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THE WORLD BANK

Washington, D.C.

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Loan Committee - Minutes - 1952

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held at 2:30 p.m., Monday, January 7, 1952, in Room 1005.

1. 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

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In attendance:

Mr. A. Basch
Mr. S. R. Cope
Mr. J. C. de Wilde
Mr. J. V. Fletcher
Mr. J. Grauman
Mr. N. Paterson
Mr. E. W. Rembert

Mr. H. B. Ripman
Mr. M. M. Rosen
Mr. B. P. Spiro
Mr. D. Stephens
Mr. A. Stevenson
Mr. M. Verheyen

2. Finland - Mission Report

The Committee considered Loan Director's Memorandum SLC/O/418 - "Finland, Operational Report of the Bank Mission" and

APPROVED

the recommendations of the Mission to Finland but suggested that the Bank should be satisfied at an early stage that the necessary equipment is available for the land clearing, drainage and forest roads project. If not, financing of this project should not be undertaken and the full amount of \$20 million should be equally divided between the power and woodworking projects.

3. Iraq

The Committee also considered Loan Director's Memorandum SLC/O/415, "Middle East Development Bank" and agreed to continue discussion on this subject at a future meeting. The consideration of Loan Director's Memoranda SLC/O/406, "Iraq - Question of Partial Cancellation of the Wadi Tharthar Loan" and SLC/O/408, "Iraq" was postponed for a future meeting.

4. The meeting adjourned at 4 p.m.

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting, held January 15, 1952, at 9:30 a.m.
in Room 1005

1. Present:

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

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In attendance:

Mr. J. H. Adler
Mr. R. W. Cavanaugh
Mr. F. A. Consolo
Mr. S. R. Cope

Mr. J. V. Fletcher
Mr. M. M. Rosen
Mr. O. A. Schmidt
Mr. R. A. Wheeler

2. Guatemala

The Committee considered Technical Assistance and Liaison Director's Memorandum SLC/O/420, "Request from the Government of Guatemala for the Services of a Geologist to Assist Electrification Commission" and

APPROVED

the recommendations contained therein.

3. Nicaragua

The Committee also considered Technical Assistance and Liaison Director's Memorandum SLC/O/422 "Nicaragua: Visit of Mr. Camacho and Successor to Mr. Clark" and

AGREED

that if requested by the Nicaraguan Government to continue to have a special representative in Nicaragua for another year, the Bank should agree to do so.

4. Acquisition of Non-Dollar Member Currencies

The Committee also considered a memorandum on the "Acquisition of Non-Dollar Member Currencies" prepared by a Working Party under the Chairmanship of Mr. Cavanaugh and

APPROVED

the recommendations of the Working Party contained therein and suggested that the Bank should explore additional ways of obtaining non-dollar member currencies for its lending operations.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held January 14, 1952 at 2:30 p.m.,
in Room 1005

1. Present:

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

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In attendance:

Mr. A. Broches
Mr. S. R. Cope
Mr. J. V. Fletcher
Mr. A. M. Kamarck
Mr. F. M. Oppenheimer

Mr. M. M. Rosen
Mr. J. Rucinski
Mr. A. D. Spottswood
Mr. R. A. Wheeler

2. Southern Rhodesia

The Committee considered Loan Director's Memorandum SLC/O/421, "Southern Rhodesia - Mission Report" and the documents attached thereto and

APPROVED

the recommendations contained in the Operational Report but suggested that the Bank should not refer at this stage to the possibility of its participation in the financing of the Kariba Gorge hydroelectric project.

3. Pakistan

The Committee also considered Loan Director's Memorandum SLC/O/419, "Pakistan" and the two letters of Mr. Iliff to the Pakistani Minister of Finance attached thereto and

APPROVED

these documents but suggested that the proposal of the Pakistani Government that the Bank should assist it to obtain financial and economic advisers should not be discussed before the return of Mr. Iliff.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, January 21, 1952
at 10:30 a.m., in Room 415.

1. Present

Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. A. Broches
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. E. de Vries	Mr. G. L. Sandelin
Mr. E. Franco	Mr. O. A. Schmidt
Mr. C. Flesher	Mr. J. Torfs

2. Chile - Paper and Pulp Project

The Committee considered Loan Director's Memorandum SLC/O/425, "Chile: Paper and Pulp Project" and the documents attached thereto, and

AGREED

- (a) that provided the economic and technical aspects of the project are satisfactory, the Bank would be prepared to negotiate a loan for the larger of the two new alternative projects submitted by the proposed borrower; but noted that the total cost of this project might be reduced moderately by the elimination of certain equipment not essential to the project.
- (b) that interest during construction should not be financed by the Bank but that the company should provide the pesos necessary for its payment and the Chilean Government should make available the necessary foreign exchange.
- (c) that the Chilean Government should again be informed that the Bank is very concerned with the country's economic situation; and that unless measures to stabilize the economy are adopted, lending by the Bank to Chile during 1952 and 1953 would be limited to about the amount of Chilean debt amortized during this period.

3. Statutory Loan Committee

The Committee agreed to postpone discussion of Mr. Sommers' memorandum on the above subject for a future date.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting, held Wednesday, January 23, 1952
at 10:00 a.m. in Room 1005.

1. Present:

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

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In attendance:

Mr. A. Basch	Mr. E. W. Rembert
Mr. A. Broches	Mr. H. B. Ripman
Mr. E. E. Clark	Mr. M. M. Rosen
Mr. J. C. de Wilde	Mr. J. Rucinski
Mr. W. D. S. Fraser	Mr. B. P. Spiro
Mr. W. Koster	Mr. J. A. Villechaise
Mr. M. F. Perkins	Mr. R. A. Wheeler

2. India

The Committee considered oral reports by Messrs Koster and Basch on India and agreed to discuss the Indian situation again after the preparation of the Mission's report.

3. Iraq

The Committee also considered Loan Director's Memorandum SLC/O/426, "Iraq," and

AGREED

- (a) that the Bank should discuss with the British authorities the advisability from the sterling area's and Iraq's point of view of not cancelling the non-dollar component of the Wadi Tharthar loan; and
- (b) that if such cancellation should take place, the Bank should be prepared to consider a dollar loan to Iraq to finance the dollar cost of a number of projects within the scope of Iraq's development program.

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Thursday, January 24, 1952
at 3:30 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. A. Broches
Mr. G. Gondicas, Secretary

In attendance:

Mr. L. Cancio
Mr. W. Diamond
Mr. J. V. Fletcher
Mr. W. Koster
Mr. M. M. Rosen

Mr. M. Ross
Mr. J. F. Smythe
Mr. A. Stevenson
Mr. R. A. Wheeler

2. Turkey

The Committee considered Mr. Iliff's Memorandum SLC/O/427 "Turkey" and the documents attached thereto and

APPROVED

the recommendations contained therein, and

AGREED

- (a) that an oral report on the Turkish situation should be made to the Board of Directors at the first convenient opportunity; and
- (b) that the Board should be told of the Management's intention to inform the Turkish Government of the Bank's readiness to consider in principle the Seyhan Dam project for Bank financing, and that the Turkish Government should be invited to send technicians to Washington without delay, to discuss details of the project with the Bank's technical staff, with a view to negotiating a loan agreement.

Distribution

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

M. S. Hoar

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Minutes of Staff Loan Committee Meeting, held January 30, 1952 at 10 a.m.
in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. A. Broches
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. E. G. Burland
Mr. S. R. Cope
Mr. J. Fajans
Mr. J. V. Fletcher
Mr. M. L. Lejeune

Miss V. Morsey
Mr. E. W. Rembert
Mrs. C. Ryshpan
Mr. A. Stevenson
Mr. G. M. Street

2. Netherlands-KLM

The Committee considered SLC/O/429, draft President's Recommendations to the Executive Directors Concerning a Loan to KLM; Project Memorandum SLC/O/428, Royal Dutch Airlines Project - Netherlands; Economic Report E-203, Creditworthiness of the Netherlands; and draft Loan and Guarantee Agreements and other related legal documents, and

APPROVED

all the above documents with certain minor changes and agreed that an interest rate of 4-1/8% would be appropriate for the proposed Bank loan to KLM.

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

Distribution

1. Mr. Eugene R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. A. S. G. Hoar
5. Mr. D. Sommers (2)
6. Mr. L. B. Rist (2)
7. Mr. D. Crena de Iongh (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. N. Graves
14. Mr. M. M. Rosen
15. Mr. S. R. Cope
16. Mr. M. L. Lejeune
17. Mr. J. Fajans
18. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee held Friday, February 1, 1952
at 11:15 a.m. in Room 1005.

1. Present:

Mr. R. L. Garner
Mr. A. S. G. Howr
Mr. D. Sommers
Mr. D. Crema de Iough
Mr. H. M. Rosen
Mr. G. Condicas, Secretary

In attendance:

Mr. A. Basch
Mr. E. E. Clark
Mr. W. Kluss
Mr. W. Koster

Mr. G. Polit
Mr. E. W. Rembert
Mr. A. M. Saltzoff
Mr. G. H. Street

2. Pakistan - Railway Project

The Committee considered Loan Director's Memorandum SLC/0/433 - Pakistan - Railway Project, and

APPROVED

the Loan Director's recommendation that the term of the proposed railway loan to Pakistan should not exceed 15 years, and

AGREED

that if the Pakistanis would so request, the Bank should be prepared to increase the amount of the proposed loan by \$2.5 million in order to finance the import into Pakistan of nine additional diesel locomotives.

3. The meeting adjourned at 11:45.

Distribution

1. Mr. Eugene R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. A. S. G. Howr
5. Mr. D. Sommers (2)
6. Mr. L. B. Rist (2)
7. Mr. D. Crema de Iough (2)
8. Mr. R. H. Demuth
9. Mr. R. A. Hecker

10. Mr. E. G. Burland
11. Mr. G. Condicas
12. Files
13. Mr. H. N. Graves
14. Mr. H. M. Rosen
15. Mr. W. Koster
16. Mr. J. Spinski
17. Mr. W. Kluss
18. Mr. P. F. Foster

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Mr. Hoar

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held February 4, 1952 at
10 a.m. in Room 1005

1. Present

Mr. W. A. B. Cliff
Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. D. H. Connor
Mr. S. R. Cope
Mr. A. M. Kamarek

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

2. Southern Rhodesia

The Committee considered Loan Director's Memorandum SLC/O/434, Southern Rhodesia; SLC/O/431, Draft Report and Recommendations of the President to the Executive Directors concerning a Loan to Southern Rhodesia; L-156, Technical Report of the Southern Rhodesia Power Expansion Project; and the relative draft Loan and Guarantee Agreements, and

APPROVED

these documents with certain changes and agreed

- a) that the Bank could not consent to any limitation of its right to dispose of bonds in its portfolio;
- b) that the Bank should not at this time request the inclusion in the proposed guarantee agreement of the standard clause concerning the submission to the Bank by the ~~Bank~~ ^{Guarantor} of information on the latter's financial and economic conditions and its international balance of payments position; but that the Bank should state in a letter to the Guarantor that it is the Bank's understanding that the guarantee agreement in its present form confers upon the guarantor the obligation to provide to the Bank such information; and that in future Bank loans to United Kingdom dependencies, the Bank would expect to have included in the relative guarantee agreements the standard clause providing for the submission of such information. 1/
- c) that if the Bank's present proposals were not accepted, the Bank would inform the United Kingdom that it would feel free to reopen the question of the text of the negative pledge and information covenants.

3. Interest Rates on Loans

Mr. Crena de Iongh's memorandum on the above subject was considered and approved with certain changes at a Staff meeting on Thursday, January 31, 1952.

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

Note 1/.

It was subsequently agreed that the letter referred to above would take the form of the standard letter asking for economic information and that the policy in relation to future loan agreements would be mentioned verbally to the negotiator for the Guarantor.

Distribution

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held at 11:00 a.m., February 5, 1952
in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. A. Broches
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. A. Basch
Mr. D. F. Fontein
Mr. W. D. S. Fraser
Mr. W. Koster

Mr. M. F. Perkins
Mr. E. W. Rembert
Mr. H. B. Ripman
Mr. R. A. Wheeler

2. India

The Committee considered Loan Director's Memorandum SLC/O/435, "India" and the documents attached thereto and

APPROVED

the recommendations included in the operational report of the Mission to India and

AGREED

- a) that the Bank should be prepared to make loans to India during the year 1952/53 aggregating \$60-70 million to cover the foreign exchange cost of selected projects within India's five-year development program; and
- b) that a cable be sent to Mr. Black informing him of the above decision and explaining to him the background against which it was taken.

3. The meeting adjourned at 1:15 p.m.

Distribution

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

STAFF LOAN COMMITTEE

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Minutes of SLC Meeting held Wednesday, February 6, 1952 at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hour
Mr. D. Sommers
Mr. D. Cress de Lough
Mr. H. M. Rosen
Mr. G. Gendican, Secretary

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WBG ARCHIVES

In attendance:

Mr. C. H. Davies
Mr. C. de Beaufort
Mr. W. L. Jago

Mr. A. Manero (consultant)
Mr. G. L. Martin
Mr. I. Reynolds

2. Mexico - Refunding Plan

The Committee considered Assistant ^{to the} Economic Director's Memorandum SLC/O/432, Mexican Debt Refunding Plan, and the documents attached thereto, and

AGREED

- a) that the "Draft Memorandum Re: Public External Debt of Mexico" should be revised so as to leave out any reference to the suggested Pilot Refunding Issue;
- b) that the revised draft should be submitted to the Bank of Mexico for review and comments prior to the submission of a formal report to the Mexican Government; and
- c) that the Bank should recommend to the Mexican Government that before it offers publicly any refunding plan, it should authorize the Bank to consult representatives of bondholders and other interested parties about the details of such plan and the best market approach.

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

Distribution

1. Mr. Eugene R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. A. S. G. Hour
5. Mr. D. Sommers (2)
6. Mr. L. E. Rist (2)
7. Mr. D. Cress de Lough (2)
8. Mr. R. H. Demuth
9. Mr. R. A. Wheeler
10. Mr. E. G. Burland

11. Mr. G. Gendican
12. Files
13. Mr. H. H. Graves
14. Mr. H. M. Rosen
15. Mr. W. Kester
16. Mr. C. A. Schmidt
17. Mr. F. A. Console
18. Mr. C. H. Davies
19. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee held February 12, 1952 at 2:30 p.m.
in Room 1005

1. Present:

Mr. W. A. B. Liff
Mr. D. Sommers
Mr. R. H. Demuth
Mr. W. Koster
Mr. M. M. Rosen
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

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WBG ARCHIVES

In attendance:

Mr. W. B. Blewett (advisor on agri-
culture to Surinam Mission)
Mr. A. Broches
Mr. E. G. Burland
Mr. L. G. Butcher
Mr. C. Flesher
Mr. J. V. Fletcher
Mr. A. M. Kamarck

Mr. M. L. Lejeune
Mr. I. Reynolds
Mr. P. N. Rosenstein-Rodan
Mr. W. C. P. Rutland
Mr. A. Stevenson
Mr. J. Torfs

2. Southern Rhodesia

The Committee considered a cable by Mr. Cope from London on the progress of the negotiations on the proposed Southern Rhodesian loan, and

AGREED

a) as to Amendment of the Investment Plan -

that the Bank agree to the proposal of the U.K. Government that amendments of the Development Plan should be subject to the prior approval of the Guarantor as well as the Borrower and the Bank;

b) as to Access to the U.K. Financial Market -

i) that the Bank agree to the wording of Section 2.02 of the Guarantee Agreement proposed in the cable, viz.: "WHENEVER THERE IS REASONABLE CAUSE TO BELIEVE THAT THE FUNDS AVAILABLE TO THE BORROWER WILL FALL SHORT OF THE FUNDS REQUIRED FOR THE EXECUTION OF THE PLAN AND THE PROJECT DESCRIBED IN SCHEDULE TWO TO THE LOAN AGREEMENT THE GUARANTOR WILL PERMIT THE BORROWER TO BORROW IN THE MARKETS OF THE GUARANTOR THE AMOUNT OF SUCH SHORTFALL IT BEING UNDERSTOOD THAT IN CONSIDERING THE PRECISE TIMING OF SUCH BORROWINGS THE GUARANTOR WILL HAVE TO HAVE REGARD TO THE IMPORTANCE OF MAINTAINING ORDERLY MARKET CONDITIONS;" and

- ii) that in view of the discretion allowed the U.K. in scheduling market operations, a proviso be added to the Loan Agreement specifying that disbursements from the loan account shall not at any time exceed one-tenth of the amount actually expended on the plan;
- c) as to the Information to be supplied by the Guarantor - that Mr. Cope should be instructed to obtain if possible the agreement of the U.K. Government for including the standard "information covenant" in the present Guarantee Agreement. Mr. Cope could be authorized to concede the point in this particular instance, if necessary, but should make it clear to the U.K. authorities that the Bank would ask for the inclusion of the standard "information covenant" in any subsequent Guarantee Agreements.

3. Surinam

The Committee also considered Technical Assistance and Liaison Director's Memorandum - Report of Mission to Surinam, dated February 4, 1952, and

AGREED

that, before any informal presentation of the Mission's Report to the Governments of Surinam and of the Netherlands, the SIC would consider a credit-worthiness report on Surinam with special reference to the importance of bauxite in the Surinam financial and balance of payments picture.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 10. Mr. E. G. Burland |
| 2. Mr. R. L. Garner | 11. Mr. G. Condicas |
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| 6. Mr. L. B. Rist (2) | 15. Mr. S. R. Cope |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. M. L. Lejeune |
| 8. Mr. R. H. Demuth | 17. Mr. N. Paterson |
| 9. Mr. R. A. Wheeler | 18. Mr. L. G. Butcher |
| | 19. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, February 13, 1952
at 11:30 a.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. L. Cancio
Mr. F. A. Consolo
Mr. C. H. Davies
Mr. C. Flesher

Mr. J. V. Fletcher
Mr. P. Pajunen
Mr. O. A. Schmidt

2. Nicaragua - Cement Plant

The Committee considered Loan Director's Memorandum SLC/O/437, "Nicaragua," and the documents attached thereto, and

AGREED

that the Executive Directors should be informed at the earliest opportunity

- a) that the SLC, while believing that the proposed loan for the cement plant project in Nicaragua is justified from the technical and financial points of view, and that it would contribute to Nicaragua's economic development and is within the country's capacity to repay, has not decided whether, as a matter of principle, a Bank loan should be made to a private company under the circumstances of ownership and control peculiar to the Compania Nacional Productora de Cemento, C.A.; and
- b) that before making a recommendation on this subject the SLC would like to have the benefit of the opinion of the Board members.

3. The meeting adjourned at 1:15 p.m.

Note 1. Mr. Sommers asked to be recorded as not being in favor of a Bank loan to the Compania Nacional Productora de Cemento, C.A. because of the circumstances of ownership of this plant.

Note 2. A SLC meeting held on March 6, 1952, agreed that the management, in presenting the matter to the Board for consideration, should recommend that the Bank make a loan for the cement plant, acknowledging at the same time that an unusual situation is created by the circumstances of ownership of the plant, and inviting the Board's reactions.

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held at 9:30 a.m. on February 19, 1952
in Room 1005

1. Present:

Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, secretary

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In attendance:

Mr. S. Aldewereld	Mr. P. French
Mr. R. Brion	Mr. L. Nurick
Mr. A. Broches	Mr. A. Saltzoff
Mr. L. G. Butcher	Mr. A. Stevenson
Mr. R. W. Cavanaugh	Mr. G. M. street
Mr. J. V. Fletcher	Mr. R. A. Wheeler

2. Yugoslavia

The Committee considered SIC Memorandum - Yugoslavia: Loan of \$28 million, dated February 4, 1952 and the documents attached thereto and

AGREED

to consider again the above documents together with a draft clause, to be prepared by the Legal Department, on the subject of the proposed conversion of sterling to German marks. This clause should provide:

- a) that if the German marks bought with sterling and deposited to the Bank's account with a German bank were not used for the purposes of the loan and would have to be reconverted to sterling, the Yugoslavs would carry the exchange and transfer risk; and
- b) that the Bank would be entitled to request from the Yugoslavs to make this obligation good at any time it would consider appropriate.

3. Purchases of Sterling

The Committee also considered Treasurer's Memorandum SIC/O/436, on "Purchases of Sterling" by the Bank and

APPROVED

the recommendations of the Treasurer contained therein.

4. The meeting adjourned at 12:50 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 Staff Loan Committee Meeting held March 6, 1952 at
10:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. D. Crena de Jongh
Mr. R. H. Demuth
Mr. A. Broches
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

In attendance:

Mr. F. G. Bochenki
Mr. L. Cancio
Mr. P. French
Mr. W. Koster
Mr. H. W. Larsen
Mr. E. Ipez-Herrarte
Mr. G. S. Mason

Mr. H. B. Ripman
Mr. O. A. Schmidt
Mr. D. Stephens
Mr. L. Svoboda
Mr. J. Torfs
Mr. R. A. Wheeler
Miss M. Wolfson

2. Ecuador - Guayaquil Project

The Committee considered Loan Director's Memorandum SLC/0/438, "Proposed Bank Mission to Ecuador" and

AGREED

that the President of Ecuador should be advised that the Bank would be prepared to send to Ecuador after the elections of June 7, 1952, a senior officer to make a general examination of the situation in Ecuador with a view to determining whether the prevailing conditions would make it feasible for the Bank to assist the country's economic development.

3. Nicaragua - Cement Project

The Committee also discussed briefly the question of putting up to the Board of Executive Directors the problem of whether, as a matter of principle, a loan should be made for the expansion of the Nicaraguan cement plant, and

AGREED

that the management should recommend to the Board a loan for this purpose, acknowledging at the same time that an unusual situation is created by the circumstances of ownership of the plant, and inviting the Board's reactions.

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4. Middle East Development Bank

The Committee also considered Loan Director's Memorandum SIC/O/441, "Middle East" and

AGREED

that the Bank should explore with the U.S. and U.K. Governments the desirability of coordination in planning and financing Middle Eastern development; and that if the need for such coordination is thus demonstrated the Bank should examine the question of the proper instrumentality for achieving it.

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

Distribution

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| 5. Mr. D. Sommers (2) | 15. Mr. W. Koster |
| 6. Mr. L. B. Rist (2) | 16. Mr. J. Rucinski |
| 7. Mr. D. Crena de Iongh (2) | 17. Mr. O. A. Schmidt |
| 8. Mr. R. H. Demuth | 18. Mr. D. Stephens |
| 9. Mr. R. A. Wheeler | 19. Mr. G. S. Mason |
| 10. Mr. E. G. Burland | 20. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, March 3, 1952
at 10:30 a.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. A. Basch
Mr. J. V. Fletcher
Mr. D. J. Fontein

Mr. W. Kluss
Mr. W. Koster

2. Colombo Plan Meeting

The Committee considered SLC/O/439, Memorandum of the Assistant to the Economic Director, and Mr. Basch's Memorandum "Meeting of the Colombo Plan Consultative Committee in March 1952 - Agenda and Suggested Terms of Reference" attached thereto, and

APPROVED

the recommendations included in Mr. Basch's memorandum but suggested:

a) Over-all Development Loans

that if the question of over-all lending was brought up in the Conference, it was appropriate for Mr. Basch to say that, while the Bank was interested in the over-all development of the area and would be prepared to consider comprehensive loans, it would still tie such loans to specific projects.

b) Preparation of Annual Report

that Mr. Basch should not submit his draft of the section of the Colombo Plan Annual Report dealing with the Bank's activities and policies, without prior approval by the Board of Executive Directors.

c) Permanent Secretariat

that the Bank should not express an opinion on the advisability of establishing a permanent secretariat for the Colombo Plan.

3. Pakistan - Economic Report

The Committee also considered Economic Report E-213 "Recent Economic and Financial development in Pakistan" dated February 27, 1952, prepared by Mr. Basch, and

APPROVED

this report as submitted.

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

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| 5. Mr. D. Sommers (2) | 14. Mr. M. M. Rosen |
| 6. Mr. L. B. Rist (2) | 15. Mr. W. Koster |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. J. Rucinski |
| 8. Mr. R. H. Demuth | 17. Mr. W. Kluss |
| 9. Mr. R. A. Wheeler | 18. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, March 5, 1952
 at 11 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. A. S. G. Hoar
 Mr. D. Crena de Iongh
 Mr. R. H. Demuth
 Mr. A. Broches
 Mr. M. M. Rosen
 Mr. G. Gondicas, Secretary

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In attendance:

Mr. S. Aldewereld
 Mr. L. G. Butcher
 Mr. W. Diamond
 Mr. A. F. Geolot
 Mr. W. Koster

Mr. L. Nurick
 Mr. M. Ross
 Mr. A. Stevenson
 Mr. J. A. Villechaise

2. Yugoslavia - Loan of \$28 Million Equivalent

The Committee considered a draft letter from the Bank to Yugoslavia prepared by the Legal Department on the proposed conversion of certain currencies of the Yugoslav loan, and

APPROVED

this letter but suggested:

- a) that the Bank would reserve the right to discontinue at any time the procedure of buying commitment currencies proposed in the paper, or to substitute for it a procedure for acquiring the commitment currencies under forward contracts; and
- b) that Paragraph 4 of the draft letter should be amplified to give the Bank the right to invoke the repurchase procedure set out in this Paragraph if, in the opinion of the Bank, the contract in respect of which the special commitment was entered into is unlikely to be fulfilled by reason of war or otherwise.

3. Turkey - Industrial Development Bank

The Committee also considered Memorandum SLC/O/442 from Mr. Diamond to Mr. Koster, "Turkey - Industrial Development Bank," and

APPROVED

the recommendations of this memorandum regarding the proposed procedure for making the proceeds of the Bank loan available to the IDB, but

AGREED

- a) that, without reference to Turkey's EPU situation, the Bank disburse to to IDB U.S. dollars or Swissfrancs for all purchases of soft currencies from the Turkish Central Bank for the foreign exchange requirements of IDB financial projects approved by the Bank, so long as the foreign exchange risk is borne in the manner set forth in the memorandum;
 - b) that the adoption of this procedure did not imply that the Bank policy of purchasing currencies of member countries from these countries was abandoned; the procedure was justified in this case only because of the particular circumstances inherent to the IDB loan; and
 - c) that the IDB should also be reimbursed for the foreign exchange cost of loans already granted, provided that the projects for which these loans were made were approved by the Bank.
4. The meeting adjourned at 12:15 p.m.

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| 6. Mr. L. B. Rist (2) | 16. Mr. W. Koster |
| 7. Mr. D. Crena de Jongh (2) | 17. Mr. J. Rucinski |
| 8. Mr. R. H. Demuth | 18. Mr. W. Diamond |
| 9. Mr. R. A. Wheeler | 19. Mr. L. G. Butcher |
| 10. Mr. E. G. Burland | 20. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held in Room 1005 at 10:30 a.m. on Wednesday, March 11, 1952.

1. Present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. J. V. Fletcher
Mr. P. French
Mr. F. Godwin

Mr. I. Reynolds
Mr. R. A. Wheeler

2. European Bank Syndicate for Transfer Guarantees

The Committee considered Treasurer's Memorandum SLC/O/440, "Proposal that IBRD act as Trustee for European Syndicate of Banks establishing fund for currency transfer guarantee," and

AGREED

that the proposed trusteeship would not be within the Bank's normal line of business.

3. Technical Research Institutes

The Committee also considered Technical Assistance and Liaison Director's Memorandum, SLC/O/443, "Technical Research Institutes," and

APPROVED

the recommendation contained therein but suggested that before a final decision was taken the management should bring the proposal to the Board of Executive Directors recommending its approval but pointing out the possible financial implications of the adoption by the Bank of a policy of sponsoring technical research institutes.

4. The meeting adjourned at 10:40 a.m.

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, March 10, 1952
at 10:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. A. Broches
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

In attendance:

Mr. L. G. Butcher
Mr. C. Flesher
Mr. J. V. Fletcher
Mr. W. Koster

Mr. H. W. Larsen
Mr. M. L. Lejeune
Mr. A. Stevenson
Mr. J. Torfs

2. Surinam - Creditworthiness

The Committee considered E-215, Report on the Creditworthiness of Surinam, dated March 7, 1952, and

APPROVED

this report with certain minor changes but suggested that while the Bank considered Surinam creditworthy for a Bank loan of Sf 20 million equivalent, it should not make such loan available to Surinam in a single transaction, but instead should be prepared to consider a smaller initial loan accompanied by an expression of intent to grant further assistance on the basis of satisfactory performance during the period of the Surinam ten-year program.

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

Distribution

1. Mr. Eugene R. Black
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5. Mr. D. Sommers (2)
6. Mr. L. B. Rist (2)
7. Mr. D. Crena de Iongh (2)
8. Mr. R. H. Demuth
9. Mr. R. A. Wheeler
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FORMAL MINUTES

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, March 14, 1952
at 2:30 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Tliff
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. L. G. Butcher	Mr. M. L. Lejeune
Mr. J. V. Fletcher	Mr. E. Lopez-Herrarte
Miss F. Henderson	Mr. I. Reynolds
Mr. B. B. King	Mr. P. N. Rosenstein-Rodan

2. International Finance Corporation

The Committee considered the draft "Report on the Proposal for an International Finance Corporation" prepared by an ad hoc Working Party, and SLC/O/444, draft letter of transmittal of this report to Mr. Trigve Lie, and

APPROVED

the Report with certain changes and suggested

- a) that the letter of transmittal should be prepared after the Bank had ascertained the attitude of the U.S. Government regarding the proposed International Finance Corporation; and
- b) that the Report, as amended by the SLC, should be submitted to the Executive Directors for their consideration.

3. Union of South Africa

The Committee also considered Loan Department Memorandum SLC/O/445, "South African Inquiry Concerning Further Borrowing," and

APPROVED

the recommendations contained therein and suggested that Mr. Havenga be informed that the Bank was in principle prepared to consider financing the foreign exchange requirements over a period not exceeding 12 to 18 months of South Africa's development projects or programs.

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

Mr. Hoar

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Minutes of Staff Loan Committee Meeting held Thursday, March 20, 1952
at 3:30 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Crena de Iongh
Mr. A. Broches
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. D. J. Fontein	Mr. G. Polit
Mr. W. D. S. Fraser	Mr. A. M. Saitzoff
Mr. W. M. Gilmartin	Mr. G. M. Street
Mr. W. Kluss	Mr. R. A. Wheeler
Mr. W. Koster	

2. Pakistan

The Committee considered SLC/O/446, Memorandum from Mr. Koster to Mr. Hoar on "Pakistan - Railway Loan" and the following documents attached thereto:

- a) draft Report and Recommendations of the President to the Executive Directors concerning the Proposed Loan to the Dominion of Pakistan;
- b) draft of the proposed Loan Agreement with Pakistan; and
- c) a proposed List of Goods with form of covering letter.

The Committee also considered L-135-a, "Project Report on the Rehabilitation of the Northwestern and Eastern Bengal Railways - Pakistan," and

APPROVED

the above documents as submitted making, however, certain changes in the draft President's Report and Recommendations and

AGREED

that an interest rate of 4-5/8% would be appropriate for the proposed railway loan to the Dominion of Pakistan.

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

Mr Hoar

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, March 26, 1952
at 2:30 p.m. in Room 1005

1. Present:

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

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In attendance:

Mr. L. G. Butcher
Mr. J. V. Fletcher
Mr. B. B. King

Mr. W. Koster
Mr. M. L. Lejeune
Mr. F. M. Oppenheimer

2. Northern Rhodesia

The Committee considered Loan Department Memorandum SLC/O/447,
"Northern Rhodesia" and

AGREED

to postpone discussion of this document until it had examined the
creditworthiness of the United Kingdom and the sterling area.

3. The Committee adjourned at 3 p.m.

Distribution

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

10. Mr. E. G. Burland
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14. Mr. M. M. Rosen
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16. Mr. W. Koster
17. Mr. M. L. Lejeune
18. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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Revised Minutes of Staff Loan Committee Meeting held on Tuesday, April 8, 1952
at 3:30 p.m. in Room 1005.

1. Present:

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

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In attendance:

Mr. A. Broches	Mr. R. F. Quandt
Mr. J. Fajans	Mr. M. M. Rosen
Mr. J. V. Fletcher	Mr. A. Stevenson
Mr. M. L. Lejeune	Mr. J. A. Villechaise
Mr. H. Prud'homme	Mr. J. H. Williams

2. France

The Committee considered Loan Department Memorandum SLC/O/449, French Colonial Approach, and Economic Department Report E-217, The Creditworthiness of France, and

AGREED

that, in view of the impossibility of forecasting, at this stage,

- (a) how the French economic and financial situation would develop,
- (b) whether some way would be found in the near future to lighten the present excessive burden of the French dollar debt,

it would be preferable for the Bank not to be faced with the necessity of giving an immediate answer on the subject of Bank lending for French Colonial development.

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

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| 4. Mr. A. S. G. Hoar | 14. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 15. Mr. H. Prud'homme |
| 6. Mr. L. B. Rist (2) | 16. Mr. M. L. Lejeune |
| 7. Mr. D. Crena de Iongh (2) | 17. Mr. R. F. Quandt |
| 8. Mr. R. H. Demuth | 18. Mr. J. Fajans |
| 9. Mr. R. A. Wheeler | 19. Mr. P. F. Foster |
| 10. Mr. E. G. Burland | |

STAFF LOAN COMMITTEE

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Minutes of SLC Meeting held at 4:00 p.m. Wednesday, April 9, 1952 in Room 1005.

1. Present:

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

In Attendance:

Mr. E. E. Clark	Mr. E. W. Rembert
Mr. W. D. S. Fraser	Mr. M. M. Rosen
Mr. W. Gilmartin	Mr. J. Rucinski
Mr. W. Koster	Mr. R. A. Wheeler

2. India

The Committee considered an oral report by Mr. Rucinski on the Indian situation and in particular on certain aspects of Indian projects under the Bank's consideration and

AGREED:

a) Damodar Development Scheme.

that the Bank should open negotiations for a loan for the completion of the first phase of the unified scheme for the development of the Damodar Valley after

(i) the engineering plans had been found satisfactory; and

(ii) the problem of hiring foreign technical experts necessary for the proper and timely completion of the project had been satisfactorily solved between the Central Government and the Damodar Valley Corporation.

b) Industrial Finance Corporation.

that, prior to the opening of negotiations regarding a loan to the IFC, the Bank should send an expert to India to study the charter, the organization and the operations of the IFC and make recommendations on any changes that might be necessary to make possible the proposed expansion of its operations.

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c) Mysore Fertilizer Plant.

that the Bank inquire from the Indian Government whether it would want the Bank to consider the Mysore Fertilizer Project in spite of its recent decision not to ask the Bank for loans towards the financing of projects whose foreign exchange cost would be mainly in non-dollar currencies.

d) Pig Iron and Steel Project.

- (i) that the Bank should not be prepared to finance a government iron and steel industry in India; and
- (ii) that the Bank should send to India a steel expert to make a comprehensive study of the Indian iron and steel situation and to recommend policies and measures with a view of expanding the country's pig iron and steel production.

e) Proposed Purchase of Ships.

that, should the Indian Government obtain the release of ships from the United States Government or the United States Maritime Commission, the Bank should consider financing part of the purchase price on the condition that the Indian Government or private Indian companies would acquire an equity, and that the Bank loan would be secured by a mortgage on the ships.

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

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| 5. Mr. D. Sommers (2) | 14. Mr. M. M. Rosen |
| 6. Mr. L. B. Rist (2) | 15. Mr. J. Rucinski |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. W. Koster |
| 8. Mr. R. H. Demuth | 17. Mr. L. Baranyai |
| 9. Mr. R. A. Wheeler | 18. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, April 16, 1952
at 10:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. L. Cancio
Mr. W. Diamond
Mr. J. V. Fletcher
Mr. A. F. Geolot
Mr. D. Groenveld
Mr. M. L. Lejeune
Miss V. Morsey

Mr. N. J. Paterson
Mr. R. B. J. Richards
Mr. M. Ross
Mr. J. Rucinski
Mr. B. P. Siro
Mr. A. Stevenson
Mr. R. A. Wheeler

2. Finland

The Committee considered Loan Director's Memorandum SLC/0/453, and the documents attached thereto, and

APPROVED

the recommendations contained therein.

3. Turkey

The Committee considered an oral report by Mr. Iliff on the situation created by the failure of the Turkish Government to meet contractual payments to the United Kingdom on the Armament Loan of 1939, and

AGREED

- a) that, in the circumstances surrounding the present negotiations for a loan for the Seyhan project, it would not be appropriate for the management to withhold a recommendation to the Board in favor of the proposed loan; but
- b) that it would be advisable for the management to consult informally with members of the Board of Executive Directors before formally submitting the loan proposals to the Board; and
- c) that the Bank should point out to the Turkish Government that its attitude towards the suspension of payments to the U.K. was seriously impairing Turkey's credit and that as long as it remained unchanged, the Bank would be confronted with serious embarrassment in considering further investments

in Turkey.

4. The meeting adjourned at 11:45.

Distribution

- | | |
|------------------------------|------------------------|
| 1. Mr. Eugene R. Black | 11. Mr. G. Gondicas |
| 2. Mr. R. L. Garner | 12. Files |
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| 4. Mr. A. S. G. Hoar | 14. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 15. Mr. H. Prud'homme |
| 6. Mr. L. B. Rist (2) | 16. Mr. J. Rucinski |
| 7. Mr. D. Crena de Iongh (2) | 17. Mr. W. Diamond |
| 8. Mr. R. H. Demuth (| 18. Mr. M. L. Lejeune |
| 9. Mr. R. A. Wheeler | 19. Mr. N. J. Paterson |
| 10. Mr. E. G. Burland | 20. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, April 18, 1952 at 10:30 a.m. in Room 1005

1. Present:

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

In attendance:

Mr. A. Broches
 Mr. R. W. Cavanaugh
 Mr. C. de Beaufort
 Mr. J. V. Fletcher
 Mr. M. L. Lejeune

Mr. N. J. Paterson
 Mr. H. Prud'homme
 Mr. I. Reynolds
 Mr. J. Rucinski
 Mr. J. H. Williams

2. Denmark

The Committee considered Mr. Iliff's Memorandum SLC/0/454, "Denmark" and

AGREED

- a) that in a letter to the Governments of the U.S. and the U.K., the Bank should bring to their attention Denmark's precarious long-term dollar position and its effects on the country's ability to meet its dollar obligations;
- b) that this letter should be accompanied by a memorandum to be prepared by the Economic Department discussing Denmark's economic and financial situation; and
- c) that a working party be formed under the chairmanship of Mr. Sommers to determine the general principles which should guide the Bank's attitude in the cases of defaults on its loans.

3. Funds Available for Lending

The Committee also considered Treasurer's Memorandum SLC/0/450, "Funds Available for Lending" and

a) Sterling

APPROVED

the Treasurer's recommendation but suggested that Ethiopia be included in the group of countries to which the Bank would lend sterling for

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- 2 -

their sterling needs in respect to their projects financed by Bank loans;

b) SwissFrancs

APPROVED

the Treasurer's recommendation that the Bank should continue to disburse Swiss Francs to all claimants as the disbursement requests are received but suggested that unless additional funds in Swiss Francs are obtained, the Swiss Francs which in the list of priorities suggested by the Economic Department are allocated to El Salvador and Mexico plus a portion of the Swissfrancs allocated to the Belgian Congo should be set aside for the needs in such currency of Finland and Pakistan in respect to the loans now under negotiation between these countries and the Bank.

3. Pakistan

The Committee also considered an oral report by Mr. Rucinski on an informal inquiry of the Pakistan Government regarding the possibility of an addition of \$1.25 million equivalent in Italian lira to the amount of the proposed Bank loan for the paper mill project and

AGREED

that, should the Italian Government agree to a release of \$1.25 million equivalent from its 18% subscription, the Bank should be prepared to increase the loan by such amount if the Pakistan Government formally asked for it.

4. The meeting adjourned at 11:50.

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 12. Files |
| 2. Mr. R. L. Garner | 13. Mr. H. N. Graves |
| 3. Mr. W. A. B. Iliff | 14. Mr. M. M. Rosen |
| 4. Mr. A. S. G. Hoar | 15. Mr. W. Koster |
| 5. Mr. D. Sommers (2) | 16. Mr. H. Prud'homme |
| 6. Mr. L. B. Rist (2) | 17. Mr. J. Rucinski |
| 7. Mr. D. Crena de Jongh (2) | 18. Mr. O. A. Schmidt |
| 8. Mr. R. H. Demuth | 19. Mr. O. H. Folk |
| 9. Mr. R. A. Wheeler | 20. Mr. M. L. Lejeune |
| 10. Mr. E. G. Burland | 21. Mr. P. F. Foster |
| 11. Mr. G. Gondicas | |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, April 21, 1952 at 10:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. Neil Bass
Mr. L. Cancio
Mr. W. Diamond
Mr. J. V. Fletcher
Mr. A. F. Geolot

Mr. M. M. Rosen
Mr. M. Ross
Mr. J. Rucinski
Mr. A. Stevenson
Mr. R. A. Wheeler

2. Turkey - Seyhan Project

The Committee considered Loan Director's Memorandum SLC/O/459, "Turkey - Seyhan Project," and Mr. Diamond's Memorandum to the Loan Director, "Turkey - Seyhan Project Negotiations" dated April 16, 1952, and the documents attached thereto, and

APPROVED

the above documents and the recommendations contained in Mr. Diamond's memorandum but suggested:

- a) that the formation of the Cukurova Power Utility Company and the payment of the first quarter of its private capital should be either a condition for disbursement or should be effected before the signature of the loan agreement, whichever would be preferable to the Turkish Government;
- b) that, in the event foreign exchange expenditures on the project are made before the signature of a loan agreement, the Bank would be prepared to reimburse such expenditures as are approved by the consulting engineer;
- c) that it would be appropriate to reword Sections 5.01(a), 5.02(b) and (c), 5.10 and 5.11 in a manner acceptable to the Turks provided that the meaning of these sections remained unchanged; and

AGREED

that, in present circumstances, an interest rate of 4-3/4% would be appropriate for the proposed Bank loan to Turkey.

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

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. Iliff | 12. Files |
| 4. Mr. A. S. G. Hoar | 13. Mr. H. N. Graves |
| 5. Mr. D. Sommers (2) | 14. Mr. M. M. Rosen |
| 6. Mr. L. B. Rist (2) | 15. Mr. J. Rucinski |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. W. Diamond |
| 8. Mr. R. H. Demuth | 17. Mr. P. F. Foster |
| 9. 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 Staff Loan Committee Meeting held Tuesday, April 22, 1952
at 9:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. F. G. Bochenski	Mr. M. M. Rosen
Mr. E. Clark	Mr. J. Rucinski
Mr. C. Flesher	Mr. D. Stephens
Mr. H. N. Graves	Mr. R. A. Wheeler
Mr. B. B. King	

2. Iraq - Fertilizer Plant

The Committee considered Loan Director's Memorandum SIC/O/458, "Regional Development in the Middle East" and Dr. Rembert's memorandum "An Approach to Bank Participation in Regional Development in the Middle East" and

AGREED

that during his forthcoming trip to the Middle East Mr. Stephens should explore with the Iraqi Government the possibility of establishing in Iraq a fertilizer plant as a common endeavor of Iraq and other Middle Eastern member countries to be supported by a loan from the Bank.

3. Proposed Bank Transfer Guarantees

The Committee also considered Treasurer's Memorandum SIC/O/456 regarding a proposal of the International Institute of Banking Studies that the Bank guarantee the political and transfer risks of private short and medium term credits and

AGREED

that it would not be appropriate for the Bank to give such guarantees.

4. Turkey - Seyhan Project

The Committee also considered an oral report by Mr. Rucinski regarding an informal inquiry of the Turkish negotiators as to whether the Bank would permit disbursement of an amount of the loan not exceeding \$300,000 for the payment of engineering services before the formation of the Cukurova Power

Utility Company in the event that the formation of this company was made a condition for disbursements on the loan and

AGREED

that in such case the Bank should be prepared to permit disbursements up to \$300,000 if there was a request from the Turkish Government to this effect and that the agreement on this point should be covered in an exchange of letters between the Bank and the Turkish Government.

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

Distribution

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, April 24, 1952 at 11:00 a.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Crena de Jongh
Mr. R. H. Demuth
Mr. A. Broches
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. L. G. Butcher
Mr. A. M. Kamarck
Mr. K. Kapur
Mr. B. B. King
Mr. M. L. Lejeune
Mr. R. F. Quandt

Mr. H. Prud'homme
Mr. F. M. Oppenheimer
Mr. A. M. Saltzoff
Mr. R. A. Wheeler
Mr. A. Wubnig

2. Southern Rhodesia

The Committee considered Loan Department Memorandum SLC/O/460, "Southern Rhodesian Railways" and

AGREED

- a) that, on the basis of the information at present available, the proposed construction of a railway linking Bannockburn in Southern Rhodesia, through Pafuri, with Lourenço Marques in Mozambique, appears to be a project of high priority for Southern Rhodesia and sufficiently justified on economic, financial and technical grounds to warrant further examination by the Bank; and
 - b) that, if Southern Rhodesia should request the Bank to finance the part of the project located within its territories, and if the remaining part should be financed by the Export-Import Bank, the problem for the Management would be to decide whether a combined lending operation was desirable, it being assumed that the problems of end-use supervision, coordination of supplies and adequacy of local currency could be solved satisfactorily. The principal factor for the Management's consideration would be the direct and indirect consequences of the difference in the respective interest rates to be charged by the Bank and the Export-Import Bank.
3. The meeting adjourned at 12:10 p.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held at 2:30 p.m., Thursday, April 24, 1952 in Room 415

1. Present:

Mr. Eugene R. Black
Mr. W. A. B. Iliff
Mr. L. B. Rist
Mr. D. Crena de Iongh
Mr. A. Broches
Mr. G. Gondicas, secretary

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In attendance:

Mr. M. L. Lejeune

2. Southern Rhodesia

Mr. Iliff set forth to the President the conclusions reached in the 11:00 a.m. SLC meeting of April 24, and it was

AGREED

- a) that in principle a differential between the interest rates to be charged by the Bank and the Export-Import Bank should not deter the Bank from co-operating with the Export-Import Bank in the proposed financing of the Bannockburn-Lourenco Marques railway project;
- b) that such cooperation should be made with the understanding that the Export-Import Bank would in principle be prepared to agree to arrangements designed to avoid the creation of any impression unfavorable to the Bank as a result of the existence of such interest differential; and
- c) that before entering into loan negotiations with Southern Rhodesia for its part of the Project, the Bank should be assured that Southern Rhodesia would not be given the option of contracting a loan with the Export-Import Bank in order to take advantage of a lower interest rate.

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

Distribution

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, April 23, 1952
at 2:30 p.m. in Room 1005

1. Present:

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

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In attendance:

Mr. E. Clark
Mr. O. H. Folk
Mr. P. French
Mr. W. M. Gilmartin

Mr. R. B. J. Richards
Mr. J. Rucinski
Mr. A. Saitzoff
Mr. R. A. Wheeler

2. Pakistan

The Committee considered certain problems regarding the Bank's relations with Pakistan, and

AGREEDa) Proposed Economic Advisor

that the President of the Bank should write a letter to the Governor-General of Pakistan repeating his willingness to respond to the request of the Pakistan Minister of Economic Affairs that the Bank assist Pakistan in obtaining an economic advisor to the Government, but at the same time pointing out (i) that similar requests were submitted by Pakistan to other quarters and that it was therefore necessary to ascertain whether the Pakistan Government was still interested in Mr. Black's efforts to find a suitable candidate; and (ii) that the scope and conditions of the functions of the economic advisor should be discussed by the Government with the candidate.

b) Warsak Hydroelectric Project

that, following the submission of a technical report on the Warsak Hydroelectric Project, the Bank should investigate (i) the legal and physical aspects of an adequate water supply for that project, and (ii) whether the proposed project would make possible the utilization of the maximum potential of the site of the dam.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, April 25, 1952
at 4:00 p.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. L. B. Rist
Mr. D. Crena de Iongh
Mr. G. Gondicas, Secretary

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In attendance:

Mr. L. Baranyai	Mr. I. Reynolds
Mr. W. D. S. Fraser	Mr. J. Rucinski
Mr. W. M. Gilmartin	Mr. R. A. Wheeler

2. India - Industrial Finance Corporation

The Committee considered Loan Director's Memorandum SLC/O/463, "Treasurer's Proposed Trip to India" and the draft "Terms of Reference for Mr. Crena de Iongh's Forthcoming Trip to India" attached thereto, and

APPROVED

the draft "Terms of Reference" but suggested that before his departure the Treasurer should discuss the contents of this draft with the President of the Bank.

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

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. Iliff | 12. Files |
| 4. Mr. A. S. G. Hoar | 13. Mr. H. N. Graves |
| 5. Mr. D. Sommers (2) | 14. Mr. M. M. Rosen |
| 6. Mr. L. B. Rist (2) | 15. Mr. J. Rucinski |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. L. Baranyai |
| 8. Mr. R. H. Demuth | 17. Mr. P. F. Foster |
| 9. Mr. R. A. Wheeler | |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, April 28, 1952
at 2:30 p.m., in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. D. Grena de Jongh
Mr. R. H. Demuth
Mr. G. Gondicas, Secretary
Mr. D. Sommers

In attendance:

Mr. J. Rucinski

2. Ethiopia

The Committee considered an oral report by the Loan Director on certain problems related to the Telecommunications Authority and the Development Bank of Ethiopia, and

AGREED

(a) Telecommunications Authority

that a Bank representative should be dispatched to Ethiopia in order to:

- (i) express to the Emperor the Bank's concern about the way in which the questions of organization and management of the Telecommunications Authority are being handled; and
- (ii) point out to him that unless the Bank can be assured that the Ethiopian Government is seriously intending to carry out the Telecommunications Project in the right spirit, it will feel that it will have to cancel the loan for this project.

(b) Development Bank of Ethiopia

that the Bank should contact the Governor of the State Bank of Ethiopia during his scheduled trip to Washington in order to ascertain his views in regard to the policy, field of investment and magnitude of capital of the Ethiopian Development Bank and in regard to the relationship of this institution with the State Bank of Ethiopia.

(c) Advisor to the Ministry of Finance

that, concerning the informal inquiry of the Ethiopian Ministry of Finance through Dr. Baranski as to whether the Bank would be prepared to release Mr. Baranyai in order to become economic advisor of said Ministry, it should be suggested to Dr. Baranski that this matter should be handled

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directly between the Minister of Finance and the Bank representative who is due in Addis Ababa shortly.

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

Distribution

1. Mr. Eugene R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. A. S. G. Hoar
5. Mr. D. Sommers
6. Mr. L. B. Rist
7. Mr. D. Crena de Iongh
8. Mr. R. H. Demuth
9. Mr. G. Gondicas
10. Files
11. Mr. J. Rucinski
12. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, April 30, 1952
 at 10:00 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. L. Baranyai
 Mr. E. E. Clark
 Mr. J. Connors

Mr. W. D. S. Fraser
 Mr. W. M. Gilmartin
 Mr. J. Rucinski

2. India - Loan Administration Report

The Committee considered Loan Director's Memorandum, SLC/O/451, "India - First Loan Administration Report" and the following documents attached thereto:

- (a) Loan 162, draft "First Loan Administration Report on the Bank's Loans to India" dated April 11, 1952; and
- (b) a draft of a Memorandum by the President transmitting this draft to the Executive Directors; and

APPROVED

these documents but suggested certain revisions to take cognizance of the findings by Mr. Connors during his recent inspection of the Kans Grass Project and to describe more fully the latest adjustments in the prices of India's export commodities and their effects on the country's balance of payments situation.

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

Distribution

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

- 10. Mr. E. G. Burland
- 11. Mr. G. Condicas
- 12. Files
- 13. Mr. H. N. Graves
- 14. Mr. M. M. Rosen
- 15. Mr. J. Rucinski
- 16. Mr. L. Baranyai
- 17. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, May 1, 1952
 at 2:30 p.m. in Room 1005

1. Present:

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

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In attendance:

Mr. L. Cancio
 Mr. F. A. Console
 Mr. C. H. Davies
 Mr. C. Flesher

Mr. W. Koster
 Mr. H. W. Larsen
 Mr. A. Waterston

2. Nicaragua - Cement Project

The Committee considered Memorandum SLC/O/465 from Mr. Console to Mr. Koster on "Nicaragua - Cement Project" dated April 29, 1952. Mr. Sommers asked to be recorded that he was still opposed to a Bank loan for the Nicaraguan cement plant as he had been in the meeting of February 13, 1952, but that in view of the decision of the Executive Directors (E.D. Summary No. 58, p.3) he did not want to restate the argument. Mr. Iliff also wanted to be recorded as having certain reservations about the advisability of the proposed Bank loan for this project in view of two events which had happened since the discussion by the E.D.'s, namely (a) the attack on President Somoza by Drew Pearson and (b) the visit by President Somoza to Washington.

After considerable discussion which reflected general concern with the embarrassing features of the proposed loan, the Committee

AGREED

- (a) that during President Somoza's scheduled trip to Washington, the President of the Bank explore with him whether, before loan negotiations are initiated with respect to the proposed cement plant loan, it would be possible to provide legislation authorizing the Nicaraguan Government to negotiate the relative guarantee agreement; and
- (b) if President Somoza's reaction to the above was favorable, the President of the Bank inform him that he would bring the matter to the Bank's Board of Executive Directors and would then communicate the Bank's decision to the Nicaraguan Ambassador.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, May 9, 1952
at 2:30 p.m. in Room 1005

1. Present:

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

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In attendance:

Mr. R. Brion
Mr. E. de Vries
Mr. C. Flesher
Mr. L. Kephart
Mr. S. Lipkowitz
Mr. G. S. Mason

Miss V. Morsey
Mr. F. M. Oppenheimer
Mr. L. G. Sandelin
Mr. O. A. Schmidt
Mr. J. Torfs
Miss M. Wolfson

2. Peru

The Committee considered Memorandum SLC/O/469, from Mr. Schmidt to Mr. Hoar on "Peru, *Further Loans to Peru pending negotiation of settlement with sterling bondholders" dated May 8, 1952, and

AGREED

- a) that in principle the Bank should be prepared to consider a small additional loan to Peru before the settlement of Peru's sterling debt if it appeared that the Council of the Foreign Bondholders was delaying this settlement for reasons of general policy dictated by its desire to safeguard its position in the negotiations for the settlement of defaulted debt of countries other than Peru;
- b) that final decision on this matter should be taken only after the Bank had discussed it with the Council of Foreign Bondholders; and
- c) that while the Bank should not take the position towards the Peruvians that a small additional loan is excluded at this time, it should not indicate to them either that such a loan is probable.

3. Chile

The Committee also considered Loan Director's Memorandum SLC/O/467, "Chile;" Memorandum SLC/O/466 from Mr. Sandelin to Mr. Hoar, "Chile: Paper-Pulp Project" dated April 29, 1952; and Loan 164 "Technical Report on the Chemical Pulp and Newsprint Mills in Chile" and

APPROVED

these documents but suggested that debt limitation, dividends, and negative

pledge covenants similar to those proposed in Mr. Sandelin's memorandum should be made conditions for granting the loan.

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

Distribution

- | | |
|------------------------------|------------------------|
| 1. Mr. Eugene R. Black | 10. Mr. E. G. Durland |
| 2. Mr. R. L. Garner | 11. Mr. G. Gondicas |
| 3. Mr. W. A. B. Iliff | 12. Files |
| 4. Mr. A. S. G. Hear | 13. Mr. H. N. Graves |
| 5. Mr. D. Sommers (2) | 14. Mr. M. M. Rosen |
| 6. Mr. L. B. Rist (2) | 15. Mr. O. A. Schmidt |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. G. S. Mason |
| 8. Mr. R. H. Demuth | 17. Mr. G. L. Sandelin |
| 9. Mr. R. A. Wheeler | 18. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held at 10:30 a.m., Wednesday, May 7, 1952 in Room 1005

1. Present:

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

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In attendance:

Mr. L. G. Butcher	Mr. P. French	Mr. F. M. Oppenheimer
Mr. L. Cancio	Mr. N. G. Jones	Mr. P. Pajunen
Mr. S. R. Cope	Mr. W. Koster	Mr. E. W. Rembert
Mr. C. H. Davies	Mr. H. W. Larsen	Mr. J. F. Smythe
Mr. P. F. Foster	Mr. M. L. Lejeune	Mr. A. Waterston

2. British Guiana

The Committee considered memorandum SLC/O/468 by the Director of Technical Assistance and Liaison on "Economic Mission to British Guiana" and

APPROVED

the recommendations contained therein.

3. El Salvador

The Committee also considered Loan Director's Memorandum SLC/O/464, "El Salvador - First Loan Administration Report" and the documents attached thereto and

APPROVED

these documents with certain changes.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 11. Mr. G. Gondicas |
| 2. Mr. R. L. Garner | 12. Files |
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| 4. Mr. A. S. G. Hoar | 14. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 15. Mr. S. R. Cope |
| 6. Mr. L. B. Rist (2) | 16. Mr. W. Koster |
| 7. Mr. D. Crena de Iongh (2) | 17. Mr. C. H. Davies |
| 8. Mr. R. H. Demuth | 18. Mr. M. L. Lejeune |
| 9. Mr. R. A. Wheeler | 19. Mr. L. G. Butcher |
| 10. Mr. E. G. Burland | 20. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, May 15, 1952
at 10:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. A. Broches	Mr. J. V. Fletcher	Mr. N. Martini
Mr. E. G. Burland	Mr. G. Grayson	Miss V. Morsey
Mr. C. Flesher	Mr. W. Koster	Mr. J. Torfs

2. Colombia - Magdalena Valley Railroad Project

The Committee considered Loan Department Memorandum SIC/O/471, "Colombia - Magdalena Valley Railroad Project" and

APPROVED

the recommendations contained therein and suggested

- a) that the Bank should send a letter to the Colombian Minister of Public Works in accordance with these recommendations. This letter should also state the Bank's requirement that, before opening loan negotiations for the Project, it should be assured of the Colombian Government's agreement to a list of basic principles in accordance with which the reorganization of the Colombian Railways would be carried out; and
- b) that the Bank should request Madigan-Hyland to give to it a more precise idea
 - (i) of the kind of financial data which they could provide to complete the economic justification of the project, and of the time required for their preparation; and
 - (ii) of the time within which they could provide the Bank with a list of basic principles on which, in their opinion, the reorganization of the Colombian Railroads should be carried out.

3. Colombia - Central Bank Guarantee

The Committee also considered Loan Department Memorandum SIC/O/470, "Colombia - Acceptance of Guarantee of Bank of the Republic" and

Mr Hoar

AGREED

- a) that the Bank should ask the Colombian Planning Office to explore the desirability of providing the Banco de la Republica with an authorization to guarantee on behalf of the Colombian Government IBRD loans to private Colombian enterprises up to a specified total amount; and that this proposition should be considered as a temporary measure in connection with the possible establishment of a Colombian Development Bank; and
 - b) that the proposed loan for the Carton de Colombia would not be appropriate for a first case of taking a Central Bank guarantee in view of the several questions involved.
4. The meeting adjourned at 11:55 a.m.

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 10. Mr. E. G. Burland |
| 2. Mr. R. L. Garner | 11. Mr. G. Gondicas |
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| 4. Mr. A. S. G. Hoar | 13. Mr. H. N. Graves |
| 5. Mr. D. Sommers (2) | 14. Mr. M. M. Rosen |
| 6. Mr. L. B. Rist (2) | 15. Mr. W. Koster |
| 7. Mr. D. Crena de Jongh (2) | 16. Mr. G. Grayson |
| 8. Mr. R. H. Demuth | 17. Mr. P. F. Foster |
| 9. Mr. R. A. Wheeler | |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, May 19, 1952
at 2:30 p.m. in Room 1005

1. Present:

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

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In attendance:

Mr. S. Aldewereld	Mr. W. Koster
Mr. C. H. Davies	Mr. P. Pajunen
Mr. D. Fontein	Mr. E. W. Rembert
Mr. P. French	Mr. A. Waterston

2. Panama

The Committee considered Loan Director's Memorandum SLC/O/472, "Panama" and the draft "Conclusions and Recommendations of the Bank Mission to Panama" attached thereto, and

AGREED

that the "Conclusions and Recommendations of the Bank Mission to Panama" should

- a) emphasize that at present Panama is much more in need of improving its public administration than of obtaining financial assistance;
- b) state that, in the Bank's opinion, the appointment of foreign experts in key positions of the Panamanian public administration would be essential for the success of any scheme for its improvement;
- c) indicate in which particular branches of the administration the appointment of such experts would be most desirable; and
- d) state that, if Panama would initiate a program of administrative reforms, as recommended by the Bank, the Bank would consider supporting this effort with small loans for specific projects.

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

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. Iliff | 12. Files |
| 4. Mr. A. S. G. Hoar | 13. Mr. H. N. Graves |
| 5. Mr. D. Sommers (2) | 14. Mr. M. M. Rosen |
| 6. Mr. L. B. Rist (2) | 15. Mr. W. Koster |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. C. H. Davies |
| 8. Mr. R. H. Demuth | 17. Mr. P. F. Foster |
| 9. Mr. R. A. Wheeler | |

STAFF LOAN COMMITTEE

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Minutes of SLC Meeting held Tuesday, May 20, 1952 at 9:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. S. R. Cope
 Mr. H. N. Graves

Mr. M. M. Mendels
 Mr. L. Nurick

2. Statutory Loan Committee

The Committee considered a memorandum by Mr. Sommers dated November 28, 1951, and a memorandum by Mr. Nurick attached thereto on "Statutory Loan Committee" dated November 27, 1951, and

APPROVED

the recommendations contained therein.

3. The meeting adjourned at 10:40.

Distribution

1. Mr. Eugene R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Iliff
4. Mr. A. S. G. Hoar
5. Mr. D. Sommers (2)
6. Mr. L. B. Rist (2)
7. Mr. D. Crena de Iongh (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. N. Graves
14. Mr. M. M. Rosen
15. Mr. S. R. Cope
16. Mr. W. Koster
17. Mr. H. Prud'homme
18. Mr. J. Rucinski
19. Mr. O. A. Schmidt
20. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, May 23, 1952 at
9:30 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. R. H. Demuth
Mr. H. W. Riley
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

In attendance:

Mr. A. C. Broendum	Mr. C. Flesher	Mr. P. N. Rosenstein-Rodan
Mr. L. G. Butcher	Mr. W. Koster	Mr. A. Stevenson
Mr. L. Cancio	Mr. M. L. Lejeune	Mr. K. Varvaressos
Mr. S. R. Cope	Mr. L. Nurick	Mr. A. Waterston
Mr. C. H. Davies	Mr. E. W. Rembert	Mr. J. H. Williams

2. Sterling Area - Creditworthiness

The Committee considered Economic Department Report E-220 on "The Creditworthiness of the Sterling Area" dated May 12, 1952, took note of the conclusions thereof, and

AGREED

- a) that the Bank should be prepared to consider lending up to \$50 million for U.K. colonial development over the next twelve months for suitable projects; and
- b) that the creditworthiness of the Sterling Area should come under periodic examination by the Bank in consultation, when necessary, with other interested parties.

3. Nicaragua - Cement Project

The Committee also considered Loan Director's Memorandum SLC/O/474, "Nicaragua - Cement Project" and the documents attached thereto, and

AGREED

that final decision regarding the proposed Bank loan for the Nicaraguan Cement Plant should be taken after Mr. Clark's return from Nicaragua; but that if the Bank was pressed for an answer before Mr. Clark's return, it should take the position that in view of the various considerations involved, it would not consider a loan for this project.

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

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Minutes of Staff Loan Committee Meeting held Tuesday, May 27, 1952 at 9:30 a.m. in Room 1005

1. Present:

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

In attendance:

Mr. L. Baranyai
Mr. A. Basch
Mr. O. H. Folk
Mr. P. French

Mr. H. N. Graves
Mr. L. Nurick
Mr. E. W. Rembert

2. Pakistan - Technical Research Institute

The Committee considered Memorandum SLC/O/475 from the Director, Technical Assistance and Liaison on "Pakistan - Request for Technical Research Institute" and

APPROVED

the recommendations contained therein.

3. Registration of Bank's Loan and Guarantee Agreements under UN Charter

The Committee also considered Memorandum SLC/O/473 from Mr. Sommers to Mr. Black on "Registration of Bank's Loan and Guarantee Agreements under the United Nations Charter" and

APPROVED

the recommendations contained therein.

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

Distribution

- | | | |
|------------------------------|-----------------------|-----------------------|
| 1. Mr. Eugene R. Black | 8. Mr. R. H. Demuth | 15. Mr. S. R. Cope |
| 2. Mr. R. L. Garner | 9. Mr. R. A. Wheeler | 16. Mr. W. Koster |
| 3. Mr. W. A. B. Clif | 10. Mr. E. G. Burland | 17. Mr. H. Prud'homme |
| 4. Mr. A. S. G. Hoar | 11. Mr. G. Gondicas | 18. Mr. J. Rucinski |
| 5. Mr. D. Sommers (2) | 12. Files | 19. Mr. O. A. Schmidt |
| 6. Mr. L. B. Rist (2) | 13. Mr. H. N. Graves | 20. Mr. L. Baranyai |
| 7. Mr. D. Crena de Iongh (2) | 14. Mr. M. M. Rosen | 21. Mr. O. H. Folk |
| | | 22. Mr. P. F. Foster |

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Monday, May 26, 1952 at 2:30 p.m. in Room 1005

1. Present:

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

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In attendance:

Mr. L. Baranyai
Mr. E. Clark
Mr. J. Connors

Mr. W. D. S. Fraser
Mr. W. M. Gilmartin
Mr. E. W. Rembert

2. India - Agricultural Machinery Project

The Committee considered Loan Department Memorandum SLC/O/476 "India - Agricultural Machinery Loan" and Treasurer's Department "Report on Mission to India - Agricultural Project" (No. T-6) dated May 7, 1952 and

CONCURRED

in the recommendations contained in these documents but suggested that before making any representations to the Indian Government, the Bank should consult with the Indian Executive Director on the most appropriate procedure for dealing with the technical and administrative problems of the Agricultural Machinery Project.

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

Distribution

1. Mr. Eugene R. Black
2. Mr. R. L. Garner
3. Mr. W. A. B. Clifff
4. Mr. A. S. G. Hoar
5. Mr. D. Sommers (2)
6. Mr. L. B. Rist (2)
7. Mr. D. Crena de Iongh (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. N. Graves
14. Mr. M. M. Rosen
15. Mr. J. Rucinski
16. Mr. L. Baranyai
17. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday, June 3, 1952 at 9:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

In attendance:

Mr. L. Baranyai
Mr. A. Basch
Mr. E. E. Clark
Mr. J. duBois
Mr. O. H. Folk

Mr. D. Fontein
Mr. H. N. Graves
Mr. G. Keep
Mr. J. T. Lund

Mr. G. Polit
Mr. E. W. Rembert
Mr. J. Rucinski
Mr. G. M. Street

2. Pakistan

The Committee considered Loan Department Memorandum SLC/O/477 on "Pakistan - Punjab Agricultural Machinery Project" and the documents attached thereto, and

APPROVED

the above documents as submitted, and

AGREED

- a) that the Bank should reimburse expenditures for the Agricultural Machinery Project made before the effective date but after the signature of the Loan Agreement; and
- b) that an interest rate of $4-1/4\%$ would be appropriate for the proposed loan for the Punjab Agricultural Project. (See Note 1 below).

3. Syria

The Committee also considered an oral report by Mr. Rucinski on Syria, and

AGREED

- a) that the Bank should consider taking an active part in a comprehensive aid program for Syria;
- b) that since the Syrian Government persisted in conditioning the signature of loan agreements for the Latakia and Road Projects on the sending of a Bank expert to examine the oil refinery project, the Bank should postpone negotiations for the Latakia and Road Projects, and Mr. Stephens

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should return to Washington to take part in discussions on the oil refinery project with interested parties; and

- c) that before sending an expert to examine the proposed oil refinery project in Syria the Bank should
 - i) make a reassessment of Syria's economic situation and credit-worthiness, taking into consideration the economic and financial effects of a possible absorption by Syria of a substantial number of Arab refugees, and appraise the feasibility of this scheme from the economic, political, administrative and technical points of view; and
 - ii) investigate if private capital is available for the financing of an oil refinery in Syria and ascertain the views of the oil companies involved and of other interested parties in regard to the proposed establishment of a government-owned Syrian oil refinery.

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

Note 1: Mr. Black subsequently decided that the interest rate should be shaded to $4\frac{1}{8}\%$ and the Pakistani representatives were informed accordingly.

Distribution

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| 4. Mr. A. S. G. Hoar | 13. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 14. Mr. J. Rucinski |
| 6. Mr. L. B. Rist (2) | 15. Mr. L. Baranyai |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. O. H. Folk |
| 8. Mr. R. H. Demuth | 17. Mr. P. F. Foster |
| 9. Mr. R. A. Wheeler | |

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday, June 4, 1952 at 11:00 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
 Mr. R. L. Garner
 Mr. A. S. G. Hoar
 Mr. D. Sommers
 Mr. D. Crena de Iongh
 Mr. M. M. Rosen
 Mr. G. Gondicas, Secretary

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In attendance:

Mr. S. Aldewereld	Mr. A. Kamarck
Mr. R. Brion	Mr. L. Nurick
Mr. L. G. Butcher	Mr. E. W. Rembert
Mr. S. R. Cope	Mr. J. Rucinski
Mr. H. N. Graves	Mr. J. H. Williams

2. Australia

The Committee considered L-166, Loan Department "Report and Recommendations on the Proposed New Loan to Australia" dated June 2, 1952 and E-223, Economic Department Report on "The Australian Economy" dated June 2, 1952, and

APPROVED

the recommendations contained in the Report of the Loan Department, but suggested:

- a) that the Bank would be prepared to lend to Australia an amount in the region of \$50 million for imports required over a period of about a year, the precise amount to depend on the projects which the Bank decides to finance;
- b) that the three loans outlined in Part VI of the Report should be regarded more as examples of the sort of lending the Bank was prepared to do than as a rigid pattern of lending and that much would depend upon the availability of suitable projects of high priority;
- c) that in view of the constitutional relationship between Commonwealth and States, the Bank's normal covenants might have to be modified to an extent to be determined;
- d) that the Bank should obtain assurance, in a form to be determined, of the States' acceptance of its principles of supervision and performance;
- e) that Mr. Cope, accompanied by Mr. Nurick, should go to London at the earliest opportunity to communicate to the Australian Prime Minister the Bank's decisions on future lending to Australia and to explore ways of putting them into effect.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, June 6, 1952 at 9:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. L. Cancio	Mr. G. Keep	Mr. J. Rucinski
Mr. W. Diamond	Mr. E. W. Rembert	Mr. J. Sagne
Mr. A. F. Geolot	Mr. M. Ross	Mr. A. Stevenson

2. Turkey

The Committee considered Loan Department Memorandum SLC/O/478 on "Turkey - Seyhan Project Negotiations," the documents attached thereto, and E-201A, Economic Department Report on "Economic Position and Prospects of Turkey" and, after considering Turkey's past and recent record as a debtor nation

APPROVED

the above documents with certain changes. These changes included the deletion of Paragraph 39 from the draft President's Report and Recommendations, which read: "I am satisfied that due regard has been paid to the prospects that Turkey will be in a position to meet her obligations under the proposed loan and that, in making this loan, the Bank will be acting prudently in the interests both of Turkey and of the members of the Bank as a whole."

The Committee also

AGREED

- a) that the wording of Paragraph 39 did not need to be included in future Reports of the President on proposed Bank loans and that it would be adequate to state in these reports that the proposed loan complied with the requirements of the Articles of Agreement of the Bank;
- b) that an interest rate of 4-3/4% would be appropriate for the proposed Bank loan to Turkey for the Seyhan Project; and
- c) that commitment charges on the above loan should begin 90 days after the signature of the proposed loan agreement or on the Effective Date of the proposed loan, whichever is earlier.

3. The meeting adjourned at 10:25 a.m.

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Friday, June 13, 1952 at 3:00 p.m. in Room 1005

1. Present:

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

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In attendance:

Mr. A. Basch	Mr. J. Grauman	Mr. F. M. Oppenheimer
Mr. F. A. Consolo	Mr. W. Koster	Mr. E. W. Rembert
Mr. C. H. Davies	Mr. G. Keep	Mr. J. Rucinski
Mr. W. Diamond	Miss V. Morsey	Mr. A. Waterston

2. Burma

The Committee considered Loan Department Memorandum SLC/O/480 on "Burma" and

AGREED

that a new paper should be prepared for SLC consideration containing specific proposals for Bank action in response to the requested mission to Burma.

3. Dominican Republic

The Committee also considered SLC/O/479, Memorandum from the Director of Technical Assistance and Liaison on "Request of Dominican Republic for Technical Assistance" and Loan Department "Report on the Mission to the Dominican Republic" (No. L-167) attached thereto and

APPROVED

the above documents as submitted.

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

Distribution

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| 4. Mr. A. S. G. Hoar | 13. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 14. Mr. W. Koster |
| 6. Mr. L. B. Rist (2) | 15. Mr. J. Rucinski |
| 7. Mr. D. Crena de Jongh (2) | 16. Mr. F. A. Consolo |
| 8. Mr. R. H. Demuth | 17. Mr. C. H. Davies |
| 9. Mr. R. A. Wheeler | 18. Mr. W. Diamond |
| | 19. Mr. P. F. Foster |

Mr. Hoar

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Minutes of Regular Weekley Staff Loan Committee Meeting held Tuesday,
June 17, 1952 at 9:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. Koster
Mr. M. M. Rosen
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

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In attendance:

S. Aldewereld	Mr. C. H. Davies	Mr. P. French
Mr. E. Clark	Mr. J. V. Fletcher	Mr. P. Pajunen
Mr. F. A. Consolo	Mr. D. Fontein	Mr. E. W. Rembert

2. Panama

The Committee considered Loan Director's Memorandum SLC/O/481 on "Panama" and the "Report of the Bank Mission to Panama"(No. Z-1) attached thereto and

APPROVED

these documents as submitted.

3. The meeting adjourned at 9:50 a.m.

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 10. Mr. G. Gondicas |
| 2. Mr. R. L. Garner | 11. Files |
| 3. Mr. W. A. B. Iliff | 12. Mr. H. N. Graves |
| 4. Mr. A. S. G. Hoar | 13. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 14. Mr. W. Koster |
| 6. Mr. L. B. Rist (2) | 15. Mr. F. A. Consolo |
| 7. Mr. D. Crena de Jongh (2) | 16. Mr. C. H. Davies |
| 8. Mr. R. H. Demuth | 17. Mr. P. F. Foster |
| 9. 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 Staff Loan Committee Meeting held Thursday, June 19, 1952 at 11:00 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. L. Baranyai	Mr. W. D. S. Fraser	Mr. I. Reynolds
Mr. A. Basch	Mr. W. Koster	Mr. H. B. Ripman
Mr. E. Clark	Mr. E. W. Rembert	Mr. J. Rucinski

2. India - Industrial Finance Corporation

The Committee considered Loan Department Memorandum SLC/O/482, "India - Industrial Finance Corporation;" No. T-7, "Report on Industrial Finance Corporation of India" prepared by Messrs. Crena de Iongh and Reynolds; and a draft letter from the Bank to the Indian Minister of Finance inviting him to send representatives to negotiate a Bank loan for the Industrial Finance Corporation, dated June 16, 1952; and

APPROVED

these documents with various changes, and suggested, among other things

- a) that the Bank should be prepared to lend to the IFC \$5 million to cover its foreign exchange requirements during 1952-53 for purchases in hard-currency countries; and to consider increasing this amount by \$5 million to cover purchases in soft-currency countries during the same period.
- b) that the proposed loans should be used for contractual obligations of the IFC made since January 1, 1952 but should cover the reimbursement of payments made by the IFC only after a date to be agreed between the Bank and the IFC.
- c) that as a condition of making the proposed loan IFC's financial situation should be improved; and that the Bank should propose that among other measures to be taken by the IFC in order to achieve this end, the IFC:
 - i) should increase its interest rate in order to ensure sufficient earnings;
 - ii) should discontinue paying dividends on its shares held by the Central Government and the Reserve Bank until it has repaid its debt to the Central Government and has built up an amount of reserves appropriate for an institution of its kind; and

- iii) should charge a commitment fee on the undisbursed part of its loans.
 - d) that the bank should not require the IFC to refinance with the Reserve Bank or with commercial banks the loans it has made for working capital.
 - e) that the question of raising the Rs. 5 million ceiling on the amount of loans by the IFC to any single borrower should be decided at a later date.
 - f) that in the light of the experience of previous Bank loans to development institutions, the Bank should examine the form of the proposed loan to the IFC. Particular consideration should be given to whether the IFC should submit to the Bank for approval all loan applications for which utilization of the proceeds of the Bank loan would be required.
3. The meeting recessed at 12:45 p.m., reconvened at 2:40 p.m., and adjourned at 3:00 p.m.

Distribution

- | | |
|------------------------------|-------------------------|
| 1. Mr. Eugene R. Black | 10. Mr. G. Gondicas |
| 2. Mr. R. L. Garner | 11. Files |
| 3. Mr. W. A. B. Iliff | 12. Mr. H. N. Graves |
| 4. Mr. A. S. G. Hoar | 13. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 14. Mr. W. Koster |
| 6. Mr. L. B. Rist (2) | 15. Mr. J. Rucinski |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. L. Baranyai |
| 8. Mr. R. H. Demuth | 17. Mr. W. D. S. Fraser |
| 9. Mr. R. A. Wheeler | 18. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, June 20, 1952 at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. D. Crena de Iongh
Mr. W. Koster
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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In attendance:

Mr. J. H. Adler
Mr. L. Cancio
Mr. C. de Beaufort
Mr. P. French
Mr. G. Grayson

Mr. N. Martini
Mr. E. W. Rembert
Mr. I. Reynolds
Mr. J. Torfs
Mr. M. Verheyen

2. Colombia - Report on Capital Market

The Committee considered a draft "Report on the Colombian Capital Market" prepared by Mr. Alfonso Manero, and

APPROVED

this document with certain changes.

3. Colombia - La Insula Project

The Committee also considered Loan Director's Memorandum SLC/O/483, "Colombia" and Mr. Rembert's Memorandum on "Proposed Expansion of La Insula Power Project - Colombia" attached thereto, and

APPROVED

these documents as submitted.

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

Distribution

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

9. Mr. R. A. Wheeler
10. Mr. G. Gondicas
11. Files
12. Mr. H. N. Graves
13. Mr. M. M. Rosen
14. Mr. W. Koster
15. Mr. G. Grayson
16. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, June 23, 1952 at 10:30 a.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

In attendance:

Mr. L. Bengston	Mr. H. B. Ripman	Mr. G. M. Street
Mr. H. W. Larsen	Mr. A. Saitzoff	Mr. S. P. Wheelock
Mr. N. Parker	Mr. O. A. Schmidt	Mr. C. H. Zondag

2. Brazil

The Committee considered two draft Reports and Recommendations of the President to the Executive Directors concerning the proposed Bank loans for the Rio Grande do Sul Electrification Project and the Priority Rehabilitation Project of the Central do Brazil and the documents attached thereto, and

APPROVED

the above documents with various changes but asked that revised drafts of the two President's Reports and Recommendations should be examined by the Committee before being submitted to the Executive Directors.

3. The meeting recessed at 12:45 p.m., reconvened at 3:00 p.m. and adjourned at 4:30 p.m.

Distribution

- | | |
|------------------------------|------------------------|
| 1. Mr. Eugene R. Black | 10. Mr. G. Gondicas |
| 2. Mr. R. L. Garner | 11. Files |
| 3. Mr. W. A. B. Iliff | 12. Mr. H. N. Graves |
| 4. Mr. A. S. G. Hoar | 13. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 14. Mr. O. A. Schmidt |
| 6. Mr. L. B. Rist (2) | 15. Mr. S. P. Wheelock |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. C. H. Zondag |
| 8. Mr. R. H. Demuth | 17. Mr. P. F. Foster |
| 9. 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 Staff Loan Committee Meeting held Wednesday, June 25, 1952 at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. D. Sommers
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. Gondicas, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. P. Acheson	Mr. J. T. Lund	Mr. O. A. Schmidt
Mr. L. H. Bengston	Mr. G. S. Mason	Mr. J. Torfs
Mr. D. Groenveld	Mr. F. M. Oppenheimer	Mr. G. Trancart
Mr. P. A. Kanters	Mr. N. Parker	Mr. N. Videla
Mr. L. Kephart	Mr. H. B. Ripman	Mr. S. P. Wheelock
Mr. H. W. Larsen	Mr. A. Saitzoff	

2. Brazil

The Committee considered revised drafts of President's Report and Recommendations to the Executive Directors concerning the proposed Bank loans for the Rio Grande do Sul Electrification Project and the Priority Rehabilitation Project of the Central do Brasil and

APPROVED

these documents with certain changes, and

AGREED

- a) that an interest rate of 4-3/4% would be appropriate for the proposed Rio Grande do Sul loan;
- b) that an interest rate of 4-5/8% would be appropriate for the proposed Central do Brasil loan; and
- c) that the oral presentation of the above loans to the Executive Directors should include:
 - i) a description of the latest developments in Brazil's balance of payments situation based on the information recently received by the Bank.

- ii) an elaboration of the last sentence of Para. 31 of the draft President's Report and Recommendations to the Executive Directors on the proposed loan to the CEEE. This sentence reads: "Import pressures are strong and increasing."
- iii) a description of the measures taken towards CEEE's reorganization.
- iv) a reference to the discussions between the Bank and the Brazilian authorities regarding the settlement of the claims against Brazil arising from the expropriation of foreign properties.

3. Peru - Proposed Loan to SCIPA

The Committee also considered Loan Department "Technical Report on the Agricultural Machinery Project for Peru" (No. L-170) and]

APPROVED

this document with certain minor changes.

It also discussed the current status of Peru's negotiations with the British Council of Foreign Bondholders on the sterling debt and

CONCLUDED

that Peru's failure to have reached a settlement on the sterling debt should not deter the Bank from further lending to it, as long as the British Council, for reasons unconnected with Peru, is not willing to negotiate;]

AUTHORIZED

loan negotiations with the Peruvian Government for the SCIPA Agricultural Machinery Project, but suggested that before these negotiations were opened the background of the Peruvian foreign debt situation should be explained to the Executive Directors so that they might have an opportunity to express their views on this matter; and

AGREED

Project

- a) that if a loan for the SCIPA/was made, an amount of about \$65,000 or its equivalent could be used for the reimbursement of purchases already made; and
- b) that the fact that the agreement under which SCIPA is established expires in 1955, need not deter the Bank from making a loan maturing after this date, on the **condition** that the Peruvian Government undertakes to renew this agreement at least until the repayment of the Bank loan, or to establish a successor to SCIPA acceptable to the Bank.

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

STAFF LOAN COMMITTEE

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

Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday, July 1, 1952, at 10:00 a.m. in Room 1005

1. Present:

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

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WBG ARCHIVES

In attendance:

Mr. L. Cancio	Mr. H. N. Graves	Mr. F. D. Stephens
Mr. W. Diamond	Mr. E. W. Rembert	Mr. M. Verheyen
Mr. J. V. Fletcher	Mr. J. Rucinski	Mr. R. A. Wheeler

2. Syria

The Committee considered an oral report by Mr. Stephens on the proposed Bank participation in the financing of a Government-owned oil refinery in Syria, and

AGREED

that if further investigation showed that private capital was not available for this project, the Bank should

- (i) send an oil expert to Syria to study the technical and financial aspects of the refinery project; on the understanding with the Syrian Government that this should not be considered as a commitment on the part of the Bank to finance the project; and
- (ii) if the economic justification and technical and financial aspects are found satisfactory, the Bank should in principle be prepared to consider the financing of the foreign exchange cost of the project.

3. Burma

The Committee also considered Loan Department Memorandum, SLC/O/485, "Burma" and

APPROVED

the recommendations contained therein, with certain amplification of the terms of reference for the Bank group which may visit Burma, if requested.

- 4. The meeting adjourned at 11:20 a.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee held Monday, June 30, 1952 at 3:00 p.m.
in Room 415.

1. Present:

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

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. R. Brion
Mr. S. R. Cope
Mr. A. Kamarck

Mr. L. Nurick
Mr. R. B. J. Richards
Mr. R. A. Wheeler

2. Australia

The Committee considered SLC/O/486, draft President's Report and Recommendations to the Executive Directors concerning the proposed Bank loan to Australia and the documents attached thereto;

APPROVED

these documents but suggested that the draft President's Report and Recommendations should make reference to the assurances given to the Bank by the Australian Prime Minister regarding the intention of his Government to control inflation; and

AGREED

that the detailed description of the Australian development programs referred to in the draft President's Report and Recommendations as Annex I could be distributed to the Executive Directors without previous consideration by the Committee.

3. The meeting adjourned at ^{4:10}~~12:35~~ p.m.

Distribution

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

9. Mr. R. A. Wheeler
10. Mr. G. Gondicas
11. Files
12. Mr. H. N. Graves
13. Mr. M. M. Rosen
14. Mr. S. R. Cope
15. Mr. L. G. Butcher
16. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Tuesday, July 1, 1952 at 3:00 p.m. in Room 1005

1. Present:

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

In attendance:

Mr. P. Acheson
Mr. J. V. Fletcher
Mr. H. W. Larsen
Mr. J. T. Lund

Mr. G. S. Mason
Mr. F. M. Oppenheimer
Mr. O. A. Schmidt

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2. Peru - Agricultural Machinery Loan

The Committee considered SLC/O/487, draft President's Report and Recommendations concerning the proposed agricultural machinery loan to Peru and a draft Loan Agreement between the Republic of Peru and the Bank dated June 26, 1952 and

APPROVED

these documents with certain changes and

AGREED

- (a) that an interest rate of 4-1/8% would be appropriate for the proposed loan to Peru; and
- (b) that about \$100,000 or its equivalent could be reimbursed to SCIPA from the proceeds of the loan for purchases made since January 1, 1952.

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

Distribution

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

- 10. Mr. G. Gondicas
- 11. Files
- 12. Mr. H. N. Graves
- 13. Mr. M. M. Rosen
- 14. Mr. O. A. Schmidt
- 15. Mr. G. S. Mason
- 16. Mr. P. Acheson
- 17. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, July 3, 1952 at 3:00 p.m. in Room 1005

1. Present:

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

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WBG ARCHIVES

In attendance:

Mr. L. G. Butcher
Mr. J. C. deWilde
Mr. F. M. Oppenheimer

Mr. J. Torfs
Mr. R. A. Wheeler

2. British Guiana

The Committee considered Memorandum SLC/O/488 from the Director of Technical Assistance and Liaison on "Economic Survey Mission to British Guiana" and the "Report of Exploratory Mission to British Guiana" (No. T.A.-1) attached thereto, and

APPROVED

the recommendations contained therein.

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

Distribution

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

9. Mr. R. A. Wheeler
10. Mr. G. Gondicas
11. Files
12. Mr. H. N. Graves
13. Mr. M. M. Rosen
14. Mr. S. R. Cope
15. Mr. L. G. Butcher
16. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Monday, July 14, 1952 at
3:15 p.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Cliff
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. H. W. Riley
Mr. L. H. Bengston
Mr. E. Lopez-Herrarte
Mr. G. Gondicas, Secretary

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WBG ARCHIVES

In attendance:

Mr. S. Aldewereld
Mr. L. Cancio
Mr. F. A. Consolo
Mr. C. H. Davies

Mr. J. H. Haralz
Mr. E. W. Rembert
Mr. A. Waterston

2. Mexico - Mexlight

The Committee considered Loan Department Memorandum SLC/O/491 "Mexico - Mexlight" and

APPROVED

this document but suggested that the proposed Bank letter to the Mexican Secretary of Finance

- a) should show that the Bank made the loan on the understanding that Mexlight would remain solvent and independent; and
- b) while stating that the Bank had no option, in the absence of constructive long-term proposals by the Government, but to agree with Mexlight's views, should avoid the direct statement that, in the circumstances, the Bank would refuse to consent to further borrowing by Mexlight; and

AGREED

that it might at a later stage be desirable for the Bank to send someone to Mexico to discuss the problem with the Government.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, July 11, 1952 at
11:00 a.m. in Room 1005

1. Present:

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

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. L. Baranyai
Mr. A. Basch
Mr. E. W. Rembert

Mr. R. B. J. Richards
Mr. J. Rucinski

2. India

In anticipation of a meeting between Mr. Black and Mr. Woods scheduled for July 14, 1952, the Committee considered a letter from Mr. Woods to Mr. Black dated July 1, 1952 on the Indian steel situation, and a preliminary report attached thereto containing the Woods Mission's findings and tentative recommendations. The Committee also exchanged views on the proposed Bank participation in the expansion of India's steel industry.

3. The meeting adjourned at 12:00 noon.

Distribution

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

10. Mr. G. Gondicas
11. Files
12. Mr. H. N. Graves
13. Mr. M. M. Rosen
14. Mr. J. Rucinski
15. Mr. L. Baranyai
16. Mr. W. Fraser
17. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Wednesday, July 16, 1952 at 3:00 p.m. in Room 415

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. H. W. Riley
Mr. W. Koster
Mr. G. Gondicas, Secretary

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WBG ARCHIVES

In attendance:

Mr. L. H. Bengston	Mr. J. Torfs
Mr. L. Cancio	Mr. M. Verheyen
Mr. G. Grayson	Mr. R. A. Wheeler
Mr. N. Martini	

2. Colombia - Barranquilla Municipal Public Services

The Committee considered Loan Department Memorandum SLC/O/492, "Colombia" and

APPROVED

the recommendations contained therein but suggested that the Bank should inform the Colombian Planning Office of the request of the Barranquilla Municipal Public Services and should advise it that the Bank would be prepared in principle to consider financing the proposed project if the Planning Office would assign to it a high priority, and if tangible evidence was provided that the project would be directly connected with the development of productive facilities in the Barranquilla area.

3. Proposed Conference of Financial Institutions

The Committee also considered a memorandum from Mr. Crena de Iongh to Mr. Black dated June 12, 1952, suggesting that the Bank should organize a conference of institutions specializing in long-term financing, and

AGREED

that it would not be appropriate for the Bank to organize such conference.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held at 10:00 a.m., Friday, July 18, 1952 in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. A. S. G. Hoar
Mr. L. B. Rist
Mr. M. M. Mendels
Mr. R. H. Demuth
Mr. W. F. Howell
Mr. H. W. Riley
Mr. A. Broches
Mr. G. Gondicas, Secretary

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WBG ARCHIVES

In attendance:

Mr. J. H. Adler
Mr. E. de Vries
Mr. N. J. Paterson
Mr. R. Quandt

Mr. P. N. Rosenstein-Rodan
Mr. A. Stevenson
Mr. J. H. Williams

2. Proposed Institute for Economic Development

The Committee considered the "Report of Committee to consider Bank Sponsorship of Institute of Advanced Studies in Economic Development," (SLC/O/490) and

AGREED

- a) that the proposal should be submitted to the Executive Directors for their information and comments;
- b) that the Bank should discuss with the Ford Foundation and other similar institutions their participation in the financing of the proposed Institute; and
- c) that if a satisfactory preliminary agreement was reached with the above, the Bank should explore with the Governors during the annual meeting in Mexico City the likelihood of obtaining an adequate number of qualified students for the proposed Institute.

3. Denmark

The Committee also considered Loan Department Memorandum SLC/O/493, "Denmark," and

AGREED

that the Bank should explore informally with the U.S. Government the idea of establishing a working party, representing the U.S., U.K. and Danish Governments and the Bank, to study Denmark's dollar problem and possible approaches to its solution.

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

Distribution

- | | |
|------------------------------|--------------------------------|
| 1. Mr. Eugene R. Black | 11. Files |
| 2. Mr. R. L. Garner | 12. Mr. H. N. Graves |
| 3. Mr. W. A. B. Liff | 13. Mr. M. M. Rosen |
| 4. Mr. A. S. G. Hoar | 14. Mr. W. F. Howell |
| 5. Mr. D. Sommers (2) | 15. Mr. P. N. Rosenstein-Rodan |
| 6. Mr. L. B. Rist (2) | 16. Mr. S. R. Cope |
| 7. Mr. D. Crena de Jongh (2) | 17. Mr. O. A. Schmidt |
| 8. Mr. R. H. Demuth | 18. Mr. R. Quandt |
| 9. Mr. R. A. Wheeler | 19. Mr. N. J. Paterson |
| 10. Mr. G. Gondicas | 20. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday, July 29, 1952 at 9:30 a.m. in Room 1005

1. Present:

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

In attendance:

Mr. L. Baranyai	Mr. W. M. Gilmartin	Mr. R. B. J. Richards
Mr. W. Diamond	Mr. H. N. Graves	Mr. H. B. Ripman
Mr. W. D. S. Fraser	Mr. I. Reynolds	Mr. J. Rucinski

2. India - Industrial Finance Corporation

The Committee considered Loan Department Memorandum SLC/O/494, "India - Industrial Finance Corporation" and

AGREED

that in connection with the proposed loan to the Indian Industrial Finance Corporation

- a) the Bank should maintain the policy it now follows in lending to Development Banks of crediting the borrower's account only after it has approved the project for which financing is requested; but that if it appears that the IFC expects to finance a number of small projects, the prior approval of which would be impractical, the Bank should consider waiving its right of prior approval in such cases up to a limited total amount;
 - b) the Bank should also maintain its policy of charging a commitment fee only on the amounts credited to the borrower's account as specific projects are approved; and
 - c) the Bank should exercise regularly its right to investigate the operations and financial condition of the IFC.
3. The meeting adjourned at 11:05 a.m.

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, July 31, 1952 at 3:00 p.m. in Room 1005

1. Present:

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

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WBG ARCHIVES

In attendance:

Mr. L. Baranyai	Mr. W. M. Gilmartin	Mr. E. W. Rembert
Mr. R. Brion	Mr. H. N. Graves	Mr. R. B. J. Richards
Mr. L. Cancio	Mr. J. H. Haralz	Mr. H. B. Ripman
Mr. F. A. Consolo	Mr. W. Kluss	Mr. J. Rucinski
Mr. C. H. Davies	Mr. W. Koster	Mr. A. Waterston
Mr. C. Flesher	Mr. E. Lopez-Herrarte	Mr. R. A. Wheeler
Mr. J. V. Fletcher	Mr. D. B. Macurda ✓	Mr. G. D. Woods ✓
Mr. P. French	Mr. M. M. Mendels	

2. India - Iron and Steel Situation

The Committee considered Loan Department Memorandum SLC/O/495, "India - Iron and Steel Situation," and the documents attached thereto, and

APPROVED

the conclusions and recommendations contained therein but suggested that the Bank should be satisfied (i) that the managing agent's commission and dividends to shareholders would not prevent the company from retaining enough of its earnings in order to build up an adequate working capital position; and (ii) that, if possible, there be recorded an understanding on the part of the Government of India that no action will be taken that would jeopardize the soundness of the borrower's financial position; and

AGREED

that the Bank should inform the Indian Government that it was prepared

- a) to consider a loan in foreign exchange, with Government guarantee, equivalent to about \$30 million for the proposed project;
- b) to initiate loan negotiations in Washington as soon as the Bank has been informed (i) that arrangements for the advance of necessary funds (approximately Rs. 10 crores) by the Government from the Equalization Fund to IISCO-SCOB have been made; (ii) that the managements of the two companies are satisfied that the merger will be carried out

and that the terms of the merger have been approved by the Government as guarantor of the loan; and (iii) that IISCO-SGOB can offer to the Bank security for the loan at least as good as that enjoyed by any other creditor.

3. Ethiopia

The Committee also considered Loan Department Memorandum SLC/O/496, "Ethiopia," and

APPROVED

the recommendations contained therein.

4. Mexico

The Committee also considered a memorandum from Mr. Hoar to Mr. Black on Mexico, dated July 28, 1952, and the latest developments in the Mexlight situation as reported by Mr. Consolo, and

APPROVED

the recommendations contained in Mr. Hoar's memorandum and suggested that the Bank should inform Mr. Messersmith that it did not approve his compromise proposals to the Mexican Government on the local currency financing of Mexlight's expansion program; and that a copy of the Bank's letter to Mr. Messersmith should be sent to Mr. Carrillo Flores.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 12. Mr. H. N. Graves |
| 2. Mr. R. L. Garner | 13. Mr. M. M. Rosen |
| 3. Mr. W. A. B. Iliff | 14. Mr. W. Koster |
| 4. Mr. A. S. G. Hoar | 15. Mr. J. Rucinski |
| 5. Mr. D. Sommers (2) | 16. Mr. L. Baranyai |
| 6. Mr. L. B. Rist (2) | 17. Mr. F. A. Consolo |
| 7. Mr. D. Crena de Iongh (2) | 18. Mr. C. H. Davies |
| 8. Mr. R. H. Demuth | 19. Mr. W. Diamond |
| 9. Mr. R. A. Wheeler | 20. Mr. W. Kluss |
| 10. Mr. G. Gondicas | 21. Mr. P. F. Foster |
| 11. 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 Staff Loan Committee Meeting held Thursday, August 7, 1952 at 3 p.m. in Room 1005

1. Present:

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

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In attendance:

Mr. N. Bass	Mr. W. Koster	Mr. J. Torfs
Mr. D. H. Connor	Mr. H. W. Larsen	Mr. R. A. Wheeler
Mr. G. Grayson	Miss V. Morsey	Mr. A. Wubnig

2. Colombia - Magdalena Valley Railroad Project

The Committee considered Loan Director's Memorandum SLC/O/498, "Colombia - Magdalena Valley Railroad Project" and Loan Department Memorandum SLC/O/498 on the same subject attached thereto, and

APPROVED

the recommendations contained in these documents.

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

Distribution

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

STAFF LOAN COMMITTEE

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

Minutes of SLC Meeting held Friday, August 8, 1952 at 3:00 p.m. in Room 1005

1. Present:

Mr. W. A. B. Cliff
Mr. D. Sommers
Mr. L. B. Rist
Mr. H. W. Riley
Mr. O. A. Schmidt
Mr. G. Gondicas, Secretary

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In attendance:

Mr. N. Bass
Mr. J. V. Fletcher
Mr. G. Grayson
Mr. W. Koster
Mr. H. W. Larsen

Mr. N. Martini
Miss V. Morsey
Mr. J. Torfs
Mr. R. A. Wheeler
Mr. A. Wubnig

2. Colombia - Magdalena Railroad Project

The Committee considered Loan Department Report No. L-173, "Technical Report on the National Railroads Program in the Republic of Colombia" dated August 6, 1952 and Economic Department Report No. E-232, "Recent Economic Developments in Colombia" dated August 5, 1952, and

APPROVED

these documents, with minor amendments, and

AGREED

that the question of the authority of the Colombian Government to contract the proposed loan should be further explored by the Bank.

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

Distribution

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

9. Mr. R. A. Wheeler
10. Mr. G. Gondicas
11. Files
12. Mr. H. N. Graves
13. Mr. M. M. Rosen
14. Mr. W. Koster
15. Mr. G. Grayson
16. Mr. P. F. Foster

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 Regular Weekly Staff Loan Committee Meeting held Tuesday,
August 12, 1952 at 9:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. D. Sommers
Mr. L. B. Rist
Mr. M. M. Mendels
Mr. H. W. Riley
Mr. O. A. Schmidt
Mr. G. Gondicas, Secretary

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In attendance:

Mr. L. Bengston	Mr. E. Lopez-Herrarte	Mr. L. Nurick
Mr. J. V. Fletcher	Mr. H. W. Larsen	Mr. F. M. Oppenheimer
Mr. P. French	Mr. N. Martini	Mr. J. Torfs
Mr. G. Grayson	Miss V. Morsey	Mr. R. A. Wheeler
Mr. W. Koster		

2. Colombia - Magdalena Valley Railroad Project

The Committee considered the question of the action which should be required of the Colombian Government to make effective the Loan Agreement for the Magdalena Valley Railroad loan, and

AGREED

- a) that the Bank should continue loan negotiations with the Colombian representatives; and
- b) that the Bank should reserve its position to decide, after further study of the problem, what legislative or other action would be required to make the Loan Agreement effective.

3. Review of Loan Regulations Nos. 3 and 4

The Committee also considered Memorandum SLC/O/497 from Mr. Sommers, dated July 11, 1952 on "Review of Loan Regulations Nos. 3 and 4" and

APPROVED

the recommendations contained therein.

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 SLC Meeting held Thursday, August 14, 1952 at 11:00 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
 Mr. W. A. B. Iliff
 Mr. L. B. Rist
 Mr. H. W. Riley
 Mr. O. A. Schmidt
 Mr. G. Gondicas, Secretary

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2. In attendance:

Mr. P. Acheson
 Mr. E. Clark
 Mr. J. V. Fletcher
 Mr. P. French
 Mr. W. Koster

Mr. H. W. Larsen
 Mr. E. Lopez-Herrarte
 Mr. G. S. Mason
 Mr. M. M. Mendels

Mr. P. Pajunen
 Mr. I. Reynolds
 Mr. H. B. Ripman
 Miss M. Wolfson

2. Cuba

The Committee considered:

- a) a memorandum from Messrs. Sommers and Reynolds to Mr. Black dated August 5, 1952 on "Procedures for Possible Loans to Cuban Development Bank" and
- b) a letter from the President of the National Bank of Cuba to Mr. Sommers dated July 31, 1952 and a memorandum attached thereto outlining certain security arrangements for these loans, and

AGREED

- a) that the Cuban Working Party should consider the financial, legal and policy aspects of Bank operations with the Cuban Development Bank. The President of the National Bank of Cuba should be informed during the Bank's Annual Meeting in Mexico that the Bank is studying the subject and might ask for additional information; and
- b) that the Bank should explore whether the new Cuban Government intends to give serious consideration to the recommendations of the Truslow Mission so as to make possible the cooperation between Cuba and the Bank.

3. Ecuador

The Committee also considered Memorandum SLC/O/499 "Report of July 1952 Visit to Ecuador - Prospects for Bank Operations in Ecuador" and

APPROVED

the recommendations contained therein but suggested that the last sentence of the penultimate paragraph of the proposed letters from Mr. Black to the President and

to the President-elect of Ecuador should be more cautiously worded.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 10. Mr. G. Gondicas |
| 2. Mr. R. L. Garner | 11. Files |
| 3. Mr. W. A. B. Clif | 12. Mr. H. N. Graves |
| 4. Mr. A. S. G. Hoar | 13. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 14. Mr. W. Koster |
| 6. Mr. L. B. Rist (2) | 15. Mr. O. A. Schmidt |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. G. S. Mason |
| 8. Mr. R. H. Demuth | 17. Mr. P. Acheson |
| 9. Mr. R. A. Wheeler | 18. Miss M. Wolfson |
| | 19. Mr. P. F. Foster |

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Friday, August 15, 1952 at
2:30 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. W. A. B. Iliff
Mr. L. B. Rist
Mr. H. W. Riley
Mr. O. A. Schmidt
Mr. G. Gondicas, Secretary

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WBG ARCHIVES

In attendance:

Mr. N. Bass	Mr. W. Koster	Mr. N. Martini
Mr. J. V. Fletcher	Mr. H. W. Larsen	Miss V. Morsey
Mr. G. Grayson	Mr. E. Lopez-Herrarte	Mr. J. Torfs

2. Colombia

The Committee considered Loan Department Memorandum SLC/O/500, "Colombia - National Railroads Project" and the documents attached thereto, and

APPROVED

them with certain minor changes, and

AGREED

that the Bank's reservation of its position on action required to make the loan effective should be set forth in a letter which would be executed simultaneously with the execution of the Loan Agreement. A draft of this letter was approved in principle.

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

Distribution

- | | |
|------------------------------|-----------------------|
| 1. Mr. Eugene R. Black | 10. Mr. G. Gondicas |
| 2. Mr. R. L. Garner | 11. Files |
| 3. Mr. W. A. B. Iliff | 12. Mr. H. N. Graves |
| 4. Mr. A. S. G. Hoar | 13. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 14. Mr. W. Koster |
| 6. Mr. L. B. Rist (2) | 15. Mr. O. A. Schmidt |
| 7. Mr. D. Crena de Jongh (2) | 16. Mr. G. Grayson |
| 8. Mr. R. H. Demuth | 17. Mr. P. F. Foster |
| 9. 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 Staff Loan Committee Meeting held Wednesday, August 20, 1952
at 11:00 a.m. in Room 1005

1. Present:

Mr. W. A. B. Cliff
Mr. D. Sommers
Mr. L. B. Rist
Mr. D. Crena de Iongh
Mr. S. R. Cope
Mr. R. A. Wheeler
Mr. G. Gondicas, Secretary

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WBG ARCHIVES

In attendance:

Mr. N. Bass
Mr. A. Broches
Mr. A. C. Broendum

Mr. J. V. Fletcher
Miss V. Morsey
Mr. A. Stevenson

2. Iceland

The Committee considered the draft President's Report and Recommendations to the Executive Directors on a Loan to the Republic of Iceland, and the documents attached thereto, and

APPROVED

them with various changes, and

AGREED

- a) that the above documents revised in accordance with the changes suggested by the Committee should be submitted to the Executive Directors, it being expected that the U.K. Government would not object to the use of part of the £5 million Bank issue in London for purchases in Switzerland;
- b) that an interest rate of $4\frac{3}{4}\%$ would be appropriate for the proposed loan to Iceland; and
- c) that if there was no objection on the part of Iceland, the proposed loan should be denominated in "various currencies equivalent to \$854,000."

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

Distribution

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

10. Mr. G. Gondicas
11. Files
12. Mr. H. N. Graves
13. Mr. M. M. Rosen
14. Mr. S. R. Cope
15. Mr. A. Stevenson
16. Mr. N. Paterson
17. Mr. P. F. Foster

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, August 21, 1952 at 3 p.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. W. A. B. Iliff
Mr. S. R. Cope
Mr. L. B. Rist
Mr. D. Crena de Iongh
Mr. D. Sommers
Mr. E. Lopez-Herrarte
Mr. G. Gondicas, Secretary

In attendance:

Mr. J. H. Adler
Mr. J. Fajans
Mr. H. Prud'homme
Mr. I. Reynolds

Mr. A. Stevenson
Mr. A. Broches
Mr. J. H. Williams

DECLASSIFIED**JUN 13 2014****WBG ARCHIVES****2. Intra-European Investment**

The Committee took note of the Economic Department Memorandum SLC/O/501 "Intra-European Investment" and the memoranda attached thereto, and

AGREED

- a) that the question should be raised by the President with the Governors at the Annual Meeting in Mexico City;
- b) that the "Memorandum concerning Future IBRD Operations in Europe and Dependent Overseas Territories", modified by the addition of a statement to the effect that the Bank would be pleased to cooperate closely with any new European financial institution should it be formed, should be used as the basis for the President's discussions in Mexico City; and
- c) that the Executive Directors should be told beforehand that the President is raising the matter and should be given a copy of the memorandum referred to above.

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

1. Mr. Eugene R. Black
2. Mr. W. A. B. Iliff
3. Mr. S. R. Cope
4. Mr. L. B. Rist
5. Mr. D. Crena de Iongh
6. Mr. D. Sommers
7. Mr. E. Lopez-Herrarte

8. Mr. J. H. Adler
9. Mr. J. Fajans
10. Mr. H. Prud'homme
11. Mr. I. Reynolds
12. Mr. A. Stevenson
13. Mr. A. Broches
14. Mr. J. H. Williams

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held August 25, 1952 at 3 p.m. in Room 1005.

1. There were present:

Mr. E. R. Black
 Mr. W. A. B. Iliff
 Mr. S. R. Cope
 Mr. D. Crena de Longh
 Mr. J. H. Adler

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In attendance:

Mr. H. Prud'homme
 Mr. J. Fajans
 Mr. J. V. Fletcher
 Mr. L. Nurick
 Mr. I. Reynolds
 Mr. B. J. Richards

Mr. A. Stevenson
 Mr. P. F. Craig-Martin
 Mr. L. Baranyai
 Mr. W. D. S. Fraser
 Mr. H. Ripman

Mr. G. Gondicas, *Secretary*

2. France

The Committee considered an oral report by Mr. Stevenson on recent economic developments in France and exchanged views on the French dollar creditworthiness in anticipation of probable discussions on this subject with the French representatives during the Bank's Annual Meeting in Mexico City.

3. India - I.F.C.

The Committee also considered Loan Department Memorandum SLC/O/502 "India - Industrial Finance Corporation", the documents attached thereto and the Addendum to SLC/O/502 "Industrial Finance Corporation of India - Review of Eighteen Projects" and

APPROVED

these documents with certain changes, and

AGREED

that the suggestion made during the discussion that the proposed guarantee agreement should not contain a performance guarantee should be referred to Mr. Black for final decision.

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

STAFF LOAN COMMITTEE

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

Minutes of Staff Loan Committee Meeting held Thursday, August 28, 1952
at 11:30 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. W. A. B. Iliff
Mr. D. Crena de Iongh
Mr. S. R. Cope
Mr. R. A. Wheeler
Mr. A. Basch
Mr. P. French
Mr. G. Gondicas, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. L. Baranyai
Mr. L. H. Bengston
Mr. F. Bochenski
Mr. E. deVries

Mr. J. V. Fletcher
Mr. H. Prud'homme
Mr. E. W. Rembert

2. SYRIA - LEBANON - EGYPT

The Committee considered an oral report by Mr. Bochenski on Syria, Lebanon and Egypt in anticipation of possible discussions of the Bank's relations with these member countries during the Bank's annual meeting in Mexico City.

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

Distribution

- | | |
|------------------------------|----------------------|
| 1. Mr. Eugene R. Black | 10. Mr. G. Gondicas |
| 2. Mr. R. L. Garner | 11. Files |
| 3. Mr. W. A. B. Iliff | 12. Mr. H. N. Graves |
| 4. Mr. A. S. G. Hoar | 13. Mr. M. M. Rosen |
| 5. Mr. D. Sommers (2) | 14. Mr. S. R. Cope |
| 6. Mr. L. B. Rist (2) | 15. Mr. J. Rucinski |
| 7. Mr. D. Crena de Iongh (2) | 16. Mr. L. Baranyai |
| 8. Mr. R. H. Demuth | 17. Mr. D. Stephens |
| 9. Mr. R. A. Wheeler | 18. Mr. P. F. Foster |

Memorandum for Members of Staff Loan Committee

From: Virginia Morsey

Subject: Informal Meeting Held September 2, 1952.

An informal meeting of the Staff Loan Committee was held at 4:30 pm., September 2, 1952, in Room 650, of the Hotel Del Prado in Mexico City. The purpose was to review, briefly, loan operational and mission matters which might be raised by Governors attending the Annual Meeting. There were present: Messrs. Garner, Iliff, Hoar, Sommers, Rist, Demuth and Hill.

The following is a brief resume of the discussion:

1. Austria. The Austrians have in the past discussed a number of proposed projects, including Daberklamm, Braunau, Jochenstein and Reischeck. In connection with the Daberklamm Project, we originally told the Austrians that we would insist on a guarantee from the Italian Government. This position was later modified, and we had agreed that, instead, it would be sufficient if the Austrians obtained a long-term contract for sale of power to the Italians. The Reischeck Project may be the most promising yet: construction has been started, about two-sevenths of the total requirements already invested, and there already exists a long-term contract for sale of power to the Italians.

Refugee settlement had also been suggested as a possibility for Bank interest and we had indicated that we thought such a project would be difficult to work out.

It was agreed:

- (a) that we should maintain the position that at present any Bank loan would have to be related to a project which would produce foreign exchange sufficient to assure service of the loan;
- (b) that we should have to be satisfied about the economic justification and priority of any projects submitted; and
- (c) be assured of the availability of local currency.

2. Germany. Mr. Von Mangoldt has told Mr. Iliff that the Germans will not present any loan proposals now. Mr. Iliff reported that German reaction to releases of 18% currency had been discouraging.

3. Italy. The first Cassa loan was now effective. No approaches have been made by the Italians concerning a second tranche of that loan. Some time ago they had inquired about a possible loan to help medium-sized business in Northern Italy, and Mr. Black had replied (in December 1951 and June 1952) that the Bank's preference would be for financing imports directly needed in projects. No reply had been received to Mr. Black's letters. It was agreed that we should wait to see if the Italians brought forward anything.

4. France. It is not expected that anything will come up, and we will do nothing unless the French take the initiative.

5. Iceland. The Fertilizer Loan has exhausted the amount which the Bank feels Iceland should absorb before the middle or end of 1953.

6. Yugoslavia. Mr. Rosen expects to leave Yugoslavia between the 20th and 30th of September. He has had good cooperation from the Yugoslavs.

A further stage of administrative reorganization has strengthened the position of the Central Bank, and the Ministries of Finance, Agriculture, Industry and Foreign Trade have been absorbed into the Ministry of Economy.

The country has suffered from another drought and the balance of payments is expected to lose \$140 /150 million. They will have no corn to export, and wheat, sugar and lard will have to be imported. To meet the expected deficit, they have \$99 million of external aid still uncommitted. For the balance, they will not borrow but will attempt to expand exports, particularly of timber and non-ferrous metals, and to contract imports. The Mission's economic studies are almost finished and it seems that Mr. Rosen is of the opinion that, from the economic point of view, a loan of about \$30 million equivalent in European currencies

would be justified.

The task of the Mission now is to focus on projects. Because of their present difficulties, the Yugoslavs are already postponing some investment projects and are not starting any new ones. Consequently the remaining active projects have already been sifted pretty thoroughly and the Yugoslavs seem ready to accept any selection the Bank may wish to make. Mr. Rosen thinks there will be no difficulty in agreeing on acceptable projects.

A greater difficulty arises from the problem of 18% releases. Mr. Rosen's estimates of requirements are the following:

French Francs - \$12,000,000 equivalent

Pounds Sterling - \$ 6,000,000 equivalent

The Bank has firm commitments from France and the United Kingdom to cover these amounts, provided that they are satisfied as to the projects.

German Marks - \$5,000,000 - \$10,000,000 equivalent

Italian, Swedish,
Dutch and Belgian
Currencies - \$1,000,000 to \$1-1/2 million
equivalent

in each case should be sufficient. The Yugoslavs could probably incur liability in dollars up to \$5 million or so but it would be advisable to avoid this if at all possible. It was agreed that an approach should be made to the appropriate Governors in Mexico City, for releases of the amounts required, but that we should ask for more than 1-1/2 million dollars equivalent from the

Dutch since there was some indication that they would be willing to release more. Any excess could be used to cover any shortfall in German marks or other currencies.

7. Bank's Role in Europe and in Intra European Investment.

Arrangements will be made for Mr. Black to have an informal conference with the Governors' representing OEEC countries.

Mr. Hill reported, as regards the European Coal and Steel Community, that in his latest conversations with Messrs. Kenney, Draper and Porter, it had been agreed that capital should be sought first from private sources, second from the Bank and only as a last resort from M.S.A..

8. South Africa. The South Africans asked us to postpone the mission which was to have gone to South Africa in July and it was agreed with them that the matter should be further discussed in Mexico. In the meantime, the political situation has become worse and the economic situation has fallen away also. It was agreed that there would be no point in a further postponement of the mission unless it were until after the elections in May of next year. Since it might be difficult, in view of our earlier commitment, to secure so long a postponement, Mr. Garner thought we should be ready to send some people out soon if the South Africans so desire.

9. Egypt. Last October we told the Egyptians that we were prepared to look into some projects, including Railroad, Rehabilitation, Fertilizer, Hydro-Electric and Irrigation Projects. No progress had been made since then, owing to the political developments in the meantime. We have recently agreed, however, to send Mr. Saitzoff to Egypt to look at the Railroad Project.

10. Syria. Mr. Bochenski has advised that there will probably be a request for a mission. The Syrians are considering submitting requests for a number of new projects. They have no over-all development plan and have few people qualified to handle the matter. If a mission is requested, Mr. Bochenski recommends that we consider the request sympathetically. Since the Syrians are extremely sensitive about putting themselves under the direction of the West, however, it would be preferable that the mission be not too large or too comprehensive.

In the submission of tenders for the Latakia Port Project, it seemed that the choice has been narrowed to two French firms. Mr. Iliff pointed out that Mr. Guindey has said there is no possibility of any additional releases of 18% francs. The Committee agreed, however, that, although we do not know the exact amount which will be required, someone should speak to Mr. Hoppenot.

11. Burma. Mr. Barrington has advised that the Burmese want the Bank mission on the terms proposed by the Bank.

12. Thailand. The Port Authority Loan is in difficulties. Mr. Marshall wrote a memorandum, and the working party recommended that the matter be taken up with the Thai Delegation. Mr. Oppenheimer thought that the recommendations of Mr. Marshall went too far. Mr. Hoar and Mr. Sommers will discuss the matter.

13. India. Mr. Hoar had made arrangements for two Bank men to go to India to look at the projects which were under consideration for the proposed Industrial Corporation. The loan could probably be finalized by the end of the year.

14. Cuba. The Staff Loan Committee will have a separate meeting and Mr. Black will be informed of the different views.

15. Bolivia. Mr. Demuth mentioned that the Bolivians have asked for a fact-finding mission to come to Bolivia before the end of the year.

16. Denmark. Mr. Rist reported that Denmark will probably obtain \$25 million in free dollars in 1952 and another \$25 million in 1953 on account of construction of an airfield. If they do get \$50 million in free currency, they can continue to pay the maturities on our loan but will probably be unable to do anything about arrears.

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Tuesday, September 30, 1952
at 11:00 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. B. Knapp
Mr. D. Sommers
Mr. L. B. Rist
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. J. Rucinski
Mr. G. Gondicas, Secretary

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In attendance:

Mr. J. H. Adler	Mr. W. F. Howell	Mr. L. Nurick
Mr. S. Aldewereld	Mr. A. Kamarck	Mr. H. Prud'homme
Mr. S. R. Cope	Mr. M. L. Lejeune	Mr. O. A. Schmidt
Mr. J. V. Fletcher	Mr. M. M. Mendels	

2. South Africa - Terms of Reference of Proposed Bank Mission

The Committee considered Memorandum SLC/0/505 from Department of Operations - Europe, Africa and Australasia, on "Mission to South Africa" and

APPROVED

this document as submitted.

3. Economic Development Institute

The Committee also considered Memorandum SLC/0/504 from Mr. Demuth on "Economic Development Institute" and

AGREED

- a) That the Bank should now prepare a prospectus containing a detailed draft curriculum for the proposed Economic Development Institute;
- b) That the organizations which might participate in the financing of the Institute should be kept informed of the progress made by the Bank towards its establishment;
- c) That it would not be possible at this stage to determine the date of commencement of the Institute.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Thursday, September 25, 1952
at 4:15 p.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. Burke Knapp
Mr. R. A. Wheeler
Mr. D. Sommers
Mr. L. B. Rist
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. G. Gondicas, Secretary

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In attendance:

Mr. J. V. Fletcher
Mr. H. W. Larsen
Mr. M. M. Mendels

Mr. R. Quandt
Mr. A. Saitzoff
Mr. O. A. Schmidt

2. BrazilA. General

The Committee considered questions which had arisen during discussions with Mr. Lafer, Brazilian Minister of Finance; and

AGREED

- (i) that the Bank could not agree to make a loan to Brazil at this time to strengthen the Government's position; and
- (ii) that the Bank should not consider financing a substantially larger part of the cost of the suburban carriage project of the Central Railroad than the \$12.5 million amount already under consideration.

B. Proposed Statement by Mr. Lafer

The Committee reviewed a draft statement on his discussions in Washington which had been prepared by Mr. Lafer for release upon his return to Brazil. The Committee suggested certain changes in this statement, and

AGREED

that the Bank should have no objection to Mr. Lafer's making the revised statement.

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

STAFF LOAN COMMITTEE

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Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday, October 7, 1952 at 9:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. Burke Knapp
Mr. R. A. Wheeler
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. J. Rucinski
Mr. A. Broches
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

In attendance:

Mr. S. Aldewereld
Mr. A. Basch
Mr. J. V. Fletcher
Mr. F. R. Godwin

Mr. W. F. Howell
Mr. A. M. Kamarck
Mr. M. M. Mendels
Mr. F. R. Poore

2. Non-Dollar Currencies

The Committee considered memorandum SLC/O/506 from the Treasurer on "Procedure for Obtaining and Utilizing Non-Dollar Currencies for Loans" and

AGREED

that all matters concerning 18% releases should be considered by an inter-Departmental committee consisting of representatives of the Treasurer's Department, the three Departments of Operations and the Technical Operations Department; but that approaches to member countries on 18% releases should be made by the Departments of Operations after consultation with the inter-Departmental committee.

3. Technical Research Institutes

The Committee also considered memorandum SLC/O/507 from the Director, Technical Assistance and Liaison Staff, on "Technical Research Institutes" and the draft agreement attached thereto between the Central Bank of Ceylon on the one hand and the Bank and the UN/TAA on the other, and

APPROVED

these documents, but suggested

- a) that, although the Director of an Institute could be a Bank employee, it should be made clear that, while serving with the Institute, he was on loan from the Bank and responsible only to the governing body of the Institute.

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- b) that while the Bank would not necessarily refuse to participate in an Institute which was organized under a Government Ministry, it would have to be satisfied that the Institute was set up with enough authority and independence from political interference that it could operate effectively; and
 - c) that the Bank's right to terminate an agreement to participate in an Institute should not be subject to prior approval by the other sponsoring agency.
4. The meeting adjourned at 11:00 a.m.

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Minutes of Staff Loan Committee Meeting held Monday, October 13, 1952 at 3:00 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. R. A. Wheeler
Mr. D. Sommers
Mr. R. H. Demuth
Mr. J. Rucinski
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

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In attendance:

Mr. L. H. Bengston
Mr. F. G. Bochenski
Mr. W. Diamond
Mr. J. V. Fletcher

Mr. H. Prud'homme
Mr. R. B. J. Richards
Mr. O. A. Schmidt
Mr. B. P. Spiro

2. Ethiopia - Mission Report

The Committee considered Memorandum SLC/O/508 from Department of Operations - Asia and Middle East, on "Report of Mission to Ethiopia" and the "Report on Mission to Ethiopia" (AS No. 1) attached thereto dated October 6, 1952, and

a) Telecommunications Program

APPROVED

the recommendations contained in the Mission report but suggested that, if by the time the requirements for effectiveness of the loan are met the Bank is not satisfied with the qualifications of the Chairman of the Imperial Board of Telecommunications, the Bank should review the situation again before declaring the loan effective.

b) Development Bank

AGREED

that a draft letter from the President to the Emperor should be prepared for consideration by the SLC setting forth the Bank's view on the function and the management of the Development Bank, and inviting the Ethiopian Government to pay the remainder of its subscription to the Development Bank.

c) Highway Project

APPROVED

the recommendations contained in the Mission's report and suggested that the Bank should see that the Highway Authority receives regularly the proceeds of the toll and gas taxes.

d) Economic Advisor

APPROVED

the recommendations contained in the Mission's report, suggested that the Bank should not press the Finance Minister to accept the proposed candidate for the position of the Economic Advisor, and expressed doubt as to the wisdom of attaching the proposed Economic Advisor to an individual Minister.

e) General Survey Mission

AGREED

that it would not be appropriate to send to Ethiopia at this time a general survey mission and that coordination of the various research and technical assistance projects in Ethiopia and of the economic policies and activities of the Government could best be achieved by an economic advisor to the Government as a whole, or to the Emperor, with adequate administrative authority.

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

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STAFF LOAN COMMITTEE

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Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday, October 14, 1952 at 9:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. A. S. G. Hoar
Mr. J. B. Knapp
Mr. R. A. Wheeler
Mr. D. Sommers
Mr. L. B. Rist
Mr. D. Crena de Iongh
Mr. R. H. Demuth
Mr. J. Rucinski
Mr. G. Gondicas, Secretary

In attendance:

Mr. S. Aldewereld
Mr. J. C. de Wilde
Mr. W. M. Gilmartin

Mr. H. N. Graves
Mr. W. F. Howell

Mr. M. M. Mendels
Mr. H. W. Riley

2. Japan

The Committee considered Memorandum SLC/O/509 from the Department of Operations - Asia and Middle East, on "Mission to Japan" and the "Draft Terms of Reference for Mission to Japan" attached thereto, and

APPROVED

these documents as submitted, and

AGREED

that draft terms of reference for future Bank missions should be circulated to the SLC members for their comments, and that discussion of such drafts at SLC meetings should take place only if specifically requested by the responsible Department Head.

3. Colombia

The Committee also considered a request from the Colombian Government that the Bank authorize it to circulate to the Colombian Congress "Technical Report on the National Railroads Program in the Republic of Colombia" (No. L-173a) as a supporting document to the bill for the ratification of the Railroad Loan Agreement, and

AGREED

that in principle it would not be appropriate for the Bank to authorize the publication of its working papers.

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4. Servicing Facilities for Agricultural Machinery/Development of Areas
Opened by Bank-financed Projects

The Committee also

AGREED

to the following proposals made by Mr. Garner:

- a) that the Bank should study the possibility of improving servicing facilities for agricultural machinery in under-developed areas;
- b) that the Bank should consider methods - including the mobilization of local capital - for accelerating the development of areas opened by Bank-financed projects; and
- c) that the Department of Technical Operations should organize inter-departmental working parties for the above purposes.

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

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Minutes of Staff Loan Committee Meeting held Friday, October 17, 1952
 at 4:30 p.m. in Room 1005

1. Present:

Mr. R. L. Garner
 Mr. A. S. G. Hoar
 Mr. J. B. Knapp
 Mr. R. A. Wheeler
 Mr. R. H. Demuth
 Mr. H. W. Riley
 Mr. A. Broches
 Mr. G. Gondicas, Secretary

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In attendance:

Mr. S. Aldewereld
 Mr. J. V. Fletcher
 Mr. S. Lipkowitz
 Mr. M. M. Mendels

Mr. M. M. Rosen
 Mr. O. A. Schmidt
 Mr. A. D. Spottswood
 Mr. S. P. Wheelock

2. Yugoslavia

The Committee considered an oral report on Yugoslavia by Mr. Rosen, who headed the recent Bank Mission to that country, and

AGREED

that the Bank should be prepared to consider additional loans to Yugoslavia up to the equivalent of \$30 million but that the Yugoslav Government should not be informed of the above before a report on the Yugoslav situation was made to the Board of Executive Directors.

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

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STAFF LOAN COMMITTEE

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Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday, October 21, 1952 at 9:30 a.m. in Room 1005

1. Present:

Mr. Eugene R. Black
Mr. J. B. Knapp
Mr. R. A. Wheeler
Mr. D. Sommers
Mr. R. H. Demuth
Mr. J. Rucinski
Mr. S. R. Cope
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

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In attendance:

Mr. J. H. Adler	Mr. A. M. Kamarck	Miss V. Morsey
Mr. R. Brion	Mr. B. B. King	Mr. F. M. Oppenheimer
Mr. D. H. Connor	Mr. M. L. Lejeune	Mr. N. J. Paterson
Mr. J. Grauman	Mr. J. C. Mehaffey	Mr. M. M. Rosen
Mr. H. N. Graves	Mr. M. M. Mendels	Mr. A. Stevenson

2. Norhtern Rhodesian Railways

The Committee considered the following documents:

- a) Memorandum SIC/O/511 from Department of Operations - Europe, Africa and Australasia on "Proposed Loan to Northern Rhodesia;"
- b) "Report and Recommendations of the Mission to Central Africa" No. EA 1;
- c) Report on "The Economy of British Central Africa" No. EA 2; and
- d) "Technical Report on the Rhodesia Railways Development Program" No. C-18.

and

AGREED

that it was appropriate for the Bank to lend dollars to assist in the financing of purchases in the United Kingdom for the current Three-Year Development Plan of the Rhodesian Railways, and

APPROVED

the recommendations contained in the Mission Report.

3. Finland - Supplemental Loan

The Committee also considered SIC/O/510 "Draft Report and Recommendations of the President to the Executive Directors Concerning a Supplemental Loan to the Bank of Finland" and the documents attached thereto, and

APPROVED

the above documents and suggested that the proposed supplemental loan to the Bank of Finland should not be brought to the Executive Directors pending the clarification of the Finnish political situation.

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

Distribution

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STAFF LOAN COMMITTEE

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Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday, October 28, 1952 at 9:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. R. A. Wheeler
Mr. D. Sommers
Mr. L. B. Rist
Mr. J. Rucinski
Mr. S. R. Cope
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

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In attendance:

Mr. S. Aldewereld	Mr. E. Lopez-Herrarte	Mr. M. M. Rosen
Mr. R. Brion	Mr. M. M. Mendels	Mr. G. M. Street
Mr. P. French	Mr. H. Prud'homme	Mr. C. H. Zondag
Mr. J. Grauman	Mr. R.B.J. Richards	

2. Germany

The Committee considered Treasurer's Memorandum SLC/O/513, on "Disbursement Problems Relative to Purchases in Germany" and

AGREED

- a) that in principle the Bank should not object to purchases with dollars made by its borrowers in non-dollar countries if the borrower's creditworthiness and the price and terms offered by these countries justify such dollar purchases.
- b) that the Bank should discuss with the German Executive Director the possibility of making an arrangement which would permit our borrowers to purchase goods in Germany for Deutsche Marks acquired with U. S. dollars from the Central Bank on the same terms they would receive if payment were made directly in U.S. dollars.

3. Australia

The Committee also considered Memorandum SLC/O/514 from Department of Operations - Europe, Africa and Australasia, on "Australian Loan" and "Report of End-Use Mission to Australia" attached thereto, and

APPROVED

the recommendations contained therein.

4. Records of E.D.'s Meetings

In response to a request by the Secretary for an expression of views of the SLC on a proposal that the Management suggest to the E.D.'s that the verbatim records of E. D. meetings should not be kept more than three months after their date, the consensus of the Committee was that these records were of sufficient value to be maintained and that the proposal should not be made to the E.D.'s. The opposite view was recorded by the General Counsel and the Secretary.

5. Turkey

The Committee also

AGREED

that a special informal meeting of the Board of E.D.'s should be called during the following week to consider a report by Mr. Lieftinck on Turkey. Senior members of the staff should also attend this meeting.

6. Syria - Road and Latakia Projects

The Committee also considered the Syrian situation and particularly a suggestion by the French Government that Syria finance the Road and Latakia projects with French francs purchased by the Bank in the free Syrian market with dollars to be provided out of the proposed loan. This suggestion was made following an inquiry by the Bank as to whether the French Government would be willing to release part of its 18% subscription to finance the proposed projects. The Committee

AGREED

- a) that the Bank should press the French Government for an answer as to whether it would agree to the requested release;
- b) that the suggestion to finance Syrian projects with French francs purchased in the free Syrian market with dollars provided by the Bank is not contrary to the Bank's policies; and that this suggestion might be considered if similar arrangements were extended to other countries and if there were a formal agreement of the French Government to such an operation;
- c) that in a letter to the Syrian Government, the Bank should indicate its willingness to send the technical experts requested by the Syrian Governor to make preliminary surveys of the proposed railroad and Euphrates dam projects; and
- d) that Mr. Stephens should be informed that the Bank will not consider signing Loan Agreements with Syria unless there is a clear and firm indication that elections will soon take place and that the borrower agrees that it will submit the agreements for Parliamentary ratification.

7. The meeting adjourned at 11:05 a.m.

2. *Mr. Hoar*
1. *Mr. Rosen*
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Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday,
November 4, 1952 at 11:45 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. J. B. Knapp
Mr. R. A. Wheeler
Mr. L. B. Rist
Mr. S. Aldewereld
Mr. S. R. Cope
Mr. H. W. Riley
Mr. M. M. Rosen
Mr. J. Rucinski
Mr. E. E. Clark
Mr. G. Gondicas, Secretary

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2. Bank Lending to Government-owned Industries

The Committee considered a proposal by Mr. Garner that the Bank, while in principle maintaining its policy of not making loans to Government-owned industries, should consider the problem of lending to such industries in cases where, due to scarcity of private capital, Government participation is essential for the organization of industrial enterprises, and on the condition that the operations of the industries financed with the Bank loan is under private control, and

AGREED

that the Department of Technical Operations should organize an inter-Departmental working party to study this proposal.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting Held at 11:00 a.m. Thursday,
November 6, 1952, in Room 1905

1. Present:

Mr. R. L. Garner
Mr. H. Rosen
Mr. S. R. Cope
Mr. J. Rucinski
Mr. Alderferd
Mr. L. B. Rist
Mr. H. W. Riley
Mr. E. Clark
Mr. J. B. Knapp
Mr. G. Gondicas, Secretary

In Attendance:

Dr. P. Liefertink
Mr. R. Beecroft
Mr. E. Keep
Mr. L. Cancio
Mr. P. French

2. Turkey

The Committee considered memorandum SLC/O/515 from Mr. Rosen, on "Turkey" and the documents attached thereto, and

AGREED

with the recommendations contained therein and suggested

- (a) that measures should be considered for increasing IIB's earnings with the view of making its stocks attractive to private investors and of maintaining the private character of the institution; and
- (b) that, in principle, the Bank is prepared to continue a program of further lending to Turkey but that a decision on such action would be dependent on, among other factors, the general range of economic and financial measures adopted by Turkey to meet its current balance of payments difficulties, and on a satisfactory solution of the present situation with respect to British and French armaments credits.

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

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STAFF LOAN COMMITTEE

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Minutes of Regular Weekly Staff Loan Committee Meeting held Tuesday, November 18, 1952 at 9:30 a.m. in Room 1005

1. Present:

Mr. R. L. Garner
Mr. R. A. Wheeler
Mr. D. Sommers
Mr. L. B. Rist
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. H. W. Riley
Mr. G. Gondicas, Secretary

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In attendance:

Mr. S. Aldewereld
Mr. G. Grayson
Mr. W. Koster

2. Colombia

a) Airport and Communications Corporation

The Committee considered Memorandum SLC/O/516 from Department of Operations - Western Hemisphere, on "Airport and Communications Corporation" and

AGREED

that the Bank should maintain its initial position that in principle it would consider financing this project, if the engineering, financial and administrative aspects were satisfactory.

b) Request for Meat Packing Experts

The Committee also considered an oral report by Mr. Koster on his and Mr. Grayson's visit to Chicago to explore the practicability of organizing a mission to Colombia to advise on the development of a meat packing industry, and

AGREED

that the Bank should assist in the organization of such mission, and that Mr. Torfs should be instructed to hold preliminary discussions with the Colombian authorities on this matter.

c) City of Bogota

The Committee also considered an informal request by Mr. del Corral, President of the Banco de Bogota, that the Bank assist the city of Bogota in planning the development of its facilities, and

AGREED

that the Bank should write to Mr. del Corral informing him that it would be prepared to offer its assistance in respect to the above request, but pointing out that any plans for the development of the city of Bogota should be co-ordinated with the national development program of the Planning Commission, and that normally city improvements are not the type of projects suitable for Bank financing.

3. Caribbean Commission

The Committee also considered the invitation of the Secretary-General of the Caribbean Commission to send a Bank representative to the meetings of the Caribbean Commission and of the West Indian Conference (the latter being an auxiliary body of the Commission) to be held between November 24 and December 4 in Montego Bay, Jamaica, and

AGREED

to the recommendations made by Mr. Koster that the Bank send Mr. Waterston as its representative in these meetings.

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

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Minutes of Regular Weekly Staff Loan Committee Meeting held Wednesday, November 26, 1952 at 9:30 a.m. in the Legal Library

1. Present:

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

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In attendance:

Mr. E. Beecroft
Mr. E. Clark
Mr. J. V. Fletcher
Mr. P. French

Mr. G. Gondicas
Mr. M. M. Mendels
Mr. E. W. Rembert

2. Italy - Cassa Loan

The Committee considered Memorandum SLC/O/519 from Department of Operations - Europe, Africa and Australasia, and

APPROVED

the recommendations contained therein.

3. Peru - Proposed Bank Mission

Mr. Knapp referred to Memorandum SLC/O/520 distributed on November 25. He said that it did not appear necessary to discuss this Memorandum at a Staff Loan Committee meeting, and the Committee

AGREED

that any comments should be sent to Mr. Knapp direct.

4. Syria

The Committee also

APPROVED

a recommendation by Mr. Sommers to discuss at a future meeting a paper by the Legal Department dealing with ratification of the proposed loans to Syria, before taking a final position on that question.

5. Paraguay - Agricultural Loan

Mr. Riley reported that a commitment fee payment by Paraguay of \$9,500 was overdue by more than three weeks and the Committee

AGREED

that the Executive Directors should be notified of this delinquency.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Wednesday,
December 3, 1952 at 11:00 a.m., in Room 1005.

1. Present:

Mr. W. A. B. Clift
Mr. J. Burke Knapp
Mr. Davidson Sommers
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. H. Prud'homme
Mr. S. Aldewereld
Mr. H. Riley
Mr. H. G. A. Woolley, Secretary
Wm. S. Cope

In attendance:

Dr. A. Basch
Mr. P. Cargill
Mr. E. de Vries
Mr. E. E. Clark
Mr. I. Reynolds
Mr. H. B. Ripman
Mr. A. Stevenson

Mr. W. F. Howell
Mr. C. Flescher
Mr. E. W. Rembert
Mr. L. G. Marshall
Mr. R. Richards
Mr. M. Rosen

2. India

The Committee considered Memorandum SLC/O/522 from the Department of Operations - Asia and Middle East, on "Negotiations with India" and the documents attached thereto and an oral report by Mr. Basch on the progress of the negotiations for a loan to the Indian Iron and Steel Company, Limited, and APPROVED

- A) the recommendations relative to a proposed second loan by the Bank to the Government of India for the Damodar Valley Development Plan contained in para. 8 of SLC/O/521 dated November 26, 1952;

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- B) the recommendations relative to a loan to the Industrial Finance Corporation of India contained in para. 8 of the memorandum attached to SLC/O/522 dated November 26, 1952; and
- C) the following recommendations made by Mr. Basch in his verbal report upon the negotiations for a loan to the Indian Iron and Steel Company;
- i) That the fixed charge securing IISCO's First Mortgage Sterling Debentures should be extended to cover the immovables of SCOB and the Bank should take by way of security for its Bonds a First Fixed Charge on the present and future immovable properties of both companies and a First Floating Charge on the remainder of their assets; the Bank's charges to rank pari passu with the charges securing the First Mortgage Sterling Debentures. The interest rate on the Sterling Debentures maturing December 31, 1966 would be raised from four percent (4%) per annum to four and three-fourths percent (4-3/4%) per annum and the holders thereof would be given an option to be repaid at par on December 31, 1961. The various other charges subsisting against the joint undertaking would be subordinated to the charges securing the Bank's Bonds and the First Mortgage Sterling Debentures. In order to make this redemption possible the Bank and the Government of India will adjust the amortization of their loans in 1959, 1960 and 1961.
 - ii) That the amount of the Loan should be \$31.5 million and should cover interest and commitment charges during construction.
 - iii) That the Bank should grant its loan to IISCO upon the basis of the due completion of an Agreement in the terms of a draft which has been produced to the Bank and to be entered into between IISCO and the Government of India, providing for monies to be advanced by the Government of India to IISCO. The salient provisions of this Agreement are as follows:
 - a) A loan to be granted by the Government to IISCO approximating Rs. 9.15 crores, (including interest during construction) to be secured by a charge ranking after the charge in favor of the Bank, the loan to be repayable over the same period as the loan from the Bank and at the same interest rate, such interest to be accumulated during the period of construction. To the extent to which the holders of the First Mortgage Sterling Debentures fail to exercise their option to be repaid on December 31, 1961, the monies not so utilized by IISCO should be applied in additional amortization of the Bank's loan and the Government loan pro rata to the amounts then outstanding.

b) An advance of approximately Rs. 10 crores to be made to IISCO out of the equalization fund. This advance to be unsecured, to have no maturity and to bear no interest until June 30, 1958 (or such later date as may be agreed). The Agreement provides for the liquidation of this advance by a special element representing an addition to the normal retention price. A formula for repayment is also provided for in the Agreement in case control of the prices of iron and steel is lifted. Provision is further made that the advance may be repaid by an issue of share capital if IISCO should agree.

c) A provision included at the request of the Bank, whereby the Government agrees to lend to IISCO such further sums as it might reasonably require to finance and complete the expansion program and also such further sums as IISCO might reasonably require by way of working capital to maintain itself in a sound operating condition. Should the Company decide to accelerate the repayment of its loans such increased amortization would have to be applied pro rata on the I.B.R.D. loan and the Government of India loan.

iv) Commitment charge should accrue from the Effective Date or from 90 days after the Date of the Agreement, whichever be the earlier:

and

AGREED

that the Bank's general policy relative to the date on which commitment charges should start to accrue should be discussed at a future meeting of the Committee.

3. Finland

The Committee also considered Memorandum SIC/O/524 from the Department of Operations - Europe, Africa and Australasia on "Proposed Bank Loan to Finland for Road Improvement" dated November 28, 1952, and

APPROVED

the recommendations contained therein.

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

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STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Thursday, December 11, 1952 at 11:00 a.m. in Room 1005

1. Present:

Mr. W. A. B. Cliff
Mr. J. B. Knapp
Mr. D. Sommers
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. J. Rucinski
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. H. G. A. Woolley, Secretary

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In attendance:

Mr. A. Basch	Mr. C. Flesher	Mr. H. Prud'homme
Mr. F. Bochenki	Mr. H. N. Graves	Mr. E. W. Rembert
Mr. I. Cargill	Mr. M. M. Mendels	Mr. R. B. J. Richards
Mr. E. Clark	Mr. D. B. Macurda ✓	Mr. H. B. Ripman

2. India

The Committee considered the draft President's Report and Recommendations to the Executive Directors on a Loan to the Indian Iron and Steel Company, Limited, and Appendices 1 to 5 thereto, and the draft of the agreement between the Government of India and the Steel Company, and

APPROVED

them with minor changes, and

AGREED

that the problem of financing acceleration of economic development in India should be mentioned in the oral presentation of the proposed loan to the Executive Directors.

3. Lebanon

The Committee also

APPROVED

the recommendations contained in para 18 of SLC/O/523 "Lebanon" dated December 4, 1952.

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

STAFF LOAN COMMITTEE

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Minutes of Staff Loan Committee Meeting held Tuesday, December 23, 1952
at 10:30 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. L. Cancio
Mr. S. R. Cope

Mr. J. H. Haralz
Mr. M. M. Mendels

Mr. M. M. Rosen
Mr. A. Stevenson

2. Iceland

The Committee considered Memorandum SLC/O/528 "Project for the Construction of a Transmitter Building in Iceland for the Benefit of International Civil Aviation" dated December 18, 1952, and

APPROVED

the recommendation contained in para. 19 thereof, subject to

- a) consultation with the U.S. Government confirming that other methods of financing this project are impracticable; and
- b) the term of the loan being possibly less than 15 years, to be determined specifically during negotiations.

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

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Minutes of Staff Loan Committee Meeting held Tuesday, December 30, 1952 at 10:00 a.m. in Room 1005

1. Present:

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

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In attendance:

Mr. I. P. Cargill	Mr. H. N. Graves	Mr. M. M. Mendels
Mr. E. E. Clark	Mr. W. F. Howell	Mr. R. B. J. Richards
Mr. J. V. Fletcher	Mr. W. L. Jago	Mr. G. M. Street
Mr. W. D. S. Fraser		

2. India

(a) The Committee considered Memorandum SLC/O/530 on "India: Industrial Finance Corporation" and

APPROVED

the submission of the documents attached thereto, with certain minor changes, to the Executive Directors provided that examination of the verified text of the Bill amending the Industrial Finance Corporation Act, airmailed to the Bank, confirmed that there were no changes which would require reconsideration by the Committee.

(b) The Committee noted the points in Memorandum SLC/O/531, "India: Damodar Valley Scheme."

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

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