L. B. Rist
Mr. S. R. Cope	Mr. H. W. Riley
Mr. O. A. Schmidt	Mr. R. H. Demuth
Mr. M. M. Rosen	Mr. H. Prud'homme
Mr. S. Aldewereld	Mr. F. G. Bochenski, Acting Secretary
Mr. A. Broches	

In attendance:

Mr. Davidson Sommers	Mr. R. J. Goodman
Mr. M. L. Hoffman	Mr. D. L. Gordon
Mr. M. L. Lejeune	Mr. A. Kruithof
Mr. P. J. Squire	Mr. L. Louvet
Mr. G. Apcar	Miss A. L. Maher
Mr. W. J. Armstrong	Mr. L. V. Perez
Mr. W. L. Bennett	Mr. P. Sella
Mrs. S. Boskey	Mr. L. Svoboda
Mr. G. R. Delaume	Mr. C. W. Wang
Mr. O. H. Folk	Mr. G. M. Wishart
Mr. D. J. Fontein	

2. India - ICICI

The Committee considered Memorandum SLC/O/1003; and

AGREED that

- (a) the amount of the loan to be negotiated would be equivalent in various currencies to \$10 million;
- (b) interest would be applied to each part of the loan at the Bank's current rate when that part of the loan is credited to the loan account but the Bank would not be willing to undertake to keep the rate unchanged for several months at a time while ICICI was negotiating with its borrowers;
- (c) no commitment charge would be made until after the loan account was credited and then only on the amounts so credited;
- (d) as regards the provision for repayment of the loan, the best solution of difficulties encountered under the first ICICI loan would be to give each portion of the loan credited to the loan account the same grace period and amortization schedule as that of the corresponding ICICI loan to its borrower; the Bank's loan would be fully repayable within a fixed term, preferably twelve years;
- (e) in addition to a closing date, there should be a date after which applications for credits to the Loan Account should no longer be accepted;

- 2 -

- (f) if the negotiators asked for it, the ICICI should be permitted to use Bank funds up to \$50,000 for individual projects without the Bank's approval subject to an over-all limit on the amount of the loan which could be used in this way;
- (g) the conclusion of an agreement between the Government and ICICI for a new credit of Rs.100 million should be a condition for the effectiveness of the proposed loan.

3. Loans to Other Development Banks

The Committee also considered the points for discussion on development bank problems submitted by Mr. Prud'homme as well as some problems raised by other members of the Committee; and

(see
attached)

AGREED that

- (a) the approach adopted for the proposed second loan to ICICI would not, necessarily, have to be followed in the cases of all other loans to development banks; in particular, it would not have to be followed with regard to well-established development banks which, at the time of borrowing from the IBRD, already had a fairly clear picture of the proposed utilization of the borrowed funds, or with regard to Government-owned development banks;
- (b) however, flexible interest rates and the principle of no commitment charge until the loan account is credited in respect to particular projects should be applied in the proposed loans to:
 - (i) Oesterreichische Investitionskredit, A.G.;
 - (ii) Pakistan Industrial Credit and Investment Corporation.

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

STAFF LOAN COMMITTEE

SLC/M/754

June 26, 1959

Minutes of Staff Loan Committee Meeting held on
Thursday, June 18, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. H. W. Riley *
Mr. R. H. Demuth

Mr. P. J. Squire
Mr. E. E. Clark *
Mr. P. S. N. Prasad
Mr. D. L. Gordon *
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. M. L. Hoffman
Mr. M. L. Lejeune
Mr. J. H. Adler
Mr. L. Cancio
Mr. H. G. Curran
Mr. D. Dresden
Mr. D. Groenveld

Mr. H. R. Labouisse
Mr. S. Lipkowitz
Miss A. L. Maher
Mr. G. S. Mason
Mr. T. M. Noone
Mr. M. F. Verheyen
Mr. V. Wouters

* Part only.

2. Turkey

The Committee considered Memorandum SLC/O/1006, "Turkey - Mission Report," and

AGREED that

- (a) by the Bank's standards of creditworthiness, Turkey did not at the present time qualify for a Bank loan;
- (b) the Report should be revised to:
 - (i) comment more fully on the climate for private industrial investment and the failure of the Government to take steps to divest itself of industrial projects;
 - (ii) give credit less grudgingly where due for what had been done in Turkey;
 - (iii) be more persuasive about the further steps which should be taken;
- (c) the full revised Report should be sent to the Finance Minister for informal comment prior to its distribution to the Executive Directors and formal transmission to the Government.

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

STAFF LOAN COMMITTEE

SLC/M/755

July 2, 1959

Minutes of Staff Loan Committee Meeting held on
Monday, June 29, 1959 at 11:00 a.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. S. Aldewereld

Mr. L. B. Rist
Mr. H. W. Riley
Mr. M. L. Lejeune
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff *
Mr. Davidson Sommers *
Mr. H. Prud'homme
Mr. G. R. Young
Mr. H. G. Curran
Mr. D. Dresden
Mr. R. J. Goodman

Mr. D. L. Gordon
Mr. H. W. Larsen
Mr. H. R. Labouisse
Mr. N. McKitterick *
Mr. S. Nehmer
Mr. L. V. Perez *
Mr. P. Sella

* Part only.

2. Israel

The Committee considered Memorandum SLC/O/1009 on the economy of Israel; and

AGREED that

- (a) further consideration should be given to the question of modest lending by the Bank, possibly with some appropriate special security, in the light of the creditworthiness of Israel and the political circumstances;
- (b) meanwhile the Economic Report, after minor changes, should now be transmitted to the Government, accompanied by a letter from Mr. Black saying that he proposes to use the occasion of the next Annual Meeting to discuss the report with the Israeli authorities;
- (c) copies of the Report should at the same time be distributed to the Executive Directors.

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

STAFF LOAN COMMITTEE

SLC/M/756

June 30, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, June 26, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt *
Mr. A. Broches *
Mr. L. B. Rist

Mr. H. W. Riley
Mr. I. P. M. Cargill *
Mr. P. J. Squire
Mr. D. L. Gordon
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. M. L. Lejeune *
Mr. G. R. Delaume *
Mr. J. Fajans
Mr. H. R. Labouisse
Mr. C. Lacayo-Fiallos

Mr. N. McKitterick
Mr. A. Stevenson
Mr. P. A. Reid
Mr. H. van Helden
Mr. H. C. Wytzes

* Part only.

2. Belgian Congo

The Committee considered Memorandum SLC/O/1008 on the report of the recent mission to the Belgian Congo; and

AGREED that

- (a) the Bank should be prepared to consider further lending in the Congo of \$40 million for transport and agricultural projects; there should be two separate loans and the loan for agriculture should not exceed \$10 million;
- (b) the reports on the economy of the Congo and on the proposed projects should be considered by the Committee before the invitation of negotiators;
- (c) when inviting negotiators, the Bank should make it clear that before it made a loan it would wish to receive from the Belgian Government satisfactory assurances concerning:
 - (i) measures proposed to balance the ordinary budget of the Congo; and
 - (ii) the availability of funds for public investment.

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

STAFF LOAN COMMITTEE

SLC/M/757

July 8, 1959

Minutes of Staff Loan Committee Meeting held on
Thursday, July 2, 1959, at 4:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. Davidson Sommers, Chairman
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. L. B. Rist
Mr. H. W. Riley

Mr. M. L. Lejeune
Mr. I. P. M. Cargill
Mr. H. W. Larsen
Mr. C. E. Webb
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. O. F. Dajany
Mr. A. Karasz

Miss A. L. Maher
Mr. B. L. Prins

2. Viet-Nam

The Committee considered the conclusions in paragraphs 10, 11, and 12 on page (iii) of the Report of the Mission to Viet-Nam and

AGREED that

- (a) the Bank should not consider lending operations until Viet-Nam had started the process of reducing its dependence on foreign aid and there was reasonable evidence that this would be successful;
- (b) a general survey mission would be premature at present;
- (c) the Bank might, however, provide some assistance to Viet-Nam now by helping to recruit several high-level experts who could serve in key economic policy-making posts for two or three years, and who could help to fill the serious deficiency which now exists in basic economic planning and policy making branches of the Government;
- (d) the report, after suitable changes, including the dropping of paragraphs 12 through 17, should be delivered to the Government by Mr. Karasz;
- (e) also, if the Area Department considered it would be helpful, a French translation of the report should be made and forwarded to the Government as soon as possible.

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

STAFF LOAN COMMITTEE

SLC/M/758

July 13, 1959

Minutes of Staff Loan Committee Meeting held on
Tuesday, July 7, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. Davidson Sommers, Chairman
Mr. J. Rucinski
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. S. Aldewereld

Mr. A. Broches *
Mr. L. B. Rist
Mr. M. L. Lejeune
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff *
Mr. H. Prud'homme
Mr. G. R. Young
Mr. W. Brakel
Mr. M. Burney
Mr. D. L. Gordon

Mr. H. W. Larsen
Mr. S. Lipkowitz
Miss A. L. Maher
Mr. N. McKitterick
Mr. J. C. Mehaffey *
Mr. S. Nehmer *

* Part only.

2. United Arab Republic

The Committee considered Memorandum SLC/O/1011 on the
Economic Report (AS 74) and

AGREED that

- (a) the report after minor changes had been made, should be transmitted to the Government of the United Arab Republic for comments and subsequently to the Executive Directors;
- (b) the United Arab Republic's desire that the amount of their military credits should not be divulged should be discussed with Mr. Black and a statement should be included in the covering note of how it was proposed to deal with this in the President of the Bank's statement to the Executive Directors on the United Arab Republic's outstanding indebtedness;
- (c) further information should be obtained about the reported default on a City of Alexandria issue and this matter considered with other outstanding problems in due course.

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

STAFF LOAN COMMITTEE

SLC/M/759

August 11, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, August 7, 1959 at 3:00 p.m. in Room 927

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. L. B. Rist
Mr. R. H. Demuth

Mr. M. L. Lejeune
Mr. G. N. Perry
Mr. E. E. Clark
Mr. O. H. Folk
Mr. R. W. Cavanaugh
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers *
Mr. I. P. M. Cargill *
Mr. G. R. Young *
Mr. H. R. Labouisse
Mr. N. Bass
Mr. O. H. Calika
Mr. Y. L. Chang
Mr. A. M. Kamarck

Mr. S. Lipkowitz
Mr. A. Macone
Mr. N. McKitterick
Mr. Y. Rovani
Mr. A. Stevenson
Mr. M. van der Mel
Mr. C. H. White

* Part only.

2. Trinidad

The Committee considered Memorandum SLC/O/1013, "Proposed Lending to Trinidad," and

AGREED that

- (a) on the basis of creditworthiness and provided that the Bank's final appraisal of the project were satisfactory, the Bank should be prepared to lend up to \$11.5 million to cover payments on the project going back to July 1, 1958 for generators and January 1, 1959 for the equipment;
- (b) a time limit should be set on any agreement by the Bank to cover the full back payments;
- (c) the Bank should proceed further with the project only
 - (i) when the Commission's consulting engineers had completed their work;
 - (ii) if it was satisfied, after reading the report of the consultants, that the prices negotiated with the suppliers were not unreasonable on the basis of the Bank's experience;

- 2 -

- (d) satisfactory assurance should be given by the Government of the transfer to the Commission within a reasonable period of the distribution systems operated by the Port of Spain Corporation Electricity Board and the San Fernando Borough Council;
 - (e) the Bank should press the Government to provide as good an amended ordinance as possible including provision for the automatic adjustment of rates to changes in relative prices and wages;
 - (f) the Bank should obtain some form of informal consultation on the extent of suppliers' credits;
 - (g) the Bank might now inform the Government and the Commission of its position;
 - (h) net instead of gross calculations, particularly on petroleum, should be shown in paras. 70 to 72 and other minor changes made in the Economic Report.
3. The meeting adjourned at 4:25 p.m.

STAFF LOAN COMMITTEE

SLC/M/760

August 12, 1959

Minutes of Staff Loan Committee Meeting held on
Tuesday, August 11, 1959 at 3:30 p.m. in Room 927

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. Davidson Sommers, Chairman

Mr. J. Burke Knapp, ~~Chairman~~

Mr. J. Rucinski

Mr. S. R. Cope

Mr. O. A. Schmidt

Mr. M. M. Rosen

Mr. S. Aldewereld

Mr. L. B. Rist

Mr. R. H. Demuth

Mr. E. E. Clark

Mr. R. W. Cavanaugh

Mr. H. G. A. Woolley, Secretary

In attendance:

~~Mr. Davidson Sommers~~

Mr. M. M. Mendels

Mr. G. N. Perry

Mr. I. P. M. Cargill

Mr. G. R. Young

Mr. H. G. Curran

Mr. H. R. Labouisse

Mr. Y. L. Chang

Mr. J. H. Collier

Mr. D. Dresden

Mr. D. J. Fontein

Mr. D. L. Gordon

Mr. A. M. Kamarck

Mr. M. van der Mel

2. International Development Association

The Committee discussed questions raised by Committee members on the guidelines which the U.S. has proposed for the basic framework of the proposed organization.

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

STAFF LOAN COMMITTEE

SLC/M/761

August 31, 1959

Minutes of Staff Loan Committee Meeting held on
Wednesday, August 26, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. M. M. Rosen
Mr. G. N. Perry
Mr. E. E. Clark
Mr. P. G. Ramm

Mr. O. J. McDiarmid
Mr. A. D. Spottswood
Mr. D. Avramovic
Mr. A. Basch
Mr. H. G. A. Woolley,
Secretary

In attendance:

Mr. M. L. Lejeune
Mr. T. V. Andersen
Mr. J. Fajans
Mr. D. J. Fontein *

Mr. A. M. Kamarck
Mr. A. Macone
Miss A. L. Maher
Mr. J. Volmuller

* Part only.

2. Belgian Congo

The Committee considered Memorandum SLC/O/1016 on the proposed loan to the Belgian Congo; and

AGREED that

- (a) the Belgian Government might now be invited to send representatives to Washington early in September to discuss the assurances required by the Bank that suitable measures will be taken:

(i) to balance the ordinary budget of the Congo; and

(ii) to ensure enough money for essential public investment projects over the next few years;

and to proceed with loan negotiations, provided the projects have by that time been approved by the Committee;

- (b) if the report on the agricultural project contained features of special interest, a meeting of the Committee should be called to consider them.

3. The meeting adjourned at 4:35 p.m.

STAFF LOAN COMMITTEE

SLC/M/762

September 25, 1959

Minutes of Staff Loan Committee Meeting held on
Thursday, September 3, 1959 at 3:00 p.m. and on
Friday, September 4, 1959 at 11:00 a.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. Davidson Sommers, Chairman
Mr. J. Burke Knapp
Mr. S. R. Cope
Mr. A. Broches
Mr. G. N. Perry
Mr. I. P. M. Cargill

Mr. P. J. Ramm
Mr. O. J. McDiarmid
Mr. A. D. Spottswood
Mr. D. Avramovic
Mr. G. M. Wishart
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff 1/
Mr. M. M. Mendels 1*/
Mr. E. E. Clark
Mr. G. R. Young
Mr. H. R. Labouisse 1/
Mr. J. H. Adler 2/
Mr. C. Allardice 1/
Mr. A. Basch
Mrs. S. Boskey

Mr. J. H. Collier
Mr. D. Dresden
Mr. D. J. Fontein
Mr. B. B. King 1/
Miss A. L. Maher 1/
Mr. N. McKitterick
Mr. M. van der Mel
Mr. A. Wenzell 1/

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

2. International Development Association (IDA)

The Committee considered Memorandum SLC/O/1018 on "Management Position on IDA," and

NOTED

that a revised draft of the Memorandum would be prepared.

3. The meeting adjourned at 5:15 p.m. on September 3, reconvened at 11:00 a.m. on September 4, and adjourned at 12:20 p.m.

STAFF LOAN COMMITTEE

SLC/M/763

September 17, 1959

Minutes of Staff Loan Committee Meeting held on
Wednesday, September 9, 1959 at 10:30 a.m. in Room 927

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. M. M. Rosen
Mr. R. H. Demuth
Mr. G. N. Perry
Mr. P. J. Squire

Mr. E. E. Clark
Mr. P. G. Ramm
Mr. O. J. McDiarmid
Mr. D. Avramovic
Mr. H. G. A. Woolley, Secretary

Mr. S. Aldewereld

In attendance:

Mr. T. V. Andersen
Mr. R. G. Bateson
Mr. J. Fajans
Mr. A. M. Kamarck
Miss A. L. Maher
Mr. N. McKitterick

Mr. P. A. Reid
Mr. W. C. P. Rutland
Mr. J. Volmuller
Mr. R. Wilson
Mr. G. Wishart
Mr. H. C. Wytzes

2. Belgium - Belgian Congo

The Committee considered the summary in Report TO 218 on the
agricultural project; and

AGREED that

- (a) the project appeared suitable for a Bank loan of the equivalent
of \$6.7 million, subject to the Belgian Congo undertaking:
 - (i) that it would use its best efforts to recruit suitable and
adequately qualified personnel in the approximate numbers
set forth in the report; and
 - (ii) that adequate financing would be available to insure the
operation of the new cattle-breeding farms until they become
self-supporting;
- (b) in the negotiations the Bank should endeavor to obtain agreement
to a loan of twelve years with a grace period of four years.

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

STAFF LOAN COMMITTEE

SLC/M/764

October 6, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, September 11, 1959, at 3:00 p.m. in Room 927

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope *
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. A. Broches *

Mr. G. N. Perry
Mr. P. G. Ramm
Mr. O. J. McDiarmid
Mr. D. Avramovic *
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers *
Mr. M. M. Mendels *
Mr. I. P. M. Cargill
Mr. P. J. Squire
Mr. E. E. Clark
Mr. A. Basch
Mr. R. Benrubi

Mr. A. M. Kamarck
Mr. A. G. Kheradjou
Mr. F. H. King
Mr. S. Lipkowitz *
Miss A. L. Maher *
Mr. S. Tolbert
Mr. H. E. Tolley

* Part only.

2. Japan

The Committee considered Memorandum SLC/O/1022 on prospective lending to Japan; and

AGREED that

- (a) the present economic situation in Japan would justify continued imports of capital;
- (b) Japan should be pressed to make every effort to meet its requirements by borrowing in private markets, but in present circumstances could probably not borrow from this source as much as its reasonable needs would require;
- (c) the Bank should be prepared to continue to lend to Japan for the next Japanese fiscal year (commencing April 1, 1960) at approximately the same rates as hitherto and probably to continue lending at this rate thereafter until the Bank's commitment in Japan rose to about \$500 million;
- (d) the Bank should not enter into any commitments with the Japanese for a lending program beyond the next Japanese fiscal year.

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

STAFF LOAN COMMITTEE

SLC/M/765

October 14, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, October 9, 1959 at 3:00 p.m. in Room 927

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman 1/ 2*/
Mr. J. Rucinski
Mr. S. R. Cope
Mr. M. M. Rosen 1*/ 2/
Mr. L. B. Rist 1/
Mr. R. W. Cavanaugh

Mr. R. H. Demuth
Mr. G. N. Perry
Mr. P. J. Squire
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers
Mr. M. L. Hoffman
Mr. J. D. Miller
Mr. I. P. M. Cargill
Mr. P. S. N. Prasad
Mr. N. Chakravarti 2/
Mr. W. M. Gilmartin 2/
Mr. A. G. Kheradjou 2/

Mr. S. Lipkowitz
Miss A. L. Maher
Mrs. H. Paulson 1/
Mr. L. V. Perez
Mr. H. B. Ripman 2/
Mr. J. P. Thibaud 2/
Mr. H. E. Tolley 2/
Mr. H. van Helden 2/

1/ Foreign Debt Reports.
2/ Japan.

* Part only.

2. Foreign Debt Reports

The Committee considered Memorandum SLC/O/1026, "Circulation of Foreign Debt Reports," and

AGREED that

a dummy of the proposed report should be prepared by the Economic Staff for consideration before reaching any decision.

3. Japan

The Committee also considered Memorandum SLC/O/1028 on the selection of projects; and

AGREED that

- (a) consideration should be given to requests by Kawasaki and Sumitomo, amounting to about \$25 million, provided that these projects are part of Japan's second steel expansion program (ending in 1962) and especially if they might form a suitable basis for joint operations with the market;
- (b) the remainder of any Bank lending should be divided between the transportation and power sectors, with somewhat greater weight given to transportation;

(c) consideration should not be given to projects included in the proposed third steel expansion program.

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

STAFF LOAN COMMITTEE

SLC/M/766

November 5, 1959

Minutes of Staff Loan Committee Meeting held on
Wednesday, October 28, 1959 at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. S. Aldewereld
Mr. R. W. Cavanaugh
Mr. R. H. Demuth *
Mr. A. Stevenson

Mr. G. N. Perry
Mr. I. P. M. Cargill
Mr. L. Nurick *
Mr. P. S. N. Prasad
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. M. M. Mendels *
Mr. P. J. Squire
Mr. W. J. Armstrong
Mr. D. Avramovic
Mr. G. Delaume
Mr. H. Fuchs
Mr. J. Heymans

Mr. S. Lipkowitz
Mr. H. B. Ripman
Mr. W. C. P. Rutland
Mr. H. van Helden
Mr. B. Walstedt
Mr. J. H. Williams

* Part only.

2. France - Mauritania

The Committee considered Memorandum SLC/O/1029 on the proposed loan for the Miferma project; and

AGREED that

- (a) representatives of Miferma might now be invited to come to Washington to negotiate the proposed loan;
- (b) the Bank should be prepared to accept a limitation of the obligations to be required of the shareholders by a force majeure clause along the lines of that adopted for the Comilog loan;
- (c) the arrangements for the management of construction of the mine and mine general services should take the form of a technical services contract between Miferma and Pennaroya, satisfactory to the Bank.

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

SLC/M/767

STAFF LOAN COMMITTEE

November 4, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, October 30, 1959 at 2:30 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope *
Mr. O. A. Schmidt
Mr. R. W. Cavanaugh

Mr. I. P. M. Cargill
Mr. P. J. Squire
Mr. E. E. Clark
Mr. P. S. N. Prasad
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers *
Mr. G. N. Perry
Mr. J. H. Adler
Mr. A. Basch
Mr. S. R. Chevrier
Mr. D. Groenveld

Mr. A. M. Kamarck
Mr. W. M. Keltie
Miss A. L. Maher
Mr. H. van Helden
Mr. C. E. Webb
Mr. M. L. Weiner

* Part only.

2. Peru

The Committee considered Memorandum SLC/O/1030 on prospective lending operations in Peru; and

AGREED that

- (a) Peru's creditworthiness continued to permit consideration by the Bank of further loans for the remainder of 1959 and 1960 in the order of \$30 million;
- (b) in addition to loans of about \$5 million each for the following two projects on which work was under way:
 - (i) construction of the eastern sector of the Central Highway;
 - (ii) agricultural development credit;the Bank should be prepared to consider a loan of about \$20 million for the Huinco hydroelectric project;
- (c) if a satisfactory new project for railroad rehabilitation came forward before the Huinco loan were made, and Peru's creditworthiness did not then permit the Bank to contemplate a railroad loan in addition to the \$30 million of lending proposed, it might be necessary to reduce the amount to be considered for the Huinco project correspondingly;
- (d) the Bank should continue to emphasize that its ability to proceed with these and other loans depended on the Government following sound financial and economic policies, including moderation in incurring other debts and the reconstitution of a suitable margin of gold and foreign exchange reserves, and that the Bank will want the Government to reaffirm its intentions on these points.

3. Local Currency Expenditures

The Committee also

AGREED that

the Economic Staff should prepare a paper on the extent to which and under what circumstances external borrowing for local currency expenditures was likely to cause inflationary pressures.

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

STAFF LOAN COMMITTEE

SLC/M/768

November 17, 1959

Minutes of Staff Loan Committee Meeting held on
Tuesday, November 10, 1959 at 11:20 a.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. S. Aldewereld
Mr. A. Broches
Mr. R. W. Cavanaugh

Mr. R. H. Demuth
Mr. I. P. M. Cargill
Mr. P. S. N. Prasad
Mr. J. H. Adler
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers *
Mr. M. M. Mendels *
Mr. M. L. Lejeune
Mr. L. Nurick
Mr. W. J. Armstrong
Mr. A. Basch
Mr. W. C. Baum
Mr. R. Benrubi

Mr. G. R. Delaume
Mr. S. Lipkowitz
Miss A. L. Maher
Mr. A. R. Perram
Mr. H. B. Ripman
Mr. V. Van Dine
Mr. J. H. Williams

* Part only.

2. France - Algeria

The Committee considered Memorandum SLC/O/1033 on the proposed loan for the pipeline project; and

AGREED that

- (a) representatives of the borrower should be invited to negotiate the proposed loan of \$50 million;
- (b) before making the proposed loan a commitment should be obtained from the Ministry of Finance that it would ensure that \$25 million would be made available to the borrower on terms satisfactory to the Bank if the proposed participations of \$25 million in the Bank's loan could not be placed within three to four months of the signature of the loan;
- (c) disbursements should be related to total expenditures on the project;
- (d) satisfactory assurances should be obtained from the French Government that the necessary concessions will be granted to the producing companies as required;
- (e) the loan should be guaranteed severally by SN REPAL and CFP(A), CFP(A) being jointly and severally bound with CFP.

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

STAFF LOAN COMMITTEE

SLC/M/769

November 16, 1959

Minutes of Staff Loan Committee Meeting held on
Thursday, November 12, 1959 at 10:15 a.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope *
Mr. S. Aldewereld *
Mr. A. Broches *
Mr. R. H. Demuth
Mr. G. N. Perry

Mr. I. P. M. Cargill
Mr. P. G. Ramm
Mr. H. W. Larsen
Mr. D. Avramovic
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers *
Mr. M. Hoffman
Mr. A. Basch

Mr. S. Lipkowitz
Miss A. L. Maher

* Part only.

2. Capital Markets

The Committee considered the proposed program for Mr. Basch's new unit on the organization of capital markets and mobilization of savings; and

NOTING

some divergent views on the approach proposed and the countries to be studied by the unit

RECOMMENDED

that the proposed program should be discussed further with the Management.

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

SLC/M/770

STAFF LOAN COMMITTEE

December 3, 1959

Minutes of Staff Loan Committee Meeting held on
Friday, November 20, 1959 at 11:00 a.m. in Room 1005, and
on Tuesday, November 24, 1959 at 3:00 p.m. in Room 927

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope 1/ 2*/
Mr. A. Broches 1*/ 2*/
Mr. L. B. Rist 2/
Mr. R. H. Demuth 1*/
Mr. R. W. Cavanaugh 2*/

Mr. A. Stevenson
Mr. G. N. Perry
Mr. I. P. M. Cargill 1/ 2*/
Mr. P. J. Squire
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers 1/
Mr. P. S. N. Prasad 1/ 2*/
Mr. P. G. Ramm 1/
Mr. P. Acheson 2/
Mr. J. H. Adler
Mr. C. Allardice 1/ 2*/
Mr. A. Basch
Mr. D. R. Brash
Mr. C. L. Kauffmann

Mr. W. M. Keltie
Mr. S. Lipkowitz 1/
Mr. A. Machimbarrena 1/
Mr. R. Maestri 1/
Mr. M. Ross
Mr. G. L. Sandelin
Mr. A. D. Spottswood 1/
Mr. A. Wenzell

* Part only.

1/ First session.
2/ Second session.

2. Chile

The Committee considered Memorandum SLC/O/1034 on the proposed loan to Endesa and Corfo and Memorandum SLC/O/1037 on assurances on the level of the external public debt; and

AGREED that

the loan agreement for the proposed loan for the Endesa power projects should be prepared and the Government informed that:

- (a) the Bank was ready to go ahead with this loan subject to assurances by the Government of its firm intention:
 - (i) to reduce by 1964 the annual debt service on suppliers' credits, balance of payments loans and other medium-term credits to a level not in excess of \$20 million;
 - (ii) to arrange its medium-term indebtedness accordingly;
- (b) the economic situation in Chile did not permit the Bank to consider further loans to Chile at the present time, and specifically the IT&T should be so informed.

3. The meeting adjourned at 12:40 p.m. on November 20, reconvened on November 24 at 3:00 p.m., and adjourned at 4:50 p.m.

STAFF LOAN COMMITTEE

SLC/M/771

December 14, 1959

Minutes of Staff Loan Committee Meeting held on
Tuesday, December 8, 1959, at 11:45 a.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski *
Mr. M. M. Rosen *
Mr. A. Broches *
Mr. R. H. Demuth
Mr. M. L. Lejeune

Mr. G. N. Perry
Mr. P. J. Squire
Mr. P. S. N. Prasad
Mr. P. G. Ramm
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers *
Mr. M. M. Mendels *
Mr. A. Stevenson
Mr. L. Nurick *
Mr. A. Basch
Mr. W. Brakel
Mr. M. Burney
Mr. A. A. Casson

Mr. G. Hathaway
Mr. H. W. Larsen
Mr. J. W. Lowdon
Miss A. L. Maher
Mr. J. A. McCunniff
Mr. J. C. Mehaffey
Mr. Piero Sella
Mr. H. van Helden

* Part only.

2. United Arab Republic

The Committee considered the draft Report and Recommendations of the President on the proposed loan for the Suez Canal Project; and

AGREED that

- (a) any suggestions for drafting changes in the draft Report and Recommendations of the President and in the Technical Report should be sent to reach Mr. Stevenson by 4:00 p.m. on December 8;
- (b) the loan documents, after minor changes, should then be distributed to the Executive Directors as soon as possible for consideration at a special meeting to be called for Monday, December 21;
- (c) the drafts of the proposed letters to cover the arrangements to be made pursuant to Section 5.07 (a) and (b) of the Loan Agreement and the draft of the Declaration by the Guarantor to the UN on the allocation of Canal revenues should be included in the documents distributed to the Executive Directors.

3. The meeting adjourned at 12:55 p.m.