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Washington, D.C.

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A1995-291 Other #: 2 Box # 213541B

Loan Committee - Minutes - 1961

Loan Committee - Minutes - 1961



30043612

A1995-291 Other #: 2

213541B

Loan Committee - Minutes - 1961

DECLASSIFIED
WBG Archives

STAFF LOAN COMMITTEE

SLC/M/60-38

January 4, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, December 28, 1960 at 3:00 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. Aldewereld
Mr. A. Broches *
Mr. L. B. Rist
Mr. R. H. Demuth
Mr. A. Stevenson

Mr. M. L. Lejeune *
Mr. W. Diamond
Mr. I. P. M. Cargill
Mr. P. G. Ramm
Mr. G. M. Street, Secretary

In attendance:

Mr. P. J. Squire
Mr. L. Nurick
Mr. D. Avramovic
Mr. J. M. Croome
Mr. R. A. Hornstein *

Mr. S. N. McIvor
Mr. P. A. Reid
Mr. R. Skillings
Miss F. White

* Part only.

2. Ghana

The Committee considered Memorandum SLC/O/60-54 on the proposed sugar project; and

AGREED that

- (a) the Bank should not reject the project because of the world surplus of sugar;
- (b) the project could be investigated further to see whether it could satisfy the Bank's usual criteria but a definitive investigation should not be undertaken until after completion of the proposed Volta River project negotiations;
- (c) the economic mission scheduled to visit Ghana in January to review the economic situation should obtain additional information on the project and its economic priority as part of its review of Ghana's development program.

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

STAFF LOAN COMMITTEE

SLC/M/60-39

January 9, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, January 4, 1961 at 3:00 p.m. in Room 1006

DECLASSIFIED
JUN 10 2014
WBG ARCHIVES

I. Present:

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

Mr. L. B. Rist
Mr. R. W. Cavanaugh
Mr. R. H. Demuth 1*/
Mr. A. Stevenson
Mr. G. M. Street, Secretary

In attendance:

Mr. W. A. B. Iliff
Mr. W. Diamond
Mr. E. E. Clark
Mr. P. G. Ramm 1/ 2*/
Mr. L. Cancio 2/

Mr. J. M. Croome
Mr. D. Fontein 1/
Mr. N. G. Jones
Mr. H. Mirza
Mr. H. van Helden

1/ Loan Regulations only.
2/ Peru only.

* Part only.

II. Loan Regulations

The Committee considered Memorandum SLC/O/60-55 on proposed changes to Loan Regulations No. 4; and

APPROVED

Loan Regulations No. 4 as revised, subject to minor changes, except Sec. 2.05 (c); and

AGREED that

a new draft of Sec. 2.05 (c) and, as an alternative, a draft of a policy statement by the Executive Directors, should be prepared for consideration by the Committee at a later meeting.

III. Peru - Agreement between DLF and Bank

The Committee considered SLC/O/60-57 on the proposed understanding between DLF and the Bank on collaboration in the execution of the Aguaytia-Pucallpa Highway in Peru; and

AGREED

1. the Bank should, in principle, be prepared to enter into such written understandings with DLF;

2. the proposed Memorandum of Understanding on the Peruvian highway project should be:
 - (a) discussed with and approved by the Government of Peru; and
 - (b) modified by the addition of a statement clearly stating that the Memorandum:
 - (i) had been so approved by the Government of Peru;
 - (ii) was merely a procedure for consultation between two parties which had rights of approval under their respective agreements with the Government of Peru but was not a restriction on the rights of either party;
 3. the decision to use such written understandings with other lending agencies or organizations should be held in abeyance.
- IV. The meeting adjourned at 4:55 p.m.

STAFF LOAN COMMITTEE

SLC/M/61-1

January 12, 1961

Minutes of Staff Loan Committee Meeting held on
Thursday, January 5, 1961 at 11:00 a.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

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

Mr. L. B. Rist
Mr. R. W. Cavanaugh
Mr. A. Stevenson
Mr. K. Iverson
Mr. G. M. Street, Secretary

In attendance:

Mr. E. E. Clark
Mr. B. B. King
Mr. K. A. Bohr
Mr. A. Geolot
Mr. A. G. Kheradjou
Mr. F. H. H. King
Mr. G. Lubbeke

Mr. J. A. McCunniff
Mr. L. V. Perez
Mr. P. Sella
Mr. H. van Helden
Mr. J. I. Wallenius
Mr. C. E. Webb *

* Part only.

2. Japan - Railway Project

The Committee considered Memorandum SLC/O/61-2 on the proposed loan for the Tokaido Line Railway Project; and

APPROVED

the Report No. TO-266, subject to minor changes; and

AGREED that

- (a) the Government and the Japanese National Railways might be invited to send representatives to Washington to negotiate the proposed loan;
- (b) the Bank should not be deterred from making the proposed loan by the nominally low rate of return on the Government's investment in the railways, nor should any covenants be sought regarding the Government's rate of return. In justifying this conclusion, the technical report should emphasize the high productivity of the project itself, the efficient technical and financial management of the railways, and the very conservative basis on which their financial statements are presented.

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

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CONFIDENTIAL

SLC/M/61-2

STAFF LOAN COMMITTEE

February 6, 1961

Minutes of Staff Loan Committee Meeting held on
Tuesday, January 31, 1961 at 3:00 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

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

Mr. A. Stevenson
Mr. I. P. M. Cargill
Mr. J. C. de Wilde
Mr. K. Iverson
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels *
Mr. M. L. Lejeune
Mr. W. Diamond
Mr. P. J. Squire
Mr. L. Nurick
Mr. G. M. Alter
Mr. D. Avramovic
Mr. K. A. Bohr

Mr. J. M. Croome
Mr. A. Geolot
Mr. J. C. Mehaffey
Mr. P. A. Reid
Mr. H. B. Ripman
Mr. R. Sadove
Mr. A. D. Spottswood
Mr. A. Wubnig

* Part only.

2. Revenue-Producing Projects

The Committee considered Memorandum SLC/O/61-1 (Rev.) on the Bank's policy on revenue-producing projects that organizations responsible for such projects should earn revenues sufficient to meet all their operating costs (including proper depreciation) and earn an adequate return on funds invested where adequate return is interpreted to mean a return comparable to the opportunity cost of **capital in the country** concerned; and

AGREED that

- (a) the policy was a sound guide for Bank and IDA operations, but deviations from it would be necessary;
- (b) experience suggested that the policy could be applied most readily in the power field;
- (c) the extent to which the policy could be followed in the agriculture and transport fields might be limited by various difficulties;
- (d) the Economic Staff should:
 - (i) make a study of the subsidization of projects in under-developed countries and the extent to which subsidies for these projects might be countenanced by the Bank;
 - (ii) compile such information as is available regarding the cost (marginal productivity) of capital in undeveloped countries;
- (e) the Bank's normal type of rate covenant should be reviewed in the light of the discussions.

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

STAFF LOAN COMMITTEE

SLC/M/61-3

January 24, 1961

Minutes of Staff Loan Committee Meeting held on
Tuesday, January 17, 1961 at 3:00 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

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

Mr. R. H. Demuth
Mr. A. Stevenson
Mr. I. P. M. Cargill
Mr. D. Avramovic
Mr. G. M. Street, Secretary

In attendance:

Mr. M. L. Hoffman
Mr. G. M. Alter
Mr. W. J. Armstrong
Mr. A. Basch
Mr. N. Bass

Mr. B. A. de Vries
Mr. L. M. Dominguez
Mr. W. M. Keltie
Mr. C. E. Webb
Mr. G. M. Wishart

2. Colombia

The Committee considered Memorandum SLC/O/61-3 on proposed lending to Colombia; and

AGREED that

- (a) Colombia was creditworthy for loans of \$90-\$100 million for high priority projects if the present sound economic and financial policies of the Government were continued;
- (b) the Bank might consider making over the next 12 to 18 months loans to:
 - (i) complete key sections of the trunk highway system;
 - (ii) increase the capacity of the Paz del Rio steel mill;
 - (iii) add 138 MW generating capacity to the Medellin power plant;
 - (iv) improve the efficiency of the motive power and rolling stock of the Colombia National Railroads;
 - (v) enlarge the Medellin city water supply;
- (c) consideration of the highway and railroad loans could go forward before completion of the transportation survey which the Bank is organizing at the request of the Government, because of the high priority of these projects;
- (d) in view of the number and complexity of the other projects in Colombia now under consideration, the decision to consider the small power projects at Cartagena and Rio Prado should be deferred for further discussions;

- 2 -

- (e) the Bank should assist Colombia to establish an industrial development bank sponsored by private finance corporations and, if such a bank were established along lines satisfactory to the Bank, to consider lending to the new institution in coordination with the IFC and the Inter-American Development Bank.

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

STAFF LOAN COMMITTEE

SLC/M/61-4

January 17, 1961

Minutes of Staff Loan Committee Meeting held on
Monday, January 16, 1961 at 2:45 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

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

Mr. L. B. Rist
Mr. R. W. Cavanaugh
Mr. A. Stevenson
Mr. I. P. M. Cargill
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels

Mr. E. E. Clark

2. Loan Regulations

The Committee considered the draft of Policy Statement by Executive Directors regarding waiver of premium on redemption of loans prior to maturity and alternative drafts of Section 2.05(c) of Loan Regulations No. 4; and

AGREED that

the existing Section 2.05(c), after changing the first sentence to limit the policy to that portion of Bank loans retained by the Bank, should be retained in Loan Regulations No. 4.

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

STAFF LOAN COMMITTEE

SLC/M/61-5

February 10, 1961

Minutes of Staff Loan Committee Meeting held on
Thursday, February 9, 1961 at 2:30 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. S. Aldewereld
Mr. R. W. Cavanaugh
Mr. A. Stevenson
Mr. M. L. Lejeune

Mr. I. P. M. Cargill
Mr. L. Nurick *
Mr. J. C. de Wilde
Mr. K. Iverson
Mr. G. M. Street, Secretary

In attendance:

Mr. M. L. Hoffman
Mr. D. Avramovic
Mrs. S. Boskey

Mr. D. Fontein
Miss A. L. Maher
Mr. P. Sella

* Part only.

2. IDA Operations

The Committee considered a draft statement for Mr. Black for the meeting of the IDA Executive Directors on February 14 and a draft briefing for Mr. Black's use at the meeting; and

AGREED that

after changes suggested by the Committee, the statement is suitable for presentation to the Executive Directors; and

APPROVED

the draft briefing paper, with minor changes.

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

STAFF LOAN COMMITTEE

SLC/M/61-6

February 23, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, February 15, 1961 at 3:00 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. O. A. Schmidt
Mr. R. W. Cavanaugh
Mr. A. Stevenson
Mr. M. L. Lejeune
Mr. I. P. M. Cargill

Mr. P. J. Squire
Mr. L. Nurick
Mr. J. C. de Wilde
Mr. K. Iverson
Mr. G. M. Street, Secretary

In attendance:

Sir William A. B. Iliff 1/
Mr. W. Diamond 1/
Mr. G. M. Alter 1/
Mr. H. E. Bachem 2/
Mr. R. Benrubi
Mr. B. M. Cheek 1/
Mr. J. M. Croome
Mr. H. D. Davis 1/

Mr. J. A. Edelman 2/
Mr. W. M. Gilmartin 2/
Mr. M. Piccagli
Mr. P. A. Reid 1/
Mr. P. Reitter 1/
Mr. P. Sella
Mr. S. P. Wheelock 1/
Mr. H. Wyss 2/

1/ Venezuela only.

2/ Singapore only.

2. Venezuela

The Committee considered the conclusions and recommendations of Memorandum SLC/O/61-4 on Venezuela's external financing program; and

AGREED that

- (a) the Bank should proceed with consideration of the proposed \$40 million loan for highway construction;
- (b) the Bank should discuss with the Government its plans for financing the Government's four-year public investment program;
- (c) if such discussions confirm the soundness of this program and that sound financing policies will be pursued, the Bank:
 - (i) could finance suitable projects within the program;
 - (ii) should assist the Government, if requested, in the preparation of plans for financing the program, in obtaining financing from other sources and in the execution of these projects.

3. Singapore

The Committee considered Memorandum SLC/O/61-5 on Bank lending to Singapore; and

AGREED that

the Bank should inform the Governments of the United Kingdom and Singapore that

- (a) the Bank would be prepared, in principle, to consider loan operations in Singapore subject to the U.K.'s willingness to guarantee such loans and to finding projects which meet the Bank's lending criteria;
- (b) the Bank would be prepared to send a mission to Singapore during March or April 1961 to determine, in a preliminary fashion, projects which might be suitable for Bank financing and to advise on the nature of further preparation that would be required for such projects.

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

STAFF LOAN COMMITTEE

SLC/M/61-7

February 23, 1961

Minutes of Staff Loan Committee Meeting held on
Monday, February 20, 1961 at 3:00 p.m. in Room 927

DECLASSIFIED
JUN 10 2014
WBG ARCHIVES

1. Present:

Sir William A. B. Iliff, Chairman
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Stevenson
Mr. M. L. Lejeune
Mr. I. P. M. Cargill

Mr. P. J. Squire
Mr. L. Nurick
Mr. J. C. de Wilde
Mr. P. G. Ramm
Mr. G. M. Street, Secretary

In attendance:

Mr. H. E. Bachem
Mr. A. Basch
Mr. R. Benrubi
Mr. M. G. Blobel
Mr. A. A. Casson

Mr. J. M. Croome
Mr. W. M. Gilmartin
Mr. M. Piccagli
Mr. A. Saitzoff

2. Ceylon

The Committee considered Memorandum SLC/O/61-6 and the conclusions and recommendations of Report TO 268 on the proposed loan to Ceylon for the Norton Bridge hydro and Grandpass thermal power projects; and

AGREED that

- (a) the Bank should invite the Government of Ceylon to send representatives to negotiate the proposed loan;
- (b) during negotiations on the proposed power loan an attempt should be made to obtain assurances from the Government by a covenant in the Loan Agreement to establish an autonomous electricity board with adequate powers, legal status and financial resources before an appropriate date to be agreed; but, if the Government cannot be persuaded to give assurances in this form, an expression, in a letter of representation, of the Government's intent to establish such a board would be acceptable;
- (c) equipment for the second unit of the Grandpass thermal station could be bought from the suppliers of the equipment for the first unit without new international competitive bidding if the Bank concurs with the evaluation of the consultants that prices and terms offered are reasonable;

- (d) the Government should be informed that, in view of the serious deterioration of the financial situation the Management had had some misgivings about recommending this loan to the Executive Directors, and that in view of the lapse of time since the Bank's last economic appraisal, any further loan operations by the Bank or IDA could be considered only after the Bank had reviewed in the field the economic situation and prospects;
- (e) if this review of the economic situation and prospects confirms the seriousness of the financial outlook, the Bank should make further operations dependent on agreement by the Government to a satisfactory program of financial and economic reforms.

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

STAFF LOAN COMMITTEE

SLC/M/61-8

February 24, 1961

Minutes of Staff Loan Committee Meeting held on
Thursday, February 23, 1961 at 3:00 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Sir William Iliff, Chairman
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. A. Broches
Mr. R. W. Cavanaugh
Mr. R. H. Demuth *

Mr. M. L. Lejeune
Mr. W. Diamond *
Mr. I. P. M. Cargill *
Mr. J. C. de Wilde
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels
Mr. A. Stevenson
Mr. P. J. Squire
Mr. E. E. Clark *
Mr. W. J. Armstrong
Mr. J. M. Croome
Mr. D. W. Jeffries

Mr. N. G. Jones
Mr. D. D. Kennedy
Mr. M. Piccagli
Mr. P. A. Reid
Mr. A. D. Spottswood
Mr. H. van Helden

* Part only.

2. India

The Committee heard an oral report by Mr. Rucinski on his recent mission to India.

3. The meeting adjourned at 5:10 p.m.

STAFF LOAN COMMITTEE

SLC/M/61-9

March 1, 1961

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Tuesday, February 28, 1961 at 3:00 p.m. in Room 1006

1. Present:

Sir William Iliff, Chairman
Mr. J. Rucinski
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. A. Broches

Mr. R. H. Demuth
Mr. M. L. Lejeune *
Mr. J. C. de Wilde
Mr. N. G. Jones
Mr. G. M. Street, Secretary

In attendance:

Mr. A. Stevenson
Mr. P. J. Squire
Mr. W. J. Armstrong
Mr. T. C. Creyke

Mr. H. W. Larsen
Mr. L. Louvet
Mr. P. A. Reid
Mr. R. Sadove

* Part only.

2. Pakistan

The Committee heard an oral report by Mr. Rucinski on his recent mission to Pakistan.

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

STAFF LOAN COMMITTEE

SLC/M/61-10

March 6, 1961

Minutes of Staff Loan Committee Meeting held on
Monday, March 6, 1961 at 2:30 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Sir William Iliff, Chairman
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. A. Broches *
Mr. L. B. Rist
Mr. R. H. Demuth

Mr. A. Stevenson
Mr. M. L. Lejeune
Mr. W. Diamond
Mr. P. G. Ramm
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels *
Mr. H. N. Graves *
Mr. M. L. Hoffman *

Mr. E. E. Clark *
Mr. J. C. de Wilde
Mr. J. M. Croome

* Part only.

2. Far East

The Committee heard an oral report by Mr. Rosen on his recent missions to Burma, China (Taiwan), Hong Kong, Japan, and Korea.

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

STAFF LOAN COMMITTEE

SLC/M/61-11

March 9, 1961

Minutes of Staff Loan Committee Meeting held on
Tuesday, March 7, 1961 at 3:00 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

I. Present:

Sir William Iliff, Chairman *
Mr. M. M. Rosen *
Mr. S. Aldewereld
Mr. A. Broches
Mr. L. B. Rist
Mr. R. W. Cavanaugh

Mr. R. H. Demuth *
Mr. A. Stevenson *
Mr. M. L. Lejeune *
Mr. W. Diamond
Mr. G. M. Street, Secretary

In attendance:

Mr. H. N. Graves *
Mr. E. E. Clark
Mr. J. C. de Wilde *
Mr. G. M. Alter
Mr. R. E. Deely
Mr. A. Geolot *
Mr. N. A. Gibbs *
Mr. H. F. Havlik

Miss A. L. Maher
Mr. T. W. Mooney
Mr. N. Parker
Mr. P. A. Reid *
Mr. P. Sella
Mr. H. van Helden
Mr. H. R. Young

* Part only.

II. Honduras

The Committee considered Memorandum SLC/O/61-7 on Honduras; and
AGREED that

- A. the economic prospects of Honduras were sufficiently good as to raise the question of providing part of the proposed financing of the Western Highway Extension Project from a conventional Bank loan and that further consideration should be given to the extent of IDA participation;
- B. regardless of the source of financing:
 1. satisfactory assurances should be obtained from the Government of Honduras during negotiations that:
 - (a) the Government would promote the agricultural development of the Western Region;
 - (b) priority would be given to the project over any other highway construction work, and that the remainder of the funds necessary to execute the project would be provided;

2. as conditions of the financing, the Government of Honduras should undertake:
 - (a) to complete the acquisition of right-of-way for each contract section of the Extension before construction tenders are called;
 - (b) to retain consultants to supervise construction of the Extension;
 - (c) to present to the Bank (or IDA) for approval:
 - (i) the consultants' contract for the continuation of the highway maintenance program;
 - (ii) the terms of reference for the proposed Highway Planning Survey;
 - (d) to agree with the Bank (or IDA) a program for construction of feeder roads.

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

STAFF LOAN COMMITTEE

SIC/M/61-12

March 17, 1961

Minutes of Staff Loan Committee Meeting held on
Monday, March 13, 1961 at 3:00 p.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Sir William Iliff, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen *
Mr. A. Broches
Mr. L. B. Rist

Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. A. Stevenson *
Mr. P. J. Squire
Mr. G. M. Street, Secretary

In attendance:

Mr. M. L. Lejeune
Mr. I. P. M. Cargill
Mr. P. G. Ramm
Mr. K. Iverson
Mr. O. H. Calika
Mr. H. D. Davis

Mr. N. G. Jones
Miss A. L. Maher
Mr. J. R. Motheral
Mr. P. A. Reid
Mr. H. N. Scott

* Part only.

2. Kenya

The Committee considered Memorandum SLC/O/61-9 on proposed lending for a project for Resettlement and Land Development; and

AGREED that

- (a) after full consultation and agreement with CDC, the Bank could inform the Government of Kenya of the Bank's position on the project and the proposed lending and invite the Government to send representatives to Washington to negotiate simultaneously Bank and CDC loans for the proposed project;
- (b) the amount of the loan should be credited to the Loan Account in installments as sub-projects, covering programs for a period of about six months or so, are approved by the Bank;
- (c) interest should be applied to each installment of the loan at the Bank's current rate of interest when an installment of the loan is credited to the Loan Account;
- (d) the Bank's commitment charge should start for each sub-project on the date the sub-project is approved;
- (e) satisfactory assurances should be obtained from the Government that:
 - (i) it would provide, as required, funds necessary for execution of the project;
 - (ii) there would be adherence to proper technical standards in selection and training of settlers and the staffing of the relevant services.

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

STAFF LOAN COMMITTEE

DECLASSIFIED SLC/M/61-13

JUN 10 2014 April 4, 1961

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Wednesday, March 22, 1961 at 11:00 a.m. in Room 927

1. Present:

Sir William Iliff, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. A. Broches 1*/ 2/

Mr. L. B. Rist 1/ 2*/
Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. A. Stevenson
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels
Mr. P. J. Squire
Mr. E. E. Clark
Mr. L. Nurick
Mr. J. C. de Wilde
Mr. P. G. Ramm 1/ 2*/

Mr. N. G. Jones
Mr. A. Kruithof
Mr. S. N. McIvor
Mr. L. V. Perez
Mr. R. Skillings 1/ 2*/
Mr. A. D. Spottswood

1/ Africa.
2/ Joint Lending Disbursement Problems.

* Part only.

2. Africa

The Committee heard an oral report by Mr. Cope on his recent visit to Nigeria, Dahomey, Togo, Ivory Coast and Senegal.

3. Joint Lending Disbursement Problems

The Committee considered Memorandum SLC/O/61-10 on Joint Lending Disbursement Problems prepared by the Treasurer; and

AGREED that

- (a) an ad hoc working party should be established to consider the problems and to make specific recommendations on disbursement procedures for the proposed joint lending operations for the Volta River hydro-electric project in Ghana and the Roseires irrigation project in the Sudan;
- (b) the working party should consist of representatives of the Department of Operations - Europe, Africa and Australasia, the Department of Operations - South Asia and Middle East, the Department of Technical Operations, the Legal and the Treasurer's Departments;
- (c) the Bank should guarantee letters of credit, where necessary, for all lenders upon assurances from other lenders that they will pay their share of funds to the Bank despite any cancellation or suspension of their loans;

- 2 -

- (d) the fact that the funds of one lender might be cheaper than the funds of another lender did not constitute adequate grounds for departing from a pro rata disbursement of all loans.

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

STAFF LOAN COMMITTEE

SLC/M/61-11

April 4, 1961

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Friday, March 31, 1961 at 3:00 p.m. in Room 1006

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. M. M. Rosen
Mr. R. W. Cavanaugh
Mr. A. Stevenson *
Mr. W. Diamond

Mr. P. J. Squire
Mr. E. E. Clark
Mr. J. C. de Wilde
Mr. G. Wishart
Mr. H. G. A. Woolley,
Acting Secretary

In attendance:

Mr. W. J. Armstrong
Mr. G. Lefort
Mr. M. F. Verheyen

Mr. M. H. Wiehen
Miss R. Zafirion

* Part only.

2. Iceland

The Committee considered Memorandum SLC/O/61-11 on the proposed program for Iceland; and

AGREED that the Bank should

- (a) be prepared to lend up to \$2 million to Iceland in 1961;
- (b) investigate the hot water supply project in order to determine whether it might form the basis for this lending;
- (c) at the same time keep in touch with the Icelandic authorities on their development plans and policies.

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

STAFF LOAN COMMITTEE

SLC/M/61-15

April 18, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, April 5, 1961 at 10:00 a.m. in Room 1006

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. A. Broches
Mr. J. C. de Wilde

Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. I. P. M. Cargill
Mr. P. J. Squire
Mr. G. M. Street, Secretary

In attendance:

Sir William Iliff
Mr. L. B. Rist
Mr. W. Diamond
Mr. E. E. Clark 2/
Mr. L. Nurick
Mr. J. H. Adler 2/
Mr. L. Cancio
Mr. R. A. Chaufournier 2/
Mr. R. E. Deely 1/
Mr. L. Dominguez

Mr. G. Gondicas 1/
Mr. G. A. Hathaway 1/2*/
Mr. H. F. Havlik 1/
Mr. H. C. Hittmair 1/
Mr. A. E. Matter
Mr. M. Ross 2/
Mr. J. K. Schmedtje
Mr. R. H. Sheehan 1/
Mr. A. D. Spottswood 1/2*/
Mr. H. van Helden 2/

1/ Mexico only.
2/ Argentina and Brazil only.

* Part only.

2. Mexico

The Committee considered Memorandum SLC/O/61-12 on further Bank lending for power development in Mexico; and

AGREED that

- (a) Mexico's economic position continues to be strong and creditworthiness alone need not preclude the Bank's considering loans of the order of \$200 million over the next few years;
- (b) while the tariff increases recently effected in three of CFE's systems represent a step toward elimination of the obstacles which had prevented the Bank from lending for power in Mexico, the Government had not fulfilled its obligations on tariffs under the \$34 million loan to CFE and Financiera of May 5, 1958, particularly as these tariff increases had not yet been passed on to the consumers and only represented a transfer of funds from the distributing companies to CFE;
- (c) in view of the nationalization of Mexlight and Impulsora, the Bank should not look at the CFE system in isolation, but should be concerned with the rate of return on the consolidated investment in the Government-owned system, and this should be about 7%;

- (d) in calculating the rate of return, the "2% entero" and the 10% electrification tax should be included in the gross revenues, the calculation should be based on the revalued assets in operation less accrued depreciation and a realistic charge for depreciation should be made against earnings;
- (e) for the next few years, during the period of rapid physical expansion of the system, the Bank might accept a rate of return of somewhat less than 7%, provided that:
 - (i) taking one year with another, the objective of a 7% rate is achieved at the end of the period;
 - (ii) the cash position of Government-owned utilities is not unduly strained by the temporary drop in the return;
- (f) if the Government accepts these conditions, the Bank could consider lending for expansion of any part of the entire system, and, as a first step, might make an appraisal of the proposed CFE project, review the expansion program of Mexlight and Impulsora, and review the financial position of the entire Government-owned power system on a consolidated basis;
- (g) a loan to CFE might finance contracts previously awarded on the basis of satisfactory international competition and local purchases if the goods purchased are competitive with foreign goods without excessive tariff protection;
- (h) as automatic adjustment of the tariffs of the Government-owned power entities for increases in the cost of labor, fuel and purchased power is desirable, the Bank should make an effort to achieve this, but should not insist upon a covenant for such adjustment.

3. Argentina - Brazil

The Committee considered questions which might arise during Mr. Knapp's forthcoming visit to Argentina and Brazil.

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

STAFF LOAN COMMITTEE

SLC/M/61-16

April 18, 1961

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Monday, April 17, 1961 at 11:00 a.m. in Room 1006

1. Present:

Sir William Iliff, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. A. Broches

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. P. J. Squire
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels
Mr. H. F. Havlik

Mr. P. Sella

2. IDA Development Credit Regulations

The Committee considered Development Credit Regulations No. 1, except for Article III; and

APPROVED

these regulations, with minor amendments.

3. Article III - Development Credit Regulations

The Chairman and the General Counsel reported to the Committee on their discussions with certain Executive Directors on the proposed Article III, Currency Provisions; and

IT WAS AGREED that

a draft would be considered by the Committee at a meeting to be called shortly.

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

STAFF LOAN COMMITTEE

SLC/M/61-17

April 26, 1961

Minutes of Staff Loan Committee Meeting held on
Monday, April 24, 1961 at 4:30 p.m. in Room 1006

DECLASSIFIED
JUN 10 2014
WBG ARCHIVES

1. Present:

Sir William Iliff, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. A. Broches

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. P. J. Squire
Mr. K. Iverson
Mr. G. M. Street, Secretary

In attendance:

Mr. L. Nurick

Mr. P. Sella

2. IDA Development Credit Regulations

The Committee considered Article III of Development Credit Regulations No. 1 of the International Development Association; and

APPROVED

the Article, subject to amendment to provide that service charges, like principal, should be repayable in "currencies of members of the Association which the Association determines to be freely convertible or freely exchangeable for currencies of other members of the Association for the purposes of its operations" and other minor amendments;

and AGREED that

the Development Credit Regulations No. 1, as revised, be distributed to the Executive Directors.

3. The meeting adjourned at 5:10 p.m.

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JUN 10 2014

WBG ARCHIVES

Minutes of Meeting held on Tuesday,
April 25, 1961 at 6:00 p.m. in Room 1004

1. Sir William Iliff and Messrs. Aldewereld, Broches, Cope, Rucinski, Schmidt, Cargill and Iverson met to discuss the attached paper on the proposed loan to the Government of India for coal mining equipment for mines in the private sector and agreed that, if the Bank should make the proposed loan:

- (a) A representative of the Bank should go to India for a sufficient period of time (possibly two or three months) to vet, in cooperation with the Screening Committee made up of representatives of the Government and of the coal associations, the types of equipment to be purchased in order to prepare a List of Goods to be financed by the Bank loan.
- (b) The Bank should have the right to inspect and investigate under the auspices of the Coal Controller (based on existing legal rights of the Government to inspect coal mining operations) the operations of the mines benefiting from the equipment imported under the loan but should not normally make such inspections and should rely on the Coal Controller or other appropriate Indian authority to do the end-use supervision and to report periodically to the Bank.
- (c) The Government should be informed that in view of the high priority of the coal production in the Third Five-Year Plan the Bank would be prepared to consider a loan of about \$60 million covering the whole five years of the import program. If the Government preferred a lesser amount, the Bank might consider financing the first two or three years of the import program provided, however, that equipment for the new mines which would not be fully completed by the end of the period covered by the loan, be either included entirely or not at all.

2. The meeting adjourned at 6:45 p.m.

GMS/mrd

STAFF LOAN COMMITTEE

SLC/M/61-18

May 4, 1961

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Tuesday, May 2, 1961 at 3:00 p.m. in Room 927

1. Present:

Sir William Iliff, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. I. P. M. Cargill
Mrs. S. Boskey
Mr. G. M. Street, Secretary

In attendance:

Mr. P. J. Squire
Mr. G. M. Alter
Mr. F. G. Bochenski
Mr. L. Cancio

Mr. H. F. Havlik
Miss A. L. Maher
Mr. P. A. Reid
Mr. J. A. Simmons

2. Nicaragua

The Committee considered Memorandum SLC/O/61-14 on the Rivas Irrigation Project; and

AGREED that

- (a) the Government might be informed that the Bank would be prepared to negotiate a loan of \$2.4 million, but the loan would not be presented to the Executive Directors until:
 - (i) enactment of specific legislation satisfactory to the Bank for the execution and operation of the Rivas Irrigation District; and
 - (ii) satisfactory assurance had been obtained that a number of the owners of land within the area to be irrigated sufficient to assure the successful start of the irrigation district were prepared to participate in the project;
- (b) during negotiations, consideration should be given to including in the project a study on further irrigation development in Nicaragua;
- (c) on balance, the Bank should not require any change in land ownership as a condition for financing the project although 17% of the irrigable land in the project area would be held by three families, including that of President Somoza, but the Chairman would discuss this problem with Mr. Black before the Bank's position was given to the Government.

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

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JUN 10 2014

WBG ARCHIVES

Minutes of Meeting held on Wednesday,
May 3, 1961 at 12:00 noon in Room 1004

Present: Sir William Iliff, Messrs. Rucinski, Broches, Aldewereld,
Demuth, Stevenson, Ripman, Wiese and Street.

1. The meeting considered the memorandum of April 28 by Mr. Wiese on Ethiopia

and AGREED that:

- (a) because the Imperial Board of Telecommunications of Ethiopia is now reviewing its financial prospects and considering a larger investment program and the Government has indicated that it may ask the Bank to finance the larger program, the 1959 draft Loan Agreement should be discarded and the Bank should look at the new investment program of IBTE before agreeing to consider a new loan.
- (b) on the Development Bank of Ethiopia, the Bank should
 - (i) make every effort to find a successor to Mr. Kuiper as General Manager;
 - (ii) with his appointment, inform the Government that we do not think it has given the DBE adequate support, and inform the new Manager that if the Government does not give DBE more support and the institution does not succeed in making a constructive contribution to the Ethiopian development, the Bank would not make additional lines of credit to it or give it further support beyond the end of his contract;
 - (iii) make the proposed second loan of \$2 million;
 - (iv) send a mission to Addis Ababa the end of May to up-date the technical report and complete the appraisal of the sub-projects which have been submitted to be financed by the proposed loan.
- (c) after clearance with DLF that it is willing to put up \$3 million for the local currency costs of a third highway project, the Government should be informed that, if the Government agrees to settle its outstanding obligations for the current year to the Imperial Highway Authority and undertakes to provide the same amount of local currency in the next budget, the Bank would consider a new loan of \$7 million for the Imperial Highway Authority to cover the foreign exchange costs of a third highway project consisting of:
 - (i) two major bridges on terminal section of the road from Bedelle to Gore;

- (ii) the Agaro-Bedelle and Lekempti-Gimbi sections; and
- (iii) the asphaltting of 700 km. of existing roads.
- (d) the Government should be informed that the Bank intends to close the office of the Resident Representative in the summer of 1961 because the Government has not made it possible for the Representative to play the role which the Government and the Bank had agreed he would. If the Government objects seriously, the Bank should obtain full agreement on the purposes and functions of the Representative before agreeing to continue the office. Mr. French would in any case return in the summer of 1961.
- (d) Mr. Stevenson should go to Addis Ababa as soon as possible to inform the Government of the Bank's position on the above points.

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

Gordon A. Smith

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Revised

Minutes of Meeting held on Thursday,
May 4, 1961 at 2:30 p.m. in Room 1004

Present: Sir William Iliff, Messrs. Broches, Demuth, Aldewereld, Rucinski, Cope, Schmidt, Rosen, and Street.

1. The meeting considered Memoranda prepared by the South Asia and Middle East Department on a proposed credit from IDA for a road project in India and a proposed loan to the Pakistan Industrial Credit and Investment Corporation;

and AGREED that

- (a) the proposed IDA credit to India for a road project should be \$60 million, one-half the estimated total expenditures, for construction and betterment in the national highway program during the three-year period. Disbursements would be based on a percentage of total expenditures on the project, selected by the Bank, adjusted from time to time as necessary to ensure that investment in the National Highway program as a whole progressed in phase with the IDA-financed project.
- (b) on the proposed \$15 million Bank loan to PICIC
 - (i) for the purposes of calculating the debt/equity ratio, the debt should be the amount actually withdrawn from the lines of credit or loans;
 - (ii) the possibility that the Bank loan might become a stand-by credit if PICIC were able to obtain sufficient other loans or lines of credit on more favorable terms to cover all its requirements should not be a source of concern to the Bank;
 - (iii) the amortization schedule of the Bank loan should conform to the schedules of PICIC's loans to its borrowers; such loans should not be longer than 10 years; the commitment period, during which PICIC could make loans, would be two years, with provision for extension by agreement, giving a maximum term of 12 years for the Bank loan unless the commitment period were extended.

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

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JUN 10 2014

WBG ARCHIVES

Revised Minutes of Meeting held on Thursday,
May 4, 1961 at 2:30 p.m. in Room 1004

Present: Sir William Iliff, Messrs. Broches, Demuth, Aldewereld, Rucinski,
Cope, Schmidt, Rosen, and Street.

1. The meeting considered Memoranda prepared by the South Asia and Middle East Department on a proposed credit from IDA for a road project in India and a proposed loan to the Pakistan Industrial Credit and Investment Corporation;

and AGREED that

- (a) the proposed IDA credit to India for a road project should be \$60 million, one-half the estimated total expenditures, for construction and betterment in the national highway program during the three-year period. Disbursements would be based on a percentage of total expenditures on the project, selected by the Bank, adjusted from time to time as necessary to ensure that investment in the National Highway program as a whole progressed in phase with the IDA-financed project.
- (b) on the proposed \$15 million Bank loan to PICIC
 - (i) for the purposes of calculating the debt/equity ratio, the debt should be the amount actually withdrawn from the lines of credit or loans;
 - (ii) the possibility that the Bank loan might become a stand-by credit if PICIC were able to obtain sufficient other loans or lines of credit on more favorable terms to cover all its requirements should not be a source of concern to the Bank;
 - (iii) the amortization schedule of the Bank loan should conform to the schedules of PICIC's loans to its borrowers; such loans should not, without approval of the Bank, be longer than 10 years; the commitment period, during which PICIC could make loans, would be two years, with provision for extension by agreement.

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

STAFF LOAN COMMITTEE

SLC/M/61-20

DECLASSIFIED May 23, 1961

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Tuesday, May 16, 1961 at 3:00 p.m. in Room 927

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski 1/
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. J. C. de Wilde
Mr. R. H. Demuth

Mr. M. L. Lejeune
Mr. I. P. M. Cargill
Mr. E. E. Clark 2/
Mr. L. Nurick 1/
Mr. P. G. Ramm
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels
Mr. H. N. Graves
Mr. M. L. Hoffman
Mr. W. Diamond 2/
Mr. J. H. Adler
Mr. R. A. Chaufournier 2/

Mr. J. H. Collier 1/
Mr. D. Groenveld 1/
Mr. S. N. McIvor 1/
Mr. H. van Helden 2/
Mr. B. Walstedt 1/
Mr. V. Wouters 1/

1/ Turkey only.
2/ Argentina only.

2. Turkey

The Committee considered Memorandum SLC/O/61-16 on Turkey; and
AGREED that

- (a) Turkey should be considered as not creditworthy for Bank loans but as eligible for IDA credits;
- (b) the Government should be advised that with a view to making development credits, IDA is ready to examine possible projects, including:
 - (i) irrigation schemes in the Seyhan area;
 - (ii) the Cukurova Electric A.S. project;
 - (iii) the Industrial Development Bank, if it needs additional funds;
- (c) the Bank and IDA should keep in touch with developments in the Keban multipurpose project;
- (d) the mission's report, suitably edited, should be sent to Turkey for informal comment and be subsequently distributed to the Executive Directors, and to the Turkish Government.

3. Argentina

The Committee heard an oral report by Mr. Knapp on his recent mission to Argentina.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

SLC/M/61-21

WBG ARCHIVES May 31, 1961

Minutes of Staff Loan Committee Meeting held on
Friday, May 26, 1961 at 4:00 p.m. in Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches
Mr. J. C. de Wilde

Mr. R. H. Demuth
Mr. P. G. Ramm
Mr. H. W. Larsen
Mr. A. G. Kheradjou
Mr. G. M. Street, Secretary

In attendance:

Mr. M. L. Hoffman
Mr. W. Diamond
Mr. G. M. Alter
Mr. L. B. Beman
Mr. R. Benrubi
Mr. A. Bergan
Mr. R. A. Chauffournier

Mr. F. d'Epenoux
Mr. C. Duran-Ballen
Mr. A. Geolot
Mr. W. M. Keltie
Mr. A. Machimbarrena
Mr. M. Ross
Mr. R. W. Wilson

2. Chile

The Committee considered Memorandum SLC/O/61-17 on the highway construction and maintenance project in Chile; and

AGREED that

- (a) the Government should be invited to send representatives to negotiate an IDA credit of about \$19 million for the construction project and a Bank loan of about \$6 million for the maintenance project, on the basis set forth in the Technical Report dated May 23, 1961;
- (b) the Bank should be prepared to make a loan of about \$10-\$20 million for a high priority agricultural project, provided that Chile's financial management continues to be satisfactory and that there is no deterioration of Chile's economic prospects;
- (c) further lending to Chile should await a review of the entire Chilean situation after the mission has reviewed the 10-year development program and more is known of the policies the Government will have to follow to carry out such a program. At that time the Bank should consider, in the light of the mission's conclusions, how the Bank can best assist Chile in arranging to finance a program of the required magnitude on terms compatible with Chile's financial stability.

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

STAFF LOAN COMMITTEE

SLC/M/61-22

June 7, 1961

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Monday, June 5, 1961 at 4:30 p.m. in Room 927

1. Present:

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

Mr. R. H. Demuth
Mr. I. P. M. Cargill
Mr. J. C. de Wilde
Mr. H. W. Larsen
Mr. G. M. Street, Secretary

In attendance:

Mr. J. Bataillard
Mr. J. H. Collier
Mr. J. M. Croome
Mr. S. N. McIvor

Mr. F. Povey
Mr. H. van Helden
Mr. H. R. Young

2. High Commission Territories

The Committee considered the Memorandum on the U.K. High Commission Territories (SLC/O/61-18); and

AGREED that

- (a) IDA should be prepared, in principle, to finance road projects in all three High Commission Territories;
- (b) development credits to the Territories should be made without the guarantee of the United Kingdom Government but IDA should explore with the U.K. Government the possibility of obtaining assurances that foreign exchange would be provided to service the credits;
- (c) the unusual financial and economic circumstances of the Territories justify IDA contributing more than half of the cost of the projects financed and credits could be considered to finance 100% of the import component of the cost or 75% of the total cost of the project financed, whichever was greater;
- (d) the U.K. and the Territories should be informed that IDA:
 - (i) is prepared to make a credit of approximately \$1 million for the improvement of the road from Oshoek to Mahlenya in Swaziland as part of a project for the improvement of the main road from Oshoek to Point X, and to consider other road projects in Swaziland provided adequate economic justification can be demonstrated;

SLC/M/61-22

(ii) would be prepared to provide about \$2 million each in Bechuanaland and Basutoland, covering a period of two or three years, if suitable proposals are forthcoming.

3. The meeting adjourned at 5:55 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED SLC/M/61-23
JUN 10 2014 June 16, 1961
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Wednesday, June 7, 1961 at 11:00 a.m. in Room 927

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. S. Aldewereld

Mr. A. Broches
Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. G. M. Street, Secretary

In attendance:

Mr. W. F. Howell
Mr. M. L. Hoffman
Mr. W. Diamond
Mr. E. E. Clark
Mr. K. Iverson

Mr. G. R. Young
Mrs. S. Boskey
Mr. N. McKitterick
Mr. J. E. Twining

2. Proposed New Program of Development
Advisory Services and Training

The Committee considered Memorandum SLC/O/61-19 on the Proposed New Program of Development Advisory Services and Training; and

AGREED that

- (a) to meet the increasing demand from the less developed member countries for high-level advisory services to assist them in formulating and carrying out their development programs, the Bank should recruit up to 20 senior-level development advisors, primarily general development economists or economists of broad experience specializing in particular fields such as transport, agriculture or industry, qualified by experience and personality to serve in such positions as:
 - (i) chief or senior economist of General Survey Missions;
 - (ii) resident economic or financial advisor to member governments;
 - (iii) member of or advisor to planning offices; and
 - (iv) advisor to administrators of development programs;
- (b) the decision as to how the proposed advisory service should be organized should be taken by the Management of the Bank.

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

STAFF LOAN COMMITTEE

SLC/M/61-24
June 19, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, June 14, 1961 at 11:00 a.m. in Board Room

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches
Mr. J. C. de Wilde

Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. A. G. Kheradjou
Mr. J. H. Collier
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels *
Mr. T. V. Andersen
Mr. L. B. Beman
Mr. C. H. Davies
Mr. B. A. de Vries

Mr. S. C. Hardy
Mr. L. E. Kluppel
Mr. P. J. D. Tobiesen
Mr. M. L. Weiner

* Part only.

2. Ecuador

The Committee considered Memorandum SLC/O/61-15/1 on prospective lending operations in Ecuador; and

AGREED that

- (a) a blend of Bank loans and IDA credits would be appropriate;
- (b) if there is no deterioration in the financial and political situation, the Bank could proceed with loans, over the next year, totalling about \$10 million for:
 - (i) the second stage of the Cumbaya hydroelectric project; and
 - (ii) the highway and feeder road program of the Comité de Vialidad de la Provincia del Guayas;
- (c) IDA could consider a development credit to finance a part of the highway program of the National Government.
- (d) further attention should be given to the possibility of assisting agricultural development in Ecuador.

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

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STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES
SLC/M/61-25
June 26, 1961

Minutes of Staff Loan Committee Meeting held on
Friday, June 16, 1961 at 3:00 p.m. in Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. I. P. M. Cargill
Mr. S. Aldewereld
Mr. J. C. de Wilde
Mr. R. W. Cavanaugh

Mr. M. L. Lejeune
Mr. W. Diamond
Mr. E. E. Clark
Mr. K. Iverson
Mr. G. M. Street, Secretary

In attendance:

Mr. H. N. Graves, Jr.
Mr. M. L. Hoffman
Mr. W. L. Armstrong 1/
Mr. N. Bass 2/
Mr. O. H. Calika 2/
Mr. V. Chang 2/
Mr. J. Fajans 2/

Mr. G. S. Mason 1/
Mr. H. Pollan 1/
Mr. F. Povey 1/
Mr. H. B. Ripman 1/
Mr. Y. Rovani 2/
Mr. V. Van Dine 1/
Mr. C. White 2/

1/ India only.
2/ Trinidad and Tobago only.

2. India - Coal Mining

The Committee considered Memorandum SLC/O/61-26 on a proposed loan to India for coal mining equipment, and the conclusions and recommendations in paras. 114 to 123 of Report TO-287 on the Indian Coal Industry; and

AGREED that

- (a) the Bank should invite the Government to send representatives to Washington to negotiate the proposed loan for coal mining equipment in the private sector;
- (b) the Bank should consider a loan of up to \$60 million in view of the high priority of coal production in the Third Five-Year Plan but if the Government preferred to split the loan into two tranches, the Bank would consider financing the first two or three years of the import program provided the complete financing of the equipment for new mines starting in these years was assured;
- (c) although the loan would be unusual in that it would not add to the total resources available to the coal industry but would merely provide foreign exchange to the Government to import the necessary

equipment, the term of the proposed loan should be 15 years including a grace period of five years, following the Bank's normal practice of relating the term of the loan to the life of the equipment financed;

- (d) the question of financing the proposed project with an IDA development credit should be considered after a review of the proposed program of Bank and IDA financing for India during the next two years.

3. Trinidad and Tobago

The Committee considered Memorandum SLC/O/61-24 on a proposed loan for power expansion in Trinidad and Tobago; and

AGREED that

- (a) the Bank should invite the Government to send representatives to negotiate a loan for the proposed Trinidad and Tobago Electricity Commission expansion project, provided the negotiators:
 - (i) would bring a draft, agreed between the Commission and the supplier(s), of a contract assuring the Commission the requisite quantity of natural gas over a period longer than 10 years; and
 - (ii) would be authorized to confirm the arrangements proposed by the Government in April 1961 with regard to its advances to the Commission;
- (b) during negotiations assurances should be obtained that:
 - (i) the T&TEC will continue to employ consultants satisfactory to the Bank while the project is under construction and will employ contractors on the project which are satisfactory to the Bank;
 - (ii) the T&TEC accounts will continue to be regularly audited by independent public accountants, acceptable to the Bank;
 - (iii) a satisfactory level of rates charged for electricity will be maintained;
 - (iv) the Government will give prior notice to the Bank of any proposed changes in the T&TEC ordinance in order that the Bank may comment thereon; and
 - (v) the Bank would be consulted if changes in the management of the Commission should be planned.

4. The meeting adjourned at 5:10 p.m.

Chen
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STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/61-26
June 28, 1961

Minutes of Staff Loan Committee Meeting held on
Tuesday, June 20, 1961 at 3:00 p.m. in Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. I. P. M. Cargill
Mr. S. Aldewereld
Mr. A. Broches
Mr. J. C. de Wilde
Mr. R. W. Cavanaugh

Mr. R. H. Demuth *
Mr. A. Stevenson
Mr. M. L. Lejeune
Mr. W. Diamond
Mr. G. M. Street, Secretary

In attendance:

Mr. M. M. Mendels *
Mr. A. G. Kheradjou
Mr. W. Brakel
Mr. N. G. Chakravarti
Mr. W. M. Gilmartin
Mr. J. M. Heymans
Mr. F. H. H. King
Mr. J. W. Lowdon

Mr. J. R. Motheral
Mr. P. A. Reid
Mr. J. F. Rigby
Mr. H. B. Ripman
Mr. P. Sella
Mr. H. E. Tolley
Mr. R. W. Wilson

* Part only.

2. China

The Committee considered Memorandum SLC/O/61-27 on IDA operations in Taiwan; and

AGREED that

- (a) IDA should consider extending credits to the Government of the Republic of China totalling about \$16 million for the following projects:
 - (i) ground water resources development;
 - (ii) harbor dredging;
 - (iii) Taipei water supply;
 - (iv) industrial credit through the China Development Corporation;
- (b) consideration of additional projects should await further review of the fiscal and financial trends in Taiwan;
- (c) the Government should be invited to send representatives to Washington immediately to negotiate development credits for the proposed ground water resources development and the harbor dredging projects;

- (d) to be consistent with practice elsewhere, the relending by the National Government to the Provincial Government should be at 12% interest for a term of 20 years, and the provision of funds to the ultimate beneficiaries should be on the same basis except to the extent that in the case of the ground water project a case is made for some degree of public subsidy;
- (e) the project financed by the dredge credit should be defined as the dredging program for the improvement and maintenance of the principal ports of Taiwan rather than merely the procurement of dredging equipment to be used in execution of the dredging program.

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

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/61-27
July 7, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, July 5, 1961 at 4:00 p.m. in Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. A. Broches
Mr. R. W. Cavanaugh

Mr. M. L. Lejeune
Mr. A. G. Kheradjou
Mr. K. Iverson
Mr. H. B. Ripman
Mr. G. M. Street, Secretary

In attendance:

Mr. H. N. Graves
Mr. M. L. Hoffman

Mr. P. A. Reid

2. China

The Committee considered further the proposed IDA operations in Taiwan;
and

AGREED that

- (a) the proceeds of the proposed credit to the National Government for the harbor dredging project should be relent to the Provincial Government at 12% interest for a term of 20 years with provision for modification in the light of changes in the monetary situation in Taiwan during the period of the subsidiary loan;
- (b) IDA could accept a proposal now being considered by the prospective borrower that the proceeds of the proposed credit to the Government of the Republic of China for the ground water resources development project be relent to the Irrigation Development Fund on the same terms, with the exchange risk to be assumed by the Provincial Government; however, the provision of funds to the ultimate beneficiary should be at 12% interest for a term of 20 years except to the extent that a case can be made for some degree of public subsidy.

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

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STAFF LOAN COMMITTEE

SLC/M/61-28
July 25, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, July 19, 1961, at 3:00 p.m. in Board Room

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WBG ARCHIVES

1. Present:

Sir William Iliff, Chairman
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. J. C. de Wilde
Mr. R. W. Cavanaugh *
Mr. J. H. Collier

Mr. W. Diamond
Mr. A. G. Kheradjou
Mr. E. E. Clark
Mr. K. Iverson *
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. G. Alter
Mr. F. G. Bochenski
Mr. R. E. Deely
Mr. G. R. Delaume

Mr. D. W. Gray
Mr. H. G. Hilken
Mr. J. A. Simmons

* Part only.

2. Haiti

The Committee considered the recommendations in paras. 9 and 10 of
Memorandum SLC/O/61-31, "Haiti - Proposal for IDA Operations;" and

AGREED that

- (a) IDA should proceed with its study of the highway maintenance and rehabilitation project and consider participation in the financing of this project, subject to the project being found to be technically sound and of high developmental priority;
- (b) IDA should consult with representatives of the U.S. Government and others concerned in financial aid to Haiti with a view to a coordinated collective approach to the Government for the purpose of improving, as far as possible, the Government's over-all discipline in its economic and financial policies, possibly including a recommendation for the appointment of an expert as a permanent resident adviser to the Government;
- (c) IDA should press the Government to make reasonable efforts to settle its external defaulted payments on suppliers' credits;
- (d) if the result of the discussions referred to in clause (b) were favorable and suitable progress were made by the Government under clause (c), IDA might consider the financing of:
 - (i) the new all-weather road from Port-au-Prince to Jacmel;
 - (ii) the rehabilitation of the wharf at Port-au-Prince;provided these projects are proved to be technically sound and of high developmental priority.

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

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/61-29

SLC/M/61-31

August 7, 1961

Minutes of Staff Loan Committee Meeting held on
Thursday, July 20, 1961 at 2:30 p.m. and on
Monday, July 31, 1961 at 3:30 p.m. in the Board Room

1. Present:

Sir William Iliff, Chairman
Mr. J. Rucinski
Mr. S. R. Cope 2/
Mr. S. Aldewereld
Mr. A. Broches 1*/ 2/
Mr. J. C. de Wilde 1*/ 2/

Mr. R. W. Cavanaugh
Mr. W. Diamond
Mr. A. G. Kheradjou
Mr. K. Iverson
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. M. M. Mendels 2*/
Mr. L. B. Rist 1*/
Mr. M. L. Hoffman 1/
Mr. M. L. Lejeune 1*/
Mr. P. J. Squire 2/
Mr. E. E. Clark 1/
Mr. W. Brakel 1/
Mr. P. Callejas 1/
Mr. N. Chakravarti
Mr. H. G. Hilken
Mr. F. H. H. King
Mr. F. Lamson-Scribner

Mr. H. W. Larsen 1/
Mr. L. Louvet 1/
Miss A. L. Maher 1/
Mr. N. H. Wiehen 2/
Mr. D. Newman
Mr. J. F. Rigby
Mr. H. B. Ripman
Mr. P. Sella
Mr. G. M. Street
Mr. H. E. Tolley 2/
Mr. J. L. Upper

1/ July 20 session only.
2/ July 31 session only.

* Part only.

2. China

The Committee considered Memorandum SLC/O/61-30 on the Taipei Regional Water Supply Project and the revised appraisal report; and

NOTING that

while several members considered the proposed project to be suitable for financing by IDA, others expressed doubts about its economic justification and priority;

SLC/M/61-29
SLC/M/61-31

RECOMMENDED that

the Chairman should discuss the views expressed with Mr. Black before reaching any decision on the invitation of representatives to negotiate the proposed credit.

3. The meeting adjourned at 4:30 p.m. on July 20, reconvened at 3:30 p.m. on July 31, and adjourned at 4:30 p.m.

Note: The Management subsequently decided to proceed with negotiations for the proposed credit.

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STAFF LOAN COMMITTEE

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JUN 10 2014
SLC/M/61-30
WBG ARCHIVES

July 28, 1961

Minutes of Staff Loan Committee Meeting held on
Tuesday, July 25, 1961 at 4:00 p.m. in the Board Room

1. Present:

Sir William Iliff, Chairman
Mr. J. Rucinski *
Mr. S. Aldewereld
Mr. A. Broches
Mr. J. C. de Wilde *
Mr. R. W. Cavanaugh *

Mr. M. L. Lejeune *
Mr. W. Diamond
Mr. A. G. Kheradjou
Mr. K. Iverson
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. G. M. Alter
Mr. L. H. Bengston
Mr. R. A. Chaufournier
Mr. C. Duran-Ballen
Mr. A. F. Geolot
Mr. H. G. Hilken

Mr. W. M. Keltie
Mr. P. P. Kuczynski
Mr. H. W. Larsen *
Mr. A. Machimbarrena
Mr. R. W. Wilson

* Part only.

2. Paraguay

The Committee considered Memorandum SLC/O/61-33 on lending prospects in Paraguay; and

AGREED that IDA should:

- (a) inform the Government that it was prepared to negotiate the proposed credit of \$6 million for the Asuncion-Encarnacion highway and maintenance project;
- (b) when COPACAR has been reorganized, assist in preparing and appraising the livestock project with a view to financing it;
- (c) defer consideration of how the cost of the engineering study for the development of the Port of Asuncion should be met until the Government's reaction to the consultant's report had been received.

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

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STAFF LOAN COMMITTEE

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SLC/M/61-32
August 14, 1961

JUN 10 2014
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on
Wednesday, August 9, 1961 at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. S. Aldewereld
Mr. R. W. Cavanaugh
Mr. A. Stevenson

Mr. W. Diamond
Mr. L. Nurick
Mr. K. Iverson
Mr. J. P. Hayes
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. L. B. Rist
Mr. M. L. Lejeune
Mr. P. J. Squire

Mr. N. Bass
Mr. M. Piccagli

2. Power Rate Covenants

The Committee considered the conclusions on pages 4 and 5 of the report of the Working Party on power rate covenants and

AGREED that

present Bank policies, as summarized below, should be maintained:

(a) Power rates should be sufficient:

- (i) to provide a reasonable return on the total investment in the enterprise;
- (ii) to generate enough cash to meet operating expenses and debt service;
- (iii) to provide a cash surplus to help finance expansion where the system is expanding rapidly and difficulty in raising capital can be expected.

(b) The techniques used to meet these requirements should be adapted to meet individual cases, and one or more of the following provisions should from time to time prove to be applicable:

- (i) a percentage rate of return on capital;
- (ii) a maximum operating ratio;
- (iii) earnings sufficient to generate cash in an agreed amount for expansion.

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

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JUN 10 2014

WBG ARCHIVES

STAFF LOAN COMMITTEE

SLC/M/61-33

August 22, 1961

Minutes of Staff Loan Committee Meeting held on
Friday, August 11, 1961 at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. S. Aldewereld
Mr. R. W. Cavanaugh

Mr. R. H. Demuth*
Mr. W. Diamond
Mr. L. Nurick*
Mr. K. A. Bohr
Mr. H. G. A. Woolley, Secretary

In attendance:

✓ Sir William Iliff
✓ Mr. L. B. Rist
✓ Mr. A. Stevenson
✓ Mr. P. J. Squire
✓ Mr. W. J. Armstrong
✓ Mr. W. Brakel
✓ Mr. P. Callejas

Mr. L. Cancio*
Mr. J. H. Collier*
Mr. R. J. Goodman
Mr. G. S. Mason*
Mr. D. Newman
Mr. J. L. Upper

* Part only

2. Jordan

The Committee considered Memorandum SLC/O/61-37 on the proposed credit for the Amman Water Supply project and

AGREED that

- (a) the proposed financial pattern, by which part of the local 30% contribution would be in the form of loans from the Municipal Loan Fund, should be acceptable; and
- (b) provided the rates charged to consumers were based on borrowings on conventional terms, IDA should not insist on the Government relending the proposed credit at more than its normal interest rate for loans of this type, in this case 4%.

3. India

The Committee considered re-lending terms for the proposed credit for the tubewell project and

AGREED that,

based on (b) above, there should be no objection to the Government relending the proposed IDA credit at $4\frac{1}{8}\%$ in this case.

4. Guarantees by Metropolitan Countries

The Committee considered whether IDA credits to dependent territories should be guaranteed by the metropolitan country and

AGREED that

- (a) IDA should not normally seek a guarantee from the metropolitan country in these cases;
- (b) the use by Swaziland of South African currency did not justify a departure from the general rule in (a) above.

5. Swaziland

The Committee considered and

AGREED with the Area Department recommendation that since

- (i) Swaziland depended on grants from the U.K. to meet their recurrent expenditure,
- (ii) the whole of their development expenditure was met by loans and grants from the U.K., and
- (iii) they had no means of raising funds internally for capital expenditures,

IDA would be justified in accepting the Government's proposal to finance the road project presented to IDA partly out of IDA funds and the balance from loans and grants from the U.K.

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

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES
SLC/M/61-34

August 29, 1961

Minutes of Staff Loan Committee Meeting held on
Monday, August 21, 1961 at 10:30 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. A. Broches
Mr. R. H. Demuth
Mr. A. Stevenson

Mr. W. Diamond
Mr. P. J. Squire
Mr. P. G. Ramm
Mr. J. P. Hayes
Mr. H. G. A. Woolley, Secretary

In attendance:

Sir William Iliff
Mr. H. G. Hilken
Mr. H. B. Ripman
Mr. P. Sella

Mr. G. M. Street
Mr. H. E. Tolley
Mr. M. H. Wiehen

2. China

The Committee considered the conclusions and recommendations in Section V of the Appraisal TO(IDA)12 of the China Development Corporation project; and

AGREED that

- (a) the proposed project was suitable for an IDA credit to The Republic of China of \$5 million equivalent;
- (b) the Government should relend the proceeds of the credit to CDC for a period of 30 years, including a 10-year grace period, at rates to be adjusted from time to time in line with CDC's lending rate, sufficient to maintain the margin between CDC's lending and borrowing rates at a level adequate to cover CDC's costs, to permit prudent reserves to be accumulated, and to make a reasonable contribution to earnings. Initially, a rate of 12% per annum would be appropriate since the Government would assume the foreign exchange risk;
- (c) during negotiations arrangements, such as the subordination of existing and prospective loans from Government to other CDC debts, should be agreed to ensure a sound financial structure which would permit the eventual sale by CDC of additional shares and the contraction of additional debt without Government support;

SLC/M/61-34

- (d) an appropriate limit should be set on the incurrence of future debts by CDC;
 - (e) assurances should be obtained that satisfactory arrangements will be made to replenish CDC's local currency resources;
 - (f) sub-projects above \$100,000 should be presented to IDA for approval.
3. The meeting adjourned at 11:15 a.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES

SLC/M/61-35

August 29, 1961

Minutes of Staff Loan Committee Meeting held on
Thursday, August 24, 1961 at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. A. Broches
Mr. R. H. Demuth
Mr. A. Stevenson

Mr. W. Diamond
Mr. P. J. Squire
Mr. P. G. Ramm
Mr. J. P. Hayes
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. L. Gabriel
Mr. S. C. Hardy
Mr. H. F. Havlik
Mr. H. G. Hilken

Mr. S. Kuriyama
Mr. J. E. Meyer
Mr. J. P. Rigby
Mr. J. A. Simmons

2. Costa Rica

The Committee considered Memorandum SLC/O/61-38 on the proposed highway project and lending program; and

AGREED that

- (a) the Government should be invited to negotiate a loan and credit of \$5.5 million each for the highway project;
- (b) the projects for the second stage of the Rio Macho and for development of the Port of Puntarenas should be appraised for the purpose of Bank loans when those projects are ready.

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

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES
SLC/M/61-36

September 5, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, August 30, 1961 at 10:00 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. S. R. Cope
Mr. I. P. M. Cargill
Mr. J. C. de Wilde *
Mr. A. Stevenson
Mr. W. Diamond

Mr. P. J. Squire
Mr. L. Murick *A. Broches*
Mr. P. G. Ramm
Mr. K. Iverson
Mr. H. G. A. Woolley, Secretary

In attendance:

Sir William Iliff *
Mr. L. B. Rist *Mr. L. Murick*
- Mr. D. R. Brash
Mr. H. G. Hilken
Mr. R. A. Hornstein *
- Mr. J. C. Lithgow

Mr. S. N. McIvor
Mr. N. McKitterick
Mr. J. A. Simmons
Mr. R. Skillings
Mr. M. F. Verheyen

* Part only.

2. Ghana

The Committee considered the draft Report and Recommendations of the President for the proposed loan to the Volta River Authority; and

AGREED that

- (a) the Report, after minor changes, should be distributed to the Executive Directors with a view to their approval of the proposed loan at their meeting on Thursday, September 7, and its signing in Accra on October 5, provided the outstanding requirements of the Bank had been met satisfactorily by that date;
- (b) it would be desirable to inform the Executive Directors at their meeting that there might be changes in the smelter arrangements and to suggest that they leave it to the Management to decide whether any such changes warranted further reference to the Executive Directors before the loan were signed.

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

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES
SLC/M/61-37

September 5, 1961

Minutes of Staff Loan Committee Meeting held on
Thursday, August 31, 1961 at 3:15 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman	Mr. W. Diamond
Mr. S. R. Cope	Mr. P. J. Squire
Mr. I. P. M. Cargill	Mr. P. G. Ramm
Mr. A. Broches	Mrs. S. Boskey
Mr. J. C. de Wilde	Mr. H. G. A. Woolley, Secretary
Mr. A. Stevenson	

In attendance:

- Sir William Iliff	- Mr. H. G. Hilken
- Mr. H. A. Adler	- Mr. H. B. Ripman *
- Mr. G. Apcar	- Mr. A. D. Spottswood
- Mr. M. E. G. Broder *	- Mr. M. van der Mel
- Mr. J. H. Collier	- Mr. H. van Helden
- Mr. J. M. Croome	- Mr. G. C. Wishart *
- Mr. D. J. Fontein	

* Austria only.

2. Austria

The Committee considered Memorandum SLC/O/61-41 on further lending to Oesterreichische Investitionskredit A.G.; and

AGREED that

- (a) the Government should be informed during the Annual Meeting that in general Austria's position did not warrant further loans from the Bank;
- (b) the Bank should nevertheless continue its generally encouraging attitude to IVK and be prepared to consider a further loan, making clear, however, that the Bank expected that the IVK would be able to do without further Bank loans *thereafter*.

3. South Africa

The Committee considered Memorandum SLC/O/61-39 on South Africa; and
AGREED that

- (a) the Bank should be prepared to lend \$25 million for power and railway projects;
- (b) the management would wish to see the reaction of the Executive Directors at the presentation of these proposed loans before considering any request from South Africa for further financing, and that steps should be taken to avoid a formal request at the present time.

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

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JUN 10 2014
WBG ARCHIVES

STAFF LOAN COMMITTEE

SLC/M/61-38

September 5, 1961

Minutes of Staff Loan Committee Meeting held on
Friday, September 1, 1961 at 11:00 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman	Mr. W. Diamond
Mr. I. P. M. Cargill	Mr. P. J. Squire
Mr. A. Broches	Mr. P. G. Ramm
Mr. J. C. de Wilde	Mr. J. H. Williams
Mr. A. Stevenson	Mr. H. G. A. Woolley, Secretary

In attendance:

Sir William Iliff	Mr. N. McKitterick
Mr. J. H. Adler	Mr. P. K. Reitter
Mr. R. J. Benrubi	Mr. R. H. Sheehan
Mr. H. G. Hilken	Mr. A. D. Spottswood
Mr. H. C. Hittmair	Mr. S. P. Wheelock
Mr. A. E. Matter	

2. Mexico

The Committee considered Memorandum SLC/O/61-40 on the resumption of lending to CFE; and

AGREED that

- (a) the Bank should be prepared to consider a loan to CFE of \$80 to \$100 million;
- (b) the loan might include limited amounts for the refinancing of purchases already made and for the purchase of locally manufactured goods not excessively protected;
- (c) consideration of accelerated disbursement of the loan should be deferred;
- (d) negotiation of the proposed loan should not begin until rate increases satisfactory to the Bank had been published and had been imposed on the final consumers;
- (e) the question of how and when the Government should be informed of the Bank's position should be discussed further with the management.

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

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STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/61-39

September 8, 1961

Minutes of Staff Loan Committee Meeting held on
Tuesday, September 5, 1961 at 3:00 p.m. in the Board Room

1. Present:

Sir William Iliff, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. A. Broches
Mr. J. C. de Wilde
Mr. R. H. Demuth

Mr. A. Stevenson *
Mr. A. G. Kheradjou
Mr. P. J. Squire
Mr. P. G. Ramm
Mr. H. G. A. Woolley, Secretary

In attendance:

- Mr. W. Diamond
- Mr. G. M. Alter
- Mr. R. J. Benrubi
- Mr. H. G. Hilken

Mr. R. A. D. Loven
- Mr. P. J. D. Tobiesen
Mr. H. van Helden
- Mr. S. P. Wheelock

* Part only.

2. Bolivia

The Committee considered Memorandum SLC/O/61-42 on Bolivia; and

RECOMMENDED that

- (a) IDA should not undertake the proposed transportation survey;
- (b) the Government should be informed that as the rehabilitation of the railways was considered to be one of the most important problems confronting them, IDA would be prepared to send a small mission to look at the railway situation as a technical assistance service;
- (c) care should be taken to make it clear to the Government that this did not involve any commitment by IDA to finance railway or other projects in Bolivia; and

AGREED that

in view of the situation on Bolivia's defaulted debt, no action should be taken to inform the Government until Mr. Black's approval had been obtained.

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

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STAFF LOAN COMMITTEE

JUN 10 2014

WBG ARCHIVES

SLC/M/61-40

September 12, 1961

Minutes of Staff Loan Committee Meeting held on
Monday, September 11, 1961 at 2:30 p.m. in the Board Room

1. Present:

Sir William Iliff, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. J. C. de Wilde *
Mr. R. W. Cavanaugh
Mr. R. H. Demuth

Mr. A. Stevenson
Mr. A. G. Kheradjou
Mr. P. J. Squire
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. Diamond
Mr. G. M. Alter
Mr. A. de Leeuw
Mr. W. M. Keltie
Mr. H. Mirza

Mr. P. J. D. Tobiesen
Mr. H. van Helden
Mr. C. E. Webb
Mr. S. P. Wheelock

* Part only.

2. Peru

The Committee considered Memorandum SLC/0/61-43 on prospective lending operations in Peru; and

AGREED that

- (a) Peru's financial position justified further lending by the Bank for high priority projects;
- (b) the Government should be invited to send representatives to negotiate the proposed loan of about \$10 million for the highway project;
- (c) pending the completion of the economic report the Bank should continue to work on the Railway, Banco Industrial and San Lorenzo projects.

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

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STAFF LOAN COMMITTEE

JUN 10 2014

WBG ARCHIVES

SLC/M/61-41

November 30, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, October 25, 1961 at 3:00 p.m. in the Board Room

1. Present:

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

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. A. Stevenson
Mr. H. G. Hilken, Acting Secretary

In attendance:

Sir William Iliff
Mr. G. M. Wilson
Mr. M. L. Lejeune
Mr. L. Nurick
Mr. J. M. Croome
Mr. J. Froland

Mr. L. C. Hamilton
Mr. N. Piccagli
Mr. R. Sadove
Mr. R. H. Sheehan
Mr. R. Skillings
Mr. G. Wishart

2. Nigeria

The Committee considered Memorandum SLC/O/61-45 on prospective lending operations in Nigeria; and

AGREED that

- (a) Nigeria should be considered eligible for Bank loans and gradually for IDA credits, in amounts to be determined from time to time as the 1962-67 development program progresses and as suitable projects are presented for consideration;
- (b) if requested by Nigeria, the Bank should take the lead in organizing a Consultative Committee consisting of itself and governments concerned with assisting Nigeria, for the purpose of coordinating foreign financial assistance;
- (c) the Bank should make a detailed appraisal of the Niger Dam project;
- (d) the economic report, suitably edited, should be given to the Nigerian Government informally for comment, and subsequently should be distributed to the Executive Directors and the Nigerian Government.

3. The meeting adjourned at 5:10 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG/SLC/M/61-42S

November 30, 1961

Minutes of Staff Loan Committee Meeting held on
Tuesday, October 24, 1961 at 3:00 p.m. in the Board Room

1. Present:

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

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. A. Stevenson
Mr. H. G. Hilken, Acting Secretary

In attendance:

Sir William Iliff
Mr. M. M. Rosen *
Mr. J. G. Beevor *
Mr. M. L. Hoffman
Mr. G. M. Wilson
Mr. L. Nurick
Mr. P. J. Squire
Mr. M. L. Lejeune
Mr. W. J. Armstrong

Mrs. S. Boskey
Mr. L. C. Hamilton
Mr. R. A. Hornstein
Mr. S. N. McIvor
Mr. R. B. J. Richards *
Mr. R. Skillings
Mr. L. von Hoffman *
Mr. G. Wishart *

* IFC.

2. Nigeria

The Committee considered, with representatives of the IFC, Memorandum SLC/O/61-46 on proposals for a development bank in Nigeria; and

AGREED that

- (a) the Area Department, jointly with the IFC, should continue its discussions with the Nigerian Government on the problems and possibilities of establishing a viable development bank in Nigeria;
- (b) while it was premature to consider the use of IDA funds for this project, an IDA credit, if made, should be to the Government of Nigeria.

3. The meeting adjourned at 5:10 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES
SLC/M/61-43

December 5, 1961

Minutes of Staff Loan Committee Meeting held on
Monday, October 30, 1961 at 3:00 p.m. in the Board Room

1. Present:

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

Mr. J. C. de Wilde
Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. A. Stevenson
Mr. H. G. Hilken, Acting Secretary

In attendance:

Sir William Iliff
Mr. M. M. Mendels
Mr. M. L. Hoffman
Mr. J. D. Miller
Mr. G. M. Wilson
Mr. M. L. Lejeune

Mr. E. E. Clark
Mr. K. Iverson
Mrs. S. Boskey
Mr. D. J. Fontein
Mr. R. A. Hornstein
Mr. A. F. Johnston

2. Technical Assistance

The Committee considered Memorandum SLC/O/61-47 and the drafts of three Operational Memoranda attached thereto; and

APPROVED

- (a) the draft Operational Memorandum on Technical Assistance, subject to changes to incorporate the following views:
- (i) requests for technical assistance should be reviewed initially by a working party, except in cases presenting a novel question of policy, in which event they might be referred directly to the Technical Assistance Committee;
 - (ii) the Area Department representative on the Technical Assistance Committee should normally be the Director or Assistant Director;
 - (iii) normally the Bank would meet the foreign exchange costs of any technical assistance and the country concerned would meet the local currency costs, in the absence of a recommendation by the Technical Assistance Committee that a different formula should apply;

- (iv) other minor changes;
- (b) the draft Operational Memorandum on Bank Administration of United Nations Special Fund Projects, subject to change to make applicable the review procedure specified by the revised Technical Assistance memorandum, and other minor changes;
- (c) the draft Operational Memorandum on Feasibility Studies, subject to changes to make applicable the provisions concerning the review procedure and cost-sharing specified by the revised Technical Assistance memorandum, to limit prior consultation with the UN Special Fund to studies not immediately related to Bank/IDA financing operations, and other minor changes;

and AGREED that

the distribution of the three revised Operational Memoranda should be postponed until Mr. Black had had an opportunity to talk with the Managing Director of the UN Special Fund about the proposed increased emphasis on feasibility studies.

3. The meeting adjourned at 5:25 p.m.

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STAFF LOAN COMMITTEE

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JUN 10 2014

WBG ARCHIVES
SLC/M/61-44

November 30, 1961

Minutes of Staff Loan Committee Meeting held on
Wednesday, November 8, 1961 at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. S. Aldewereld

Mr. A. Broches
Mr. J. C. de Wilde
Mr. R. H. Demuth
Mr. P. G. Ramm
Mr. H. G. Hilken, Acting Secretary

In attendance:

Sir William Iliff
Mr. L. B. Rist
Mr. B. M. Cheek
Mr. R. Harma

Miss A. L. Maher
Mr. J. F. Main
Mr. P. Sella
Mr. J. H. Williams

2. Portugal

The Committee considered Memorandum SLC/O/61-48 on Portugal; and

AGREED that

- (a) the Economic Report, suitably edited, should be sent to the Executive Directors;
- (b) the Bank should be prepared to start lending to Portugal in the initial amount of \$20-\$25 million for electric power in the metropolitan area;
- (c) the Bank should explore the possibilities of associating foreign private capital in Bank lending to Portugal.

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

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STAFF LOAN COMMITTEE

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JUN 10 2014
SLC/M/61-45

WBG ARCHIVES
December 15, 1961

Minutes of Staff Loan Committee Meeting held on
Tuesday, December 5, 1961 at 3:00 p.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. I. P. M. Cargill
Mr. S. Aldewereld

Mr. A. Broches
Mr. J. C. de Wilde
Mr. R. H. Demuth
Mr. P. G. Ramm
Mr. H. G. Hilken, Acting Secretary

In attendance:

Sir William Iliff
Mr. M. M. Mendels *
Mr. M. L. Lejeune
Mr. P. J. Squire
Mr. L. Nurick
Mr. G. R. Young

Mr. R. G. Bateson
Mr. J. H. Collier
Mr. L. J. C. Evans
Mr. J. Filippi
Mr. O. M. Myhrer
Mr. C. White

* Part only.

2. Australia

The Committee considered Memorandum SLC/O/61-51 on the Snowy Mountains hydroelectric project; and

AGREED that

- (a) the Bank should be prepared to negotiate a loan of \$100 million to the Commonwealth of Australia for the Snowy Mountains Authority;
- (b) the Commonwealth Government should be informed accordingly;
- (c) the negotiators for the Bank should see what possibilities existed of passing on to the Authority the full cost of the Bank's loan and of tightening up the assurances to be given by the purchasers of power from the Authority regarding their rate policies.

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

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WBG ARCHIVES

SLC/M/61-46

STAFF LOAN COMMITTEE

January 19, 1962

Minutes of Staff Loan Committee Meeting held on
Friday, December 22, 1961, at 11:00 a.m. in the Board Room

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. J. C. de Wilde

Mr. R. W. Cavanaugh
Mr. R. H. Demuth
Mr. A. G. Kheradjou
Mr. E. E. Clark
Mr. H. G. Hilken, Acting Secretary

In attendance:

Mr. M. M. Mendels *
Mr. G. M. Willson
Mr. W. Diamond
Mr. P. Acheson
Mr. R. J. Benrubi
Mr. L. Cancio
Mr. R. A. Chaufournier
Mr. J. M. Groome

Mr. C. Duran-Ballen
Mr. W. M. Keltie
Mr. P. P. Kuczynski
Mr. M. Piccagli
Mr. Y. Rovani
Mr. M. L. Weiner
Mr. A. Wenzell

* Part only.

2. Argentina

The Committee considered Memorandum SLC/O/61-52 on the Buenos Aires Power Project; and

AGREED that

- (a) the project was suitable for a Bank loan to Servicios Electricos del Gran Buenos Aires (SEGBA) in the amount of \$95 million with a term of 25 years, including a three-year grace period, subject to obtaining satisfactory assurances on the conditions listed in para. 94 of the Technical Report (TO-306);
- (b) the loan might include up to \$60 million to finance part of the local currency expenditures made after January 1, 1962, provided satisfactory arrangements were made to reduce the amount of such financing by the Bank if future local currency costs of the project were less than now estimated;
- (c) security arrangements should be made which, while giving full protection to the Bank, would be in accord with legal and financial practices in Argentina.

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