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THE WORLD BANK

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A1995-291 Other #: 1 Box # 213540B

Loan Committee - Minutes - 1951

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Loan Committee - Minutes - 1951

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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 Meeting of Staff Loan Committee held 4:00 p.m., Thursday, January 4, 1951.

1. Those were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. A. F. Luxford
Mr. H. W. Riley
Mr. M. L. Lejeune, Secretary

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In attendance:

Mr. S. W. Anderson
Mr. C. deStackelberg
Mr. J. Rucinaki
Mr. G. S. Mason

Mr. R. H. Demuth
Mr. P. French
Mr. H. W. Larsen
Mr. H. H. Graves, Observer

2. Bolivia

The Committee considered the Memorandum to Mr. Garner on the Report of the United Nations Mission to Bolivia, and

AGREED:

- (a) That a letter should be written to Dr. Keenleyside in his capacity as Director-General of the UN Technical Assistance Administration
 - (i) expressing the Bank's concern that an official UN Report should go forward containing recommendations as to the Bank's providing technical or financial assistance without such recommendations being previously discussed with the Bank;
 - (ii) stating that, since the Bank was not in favor of establishing an Economic Development Bank in Bolivia without further investigation, it would not be ready at the present time to furnish technical assistance in drafting the charter or in staffing such a bank, although it would be willing to discuss how it could best cooperate in conducting the further investigation which it believed desirable.
- (b) That Dr. Keenleyside should be informed privately by Mr. Demuth that the Bank would prefer not to be asked to nominate "Administrative Assistants" for Bolivian civil service posts; and

- (c) That the Bank's representative to TAS be authorized to express the official view that the program of importing foreign civil servants into Bolivia be approached only on a limited experimental basis.

3. Hashemite Kingdom of Jordan

The Committee considered the Request from the UN Relief and Works Agency for Palestine Refugees that the Bank send an expert to that agency for the purpose of advising on the feasibility of establishing a development bank in the Hashemite Kingdom of Jordan, and

AGREED:

- (a) That General Kennedy be informed that before committing itself to sending an expert to advise the United Nations Relief and Works Agency regarding the feasibility of the establishment of a development bank for the Hashemite Kingdom of Jordan, the Bank wishes to examine the available information regarding Jordan's economic condition, and
- (b) That the Loan Department should
- (i) undertake the drafting of a letter embodying the above and requesting any information UNRWA might be able to give, and
- (ii) undertake the coordination of subsequent action.

4. Turkey

The Committee considered the Memorandum from the Assistant to the Vice President on the Implementation of the Report of the Barker Mission to Turkey, and

AGREED:

That the Bank should view favorably the United Nations' proposal to consult with the Bank on the selection of a Technical Assistance Representative for Turkey.

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

Distribution

- | | |
|--------------------------|--------------------------|
| 1. Mr. Eugene Black | 10. Mr. O. A. Schmidt |
| 2. Mr. R. L. Garner | 11. Gen. R. A. Wheeler |
| 3. Mr. W.A.B. Iliff | 12. Mr. E. G. Burland |
| 4. Mr. D. Somers | 13. Mr. M. L. Lejeune |
| 5. Mr. D. Crena de Iough | 14. Files |
| 6. Mr. L. B. Rist | 15. Mr. S. W. Anderson |
| 7. Mr. L. B. Rist | 16. Mr. C. deStackelberg |
| 8. Mr. R. H. Bennett | 17. Mr. J. Rudinski |
| 9. Mr. A.S.G. Hoar | 18. Mr. G. S. Mason |

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 Meeting of Staff Loan Committee held 2:30 p.m., Friday,
January 5, 1951

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. A. F. Luxford
Mr. L. B. Rist
Mr. M. L. Lejeune, Secretary

In attendance:

Gen. R. A. Wheeler
Mr. E. G. Burland
Mr. J. Rucinski
Mr. F. D. Stephens
Mr. A. Basch
Mr. F. G. Bochenski

2. Iran

The Committee considered the Iranian representatives' proposal to enter into negotiations for financing of the Khorramshahr Port project, a cement mill and a dam, and

AGREED:

- (a) That although Iran was financially able to service additional foreign debt, the internal and external political risks were sufficient to make Iranian creditworthiness dubious;
- (b) That the nature of United States' financial assistance to Iran made it unlikely that the Bank would be able to exert sufficient beneficial influence upon the Iranian Government to protect any investment made in Iran; and
- (c) That the Bank should exchange views with the U. S. State Department before talking further to the Iranians.

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

Distribution

- | | | |
|--------------------------|----------------------|------------------------|
| 1. Mr. Eugene Black | 6. Mr. L. B. Rist | 11. Gen. R. A. Wheeler |
| 2. Mr. R. L. Garner | 7. Mr. L. B. Rist | 12. Mr. E. G. Burland |
| 3. Mr. W. A. B. Iliff | 8. Mr. R. H. Demuth | 13. Mr. M. L. Lejeune |
| 4. Mr. D. Sommers | 9. Mr. A. S. G. Hoar | 14. Files |
| 5. Mr. D. Crena de Longh | 10. Mr. O. Schmidt | 15. Mr. J. Rucinski |
| | | 16. Mr. F. D. Stephens |

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, January 9, 1951

1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Sommers
Mr. L.B. Rist
Mr. D. Crena de Iough
Mr. M.L. Lejeune, Secretary

In attendance

Mr. J. Rucinski	Mr. R.H. Demuth
Mr. S.W. Anderson	Mr. H.W. Larsen
Mr. C. deStackelberg	Mr. F.G. Bochenski
Mr. E. Franco	
Mr. A. Basch	

2. Iran

The Committee, following a verbal report by Mr. Black of his conversation with Mr. George McGhee, Assistant Secretary of State for Near Eastern, South Asian and African Affairs, regarding Bank financing in Iran, further considered the Bank's policy toward Iran, and

AGREED:

- (a) That Iran would have sufficient foreign exchange resources to service additional external borrowing;
- (b) That Iran should be able to obtain sufficient dollars through conversion of sterling to service her dollar debt provided dollar borrowings remain modest;
- (c) That the internal and external political risks in Iran, though large were not sufficiently great as to preclude modest Bank lending;
- (d) That the Bank could undertake limited financing in Iran on a project-by-project basis over the next two years provided
 - (1) The United States makes no further loans to Iran;
 - (2) Both the United States and the United Kingdom afford the Bank sympathetic cooperation; and

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- (3) The Government of Iran in consultation with the Bank undertakes measures to improve its financial and administrative organization and procedures.

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 10. Mr. O.A. Schmidt |
| 3. Mr. W.A.B. Iliff | 11. Mr. E.G. Burland |
| 4. Mr. D. Somers | 12. Gen. R.A. Wheeler |
| 5. Mr. D. Crena de Iongh | 13. Mr. M.L. Lejeune |
| 6. Mr. L.B. Rist | 14. Files |
| 7. Mr. L.B. Rist | 15. Mr. J. Rucinski |
| 8. Mr. R.H. Demuth | 16. Mr. F.D. Stephens |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 10:30 a.m., Tuesday, January 9, 1951

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1. Those were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Sommers
Mr. L.B. Rist
Mr. D. Crenn de Iough
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. S.W. Anderson	Mr. H.W. Larsen
Mr. G. deStackelberg	Mr. R.H. Demuth
Mr. E. Franco	

2. Chile

The Committee further considered the Bank's policy toward Chile and

AGREED:

- (a) That due to an increased demand for copper, Chile's short-term ability to service dollar borrowing had improved since the last discussion;
- (b) That the need for internal stabilization measures had increased and not diminished;
- (c) That the problem of Bank lending versus Eximbank lending remained unresolved; and
- (d) That in these circumstances the Bank could not undertake a major lending program, but, provided the U.S. would agree to desist from further lending in Chile, it could undertake some short-term (about five-year maturity) financing of priority projects.

3. Mexico

(a) The Committee considered the Mexican's informal inquiry as to whether the Bank would be prepared to lend Mexico 15 million dollars if the Bank of America loan for that amount were cancelled and

AGREED:

- (1) That the Bank should reply informally that it would not be prepared to consider such a proposal;
- (2) That the Bank's position remained that it could only lend to Mexico if the 150 million dollar credit from the Eximbank were cut by an amount equal to any Bank loan.

(b) The Committee considered the request of the Consortium of Mexican Banks that the Bank approve several projects for financing prior to the effective date of the Consortium Loan and

AGREED:

That the Bank could begin its review of these projects immediately so as to be prepared to give its approval as soon as the loan became effective.

Distribution

- | | |
|--------------------------|--------------------------|
| 1. Mr. Eugene Black | 9. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 10. Mr. O.A. Schmidt |
| 3. Mr. W.A.B. Iliff | 11. Gen. R.A. Wheeler |
| 4. Mr. D. Seemers | 12. Mr. E.G. Burland |
| 5. Mr. D. Orena de Iongh | 13. Mr. M.L. Lejeune |
| 6. Mr. L.B. Rist | 14. Files |
| 7. Mr. L.B. Rist | 15. Mr. S.W. Anderson |
| 8. Mr. R.H. Demuth | 16. Mr. C. deStackelberg |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held Thursday, January 11, 1951 at 3:30 p.m.

1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Grena de Iongh
Mr. L.B. Rist
Mr. A.F. Luxford
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R.H. Demuth	Mr. A. Broches
Gen. R.A. Wheeler	Mr. H.W. Larsen
Mr. S.W. Anderson	Mr. J. Torfs
Mr. S.P. Wheelock	

2. Brazil

The Committee considered SLC/O/293, the Loan Director's Memorandum on the additional loan to the Brazilian Traction, Light and Power Co., and the documents accompanying it, and

(a) CONCURRED:

in the Loan Director's recommendations.

(b) APPROVED:

The documents submitted except for

- (1) Minor wording changes to be made in paragraphs 15 and 40 of the President's Report;
- (2) Minor wording changes to be made in sub-paragraph (c), page 24, of the Loan Agreement;
- (3) Slight rearrangement to be made in the column headings on page 40 of the Loan Agreement.

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(c) AGREED:

That a letter be written to the Borrower similar to the letter written to the Government of South Africa outlining the Bank's policy on the sharing of benefits accruing from the sale without recourse of a borrower's bonds.

3. Colombia

The Committee considered SLC/O/292, Loan Director's Memorandum on Colombia and the Working Party Memorandum attached to it, and

AGREED:

- (a) That a Loan Department representative should be dispatched to Colombia as soon as possible for the purpose of ascertaining the desirability of the Vice-President's visiting Colombia within the next few weeks; and
- (b) That as soon as a Loan Department Representative had been designated to go to Colombia, a letter should be sent to the President of the Republic informing him that a Bank representative was coming, and at the same time stating the Bank's great interest in the work of the Committee for Economic Development and the implementation of its recommendations by the Government.

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

Distribution

- | | |
|--------------------------|------------------------|
| 1. Mr. Eugene Black | 9. Mr. A.S.G. Hoar |
| 2. Mr. R. L. Garner | 10. Mr. O. A. Schmidt |
| 3. Mr. W.A.B. Iliff | 11. Gen. R. A. Wheeler |
| 4. Mr. D. Sommers | 12. Mr. E. G. Burland |
| 5. Mr. D. Crena de Lough | 13. Mr. M. L. Lejeune |
| 6. Mr. L. B. Rist | 14. Files |
| 7. Mr. L. B. Rist | 15. Mr. S. W. Anderson |
| 8. Mr. R. H. Demuth | 16. Mr. S. P. Wheelock |
| | 17. Mr. W. Olstra |
| | 18. Mr. H. N. Graves |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Monday, January 15, 1951.

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1. There were present:

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Mr. H. L. Garner
Mr. A. S. G. Hoar
Mr. D. Crena de Iough

Mr. A. F. Luxford
Mr. H. H. Rosen
Mr. H. L. Lejeune, Secretary

In attendance:

Gen. R. A. Wheeler
Mr. S. R. Cope
Mr. J. Fajans
Mr. A. D. Spottswood

Miss V. Morsey
Mr. H. W. Robinson
Mr. E. H. Clark

2. Iceland

The Committee considered SLC/O/296, Loan Director's Memorandum on Iceland, and

CONCURRED:

In the Loan Director's recommendations, except that it was agreed that an approach should be made to the Icelandic Government only after the Bank had ascertained that the requisite European currencies would be available.

3. British and French Colonial Development

The Committee considered SLC/O/291, Loan Director's Memorandum on British and French Colonial Development, and

CONCURRED:

In the Loan Director's recommendations.

Distribution

1. Mr. Eugene Black
2. Mr. H. L. Garner
3. Mr. W.A.B. Liff
4. Mr. D. Sommers
5. Mr. D. Crena de Iough
6. Mr. L. B. Rist
7. Mr. L. B. Rist
8. Mr. R. H. Demuth

9. Mr. A.S.G. Hoar
10. Mr. O. A. Schmidt
11. Gen. R. A. Wheeler
12. Mr. H. G. Burland
13. Mr. H. L. Lejeune
14. Files
15. Mr. S. R. Cope
16. Mr. H. Graves

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, January 30, 1951.

1. Those were present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. A. P. Laxford
Mr. L. B. Rist
Mr. D. Crena de Longh
Mr. M. Lajoux, Secretary

In attendance:

Mr. R. H. Donath
Mr. J. Rucinski
Mr. G. S. Mason
Mr. M. M. Rosen
Mr. W. J. Hull
Mr. H. Ross

2. Turkey - Industrial Development Bank

The Committee considered SLC/O/299, Assistant Loan Director's Memorandum on the Turkish Industrial Development Bank and

AGREED:

That the Turkish Industrial Bank be informed as follows:

- (a) The International Bank is not prepared to approve a change in the debt to capital ratio of 3 to 1 established in Section 3.05 of the Loan Agreement.
- (b) In the opinion of the International Bank, a reasonable and justifiable lending rate of IDB loans is 7% or 6½%.
- (c) In the opinion of the International Bank it is desirable that RCA counterpart funds be channeled to private industries by IDB acting as agent (rather than borrower) and that an arrangement to this effect be made with the Turkish Government and RCA.
- (d) The Bank sees advantages to the IDB's borrowing RCA counterpart funds up to a maximum of 12.5 million lire in lieu of the funds IDB is authorized to borrow from the Turkish Central Bank, provided the specific use and allocation of such funds are not subject to interference by the Turkish Government.

3 The meeting adjourned at 10:35 a.m.

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Wednesday, January 17, 1951

1. Those were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Sommers
Mr. D. Crenna de Jongh
Mr. L.B. Rist
Mr. M.L. Lajeune, Secretary

In attendance:

Mr. O.A. Schmidt	Mr. E.A. Becroft
Mr. J. Rucinski	Mr. H.O. Bixby
Gen. R.A. Wheeler	Mr. J.H. Collier

2. Ethiopia

(a) The Committee considered SLC/O/297, Loan Director's Memorandum on Ethiopian Telecommunication Project, and

(1) APPROVED:

The documents as submitted except that it was agreed to include a very brief summary of the technical report in the President's Recommendations.

(2) AGREED:

That the interest rate should be 4% including the 1% statutory commission.

(b) The Committee considered a verbal report by Colonel Bixby of his discussions in Holland regarding staff for the Telecommunications Authority and

AGREED:

(1) That the Bank should write to the Ethiopian Government endorsing the candidacy of Mr. Warners.

(2) That the Vice President should write to the Director General of the Netherlands Posts and Telegraph thanking him for his assistance in suggesting candidates.

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(c) The Committee discussed the desirability of increasing the interest rate on future twenty-year loans and

AGREED:

- (1) That the Ethiopian Telecommunications Loan should be the last twenty-year loan at 4%.
- (2) That in future negotiations the Bank should fix the interest rate at about the time of signing and that the Bank's negotiators not only should make no commitment regarding the interest rate prior to that time, but should also make it clear to the borrower that it was the Bank's policy to fix the interest rate in accordance with the cost of money at the time of the signing and that therefore no prior commitment could be made.
- (3) That the Executive Directors should at the next Board meeting be reminded of the Bank's policy on fixing the rate of interest on loans.

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

Distribution

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|--------------------------|------------------------|
| 1. Mr. Eugene Black | 9. Mr. A.S.G. Hoar |
| 2. Mr. R. L. Garner | 10. Mr. O. A. Schmidt |
| 3. Mr. W.A.B. Iliff | 11. Gen. R. A. Wheeler |
| 4. Mr. D. Sommers | 12. Mr. E. G. Burland |
| 5. Mr. D. Crena de Iongh | 13. Mr. M. L. Lejeune |
| 6. Mr. L. B. Rist | 14. Files |
| 7. Mr. L. B. Rist | 15. Mr. J. Rucinski |
| 8. Mr. R. H. Demuth | 16. Mr. E. A. Beecroft |
| | 17. Mr. H. N. Graves |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 3:00 p.m., Thursday,
January 25, 1951

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. A.F. Luford
Mr. M. L. Lejeune, Secretary

In attendance

Mr. S. W. Anderson	Mr. R.H. Demuth
Mr. P.F. Foster	Mr. A. Broches
Mr. W. Glastra	Mr. H.W. Larsen
Mr. G. Grayson	
Mr. E. Franco	

2. The Committee considered SLC/O/298, Assistant Loan Director's Memorandum on Colombia - First Loan Administration Report, and

AGREED:

- (a) That final consideration of the Loan Administration Report be held in abeyance until representatives of the Treasurer's Department had had an opportunity to make investigations in the field as to the efficacy of the Colombian methods of distributing agricultural equipment.
 - (b) That if the representatives of the Treasurer's Department discovered no circumstances warranting particular consideration by the Executive Board at this time, the Loan Administration Report not be submitted separately but be incorporated in the likely forthcoming documents in support of a new loan to Colombia.
3. The Committee considered a suggestion that in preparing loan administration reports and the reports going to the Executive Board in support of a proposed loan, duplication of effort should be eliminated and

AGREED:

- (a) That at least once each year there should be prepared a review of the economy of a borrowing country and a review of the progress of projects financed by the Bank.

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- (b) That for a country in which no further lending was undertaken during the year following the last review, the annual review should take the form of the present loan administration report.
- (c) That for a country in which a loan was to be made during the year following the last review, the annual review should be incorporated in reports normally submitted to the Executive Board supporting a proposed loan.

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

Distribution

Mr. Eugene Black	Mr. O.A. Schmidt
Mr. R. L. Garner	Gen. R.A. Wheeler
Mr. W.A.B. Iliff	Mr. E.G. Burland
Mr. D. Sommers	Mr. M.L. Lejeune
Mr. D. Crena de Iongh	Files
Mr. L.B. Rist	Mr. S.W. Anderson
Mr. R.H. Demuth	Mr. W. Glastra
Mr. H.N. Graves	Mr. G. Grayson
Mr. A.S.G. Hoar	

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Minutes of Meeting of Staff Loan Committee held 10:45 a.m., Monday, January 29, 1951

1. There were present:

Mr. R. L. Garner
Mr. A.S.G. Hoar

Mr. D. Crona de Longh
Mr. A.F. Laxford

Mr. D. Sommers
Mr. L.B. Rist
Mr. M.L. Lajeune, Secretary

In attendance:

Mr. S.R. Cope
Mr. M.M. Rosen
Mr. E. deVries

Mr. P.N. Rosenstein-Rodan
Mr. A. Basch
Mr. J. Rucinski

Mr. G. Burgess
Mr. H.N. Graves, Observer

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2. The Committee considered E-135, the Colombo Plan, and

(a) APPROVED:

- (1) The Confidential version of the report as submitted except for minor editorial amendments.
- (2) The Restricted version of the report as submitted except for minor amendments.

(b) AGREED:

- (1) That the Restricted version of E-135 should be submitted to the Board of Executive Directors for their information.
- (2) That as a matter of courtesy the Restricted version should be given to the Indian and Pakistani representatives in Washington for their brief review and personal comments before it is submitted to the Board.

3. The Committee considered the Terms of Reference for Dr. Antonin Basch for the Colombo meeting, and

APPROVED:

The Terms of Reference as submitted with two amendments:

- (a) Inclusion in the description of the Bank's procedure (Paragraph 3) reference to the Bank's interest in the overall economic and financial policies of borrowing member countries.
- (b) Inclusion in paragraph 3 (d) reference to the economic soundness of projects.

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

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 9:30 a.m., Friday, February 2, 1951

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1. Those were present:

Mr. R.L. Garner
Mr. A.S.G. Hear
Mr. E. Crema de Iongh
Mr. A.P. Luxford
Mr. M.M. Rosen
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R.M. Deaath	Mr. S. R. Cope
Mr. J. Rucinski	Mr. A. Basch
Mr. F. D. Stephens	Mr. H. Paterson
Dr. E.W. Rosbert	
Mr. L. Butcher	
Mr. W.J. Hill	
Mr. J. G. deKilde	

2. Iraq

The Committee considered SIC/O/302, Assistant Loan Director's Memorandum on Iraq Petroleum Refinery, and

AGREED:

- (a) That the Bank consult with the United States Government in order to confirm that Export-Import Bank financing will not be made available for the Iraq Petroleum Refinery.
- (b) That the British Government be informed that Iraq has approached the Bank and that the Bank is interested in participating in financing the foreign exchange cost of the refinery project, but the extent of its participation will not be decided until the availability of foreign private financing has been thoroughly explored.
- (c) That the Bank inform Iraq
 - (1) that it is willing to consider the refinery project as a basis for a loan provided the refinery is to be operated on a "management contract" basis,
 - (2) that in the Bank's opinion the possibility of obtaining the participation of private capital should be thoroughly explored, and

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- (3) That the results of this exploration will determine the basis for deciding the extent of the Bank's participation.
- (d) That the Bank also inform Iraq that it considers further technical and economic investigation of the project necessary and therefore the Bank will arrange:
 - (1) that a specialist be attached to the forthcoming survey mission to Iraq for the specific purpose of investigating the refinery projects.
 - (2) that the mission give investigation of the project top priority and render a report on the project in advance of its general report.

3. Finland

The Committee considered SLC/O/301, Assistant Loan Director's Memorandum on Finland, and

(a) CONCURRED:

In the Assistant Loan Director's recommendations.

(b) AGREED:

That the Vice President should advise Mr. Tuomioja on a personal basis of the Bank's willingness to send a mission to Finland.

4. The meeting adjourned at 10:50 a.m.

Distribution

- | | |
|--------------------------|------------------------|
| 1. Mr. E.G. Black | 10. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 11. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 12. Mr. E.G. Burland |
| 4. Mr. D. Sommers | 13. Mr. M.L. Lejeune |
| 5. Mr. D. Crena de Jongh | 14. Files |
| 6. Mr. L.B. Rist | 15. Mr. J. Rucinski |
| 7. Mr. L.B. Rist | 16. Mr. S.R. Cope |
| 8. Mr. R. H. Demuth | 17. Mr. F. D. Stephens |
| 9. Mr. A.S.G. Hoar | 18. Mr. Graves |
| | 19. Mr. Rosen |

STAFF LOAN COMMITTEE

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 Meeting of Staff Loan Committee held 2:30 p.m., Thursday, February 8, 1951

1. There were present:

Mr. E. R. Black (Mr. Black attended only the latter part of the meeting.)
Mr. R. L. Garner
Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Orena de Iough
Mr. L.B. Rist
Mr. M.L. Lejeune, Secretary

In attendance

Mr. S.R. Cope	Mr. J.A. Villechaise
Mr. J. Fajans	Mr. M.M. Rosen
Mr. A.D. Spottswood	Mr. A. Stevenson

2. Colonial Development

The Committee considered SLC/O/300, Assistant Loan Director's Memorandum on Colonial Development, and Economic Department Memorandum on the Creditworthiness of France and the United Kingdom, and

(a) CONCURRED:

In the conclusions of the Assistant Loan Director and of the Economic Department Memorandum.

(b) AGREED:

- (1) That on the basis of the assumptions contained in the creditworthiness studies and the information at present available, France and the United Kingdom appeared to be sufficiently creditworthy to justify the Bank's standing ready to discuss loans in moderate amounts for projects in British and French dependent territories.
- (2) That these loans should preferably be for projects which were potential earners of hard currencies.
- (3) That it would be appropriate for the Bank to lend foreign exchange (i) for imported goods and services directly needed for the projects, and (ii) in order to meet the increased need for foreign exchange to which the projects indirectly gave rise.

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- (4) That Bank Lending for projects in French dependent territories should preferably be in currencies other than dollars.

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

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. O.A. Schmidt |
| 2. Mr. R.L. Garner | 11. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 12. Mr. E.G. Burland |
| 4. Mr. D. Sommers | 13. Mr. M.L. Lejeune |
| 5. Mr. D. Crena de Longh | 14. Files |
| 6. Mr. L. B. Rist | 15. Mr. S.R. Cope |
| 7. Mr. L. B. Rist | 16. Mr. J. Fajans |
| 8. Mr. R.H. Demuth | 17. Mr. M.M. Rosen |
| 9. Mr. A.S.G. Hoar | 18. Mr. H.N. Graves |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Monday, February 19, 1951

1. There were present:

Mr. R. L. Garner
Mr. A.S.G. Hoar
Mr. A. F. Luxford
Mr. M.M. Rosen
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R.H. Demuth	Mr. J.C. deWilde
Mr. J. Rucinski	Mr. J.A. Villechaize
Mr. F.D. Stephens	
Mr. A.D. Spottswood	

2. Iraq

The Committee considered Loan 119, Report and Recommendations of the Mission to Iraq; Loan 118, Technical Report on the Agricultural Machinery Project in Iraq; Loan 117, Technical Report on the Basrah Port Silo Project in Iraq; Loan 116, Technical Report on the Euphrates River Flood Control and Irrigation Projects in Iraq, and E-136, Recent Economic Developments in Iraq, and

AGREED:

- (a) That the Bank should, as soon as possible, ascertain the position of the United Kingdom regarding the use of 18% Sterling to provide for purchases to be made in the Sterling area.
- (b) That the Bank seek permission to use portions of the 18% subscriptions of other European members, besides the United Kingdom, as required.
- (c) That the Bank's present pledge of Iraq's oil royalties as security should be extended to cover the new loans and that the Bank should not consider foregoing the pledge until after the report of the Survey Mission to Iraq is submitted to the Bank. The above views should be put to the Executive Board for discussion.
- (d) That the Bank should inform the Iraq Embassy that it is ready to open negotiations with the Iraq Government for loans to finance the foreign exchange cost of the Habbaniyah project, Basrah Silo and imports of agricultural machinery covering requirements of one or possibly two years. The negotiations should be based on the following:

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- (1) The Government of Iraq to be the borrower in each case;
- (2) The terms of the Silo and Irrigation loans to be ten to fifteen years;
- (3) The term of the Agricultural Equipment loan to be directly related to the life of the equipment to be imported;
- (4) Project Funds Agreements to be entered into ensuring adequate local currency for the Silo and Irrigation loans.

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. O.A. Schmidt |
| 2. Mr. R. L. Garner | 11. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 12. Gen. R.A. Wheeler |
| 4. Mr. D. Somers | 13. Mr. M.L. Lejeune |
| 5. Mr. D. Crena de Iough | 14. Files |
| 6. Mr. L.B. Rist | 15. Mr. J. Rucinski |
| 7. Mr. L.B. Rist | 16. Mr. F.D. Stephens |
| 8. Mr. R.H. Demuth | 17. Mr. H.N. Graves |
| 9. Mr. A.S.G. Hear | 18. Mr. W.M. Rosen |

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 Meeting of Staff Loan Committee held 11:00 a.m., Friday,
February 23, 1951

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. A.F. Luxford
Mr. L.B. Rist
Mr. H.W. Riley
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. J. Rucinski	Mr. E. deVries
Mr. G. Burgess	Mr. W.M. Gilmartin
Mr. M.M. Rosen	

2. Pakistan

The Committee considered SLC/O/304, Assistant Loan Director's Memorandum on Pakistan, and

AGREED:

- (a) That in principle, concurring with Pakistan's wishes, the Bank should lend dollars to Pakistan only for purchases in the dollar area.
- (b) That the Bank should seek permission to use the 18% currency of certain European members in lending to Pakistan.
- (c) That the Executive Board should be informed of the above.

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

Distribution

- | | |
|--------------------------|---------------------------------|
| 1. Mr. Eugene Black | 9. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 10. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 11. Mr. E.B. Burland |
| 4. Mr. L.B. Rist | 12. Mr. E.B. Burland |
| 5. Mr. L.B. Rist | 13. Mr. M.L. Lejeune |
| 6. Mr. D. Sommers | 14. Files |
| 7. Mr. D. Crena de Iongh | 15. Mr. J. Rucinski |
| 8. Mr. R.H. Demuth | 16. Mr. G. Burgess |
| Mr. M.M. Rosen | 17. Mr. H.N. Graves |

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Wednesday,
February 28, 1951

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1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. H.W. Riley
Mr. A.F. Luxford
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. J. Rucinski	Mr. G. Cruise
Mr. G. Burgess	Mr. M. Rosen
Mr. J.T. Lund	Mr. W. Gilmartin
Mr. A. Spottswood	Mr. E. deVries
Mr. A. Saitzoff	Mr. A. Wubnig
Mr. O.H. Folk	

2. Pakistan

The Committee considered SLC/O/305, Assistant Loan Director's Memorandum on Pakistan; E-140a, The Development of the Economic Resources of Pakistan; Loan 121, Brief Appraisal of Rehabilitation and Development Projects in Pakistan; and E-140, Economic Report on Pakistan, and

(a) CONCURRED in Principle:

With the recommendations contained in Paragraphs 85 and 86 of Loan 120 (Pakistan Mission Operational Report);

(b) NOTED:

That the recommendations contained in Paragraph 85(b)(iii), limiting dollar drawings to \$15 million, should be presented and carried out in a form which would not be in conflict with Article IV, Section 3(a) of the Articles of Agreement; and

(c) AGREED:

That the Executive Board be informed of the Bank's intentions to enter into negotiations with the Pakistani.

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

Distribution

Mr. Eugene Black	Mr. A.S.G. Hoar
Mr. R.L. Garner	Mr. S.W. Anderson
Mr. W.A.B. Iliff	Mr. E.G. Burland
Mr. D. Sommers	Gen. R.A. Wheeler
Mr. L.B. Rist	Mr. M.L. Lejeune
Mr. L.B. Rist	Files
Mr. D. Crena de Iongh	Mr. J. Rucinski
Mr. R.H. Demuth	Mr. G. Burgess

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Wednesday, March 7, 1951

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WBG ARCHIVES

1. There were present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. A. F. Luxford
Mr. H. W. Riley
Mr. H. L. Lejane, Secretary

In Attendance

Mr. S. R. Cope
Mr. H. W. Robinson
Mr. M. J. Paterson

2. Finland

The Committee considered SLC/O/307, Economic Department Memorandum on the Finnish Proposal to Revise Export-Import Bank Debt Repayment Schedules, and

(a) CONCURRED in:

The Economic Department's appraisal of the Finnish proposals;

(b) AGREED:

- (1) That, as previously decided, a mission to Finland is a prerequisite to any negotiation of a loan for specific purposes and, hence
- (2) That although the Bank should time the Mission in accordance with Finnish views, it cannot dispense with it;
- (3) That in talking with Mr. Graessbeck the Vice President might
 - (i) Inquire as to why the Finnish Government seems reluctant to have a Bank mission go to Finland soon;
 - (ii) Suggest that the Finns might wish to prepare material which would be required by the mission upon its arrival, handing to him a memorandum indicating the general lines of the Bank's approach.

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

Distribution

- | | | |
|--------------------------|------------------------|---------------------|
| 1. Mr. Eugene Black | 7. Mr. L. B. Rist | 13. Mr. H. Folk |
| 2. Mr. R. L. Garner | 8. Mr. R. H. Demuth | 14. Files |
| 3. Mr. W. A. B. Illiff | 9. Mr. A. S. G. Hoar | 15. Mr. S. R. Cope |
| 4. Mr. D. Sommers | 10. Mr. S. W. Anderson | 16. Mr. H. Graves |
| 5. Mr. D. Crena de Iough | 11. Mr. E. C. Burland | 17. Mr. M. M. Rosen |
| 6. Mr. L. B. Rist | 12. Gen. R. A. Wheeler | |

M. Rish

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Friday, March 16, 1951

1. There were present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. H. W. Riley
Mr. M. M. Rosen
Mr. M. L. Lejeune, Secretary

In attendance:

Mr. R. H. Demuth
Mr. E. G. Burland
Mr. S. W. Anderson
Mr. J. H. Adler

2. Procurement Policy

The Committee considered SLC/O/309, Loan Department Memorandum on U. S. Foreign Allocation Policy, and SLC/O/308, Loan Department Memorandum on Procurement Policy, and

AGREED in Principle:

with the recommendations presented in SLC/O/308, and specifically agreed that a document expressing the Bank's point of view (see paragraph 3 of the recommendations) should be drafted.

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

Distribution

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|--------------------------|------------------------|
| 1. Mr. Eugene Black | 9. Mr. A. S. G. Hoar |
| 2. Mr. R. L. Garner | 10. Mr. O. A. Schmidt |
| 3. Mr. W. A. B. Iliff | 11. Gen. R. A. Wheeler |
| 4. Mr. D. Somers | 12. Mr. E. G. Burland |
| 5. Mr. D. Crena de Iongh | 13. Mr. M. L. Lejeune |
| 6. Mr. L. B. Rist | 14. Files |
| 7. Mr. L. B. Rist | 15. Mr. S. W. Anderson |
| 8. Mr. R. H. Demuth | 16. Mr. S. R. Cope |
| Mr. H. N. Graves | 17. Mr. J. Rucinski |
| | 18. Mr. M. M. Rosen |

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Mr. Lish

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Wednesday, March 21, 1951

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. L. B. Rist
Mr. H. W. Riley
Mr. A. S. G. Hoar
Mr. M. L. Lejeune, Secretary

In attendance

Mr. R. H. Demuth
Gen. R. A. Wheeler
Mr. L. H. Bengston
Mr. J. Rucinski
Mr. D. H. Connors

Mr. H. Folk
Mr. W. M. Gilmartin
Mr. G. Burgess
Mr. J. T. Lund
Mr. S. Aldewereld

2. India

The Committee considered T-5, Report on Mission to India, Agricultural Project, and SLC/O/311, the Assistant Loan Director's Memorandum on Indian Agricultural Project Loan, and

(a) CONCURRED IN:

the conclusions and recommendations presented by Mr. Jack Connors in his Treasurer's Department Report.

(b) AGREED:

(1) that a copy of Mr. Connors' report (with the modification of a few minor details) should be transmitted to the Government of India under cover of a letter, addressed to the highest authority, stating the Bank's grave concern with the inadequacy of the conduct of the Kans Grass eradication project and stressing the Bank's opinion;

(i) that firm measures should be taken to insure that sufficient compact areas of land are placed at the disposal of C.T.O. for reclamation;

(ii) that competent management for C.T.O. be obtained as soon as possible;

(2) that Mr. Connors' report and the letter of transmittal be delivered in India in person by a senior Bank official in order that the Bank's grave concern may be made plain and that the Indian Government may be urged to take prompt action;

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- (3) that a copy of Mr. Connors' report together with a copy of the letter of transmittal be delivered informally to the Executive Director for India;
- (4) that the Indians be informed that the Bank is not prepared to make any further disbursements under the loan except for necessary spare parts for which the closing date will be postponed;
- (5) that, prior to the proposed discussions with the Indian Government (see (2) above), the Bank should not take the initiative in cancelling the remaining part of the loan allocated to the purchase of additional equipment (exclusive of spare parts);
- (6) that, should the part of the loan which remains to be disbursed be cancelled, the Bank should be receptive to negotiating a new loan at a later date to cover the purchase of the remaining equipment required, provided the Indian Government takes corrective action in accordance with paragraph (1) above satisfactory to the Bank.

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

Distribution

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|------------------------------|------------------------|
| 1. Mr. Eugene Black | 9. Gen. R. A. Wheeler |
| 2. Mr. R. L. Garner | 10. Mr. E. G. Burland |
| 3. Mr. D. Sommers (2) | 11. Files |
| 4. Mr. L. E. Rist (2) | 12. Mr. S. W. Anderson |
| 5. Mr. D. Crena de Longh (2) | 13. Mr. P. F. Foster |
| 6. Mr. R. H. Demuth | 14. Mr. M. M. Rosen |
| 7. Mr. W.A.B. Iliff | 15. Mr. J. Rucinski |
| 8. Mr. A.S.G. Hoar | 16. Mr. M. L. Lejeune |

Mr. Rist

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Thursday, March 22, 1951

1. There were present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. A. F. Laxford
Mr. H. W. Riley
Mr. M. L. Lejeune, Secretary

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In attendance:

Gen. R. A. Wheeler
Mr. G. A. Schmidt
Mr. J. Torfs
Mr. W. Giestra
Mr. G. Grayson

2. Colombia

Mr. Torfs, of the Economic Department, reported to the Committee on the status of the work of the Colombian Committee on Economic Development and the Committee discussed his views on the efficacy of the procedure adopted in Colombia for the implementation of a Bank Survey Mission's report.

3. The Committee considered a proposal to assign a Bank staff member to work closely with the Colombian Government in its implementation of the recommendations of the Committee on Economic Development and to be competent to express the Bank's views, and

AGREED:

- (a) that a letter should be written to the Chairman of the Committee on Economic Development

- (i) expressing the Bank's view that appropriate means should be established for following up and implementing the recommendations of the Committee after the completion of the Committee's work;
- (ii) indicating the willingness of the Bank to assign a representative to work in close cooperation with the Government in the implementation of the Committee's recommendations.

(b) that this letter should be delivered by Mr. Torfs.

4. The Committee considered a request by Mr. Torfs for instructions as to the course he should follow when in his opinion recommendations on public administration presented by Dr. Currie conflicted with or unfavorably affected the implementation of recommendations on development policy, and

AGREED:

- (a) that Mr. Torfs should endeavor to prevent such issues from arising;
- (b) that should an issue be unavoidable, Mr. Torfs should express his personal views to the Committee, but should make it clear that, inasmuch as the Bank had had no opportunity to study the recommendations on public administration, the Bank had no views to express;
- (c) that Mr. Torfs could quote the Bank's opinion that, to the extent possible, the discussion of recommendations on development policy should be completed by the Committee before detailed consideration of recommendations on public administration took place.

5. The Committee considered a report that confusion existed as to the function of the U.N. Technical Advisers in Colombia, and

AGREED:

that Mr. Demuth should clarify the matter with the U.N. authorities.

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

Distribution

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|------------------------------|------------------------|
| 1. Mr. Eugene Black | 10. Mr. A.S.G. Hoar |
| 2. Mr. R. L. Garner | 11. Mr. S. W. Anderson |
| 3. Mr. W.A.B. Clift | 12. Gen. R. A. Wheeler |
| 4. Mr. D. Sommers (2) | 13. Mr. E. G. Purland |
| 5. Mr. D. Crena de Lough (2) | 14. Mr. M. L. Lejeune |
| 6. Mr. L. B. Rist | 15. Files |
| 7. Mr. L. B. Rist | 16. Mr. O. A. Schmidt |
| 8. Mr. R. H. Demuth | 17. Mr. W. Clastra |
| 9. Mr. H. N. Graves | 18. Mr. M. M. Rosen |

Mr. Rist

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 3:30 p.m., Thursday, March 29, 1951.

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. D. Sommers
Mr. H.W. Riley
Mr. M.L. Lajeune, Secretary

In Attendance:

Mr. E.G. Burland
Mr. R.H. Demuth
Mr. P. Foster
Mr. H.W. Larsen
Mr. O.A. Schmidt
Mr. S. Wheelock

2. Brazil

The Committee considered in what circumstances the Bank as a matter of policy should be prepared to accept the guarantee of a central bank or some comparable agency and, specifically, whether it should be prepared to accept the guarantee of the Banco do Brasil, and

AGREED:

- (a) That, provided the loan was not large and that the project concerned was acceptable to the government of the member, the Bank should be prepared to accept the guarantee of the member's central bank or some comparable agency of the member;
- (b) That counsel for the Bank should submit an opinion as to whether the guarantee of the Banco do Brasil or the Superintendencia de Moeda e Credito, or both should be deemed acceptable to the Bank as the guarantee of a "central bank or comparable agency" of Brazil in accordance with Article III, Section 4 (i) of the Articles of Agreement;
- (c) That if the guarantee of Banco do Brasil or the Superintendencia was deemed acceptable, the Bank should be prepared to accept such a guarantee for a series of comparatively small loans, aggregating a maximum of several million dollars, for projects endorsed by Brazil;
- (d) That the Bank should be prepared to accept the guarantee of the Banco do Brasil or the Superintendencia as above only pending the establishment of an intermediary lending device along the lines of a development bank, banking consortium, or similar agency.

STAFF LOAN COMMITTEE

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3. Loan Administration Reports

The Committee considered SLC/O/310, Assistant Loan Director's Memorandum on Loan Administration Reports, and

AGREED:

- (a) That once a year there should be prepared a review of the economy of each borrowing country, and a review of the progress of projects financed by the Bank in that country;
- (b) That the above annual reviews will normally be consolidated and issued as a Loan Administration Report;
- (c) That where a recent economic review of the country concerned has been issued, the economic section of the Loan Administration Report may be omitted or abbreviated as appropriate.

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

Distribution

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|------------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 10. Mr. S.W. Anderson |
| 3. Mr. W.A.B. Iliff | 11. Gen. R.A. Wheeler |
| 4. Mr. D. Sommers (2) | 12. Mr. E.G. Burland |
| 5. Mr. D. Crena de Iough (2) | 13. Mr. M.L. Lejeune |
| 6. Mr. L.B. Rist | 14. Files |
| 7. Mr. L.B. Rist | 15. Mr. H.N. Graves |
| 8. Mr. R.H. Demuth | 16. Mr. O.A. Schmidt |
| | 17. Mr. S. Wheelock |
| | 18. Mr. M.M. Rosen |
| | 19. Mr. P. Foster |
| | 20. Mr. W. Hill |

Mr. Rush

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 3:00 p.m., Wednesday, April 4, 1951.

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. H. N. Riley
Mr. A. F. Luxford
Mr. M. L. Lejeune, Secretary

In attendance:

Mr. W. Glastra
Gen. R. A. Wheeler
Mr. J. E. Moreland
Mr. A. D. Spottswood

Mr. O. A. Schmidt
Mr. E. G. Burland
Mr. L. H. Bengston
Mr. M. M. Rosen
Mr. H. W. Larsen

2. Colombia

The Committee considered:

Draft President's Report and Recommendations, SLC/O/312;
Draft Loan Agreement dated March 12, 1951;
A Report on the Economic Situation - Colombia;
A Draft Letter from the Minister of Public Works of Colombia; and
A Technical Appraisal of the Highway Project, Report No. Loan 124, dated March 20, 1951; and

(a) APPROVED:

The documents submitted with minor modifications of the economic report.

(b) CONCURRED in:

The Assistant Loan Director's recommendations, except as modified below.

(c) AGREED:

- (1) That, subject to the approval of the President, the interest rate should be 3-7/8% including statutory commission of 1%.

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- (11) That the date from which the commitment charge would be made should be the effective date or May 15, 1951, whichever is the earlier.

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

Distribution

- | | |
|-----------------------------|------------------------|
| 1. Mr. Eugene Black | 10. Mr. O. A. Schmidt |
| 2. Mr. R. L. Garner | 11. Gen. R. A. Wheeler |
| 3. Mr. W. A. B. Iliff | 12. Mr. E. G. Burland |
| 4. Mr. D. Sommers (2) | 13. Mr. M. L. Lejeune |
| 5. Mr. D. Crene de Longh(2) | 14. Files |
| 6. Mr. L. B. Rist | 15. Mr. S. W. Anderson |
| 7. Mr. L. B. Rist | 16. Mr. W. Glastra |
| 8. Mr. R. H. Demuth | 17. Mr. M. M. Rosen |
| 9. Mr. A. S. G. Hoar | 18. Mr. H. N. Graves |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee Held 10:30 a.m., Friday, April 6, 1951.

1. There were present:

Mr. R. L. Garner
Mr. A.S.G. Hoar
Mr. W.A.B. Iliff
Mr. M. M. Rosen
Mr. H. W. Riley
Mr. M. L. Lejeune, Secretary

In attendance:

Mr. S. R. Cope
Mr. L. Cancio
Mr. D. Sommers
Mr. H. W. Robinson
Mr. A. Stevenson

2. Greece

The Committee considered the Loan Director's Memorandum on Greece, SLC/O/313, dated April 5, 1951, and the Economic Department's Report No. E-145, dated March 30, 1951, and

AGREED:

That Mr. Averoff be informed;

- (a) That the Bank is not prepared to consider his first proposal;
- (b) That the Bank would be prepared to consider his second proposal at a time when there was some prospect of stabilization but that, in the meantime, consideration of this second proposal would have to be deferred.

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

DISTRIBUTION:

1. Mr. Eugene R. Black	8. Mr. R. H. Demuth	14. Mr. M. L. Lejeune
2. Mr. R. L. Garner	9. Mr. H. N. Graves	15. Files
3. Mr. W.A.B. Iliff	10. Mr. A.S.G. Hoar	16. Mr. S. R. Cope
4. Mr. D. Sommers (2)	11. Mr. S. W. Anderson	17. Mr. C. de Beaufort
5. Mr. D. Crena de Longh (2)	12. Gen. R. A. Wheeler	18. Mr. M. M. Rosen
6. Mr. L. B. Rist	13. Mr. E. G. Burland	19. Mr. W. Hill
7. Mr. L. B. Rist		

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Mr. Rish

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Minutes of Meeting of Staff Loan Committee Held 2:30 pm, Thursday, April 12, 1951

1. Those were present:

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

Mr. L. B. Rist
Mr. H. W. Riley
Mr. A. F. Luxford

Mr. M. L. Lajeune,
Secretary

In attendance:

Mr. F. Hochenski
Mr. R. H. Donath
Mr. M. N. Rosen

Mr. J. Rucinski
Mr. J. A. Villechaize
Gen. R. A. Wheeler

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2. Egypt

The Committee considered the Loan Director's Memorandum on Egypt, SIC/O/314, dated April 9, 1951, and the Economic Department's Report No. E-146, dated April 5, 1951, and

AGREED:

That Egypt's proposals should be discussed informally with Mr. Saad and he should be requested to forward informally to the Egyptian Government the Bank's views as follows:

- (a) The Bank is, in principle, prepared to participate in financing development in Egypt.
- (b) The extent of Bank participation would depend on:
 - (i) an examination of the economic and financial basis of Egypt's economy, and
 - (ii) a detailed examination of Egypt's development prospects and investment program.
- (c) Bank participation in financing individual projects would depend upon the findings of the above examination and upon a technical appraisal as to their bankability.
- (d) The Bank's examination of the steel and fertilizer projects presented would include an investigation of the advisability and possibility of obtaining participation of private capital.
- (e) The irrigation projects (including Wadi Rayan and Faraskour located in Egyptian territory) mentioned in the presentation submitted to

the Bank are interrelated but there is no up-to-date overall study of the technical, economic, financial and administrative problems involved in the international development of the Nile basin. Hence, before considering any participation in the financing of these projects, the Bank would wish such a study to be made. To this end, the Bank would hope that Egypt, in consultation with other interested governments, would be prepared to sponsor such a study, but, if Egypt preferred, the Bank would be prepared to approach on behalf of Egypt all interested countries to find out whether they would agree to such a study being undertaken.

3. The Committee considered an oral presentation by the Loan Director of alternative methods of dealing with notifications by the Mexican Government under the consultation clause of guarantee agreements and

AGREED:

- (a) That the Bank should in principle adhere to its established policy of responding to such notifications by stating, if such should be the case, that it had no observations or objections to make to the proposed operation, but
- (b) That the Bank should explain that it was unable to offer constructive comment on the proposed operation because it lacked sufficient information, and
- (c) That the Bank should not allow itself to be put in the position of appearing to have given its approval of the specific projects proposed.

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

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| 2. Mr. R. L. Garner | 11. Gen. R. A. Wheeler |
| 3. Mr. W. A. B. Iliff | 12. Mr. E. G. Burland |
| 4. Mr. D. Somers (2) | 13. Mr. M. L. Lefevre |
| 5. Mr. D. Crahan de Jongh (2) | 14. Files |
| 6. Mr. L. B. Rist | 15. Mr. H. Graves |
| 7. Mr. L. B. Rist | 16. Mr. J. Rucinski |
| 8. Mr. R. H. Demuth | 17. Mr. E. Bescroft |
| 9. Mr. A. S. G. Hoar | 18. Mr. M. M. Rosen |
| | 19. Mr. W. Hill |

STAFF LOAN COMMITTEE

Mr. Rich

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Minutes of Meeting of Staff Loan Committee held 11:00 A.M., Wednesday, April 18, 1951.

1. There were present:

Mr. W. A. S. Claff
Mr. L. B. Rist
Mr. H. S. Riley
Mr. A. Broches
Mr. H. L. Lajeune, Secretary

In attendance:

Mr. E. H. Clark
Mr. S. R. Cope
Mr. R. H. Demuth
Mr. W. Hill
Mr. N. Paterson
Mr. H. Robinson
Mr. A. D. Spottswood

2. Iceland

The Committee considered the Acting Loan Director's Memorandum on Iceland - Electric Power Development SLC/G/317, and the Economic Department's Report No. E-2118, The Economic Position of Iceland, and

(a) CONCURRED in:

The recommendations of the Acting Loan Director.

(b) AGREED:

(i) That a brief memorandum should be prepared for submission to the Executive Directors stating the Bank's intention to enter into negotiations with the Government of Iceland on the Bog and Lax hydroelectric projects and including a note on Iceland's creditworthiness and an appraisal of the projects to be financed;

(ii) That thereafter the Bank invite the Icelandic Government to begin negotiations in Washington as soon as formal confirmation of French approval of the use of 184 French currency for the two projects is received.

3. The Committee took note of Mr. E. Harrison Clark's Report No. E-2119 "Summary Report of the Technical Assistance Mission to Iceland", and

AGREED:

(i) That the Working Party should consider Mr. Clark's Report to the Government of Iceland before it is distributed to the Executive Directors or transmitted to the Government of Iceland;

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- (11) That the Working Party should study part B of Mr. Clark's Report No. E-119 and make recommendations regarding future Bank lending to Iceland.

4. The meeting adjourned at 12:00.

Distribution

- | | |
|------------------------------|------------------------|
| 1. Mr. Eugene Black | 10. Mr. S. W. Anderson |
| 2. Mr. R. L. Garner | 11. Gen. R. A. Wheeler |
| 3. Mr. W. A. B. Iliff | 12. Mr. F. C. Purland |
| 4. Mr. D. Somers (2) | 13. Mr. H. L. Lejourné |
| 5. Mr. D. Crona de Lough (2) | 14. Files |
| 6. Mr. L. B. Rist | 15. Mr. H. H. Graves |
| 7. Mr. L. B. Rist | 16. Mr. S. B. Cope |
| 8. Mr. R. H. Demuth | 17. Mr. H. Paterson |
| 9. Mr. A. S. C. Hoar | 18. Mr. H. H. Rosen |
| | 19. Mr. W. Hill |

Mr. Cerna de Longhi

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Minutes of Meeting of Staff Loan Committee Held Monday, April 23, 1951 at 4:30 p.m., in Room 406.

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. L.B. Rist
Gen. R.A. Wheeler
Mr. D. Sommers
Mr. H.W. Riley
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. A. Broches
Mr. R. Burland
Mr. S.R. Cope
Mr. R. H. Densith

Mr. W. Hill
Mr. A.M. Kassarok
Mr. A. Stevenson

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2. Belgian Congo

The Committee considered SLG/O/320, and

AGREED:

- (a) That in addition to a loan for development in Belgian Congo, the Bank should be prepared to grant a loan to metropolitan Belgium based on the impact of the development of the Congo on the economy of Belgium.
- (b) That the size of the loan to be made to Belgium should be determined by reference to the estimated amount of dollars, or the dollar equivalent of gold, which Belgium will lose (or will not receive) as a result of the execution of the Congo Development Program by reason of:
 - (i) Increased imports from, or decreased exports to the dollar area;
 - (ii) Increased imports from, or decreased exports to other EPU countries, which will make Belgium's surplus with her EPU creditors less than it would otherwise have been, and consequently reduce the amount of gold payments accruing to her.

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

Mr. Rist

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Minutes of Meeting of Staff Loan Committee, Held Wednesday, April 25, 1951
at 10:30 a.m. in Room 1025

1. There were present:

Mr. W.A.B. Iliff
Mr. L. B. Rist
Mr. H. W. Riley
Mr. D. Sommers
Gen. R. A. Wheeler
Mr. M. L. Lejeune, Secretary

In attendance:

Mr. J. H. Adler	Mr. R. H. Demuth
Mr. S. Aldersald	Mr. J. V. Fletcher
Mr. S. W. Anderson	Mr. H. Graves
Mr. L. B. Butcher	Mr. W. Hill
Mr. R. W. Cavanaugh	Dr. P. H. Rosenstein-Rodan
Mr. E. E. Clark	Mr. J. Rucinski
Mr. S. R. Cope	

2. Availability of Non-Dollar Currencies for Lending.

The Committee considered the Report and Recommendations of the Working Party on "Availability of Non-Dollar Currencies for Lending," SLC/O/321, and

AGREED:

- (a) That the principle should be accepted that the funds obtained through the release of portions of the 1% subscriptions of members in the EPU-Sterling area should be available for unrestricted use as required for purchases anywhere in the EPU-Sterling area (this principle being the "pooling principle" propounded in the report).
- (b) That without prejudice to any future action on its part, the Bank should now approach certain European members which are in a relatively strong position, with the object of obtaining European currencies for lending in the next twelve months.
- (c) That the members to be approached, being those which are in a position to make their currencies available, should be the United Kingdom, France, Belgium, and Australia; the inclusion of Sweden should be considered further.
- (d) That the requests to these members should be based on a predetermined division of the Bank's total requirements (including a margin for contingencies) over the next twelve months.

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- (e) That in the initial approach to the United Kingdom, France, Belgium, and Australia (and possibly Sweden), the Bank should inform these four members of its total requirements expressed in dollar terms and request them to divide this total amongst themselves on an equitable basis.
- (f) That the Bank should ask only for requirements in respect of anticipated loans to borrowers whose dollar earning capacity is low (referred to in the report as "weak borrowers"), and should purchase for dollars the amounts required for borrowers whose dollar earning capacity is high (referred to in the report as "strong borrowers").
- (g) That the Bank should be prepared from time to time to make specific requests to European countries for release of their currencies or to borrow in their markets, in special cases (such as those envisaged in paragraph 26 of the report).
- (h) That the Bank should discuss with individual member countries to what extent the amounts required from any member can be made available by way of release of 1% subscription and to what extent by permitting the Bank to borrow.
- (i) That the working party should prepare briefs to be used in the discussion with member countries referred to in paragraph (e) above.
- (j) That the decision to embark upon a new policy on requests for releases from 1% subscriptions need not be referred to the Executive Directors.

3. The meeting adjourned at 12:30.

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. S.W. Anderson |
| 2. Mr. R. L. Garner | 11. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 12. Mr. E.G. Burland |
| 4. Mr. D. Sommers (2) | 13. Mr. M.L. Lejeune |
| 5. Mr. D. Grens de Jongh (2) | 14. Files |
| 6. Mr. L.B. Rist | 15. Mr. R.S. Cope |
| 7. Mr. L.B. Rist | 16. Mr. M.M. Rosen |
| 8. Mr. R.H. Demuth | 17. Mr. H. Graves |
| 9. Mr. A.S.G. Hoar | 18. Mr. L.B. Butcher |

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Minutes of Meeting of Staff Loan Committee Held Monday, April 30, 1951 at 10:30 a.m., in Room 1005.

1. There were present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Gen. R. A. Wheeler
Mr. L. B. Rist

Mr. A. Broches
Mr. R. H. Demuth
Mr. H.W. Riley
Mr. M. L. Lejeune, Secretary

In attendance:

Mr. S. W. Anderson
Mr. L. Cancio
Mr. E. H. Clark
Mr. C. H. Davies
Mr. J. Fletcher
Mr. P. F. Foster
Mr. W. Olastra

Mr. J. Grauman
Mr. G. Grayson
Mr. L. Kephart
Mr. W. Koster
Dr. H. W. Larsen
Mr. O. A. Schmidt
Mr. A. Waterston

2. Colombia

The Committee considered SIC/O/319, First Loan Administration Report on the Colombian Loans, and

APPROVED:

The report in principle, but suggested a number of minor revisions.

3. Nicaragua

The Committee considered SIC/O/323, dated April 26, 1951, covering (a) Report and Recommendations of the Mission; (b) Technical Report on Farm Mechanization Project; (c) Technical Report on Highway Construction Projects; and (d) Economic Report on Nicaragua's Economic Development Problems and Creditworthiness, and an oral report concerning a request to the Export-Import Bank for financing for a power project, and

(a) CONCURRED in

The Recommendations of the Mission Report with the following qualifications.

- (1) No action should be taken until the status of a reported request to the Export-Import Bank for a loan of \$600,000 for power development had been clarified.

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- (ii) Provided the issue of the power project is resolved to the Bank's satisfaction, the Executive Directors should be informed of the Bank's intentions to enter into negotiations with Nicaragua, after which the Nicaraguan Government should be invited to send negotiators to Washington.
- (iii) The question of the establishment of an autonomous highway authority as a condition of the loan should remain open for further consideration.

4. The meeting adjourned at 12:15.

Distribution

- | | |
|------------------------------|------------------------|
| 1. Mr. Eugene Black | 11. Gen. R. A. Wheeler |
| 2. Mr. R. L. Garner | 12. Mr. E. G. Burland |
| 3. Mr. W. A. B. Iliff | 13. Mr. M. L. Lejeune |
| 4. Mr. D. Sommers (2) | 14. Files |
| 5. Mr. D. Crena de Iough (2) | 15. Mr. S. W. Anderson |
| 6. Mr. L. B. Rist | 16. Mr. P. Foster |
| 7. Mr. L. B. Rist | 17. Mr. C. Davies |
| 8. Mr. R. H. Demuth | 18. Mr. W. Olastra |
| 9. Mr. A. S. G. Hoar | 19. Mr. H. Graves |
| 10. Mr. O. A. Schmidt | 20. Mr. M. M. Rosen |

Mr. Rist

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Minutes of Meeting of Staff Loan Committee Held 10:30 a.m., Monday, May 21, 1951

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. A.S.G. Hear
Mr. D. Crenn de Longh

Mr. L.B. Rist
Mr. D. Sommers
Mr. M.L. Lejeune, Secretary

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In attendance:

Dr. A. Bosch
Mr. G. Burgess
Mr. E.G. Burland
Mr. R.H. Demuth
Mr. W.M. Gilmartin

Mr. G.S. Mason
Mr. M.M. Rosen
Mr. J. Rucinski
Mr. A.D. Spottswood

2. Pakistan

The Committee considered SLC/O/325, dated May 14, 1951, Loan Director's Memorandum on Pakistan, and

AGREED

- (a) That the acceptable alternative methods of financing the paper mill project are (i) a loan to the corporation with a government guarantee and (ii) a loan to the government.
- (b) That a choice between these alternatives should await the further information which will be forthcoming during negotiations at which time the working party should make a recommendation.

3. Ethiopia

The Committee considered SLC/O/326, dated May 17, 1951, Administrative Organizational Assistance to the Development Bank of Ethiopia, and

AGREED

- (a) That, in principle, the Bank should be prepared to survey the problem of educating the clients of the Ethiopian Development

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Bank and should discuss the matter with Mr. Baranski.

- (b) That the possibility of obtaining United Nations or United States technical assistance for this project should be explored.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. S.W. Anderson |
| 2. Mr. R. L. Garner | 11. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 12. Mr. E.G. Burland |
| 4. Mr. D. Sommers (2) | 13. Mr. M. L. Lejeune |
| 5. Mr. B. Grena de Longh (2) | 14. Files |
| 6. Mr. L. B. Rist | 15. Mr. J. Rucinski |
| 7. Mr. L. B. Rist | 16. Mr. G.S. Mason |
| 8. Mr. R. H. Demuth | 17. Mr. H.N. Graves |
| 9. Mr. A.S.G. Hoar | 18. Mr. H.M. Rosen |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Friday, May 25, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Orena de Iongh
Mr. D. Scherer
Mr. M.H. Rosen
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. S. Aldemoreld
Mr. E.G. Burland
Mr. C.H. Davies
Mr. G. de Fleurieu
Mr. J. Gramsen
Dr. E.W. Ruckert

2. Mexico

The Committee considered SIC/O/328, Loan Director's Memorandum regarding the Proposed Transfer of Generating Unit from Chihuahua to Monterrey, and

AGREED:

that Mr. Pace should be informed as follows:

- (a) The proposed transfer would involve some risk of delay in completing the Chihuahua project. The Bank would be prepared to take this risk only if a compelling case for transfer to Monterrey or some other place in Mexico could be presented.
- (b) In view of the fact that arrangements for the distribution of the additional power at Monterrey have yet to be made, the Bank was not satisfied with the case already presented.

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3. The Committee considered SIC/O/327, The Effects of the Increased Time Lag Between Loan Commitment and Disbursement, and

CONCURRED;

in the conclusions and recommendations.

4. The Committee heard an oral report from Mr. Iliff to the effect that the Government of the Netherlands proposed to apply for a loan for the clearance of swamp land in Surinam. The loan proposed would be a local currency loan, probably with the local currency being purchased for dollars or other foreign exchange. The Committee

AGREED:

that Mr. Black should be advised to inform Mr. Lieftinck

- (a) That the proposal, largely because of its local currency aspects, raised a number of policy questions which the Bank would have to consider.
- (b) That a hasty answer would not be possible but the Bank would actively consider the matter and give him a reply as soon as possible.
- (c) That the Bank's deliberations would be simplified if it knew whether this proposal was to be presented as an isolated case or whether further applications for financing could be expected from the Netherlands in the foreseeable future.

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

Distribution

- | | |
|------------------------------|----------------------|
| 1. Mr. Eugene Black | 11. Mr. E.G. Barland |
| 2. Mr. R.L. Garner | 12. Mr. M.L. Lejeune |
| 3. Mr. W.A.B. Iliff | 13. Files |
| 4. Mr. A.S.G. Hoar | 14. Mr. O.A. Schmidt |
| 5. Mr. D. Sommers (2) | 15. Mr. F.A. Console |
| 6. Mr. D. Crenn de Jongh (2) | 16. Mr. C.H. Davies |
| 7. Mr. L.B. Rist (2) | 17. Mr. S.R. Cope |
| 8. Mr. R.H. Demuth | 18. Mr. J. Fajans |
| 9. Mr. S.W. Anderson | 19. Mr. H.N. Graves |
| 10. Gen. R.A. Wheeler | 20. Mr. M.M. Rosen |

Mr. Rosen
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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Thursday, May 31, 1951, in Room 1005

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1. There were present:

Mr. A.S.G. Hoar
Mr. A. Broches
Mr. M.M. Rosen
Mr. D. Crena de Iongh
Mr. W.A.B. Iliff
Mr. M.L. Lejeune

In attendance:

Mr. S.W. Anderson
Mr. Carl Flesher
Mr. Newton Parker
Mr. S.P. Wheelock

2. Brazil

The Committee considered SLC/O/330, Loan Director's Memorandum, dated May 28, 1951, on Rio Grande do Sul - Jacui-Ernestina, Brazil, and

(a) CONCURRED IN:

the Loan Director's recommendations.

(b) AGREED:

- (1) that the mission to Brazil should consist of (1) a lawyer qualified to examine the financial, legal and organizational problems of a public power commission, (2) an accountant, and (3) a loan officer who could participate in the examination as required.
- (2) that the names of candidates for the lawyer and accountant assignments should be submitted to the Loan Director.
- (3) that terms of reference for the mission should be drafted by the Loan Department.

3. Colombia

The Committee considered a letter from Mr. Torfs in Colombia in which he requested permission to return to Washington and indicated that it was likely that the final drafting of the report of the Committee on Economic Development would be protracted, and

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AGREED:

- (a) that a cable should be drafted from the President to Mr. Toro expressing the Bank's concern over the possibility of delay in the presentation of the Committee's final report.
- (b) that a cable should be dispatched to Mr. Torfs, stating that the Bank was making representations to the Committee which the Bank hoped would expedite the submission of the Committee's report and instructing Mr. Torfs to remain in Bogota until he received further orders.
- (c) that the Colombian Ambassador should be given a copy of the cable to Mr. Toro and should be informally informed that the Bank's consideration of Colombian loan applications was in no way dependent upon Dr. Currie's continued employment by the Colombian Government.

4. The meeting adjourned at 12:40.

Distribution

- | | |
|----------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. E.G. Burland |
| 2. Mr. W.A.B. Iliff | 10. Mr. S.W. Anderson |
| 3. Mr. A.S.G. Hoar | 11. Mr. M.L. Lejeune |
| 4. Mr. D. Sommers (2) | 12. Files |
| 5. Mr. D.Crena de Iongh(2) | 13. Mr. M.M. Rosen |
| 6. Mr. L.B. Rist (2) | 14. Mr. O.A. Schmidt |
| 7. Mr. R.H. Demuth | 15. Mr. S.P. Wheelock |
| 8. Gen. R.A. Wheeler | 16. Mr. H.N. Graves |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 10:30 a.m., Monday, June 4, 1951
in Room 1005

1. There were present:

Mr. A.S.G. Hoar
Mr. D. Crena de Iongh
Mr. M.M. Rosen
Mr. A. Broches
Mr. P. Acheson

In attendance

Mr. E.G. Burland
Mr. S.R. Cope
Mr. James V. Fletcher
Mr. Andrew M. Kamarck
Mr. Hector Prud'homme

Mr. F.M. Oppenheimer
Mr. M. Ross
Mr. A. Saitzoff
Mr. A. Stevenson

2. Nicaragua

The Committee considered drafts of the President's Report and Recommendations, SLC/O/331, Highway Project Loan Agreement dated May 29, 1951 and Agricultural Machinery Project Loan and Guarantee Agreements dated May 29, 1951, and

APPROVED:

the documents submitted, with minor modifications of the President's Report and Recommendations.

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

Distribution:

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. A.S.G. Hoar |
| 2. Mr. W.A.B. Iliff | 11. Gen. R.A. Wheeler |
| 3. Mr. D. Sommers (2) | 12. Mr. E.G. Burland |
| 4. Mr. D. Crena de Iongh (2) | 13. Mr. M.L. Lejeune |
| 5. Mr. L.B. Rist | 14. Files |
| 6. Mr. L.B. Rist | 15. Mr. S.W. Anderson |
| 7. Mr. M.M. Rosen | 16. Mr. O.A. Schmidt |
| 8. Mr. R.H. Demuth | 17. Mr. C.H. Davies |
| 9. Mr. H.N. Graves | |

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Wednesday, June 6, 1951 in Room 1005

1. There were present:

Mr. A.S.G. Hoar
Mr. D. Crona de Iongh
Mr. H. M. Rosen
Mr. A. Broches
Mr. P. Acheson, Secretary

In attendance

Mr. S. R. Cope
Mr. A. M. Kuzarek
Mr. H. Prud'homme
Mr. M. Ross
Mr. A. Stevenson

2. Belgium

The Committee considered Loan 128, Report and Recommendations of the Mission to Belgium dated June 1, 1951, and

CONCURRED:

in the Mission's recommendations that:

- (a) A mission be sent to Belgium and to the Belgian Congo in the second half of June to return early in August;
- (b) The Executive Directors be informed of the course of the Brussels discussions;
- (c) The Belgian Government be advised of the action proposed by the Bank;
- (d) A creditworthiness report be circulated to the Executive Directors as soon as possible; and

AGREED:

- (a) That the rate of disbursements from the loans should as far as practicable reflect the rate of progress of the overall Congo development program; that the Bank should gear its disbursements to selected projects; that, to achieve these two aims, projects suitable for Bank financing should be selected with a view to their being as broadly representative as possible of the overall Congo program; and

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- (b) That a decision on the term of the proposed loans should await the return of the mission.

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

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Gen. R.A. Wheeler |
| 2. Mr. W.A.B. Clift | 10. Mr. E.G. Burland |
| 3. Mr. D. Somers | 11. Mr. M. L. Lejeune |
| 4. Mr. D. Crena de Iongh | 12. Files |
| 5. Mr. L. B. Rist | 13. Mr. S.W. Anderson |
| 6. Mr. L. B. Rist | 14. Mr. S. R. Cope |
| 7. Mr. R. H. Demuth | 15. Mr. H. H. Graves |
| 8. Mr. A.S.G. Hoar | 16. Mr. H. H. Rosen |

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 Meeting of Staff Loan Committee held 10:30 a.m., Monday, June 11, 1951, in Room 1005

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1. There were present:

Mr. W.A.B. Iliff
Mr. S.R. Cope
Mr. A. Broches
Mr. H.W. Riley
Mr. M.M. Rosen
Mr. P. Acheson, Secretary

In attendance

Mr. Harrison Clark
Miss Virginia Morsey
Mr. Neil Paterson
Mr. A. Stevenson

2. Iceland

- (a) The Committee considered SLC/O/333, Draft President's Report and Recommendations; Draft Loan Agreement dated June 4, 1951, and Memorandum thereon dated June 5, 1951; Memorandum on Denomination of Proposed Loan to the Republic of Iceland dated June 6, 1951; and Supplemental Statement on the External Debt of Iceland dated June 8, 1951, and

APPROVED:

With minor modifications, drafts of the President's Report and Recommendations, the Loan Agreement and the Supplemental Statement on the External Debt, and

AGREED:

- (1) That, subject to the approval of the President, the term of the loan should be twenty-two years;
- (2) That the interest rate should be 4-3/8%, including a statutory commission of 1%;
- (3) That there should be a five-year period of grace before amortization began;
- (4) That the loan should cover disbursements from August 1950; and

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- (5) That the Summary of the Projects contained in SLC/O/296 should be circulated to the Executive Directors.
- (b) The Committee considered E 159, An Investment Program for Iceland dated May 31, 1951, and

AGREED:

- (1) That the Report, with minor modifications, should be circulated to the Executive Directors at the same time as, but separately from, the loan documents for consideration prior to its formal presentation to the Icelandic Government; and
- (2) That the President should make an oral statement to the Executive Directors that the Bank would not consider further loan operations in Iceland until it had seen what policy the Icelandic Government adopted on the Report's recommendations.
3. The Committee adjourned at 12:55 p.m.

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. S.W. Anderson |
| 2. Mr. R. L. Garner | 11. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 12. Mr. E.G. Burland |
| 4. Mr. D. Sommers (2) | 13. Mr. M.L. Lajeune |
| 5. Mr. D. Crena de Iongh (2) | 14. Files |
| 6. Mr. L.B. Rist | 15. Mr. H.N. Graves |
| 7. Mr. L.B. Rist | 16. Mr. S.R. Cope |
| 8. Mr. R.H. Demuth | 17. Mr. N. Paterson |
| 9. Mr. A.S.G. Hoar | 18. Mr. M.M. Rosen |
| 10. Mr. A. | |

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 Meeting of Staff Loan Committee held 4:15 p.m., Wednesday, June 13, 1951 in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. D. Crena de Iongh
Mr. A. Broches
Mr. M. Rosen
Mr. P. Acheson, Secretary

In attendance:

Mr. H.W. Larsen
Mr. L. Bengston
Mr. S.P. Wheelock

2. Brazil

The Committee considered SLC/O/334, letter from Mr. Truslow to Mr. Black dated June 8, 1951, and

RECOMMENDED:

that a decision on the action to be taken by the Bank on the above letter be deferred until after Mr. Black and Mr. Iliff had had an opportunity to discuss the matter with Mr. Truslow.

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

Distribution

1. Mr. Eugene Black
2. Mr. W.A.B. Iliff
3. Mr. A.S.G. Hoar
4. Mr. D. Sommers (2)
5. Mr. D. Crena de Iongh (2)
6. Mr. L.B. Rist (2)
7. Mr. R.H. Demuth
8. Gen. R.A. Wheeler

9. Mr. E.G. Burland
10. Mr. S.W. Anderson
11. Mr. M.L. Lejeune
12. Files
13. Mr. H.M. Rosen
14. Mr. O.A. Schmidt
15. Mr. S.P. Wheelock
16. Mr. H.N. Graves

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Mr. Rist

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, June 19, 1951 in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. D. Cren, de Iongh
Mr. A.S.G. Hoar
Mr. D. Sommers
Mr. L.B. Rist
Mr. P. Acheson, Secretary

In attendance:

Mr. E. Lopez-Herrarte
Mr. H.N. Graves
Mr. A. Stevenson

2. The Committee considered SLC/O/329, draft memorandum of May 21, 1951 from Mr. Sommers to Mr. Black on Consultation and Negative Pledge Covenants in loan and guarantee agreements, and SLC/O/332, Memorandum of June 4, 1951 from Mr. Cren de Iongh to Mr. Black, and

CONCURRED

- (a) in Mr. Sommers' recommendations on the negative pledge clause with the modification that the clause should cover a country's gold and foreign exchange reserves in every foreseeable case, and
- (b) with the exception of Mr. Cren de Iongh, in Mr. Sommers' recommendations on the consultation clause.
- It was Mr. Cren's view that the clause should be retained in the case of those countries whose obligations to the Bank constituted a major part of their external debt; and

RECOMMENDED:

that Mr. Sommers should prepare a memorandum to the Executive Directors along the lines discussed at the meeting for consideration by the Committee.

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3. A revised memorandum on Utilization of 18% Currency Available for Bank Lending was distributed by Mr. Rist to the Committee at the meeting to replace the memorandum on Utilization of 18% Sterling from Mr. Adler to Mr. Cavanaugh dated May 9, 1951. The Committee

RECOMMENDED:

that a Working Party be formed to study the revised memorandum.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. W. Koster |
| 2. Mr. W.A.B. Iliff | 10. Gen. R.A. Wheeler |
| 3. Mr. A.S.G. Hear | 11. Mr. E.G. Burland |
| 4. Mr. D. Sommers (2) | 12. Mr. M.L. Lejeune |
| 5. Mr. D. Crenn de Iongh (2) | 13. Files |
| 6. Mr. L.B. Rist (2) | 14. Mr. M.M. Rosen |
| 7. Mr. R.H. Demuth | 15. Mr. H.N. Graves |
| 8. Mr. S.W. Anderson | |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 4:45 p.m., Thursday, June 21, 1951 in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. D. Sommers
Mr. P. Asheson, Secretary

In attendance:

Mr. L. Bengston	Mr. H.W. Larsen
Mr. E. Brion	Mr. G.L. Sandelin
Mr. H.H. Graves	Mr. O.A. Schmidt
Mr. W. Koster	Mr. A.D. Spottwood

2. Chile - Ground Water Resources of Rio Elqui Valley

The Committee considered SLC/O/335, Loan Director's Memorandum on Chile - Ground Water Resources in the Rio Elqui Valley, but it was not possible to get an agreed recommendation from the Committee on the basis of this paper.

The views expressed by Mr. Iliff, Mr. Sommers and Mr. Rist were:

- (a) that it was reasonable, because of the high priority of irrigation in the development of the Chilean economy, that the Bank should consider financing equipment needed for a water exploration unit which would not be limited to the Rio Elqui Valley but be available for Chile as a whole;
- (b) that the Bank should give a qualified commitment that if, as a result of technical exploration and an economic survey, a good project should eventuate in the Rio Elqui Valley, the Bank would be prepared to finance the foreign exchange costs of that project.

The Loan Director and Mr. Crena de Iongh maintained the view that the Bank should proceed on the basis of the Engineering Staff's recommendations, their objections to the other proposals being based on the feeling that making loans purely for exploratory purposes (a) would cause embarrassment as a general principle, and (b) would lay the Bank open to particular dangers in the case of Chile.

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It was agreed that:

Mr. Iliff and Mr. Hoar should discuss the opposing views with the President.

The Committee recommended:

that efforts should be made to get Dr. Crosby and the Snare Corporation to present an agreed recommendation to Chile on the method of water exploration to be followed.

3. The meeting adjourned at 6:06 p.m.

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. W. Koster |
| 2. Mr. W.A.B. Iliff | 10. Gen. R.A. Wheeler |
| 3. Mr. A.S.G. Hoar | 11. Mr. E.G. Burland |
| 4. Mr. D. Crena de Iongh | 12. Mr. M.L. Lejeune |
| 5. Mr. D. Sommers | 13. Files |
| 6. Mr. L.B. Rist | 14. Mr. O.A. Schmidt |
| 7. Mr. L.B. Rist | 15. Mr. G.L. Sandelin |
| 8. Mr. R.H. Demuth | 16. Mr. M.M. Rosen |
| 18. Mr. H.N. Graves | 17. Mr. S.W. Anderson |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 4:45 p.m., Wednesday, June 20, 1951 in Room 1005

1. There were present:

Mr. E.R. Black
Mr. W.A.B. Iliff
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. D. Sommers
Mr. P. Acheson, Secretary

In attendance:

Mr. L. Butcher	Mr. H. Prud'homme
Mr. S.R. Cope	Mr. A. Stevenson
Mr. H.N. Graves	Mr. A.D. Spottswood
Mr. J.V. Fletcher	Mr. J. Villechaise

2. Yugoslavia - Use of 18% Currency

The Committee considered SLC/O/336, Memorandum to Mr. Black from Mr. Rosen on Use of 18% Currency for Yugoslavia, and

RECOMMENDED:

- (a) that the President should ask the Executive Director for Belgium to inquire whether his Government would release unconditionally at least the equivalent of \$2.6 million in Belgian Francs out of its 18% subscription;
- (b) that after a reply had been received from the Belgian Government, the President should inquire of the French Government whether it would release out of its 18% subscription half of the amount of European currencies remaining to be covered in the first tranche;
- (c) that the Bank should use the proceeds of the sterling bond issue to cover the other half of the gap in the first tranche and should inform the U.S. Government of its intention;
- (d) that the Bank would, if necessary, be prepared to lend Yugoslavia Swiss Francs or additional U.S. Dollars; and
- (e) that loan negotiations should not be concluded until the U.S. foreign aid bill had been enacted.

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3. The Committee further considered the use of the proceeds of the Bank's sterling issue, and

RECOMMENDED:

that the proceeds of this issue should not be allocated among prospective loans but should be used as needed or earmarked for a specific loan such as Iceland.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 9. Gen. R.A. Wheeler |
| 2. Mr. W.A.B. Iliff | 10. Mr. E. Burland |
| 3. Mr. A.S.G. Hoar | 11. Mr. S.W. Anderson |
| 4. Mr. D. Sommers (2) | 12. Mr. M.L. Lejeune |
| 5. Mr. D. Crena de Jongh (2) | 13. Files |
| 6. Mr. L.B. Rist | 14. Mr. S.R. Cope |
| 7. Mr. L.B. Rist | 15. Mr. H.N. Graves |
| 8. Mr. R.H. Demuth | 16. Mr. M.M. Rosen |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 10:00 a.m., Tuesday, June 26, 1951 in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. D. Crena de Iongh
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. D. Sommers
Mr. P. Acheson, Secretary

In attendance:

Mr. R.H. Demuth
Mr. H.N. Graves

2. The Committee considered SLC/O/328, Assistant to the President's Memorandum on Inclusion of Interest Charges in the Amount of Bank Loans dated June 22, 1951, and

RECOMMENDED:

that the Loan Director should redraft for consideration by the Committee Paragraph 7 of the memorandum, along the lines discussed at the meeting, as a basis for talking to Sir Ernest Rowe-Dutton and seeing whether he wanted to carry the matter further.

3. The Committee considered SLC/O/339, proposed memorandum from Mr. Black to Sir Ernest Rowe-Dutton on Currency of Iceland Loan, and

RECOMMENDED:

that the memorandum as revised by the Committee be sent by the President to Sir Ernest Rowe-Dutton

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

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. W. Koster |
| 2. Mr. W.A.B. Iliff | 10. Gen. R.A. Wheeler |
| 3. Mr. A.S.G. Hoar | 11. Mr. E.G. Burland |
| 4. Mr. D. Crena de Iongh | 12. Mr. M.L. Lejeune |
| 5. Mr. D. Sommers | 13. Files |
| 6. Mr. L.B. Rist | 14. Mr. H.M. Rosen |
| 7. Mr. L.B. Rist | 15. Mr. H.N. Graves |
| 8. Mr. R.H. Demuth | 16. Mr. S.W. Anderson |

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Tuesday, June 26, 1951 in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. D. Sommers
Mr. P. Acheson, Secretary

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In attendance:

Mr. A. Basch	Dr. D.W. Renbert
Mr. R.H. Demuth	Mr. F. D. Stephens
Mrs. G. Finne	Mr. A. Stevenson
Mr. P.F. Foster	Mr. L. Svoboda
Mr. N. Paterson	Mr. J.A. Villechaize
Mr. G. Polit	Mr. M.F. Verheyen

2. Syria - Port of Latakia Project

The Committee considered Loan 130, Report and Recommendations on the Port of Latakia Project in Syria; Loan 131, Technical Report on the Latakia Port Project in Syria; and E-161, Syria, Port of Latakia and Road Development Program, and

RECOMMENDED:

(a) that the Bank should inform the Syrian Government:

- (i) of its readiness to proceed to negotiate loans up to an aggregate of the equivalent of approximately \$4.7 million to finance the foreign exchange costs of the Rouj Project, the Roads Project and the civil works part of the Latakia Port Project;
- (ii) of the Bank's view that the Latakia Port Project must, however, make provision not only for civil works but for the equipment, facilities and services needed for the first stage of the port development and that agreement must be reached in general terms on the principal items;
- (iii) that if the Syrian Government should wish to include in the Latakia Port loan the foreign exchange costs of the port equipment, facilities and services, the Bank would agree to increase the aggregate amount of the loans to approximately \$7 million.

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3. Denmark

The Committee considered SLC/O/337, Loan Director's Memorandum on Denmark - Third Loan Administration Report, and

RECOMMENDED:

- (a) that the Report should be revised by the Loan and Economic Departments along the lines discussed by the Committee;
- (b) that the revised report should be handed to Count Ahlefeldt with a request for the Danish Government's comments within three weeks;
- (c) that the urgency of the situation should be impressed upon Count Ahlefeldt; and
- (d) that a decision on the form that the President's Report should take should await the reply of the Danish Government.

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

Distribution

- | | |
|--------------------------|-------------------------------------|
| 1. Mr. Eugene R. Black | 10. Gen. R.A. Wheeler |
| 2. Mr. W.A.B. Cliff | 11. Mr. E.G. Burland |
| 3. Mr. A.S.G. Hoar | 12. Mr. M.L. Lejeune |
| 4. Mr. D. Crena de Iongh | 13. Files |
| 5. Mr. D. Sommers | 14. Mr. M.M. Rosen |
| 6. Mr. L.B. Rist | 15. Mr. F.D. Stephens |
| 7. Mr. L.B. Rist | 16. Mr. S.R. Cope |
| 8. Mr. R.H. Demuth | 17. Mr. M.M. H.N. Graves |
| 9. Mr. W. Koster | 18. Mr. S.W. Anderson |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Monday, July 2, 1951
in Room 1005

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1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. D. Sommers
Mr. H.W. Riley
Mr. H. Paterson, Secretary

In attendance:

Mr. L. Cancio
Mr. C.H. Davies
Mr. H. H. Demuth
Mr. P. Pajunen
Mr. H.B. Ripman

2. Mexico

The Committee considered SLC/O/340, Loan Director's Memorandum dated June 29, 1951 on Proposal for Easing Mexlight Cash Position, and

CONCURRED:

in the Loan Director's recommendation, that provided the Bank is satisfied that the requisite additional peso financing will be forthcoming, construction expenditures at present outside the loan project be included in the List of Goods in place of items at present ineligible for reimbursement or not due for reimbursement until 1953, so as to permit as much as possible of the loan to be withdrawn before the end of 1952; and

RECOMMENDED:

- (a) that action as above be conditioned on Nacional Financiera as representative of the guarantor being informed by Mexlight of the proposed course of action and offering no objection; and
- (b) that, if Nacional Financiera should offer no objection, the Bank should write directly to Nacional Financiera stressing the importance of action being taken to compensate Mexlight for the wage increase which it was forced to grant last year.

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

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m. on Thursday, July 5, 1951 in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. D. Sommers
Mr. N. Paterson, Acting Secretary

In attendance:

Mr. R.H. Demuth
Mr. W.J. Hull
Mr. W. Koster
Mr. H.V. Larsen
Mr. J. Monteleagre
Mr. V.C.P. Rutland
Mr. G.L. Sandelin
Mr. O.A. Schmidt
Mr. F.T. Shull

2. Paraguay

The Committee considered the Loan Director's Memorandum on Paraguay, SIC/O/341, Agricultural Development Plan and the Economic Department's Report, E-165, Paraguay, Current Economic Situation and Preliminary Creditworthiness Appraisal, and

(a) CONCURRED IN:

The Loan Director's recommendation that a mission should be sent to Paraguay at an early date, and

(b) RECOMMENDED:

That, rather than send a fact-finding mission and later a separate full mission, a single comprehensive mission should be sent in the first instance, the personnel of which could, if necessary, be changed as investigations progressed.

3. The Committee considered SIC/O/342, Draft Memorandum prepared by Legal Department for Executive Directors on External Debt Consultation Clauses in Loan and Guarantee Agreements with Member Governments, and

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(a) APPROVED:

the draft Memorandum, and

(b) AGREED:

that the Memorandum should be submitted to the Vice President on his return and, if acceptable to him, placed before the Executive Directors at their next meeting.

Distribution

- | | |
|------------------------------|------------------------|
| 1. Mr. E. R. Black | 10. Mr. E.C. Burland |
| 2. Mr. W. A. B. Iliff | 11. Mr. M.L. Lejeune |
| 3. Mr. A. S. G. Hoar | 12. Files |
| 4. Mr. D. Sommers (2) | 13. Mr. C.A. Schmidt |
| 5. Mr. D. Grens de Longh (2) | 14. Mr. G.L. Sandelin |
| 6. Mr. L.B. Rist (2) | 15. Mr. M.N. Rosen |
| 7. Mr. R.H. Demuth | 16. Mr. H.N. Graves |
| 8. Mr. W. Koster | 17. Mr. S. W. Anderson |
| 9. Gen. R.A. Wheeler | |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 3:00 p.m., Tuesday, July 10, 1951 in Room 1005

1. There were present:

Mr. E. R. Black
Mr. D. Crenna de Iongh
Mr. L. B. Rist
Mr. W. Koster
Mr. M. L. Lejeune, Secretary

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In attendance:

Mr. L. H. Bengston
Mr. S. P. Wheelock
Mr. M. Lopez-Herrarte
Mr. H. N. Graves
Mr. O. A. Schmidt

2. Brazil

The Committee considered SLC/O/345, Loan Director's Memorandum on Brazil dated July 5, 1951, and

(a) APPROVED:

The terms of reference for the forthcoming mission to Brazil on the Jacui-Ernestina project.

(b) AGREED:

- (i) That Mr. Wheelock, while on this mission, should spend some time in Rio de Janeiro and be available to the member of the Joint United States - Brazilian Commission for Economic Development during the early stages of their work;
- (ii) That the Loan Department should inform Mr. Edward Miller, Assistant Secretary of State, that Mr. Wheelock would be visiting Rio for the above purpose.

3. Swiss Franc Holdings

The Committee considered SLC/O/346, a memorandum from Mr. Crenna de Iongh to Mr. Iliff on the use of Swiss Franc holdings, dated June 29, 1951, and

AGREED:

- (a) That as a matter of principle there would be no objection to selling Swiss Franc holdings for dollars, the dollars to be used for disbursements to borrowers who would thereby assume a Swiss Franc obligation.
- (b) That the Swiss Franc obligations of borrowers should bear approximately the same maturity as the Bank's Swiss Franc bonds.
- (c) That of the \$16 million worth of Swiss Francs held by the Bank, approximately \$6 million worth should be held for disbursement to some of our present borrowers and Pakistan, Italy and Yugoslavia under forthcoming loans, and the remainder should, if possible, be disbursed to Belgium under the forthcoming Belgian loan.
- (d) That while in Brussels, Mr. Cope should sound out the Belgians as to the acceptability of Swiss francs with approximately a twelve-year maturity.
- (e) That for the present the process of the Bank's Swiss Franc bond issue should be placed in short-term deposit accounts in Switzerland - 25% in three-month maturities, 50% in six-month maturities, and 25% in 12-month maturities.
- (f) That one quarter of the proceeds should be deposited with the BIS and the remainder deposited with the three major Swiss banks in proportion to their participation in the underwriting of the issue.

4. Thailand

The Committee heard an oral report from the Loan Director on the difficulties encountered in obtaining the services of an engineer, acceptable to the Bank and the Thais to supervise the dredging of the Bangkok bar. Inasmuch as the major stumbling block appeared to be the provision of a sufficiently attractive salary, the Committee

AGREED:

That the Thais should be permitted to pay the salary of a supervising engineer out of the proceeds of the loan.

Distribution:

- | | |
|------------------------------|-----------------------|
| 1. Mr. E. R. Black | 9. Mr. E.G. Burland |
| 2. Mr. W.A.B. Iliff | 10. Mr. S.W. Anderson |
| 3. Mr. A.S.G. Hoar | 11. Mr. M.L. Lejeune |
| 4. Mr. D. Sommers (2) | 12. Files |
| 5. Mr. D. Cerna de Iongh (2) | 13. Mr. H.M. Rosen |
| 6. Mr. L.B. Rist (2) | 14. Mr. O.A. Schmidt |
| 7. Mr. R.H. Demuth | 15. Mr. S.P. Wheelock |
| 8. Gen. R.A. Wheeler | 16. Mr. H.N. Graves |

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 Meeting of Staff Loan Committee held 2:30 p.m., Thursday, July 12, 1951, in Room 1005

1. There were present:

Mr. E. R. Black
Mr. D. Crena de Iongh
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. D. Sommers
Mr. M. L. Lejeune, Secretary

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In attendance:

(Peru)

(Pakistan)

(Throughout meeting)

Mr. E. Clark
Mr. C. V. Cryjise
Mr. W. Koster

Mr. D. H. Connor	Mr. A. Basch
Mr. E. Franco	Mr. E. A. Beecroft
Mr. W. J. Hull	Mr. G. Burgess
Mr. H. W. Larsen	Mr. D. J. Fontein
Mr. E. Lopez-Herrarte	Mr. W. M. Gilmartin
Mr. J. Torfs	Mr. J. T. Lund
Mr. O. A. Schmidt	Mr. G. S. Mason
Mr. A. D. Spottswood	Mr. E. W. Rembert
Mr. C. Zondag	Mr. G. M. Street

2. Peru

The Committee considered SLC/O/347, Loan Director's Memorandum on Peru, and

AGREED

- (a) That the project as outlined in the memorandum was sound and sufficiently far advanced to warrant the starting of loan negotiations.
- (b) That the Bank should receive assurance that steps would be taken to eliminat the basic shortcomings in the administration of the Port, but the decision as to whether the establishment of an autonomous Port Authority should be a condition of any Bank financing should be made in the light of information obtained during the negotiations.
- (c) That negotiations could begin forthwith, but it should be made clear to the Peruvians that the Bank would not sign a loan agreement until the President of Peru confirmed that Peru was prepared to negotiate with the bondholders' representatives, and, if a reasonable settlement could be negotiated, to recommend approval of this settlement by Congress.

3. Pakistan

The Committee considered SLC/O/348, Loan Director's Memorandum on Pakistan, and

AGREED:

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- (a) That the size and composition of an initial loan to Pakistan depended at this stage on considerations of Pakistan's external financial policy and the number of projects ready for financing rather than on creditworthiness.
 - (b) That in order that loan negotiations might be started, efforts should be made to complete the detailed preparation of the following projects:
 - (i) Railways
 - (ii) Thermal Power
 - (iii) Telecommunications
 - (iv) Paper Mill and three Jute Mills
 - (v) Grain Storage
 - (c) That in order to expedite the financing of at least one project, the Bank should be prepared to ask the Pakistanis if they would be willing to sign a loan agreement covering less than the full number of projects agreed for negotiations, with the understanding that negotiations covering the remaining projects agreed upon would be entered into as soon as the preparation of these projects was complete.
 - (d) That the Bank should not be bound to 15 January 1951 as being the date from which reimbursement would be permitted, and the Pakistanis should be informed that the establishment of such a date was a matter to be negotiated later.
4. The meeting adjourned at 4:50 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 Meeting of Staff Loan Committee held 3:00 p.m., Wednesday, July 18, 1951 in Room 1004

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1. There were present:

Mr. B.R. Black
Mr. R.L. Garner
Mr. V.A.B. Iliff
Mr. D. Crenn de Iongh
Mr. L.B. Rist
Mr. W. Koster
Mr. D. Sommers
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R. Brion
Mr. L. Cancio
Mr. C.H. Davies
Mr. H.W. Larsen
Mr. P. Pajunen
Miss M. Wolfson

2. Mexico

The Committee considered a Memorandum from Mr. Sommers on the Mexican Consortium Line of Credit dated 18 July 1951, and

(a) VOTED:

That the Loan Agreement could be declared effective immediately;

(b) AGREED:

- (i) That no change should be made in Schedule I of the Loan Agreement, but that the Mexicans should be told that on an experimental basis the Bank would be prepared to accept for the first few loans less than the full range of information specified in Schedule I with the proviso that the Bank would reserve the right to require the full information for subsequent loans if it deemed it necessary;
- (ii) That the Bank should be prepared to reimburse the participating members of the Consortium for advances made by them to borrowers in anticipation of financing by the Bank provided such advances were made within a reasonable time prior to the IBRD's approval of the loan, and the Consortium should be so informed;
- (iii) That the Bank's disbursement procedures should be thoroughly explained to the members of the Consortium;

- (iv) That the Bank should be prepared to modify Section 2.02(c) of the Loan Agreement so as to allow for participation in any loan by only three members of the Consortium instead of five, and, if so requested, the Bank should be prepared to consider further reducing this participation to only two members of the Consortium.
- (v) That the Bank should send representatives of the Loan, Legal, and Treasurer's Departments to Mexico to discuss these matters with the Consortium.

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

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. E.R. Black | 10. Gen. R.A. Wheeler |
| 2. Mr. V.A.B. Iliff | 11. Mr. E.G. Burland |
| 3. Mr. A.S.C. Hoar | 12. Mr. O.A. Schmidt |
| 4. Mr. D. Sommers | 13. Mr. C.E. Davies |
| 5. Mr. D. Grens de Iough | 14. Mr. E.W. Anderson |
| 6. Mr. L.B. Rist | 15. Mr. M.L. Lejeune |
| 7. Mr. L.B. Rist | 16. Files |
| 8. Mr. R.E. Demuth | 17. Mr. M.W. Rosen |
| 9. Mr. W. Koster | 18. Mr. E.K. Graves |

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 Meeting of Staff Loan Committee held 3:30 p.m., Monday, July 23, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. W. Koster
Mr. D. Crena de Iongh
Mr. E.E. Clark
Mr. M.M. Rosen
Mr. M.L. Lejeune, Secretary

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In attendance

Mr. A. Basch	Mr. G.S. Mason
Mr. H.O. Bixby	Mr. G.M. Street
Mr. E.A. Beecroft	Dr. E. W. Rembert
Mr. D.J. Fontein	Mr. W.L. Jago
Mr. P. French	

2. Pakistan

The Committee considered oral presentations of some matters of principle involved in the negotiations with Pakistan, and

AGREED:

- (a) That an estimate of the creditworthiness for dollars of the sterling area was essential to comprehensive consideration of Pakistan's creditworthiness, and although, for lack of time for preparation, such an estimate could not be taken into account in negotiating the first tranche of a Pakistan loan, it was a prerequisite to any discussion of a second tranche.
- (b) That in principle the Bank should not negotiate and sign a loan agreement for an amount a large part of which, for whatever reason, the Bank expected could not be drawn down by the Borrower.
- (c) That, subject to the approval of the President, the Pakistani negotiators should be informed as follows:
 - (i) The Bank is prepared to grant loans in the amount of about \$65 million to finance urgent projects ready for negotiation.
 - (ii) The Bank is willing to make the loans entirely in dollar currency should it prove impossible to acquire other currencies required except by purchase against dollars.

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- (iii) Pakistan should understand that no commitment as to the size or timing of the second tranche could be made until the size of the dollar component of the first tranche could, as a result of the letting of contracts, be estimated.

3. Pakistan - Telecommunication Project

The Committee considered SLC/O/349, Loan Department Memorandum on Pakistan Telecommunication Project, and

AGREED:

- (a) That the Bank should be prepared to finance the cost of the Development Group should UN Technical Assistance funds not be available for this purpose.
- (b) That Pakistan should understand that the Bank was not by virtue of the sponsorship of the Development Group committed to financing the projects prepared by the Group.
- (c) That the Bank could enter into a loan agreement for a telecommunication project with the knowledge that commitments for purchases of equipment for this and other projects will have been made in advance of the final appraisal and approval of the project to be financed.
- (d) That the loan and list of goods should include expenditure for the construction of staff quarters necessary to the project.

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

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 10. Mr. W. Koster |
| 2. Mr. R.L. Garner | 11. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 12. Mr. E.G. Durland |
| 4. Mr. D. Crena de Iongh | 13. Mr. S.W. Anderson |
| 5. Mr. L.B. Rist | 14. Mr. M.L. Lejeune |
| 6. Mr. L.B. Rist | 15. Files |
| 7. Mr. D. Sommers | 16. Mr. J. Rucinski |
| 8. Mr. R.H. Demuth | 17. Mr. G.S. Mason |
| 9. Mr. H.N. Graves | 18. Mr. M.M. Rosen |

Mr. Crena de Longh

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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 Meeting of Staff Loan Committee held 10:45 a.m., Friday, July 27, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. D. Crena de Longh
Mr. W. Koster
Mr. M. Rosen
Mr. E.E. Clark
Mr. M.L. Lejeune, Secretary

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<u>In attendance:</u>	(Peru)	(Iraq)	(Greece)
Mr. G. Cruise	Mr. H.W. Larsen	Dr. A. Basch	Mr. L. Butcher
Mr. E. Franco	Mr. J.T. Lund	Mr. J.C. de Wilde	Mr. J. Fajans
Mr. W.J. Hull	Mr. L. Nurick	Mr. D. Stephens	Mr. M. Ross
Mr. W.L. Jago	Mr. O. Schmidt	Mr. L. Svoboda	Mr. A. Stevenson
		Mr. M.F. Verheyen	

2. Peru

The Committee considered SLC/O/353, Loan Department Memorandum on Peru, and

APPROVED:

The letter to the Minister of Finance.

3. Iraq

The Committee considered SLC/O/350, Loan Department Memorandum on Iraq, and

AGREED:

- (a) That in future loans to Iraq the Bank should be prepared to forego a specific pledge of oil revenues as security.
- (b) That in the absence of such a pledge, the Bank should ensure that the oil revenues received by Iraq should be available for servicing any future loans made by the Bank.

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- (c) That in view of the existing law which assigns all income from oil royalties to the Development Board, it would probably be preferable that this Board be the borrower in any further loans made to Iraq; furthermore, the Bank's position would tend to be strengthened by this procedure.
- (d) That any loan agreement should contain a negative pledge clause specifically covering the revenues from, and interest in, oil in place in Iraq.
- (e) That the Executive Directors be informed of the above.
- (f) That in order to encourage Iraq to send negotiators to Washington, an indication of the Bank's views embodied in (a), (b), and (c) above should be made to the Iraqis.
- (g) That a Bank loan should be for dollar purchases only.
- (h) That since Iraq's service of a dollar debt is entirely dependent on her access to the Sterling Area dollar pool, the United Kingdom should be afforded an opportunity at an early stage to express its views on the loan, including its term.

4. Greece

The Committee considered the letter from Mr. G. Mantzavinos, Governor of the Bank of Greece, to Mr. Black and oral presentations on the situation in Greece, and

AGREED:

- (a) That serious consideration could not be given to the proposal for an internal loan until after the Greek elections and until measures to promote economic stabilization had been put in train.
- (b) That in order to avoid any misconstruction of the significance of a Bank mission, a mission should be sent to Greece only if the Bank had reason to believe that the Greek proposal, and the timing of it, had merit.
- (c) That therefore Mr. Mantzavinos should be informed:
 - (i) that while the Bank had some interest in the proposal for an internal loan, it believed that the time was not ripe for its consideration;
 - (ii) that the Bank and the Greek Government should consult again in the autumn in order to determine whether progress towards stabilization was sufficient to give some assurance of the success of a proposal such as they had made; and
 - (iii) that should it be agreed that the time was then appropriate, the Bank would send a mission to Greece.

5. Consideration of the use to be made of the proceeds of the Swiss bond issue was deferred pending Mr. Garner's discussing with Mr. Black the advisability of future Bank borrowing in Switzerland.

Distribution

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|------------------------------|-----------------------|
| 1. Mr. E.R. Black | 10. Mr. E.G. Burland |
| 2. Mr. R.L. Garner | 11. Mr. M.L. Lejeune |
| 3. Mr. A.S.G. Hoar | 12. Files |
| 4. Mr. D. Sommers (2) | 13. Mr. O.A. Schmidt |
| 5. Mr. D. Crena de Iongh (2) | 14. Mr. M.M. Rosen |
| 6. Mr. L.B. Rist (2) | 15. Mr. H.N. Graves |
| 7. Mr. R.H. Demuth | 16. Mr. S.W. Anderson |
| 8. Mr. W. Koster | 17. Mr. D. Stephens |
| 9. Gen. R.A. Wheeler | 18. Mr. J. Fajans |

Mr. Michael L. Lejaune

August 9, 1951

Martin M. Rosen

Minutes of the Staff Loan Committee Meeting

The present draft of the minutes of the Staff Loan Committee meeting of Monday, July 30, 1951 (SLC/M/261) do not, I believe, give the precise story of the Bank's conclusions on the Danish problem. I am submitting a redraft of sub-paragraphs (b), (c), and (d) of paragraph 3 of the minutes. Sub-paragraphs (a) and (e) would remain unchanged.

(b) That three separate problems were involved in the external payments difficulties facing Denmark; (1) a peak in debt amortization payments due in 1952 and 1953, (2) the achievement of equilibrium in the overall balance of payments in the face of a long-range deterioration in the terms of trade and (3) Denmark's probable need, arising from the structure of her trade, to convert sterling surpluses to meet dollar deficits.

(c) That it would be fruitless to seek a remedy to the first problem if there are not reasonable prospects of Denmark's achieving overall equilibrium in her balance of payments.

(d) That, therefore, the Bank should seek an invitation from the Danish Government to discuss its present plans for achieving balance of payments equilibrium.

cc - Mr. Stevenson

MMRosen:dba

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 Meeting of Staff Loan Committee held 11:00 a.m.,
Monday, July 30, 1951

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1. There were present:

Mr. R.L. Garner
Mr. D. Crena de Iongh
Mr. W. Koster
Mr. E.E. Clark
Mr. M.M. Rosen
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. J. Fajans
Mr. P.F. Foster
Mr. P.H. French
Mr. L. Kephart
Mr. F.M. Oppenheimer
Dr. E.W. Rembert
Dr. P.N. Rosenstein-Rodan
Mr. O. Schmidt
Mr. M.F. Verheyen

2. Italy

The Committee considered Loan 133, An Appraisal of the Development Program for Southern Italy, E 163, Italy's Economic Position and Prospects, and E 172, Economic Report on the Development Program of Southern Italy, and

AGREED:

That these three documents be transmitted to the Executive Directors for information under cover of a memorandum briefly giving the current status of a possible loan operation in Italy.

3. Denmark

The Committee considered SLC/O/352, Loan Department Memorandum on Denmark - Third Loan Administration Report, and

AGREED:

(a) That the Third Loan Administration Report on Denmark be submitted to the Executive Directors.

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- (b) That the external payments difficulties facing Denmark were brought about by two separate factors (1) a peak in debt amortization payments due in 1952 and 1953, and (2) a long range deterioration in Denmark's competitive position as an exporter of dairy products.
- (c) That it would be fruitless to seek a remedy for the first unfavorable factor in the absence of a plan to combat the second.
- (d) That therefore the Bank should seek an invitation from Denmark to discuss with the Danish Government its plans for counteracting the prospective long-range deterioration in her payments position.
- (e) That a mission should go to Denmark at an early date to conduct these discussions.

4. The meeting adjourned at 12:00.

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. E. R. Black | 10. Mr. E.G. Burland |
| 2. Mr. R.L. Garner | 11. Mr. M.L. Lejeune |
| 3. Mr. A.S.G. Hoar | 12. Files |
| 4. Mr. D. Sommers (2) | 13. Mr. O.A. Schmidt |
| 5. Mr. D. Crena de Iongh (2) | 14. Mr. M.M. Rosen |
| 6. Mr. L.B. Rist (2) | 15. Mr. H.N. Graves |
| 7. Mr. R.H. Demuth | 16. Mr. S.W. Anderson |
| 8. Mr. W. Koster | 17. Mr. P. Foster |
| 9. Gen. R.A. Wheeler | 18. Mr. J. Fajans |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Tuesday, August 7, 1951 in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. D. Crena de Jongh
Mr. D. Sommers
Mr. W. Koster
Mr. M.M. Rosen
Mr. M.L. Lajeune, Secretary

In attendance:

Mr. A. Basch	Mr. E.W. Rembert
Mr. G. Burgess	Mr. J. Rucinski
Mr. P. French	Mr. F.T. Shull
Mr. W.M. Gilmartin	Mr. G.M. Street

2. Ethiopia

The Committee considered SLC/O/357, Loan Department Memorandum on the Development Bank of Ethiopia, and

AGREED:

That Dr. Baranski be informed:

- (a) That the Bank held no objection in principle to a loan by the Development Bank to an existing enterprise for the replenishment of working capital, but
- (b) That, from the limited information available in Washington, it would appear that the sums withdrawn from the company as dividends might have been inordinately large, and hence
- (c) That if, in his opinion, dividends paid out by the Company until 1950 were too high in relation to its profits allocated to amortization and replacement reserves, Dr. Baranski should press the shareholders to provide at least a part of the working capital now required.

3. Pakistan

The Committee considered SLC/O/356, Loan Department Memorandum on Pakistan and Loan 135, Project Report on the Rehabilitation of the Northwestern and Eastern Bengal Railways for Pakistan, and

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(a) CONCURRED:

in the recommendations of the Working Party, specifically:

- (1) That the amount of the loan should be \$30 million.
- (2) That the list of goods to be financed be substantially as set out in Annex I to SLC/O/356, with the provision that non-Sterling items satisfactory to the Bank might be substituted for any items on the list which as a result of international bidding may be purchased in the Sterling area.
- (3) That the description of the project include the general railway rehabilitation program with specific mention of those items upon the completion of which the full utilization of goods financed by the Bank depends.
- (4) That reimbursement be allowed for items purchased subsequent to March 31, 1951.
- (5) That disbursement for the repair shops and their equipment be conditional upon the Bank's being satisfied as to their suitability.
- (6) That the term of the loan be 15 years.

(b) The Committee also

AGREED:

- (1) That the period of grace for the loan extend to a date six months beyond the closing date specified in the loan agreement; that is, on the assumption that the closing date will be about March 1953, the period of grace should extend to September 1953.
- (2) That there be a separate loan agreement for each project, namely Railways, Telecommunications, Power, Paper Mill, Thal Colonization and Grain Storage.
- (3) That the amortization of the first four loans might collectively extend over a twenty-five year period with the various maturities being allocated to the individual loans as appropriate.
- (4) That no commitment as to the interest rate could be given to the Pakistanis at this juncture, but, provided it seemed likely that they would sign some of the loan agreements soon, they could be given an indication of what the hypothetical interest rate would be if the loan agreement were signed today, but they should not be allowed to infer any commitment for the future.

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

Distribution

- | | | | |
|--------------------------|--------------------|----------------------|------------------|
| 1. Mr. E.R. Black | 5. Mr. D. Sommers | 9. Mr. A.S.G. Hoar | 13. Files |
| 2. Mr. R.L. Garner | 6. Mr. L.B. Rist | 10. Mr. W. Foster | 14. Mr. Burgess |
| 3. Mr. W.A.B. Iliff | 7. Mr. R.H. Demuth | 11. Mr. J. Rucinski | 15. Mr. Beecroft |
| 4. Mr. D. Crena de Lough | 8. Mr. M.M. Rosen | 12. Mr. M.L. Lejeune | 16. Mr. Anderson |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 3:00 p.m., Thursday, August 9, 1951 in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. D. Grena de Iough
Mr. W. Koster
Mr. M.M. Rosen
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. E.G. Burland
Mr. L. Cancio
Mr. C.H. Davies
Mr. R.H. Demuth
Mr. D.W. Larsen
Mr. P. Pajunen
Mr. W. Rutland
Mr. G.L. Sandelin

2. Paraguay

- (a) The Committee considered SLC/O/359, Loan Department Memorandum on Paraguay, dated August 7, 1951, and

APPROVED:

The terms of reference as written except for a minor modification in the first sentence of the sub-paragraph relating to Mr. Montealegre's assignment.

- (b) The Committee deliberated as to the appropriate scope of the Mission Chief's conversations with Paraguayan representatives, and

AGREED:

That, while the Mission Chief should make clear to the Paraguayan authorities that his discussions were on an ad referendum basis, he was authorized, at his discretion and in the light of prevailing conditions as he found them, to work out with the Paraguayan authorities the possible bases for a Bank/loan within an amount that, prima facie, appeared to be within Paraguay's servicing capacity.

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3. Panama

The Committee considered SLC/O/354, Loan Department Memorandum on Panama: Request for Bank Mission, and

AGREED:

- (a) That the Bank inform the Executive Director for Panama that it is agreeable in principle to sending a mission to Panama, but before making definite plans to do so would want specific confirmation from the Panamanian Government that it desires a Bank mission.
- (b) That an expert on tropical food production accompany the mission.
- (c) That FAO be asked to provide the expert mentioned above.

4. Costa Rica

The Committee considered SLC/O/355, Loan Department Memorandum on Costa Rica: Request for Bank Mission, and

AGREED:

- (a) That the purpose of the mission be defined as in Paragraph 15 except that sub-paragraph (b) should read:
"to make a preliminary examination of the government's development plans in order to determine whether there are projects which the Bank might consider financing, and the order of priority of such projects."
- (b) That the Ambassador be informed as given in Paragraph 16 except that sub-paragraph (b) should read:
"evidence that they had made reasonable efforts to reach a mutually satisfactory agreement between Costa Rica and the holders of defaulted external debt."
- (c) That Costa Rica be further informed that the Bank would wish to await the findings of the mission before sending an electrical engineer to Costa Rica.

5. Mexico

The Committee considered SLC/O/358, Loan Department Memorandum on Mexico: First Consortium Loan Application, and

(a) APPROVED:

- (i) Loan Applications No. 1 and No. 2 submitted by the Mexican Consortium of Banks.
- (ii) The procedure as set forth in Paragraph 8 of the Loan Department Memorandum for approval of future consortium loan applications with the proviso that such applications should be submitted to the Staff Loan Committee in those cases where substantial sums were involved or where there was disagreement in the working party.

(b) AGREED:

That in future a short financial history of the borrower be included as an item required in the loan application.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene Black | 11. Mr. M.L. Lejaune |
| 2. Mr. W.A.B. Clift | 12. Files |
| 3. Mr. A.S.G. Hoar | 13. Mr. O.A. Schmidt |
| 4. Mr. D. Somers (2) | 14. Mr. O.L. Sandelin |
| 5. Mr. D. Crena de Iongh (2) | 15. Mr. H.M. Rosen |
| 6. Mr. L.B. Sisk (2) | 16. Mr. H.N. Graves |
| 7. Mr. R.H. Demuth | 17. Mr. S.W. Anderson |
| 8. Mr. W. Koster | 18. Mr. G.H. Davies |
| 9. Gen. R.A. Wheeler | 19. Mr. F.A. Console |
| 10. Mr. E.C. Burland | |

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 Meeting of Staff Loan Committee held Monday, August 13, 1951 in Room 1005 at 2:30 p.m.

1. There were present:

Mr. R.L. Garner
Mr. D. Crema de Iongh
Mr. W. Koster
Mr. H.W. Larsen
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. L. Cancio	Mr. G.L. Sandelin
Mr. C. Flesher	Gen. R.A. Wheeler
Mr. G. Grayson	

2. Colombia - Lebrija Project

The Committee considered oral presentations of the necessity for the borrower to acquire access to or control of certain existing generating and distribution facilities and heard a report of the difficulty experienced by the borrower in raising sufficient funds locally for this purpose, and

AGREED:

- (a) That in order to speed up the consummation of the loan to Lebrija, the Bank send Mr. Flesher to Colombia to examine the various means by which Lebrija could acquire access to or control of the facilities required and to advise the company on the best course to follow.
- (b) That it would not be in keeping with the Bank's policy to advance funds to a borrower for the purchase of facilities already in existence and paid for, and therefore Mr. Flesher should not recommend a solution calling for a Bank loan for such purpose.
- (c) That a solution calling for a loan to the distributing company as distinct from Lebrija would, because of further delay, be undesirable.
- (d) That if it should prove impracticable to acquire access to the privately owned generating and distribution facilities except by outright purchase, and if the funds required could not be raised locally, the Bank should be prepared to reimburse Lebrija for foreign purchases made prior to January 1, 1950 to the extent necessary to provide the funds required.

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

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 11. Mr. W. Koster |
| 3. Mr. W.A.B. Iliff | 12. Mr. S.W. Anderson |
| 4. Mr. D. Crena de Iongh | 13. Mr. M.L. Lajeune |
| 5. Mr. D. Sommers | 14. Files |
| 6. Mr. L.B. Rist | 15. Mr. O. Schmidt |
| 7. Mr. L.B. Rist | 16. Mr. G. Grayson |
| 8. Mr. R.H. Demuth | 17. Mr. M.M. Rosen |
| 9. Mr. H.N. Graves | 18. Mr. G.L. Sandelin |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, August 14, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. D. Crona de Iough
Mr. W. Koster
Mr. M. L. Lejeune, Secretary

In attendance:

Mr. H.W. Graves

2. FAO - Sixth Session of the Conference of the FAO

The Committee considered whether the Bank should be represented at the Conference of the FAO in Rome the latter part of November, and

AGREED:

That no representative of the Bank should be sent to Rome especially for the FAO Conference, but Mr. deVries might stop over in Rome for a few days while enroute to Turkey, provided this would not interrupt his Bank assignments.

3. ECOSOC - Request for a Bank Study of Proposed International Financial Corporation

The Committee noted that it was likely that the Bank would be asked to make a study of the proposed International Financial Corporation, and

AGREED:

That the General Counsel be coordinator of any study undertaken by the Bank.

4. Colombia

The Committee noted that the Bank had received a request from CALIAS that the interest charge due August 15, 1951 be included in the "Miscellaneous" category of the List of Goods, and

AGREED:

That in view of the commitment made by the Bank in its letter of January 18, 1951, the request from CALIAS be approved.

5. Price of Goods Ordered by Borrowers

The Committee considered whether in ascertaining that the prices of goods ordered under Bank loans were reasonable, the Treasurer should require borrowers to present a certificate to the effect that prices of goods ordered in the United States were no higher than permitted by price regulations, and

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AGREED:

That, without prejudice to the Treasurer's responsibility for ascertaining the reasonableness of prices, no such certificate be required.

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

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 11. Mr. W. Koster |
| 3. Mr. E.A.B. Iliff | 12. Mr. S.W. Anderson |
| 4. Mr. D. Crena de Longh | 13. Mr. M.L. Lejeune |
| 5. Mr. D. Sommers | 14. Files |
| 6. Mr. L.B. Rist | 15. Mr. C.A. Schmidt |
| 7. Mr. R.H. Desuth | 16. Mr. E.G. Burland |
| 8. Mr. H.N. Graves | 17. Mr. C. Grayson |
| 9. Gen. R.A. Wheeler | 18. Mr. M.M. Rosen |
| | 19. Mr. C.L. Sandelin |

STAFF LOAN COMMITTEE

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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 Meeting of Staff Loan Committee held 11:00 a.m., Friday, August 17, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. W. Koster
Mr. D. Crena de Iongh
Mr. H.M. Rosen
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R. Brion	Miss V. Morsey
Mr. C. Frick	Mr. G.L. Sandelin
Mr. J. Grauman	Mr. J. Torfs
Mr. H.W. Larsen	Gen. R.A. Wheeler

2. The Committee considered SIC/O/362, Loan Department Memorandum on Chile: Los Cipreses, and Loan 134, Preliminary Technical Report on a Third Generating Unit for the Cipreses Hydroelectric Project (Talca Province, Chile), and

AGREED:

- (a) That although the economic need for the third unit of Cipreses was readily apparent, the market for the energy produced was dependent upon
 - (i) an expansion of the distribution facilities of the American and Foreign Power subsidiary, and
 - (ii) a selling rate by Endesa which was lower than the cost to the AFP subsidiary of fuel required for equivalent energy production by its own thermal plants.
- (b) That an expansion of distributing facilities depended in turn upon the availability to the AFP subsidiary of substantial peso resources, the most feasible source of which appeared to be a rate increase.
- (c) That consequently before concluding a loan contract the Bank inform itself of
 - (i) AFP's intentions with regard to expanding its distribution facilities and its proposals for raising the funds required;
 - (ii) The terms on which AFP's subsidiary is prepared to buy power from Endesa and whether Endesa is likely to offer such terms; and
 - (iii) The attitude of the Chilean Government regarding AFP's proposals for financing the expansion of its facilities, particularly the government's attitude towards a rate increase should such be proposed.

3. The meeting adjourned at 12:45 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 Meeting of Staff Loan Committee held 3:00 p.m., Monday, August 20, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. M.L. Lejeune, Secretary

2. In attendance:

Mr. R.H. Demuth
Mr. J. Fajans
Mr. F.M. Oppenheimer
Mr. E.W. Rembert
Mr. P.N. Rosenstein-Rodan

Mr. M.M. Rosen
Mr. A. Stevenson
Mr. G.M. Street
Gen. R.A. Wheeler

2. Italy

The Committee considered SLC/O/363, Loan Department Memorandum on Italy - Development of the South and the draft of the proposed letter to Mr. Campilli, and

APPROVED:

The proposed letter to Mr. Campilli with a sentence to be added at the end of the fifth paragraph having the sense of the following:

"I consider it desirable that at the same time the loan is negotiated, agreement should be reached on the use of the major proportion of the lire counterpart, but I do not believe it necessary that all the projects must be agreed upon at that time."

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

Distribution

- | | |
|-----------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Gen. R.A. Wheeler |
| 2. Mr. R.L. Garner | 11. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 12. Files |
| 4. Mr. D.Crena de Iongh (2) | 13. Mr. M.L. Lejeune |
| 5. Mr. D. Sommers (2) | 14. Mr. S.W. Anderson |
| 6. Mr. L.B. Rist (2) | 15. Mr. J. Fajans |
| 7. Mr. R.H. Demuth | 16. Mr. M.M. Rosen |
| 8. Mr. A.S.G. Hoar | 17. Mr. H.N. Graves |
| 9. Mr. W. Koster | 18. Mr. O.A. Schmidt |

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STAFF LOAN COMMITTEE **DECLASSIFIED**

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Friday, August 24, 1951 in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. D. Crena de Jongh
Mr. W.A.B. Iliff
Mr. L.B. Rist
Mr. W. Koster
Mr. M.L. Lejeune, Secretary

In attendance

Mr. G.M. Alter	Mr. L. Murick
Mr. R. Erkon	Mr. M.M. Rosen
Mr. R.H. Demuth	Mr. G.L. Sandelin
Mr. H.W. Larsen	Gen. R.A. Wheeler
Miss V. Morsey	

2. Chile - Rio Elqui

The Committee considered SLC/O/365, Loan Department Memorandum on Chile: Rio Elqui with the attached Loan 136, Technical Report on Development of Groundwater Resources of the Rio Elqui Valley in Chile, and E-177, Economic Position of Chile, and

AGREED:

- (a) That negotiations for a loan on the basis of the Rio Elqui Project as given in the Technical Report be instituted.
- (b) That, if practicable, the withdrawal of funds be conditional upon the retention of technical consultants satisfactory to the Bank to supervise the exploratory work.
- (c) That the withdrawal of funds for the purchase of operational equipment be conditional upon the Bank's being assured that adequate supplies of groundwater are available.
- (d) That a reasonable term for the loan would be 10 years with three years' grace.
- (e) That it would be desirable for Fomento to be the sole borrower, but that suitable covenants should be included in the contract to assure the proper carrying out of the project by the Chilean Department of Public Works.

- (f) That the Economic and Technical Reports be down-classified to "Restricted" and distributed to the Executive Directors.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene Black | 10. Mr. W. Koster |
| 2. Mr. R.L. Garner | 11. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 12. Gen. R.A. Wheeler |
| 4. Mr. D. Crena de Iongh (2) | 13. Mr. S.W. Anderson |
| 5. Mr. D. Sommers (2) | 14. Mr. M.L. Lajeune |
| 6. Mr. L.B. Rist (2) | 15. Files |
| 7. Mr. R.H. Demuth | 16. Mr. O.A. Schmidt |
| 8. Mr. H.N. Graves | 17. Mr. G.L. Sandelin |
| 9. Mr. M.M. Rosen | |

Mr. Rist

STAFF LOAN COMMITTEE

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

Minutes of Meeting of Staff Loan Committee held 3:45 p.m., Thursday, August 30, 1951 in Room 1005

1. Those were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. D. Crenn de Iongh
Mr. W. Koster
Mr. L.B. Rist
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R.H. Demuth
Mr. C. Fletcher
Mr. G. Grayson
Mr. H.W. Larsen
Mr. J. Torfs

2. Colombia - Lebrija Project

The Committee heard an oral report from Mr. Fletcher on his examination of the proposed sale of the privately owned Bucaramanga Power Company to Lebrija and

AGREED:

That in principle the sale and its terms appeared satisfactory and that accordingly negotiation of the loan to Lebrija be actively undertaken.

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

Distribution

1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Crenn de Iongh
5. Mr. D. Sommers
6. Mr. L.B. Rist
7. Mr. L.B. Rist
8. Mr. R.H. Demuth
9. Mr. H.N. Graves

10. Mr. A.S.G. Hoar
11. Mr. W. Koster
12. Mr. S.W. Anderson
13. Mr. M.L. Lejeune
14. Files
15. Mr. O. Schmidt
16. Mr. G. Grayson
17. Mr. M.M. Rosen
18. Mr. G.L. Sandelin

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Mr. Rist

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Friday, August 31, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W. Koster
Mr. D. Grens de Iongh
Mr. L.B. Rist
Mr. E. Clark

In attendance:

Mr. L. Cancio
Mr. G. Cruise
Mr. G.H. Folk
Mr. D.J. Fontein

Mr. G.S. Mason
Mr. E.W. Rembert
Mr. G.M. Street

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2. Pakistan

The Committee considered the Loan Department Memorandum on Pakistan (SLC/O/367) and

AGREED:

- (a) that the proposed combined amortization schedule included as an annex to the Loan Department paper was a suitable basis for negotiation;
- (b) that from the technical point of view the Paper Mill project was suitable for Bank financing;
- (c) that the loan for the Paper Mill not be signed until the Paper Mill Corporation had been incorporated;
- (d) that the loan for the Paper Mill be granted direct to the Paper Mill Corporation and be guaranteed by the Government of Pakistan;
- (e) that the date from which reimbursement for purchases may be made be April 1, 1951.

3. Nicaragua

The Committee considered the Loan Department Memorandum on the Nicaraguan Grain Storage Project (SLC/O/369) and

AGREED:

- (a) that the project as described in the technical report was a sound basis for a loan;

- (b) that the Nicaraguans be invited to enter into negotiations forthwith;
- (c) that a reasonable term for the loan would be about ten years.

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 11. Mr. J. Rucinski |
| 2. Mr. R.L. Garner | 12. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 13. Mr. E. Burland |
| 4. Mr. D. Crena de Iongh | 14. Mr. M.L. Lejeune |
| 5. Mr. D. Sommers | 15. Files |
| 6. Mr. L.B. Rist | 16. Mr. G.S. Mason |
| 7. Mr. R.H. Demuth | 17. Mr. M.M. Mendels |
| 8. Mr. M.M. Rosen | 18. Mr. H.N. Graves |
| 9. Mr. A.S.G. Hoar | 19. Mr. E. Beecroft |
| 10. Mr. W. Koster | 20. Mr. S. Anderson |
| | 21. Mr. Burgess |

M. Rosen

STAFF LOAN COMMITTEE

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(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 Meeting of Staff Loan Committee held 3:45 p.m., Thursday, August 30, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Illiff
Mr. D. Cerna de Iongh
Mr. W. Koster
Mr. L.B. Rist
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R.H. Demuth
Mr. C. Flesher
Mr. G. Grayson
Mr. H.W. Larsen
Mr. J. Torfs

2. Colombia - Lebrija Project

The Committee heard an oral report from Mr. Flesher on his examination of the proposed sale of the privately owned Bucaramanga Power Company to Lebrija and

AGREED:

That in principle the sale and its terms appeared satisfactory and that accordingly negotiation of the loan to Lebrija be actively undertaken.

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

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Blask | 10. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 11. Mr. W. Koster |
| 3. Mr. W.A.B. Illiff | 12. Mr. S.W. Anderson |
| 4. Mr. D. Cerna de Iongh | 13. Mr. M.L. Lejeune |
| 5. Mr. D. Sommers | 14. Files |
| 6. Mr. L.B. Rist | 15. Mr. O. Schmidt |
| 7. Mr. L.B. Rist | 16. Mr. G. Grayson |
| 8. Mr. R.H. Demuth | 17. Mr. M.H. Rosen |
| 9. Mr. H.H. Graves | 18. Mr. G.L. Sandelin |

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M. Rist

STAFF LOAN COMMITTEE

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

Minutes of Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, September 4, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W. Koster
Mr. L.B. Rist
Mr. H.W. Riley
Mr. A. Broches
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. E. Beecroft	Mr. J.T. Lund
Mr. E. Clark	Mr. G.S. Mason
Mr. R.H. Demuth	Mr. E.W. Rembert
Mr. W.M. Gilmartin	Mr. G.M. Street
Mr. W.L. Jago	Gen. R.A. Wheeler

2. The Committee considered the Loan Department Memorandum on the Pakistan Grain Handling and Storage Project (SLC/O/368) and

CONCURRED:

in the recommendations made, namely:

- (a) That the proposed loan be for the equivalent of \$3,100,000 for a term of 15 years including a two year period of grace.
- (b) That the loan be conditional upon the establishment of an agency satisfactory to the Bank for carrying out the projects and for operating the plants.
- (c) That the borrower undertake to engage the services of a consultant or executive satisfactory to the Bank to advise the agency on the preparation of invitations for bids and the analysis of bids and to supervise construction of the plants and the training of operating personnel.
- (d) That bidding be on an international basis with the consulting engineer empowered to exclude firms which, in his opinion, are not fully qualified and with the Bank reserving the right to review the bids received before award of the contract.

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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 Meeting of Staff Loan Committee held 2:30 p.m., Wednesday, September 5, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Kliff
Mr. W. Koster
Mr. L.B. Rist
Mr. H.W. Riley
Mr. A. Brochas
Mr. H.L. Lejeune, Secretary

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In attendance:

Mr. S. Aldewereld	Mr. A.M. Kanarok
Mr. S.W. Anderson	Mr. H. Prud'homme
Mr. L. Butcher	Mr. M. Ross
Mr. S.R. Cope	Mr. A. Stevenson
Mr. R.H. Demuth	Mr. A. Wubnig

2. The Committee considered the "Economic Report on Belgian Congo and Congo Development Plan", dated August 1951, "The Creditworthiness of Belgium", dated September 4, 1951 and the Loan Department's "Report and Recommendations of the Mission to Belgium and the Belgian Congo", dated September 5, 1951, directing its attention primarily to Part VIII (Implementation) of the last, and

AGREED:

- (a) that the Bank enter into negotiations for a \$30 million loan to the Kingdom of Belgium and a loan of \$40 million to the Belgian Congo;
- (b) that the rate of disbursement of the loans to Belgium and the Belgian Congo during the first year be equivalent to the rate of expenditure on the OTRACO project and that thereafter the rate of disbursement be equivalent to the rate of expenditure on the OTRACO project or proportionate to the 10 Year Plan as a whole whichever is the less;
- (c) that disbursements to Belgium and disbursements to the Congo be in the proportion of three to four throughout the disbursement period;
- (d) that disbursement to the Congo be made in the following currencies and proportions:
 - (i) fifty per cent in U.S. dollars
 - (ii) thirty per cent in sterling if available from uncommitted sterling funds held by the Bank, otherwise in U.S. dollars

- (iii) twenty per cent in Swiss Francs if available from uncommitted Swiss Franc funds held by the Bank, otherwise in U.S. dollars.
- (e) that, subject to final revisions by the Working Party, the Economic Department reports on (i) The Creditworthiness of Belgium and (ii) The Belgian Congo and the Congo Development Plan be distributed to the Executive Directors soon.

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. S.W. Anderson |
| 2. Mr. R.L. Garner | 10. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 11. Mr. E.C. Burland |
| 4. Mr. D. Sommers | 12. Mr. M.L. Lejeune |
| 5. Mr. D. Crena de Iough | 13. Files |
| 6. Mr. L.B. Rist | 14. Mr. S.R. Cope |
| 7. Mr. R.H. Demuth | 15. Mr. J. Fajans |
| 8. Mr. A.S.G. Hoar | 16. Mr. H.W. Graves |
| 17. Mr. W. Koster | 18. Mr. M.M. Rosen |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., Friday, September 7, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. W. Koster
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. S.W. Anderson
Mr. A. Basch
Mr. F.G. Bochenski
Mr. R. Brion
Mr. D. Stephens
Mr. J. Rucinski
Gen. R.A. Wheeler

2. Egypt

The Committee considered the Technical Review of Development Projects in Egypt, dated August 28, 1951 and the Report on Mission to Egypt and Recommendations for Action, dated September 5, 1951 and

(a) CONCURRED:

in the recommendations made in the Mission's report.

(b) AGREED:

that the Egyptian representative be informed, and be requested to convey to his government,

(i) that the Bank is prepared to participate in Egypt's development program by financing the foreign exchange cost of certain projects upon the presentation of thorough engineering plans satisfactory to the Bank.

(ii) that the projects which are acceptable in principle to the Bank are: the rehabilitation of the railways, the Merowe dam, the Wadi El Rayan reservoir, and a combined fertilizer and power project at Aswan.

(iii) that the Bank is prepared to implement its decision forthwith by sending a technical consultant to survey the needs for railway rehabilitation.

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- (iv) that the Bank, before opening loan negotiations, would expect to reach an understanding with the Egyptian Government on the means by which the local currency required for the projects will be raised.

Distribution

1. Mr. Eugene Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Sommers
5. Mr. D. Crena de Longh
6. Mr. L.B. Rist
7. Mr. R.H. Demuth
8. Mr. A.S.G. Hoar
9. Mr. W. Koster

10. Mr. S.W. Anderson
11. Gen. R.A. Wheeler
12. Mr. E.G. Burland
13. Mr. M.L. Lejeune
14. Files
15. Mr. J. Rucinski
16. Mr. E. Beecroft
17. Mr. H.N. Graves
18. Mr. M.M. Rosen
19. Mr. M.M. Mendels

STAFF LOAN COMMITTEE

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Minutes of Special Meeting of the Staff Loan Committee held 11:00 a.m., Wednesday, September 13, 1951

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. D. Sommers
Mr. M.L. Lejeune, Secretary

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In attendance:

Mr. E.G. Burland	Mr. W. Koster
Mr. R.H. Demuth	Mr. O.A. Schmidt
Mr. G. Flesher	Gen. R.A. Wheeler
Mr. G. Grayson	

2. Colombia

The Committee considered a report from the Vice President on his conversation with Dr. Toro, Governor of the Bank for Colombia, and

AGREED:

- (a) That the Bank be prepared to enter into discussions with a high ranking delegation of Colombian Government officials on the implementation of the development program recommended by the Economic Development Committee.
- (b) That the Bank on its part undertake to consider financing the foreign exchange costs of suitable projects approved for the program in such fields as transportation, agriculture, and power, and that concurrently the Colombian Government should undertake to provide funds for and carry out the recommendations of the Development Committee in such fields as health, education, social service and government administration.
- (c) That the Bank could appropriately indicate that it regarded \$100 million of foreign exchange borrowings over five years (as recommended by the Currie Report and now put forward by the Colombian Government) as a reasonable planning figure.
- (d) That Dr. Toro be informed of the above and that he be asked to suggest to his government:

- (i) that the proposed planning commission be established and its head chosen before the Colombian Delegation comes to Washington for discussion.
- (ii) that the head of the planning commission be included in the delegation.
- (iii) that in view of the above and because further technical information is required, Dr. Leyva, Minister of Public Works, postpone his proposed visit to Washington next week for discussions on a loan for the Magdalena River Railway.

Distribution

- | | |
|-----------------------------|----------------------|
| 1. Mr. E.R. Black | 8. Gen. R.A. Wheeler |
| 2. Mr. W.A.B. Iliff | 9. Mr. E.G. Burland |
| 3. Mr. D.Crena de Jongh (2) | 10. Mr. M.L. Lejeune |
| 4. Mr. L.B. Rist (2) | 11. Files |
| 5. Mr. D. Sommers (2) | 12. Mr. O.A. Schmidt |
| 6. Mr. R.H. Demuth | 13. Mr. G. Grayson |
| 7. Mr. A.S.G. Hoar | 14. Mr. M.M. Rosen |
| 8. Gen. R.A. Wheeler | |

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 Meeting of Staff Loan Committee held 2:30 p.m., Monday, September 17, 1951 in Room 1005

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1. There were present:

Mr. R.L. Garner
Mr. W.A.B. Iliff
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. D. Sommers
Mr. M.L. Lejeune, Secretary

In attendance

(Pakistan)

(Ethiopia)

(Entire Meeting)

Mr. S.W. Anderson
Mr. W. Koster
Mr. F.T. Shull
Mr. A.D. Spottswood

Mr. G. Burgess
Mr. A. Basch
Mr. L. Cancio
Mr. R.W. Cavanaugh
Mr. J.H. Collier
Mr. E. Clark
Mr. G.V. Cruise
Mr. O.H. Folk
Mr. W.M. Gilmartin
Mr. W.L. Jago
Mr. G. S. Mason
Mr. G. Polit
Mr. A. Saitzoff

Mr. E. A. Beecroft
Col. H.O. Bixby
Mr. L. Bengston
Mr. J.H. Collier
Gen. R.B. Moran

(Ecuador and Venezuela)

Mr. L. Cancio
Mr. W. Glastra
Mr. G. Grayson
Mr. H.W. Larsen
Mr. O. A. Schmidt
Mr. H.B. Ripman

2. Pakistan

The Committee considered SLC/O/374, Loan Department Memorandum on Pakistan - Review of Loan Negotiations, and

AGREED:

- (a) That in order to clarify the issues unresolved and thus to expedite the conclusion of negotiations, a letter be written to the Pakistan Government along the following lines:
- (i) Refer to Mr. Black's conversation of July 25 with Mr. Anjad Ali;
 - (ii) State that the Bank is prepared to lend up to \$65 million, all in dollars if necessary;
 - (iii) Point out that a loan for the six projects at present under consideration would not total \$61 million unless obligations in dollars or Swiss francs were accepted for purchases outside the dollar area;

(iv) Hence in order to consummate a loan, Pakistan is obliged to choose one of the following alternatives;

- (1) Accept an obligation in dollars or Swiss francs for expenditures outside the dollar area to the extent that the Bank is unable to supply currencies except by purchase against dollars or Swiss francs. This would make possible a loan of about \$61 million.
- (2) Borrow now only the amount necessary to finance the dollar and Swiss franc components of the six projects under consideration, it being understood that future loans for suitable projects may be made up to a maximum of \$65 million.

3. Ethiopia

The Committee considered SLC/O/372, Loan Department Memorandum on Ethiopia - Telecommunication Project, and

APPROVED:

The draft charter of the Telecommunications Authority, but suggested a minor revision of Article 9 so as to make clear that the Board of Directors is not expected to exert managerial powers.

4. Ecuador

The Committee considered SLC/O/337, Loan Department Memorandum on Ecuador: Request for Bank Mission, and

AGREED:

- (a) That the proposed disposition of unallocated credits granted by the Export-Import Bank to Ecuador be ascertained.
- (b) That the Vice President discuss with the President whether, in view of the lack of progress towards a foreign debt settlement and the dearth of prepared projects, it is worthwhile for the Bank to send a mission to Ecuador in the near future.
- (c) That the Alternate Executive Director for Ecuador be consulted before a decision is taken now to send a mission.

5. Venezuela

The Committee considered an oral report that indirect approaches had been made to the Bank for the purpose of ascertaining its attitude towards lending to Venezuela, and

CONFIRMED:

That the lack of a constitutional legislature excluded the possibility of Bank lending to Venezuela for the time being.

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

Distribution

- | | |
|----------------------------|-----------------------|
| 1. Eugene R. Black | 10. Mr. E.G. Burland |
| 2. Mr. R.L. Garner | 11. Mr. M.L. Lejeune |
| 3. Mr. W.A.B. Iliff | 12. Files |
| 4. Mr. D.Crena de Iongh(2) | 13. Mr. S.W. Anderson |
| 5. Mr. D. Sommers (2) | 14. Mr. J. Rucinski |
| 6. Mr. L.B. Rist (2) | 15. Mr. O.A. Schmidt |
| 7. Mr. R.H. Demuth | 16. Mr. G.S. Mason |
| 8. Mr. A.S.G. Hoar | 17. Mr. W. Glastra |
| 9. Mr. R.A. Wheeler | 18. Mr. M.M. Rosen |
| Mr. W. Koster | 19. Mr. H.N. Graves |

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 Meeting of Staff Loan Committee held 3:45 p.m., Tuesday, September 18, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. D. Crena de Iongh
Mr. L.B. Rist
Mr. A. Broches
Mr. W. Koster
Mr. M.L. Lejeune, Secretary

In attendance

Mr. L. Butcher
Mr. R.W. Cavanaugh
Mr. Norman Jones
Mr. W. Koster
Mr. L. Murick
Mr. M.M. Rosen

2. Yugoslavia

The Committee considered SLC/O/375, Working Party Memorandum on Yugoslavia, and

AGREED:

- (a) That the Yugoslav Government should, at the time of signing the Loan Agreement, give the Bank a letter in which it represents that, upon conclusion of its present interim agreement with the French Government and pending a comprehensive settlement of its pre-war debt, it will begin to set aside from its foreign exchange budget a specified amount, the size of which is to be communicated to the Bank confidentially for the service of that debt.
- (b) That the loan to Yugoslavia be defined as "a loan in various currencies in an amount equivalent to \$28 million".
- (c) That the commitment charge shall be payable 35% in Swiss francs, 35% in French francs, and 30% in sterling, these being the predominant currencies expected to be disbursed.
- (d) That at the time of signing the loan agreement, letters should be exchanged between the Bank and the Yugoslav Government confirming the understanding that the latter will limit its external borrowing in the next three to four years to the equivalent of \$200 million.

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WBG ARCHIVES

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- (e) That the loan contract contain a clause providing that the borrower consult with the Bank before contracting any new external debt.

Distribution

- | | |
|-----------------------------|----------------------|
| 1. Mr. Eugene Black | 9. Mr. A.S.G. Hoar |
| 2. Mr. R.L. Garner | 10. Mr. W. Koster |
| 3. Mr. W.A.B. Iliff | 11. Mr. R.A. Wheeler |
| 4. Mr. D. Sommers (2) | 12. Mr. E.G. Burland |
| 5. Mr. L.B. Rist (2) | 13. Mr. M.L. Lejeune |
| 6. Mr. D. Crena de Iongh(2) | 14. Files |
| 7. Mr. R.H. Demuth | 15. Mr. S.R. Cope |
| 8. Mr. H.N. Graves | 16. Mr. M.M. Rosen |

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 Meeting of Staff Loan Committee held 3:00 p.m., Monday, September 24, 1951 in Room 1005

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WBG ARCHIVES

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1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. D. Sommers
Mr. L.B. Rist
Mr. H.W. Riley
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. E.G. Burland	Miss V. Morsey
Mr. R.W. Cavanaugh	Mr. N. Paterson
Mr. S.R. Cope	Mr. M.M. Rosen
Mr. L. Kephart	Mr. A. Stevenson
Mr. W. Koster	Mr. R.A. Wheeler

2. Iceland

The Committee considered Loan 141, Iceland, and

AGREED:

- (a) That preliminary to undertaking any further loan commitments to Iceland, the Bank discuss with Messrs. Jonsson and Eiricksson Mr. Clark's Report on the recommended investment program for Iceland;
- (b) That the Bank inform the Icelandic representatives that it regards further borrowing over the next two years of the equivalent of about \$2 million as appropriate to Iceland's needs;
- (c) That the Bank lend for agriculture at this time not more than the equivalent of \$1 million;
- (d) That the question of further loans be reserved for latter discussion;
- (e) That loans to Iceland be mainly in currencies other than dollars;
- (f) That as soon as discussions held as agreed in (a) above so warrant, the Bank indicate its willingness to negotiate forthwith a loan for agriculture for an amount in sterling agreeable to the Icelandic Minister of Finance but not more than the equivalent of \$1 million.

3. Paraguay

The Committee considered SLC/O/376, Loan Director's Memorandum on Paraguay, and

AGREED:

- (a) That a project for the purpose of developing agriculture and rural transportation through the importation of a specified list of goods (Materials, tools, machinery and equipment) is, subject to certain conditions, a sound basis for a loan of the equivalent of about \$4 million to Paraguay;
- (b) That among the conditions would be:
 - (i) Reorganization and refinancing of Credito Agricola de Habilitacion satisfactory to the Bank and including allocation of the proceeds of the cotton export tax to this agency.
 - (ii) Employment of competent master mechanics to supervise machine shops for the maintenance of road building equipment.
 - (iii) Provision for technical assistance by STICA in operating the agricultural machinery pools.
 - (iv) That the counterpart funds obtained from the sale of materials, machinery and equipment be retained by CAH and, if necessary, also by the Agricultural Credit Department of the Banco del Paraguay as working capital to be used as a revolving fund for further similar purchases.
- (c) That the Bank enter into definitive loan negotiations with the Paraguay representatives for a loan of about the equivalent of \$4 million, including the equivalent of \$500,000 for barbed wire.
- (d) That at the time of signing the loan agreement, the Paraguayan Government give the Bank a letter setting forth its economic policies and intentions regarding general administrative reforms, as well as certain specific measures designed to assist in the purpose of the proposed loan;
- (e) That the Paraguayan Government be advised to obtain the services of an appropriate consultant or agent to assist it in placing orders for the goods to be procured with the loan proceeds and for shipping and insurance thereof; and
- (f) That justification for the purchases to be made under this loan be presented to NPA as soon as can be done without prejudice to loan negotiations.

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

Distribution

- | | | |
|---------------------------|----------------------|--------------------|
| 1. Mr. E.R. Black | 10. Mr. R.A. Wheeler | |
| 2. Mr. R.L. Garner | 11. Mr. E.G. Burland | 7. Mr. R.H. Demuth |
| 3. Mr. W.A.B. Iliff | 12. Mr. M.L. Lejeune | 8. Mr. A.S.G. Hoar |
| 4. Mr. Crena de Iongh (2) | 13. Files | 9. Mr. W. Koster |
| 5. Mr. D. Sommers | 14. Mr. S.R. Cope | |
| 6. Mr. L.B. Rist | 15. Mr. O.A. Schmidt | |

Mr. Rist

STAFF LOAN COMMITTEE

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JUN 13 2014

WBG ARCHIVES

November 9, 1951

MEMORANDUM FOR MEMBERS OF THE STAFF LOAN COMMITTEE:

SLC/M/276, minutes of the meeting of September 27, contained an inaccuracy in paragraph 2(b). This paragraph should read as follows:

"That the Bank recognizes that, as a measure of the dollar impact on Italy, the ratio of \$10 million per 62.5 billion lire (equivalent to \$100 million) of additional expenditure is not unchangeable for future years."


George Gondicas
Secretary

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 Meeting of Staff Loan Committee held September 27, 1951 at 10:30 a.m.
in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. D. Crena de Iongh
Mr. L. B. Rist
Mr. A. Broches
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R.W. Cavanaugh	Mr. H. Prud'homme
Mr. E. Clark	Mr. E. W. Rembert
Mr. S.R. Cope	Mr. P.N. Rosenstein-Rodan
Mr. R.H. Demuth	Mr. M.M. Rosen
Mr. J. Fajans	Mr. A. Stevenson
Mr. W. Koster	

2. Italy

The Committee considered SLC/O/378, Report of the Italian Working Party on Negotiations for the Italian Loan, and

AGREED:

- (a) That the loan contract contain a preamble indicating the Bank's intention to support and participate in the Program for the Development of the South throughout the ten-year period of the program.
- (b) That the Bank ~~agree that it~~ recognizes that as a measure of the *dollar* ~~foreign exchange impact on the economy of Italy~~, the ratio of \$10 million per ~~62.5 billion lire expenditure on the program~~ is not unchangeable for future years. *(equivalent to \$100 million) of additional*
- (c) That the Bank agree that while its initial loan would be made in respect of the expenditure of 100 billion lire, being a single annual appropriation, this should not be construed as precluding future loans from being based on larger annual expenditures if such should result from the carrying over to a future year funds appropriated for, but not spent in, prior years.
- (d) That the Bank stand willing, if so requested, to discuss before June 30, 1952, a second loan to meet the requirements for the fiscal year 1951-1952.
- (e) That the term of the loan be 25 years and the period of grace be five years.

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- (f) That the closing date be December 31, 1952.
- (g) That the loan be denominated and disbursed entirely in dollars.
- (h) That withdrawals from the loan account be based on monthly statements from the Cassa of disbursements made by it for work completed or in progress, but excluding advances for work to be undertaken in the future; these disbursements to be checked on a post-audit basis against physical progress reports.
- (i) That the principal provisions of the loan agreements to be made between the Cassa and private borrowers be subject to approval by the Bank.
- (j) That the lire counterpart, to be held in a special account and to be used only for projects approved in advance by the Bank, be disbursed against certification by the Cassa to the bank holding the special account that payments, justified by detailed documentation, have been made (or are owed) to the Cassa's borrower.
- (k) That the Bank authorize the bank holding the special account to disburse the counterpart on the basis of the above certificates but reserve the right to: (i) post-audit the transactions, (ii) at its discretion, withdraw its authorization in particular cases pending scrutiny of the documentation presented to the Cassa or its agents, and (iii) examine the progress of the projects from time to time.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 11. Mr. E.G. Burland |
| 2. Mr. R.L. Garner | 12. Mr. M.L. Lejeune |
| 3. Mr. W.A.B. Iliff | 13. Files |
| 4. Mr. D. Crena de Iongh (2) | 14. Mr. S.R. Cope |
| 5. Mr. L.B. Rist (2) | 15. Mr. H. Prud'homme |
| 6. Mr. D. Sommers (2) | 16. Mr. J. Fajans |
| 7. Mr. R.H. Demuth | 17. Mr. M.M. Rosen |
| 8. Mr. A.S.G. Hoar | 18. Mr. H.N. Graves |
| 9. Mr. W. Koster | 19. Mr. S.W. Anderson |
| 10. Mr. R.A. Wheeler | |

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 Meeting of Staff Loan Committee held 10:30 a.m., Friday, September 28, 1951

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WBG ARCHIVES

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. D. Grena de Iongh
Mr. L.B. Rist
Mr. A. Broches
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. R. Brion	Mr. M.M. Rosen
Mr. L. Butcher	Mr. C. Ryshpan
Mr. R.W. Cavanaugh	Mr. Spottswood
Mr. E. Clark	Mr. R.A. Wheeler
Mr. W. Koster	
Mr. S. Lipkowitz	
Mr. L. Nurick	

2. Yugoslavia

The Committee considered E-183, Report on the Economy and Creditworthiness of Yugoslavia, and

(a) APPROVED:

The report as written.

(b) AGREED:

- (i) That the statement on Page 16 on financial assistance to be supplied by the United States, the United Kingdom and France, be cleared with the respective Executive Directors; and
- (ii) That the Economic Report be shown to the Yugoslav representative before being given to the Executive Directors.

3. The meeting adjourned at 11:55 a.m.

Distribution

- | | | |
|------------------------------|----------------------|---------------------|
| 1. Mr. Eugene Black | 9. Mr. R.A. Wheeler | |
| 2. Mr. R.L. Garner | 10. Mr. E.G. Burland | |
| 3. Mr. D. Grena de Iongh (2) | 11. Mr. M.L. Lejeune | 7. Mr. A.S.G. Hoar |
| 4. Mr. L.B. Rist (2) | 12. Files | 8. Mr. W. Koster |
| 5. Mr. D. Sommers | 13. Mr. S.R. Cope | 14. Mr. H.N. Graves |
| 6. Mr. R.H. Demuth | 14. Mr. L. Butcher | 16. Mr. M.M. Rosen |

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 10:30 a.m., Monday, October 1, 1951 in Room 1005

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JUN 13 2014

WBG ARCHIVES

1. There were present:

Mr. R.L. Garner
Mr. D. Crena de Iongh
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. A. Broches
Mr. M.L. Lajeune, Secretary

In attendance:

Mr. E. deVries
Mr. H.W. Larsen
Miss V. Morsey
Mr. O.A. Schmidt
Mr. A.D. Spottswood
Mr. S.P. Wheelock

2. Chile

The Committee considered SLC/O/380, Loan Director's Memorandum on Chile - Rio Elqui Valley Project, and

APPROVED:

the documents as submitted but suggested minor revisions of the President's Report and Recommendations so as

- (a) to indicate the Bank's concern over the wasteful irrigation practices discovered by the Bank's recent agricultural mission to Chile; and
- (b) to remind the Executive Directors that other loans were in view and that the Bank staff was reviewing the consequential effects on Chile's economy of large additional borrowing.

3. Iceland

The Committee considered an oral report by Mr. Cope regarding the procedure to be adopted for disbursing the proposed loan for agricultural improvements, and

AGREED:

- (a) that disbursements be made against documents showing the amounts spent for imported building materials;

- (b) that the Bank obtain returns periodically showing total imports of building materials and their use in agricultural improvements and for other purposes;
 - (c) that the loan agreement contain a condition to the effect that the Icelandic Government undertake to allocate sufficient building materials to carry out the project;
 - (d) that as part of its supervision of the end use of the proceeds of the loan, the Bank reserve the right to examine the credits granted by the Agricultural Bank for farm improvements.
4. The meeting adjourned at 12:25 p.m.

Distribution

- | | |
|------------------------------|------------------------|
| 1. Mr. Eugene Black | 11. Mr. W. Koster |
| 2. Mr. R.L. Garner | 12. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 13. Mr. R.A. Wheeler |
| 4. Mr. D. Crena de Iongh (2) | 14. Mr. S. W. Anderson |
| 5. Mr. D. Sommers (2) | 15. Mr. S.R. Cope |
| 6. Mr. L.B. Rist (2) | 16. Mr. O.A. Schmidt |
| 7. Mr. R.H. Demuth | 17. Mr. M.L. Lejeune |
| 8. Mr. H.N. Graves | 18. Files |
| 9. Mr. M.M. Rosen | 19. Mr. G.L. Sandelin |
| 10. Mr. A.S.G. Hoar | 20. Mr. H. Prud'homme |

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 Meeting of Staff Loan Committee held 9:30 a.m., Friday, October 2, 1951, in Room 1005

1. There were present:

Mr. E.R. Black
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. H.W. Riley
Mr. D. Sommers
Mr. R.H. Demuth
Mr. M. Lejeune, Secretary

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JUN 13 2014

WBG ARCHIVES

2. Provision of Experts for Bank Projects by other Organizations

The Committee considered SLG/O/383, Memorandum from the Assistant to the Vice President on Provision of Experts for Bank Projects by Other Organizations Under their Technical Assistance Programs, and

AGREED:

- (a) that it would be embarrassing for the Bank unilaterally to take an active position against further consideration by the UN Technical Assistance Administration of Pakistan's request for telecommunications experts;
- (b) that the Bank should, however, inform the Pakistanis of its misgivings as to the wisdom of having the whole top staff of the Development Group composed of experts attached to the UN Technical Assistance Administration;
- (c) that the most suitable way to inform the Pakistanis of the Bank's position was to have an informal conversation with Mr. Amjad Ali.

Distribution:

- | | | |
|------------------------------|----------------------|---------------------|
| 1. Mr. E.R. Black | 7. Mr. R.H. Demuth | 13. Mr. M.M. Rosen |
| 2. Mr. R.L. Garner | 8. Mr. A.S.G. Hoar | 14. Mr. H.N. Graves |
| 3. Mr. W.A.B. Iliff | 9. Mr. R.A. Wheeler | 15. Mr. D. Stephens |
| 4. Mr. L.B. Rist (2) | 10. Mr. E.G. Burland | 16. Mr. G.S. Mason |
| 5. Mr. D. Crena de Iongh (2) | 11. Mr. G. Gondicas | |
| 6. Mr. D. Sommers (2) | 12. Files | |

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 Meeting of Staff Loan Committee held 11:15 a.m., Thursday, October 4, 1951

1. There were present:

Mr. R.L. Garner
Mr. D. Crena de Iongh
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. E. Clark	Dr. E.W. Rembert
Mr. S.R. Cope	Mr. P.N. Rodan
Mr. R.H. Demuth	Mr. M.M. Rosen
Mr. J. Fajans	Mr. D. Sommers
Mr. H. Prud'homme	Mr. A. Stevenson

2. Italy

The Committee considered Loan 143, Summary Report Covering Industrial Projects Proposed for Cassa Financing in South Italy, Draft Report and Recommendations of the President to the Executive Directors Concerning the Proposed Loan for the Development of Southern Italy, Draft Loan and Guarantee Agreements, Draft letters to the Cassa per il Mezzogiorno and Draft Memorandum concerning Effective Date Provisions, and

(a) APPROVED:

the documents as presented, but suggested:

- (i) some minor changes in the wording of several paragraphs;
- (ii) expansion of the President's Report and Recommendations
 - (1) so as to explain more clearly the special nature of this operation, with particular reference to the dual interest of the Bank in the Development Plan and the Supplementary Projects, and to the methods of disbursement and supervision following therefrom; and
 - (2) to mention that the loan would not, and was not designed to, improve Italy's overall dollar position.

(b) AGREED:

- (1) that the letters auxiliary to the loan agreement need not be, and be not, submitted to the Executive Directors;

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- (ii) that, if the Italians so desired, the names of the Cassa's approved industrial borrowers and the ceiling amounts which it was agreed they could borrow be not included in the President's Report and Recommendations

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

Distribution

- | | |
|------------------------------|------------------------|
| 1. Mr. Eugene Black | 10. Mr. R.A. Wheeler |
| 2. Mr. R.L. Garner | 11. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 12. Mr. M.L. Lejeune |
| 4. Mr. D. Crena de Iongh (2) | 13. Files |
| 5. Mr. L.B. Rist (2) | 14. Mr. S.R. Cope |
| 6. Mr. D. Sommers (2) | 15. Mr. H. Prud'homme |
| 7. Mr. R.H. Demuth | 16. Mr. J. Fajans |
| 8. Mr. A.S.G. Hoar | 17. Mr. M.M. Rosen |
| 9. Mr. W. Koster | 18. Mr. H.N. Graves |
| | 19. Mr. S. W. Anderson |

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 Meeting of Staff Loan Committee held 11:00 a.m., Friday, October 5, 1951 in Room 1005

1. There were present:

Mr. R.H. Garner
Mr. A.S.G. Hoar
Mr. D. Crena de Iough
Mr. A. Broches
Mr. M.L. Lejeune, Secretary

In attendance:

Mr. L. Butcher	Mr. H.M. Rosen
Mr. S. Lipkowitz	Mr. A.D. Spottswood
Mr. L. Murick	Mr. G.M. Street
Mr. L.B. Rist	Mr. R.A. Wheeler

2. Yugoslavia

The Committee considered Loan 142, Technical Report on the Projects included in the Yugoslav Loan Application and Annex thereto, and Draft Report and Recommendations of the President to the Executive Directors concerning a Proposed Loan to Yugoslavia with Appendices, and

(a) APPROVED:

- (i) The Technical Report and Annex thereto;
- (ii) The draft letters on (1) Pre-War Debt, and (2) Debt Limitation;
- (iii) The President's Report and Recommendations and Appendices with minor modifications in Paragraphs 7, 10, 11(e), 12, 13, 19, 23, 39 and 44.

(b) AGREED:

- (i) That the Technical Report and the Annex thereto be given to the Executive Directors;
- (ii) That in oral presentation to the Executive Directors, in the Press Release, and at the press conferences, emphasis be given to the wide range of projects being financed and the high ratio between the benefits expected and the amount of the Bank's investments, and that mention be made of the quality of the management of the projects;
- (iii) That the letter excluding projects for the production of strategic materials be couched in general rather than specific terms but from the limitation to be agreed to in the debt limitation letter define clearly the type of investment to be made and the terms applying to the security of the loans;

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- (iv) That in the descriptions of the projects in the loan agreement, the amount of foreign exchange allocated to the project be deleted in each case.

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

Distribution

- | | |
|--------------------------|----------------------|
| 1. Mr. Eugene Black | 9. Mr. R.A. Wheeler |
| 2. Mr. R.L. Garner | 10. Mr. E.G. Burland |
| 3. Mr. D. Crena de Iongh | 11. Mr. M.L. Lajeune |
| 4. Mr. L.B. Rist | 12. Files |
| 5. Mr. D. Sommers | 13. Mr. S.R. Cope |
| 6. Mr. R.H. Demuth | 14. Mr. L. Butcher |
| 7. Mr. A.S.G. Hoar | 15. Mr. H.N. Graves |
| 8. Mr. W. Koster | 16. Mr. M.M. Rosen |

M. Rist

STAFF LOAN COMMITTEE

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JUN 13 2014

WBG ARCHIVES

November 8, 1951

MEMORANDUM FOR MEMBERS OF THE STAFF LOAN COMMITTEE:

Paragraph 2 (b) (iii) of SLC/W/281 should be changed to
read as follows:

"That the letter excluding projects for the production of strategic materials from the limitation to be agreed to in the debt limitation letter be couched in general rather than specific terms but define clearly the type of investment to be made and the terms applying to the security of the loans."



George Gondicas
Secretary

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 Meeting of Staff Loan Committee held 3 p.m., Monday, October 15, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. D. Crena de Iongh
Mr. D. Sommers
Mr. L.B. Rist
Mr. G. Gondicas, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. S.W. Anderson	Mr. J. Grauman
Mr. G.M. Alter	Mr. H.W. Larsen
Mr. R. Brion	Mr. M.L. Lejeune
Mr. A. Broches	Miss V. Morsey
Mr. F.A. Consolo	Mr. M.M. Rosen
Mr. R.H. Demuth	Mr. O.A. Schmidt
Mr. E. Franco	Mr. S.P. Wheelock
Mr. C. Frick	

2. Nicaragua

- (a) The Committee considered SLC/O/386, Loan Director's Memorandum on Nicaragua - Grain Storage Project, and

APPROVED:

The documents as submitted with certain minor revisions.

- (b) The Committee considered an oral report by Mr. Garner regarding a proposal of the Standard Fruit Company for Bank participation in a banana cultivation project in Nicaragua planned by this Company, and

AGREED:

that if conditions for such project were favorable, the Bank would in principle be prepared to consider it.

3. Chile

The Committee considered SLC/O/385, Loan Director's Memorandum on Chile - Active Chilean Loan Requests, and

AGREED:

(a) Los Cipreses Project

- (1) That the Bank should be willing to negotiate forthwith a loan

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for the third unit of Los Cipreses making its effectiveness conditional upon the working out by the Chilean Government with Compania Chilena of arrangements satisfactory to the Bank for financing and constructing the needed distribution facilities.

- (2) That Chile should be given only a relatively short period for taking all steps necessary to make the loan effective and the Loan Agreement should be signed only if it seemed likely that these steps would be taken within such period; and
- (3) That, if possible, the foreign exchange needed for the expansion of the distribution system should be provided by the Chilean Government from its own resources.

(b) Schwager and Lota Coal Mining Projects

- (1) That in financing private companies the Bank should take steps to protect its position as senior creditor in the sense of the recommendation in paragraph 15 of SLC/O/385;
- (2) That the term of the loan should not exceed 22 years including the seven years' grace period and that the Bank loan should be amortized not later than any loan which might be made by Fomento to the coal mining companies;
- (3) That in cases in which the period of withdrawal of a loan is long, as in this case, some arrangement should be made to give the Bank an increased return on the funds being held at the disposition of the borrower;
- (4) That the dividends to be distributed by the coal mining companies over the life of the Bank loan should be limited by some agreed formula and that if additional profits were made they should be used for an accelerated amortization of the Bank loan; and
- (5) That the proposed loans to the coal mining companies should be denominated in dollars.

(c) Pulp Mill and Newsprint Projects

That Papeles y Cartones should be informed that in principle the Bank would be prepared to negotiate a loan for their project provided the business and technical aspects of this project were favorable and provided that the Bank's willingness to finance this project would not prevent any other prospective privately-financed projects from being considered by the Chilean Government on its merits.

Distribution

1. Mr. Eugene R. Black
2. Mr. R.L. Garner
3. Mr. W.A.B. Iliff
4. Mr. D. Grena de Iongh (2)
5. Mr. D. Sommers (2)
6. Mr. L.B. Rist (2)
7. Mr. R.H. Demuth
8. Mr. A.S.G. Hoar

9. Mr. W. Koster
10. Mr. S.W. Anderson
11. Mr. G. Condicas
12. Mr. R.A. Wheeler
13. Mr. E.G. Burland
14. Mr. O.A. Schmidt
15. Mr. F.A. Console
16. Mr. S.P. Wheelock

17. Mr. M.M. Rosen
18. Mr. H.N. Graves

W. B. Burt

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 11:00 a.m., Monday, October 22, 1951 in Room 1005

1. There were present:

Mr. E.R. Black
Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. D. Sommers
Mr. H.W. Riley
Mr. L.B. Rist
Mr. R.H. Demuth
Mr. G. Gondicas, Secretary

In attendance:

Mr. Lars Bengston
Mr. R.W. Cavanaugh
Mr. Wm. Diamond
Mr. James V. Fletcher
Mr. Paterson French
Mr. M.L. Lejeune
Mr. A. Stevenson

Mr. E. Lopez-Herrarte
Mr. N. Paterson
Miss V. Morsey
Dr. D.W. Rembert
Mr. H. Prud'homme
Mr. B.P. Spiro

2. Iceland

The Committee considered the Draft Report and Recommendations of the President to the Executive Director's concerning the Proposed Loan to Iceland for Agriculture, and

APPROVED:

this Report and the documents attached to it, with certain revisions and suggestions including the following:

- (a) that paragraph 27 of the President's Report should be revised so as to indicate that while probably two-thirds of the loan would be required for purchases in sterling and the remainder for purchases in other European currencies, the exact amount of such other currencies was not known at this time; and that if certain of these other currencies were not available, additional sterling might be used in their place;
- (b) that the statement submitted by the Icelandic Government entitled Comments on "An Investment Program for Iceland" be attached as Annex III to the President's Report and Recommendations; and
- (c) that on the presentation of the loan documents to the Board of Executive Directors a brief verbal description should be made of the project and of the recent developments regarding Iceland's economy.

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3. Ethiopia

The Committee considered the Loan Director's Memorandum, SLC/O/382, and

AGREED:

that loans for the two projects of the Cotton Company of Ethiopia submitted by the Development Bank of Ethiopia be approved as recommended by the Working Party but on the condition that a formula be worked out limiting the payment of dividends to the company's shareholders to a specific amount satisfactory to the Bank.

4. Technical Assistance Board

The Committee agreed to postpone for its meeting of Tuesday, October 23, 9:30 a.m., the discussion of the Memorandum of the Assistant to the Vice President on the Functions of the Technical Assistance Board.

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

NOTE: The matter of imposing a limitation on the distribution of dividends of the Ethiopian Cotton Company was discussed again at a subsequent meeting held in Mr. Garner's office Thursday, October 25, 11 a.m. Present in this meeting were Messrs. Garner, Hoar, Sommers, Bengston and Diamond. After the examination of further elements in the situation it was agreed that such limitation on the distribution of dividends would not be necessary.

Distribution:

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. W. Koster |
| 2. Mr. R.L. Garner | 10. Gen. R.A. Wheeler |
| 3. Mr. W.A.B. Iliff | 11. Mr. E.G. Burland |
| 4. Mr. D. Sommers | 12. Mr. G. Condicas |
| 5. Mr. D. Crena de Iongh | 13. Files |
| 6. Mr. L.B. Rist | 14. Mr. D. Stephens |
| 7. Mr. R.H. Demuth | 15. Mr. Wm. Diamond |
| 8. Mr. A.S.C. Hoar | 16. Mr. H. Prud'homme |
| 18. Mr. M.M. Rosen | 17. Mr. N. Paterson |
| 19. Mr. H.N. Graves | |

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 Meeting of Staff Loan Committee held 11 a.m., Monday, October 29, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. A. Broches
Mr. L.B. Rist
Mr. H.W. Riley
Mr. G. Gondicas, Secretary

In attendance:

Mr. A. Basch
Mr. Ellsworth Clark
Mr. S.W. Anderson
Mr. W. Koster

2. Mutual Security Act of 1951

The Committee considered the Report on the Effects of the Mutual Security Act of 1951 on IBRD Policy, dated October 19, 1951, prepared by the Economic Department, and

AGREED:

that this report should serve as a basis for the scheduled discussions between the Bank and ECA representatives.

3. Indian Mission

The Committee also considered the Loan Director's Memorandum, SLC/O/393, on India and a memorandum attached thereto, containing the Proposed Terms of Reference for the Bank Mission to India, and

APPROVED:

these documents as submitted.

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

Distribution

- | | |
|---------------------------|----------------------|
| 1. Mr. E.R. Black | 9. Gen. R.A. Wheeler |
| 2. Mr. R.L. Garner | 10. Mr. E.C. Burland |
| 3. Mr. W.A.B. Iliff | 11. Mr. Gondicas |
| 4. Mr. Crena de Iongh (2) | 12. <u>Fish</u> |
| 5. Mr. D. Sommers | 13. Mr. W. Koster |
| 6. Mr. L.B. Rist | 14. Mr. J. Rucinski |
| 7. Mr. R.H. Demuth | 15. Mr. M.M. Rosen |
| 8. Mr. A.S.G. Hoar | 16. Mr. H.N. Graves |

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:15 p.m., Monday, October 29, 1951 in Room 1005

1. There were present:

Mr. H.L. Garner
Mr. A.S.G. Bear
Mr. L.B. Rist
Mr. H.W. Riley
Mr. A. Broches
Mr. G. Conditas, Secretary

In attendance:

Mr. L. Cancio
Mr. C.H. Davies
Mr. P.F. Foster
Mr. J. Grauman
Mr. W. Koster
Mr. O.A. Schmidt
Mr. H. Ripman
Mr. S.P. Wheelock

2. Loan Administration Reports - General

The Committee considered Loan Director's Memorandum, SLC/O/390, and

AGREED:

That Loan Administration Reports should be prepared periodically as heretofore; but that if during the preparation of such reports it would appear that serious problems have arisen or are expected to arise regarding the loans under review, the matter should be brought to the SLC which would examine the situation and decide on any action that might be necessary and on the form and contents of the Loan Administration report under preparation.

3. Loan Administration Reports - Mexico

The Committee considered Loan Director's Memorandum, SLC/O/388, on Mexico - First Loan Administration Report, and

APPROVED:

This memorandum and the "First Loan Administration Report on the Bank's Loans to Mexico" attached thereto, and

AGREED:

That this Report should be submitted to the Mexican authorities for their comments, subject to the inclusion in it of a discussion of the problems

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which have arisen in connection with the Bank credit to the Mexican Consortium.

4. Loan Administration Reports - Brazil

The Committee considered Loan Director's Memorandum SLG/O/387, on Brazil - First Loan Administration Report, and

APPROVED:

This memorandum and the "First Loan Administration Report on the Bank's Loans to Brazil" attached thereto, and

AGREED:

That this Report should be submitted to the Brazilian authorities for their comments, subject to the inclusion in Part III of the Report of a more detailed discussion of the relations of the Bank with Brazil and the Joint US-Brazilian Commission.

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

Distribution

- | | |
|---------------------------|-----------------------|
| 1. Mr. Eugene Black | 11. Mr. E.G. Burland |
| 2. Mr. R.L. Garner | 12. Mr. G. Goncalves |
| 3. Mr. W.A.B. Iliff | 13. Files |
| 4. Mr. D. Crenna de Longh | 14. Mr. J. Racinski |
| 5. Mr. D. Sommers | 15. Mr. M.M. Rosen |
| 6. Mr. L.B. Rist | 16. Mr. H.N. Graves |
| 7. Mr. R.H. Demuth | 17. Mr. O.A. Schmidt |
| 8. Mr. A.S.G. Hoar | 18. Mr. C.H. Davies |
| 9. Mr. W. Koster | 19. Mr. S.P. Wheelock |
| 10. Mr. R.A. Wheeler | 20. Mr. P.F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held Thursday, November 1, 1951
in Room 1005, 10:45 a.m.

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1. There were present:

Mr. E. R. Black
Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. D. Sommers
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

In attendance:

Mr. L. Bengston	Mr. J. V. Fletcher
Mr. A. Broches	Mr. J. Grauman
Mr. L. Cancio	Mr. Newton Parker
Mr. E. Clark	Mr. O. A. Schmidt
Mr. C. deBeaufort	Mr. S. P. Wheelock

2. Colombia

The Committee considered SLC/O/394, Loan Director's Memorandum on Colombia, Lebrija Project, and

APPROVED:

the Loan Director's recommendations and, with certain minor changes the documents attached to his memorandum.

3. Brazil

(a) Claims Against Brazil Arising from Expropriation of Foreign Properties

The Committee also considered Loan Director's Memorandum, SLC/O/389, Claims Against Brazil Arising from Expropriation of Foreign Properties, and

APPROVED:

the Loan Director's recommendations and accompanying documents as submitted.

(b) Griffith Laboratories

The Committee also considered Loan Department Memorandum, SLC/O/395, on Griffith Laboratories, and

AGREED:

- (1) that provided there was an adequate technical and business justification, the Bank should be prepared in principle to make a small loan to the "Laboratorios Griffith do Brazil" if the company's project was approved by the Joint United States - Brazilian Commission.
- (2) that the management recommend to the Executive Directors that the joint guarantee of the Banco do Brazil and the Superintendency of Money and Credit should be acceptable to the Bank for the proposed loan to the Laboratorios Griffith and for a number of other Bank loans in small amounts totalling a few million dollars to small Brazilian enterprises.
- (3) that if the Executive Directors concur with the above recommendation, discussions should be initiated with the Brazilian authorities and the representatives of the Griffith Laboratories.

4. The meeting adjourned at 11:30 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 Meeting of Staff Loan Committee held 10:30 a.m., Monday, November 5, 1951 in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. D. Sommers
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. D. Crena de Iongh
Mr. G. Gondicas, Secretary

In attendance:

Mr. S. Aldewereld	Mr. M. M. Mendels
Mr. A. Broches	Mr. P. Pajunen
Mr. E. G. Burland	Mr. G. Polit
Mr. R. W. Cavanaugh	Mr. M. M. Rosen
Mr. E. Clark	Mr. O. A. Schmidt
Mr. C. Davies	Mr. D. Stephens
Mr. D. J. Fontein	Mr. A. Waterston
Mr. E. Lopez-Herrarte	Mr. R. A. Wheeler

2. Panama

The Committee considered a memorandum from Mr. Aldewereld to Mr. Hoar dated November 2, 1951 on the Mission to Panama, and

AGREED:

that before deciding on a policy towards Panama the Bank should consult with the United States Government, the Chase National Bank and the University of Arkansas on the economic situation in Panama and any steps that could be taken towards its improvement.

3. Pakistan

The Committee also considered SLC/O/398, Loan Director's Memorandum on Pakistan, and

APPROVED:

the Loan Director's recommendations contained therein.

4. Maturity of Loans

The Committee postponed consideration of the Economic Director's Memorandum on the Maturity of Loans Granted to our Borrowers.

5. The meeting adjourned at 12:30 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 Meeting of Staff Loan Committee held 3 p.m., Wednesday, November 7, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. D. Crena de Iongh
Mr. A. Broches

In attendance:

Mr. L. Bengston	Mr. H. Parker
Mr. E. deVries	Mr. H. Ripman
Mr. J.V. Fletcher	Mr. O.A. Schmidt
Mr. E. Lopez-Herrarte	Mr. R.A. Wheeler

2. Brazil

The Committee considered Loan Department Memorandum, SLC/O/399, and "Report of Mission to Rio Grande do Sul", attached thereto, and

APPROVED:

these documents as submitted, but suggested that in his discussions with the Brazilians, Mr. Black should indicate that the Bank would want to leave the door open for private capital to participate in the developing of power facilities in Rio Grande do Sul.

3. F.A.O. - 13th Council Meeting

The Committee also considered a draft statement to be made by the Bank Representative to the 13th Council Meeting of FAO, Rome, 12-17 November 1951, prepared by Mr. E. deVries, and

AGREED:

that this document should be revised in order better to distinguish between Bank loans benefitting the agricultural development of the member borrowers directly and loans doing so indirectly, and that copies be distributed to the Board for the information of the Executive Directors.

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

Distribution

1. Mr. E.R. Black	7. Mr. A.S.G. Hoar	14. Mr. M.M. Rosen
2. Mr. R.L. Garner	8. Mr. R.A. Wheeler	15. Mr. P.F. Foster
3. Mr. W.A.B. Iliff	9. Mr. E.G. Burland	16. Mr. S.P. Wheelock
4. Mr. D. Crena de Iongh (2)	10. Mr. G. Condicas	
5. Mr. D. Scamers (2)	11. Files	
6. Mr. L.B. Rist (2)		

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 3 p.m., November 8, 1951
in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. D. Crena de Longh
Mr. L.B. Rist
Mr. A. Broches
Mr. G. Gondicas, Secretary

In attendance:

Mr. R.W. Cavanaugh
Mr. M.L. Lejeune
Mr. H. Prud'homme
Mr. M. Ross
Mr. H.W. Riley

2. Iceland

The Committee considered a "Memorandum on the Setting Up of a Development Bank in Iceland" prepared by Mr. Crena de Longh, and

APPROVED:

This memorandum but made certain revisions and suggestions including the following:

- (a) that this memorandum should be submitted to the Icelandic Government as a document prepared by Mr. Crena de Longh, but accompanied by a covering letter of the IBRD. It should be stressed in this letter that in the opinion of the IBRD, Iceland's most pressing development problem was the coordination of governmental investment and that unless appropriate measures were taken to that effect, the proposed Development Bank would be of limited value;
- (b) that the Economic Department should prepare a draft of such letter;
- (c) that the introductory remarks of the memorandum (pp. 1 - 6) should be revised in order to place greater emphasis upon the limitations of the proposed Bank under present circumstances;
- (d) that Section IX on the Tax Situation should be incorporated in the introductory remarks;

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- (e) that Section XI on the Function as Capital Market Advisor should also be transferred to the introductory remarks and should be revised so as to point out the desirability of obtaining the proposed Bank's advice on long-term lending operations but without making this advice a prerequisite for government approval of such investments;
- (f) that all statements which might directly or indirectly create the impression that the IBRD would consider additional loans to Iceland should be eliminated or appropriately revised.
- (g) that the recommendations on the administration of the proposed Bank included in Section XVIII on Organization should be made less specific.

Distribution

- | | |
|--------------------------|-----------------------|
| 1. Mr. Eugene Black | 9. Mr. R.A. Wheeler |
| 2. Mr. R.L. Garner | 10. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 11. Mr. G. Gondicas |
| 4. Mr. D. Sommers | 12. Files |
| 5. Mr. D. Crena de Longh | 13. Mr. H. Prud'homme |
| 6. Mr. L.B. Rist | 14. Mr. M.L. Lajeune |
| 7. Mr. R.H. Demuth | 15. Mr. M.M. Rosen |
| 8. Mr. A.S.G. Hoar | |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, November 13, 1951 in Room 1005

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. H.W. Riley
Mr. A. Broches
Mr. L.B. Rist
Mr. G. Gondicas, Secretary

In attendance:

Mr. R.W. Cavanaugh	Mr. F.M. Oppenheimer
Mr. J. Fajans	Mr. H. Prud'homme
Mr. J.V. Fletcher	Mr. E.W. Rembert
Mr. H.N. Graves	Mr. M.M. Rosen
Mr. M. Ross	

2. Holland - K.L.M. Loan Inquiry

The Committee considered SLC/O/400, Loan Department Memorandum, K.L.M. Loan Inquiry, and

AGREED:

- (a) that the Bank should be prepared to consider the K.L.M. project only if it were self-liquidating in hard currencies;
- (b) that if a loan were granted for the proposed project the Bank should obtain, apart from the guarantee of the Dutch Government, additional security for the repayment of the loan;
- (c) that if a loan were made, the borrower should preferably be K.L.M.;
- (d) that the appropriate channel for further discussion of the proposal would be through the Financial Counsellor to the Netherlands Embassy in Washington and that the Dutch Executive Director should be informed accordingly;
- (e) that the maturity of the proposed loan should not exceed the life of the aircraft financed by the Bank; and

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- (f) that the Bank would want to be assured that the K.L.M. project could not be financed on reasonable terms with private capital.

3. The meeting adjourned at 11 a.m.

Distribution

- | | |
|-----------------------------|-----------------------|
| 1. Mr. E.R. Black | 9. Mr. R.A. Wheeler |
| 2. Mr. R.L. Garner | 10. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 11. Mr. G. Gondicas |
| 4. Mr. D. Crena de Iongh(2) | 12. Files |
| 5. Mr. D. Sommers (2) | 13. Mr. H. Prud'homme |
| 6. Mr. L.B. Rist (2) | 14. Mr. J. Fajans |
| 7. Mr. R.H. Demuth | 15. Mr. M.M. Rosen |
| 8. Mr. A.S.G. Hoar | 16. Mr. P.F. Foster |

Mr Rist

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 2:30 p.m., November 15, 1951
in Room 1005

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1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. H.W. Riley
Mr. A. Broches
Mr. M.M. Rosen
Mr. G. Gondicas, Secretary

In attendance:

Mr. E.G. Burland	Mr. J.T. Lund
Mr. L. Cancio	Mr. J. Montealegre
Mr. J.V. Fletcher	Mr. W.C.P. Rutland
Mr. E. Franco	Mr. G. L. Sandelin
Mr. D. Groenveld	Mr. O. A. Schmidt
Mr. H.W. Larsen	Mr. R.A. Wheeler

2. Paraguay

The Committee considered Loan Department Memorandum, SLC/O/396, Proposed Loan to Paraguay, the documents attached thereto, and Economic Report (E-189) Paraguay - Economic Position and Prospects, and

APPROVED:

the above documents with certain changes, and

AGREED:

that the attitude of the Brazilian Government towards the proposed Bank Loan to Paraguay, as set forth in the letter of Mr. A. de Mello-Franco to the Bank, dated November 9, 1951, did not constitute an obstacle for the making of such loan.

Distribution:

1. Mr. E.R. Black	7. Mr. R.H. Demuth	13. Files
2. Mr. R.L. Garner	8. Mr. A.S.G. Hoar	14. Mr. G.L. Sandelin
3. Mr. W.A.B. Iliff	9. Mr. W. Koster	15. Mr. O.A. Schmidt
4. Mr. Crena de Longh (2)	10. Mr. R.A. Wheeler	16. Mr. H.N. Graves
5. Mr. D. Sommers (2)	11. Mr. E.G. Burland	17. Mr. M.M. Rosen
6. Mr. L.B. Rist (2)	12. Mr. G. Gondicas	

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, November 20, 1951 in Room 1005

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WBG ARCHIVES

1. There were present:

Mr. R.L. Garner
Mr. A.S.G. Hoar
Mr. D. Crena de Jongh
Mr. A. Broches
Mr. L.B. Rist
Mr. G. Gondicas, Secretary

In attendance:

Mr. Wm. Diamond	Mr. B.P. Spiro
Mr. H.N. Graves	Mr. F.D. Stephens
Mr. M.M. Rosen	Mr. J.A. Villechaize

2. Ethiopia

The Committee considered the Loan Director's Memorandum, SLC/O/401, Ethiopia - Prior Review of Development Bank Projects and the documents attached thereto, and

APPROVED:

all the above documents as submitted.

3. Denominations of Loans

The Committee also considered a memorandum on the Denomination of Loans dated November 14, 1951, prepared by the Legal Department, and

APPROVED:

this memorandum with certain suggested modifications. These modifications included the incorporation, as a final paragraph of the memorandum, of a recommendation that the Bank should not adopt a uniform system for denominating its loans, but that each loan should be examined as a separate case, and

AGREED:

that the memorandum should be transmitted to the Financial Policy Committee of the Executive Directors to serve as a working paper for their scheduled discussion of the denomination of Bank loans.

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 Meeting of Staff Loan Committee held 3 p.m., Monday, November 26, 1951. in Room 1005

1. Those were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. A. Broches
Mr. R.W. Riley
Mr. L.B. Rist
Mr. H. Graves
Mr. G. Gondicas, Secretary

In attendance:

Mr. L. Cancio
Mr. R.W. Cavanaugh
Mr. W. Diamond
Mr. J. Fajens
Mr. J.V. Fletcher
Miss V. Morsey
Mr. H. Prud'homme
Mr. E.W. Reubert
Mr. M.M. Rosen
Mr. M. Ross
Mr. R.A. Wheeler

2. Holland - KLM Loan Negotiations

The Committee considered Loan Department Memorandum SLG/O/402, KLM Loan Discussions, and

AGREED:

that the Bank should be prepared to negotiate a loan for the KLM project under the following terms and conditions:

- (a) the amount of the loan should be in the neighborhood of U.S. \$6 million, but that the Loan Department should have discretion, depending on additional factors arising in the course of the negotiations, to discuss a figure between \$6 million and \$7 million;
- (b) KLM should preferably be the borrower;
- (c) the Bank loan should be related only to trans-Atlantic aircraft of KLM;

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- (d) the maturity of the loan should be approximately 6½ years, including a 1½ - 2-year period of grace. Detailed arrangement of this matter should be left to the Loan Department;
- (e) the Dutch Government should provide assurances satisfactory to the Bank for the timely completion of the whole KLM project;
- (f) the Bank should obtain security for its loan in the form of a mortgage on the planes or in some other convenient form;
- (g) the Bank should be satisfied that the KLM project could not be financed on reasonable terms with private capital.

3. Turkey - Seyhan Dam

The Committee heard an oral review of the relations of the Bank with Turkey made by Mr. Eliff, and

AGREED:

that the Bank should be prepared to consider the financing of the foreign exchange cost of the dam and the power installations of the Seyhan project

- (a) if it were convinced that the Turkish Government was proceeding with the formulation and implementation of sound development policies and procedures;
- (b) if it had assurances that the equipment necessary for the completion of the project would be available within a reasonable time.

4. The meeting adjourned at 5 p.m.

Distribution

- | | |
|------------------------------|----------------------|
| 1. Mr. Eugene R. Black | 9. Mr. R.A. Wheeler |
| 2. Mr. R.L. Garner | 10. Mr. E.G. Burland |
| 3. Mr. W.A.R. Eliff | 11. Mr. G. Gondicas |
| 4. Mr. L.B. Rist (2) | 12. Files |
| 5. Mr. D. Crenn de Iough (2) | 13. Mr. H.M. Rosen |
| 6. Mr. D. Somers (2) | 14. Mr. H.N. Graves |
| 7. Mr. R.H. Dewar | 15. Mr. J. Rucinski |
| 8. Mr. A.S.G. Boar | 16. Mr. W. Diamond |
| | 17. Mr. S.R. Cope |
| | 18. Mr. J. Fajans |

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 Meeting of Staff Loan Committee held 9:30 a.m., Tuesday, November 27, 1951, in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. D. Sommers
Mr. R.W. Riley
Mr. L.B. Rist
Mr. H. Graves
Mr. G. Gondicas, Secretary

In attendance:

Mr. E.H. Clark
Mr. O.H. Folk
Mr. W.L. Jago
Mr. E. Lopez-Herrarte
Mr. J.T. Lund
Mr. G.S. Mason
Mr. G. Polit
Mr. M.M. Rosen
Mr. G.M. Street

2. Pakistan - Agricultural Machinery Project

The Committee considered Loan Director's Memorandum SLC/O/404 "Pakistan, Agricultural Machinery Project", and the Office Memorandum, dated November 23, 1951, attached thereto, and

APPROVED:

these documents as submitted, but suggested

- (a) that conditions (b) and (c) of Paragraph 5 of the Office Memorandum should be incorporated in the Loan Agreement not as conditions for withdrawal, but as special covenants between the Bank and the borrower;
- (b) that the term of the loan should be discussed at a future meeting of the SLC in which the terms of the other proposed Bank loans to Pakistan will be discussed.

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

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STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held 11 a.m., Thursday, November 29, 1951, in Room 1005

1. Those were present:

Mr. W.A.B. Iliff
Mr. A. Broches
Mr. R.W. Riley
Mr. H.M. Rosen
Mr. G. Condicas, Secretary
In attendance:

Mr. L. Canale
Mr. W. Diamond
Mr. P.H. French
Mr. E. Lopez-Harrarte
Mr. G.S. Mason
Mr. H. Ross
Mr. R.A. Wheeler

2. Turkey - T.A.B. Meeting

The Committee considered memorandum SLC/O/495 - prepared by the Technical Assistance Officer - "Bank Representatives at Forthcoming Meeting of the U.N. Technical Assistance Board on Turkey", and

AGREED:

that the Bank representative in this meeting should take the following position:

- (a) the Bank thinks in principle that progress of technical assistance in a given country should be adapted to that country's program of economic development;
- (b) the Bank feels that in the case of Turkey, technical assistance would be very valuable in the following fields: Economic Coordination, Agriculture, Education and Public Health, Rural Development, Commodity Research and Marketing and Transportation. The Bank has no reason to believe that the Turkish Government has different views on this matter;
- (c) the Bank expresses no views on the detailed form that technical assistance in the above fields should take;
- (d) the Bank expresses no views on the need of technical assistance in any other fields;

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- (c) the Bank believes that any TAB technical assistance program in Turkey should take cognizance of the work already done or being done in this connection by other agencies.

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| 1. Mr. Eugene R. Black | 9. Mr. R.A. Wheeler |
| 2. Mr. R.L. Garner | 10. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 11. Mr. G. Condicas |
| 4. Mr. L.B. Rist (2) | 12. Files |
| 5. Mr. D. Cressa de Iough (2) | 13. Mr. M.H. Rosen |
| 6. Mr. D. Somers (2) | 14. Mr. H.H. Graves |
| 7. Mr. R.H. Penuth | 15. Mr. J. Rucinski |
| 8. Mr. A.S.G. Hoar | 16. Mr. W. Diamond |

STAFF LOAN COMMITTEE

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Minutes of Meeting of the Staff Loan Committee held 4 p.m., Wednesday, November 28, 1951. in Room 1905

1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. R.W. Riley
Mr. L.B. Rist
Mr. M.M. Rosen
Mr. H. Prud'homme
Mr. G. Condicas, Secretary

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2. KLM - Loan Negotiations

The Committee considered an oral report of the Loan Director on the progress of the loan negotiations with the KLM, and

AGREED:

- (a) that the Bank would agree to an extension of the term of the loan to seven years starting from the date of signature;
- (b) that the Bank should inform KLM that it was investigating the legal and business aspects of taking security for the proposed loan; and that, unless the result of these investigations showed that it would not be advisable to take such security, the Bank would not feel disposed to depart from its normal practice of requiring security for loans to commercial corporations.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 9. Mr. R.A. Wheeler |
| 2. Mr. R.L. Garner | 10. Mr. E.G. Burland |
| 3. Mr. W.A.B. Iliff | 11. Mr. G. Condicas |
| 4. Mr. L.B. Rist (2) | 12. Files |
| 5. Mr. D. Crena de Iough (2) | 13. Mr. M.M. Rosen |
| 6. Mr. D. Sommers (2) | 14. Mr. H.H. Graves |
| 7. Mr. R.H. Demuth | 15. Mr. S.R. Cope |
| 8. Mr. A.S.G. Hoar | 16. Mr. H. Prud'homme |

Mr. Rist

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held at 9:30 a.m., Tuesday,
December 4, 1951, in Room 1005

1. There were present:

Mr. W.A.B. Iliff
Mr. A.S.G. Hoar
Mr. L.B. Rist
Mr. H.W. Riley
Mr. A. Broches
Mr. G. Gondicas, Secretary

In attendance:

Mr. R.H. Demuth
Mr. J.C. de Wilde
Mr. H. Graves
Mr. J. Rucinski

Mr. D. Stephens
Mr. G. M. Street
Mr. L. Svoboda
Mr. J. A. Villechaise

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2. Iraq - Partial Cancellation of the Wadi-Tharthar Loan

The Committee considered Loan Director's Memorandum SIC/O/406 - "Iraq - Question of Partial Cancellation of the Wadi Tharthar Loan", and

AGREED:

- (a) that the question of the partial cancellation of this loan should be discussed at a future SIC meeting together with the problem of further Bank financing in Iraq and
- (b) that Mr. Stephens should discuss with the Iraqis the Bank's position on the above subjects during his trip to Iraq which is tentatively scheduled for January 1952.

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

Distribution

- 1. Mr. R.R. Black
- 2. Mr. R.L. Garner
- 3. Mr. W.A.B. Iliff
- 4. Mr. A.S.G. Hoar
- 5. Mr. D. Somers (2)
- 6. Mr. D. Crena de Longh (2)
- 7. Mr. L.B. Rist (2)
- 8. Mr. R.H. Demuth

- 9. Mr. R.A. Wheeler
- 10. Mr. E.G. Burland
- 11. Mr. G. Gondicas
- 12. Files
- 13. Mr. H.M. Rosen
- 14. Mr. H.M. Graves
- 15. Mr. J. Rucinski
- 16. Mr. D. Stephens

Mr. Rist

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held at 3 p.m., December 6, 1951
in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. D. Sommers
Mr. H. W. Riley
Mr. A. Broches
Mr. G. Gondicas, Secretary

In Attendance:

Mr. J. Fajans
Mr. J. V. Fletcher
Mr. D. J. Fontein
Mr. B. B. King

Mr. M. L. Lejeune
Mr. M. M. Rosen
Mr. A. Stevenson

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2. Export Financing

The Committee considered Loan Director's Memorandum SLC/O/407,
Export Financing, and

AGREED:

- (a) that the Bank should not enter the field of export financing as a matter of general policy; but that the Bank should not refuse to consider individual proposals for financing exports which appeared to be supported by substantial arguments;
- (b) that a paper setting forth the substance of the above decision and the principles upon which it was based should be prepared for the consideration of the Financial Policy Committee of the Executive Directors.

3. The meeting adjourned at 4 p.m.

Distribution

- 1. Mr. Eugene R. Black
- 2. Mr. R. L. Garner
- 3. Mr. W. A. B. Fliff
- 4. Mr. L. B. Rist (2)
- 5. Mr. D. Crena de Iongh (2)
- 6. Mr. D. Sommers (2)
- 7. Mr. R. H. Demuth
- 8. Mr. A. S. G. Hoar
- 9. Mr. R. A. Wheeler

- 10. Mr. E. G. Burland
- 11. Mr. G. Gondicas
- 12. Files
- 13. Mr. M. M. Rosen
- 14. Mr. H. N. Graves
- 15. Mr. S. R. Cope
- 16. Mr. J. Fajans
- 17. Mr. M. L. Lejeune
- 18. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee held at 9:30 a.m.,
December 11, 1951, Room 1005

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1. There were present:

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

In attendance:

Mr. A. Broches	Mr. H. N. Graves
Mr. L. Cancio	Mr. P. Pajunen
Mr. F. A. Consolo	Mr. E. W. Rembert
Mr. C. H. Davies	Mr. O. A. Schmidt

2. Mexico CFE Loan Application

The Committee considered Loan Director's Memorandum SLC/O/409 "Mexico - CFE Power Projects: Second Series" and the Technical Report on "Appraisal of Electric Power Projects in Second Loan Application of C.F.E. in Mexico" attached thereto and

APPROVED:

these documents as submitted, but suggested

- (a) that the term of the proposed Bank Loan to C.F.E. should preferably extend over a period of 20 years;
- (b) that the Bank should not require C.F.E. to cancel any unexpended balances on each of the projects to be financed with the proposed loan, before the cost of all such projects becomes firm.

3. Statutory Loan Committee

The Committee decided to postpone discussion of Mr. Sommer's memorandum on the above subject for a future meeting.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held at 3:45 p.m., December 12, 1951, in Room 1005

1. There were present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. A. Groches
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

In attendance:

Mr. L. Cancio
Mr. F. A. Consolo
Mr. J. V. Fletcher
Mr. H. W. Larsen

Mr. P. Pajunen
Mr. O. A. Schmidt
Mr. R. A. Wheeler

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2. Costa Rica

The Committee considered the following documents: Loan Director's Memorandum SLC/O/410 Costa Rica; I-151 Report and Recommendations of the Mission to Costa Rica; E-197, Economic Position and Creditworthiness of Costa Rica; and I-150 Technical Report on the Development of Transportation and Electric Power Supply Situation in Costa Rica, and

APPROVED:

these documents as submitted but suggested

- (a) that the Bank should not negotiate the proposed loans with Costa Rica before Costa Rica settled all her defaulted debt. However, this position would be revised in the case that unnecessary delay in reaching a settlement should result from delaying attitudes of any of the protective councils of bondholders concerned.
- (b) that the Bank should inform the Costa Ricans as follows:
 - (i) the Bank was in principle prepared to consider the three transport projects;
 - (ii) the Bank would be prepared to open negotiations as soon as agreed settlement had been reached and ratified on all Costa Rica's defaulted debts;
 - (iii) the Bank would be ready to cooperate with Costa Rica in the meantime in any preliminary work connected with the projects.
- (c) that at the same time the Bank should write to the three bondholders' councils concerned informing them;

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STAFF LOAN COMMITTEE

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- (i) that it was interested in making a loan to Costa Rica in the near future;
- (ii) that it will exercise its influence on the Costa Ricans in the direction of settling their defaulted debt; and
- (iii) that it would rely upon the bondholders' councils to do their utmost to expedite a settlement.

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 10. Mr. E. G. Burland |
| 2. Mr. R. L. Garner | 11. Mr. G. Gondicas |
| 3. Mr. W. A. B. Clift | 12. Files |
| 4. Mr. L. B. Rist (2) | 13. Mr. M. M. Rosen |
| 5. Mr. D. Crena de Iough (2) | 14. Mr. H. N. Graves |
| 6. Mr. D. Sommers (2) | 15. Mr. O. A. Schmidt |
| 7. Mr. R. H. Demuth | 16. Mr. F. A. Consolo |
| 8. Mr. A. S. G. Hoar | 17. Mr. C. H. Davies |
| 9. Mr. R. A. Wheeler | 18. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held at 2:30 p.m., Monday
December 17, 1951, in Room 1005

1. There were present:

Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. H. W. Riley
Mr. A. Broches
Mr. G. Gondicas, Secretary

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In attendance:

Mr. J. H. Collier	Mr. E. W. Rembert
Mr. S. R. Cope	Mr. M. M. Rosen
Mr. J. V. Fletcher	Mr. J. Rucinski
Mr. P. H. French	Mr. G. M. Street
Mr. G. S. Mason	Mr. J. A. Villechaise

2. Jamaica

The Committee considered Technical Assistance and Liaison Director's Memorandum SLC/O/413 - Economic Survey Mission for Jamaica, and

APPROVED

the recommendations contained therein.

3. Turkey - I.D.B. - First Withdrawal Request

The Committee also considered Loan Director's Memorandum SLC/O/412 - "Turkey - Loan of \$9 million to Industrial Development Bank" and Mr. Mason's memorandum dated December 13, 1951 attached thereto, and

APPROVED

these documents as submitted.

4. Italy - Loan Request for Small and Medium Industries

The Committee decided to postpone discussion on the above subject for a future date.

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

STAFF LOAN COMMITTEE

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Minutes of Meeting of Staff Loan Committee held at 9:30 a.m., Tuesday,
December 18, 1951, in Room 1005

1. There were present:

Mr. Eugene R. Black
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. D. Sommers
Mr. R. H. Deaith
Mr. H. W. Riley
Mr. G. Condicas, Secretary

In attendance:

Mr. S. R. Cope
Mr. J. L. DuBois
Mr. J. Fajans
Mr. F. M. Oppenheimer

Mr. P. N. Rosenstein-Rodan
Mr. F. T. Shull
Mr. A. Stevenson
Mr. R. A. Wheeler

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2. Italy - Loan Request for Small and Medium Industries

The Committee discussed Loan Director's Memorandum SIC/O/411, "Italy - Small and Medium Industries" and

AGREED

- (a) that the Bank should not lend to a consortium of Italian banks for the local currency needs of small and medium-sized industries, but would in principle be prepared to consider financing equipment imports;
- (b) that the Bank should so inform the Italian Government in order to avoid any misunderstanding.

3. Statutory Loan Committee

The committee decided to postpone consideration of the above subject for a future date.

4. The meeting adjourned at 10:25 a.m.

Distribution

- | | | |
|------------------------------|-----------------------|----------------------|
| 1. Mr. Eugene R. Black | 7. Mr. R. H. Deaith | 13. Mr. M. M. Rosen |
| 2. Mr. R. L. Garner | 8. Mr. A. S. G. Hoar | 14. Mr. H. N. Graves |
| 3. Mr. W. A. B. Iliff | 9. Mr. R. A. Wheeler | 15. Mr. S. R. Cope |
| 4. Mr. L. B. Rist (2) | 10. Mr. E. G. Burland | 16. Mr. J. Fajans |
| 5. Mr. D. Grena de Iough (2) | 11. Mr. G. Condicas | 17. Mr. F. F. Foster |
| 6. Mr. D. Sommers (2) | 12. Files | 18. Mr. F. T. Shull |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held on Friday, December 28, 1951
at 10:30 a.m., in Room 1005

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1. Present:

Mr. Eugene R. Black
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. H. W. Riley
Mr. A. Broches
Mr. G. Gendicas, secretary

In attendance:

Mr. P. Acheson
Mr. A. G. Burland
Mr. L. Canale
Mr. F. A. Consolo
Mr. C. H. Davies
Mr. J. V. Fletcher
Mr. F. M. Oppenheimer
Mr. E. W. Rembert

Mr. M. H. Rosen
Mr. O. A. Schmidt
Mr. A. D. Spottswood
Mr. J. Toris
Mr. G. Trancart
Mr. A. Waterston
Mr. C. H. Zondag

2. Peru - Port of Callao

The Committee considered Loan Director's Memorandum SIC/O/414, "Peru - Port of Callao Project," and the drafts attached thereto and

APPROVED

these documents with certain minor changes and

AGREED

that the proposed loan for the Republic of Peru for the financing of the Port of Callao Project should have a term of 15 years and an interest rate of 4-1/2%.

3. Mexico - Second Loan for CFE's Projects

The Committee also considered Loan Director's Memorandum SIC/O/416 and the drafts attached thereto and

APPROVED

these documents with minor changes.

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