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THE WORLD BANK

Washington, D.C.

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The World Bank

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Washington DC 20433

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1850539
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China - 1950 to 1979 - Correspondence - Lester Nurick

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CHINA

Statement of Loans

1. Memorandum from Lester Nurick to LIC, dated January 24, 1979
2. Memorandum from Lester Nurick to Files, dated February 28, 1974, concerning Republic of China - Proposed Settlement of Accounts

Draft, dated February 28, 1974, Agreement for the Settlement of Accounts between the IBRD, IDA & IFC & The Republic of China

3. Representation of China
SecM73-763, December 18, 1973, from The Secretary

Statement by Mr. McNamara at the Executive Session of December 18, 1973

4. ^{/*} Memorandum from Denis Rickett to Mr. McNamara, dated December 5, 1973, Representation of China

Memorandum (draft), dated December 5, 1973, entitled China, prepared by Legal Department setting out lines on which a settlement might be reached with the Govts. of the People's Republic of China and of the Republic of China.

Memo dtd 11/5/73 re. mtg at Bank/Fund office in UN on 11/2/73
with representatives of PRC.

5. Representation of China, Certain Issues
draft, dated October 25, 1973, prepared by Lester Nurick
6. Representation of China - President's Memorandum - dated October 12, 1973
R73-240, dated October 12, 1973, from The Secretary

Position of China in the World Bank Group - Appendix A
summarizing the more important aspects of the relationship between China and the Bank group

Letter, dated September 25, 1972 (translation) of the Govt. of the People's Republic of China to the Secretary-General of the UN, stating the position of that Govt. in respect of certain multilateral treaties entered into by the Chinese authorities before & after October 1, 1949.
Appendix B

Aide Memoire, dated December 7, 1971 - Appendix C
signed by Martin Wong & Raymond J. Goodman

7. Draft, dated October 4, 1973, prepared by Piero Sella
8. Membership of China
SecM73-589, October 1, 1973, from The Secretary

Cable from the Minister of Foreign Affairs of the People's Republic of China, dated September 24, 1973 - Attachment I

Mr. McNamara's reply, dated September 26, 1973 - Attachment II

9. Aide Memoire, dated December 7, 1971, signed by Martin Wong and Raymond J. Goodman
10. Cables (2) from Peking, dated October 11, 1950 and August 29, 1950

^{/*} Memo from Denis Rickett, dtd 12/12/73, re. mtg. with Martin Wong.

U.S. Banks Continue to Fund Programs For Taiwan but Legal Questions Remain

By SETH LIPSKY and DIANE YING
Special to THE WALL STREET JOURNAL

American banks are pressing ahead with major funding programs for Taiwan despite U.S. recognition of China. But some problems need to be sorted out.

Since President Carter announced Dec. 15 that the U.S. was ending formal diplomatic ties with Taiwan, the Nationalist government in Taipei has quietly received offers of major funding from U.S. and other foreign banks. Richard Chi, who heads the Monetary Affairs Department at Taiwan's Finance Ministry, says he has been assured that Taiwan will have "no difficulty at all" in putting the loans together. "The terms and conditions," he adds, "are as good as before."

While legal questions appear to be slowing some final loan agreements, Chase Manhattan Bank signed an accord Wednesday to loan \$16 million to help finance expansion projects at Yue Loong Motor Co., Taiwan's No. 1 car maker. The 5½-year loan carries an interest rate floating at one percentage point above the London interbank offered rate.

Thomas La Monica, Chase's branch manager in Taipei, said the formal loan offer was made after the U.S. announced that it would recognize China.

Still, a host of issues regarding lending to Taiwan remain in dispute, some of which have been outlined in a confidential memorandum to banking clients drawn up by Coudert Brothers, an American law firm with an office in Hong Kong.

Contractual Obligations at Issue

For instance, can contractual obligations be enforced? One question, Coudert says, is whether U.S. recognition of China could "adversely affect" the ability of a lender to invoke the assistance of Taiwan's courts in enforcing judgments obtained in New York courts. Another question is whether the withdrawal of U.S. recognition of Taiwan will, under Taiwan law, affect the lender's ability to initiate legal proceedings against Taiwanese borrowers directly in Taiwanese courts.

Another important enforcement question is whether American banks could effectively claim Taiwan's assets in the U.S. in the unlikely event that Taiwan failed to repay a loan. Part of the problem, Coudert's memo suggests, stems from the possibility that China could assert claims to assets currently held in the U.S. by Taiwan. Banking sources say that Taiwan has already begun moving to put at least some of its assets out of reach of such claims.

A more general question, the Coudert memo indicates, is whether, in a dispute,

Taiwan Starts Operation Of Export-Import Bank

Special to THE WALL STREET JOURNAL

TAIPEI—After more than a year of preparation, Taiwan's Export-Import Bank started operating Thursday. The bank, aimed at facilitating exports and helping upgrade Taiwan's economic structure, is expected to play a key role in developing international economic ties.

With the severance of formal diplomatic relations with the U.S., the bank's president, C. C. Chao, said the agency will find it more difficult to extend its operations overseas. At the same time, he said, the need for the bank to play an active role in strengthening trade and financial relations abroad has become much greater.

The bank's primary objective is to provide medium- and long-term financing for exports of capital equipment, including machinery, ships, cars, and technical services, Mr. Chao said.

American banks would be able to claim Taiwan's foreign-exchange reserves held outside Taiwan. Various assets held offshore by both Taiwan and China were subject to a host of legal disputes when Japan, Britain and France ended recognition of Taiwan and formalized relations with Peking.

A Broader Question

Coudert raises an even broader question: Could a Taiwanese borrower declare that it doesn't have to repay money borrowed from American banks because the U.S. has said it doesn't recognize Taiwan or could Taiwan claim that it doesn't have to stand by its guarantees? "For example," Coudert said, "... could the Republic of China claim that its guaranty obligations have passed to the People's Republic of China as a successor government under U.S. law?"

Answers to these questions are important to Taiwan. Its foreign debt is probably more than \$3.5 billion, including an estimated \$1.1 billion in debt to U.S. commercial banks and about \$1 billion in obligations to the U.S. Export-Import Bank. The government will need hundreds of millions of dollars annually in additional external bank funding in the coming years to finance projects that are either under way or on the drawing boards.

U.S. Proposal on Taiwan Relations Sets Up 'Institute' to Direct Affairs

By BERNARD WEINRAUB

Special to The New York Times

WASHINGTON, Jan. 14— In the aftermath of Washington's decision to sever diplomatic relations with Taipei and establish full ties with Peking, the Administration has drafted legislation on the new type of relationship that the United States seeks with Taiwan's government.

The legislation, which says that all dealings with Taiwan will be conducted under the auspices of a new American Institute in Taiwan, now is being circulated on Capitol Hill and is scheduled to be introduced formally this week.

A Government official said that the legislation provided assurance that the United States would maintain informal diplomatic links to Taiwan as well as economic and some military ties. "We'll give

everything but formal recognition," the official said.

The Carter Administration is planning to place three veteran diplomats in charge of the American Institute in Taiwan, which will assume the functions of the embassy there, Government sources said today.

One of the diplomats is David Dean, a specialist on Asian affairs, who will serve as chief executive of the American Institute. Mr. Dean is a former United States political counselor in Taipei, the Chinese Nationalist capital, and deputy chief of the liaison mission in China, and has close ties to leaders of both governments.

Government sources here said that two

Continued on Page A4, Column 6

LEGISLATION ON TIES WITH TAIPEI DRAFTED

Continued From Page A1

other diplomats would work for Mr. Dean. They are Edwin M. Martin, former United States Ambassador to Argentina, and L. Dean Brown, a former Ambassador to Jordan. All three will serve in Washington, with other officials working in Taipei.

The title given to the new office has led to strenuous objections from officials of the Nationalist regime.

Taiwan officials, in talks with United States officials in recent weeks, strongly objected to the Administration's decision to place all ties under the auspices of an American Institute in Taiwan, reliable reports said. They said that the Nationalists had sought a more formal name, such as United States Mission in Free China or United States Liaison Office in Taipei.

As a nominal private organization, the institute is scheduled to be incorporated tomorrow under the laws of the District of Columbia. Mr. Dean is to be called executive officer. The legislation provides for the Taiwan government to set up a similar "instrumentality" in Washington.

Draft Still Being Revised

The draft legislation, which was completed Friday night and is still being revised, has little precedent in Congress. The draft proposal repeatedly refers to "the people on Taiwan" and avoids mentioning the legally constituted government on the island.

According to the proposal, the phrase "the people on Taiwan" is meant to be interpreted as the government of Taiwan. Whenever any law or regulation "applies to any other country," the draft proposal states, "the same shall apply with respect to the people on Taiwan."

A Congressional aide who has seen the draft proposal said: "Everything will be informal and what we are creating is, in fact, a fiction. It's virtual recognition without being called that."

The legislative draft states that "the people on Taiwan" are entitled to participate in various economic programs set up under United States law, such as the Export-Import Bank, and that military personnel will be able to work for the institute.

"The institute shall be an exempt organization under . . . the Internal Revenue Code and shall not be an agency or instrumentality of the United States," the legislation says. But it adds that "the Secretary of State is authorized to use funds" for the institute for salaries, the purchase of buildings, security and other expenses.

The draft legislation also says that any executive agency is authorized to perform services for the institute.

Administration sources said that Mr. Dean would remain in the United States and work directly with the Nationalist Government's office in Washington. Mr. Martin and Mr. Brown will hold subsidiary roles, serving like "trustees in a bank," meeting once or twice a month, or less often, with Mr. Dean, according to those sources.

The Administration has not yet decided whom to send to Taiwan to work there, on an unofficial basis, but Mr. Dean will be in charge of the overall operation.



Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539	
Document Date 18 December, 1978	Document Type Letter		
Correspondents / Participants			
Subject / Title Re: China			
Exception(s) Attorney-Client Privilege			
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.	
		Withdrawn by Tonya Ceesay	Date 07-Oct-16



Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539		
Document Date 10 January, 1979	Document Type Memorandum			
Correspondents / Participants To: Mr. Lester Nurick From: Louis Forget				
Subject / Title Re: China and Democratic Kampuchea - IMF Allocation of SDRs				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Tonya Ceesay</td><td>Date 07-Oct-16</td></tr></table>	Withdrawn by Tonya Ceesay	Date 07-Oct-16
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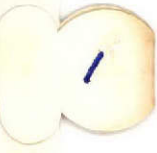


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STATEMENT OF LOANS
August 31, 1979





Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539		
Document Date 24 January, 1979	Document Type Memorandum			
Correspondents / Participants To: Legal Information Center From: Mr. Lester Nurick				
Subject / Title Re: China				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Tonya Ceesay</td><td>Date 07-Oct-16</td></tr></table>	Withdrawn by Tonya Ceesay	Date 07-Oct-16
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Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539		
Document Date 28 February, 1974	Document Type Memorandum			
Correspondents / Participants To: Files From: Mr. Lester Nurick				
Subject / Title Re: Republic of China - Proposed Settlement of Accounts				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Tonya Ceesay</td><td>Date 07-Oct-16</td></tr></table>	Withdrawn by Tonya Ceesay	Date 07-Oct-16
Withdrawn by Tonya Ceesay	Date 07-Oct-16			

DRAFT

February 28, 1974

AGREEMENT FOR THE SETTLEMENT OF ACCOUNTS BETWEEN THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT,
THE INTERNATIONAL DEVELOPMENT ASSOCIATION AND
THE INTERNATIONAL FINANCE CORPORATION
AND THE REPUBLIC OF CHINA

WHEREAS

1. (a) The Board of Governors of the International Bank for Reconstruction and Development (the Bank) and the International Development Association (IDA) and the Board of Directors of the International Finance Corporation (IFC) (the three institutions hereinafter sometimes being called collectively the World Bank Group) have decided that the Government of the Republic of China does not represent China in the World Bank Group; and

(b) The World Bank Group and the Government of the Republic of China believe it appropriate to enter into an agreement providing for a settlement of accounts between them on the terms set forth below:

NOW THEREFORE it is agreed as follows:

Section I

The Bank

2. The Republic of China and the Bank have entered into several Loan and Guarantee Agreements providing for loans (the Loans) by the Bank for projects located in Taiwan. A statement of the Loans is set forth in Annex A.
3. The Bank confirms that, in accordance with and subject to the provisions of the said Loan Agreements, it will continue to disburse the amounts to be provided thereunder.
4. The Republic of China confirms that it continues to remain liable for the payment of the principal, interest and other charges due under the said Loan and Guarantee Agreements and to remain obligated to comply with all its other obligations contained therein.
5. The Republic of China will specially secure the repayment of the amount outstanding from time to time under the said Agreements in excess of the amount outstanding thereon on November 1, 1971 (such excess amount being hereinafter called the Net Disbursed Amount) by effecting the arrangements set forth in Annex B.
6. It will be recorded that the Republic of China no longer holds shares of the capital stock of the Bank.
7. The Bank will
 - (a) cancel its holdings of notes of the Republic of China totalling [presently NT\$2,574,548,086], held on deposit with the Central Bank of China in Taipei, being the promissory notes delivered by the Republic of China on account of the 18% portion of the Republic of China's subscription payable in local currency and not released to the Bank for lending; and

(b) subject to paragraph 8 below, pay to the Republic of China (i) the amount held in the form of cash and derived from the 18% portion of the Republic of China's subscription [presently NT\$75,658.08], and (ii) the amount outstanding in the aggregate on loans made out of the 18% portion of the Republic of China's subscription released by the Republic of China for lending by the Bank in NT dollars [presently NT\$519,660,342], such payment to be made as and when such amounts are repaid to the Bank by its borrowers or are written off.

8. Any amount payable by the Bank under paragraph 7(b) above will be withheld as long as the Republic of China remains liable to the Bank, as borrower or guarantor, under the Loan and Guarantee Agreements, and such amount may, at the option of the Bank, be applied to any such liability as it matures.

9. The Republic of China will grant to the Bank, until all payments contemplated by this Section I have been made, rights, privileges and immunities corresponding to those enjoyed by the Bank under its Articles of Agreement and, in particular, agrees not to impose restrictions on the use or exchange by the Bank for other currencies of its holdings of New Taiwanese dollars representing Bank earnings, including amounts representing earnings on loan to Bank borrowers repayable in New Taiwanese dollars.

10. Except as otherwise provided in this Agreement, neither the Republic of China nor the Bank will have any further liability to the other. In particular, the Republic of China will not be subject to the liability imposed on withdrawing members by the provisions of Article VI, Section 4(c)(iv) of the Articles of Agreement of the Bank.

11. Whenever it shall be necessary for the purposes of this Section I of this Agreement to determine the value of one currency in terms of another, such value shall be as reasonably determined by the Bank.

12. This Agreement shall supersede and take the place of the agreement between the Republic of China and the Bank as recorded in the Aide Memoire dated December 7, 1971 signed by Martin Wong, Special Assistant to the Ambassador of the Republic of China in Washington, D. C. and Raymond J. Goodman, Director, East Asia and Pacific, Bank.

Section II

IDA

13. IDA will cancel its holdings of notes of the Republic of China totalling NT\$1,302,353,458, held on deposit with the Central Bank of China in Taipei, being the notes delivered by the Republic of China on account of the 90% portion of the Republic of China's original subscription to IDA payable in local currency and on account of its additional subscription under the Third Replenishment of the resources of IDA.
14. The Republic of China and IDA have entered into several Credit Agreements providing for the making of credits (the Credits) by IDA for projects located in Taiwan. A statement of the Credits is set forth in Annex C. The Republic of China confirms that it continues to remain liable for the payment of the principal and charges due under the Credits in accordance with the terms of the respective Credit Agreements between IDA and the Republic of China and to remain obligated to comply with all its other obligations contained therein.
15. Subject to paragraph 16 below, IDA will pay to the Republic of China US\$1,526,000, being the equivalent of the net amount paid by the Republic of China on account of the 10% portion of the original subscription of the Republic of China repayable in gold or US dollars when it accepted membership in IDA in 1960.
16. Any amount payable by IDA under paragraph 15 above will be withheld as long as the Republic of China remains liable as borrower to IDA under the said Credit Agreements and such amount may, at the option of IDA, be applied to any such liability as it matures.
17. The Republic of China will grant to IDA, until all payments contemplated by this Section II have been made, rights, privileges and immunities corresponding to those enjoyed by IDA under its Articles of Agreement.

18. Except as otherwise provided in this Agreement, neither the Republic of China nor IDA will have any further liability to the other.

19. Whenever it shall be necessary for the purposes of this Section II of this Agreement to determine the value of one currency in terms of another, such value shall be as reasonably determined by IDA.

Section III

IFC

20. IFC will return to the Republic of China the full amount of the subscription paid by it, i.e. US\$4,154,000. It will be recorded that the Republic of China no longer holds shares of the capital stock of IFC.
21. The Republic of China will grant to IFC, with respect to IFC's investments in Taiwan, rights, privileges and immunities corresponding to those enjoyed by IFC under its Articles of Agreement; and the Republic of China will continue to honor all undertakings given to IFC, e.g. as regards repatriation of monies derived by IFC from its investments.
22. Except as otherwise provided in this Agreement, neither the Republic of China nor IFC will have any further liability to the other; in particular, the Republic of China will not be subject to the liability imposed on withdrawing members by the provisions of Article V, Section 4(c)(iii) of the Articles of Agreement of IFC.

Section IV

Effectiveness

23. This Agreement shall not come into effect until the Republic of China shall have, to the satisfaction of the Bank, made the arrangements and furnished the documentation to be made or furnished under Section I, paragraph 5 and Annex B of this Agreement.

24. As soon as the said event shall have occurred, the Bank on behalf of the World Bank Group shall so notify the Republic of China at [address] and thereupon this Agreement shall come into force and effect.

PLEDGE

1. The Republic of China will secure the repayment of the amount outstanding from time to time under the several Loan and Guarantee Agreements between the Republic of China and the Bank (as set forth in Annex A) in excess of the amount outstanding on November 1, 1971 (such excess amount being hereinafter called the Net Disbursed Amount) by pledging, in the manner set forth below, to the Bank or to its nominee bonds of the Bank having a Market Value (as below defined) equivalent to the Net Disbursed Amount. / For that purpose the Republic of China will deliver to an institution agreed to by the Bank (hereinafter called the Depository) bonds of the Bank pursuant to a Letter of Instructions to the Depository in a form to be agreed with the Bank and the Depository.

2. The Republic of China and the Bank shall each take such steps as may be necessary to assure that, as nearly as may be, from the effective date of this Agreement and quarterly thereafter the aggregate Market Value of all Bank bonds pledged hereunder and delivered to the Depository shall be equivalent to the then Net Disbursed Amount. From time to time the Republic of China shall deliver all such additional Bank bonds, and the Bank shall cause to be released from pledge hereunder all such Bank bonds, as shall be necessary for such purpose.

3. The Republic of China reserves the right to substitute for any of the pledged bonds other bonds of the Bank of equal Market Value.

4. Bonds of the Bank to be pledged or substituted hereunder shall be denominated in US dollars (or in such other currency and on such other terms as shall be agreed by the Bank). If any of the bonds so to be delivered shall be registered bonds, the

/ At [date of this Agreement or nearest convenient date] the Net Disbursed Amount was the equivalent of US\$ _____.]

AMT OF LOANS HELD BY BANK MINUS \$109 M.

Republic of China shall cause the same to be duly endorsed in blank for transfer, with such signature guarantees as may be deemed necessary by the Bank; but, subject to the provisions of paragraph 8 hereof, no transfer of record title of any of the pledged bonds shall be made by the Bank except with the consent in writing of the Republic of China.

5. For the purpose of this Agreement, the Market Value of any bonds delivered and pledged hereunder shall be, on the date of such valuation, either, (a) the bid price quoted for such bonds on a securities exchange, or (b) if there is no such bid price, a representative current bid price quoted in the over-the-counter market by dealers making a market for such bonds, or (c) if there is neither of such prices, then at such value as the Bank shall reasonably determine based on prevailing interest rates for comparable bonds of the Bank of comparable remaining maturity.

6. Pending the delivery and pledging of bonds hereunder, the Republic of China may from time to time hold US dollars on deposit with the Depository. Such US dollars on deposit will be subject to the pledge provided herein and regarded, for all purposes hereunder, as equivalent to pledged bonds with a Market Value equal to the amount of such deposit.

7. Subject to the provisions of paragraph 8 hereof, no rights of ownership to the pledged bonds shall be exercised by the Bank, and the Republic of China shall have and enjoy all rights arising out of ownership of the pledged bonds, including, but not limited to, the right to receive all interest, premiums and principal payments made upon or in respect of such bonds as though such bonds were not subject to this pledge.

8. In the event of a default in any payment required to be made under any of the Loans, which default shall not have been cured by the Republic of China or waived by the Bank within sixty (60) days thereafter, the Bank directly or acting through the Depository shall have the right to transfer into its name or into the name of its nominee and to sell, assign, collect and convert into money and deliver at public or private sale without demand, advertisement or notice of the time or place of sale or of any adjournment thereof, which are hereby expressly waived, such amount of the pledged bonds (selected by the Bank) as the Bank shall deem to be required for the payment of all expenses of such sale or sales and for the payment of principal, interest and all other charges outstanding and unpaid (whether on original maturity or on acceleration thereof) under any of the Loans. After deducting such expenses and applying the residue of proceeds of such sale or sales to the payment of such principal and interest and all other charges, the Bank shall return the excess, if any, to the Republic of China.
9. Whenever the Net Disbursed Amount shall become zero, the Bank shall release or cause to be released from pledge and shall deliver or cause to be delivered to the Republic of China any remaining bonds pledged hereunder and the pledge agreement set forth herein shall terminate.
10. Delivery of any bond or coupon to the Republic of China pursuant hereto shall be made at the office of the Bank or of the Depository or at such other place as the Republic of China and the Bank may agree.
11. The Republic of China shall pay all transfer taxes and expenses in connection with or arising out of this Agreement, including all expenses in connection with the administration, supervision, preservation and protection of or realization on default upon the pledged bonds.

3

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Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539		
Document Date 18 December, 1973	Document Type Board Record			
Correspondents / Participants To: Executive Directors and Alternates, President, Senior VPs From: The Secretary				
Subject / Title Representation of China				
Exception(s)				
Additional Comments Declassification review of this record may be initiated upon request.		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website. <table border="1"><tr><td>Withdrawn by Tonya Ceesay</td><td>Date 07-Oct-16</td></tr></table>	Withdrawn by Tonya Ceesay	Date 07-Oct-16
Withdrawn by Tonya Ceesay	Date 07-Oct-16			

4

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Copy for the Newark

Handwritten mark

JAN - 7 1977

Dear Sir:

I acknowledge receipt of the cable which you sent to me on September 30, 1976. Your cable has been made available to the Executive Directors of the International Monetary Fund, who have considered it carefully and sympathetically and have authorized this reply.

The Executive Directors wish to resolve the matter of representation on this as on all other occasions on which it has arisen in an equitable and satisfactory manner and in accordance with the Fund's Articles of Agreement. The Executive Directors feel that they are not in a position to take such action without knowing the full intentions of the Government of the People's Republic of China.

It was in order to give any desired explanation of what is involved in representation, and to seek clarification of your Government's intentions in connection therewith, that a senior official of the International Monetary Fund participated in an approach to the Ambassador of your Government at the United Nations in New York in November 1973. That approach was made in a positive spirit, which continues to be the spirit in which the Executive Directors view the matter.

I wish to express the willingness of the International Monetary Fund to engage in any further discussions with your Government that it may desire. These discussions can be held at whatever time and place are convenient to your Government. I look forward to a positive response from you.

With best wishes,

Sincerely yours,

H. Johannes Witteveen
Managing Director

Mr. Chen Msi-Yu
President of the People's
Bank of China
Peking, China

I have not been notified the cable. (IMF) and let a copy.



Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539
Document Date 12 December, 1973	Document Type Correspondence	
Correspondents / Participants		
Subject / Title China		
Exception(s) Prerogative to Restrict		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		Withdrawn by Tonya Ceesay
		Date 07-Oct-16



Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539		
Document Date 07 December, 1973	Document Type Aide Memoire			
Correspondents / Participants Martin Wong, Raymond J. Goodman				
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Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539		
Document Date 12 October, 1973	Document Type Board Paper			
Correspondents / Participants To: Executive Directors and Alternates, President, Senior VPs From: The Secretary				
Subject / Title Re: Representation of China				
Exception(s) Prerogative to Restrict				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Tonya Ceesay</td><td>Date 07-Oct-16</td></tr></table>	Withdrawn by Tonya Ceesay	Date 07-Oct-16
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Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539		
Document Date 04 October, 1973	Document Type Letter			
Correspondents / Participants Legal Department				
Subject / Title China				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Tonya Ceesay</td><td>Date 07-Oct-16</td></tr></table>	Withdrawn by Tonya Ceesay	Date 07-Oct-16
Withdrawn by Tonya Ceesay	Date 07-Oct-16			

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Record Removal Notice



File Title China - 1950 to 1979 - Correspondence - Lester Nurick		Barcode No. 1850539		
Document Date 01 October, 1973	Document Type Board Record			
Correspondents / Participants To: Executive Directors and Alternates, President, Senior Vice President, Operations From: The Secretary				
Subject / Title Re: Membership of China				
Exception(s) Attorney-Client Privilege				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"><tr><td>Withdrawn by Tonya Ceesay</td><td>Date 07-Oct-16</td></tr></table>	Withdrawn by Tonya Ceesay	Date 07-Oct-16
Withdrawn by Tonya Ceesay	Date 07-Oct-16			

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RECEIVED

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Secretary's Memorandum No. 601

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

October 11, 1950

FROM: THE SECRETARY

CABLE FROM PEOPLE'S BANK OF CHINA

The following cable was received by the Bank. It is not intended to reply:

"ON AUGUST 26th 1950, H.E. CHOU EN-LAI, MINISTER FOR FOREIGN AFFAIRS OF THE CENTRAL PEOPLE'S GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA, HAS INFORMED YOU THAT THE CENTRAL PEOPLE'S GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA IS THE SOLE LEGAL GOVERNMENT REPRESENTING THE CHINESE PEOPLE, AND THAT THE SO-CALLED "DELEGATES" OF THE CHINESE KUOMINTANG REACTIONARY REMNANT CLIQUE HAVE NO LONGER ANY QUALIFICATION FOR PARTICIPATING IN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, AND MUST BE DRIVEN OUT FROM ITS VARIOUS ORGANS AND MEETINGS. ACCORDINGLY, I AM AUTHORIZED BY THE CENTRAL PEOPLE'S GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA TO INFORM YOU THAT ALL OF CHINA'S PROPERTY AND RIGHTS AND INTERESTS IN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT BELONG TO THE CHINESE PEOPLE, CONSEQUENTLY ONLY THE PEOPLE'S BANK OF CHINA, THE STATE BANK OF PEOPLE'S REPUBLIC OF CHINA, HAS THE LEGAL RIGHT TO DISPOSE OF THE PORTION OF SUBSCRIBED CAPITAL PAID IN BY CHINA AND ALL OTHER CHINESE PROPERTY AND RIGHTS AND INTERESTS IN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT MUST BEAR THE ENTIRE RESPONSIBILITY FOR KEEPING INTACT THE ABOVEMENTIONED PAID PORTION OF CHINESE CAPITAL AND ALL OTHER PROPERTY AND RIGHTS AND INTERESTS. ANY DISPOSAL OF THEM WILL BE NULL AND VOID. THE PEOPLE'S BANK OF CHINA RESERVES THE RIGHT TO RECOVER THE LOSSES ARISING FROM ANY ILLEGAL DISPOSAL.

PLEASE NOTE AND TRANSMIT THE SAME TO ALL PARTIES CONCERNED.

NAN HAN-CHEN, GOVERNOR OF THE
PEOPLE'S BANK OF CHINA, PEKING
OCTOBER 10, 1950"

Distribution

Executive Directors and Alternates
President
Vice President
Department Heads
Secretary, International Monetary Fund

cc: 5-6

COPY

Secretary's Memorandum No. 590

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

August 29, 1950

FROM: The Acting Secretary

CABLE FROM PEKING

The following cable has been received:

Date of Wire: August 26, 1950

To: Mr. Eugene R. Black
International Bank for Reconstruction
and Development

From: Peking

Text:

THE CENTRAL PEOPLES GOVERNMENT OF THE PEOPLES REPUBLIC OF CHINA IS THE SOLE LEGAL GOVERNMENT REPRESENTING THE CHINESE PEOPLE. IN THE NAME OF THE CENTRAL PEOPLES GOVERNMENT OF THE PEOPLES REPUBLIC OF CHINA I NOW INFORM YOU FORMALLY THAT THE SOCALLED "DELEGATES" OF THE CHINESE KUOMINTANG REACTIONARY REMNANT CLIQUE HAVE NO LONGER ANY QUALIFICATION FOR PARTICIPATING IN THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND MUST THEREFORE BE DRIVEN OUT FROM ITS VARIOUS ORGANS AND MEETINGS INCLUDING THE FIFTH ANNUAL SESSION OF ITS BOARD OF GOVERNORS TO BE HELD IN PARIS ON SEPTEMBER 6th THIS YEAR. PLEASE NOTE AND REPLY BY CABLE AND TRANSMIT THE SAME TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND ALL OTHER PARTIES CONCERNED.

CHOU EN-LAI MINISTER OF FOREIGN AFFAIRS OF THE CENTRAL PEOPLES GOVERNMENT OF THE PEOPLES REPUBLIC OF CHINA, PEKING

Distribution:

- Executive Directors and Alternates
- President
- Vice President
- Department Heads