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THE WORLD BANK

Washington, D.C.

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A1995-291 Other #: 2 Box # 213541B

Loan Committee - Minutes - 1957

Loan Committee - Minutes

1957



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Loan Committee - Minutes - 1957

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WBG Archives

STAFF LOAN COMMITTEE

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SLC/M/655
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Minutes of Staff Loan Committee Meeting held Thursday, January 10, 1957
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

1. Present:

Mr. J. B. Knapp (Chairman)
Mr. J. Rucinski
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. L. B. Rist

Mr. R. H. Demuth
Mr. V. Umbricht
Mr. M. M. Rosen
Mr. R. W. Cavanaugh
Mr. H. G. A. Woolley (Secretary)

In attendance:

Mr. M. M. Mendels *
Mr. M. Hoffman
Mr. G. M. Alter
Mr. T. V. Andersen
Mr. J. Camacho
Mr. R. E. Carlson

Mr. J. C. de Wilde
Mr. G. Gillette (consultant)
Mr. B. B. King *
Mr. E. Myatt
Mr. E. Symonds
Mr. J. Volmuller

* Part only.

2. Chile

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

3. Hydro and Thermal Power

The consideration of Memorandum SLC/O/878, "Cost of Capital in the Choice between Hydro and Thermal Power", was postponed.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

Minutes of Staff Loan Committee Meeting held Monday, January 14, 1957 0 2014
at 3:00 p.m. in Room 1005

WBG ARCHIVES

1. Present:

Mr. J. B. Knapp, Chairman
Mr. O. A. Schmidt *
Mr. S. Aldewereld
Mr. A. Broches
Mr. L. B. Rist

Mr. H. W. Riley
Mr. R. H. Demuth *
Mr. V. Umbricht
Mr. J. C. de Wilde
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. D. Sommers
Mr. M. M. Mendels *
Mr. M. M. Rosen *
Mr. G. M. Alter
Mr. C. Allardice
Mr. K. A. Bohr
Mr. B. Chadenet
Mr. M. Hoffman

Mr. B. B. King
Mr. H. W. Larsen
Mr. S. Lipkowitz
Mr. M. Piccagli
Mr. R. Sadove
Mr. A. D. Spottswood
Mr. E. Symonds
Mr. A. Wenzell

* Part only.

2. Hydro and Thermal Power

The Committee considered Memorandum SLC/O/878, "Cost of Capital in the Choice between Hydro and Thermal Power", and

AGREED

with the recommendations made that:

- (a) the return on the additional investment required for hydro compared with thermal power should be taken into consideration as an important factor in appraising the relative merits of the use of hydro compared with thermal power for electric power projects;
- (b) the adequacy of this return should be judged not only by reference to the nominal cost of capital made available to the enterprise, but also in the light of alternative investment opportunities to the extent possible.

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

STAFF LOAN COMMITTEE

SLC/M/657

Minutes of Staff Loan Committee Meeting held Friday, February 1, 1957
at 3:00 p.m. in Room 1007

1. Present:

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

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

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JUN 10 2014

WBG ARCHIVES

In attendance:

Mr. D. Sommers 1*/ 2/
Mr. V. Umbricht 1/
Mr. M. M. Rosen 1/
Mr. E. E. Clark
Mr. G. M. Alter
Mr. J. C. de Wilde 1/
Mr. G. Lefort

Miss V. Morsey
Mr. R. B. J. Richards 1*/ 2/
Mr. H. B. Ripman 1*/ 2/
Mr. R. F. Skillings 1/
Mr. E. Symonds
Mr. M. F. Verheyen 1/
Mr. J. Volmuller 1/

1/ Iceland only.
2/ Insurance only.

* Part only.

2. Iceland

The Committee considered Memorandum SLC/O/880, on the Bank's relations with Iceland, and

AGREED

- (a) with the conclusions and recommendations made; and
- (b) that the tactics to be followed in the discussions with the Government should be left to the Area Department.

3. Insurance

The Committee considered Memorandum SLC/O/879, on insurance provisions in the Bank's loan documents, and

AGREED that

- (a) the appraisal of projects should normally include an appraisal of actual and/or proposed insurance practices;
- (b) a covenant in general terms, to the effect that the borrower will maintain an insurance program consistent with sound insurance standards, should be prepared by the Legal Department for inclusion in future loan agreements;
- (c) an Operational Memorandum on the subject should not be issued.

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

STAFF LOAN COMMITTEE

SLC/M/658

Minutes of Staff Loan Committee Meeting held Thursday, February 7, 1957
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski *
Mr. S. R. Cope *
Mr. O. A. Schmidt
/ Mr. S. Aldewereld *

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

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JUN 10 2014

WBG ARCHIVES

In attendance:

Mr. D. Sommers *
Mr. M. Hoffman *
Mr. F. A. Consolo
Mr. M. M. Rosen
Mr. J. Camacho
Mr. R. W. Cavanaugh *
Mr. S. R. Chevrier

Mr. D. Groenveld
Mr. H. W. Larsen
Mr. G. S. Mason
Mr. G. Morelli
Mr. F. M. Oppenheimer
Mr. B. P. Spiro
Mr. E. Symonds
Mr. M. L. Weiner

* Part only.

2. Peru

The Committee considered Memorandum SLC/O/881, and

AGREED

- (a) with the recommendations made, subject to minor changes in and suitable editing of the economic report before sending it to the Finance Minister;
- (b) that copies of the revised economic report should be distributed to the Executive Directors as soon as available.

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

STAFF LOAN COMMITTEE

SLC/M/659

Minutes of Staff Loan Committee Meeting held on Friday, February 8, 1957
at 11:00 a.m. and Tuesday, February 12, 1957 at 2:30 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. A. Broches
Mr. H. W. Riley

Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. G. M. Alter
Mr. J. C. de Wilde
Mr. K. Kapur, Acting Secretary

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JUN 10 2014

WBG ARCHIVES

In attendance:

Mr. D. Sommers
Mr. M. M. Mendels 1/
Mr. B. B. King
Mr. M. L. Lejeune

Mr. R. B. J. Richards
Mr. E. Symonds
Mr. G. W. Trancart 1/
Mr. M. F. Verheyen

1/ First session only.

2. Gold Coast

The Committee considered Memorandum SLC/O/882, "The Gold Coast (Ghana)"
and

APPROVED

- (a) generally, the principal political and economic findings of the mission in paras. 7 and 8;
- (b) the observations in para. 13, subject to:
 - (i) addition of 'arrangements for which are not yet assured', to the last sentence in sub-para. (i);
 - (ii) deletion of sub-para. (v);

AGREED that

- (c) the gist of the mission's findings should be conveyed personally to representatives of the U. K.;
- (d) subsequent steps should be guided by the reaction of the U. K. Government to the mission's findings;

also AGREED that

- (e) the question of Economic Adviser should be deferred to a later stage.

3. The meeting adjourned at 12:30 p.m., reconvened at 2:30 p.m. on Tuesday, February 12, and adjourned at 3:45 p.m.

STAFF LOAN COMMITTEE

SLC/M/660

Minutes of Staff Loan Committee Meeting held on Monday, February 11, 1957
at 3:00 p.m. in Room 1005

1. Present:

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JUN 10 2014

WBG ARCHIVES

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. A. Broches

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. M. M. Rosen
Mr. K. Kapur, Acting Secretary

In attendance:

Mr. W. A. B. Iliff
Mr. D. Sommers
Mr. G. N. Perry
Mr. K. A. Bohr
Mr. B. Chadenet
Mr. J. C. de Wilde
Mr. R. H. Dorr

Mr. R. J. Goodman
Mr. O. J. McDiarmid
Miss V. Morsey
Mr. R. B. J. Richards
Mr. G. M. Street
Mr. E. Symonds

2. Japan

The Committee considered Memorandum SLC/O/883, "Future Bank Lending to Japan", and, taking into account the provisions of Operational Memorandum No. 17, "Foreign Exchange Loans for Local Expenditure",

(a) CONCURRED

generally in the findings of the Memorandum on Japan's recent economic progress, and

(b) RECOMMENDED that

before drawing firm conclusions on the creditworthiness of Japan, the report of the proposed mission to Japan should be awaited;

(c) AGREED that

it would be appropriate in view of the nature of the Japanese economy and investment program, for the Bank to consider financing part of the local expenditures, as well as the direct foreign exchange costs, involved in Japanese projects;

(d) NOTED that

para. 26 was not to be regarded as part of the justification for local expenditure loans;

(e) AGREED that

the time was appropriate to study the current operations and management of the Japan Development Bank in order to determine whether the Bank would be a useful and desirable vehicle for future IBRD loans;

(f) and AGREED that

the possibilities for a separate or joint market operation for Japan should be explored after the return of the proposed mission.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014
SLC/M/661

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on Monday, February 25, 1957
at 3:00 p.m. and on Tuesday, February 26, 1957 at 4:30 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. S. Aldewereld

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

In attendance:

Mr. W. A. B. Iliff 1/
Mr. D. Sommers
Mr. M. M. Mendels 1*/
Mr. M. Hoffman 1/
Mr. G. N. Perry
Mr. M. M. Rosen 1/

Mr. E. E. Clark
Mr. W. L. Bennett
Mr. R. W. Cavanaugh 1/
Mr. R. B. J. Richards 1*/
Mr. A. Stevenson 2/
Mr. H. van Helden 1*/

* Part only.

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

2. Participations with the Private Market

The Committee considered Memorandum SLC/O/885, "Participations with the Private Market", and

RECOMMENDED that

- (a) the Bank should adopt a positive and encouraging attitude whenever it is asked to participate on a minority basis in a private market operation;
- (b) while not compromising its basic standards with respect to creditworthiness and the use of borrowed money for sound purposes, the Bank should bear in mind that its participations in market operations serve to stimulate the private capital market, which is in itself one of the Bank's principal objectives;
- (c) in considering minority participations, the Bank should be prepared to adapt the terms of its lending as far as practicable and appropriate to the pattern of the private market transaction subject to:
 - (i) obtaining a Government obligation to pay principal and interest;
 - (ii) maintaining the Bank's normal loan charges; and
 - (iii) maintaining the Bank's standards with respect to international competition;

- (d) where creditworthiness is clear and the project presents no problems of evaluation or administration, the Bank, if requested for good reason by the market sponsors of the operations, should be prepared to consider abandoning its separate loan contract and signing the same contract as the market participants (subject of course to the minimum conditions listed in the preceding paragraph);
- (e) the Bank should where possible adjust its timing to that of the private market; the Staff Loan Committee itself should be prepared to review proposed minority participations at short notice, without papers if necessary; and the Executive Directors should be asked to give approval in principle on the basis of a general statement of the case, and then consider the actual loan documents at short notice if this were necessary to keep pace with the market operation.

3. The meeting adjourned at 5:00 p.m. on February 25, reconvened at 4:30 p.m. on February 26 and adjourned at 5:35 p.m. on February 26.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 10 2014

WBG ARCHIVES

SLC/M/662

Minutes of Staff Loan Committee Meeting held on Friday, March 1, 1957
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. S. Aldewereld

Mr. A. Broches
Mr. H. W. Riley
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. D. Sommers *
Mr. M. M. Rosen
Mr. R. W. Cavanaugh
Mr. G. R. Delaume
Mr. K. S. Krishnaswamy

Mr. H. B. Ripman
Mr. A. Stevenson
Mr. L. Svoboda
Mr. E. Symonds
Mr. J. H. Williams

* Part only.

2. The Netherlands

The Committee considered Memorandum SLC/O/887, "Herstelbank - Proposed Joint Operation with the New York Market", and

AGREED with

- (a) the draft outline of the President's Report and Recommendations, subject to minor changes;

and that

- (b) the Area Department should work out with the Herstelbank and Morgan Stanley and Co. a financing operation along the lines suggested;
- (c) the Executive Directors should be informed of the new procedure proposed for this type of operation at their special meeting on March 4;
- (d) a memorandum outlining the proposed operation should be sent to the Executive Directors for consideration at their next regular meeting on March 12.

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

STAFF LOAN COMMITTEE

Minutes
CONFIDENTIAL
DECLASSIFIED
JUN 10 2014
SLC/M/663
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on Friday, March 8, 1957
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. S. R. Cope
Mr. S. Aldewereld *
Mr. A. Broches *
Mr. H. W. Riley

Mr. F. A. Consolo *
Mr. J. C. de Wilde
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff
Mr. M. M. Mendels *
Mr. J. H. Collier
Mr. J. H. Darton

Mr. T. Finsaas
Mr. M. L. Lejeune
Mr. E. Symonds

* Part only.

2. Jamaica

The Committee considered Memorandum SLC/O/888, "Report of Mission to Jamaica", and

AGREED that

- (a) further consideration should be given to the possibility of the preparation of a suitable project for Bank financing to give added impulse to agricultural development in Jamaica;
- (b) the Bank should be prepared to:
 - (i) lend to Jamaica reasonable amounts for acceptable projects;
 - (ii) examine projects put forward by the Government which appear suitable;
- (c) the Government should be informed accordingly.

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

STAFF LOAN COMMITTEE

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SLC/M/664
JUN 10 2014
WORLD ARCHIVES

Minutes of Staff Loan Committee Meeting held Wednesday, March 20, 1957
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski 1*/ 2/
Mr. S. R. Cope
Mr. S. Aldewereld

Mr. A. Broches
Mr. H. W. Riley
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff 1/ 2*/
Mr. D. Sommers 1/ 2*/
Mr. M. M. Mendels 1*/
Mr. O. H. Calika 1/
Mr. B. Chadenet
Mr. J. H. Collier
Mr. G. R. Delaume 2*/

Mr. D. Fontein 1/
Mr. P. Kanter 1/ 2*/
Mr. M. L. Lejeune 1/
Mr. F. M. Oppenheimer 2*/
Mr. H. B. Ripman
Mr. A. D. Spottswood 1/ 2*/
Mr. E. Symonds 1/ 2*/

1/ South Africa only.
2/ Austria only.

* Part only.

2. Union of South Africa

The Committee heard and considered an oral report on the proposed South African operation; and

RECOMMENDED that

- (a) the Bank should be prepared to consider a loan to South Africa of such portion of the \$50 million which the Government is seeking as cannot be obtained from private sources;
- (b) the proposed loan, if made, should not be for a longer term than ten years;
- (c) the Government should be informed accordingly.

3. Austria

The Committee heard and considered oral reports on the request of the Austrian Government for: (i) a supplementary loan for the L nersee project; and (ii) a loan for industrial financing; and

RECOMMENDED that

(a) L nersee Project

the Bank be prepared to consider a supplementary loan of approximately \$3 million for the L nersee project, subject to confirmation of the need for the additional Bank financing by a mission to be sent to Austria shortly;

(b) Industrial Financing

- (i) the Bank be prepared to consider a loan of approximately \$10 million for the expansion and modernization of private industrial enterprises in Austria;
- (ii) the Bank obtain more information on projects suitable for the proposed loan;
- (iii) further consideration be given to the question of the selection of a suitable intermediary for the loans to the individual enterprises.

4. The meeting adjourned at 5:35 p.m.

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 13 2014

SLC/M/665
WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held Monday, March 25, 1957 at
3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. S. Aldewereld *

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JUN 13 2014
WBG ARCHIVES
Mr. A. Broches *
Mr. H. W. Riley
Mr. G. M. Alter
Mr. P. H. French *
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff
Mr. D. Sommers
Mr. M. Hoffman
Mr. M. M. Rosen
Mr. E. E. Clark
Mr. G. R. Young

Mr. C. Allardice
Mr. R. G. Bateson
Mr. B. Chadenet
Mr. M. F. Verheyen
Mr. S. P. Wheelock

* Part only.

2. Italy

The Committee heard and considered an oral report by the recent mission on the possibility of the Bank helping to organize a study of the prospects for using atomic energy for the production of electric power in Italy; and

AGREED that

- (a) the development of atomic power was likely to become a field of prime importance to Italy within the next few years;
- (b) the Bank should be prepared to associate itself with the Italian Government in a joint study focused on the determination of the best possible nuclear power plant competitive or close to competitive with conventional fuels, for a system to be located in South Italy, subject to:
 - (i) satisfactory arrangements being worked out with Italy so that Italian participation in the study could be on a broad national basis;
 - (ii) the Government's agreement to the study being made available to the Bank and Bank members for use in other locations;
- (c) the study should proceed as rapidly as possible to determine the amount of power necessary and the best location for the plant;
- (d) manufacturers should be asked to submit bids on this basis for the system and type of reactor they recommend;

- (e) the study group should assist in the solicitation and review of bids;
- (f) an independent advisory international panel of experts should be set up by the Bank to assist in the study and to evaluate and comment on proposals;
- (g) the Bank should be prepared to share in the cost of the study group and/or panel;
- (h) the following steps should be taken:
 - (i) the U.S. and U.K. Directors should be informed of the proposed cooperative study so that the reactions of the U.S. and U.K. Governments could be obtained before proceeding further;
 - (ii) provided that the reactions of the U.S. and U.K. Governments were favorable, a paper on the Bank's proposals should be distributed to the Executive Directors for consideration at their next regular meeting on April 9, if possible;
 - (iii) subject to the concurrence of the Executive Directors, a proposal should be sent to the Italian Government indicating the Bank's willingness in principle to participate in the proposed study and panel under the conditions outlined.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

SLC/M/666
JUN 13 2014

WORLD ARCHIVES

Minutes of Staff Loan Committee Meeting held Thursday, March 28, 1957
at 10:30 a.m. and at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski 1*/
Mr. O. A. Schmidt
Mr. S. Aldewereld
Mr. A. Broches 1*/

Mr. H. W. Riley 1/ 2*/
Mr. G. M. Alter
Mr. P. H. French 1/
Mr. A. M. Kamarck
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. D. Sommers 1*/ 2/
Mr. M. M. Mendels 1*/
Mr. M. Hoffman 1*/
Mr. M. M. Rosen 1/
Mr. F. A. Consolo
Mr. J. Camacho 1*/ 2*/
Mr. R. E. Carlson 1/
Mr. R. W. Cavanaugh
Mr. B. Chadenet 1*/ 2*/

Mr. S. Lipkowitz 1*/ 2*/
Mr. B. Luzzatto
Mr. J. F. Main 2*/
Miss V. Morsey 2/
Mr. E. Symonds 1/ 2*/
Mr. H. van Helden 1/ 2*/
Mr. J. Volmuller
Mr. A. Waterston 1/ 2*/

* Part only.

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

2. Chile

The Committee considered the conclusions and recommendations contained in paras. 37 and 38 of Report W.H. 56 of the recent mission; and

AGREED that

- (a) the Bank should be prepared to consider further lending to Chile provided that the Government continues to carry out the stabilization program and agrees to reduce its medium term debt to an appropriate level;
- (b) a further appraisal should be made by the Bank of the railway rehabilitation program, especially of its economic justification, with a view to:
 - (i) during the year 1957-58, assisting in financing the foreign exchange cost of approximately \$27-33 million for the electrification and the modernization of the signalling system of the Santiago-Chilian line; and
 - (ii) as a second step, assisting in financing the replacement of rails at an estimated foreign exchange cost of approximately \$18-20 million two years later;

provided the Government agrees to take effective steps to put the railways in sound financial condition;

- (c) should the situation continue to improve and the railway project be initiated satisfactorily, the Bank should be prepared to consider:
 - (i) early financing of suitable highway projects on a moderate scale to facilitate agricultural development;
 - (ii) a loan of approximately \$18-20 million for the Rapel Hydro-electric Plant next year;
- (d) the Bank should not at the present time contemplate making loans additional to the above to Chile, with the exception of the proposed loans to the two coal companies, during the period 1957-60;
- (e) Messrs. Schmidt and Aldewereld should discuss with the Government the Bank's views and proposed program as outlined above.

3. The meeting adjourned at 12:35 p.m., reconvened at 3:00 p.m. and adjourned at 5:45 p.m.

SLC/M/667

STAFF LOAN COMMITTEE

Minutes of Staff Loan Committee Meeting held Wednesday, April 3, 1957
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope *
Mr. M. M. Rosen
Mr. S. Aldewereld

Mr. A. Broches
Mr. L. B. Rist
Mr. H. W. Riley
Mr. F. A. Consolo
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. W. A. B. Iliff *
Mr. D. Sommers
Mr. M. M. Mendels*
Mr. M. Hoffman
Mr. B. Chadenet
Mr. G. M. Alter
Mr. J. H. Adler

Mr. D. Fontein
Mr. R. J. Goodman
Mr. O. J. McDiarmid
Mr. J. F. Main
Mr. G. M. Street
Mr. E. Symonds

* Part only.

2. India

The Committee heard and considered an oral report by the Area Department on the Bank's lending program in India, including in particular the Bank's possible contribution to the investment plan of the Indian Railways under the Second Five-Year Plan, and

AGREED that

further consideration should be given to the program, at a meeting to be called soon after Mr. Basch's return, before reaching any decisions on the position to be taken by the Bank.

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

STAFF LOAN COMMITTEE

SLC/M/668

Minutes of Staff Loan Committee Meeting held on Tuesday, April 16, 1957
at 4:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. D. Sommers, Chairman *
Mr. J. Rucinski
Mr. S. R. Cope
Mr. M. M. Rosen
Mr. S. Aldewereld *
Mr. A. Broches *

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. F. A. Consolo
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff *
Mr. M. M. Mendels *
Mr. H. N. Graves *
Mr. I. P. Cargill
Mr. B. Chadenet
Mr. E. E. Clark
Mr. G. M. Alter
Mr. P. H. French

Mr. E. Lopez-Herrarte *
Mr. H. E. Bachem
Mr. A. Basch
Mrs. S. Boskey
Mr. W. Diamond
Mr. W. D. S. Fraser
Mr. G. M. Street
Mr. E. Symonds

* Part only.

2. Development Banks

The Committee heard an oral report by Mr. Demuth on his recent visit to study various Development Banks in Southeast Asia.

3. Thailand

The Committee heard an oral report by Mr. Demuth on discussions which he and Professor Ellsworth had had with the Government about the proposed General Survey Mission.

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

STAFF LOAN COMMITTEE

SLC/M/669

Minutes of Staff Loan Committee Meeting held Friday, April 19, 1957
at 3:30 p.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth

Mr. F. A. Consolo
Mr. J. P. Cargill
Mr. B. Chadenet *
Mr. E. E. Clark
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED
JUN 13 2014
WBG ARCHIVES

In attendance:

Mr. E. R. Black
Mr. D. Sommers
Mr. M. M. Mendels *
Mr. H. N. Graves
Mr. J. H. Adler
Mr. A. Basch
Mr. N. Bass
Mr. R. J. Goodman
Mr. K. S. Krishnaswamy

Mr. J. F. Main *
Mr. N. McKitterick
Mr. R. B. J. Richards
Mrs. C. A. Ryshpan *
Mr. A. D. Spottswood
Mr. G. N. Street
Mr. E. Symonds *
Mr. E. P. Wright

* Part only.

2. India

The Committee heard an oral report by Mr. Basch and considered the conclusions and recommendations of the recent mission dated April 18, and, while agreeing generally with the conclusions and recommendations made,

RECOMMENDED that

- (a) no action should be taken to invite negotiators, etc. until timing questions had been examined and final conclusions had been reached by the management;
- (b) subsequently copies of the report of the mission and conclusions, without recommendations and suitably amended, might be distributed to the Executive Directors for information.

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

STAFF LOAN COMMITTEE

SLC/M/670

Minutes of Staff Loan Committee Meeting held Tuesday, April 23, 1957
at 11:00 a.m. in Room 1005

1. Present

Mr. W. A. B. Iliff, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. H. W. Riley
Mr. I. P. Cargill

Mr. B. Chadenet
Mr. E. E. Clark
Mr. G. M. Alter
Mr. H. W. Larsen
Mr. K. Kapur, Acting Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. L. Baranyai
Mr. C. V. Chang
Mr. D. J. Fontein
Mr. A. E. Matter

Mr. G. M. Street
Mr. E. Symonds
Mr. A. Wubnig

2. Ethiopia

The Committee considered SLC/O/891, "Proposed Project for a New Port in Assab", dated April 17, 1957, and

APPROVED

the conclusions of the Technical Report (T.O. 135) on the project, and

AGREED

with the recommendations made in para. 3 of the Area Memorandum, and
also AGREED

that the Economic Report be now distributed to the Executive Directors.

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

STAFF LOAN COMMITTEE

SLC/M/671

Minutes of Staff Loan Committee Meeting held on Friday, April 26, 1957
at 3:00 p.m. in Room 1005

1. Present:

Mr. W. A. B. Iliff, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. M. M. Rosen
Mr. H. W. Riley
Mr. R. H. Demuth

Mr. B. Chadenet
Mr. E. E. Clark
Mr. G. M. Alter
Mr. H. W. Larsen
Mr. K. Kapur, Acting Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. I. P. Cargill
Mr. N. Chakravarti
Mr. L. Kephart
Miss V. Morsey

Mr. M. Piccagli
Mr. A. D. Spottswood
Mr. G. M. Street
Mr. E. Symonds

2. Japan

The Committee considered SLC/O/892, "Japan - Aichi Irrigation and Water Supply Project," and

AGREED

with the recommendations in para. 10 of the Area Memorandum.

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

STAFF LOAN COMMITTEE

SLC/M/672

Minutes of Staff Loan Committee Meeting held Tuesday, May 7, 1957
at 2:30 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. J. B. Knapp, Chairman
Mr. O. A. Schmidt
Mr. S. Aldewereld *
Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth *

Mr. I. P. Cargill
Mr. E. E. Clark
Mr. O. J. McDiarmid
Mr. A. M. Kamarck
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. J. G. Beevor (IFC) *
Mr. M. M. Mendels *
Mr. B. Chadenet
Mr. G. M. Alter
Mr. G. R. Young *
Mr. G. Bacon (consultant)
Mr. J. Camacho *
Mr. L. Cancio *
Mr. J. Heymans

Mr. A. Karasz
Mr. H. W. Larsen
Mr. J. C. Mehaffey
Mr. J. F. Main *
Mr. M. Piccagli
Mr. P. A. Reid
Mr. G. L. Sandelin
Mr. A. D. Spottswood *
Mr. G. M. Street

* Part only.

2. Argentina

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

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

STAFF LOAN COMMITTEE

SLC/M/673

Minutes of Staff Loan Committee Meeting held Tuesday, April 30, 1957
at 3:00 p.m. in Room 1005

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. W. A. B. Iliff, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. M. M. Rosen
Mr. A. Broches
Mr. R. H. Demuth

Mr. F. Consolo
Mr. B. Chadenet
Mr. G. M. Alter
Mr. P. G. Ramm
Mr. K. Kapur, Acting Secretary

In attendance:

Mr. E. R. Black
Mr. D. Sommers
Mr. M. M. Mendels
Mr. M. Hoffman
Mr. I. P. Cargill
Mr. W. Armstrong
Mr. H. E. Bachem
Mr. W. Diamond
Mr. J. A. Edelman
Mr. E. E. Clark

Mr. O. F. Dajany
Mr. D. J. Fontein
Mr. ~~R. J. Goodman~~ D. Groenveld
Mr. P. Kanter
Mr. S. Lipkowitz
Mr. F. M. Oppenheimer
Mr. P. A. Reid
Mr. A. D. Spottswood
Mr. G. M. Street
Mr. E. Symonds
Mr. A. Wenzell

2. Thailand

The Committee considered Memorandum SLC/O/893, "Thailand - Yanhee Multipurpose Project", dated April 26, 1957, and

AGREED

- (a) that the project was economically justified and of high priority to the economy of Thailand particularly in view of the very significant agricultural benefits;
- (b) that it would be a suitable basis for a Bank loan of about U.S.\$66 million;
- (c) that, provided the Government followed sound economic and financial policies, Thailand would be able to support additional external debt of the amount involved;

RECOMMENDED that

- (d) the Bank should before entering into loan negotiations, seek to obtain from the Government:
 - (i) satisfactory assurances regarding its economic and financial policies;
 - (ii) agreement about the organization which would operate the Yanhee project and related power generating plants;

- (e) the Bank should discuss with the Thai Government the possibility of generating additional revenue by levying an irrigation tax on farm improvements;
- (f) the Bank should endeavor to reach an informal understanding with the U.S. Government that if new foreign aid was given, it would not be used for extending the road program or for starting new projects likely to impose a significant additional charge on the Thai budget;

also AGREED that

- (g) before taking further action, Mr. Black should be consulted.

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

STAFF LOAN COMMITTEE

SLC/M/674

Minutes of Staff Loan Committee Meeting held Friday, May 10, 1957
at 3:30 p.m. in Room 1005

1. Present:

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JUN 13 2014

WBG ARCHIVES

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. A. Broches
Mr. R. H. Demuth
Mr. I. P. Cargill

Mr. B. Chadenet
Mr. E. E. Clark
Mr. G. M. Alter
Mr. H. W. Larsen
Mr. M. L. Verheyen
Mr. K. Kapur, Acting Secretary

In attendance:

Mr. D. Sommers
Mr. M. Hoffman
Mr. C. Finne
Mr. D. Groenveld
Mr. A. Kidan (trainee)
Mr. S. Lipkowitz

Mr. N. McKitterick
Mr. P. A. Reid
Mr. H. B. Ripman
Mr. M. Ross
Sir Herbert Stewart (consultant)
Mr. S. P. Wheelock

2. Italy

The Committee considered SLC/O/895, "Italy - Proposed Cassa Loan," dated May 7, 1957; and

AGREED

- (a) that, without endorsement by the Bank, the report on "Agriculture in Italy," with necessary revision, should be sent to the Italian Government;
- (b) with the recommendation made in para. 12 of the Area Memorandum; and
- (c) that, in the event of any future lending to Italy, the possibility of creating a private industrial development bank for Southern Italy should be explored.

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

STAFF LOAN COMMITTEE

SLC/M/675

Minutes of Staff Loan Committee Meeting held Wednesday, May 22, 1957
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. L. B. Rist
Mr. R. H. Demuth

Mr. I. P. Cargill
Mr. B. Chadenet
Mr. E. E. Clark
Mr. P. G. Ramm
Mr. K. Kapur, Acting Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. D. Sommers
Mr. M. M. Mendels
Mr. G. N. Perry
Mr. G. M. Alter
Mr. A. Basch
Mr. N. Bass
Mr. R. J. Goodman

Mr. S. Lipkowitz
Mr. L. G. Marshall
Mr. G. M. Street
Mr. F. Symonds
Mr. A. Wenzell
Mr. E. P. Wright

2. India - Koyna Project

The Committee considered Memorandum SLC/O/896, "India - Proposed Loan for Koyna Hydroelectric Project" and

AGREED

- (a) generally with the recommendations made in para. 4 of the Area Memorandum;
- (b) that, if requested by the Government, the Bank should be prepared to include interest during the period of construction in the proposed loan;
- (c) that it would be appropriate to make the loan to the Indian Government as borrower but that, before negotiations were started, a satisfactory understanding should be reached with the Indian authorities:
 - (i) on the rate structure for the Koyna power;
 - (ii) on the specific set-up and functions of the eventual operating organization;

and covenants covering these matters should be included in the Loan Agreement;

NOTED that

- (d) the Technical Report was not a final document but only a basis for consideration of the proposed loan; and
- (e) additional information would be required before negotiating the proposed loan.

3. India - Damodar Valley

The Committee heard an oral report by Mr. Rucinski on the power rate structure of DVC and noted that comments by TOD on the rate study prepared by DVC would be sent shortly.

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

STAFF LOAN COMMITTEE

DECLASSIFIED

JUN 13 2014

SLC/M/676 ARCHIVES

Minutes of Staff Loan Committee Meeting held Tuesday, June 18, 1957
at 3:00 p.m. in Room 1005

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. I. P. M. Cargill

Mr. E. E. Clark
Mr. G. M. Alter
Mr. A. M. Kamarck
Mr. R. E. Carlson
Mr. K. Kapur, Acting Secretary

In attendance:

Mr. G. N. Perry
Mr. B. Chadenet
Mr. L. Cancio
Mr. O. H. Folk
Mr. G. Keep
Mr. L. Louvet
Mr. J. F. Main

Mr. E. Myatt
Mr. G. M. Street
Mr. E. Symonds
Mr. H. van Helden
Mr. G. Wiese
Mr. R. L. Worthington

2. Pakistan

The Committee considered Memorandum SLC/O/899, "Pakistan - Proposed Second Railway Loan," and

APPROVED

the Technical Report, "Appraisal of the Railway Program, Pakistan," subject to minor changes; and

AGREED

with the recommendations made in para. 4 of the Area Memorandum.

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

STAFF LOAN COMMITTEE

SLC/M/677

Minutes of Staff Loan Committee Meeting held on Wednesday, August 7, 1957
at 10:00 a.m. in Room 1007

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. O. A. Schmidt
Mr. S. Aldewereld 1/ 2*/
Mr. H. W. Riley
Mr. G. N. Perry

Mr. E. E. Clark
Mr. G. M. Alter
Mr. F. H. French
Mr. A. M. Kamarck
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. F. A. Consolo 1/ 2*/
Mr. B. Chadenet 1/ 2*/
Mr. J. H. Adler
Mr. L. Cancio 1*/ 2/
Mr. J. Heymans
Mr. A. Karasz
Mr. H. W. Larsen

Mr. J. F. Main
Mr. J. C. Mehaffey
Mr. P. A. Reid 1/
Mr. G. L. Sandelin
Mr. G. M. Street
Mr. E. Symonds
Miss M. Wolfson

* Part only.

1/ First session.
2/ Second session.

2. Argentina

The Committee considered the conclusions and recommendations in paras. 24 to 29 of the Operational Report of the Mission to Argentina (WH 61) and Memorandum SLC/O/906, on recent developments affecting private electric power companies in Argentina; and

AGREED

generally with the conclusions and recommendations; and

CONCLUDED that

- (a) in view of the "caretaker" nature of the present Administration and the plan for a new Government to take office by May 1958, consummation of any loan should be deferred until satisfactory assurances could be obtained from the new Government about:
 - (i) the suitability of its economic and financial policies (including the amount and character of other external debt which Argentina intends to incur);
 - (ii) its willingness to maintain the autonomy of the railways and to adopt a specific program for putting them on a self-supporting basis;

- (b) the Bank should be willing in the interim to carry on discussions regarding the proposed railway project in order to be able to make a loan for railway rehabilitation as soon as possible after the required conditions had been met;
- (c) copies of the Economic Report, after suitable editing, might be sent to the Government and the Executive Directors.

3. The meeting adjourned at 12:40 p.m., reconvened at 2:30 p.m., and adjourned at 4:15 p.m.

STAFF LOAN COMMITTEE

SLC/M/678

Minutes of Staff Loan Committee Meeting held on Monday, August 12, 1957
at 3:00 p.m. in Room 1007

1. Present:

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

Mr. I. P. Cargill
Mr. E. E. Clark
Mr. G. M. Alter
Mr. A. Basch
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. W. A. B. Iliff
Mr. M. M. Mendels *
Mr. M. Hoffman
Mr. B. Chadenet
Mr. J. H. Adler
Mr. K. A. Bohr
Mr. N. L. Caiola
Mr. J. Filippi
Mr. R. J. Goodman

Mr. D. W. Jeffries
Mr. P. Kanfers
Mr. S. Lipkowitz
Mr. N. McKitterick
Mr. R. B. J. Richards *
Mr. G. M. Street *
Mr. E. Symonds *
Mr. E. P. Wright

* Part only.

2. Power Rate Policy

The Committee considered Memorandum SLC/O/908, "Power Rate Policy,"
and

AGREED that

- (a) in principle the Bank should recommend that power rates should be set at economic levels, that is at levels which would permit undertakings to cover their costs, repay their obligations and provide a reasonable surplus to cover a proportion of the cost of future expansion;
- (b) as each case varied considerably, it was not practicable to suggest any quantitative measurement of the proportion of future expansion costs which should be met from the earnings of such undertakings; and
- (c) the proposed letter to the Government of India might be sent after suitable drafting and other minor changes suggested by the Committee had been made in the letter and the accompanying memoranda.

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

STAFF LOAN COMMITTEE

SLC/M/672

Minutes of Staff Loan Committee Meeting held Friday, August 30, 1957
at 11:00 a.m. in Room 1005

DECLASSIFIED

JUN 13 2014

HWB ARCHIVES

1. Present:

Mr. D. Sommers, Chairman
Mr. J. Rucinski *
Mr. S. R. Cope
Mr. O. A. Schmidt
Mr. M. M. Rosen
Mr. L. B. Rist

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. B. Chadenet
Mr. R. G. Bateson
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. M. Hoffman
Mr. A. de Leeuw
Mr. M. L. Lejeune
Mr. F. Lutolf
Mr. J. C. Mehaffey

Mr. N. J. Paterson
Mr. A. Saitzoff
Mr. A. Stevenson
Mr. E. Symonds
Mr. M. L. Verheyen

* Part only

2. South Africa

The Committee considered the draft Report and Recommendations of the President on the proposed loan to South Africa; and

RECOMMENDED that

- (a) in the loan negotiations, the Bank should require that South Africa raise in the market as much as reasonably possible of the total amount needed;
- (b) the Economic Staff should prepare a paper, showing the issues involved in determining the extent to which the Bank's policy on tariffs for power enterprises should also apply to other public service enterprises such as railroads, ports, airfields, etc., for consideration some time after the Annual Meeting;
- (c) the loan documents, after minor changes had been made, should be distributed to the Executive Directors and the proposed loan presented to them at their next regular meeting on September 12 with a view to obtaining their approval in principle at this stage.

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

STAFF LOAN COMMITTEE

SLC/M/680

Minutes of Staff Loan Committee Meeting held on Thursday, September 5, 1957
at 3:00 p.m. in Room 1007

DECLASSIFIED

JUN 13 2014

WBG ARCHIVES

1. Present:

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

Mr. B. Chadenet
Mr. E. E. Clark
Mr. G. M. Alter
Mr. P. G. Ramm
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. D. Sommers *
Mrs. S. Boskey
Mr. O. H. Folk
Mr. D. Fontein

Mr. G. Keep
Mr. G. M. Street
Mr. L. Svoboda
Mr. E. Symonds

* Part only.

2. Pakistan

The Committee considered the proposed loan to the Pakistan Industrial Credit and Investment Corporation Limited; and

AGREED that

- (a) the draft of the Report and Recommendations of the President should be considered by the Committee without meeting;
- (b) the loan documents should then be distributed to the Executive Directors for consideration at a meeting to be called after the balance of the U. S. subscription has been obtained and the Pakistani Directors to serve on the first Board of the Corporation have been selected satisfactorily;
- (c) further experience of this type of organization would be necessary before general conclusions could be reached about their organization and functions.

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

STAFF LOAN COMMITTEE

SLC/M/681

Minutes of Staff Loan Committee Meeting held on Monday, September 16, 1957
at 2:30 p.m. in Room 1005

DECLASSIFIED

JUN 13 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. L. B. Rist
Mr. H. W. Riley *
Mr. E. E. Clark *
Mr. D. L. Gordon
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. D. Sommers *
Mr. I. P. Cargill *
Mr. B. Chadenet
Mr. J. H. Adler
Mr. J. A. Edelman
Mr. A. M. Kamarck

Mr. O. J. McDiarmid
Mr. N. McKitterick *
Miss V. Morsey
Mr. A. D. Spottswood *
Mr. P. J. Squire
Mr. G. M. Street

* Part only.

2. Philippines

The Committee considered Memorandum SLC/O/910, "The Philippines - Proposed Loan for Hydroelectric Project," and

AGREED that

- (a) the Philippines could support additional external debt of \$25 million without difficulty;
- (b) the Bank should inform the Government that:
 - (i) preliminary examination of the Binga project indicated that there were a number of points which needed discussion with the Philippine authorities and that subject to these being clarified satisfactorily the Bank would be prepared to enter into negotiations for the proposed loan for this project;
 - (ii) further consideration of a number of aspects of the Maria Cristina project would be necessary before reaching any decision on that project;
 - (iii) the Bank considered it desirable to deal with the Binga and Maria Cristina projects separately;
- (c) the Bank should discuss the economic and financial policies of the Government with the Governor of the Central Bank during his forthcoming visit to Washington and point out that any further lending to the Philippines could be considered only if the Government adopted policies calculated to remove the present pressures on the economy;

- (d) the views on the over-valuation of the Philippine currency should be discussed with the Fund at the staff level before the talks with Mr. Cuaderno.

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

STAFF LOAN COMMITTEE

SLC/M/682

Minutes of Staff Loan Committee Meeting held on Wednesday, October 23, 1957
at 10:00 a.m. in Room 1005

1. Present:

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

Mr. H. W. Riley
Mr. R. H. Demuth 1*/2/
Mr. I. P. Cargill
Mr. G. M. Alter
Mr. H. G. A. Woolley, Secretary

DECLASSIFIED

JUN 13 2014

WBC ARCHIVES

In attendance:

Mr. Davidson Sommers
Mr. J. Camacho 1*/
Mr. L. Cancio 2*/
Mr. R. W. Cavanaugh 1/2*/
Mr. A. Geolot
Mr. H. W. Larsen
Miss A. Marchant 1/

Mr. G. S. Mason
Mr. J. C. Mehaffey
Mr. G. P. Morelli 1*/2/
Mr. R. B. J. Richards 1/
Mr. E. Symonds
Mr. H. van Helden
Mr. A. Wenzell

1/ Peru only.
2/ Ecuador only.

* Part only.

2. Peru

The Committee considered Memorandum SLC/O/912, on the Peruvian railway project, and

AGREED

generally with the recommendations made.

3. Ecuador

The Committee considered the draft Report and Recommendations of the President on the proposed railway project loan to Ecuador, and

AGREED that

after minor changes had been made in the Report and Recommendations, the loan documents might be distributed to the Executive Directors for consideration at a special meeting to be called for October 31.

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

STAFF LOAN COMMITTEE

DECLASSIFIED
SLC/M/683
JUN 13 2014

WBG ARCHIVES

Minutes of Staff Loan Committee Meeting held on Monday, November 4, 1957,
at 3:00 p.m. in Room 1005

1. Present:

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

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. G. N. Perry
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. Davidson Sommers
Mr. W. F. Howell
Mr. M. L. Hoffman
Mr. P. H. French

Mrs. S. Boskey
Mr. W. Diamond
Mr. P. S. N. Prasad
Mr. E. Symonds

* Part only.

2. Development Bank Conference

The Committee considered Memorandum SLC/O/913, "Proposal for a Development Bank Conference," and

AGREED

- (a) generally with the proposals made;
- (b) that consideration might be given to inviting Messrs. Hoar of CDFC and Postel-Vinay of the Caisse Centrale as technically competent associates instead of including them in the list of officials of Development Banks;
- (c) that any other suggestions about the proposed list of those to be invited should be sent to reach Mr. Hoffman as soon as possible.

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

STAFF LOAN COMMITTEE

SLC/M/684

Minutes of Staff Loan Committee Meeting held on Friday, November 1, 1957,
at 4:00 p.m. in Room 1005

1. Present:

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WBG ARCHIVES

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

Mr. G. N. Perry
Mr. I. P. Cargill
Mr. E. E. Clark
Mr. P. G. Ramm
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff
Mr. Davidson Sommers *
Mr. M. L. Hoffman *
Mr. M. L. Lejeune
Mr. P. H. French
Mr. G. Delaume
Mr. J. Fajans

Mr. A. M. Kamarck
Mr. J. W. Lowdon
Mr. G. M. Street
Mr. E. Symonds
Mr. H. van Helden
Mr. A. Wubnig

* Part only.

2. Belgium - Belgian Congo

The Committee considered Memorandum SLC/O/914, "Belgian Congo - Proposed Loan," and

AGREED that

- (a) negotiations for the proposed loan might now be started;
- (b) while endeavor should be made to obtain agreement to a shorter term loan, the Bank's negotiators should not agree to:
 - (i) a longer term than 20 years;
 - (ii) more than three years for the period of grace;
- (c) the Technical Report should be revised:
 - (i) to show that the cost of imports for the project would probably be about 70% of the total cost of the project;
 - (ii) to emphasize the relationship of the proposed Bank loan to the whole development plan;
- (d) minor other changes should be made in the Economic and Technical Reports.

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

STAFF LOAN COMMITTEE

SLC/M/685

Minutes of Staff Loan Committee Meeting held on Thursday, November 21, 1957
at 3:00 p.m. in Room 1005

1. Present:

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

Mr. H. W. Riley
Mr. R. H. Demuth
Mr. B. Chadenet
Mr. G. M. Alter
Mr. K. Kapur, Acting Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. W. A. B. Iliff
Mr. Davidson Sommers
Mr. G. N. Perry
Mr. M. L. Lejeune *
Mr. W. J. Armstrong
Mr. N. Bass
Mr. R. M. Frost

Mr. G. Grayson
Mr. N. G. Jones
Miss V. Morsey
Mr. P. A. Reid
Mr. G. M. Street
Mr. E. Symonds

* Part only.

2. Costa Rica

The Committee considered Memorandum SLC/O/917, "Costa Rica - Request for Second Loan to Banco Central de Costa Rica for Capital Importation Credit Program," and

AGREED

- (a) that the capital goods importation credit program was suitable for Bank financing for a second loan of \$4 million for a term of seven years including a grace period of two years for disbursement;
- (b) that the loan of \$4 million was within the creditworthiness of Costa Rica;
- (c) that, provided sound financial and monetary policies are followed by Costa Rica, Costa Rica should be able to service additional loans for another \$10 million, but that this conclusion should be reviewed before further loan commitments are made;
- (d) that the report on the recent financial developments should be amended to express concern about the present monetary and fiscal situation in Costa Rica;
- (e) that justification of the loan in the Technical Report be made on the grounds that it was both for capital imports and agricultural credit;

- (f) that the present loan should be set up like the first loan and procedure followed by the Bank with respect to the operation of the first loan should continue;
- (g) that, in view of the fact that under the withholding agreement entered into by Latin American countries, Costa Rica had agreed to hold back coffee from export, the Bank should not finance special imports of fertilizer for the coffee improvement program;
- (h) that, in light of the decision in (g) above, Mr. Grayson would draw up a revised List of Goods for the proposed \$4 million loan to discuss with the Costa Rican Government.

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

STAFF LOAN COMMITTEE

SLC/M/686

Minutes of Staff Loan Committee Meeting held on Friday, November 22, 1957
at 4:30 p.m. in Room 1005

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JUN 13 2014

WBG ARCHIVES

1. Present:

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

Mr. H. W. Riley
Mr. B. Chadenet
Mr. G. M. Alter
Mr. K. Kapur, Acting Secretary

In attendance:

Mr. W. A. B. Iliff
Mr. Davidson Sommers
Mr. N. Bass
Mr. O. H. Folk
Mr. D. Fontein
Mr. N. G. Jones

Mr. G. Keep
Mr. A. Kruithof
Mr. G. M. Street
Mr. E. Symonds
Mr. A. Wenzell

2. Pakistan

The Committee considered Memorandum SLC/O/917, "Pakistan - Power Program," and

AGREED

- (a) that the existing organizations responsible for power in West Pakistan were not adequate for carrying out possible Bank-financed power projects in West Pakistan;
- (b) that the proposed authority provided in the draft bills on the establishment of a Water and Power Development Authority by the West Pakistan Government was not acceptable to the Bank;
- (c) that, on his return to Karachi, Mr. Kruithof would inform the Central Government of the Bank's views on the main objectives of the Authority and its functions;
- (d) that no power projects outside KESC be considered unless an Authority satisfactory to the Bank, along the lines mentioned in para. 4 of the Area Memorandum, was set up; and
- (e) with the recommendations made in para. 7(c) of the above Memorandum.

3. The meeting adjourned at 5:50 p.m.

STAFF LOAN COMMITTEE

SLC/M/687

Minutes of Staff Loan Committee Meeting held on Friday, November 29, 1957
at 3:00 p.m. in Room 1005

1. Present:

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

Mr. B. Chadenet
Mr. G. M. Alter
Mr. P. G. Ramm
Mr. K. Kapur, Acting Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. W. A. B. Iliff
Mr. I. P. M. Cargill
Mr. J. H. Adler
Mr. N. Chakravarti
Mr. N. G. Jones
Mr. R. F. Quandt

Mr. H. B. Ripman
Mr. L. Scribner
Mr. E. Symonds
Mr. J. P. Thibaud
Mr. C. E. Webb

2. Japan

The Committee considered Memorandum SLC/O/919, "Japan - Application for Loan Equivalent to \$7.2 Million for Kawasaki Steel Corporation," and

APPROVED

the conclusions and recommendations contained in Section V of Report T.O. 159, "Appraisal of the Kawasaki Steel Corporation Blast Furnace Project," and

AGREED that

- (a) negotiations for a loan could be opened immediately with representatives of the Government, the JDB and the Kawasaki Steel Corporation;
- (b) the papers presented to the Executive Directors should show that the Government of Japan was planning to borrow about \$300 million over the next three years from the Bank; that a great part of this borrowing would be for expenditures in Japan; that external borrowing for foreign exchange expenditures from sources other than the Bank would be strictly limited;
- (c) in the circumstances, it would be appropriate to include local expenditures in this loan, provided that such expenditures were made in accordance with sound commercial principles; specifically foreign suppliers should not be excluded;
- (d) the economic justification for the proposed loan should be based on the need for further increase in steel capacity in Japan as a whole rather than on the fact that the proposed investment would improve the competitive position of the Kawasaki Steel Corporation.

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

STAFF LOAN COMMITTEE

SLC/M/688

Minutes of Staff Loan Committee Meeting held on Thursday, December 5, 1957
at 3:30 p.m. in Room 1005

1. Present:

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

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. B. Chadenet *
Mr. H. G. A. Woolley, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. W. A. B. Iliff
Mr. Davidson Sommers *
Mr. M. L. Hoffman *
Mr. J. H. Adler

Mr. W. L. Bennett
Mr. R. W. Cavanaugh
Mr. S. Lipkowitz

* Part only.

2. Earnings in Non-Dollar Currencies

The Committee considered Memorandum SLC/O/920, "Earnings in Non-Dollar Currencies," and

AGREED that

- (a) the situation should be reported to the Executive Directors;
- (b) as a first step the problems involved should be discussed informally with the Executive Directors for the U. K., France and Germany;
- (c) the memorandum attached to SLC/O/920, subject to:
 - (i) modification of para. 10 on the maintenance of the value of the Bank's holdings by the countries concerned so as to leave the issue open; and
 - (ii) other minor changes;should be used for this purpose;
- (d) this memorandum, after any further amendment desirable following the discussions with the Executive Directors for the U. K., France and Germany, might form the basis for a memorandum to the Financial Policy Committee.

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

STAFF LOAN COMMITTEE

SLC/M/689

Minutes of Staff Loan Committee Meeting held on Monday, December 9, 1957
at 3:00 p.m. in Room 1005

1. Present:

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

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. B. Chadenet
Mr. H. G. A. Woolley, Secretary

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JUN 13 2014
WBG ARCHIVES

In attendance:

Mr. W. A. B. Iliff
Mr. M. L. Hoffman
Mr. E. E. Clark
Mr. R. J. Goodman
Mr. D. W. Jeffreys

Mr. P. Pajunen
Mr. H. B. Ripman *
Mr. R. Skillings
Mr. G. M. Street
Mr. E. Symonds

* Part only.

2. India

The Committee considered an oral report and recommendations of the Area Department concerned on a proposed revision of the amortization schedule of the loan to ICICI; and

RECOMMENDED that

instead of the three-year extension applied for informally by ICICI, the Bank should indicate its willingness to agree to:

- (a) an 18-month extension of the period of grace only, with a proportionate adjustment to the amortization payments beginning July 1, 1961;
- (b) prepayment of the loan without premium.

3. Paraguay

The Committee considered an oral report and recommendations by the Area Department concerned on a revision of the amortization schedule of the loan to Paraguay; and

AGREED that

the Bank should be prepared to extend this loan for three or four years and to re-negotiate the amortization payments presently scheduled on a proportionate basis over the remaining life of the loan.

4. Lines of Credit

The Committee also

AGREED that

the general questions of:

- (a) the time at which the interest rate should be fixed; and
- (b) the repayment provisions;

for future Bank loans of the nature of lines of credit should be considered before the next loan of this type was made.

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

STAFF LOAN COMMITTEE

SLC/M/690

Minutes of Staff Loan Committee Meeting held on Tuesday, December 17, 1957
at 3:30 p.m. in Room 1005

1. Present:

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

Mr. L. B. Rist
Mr. H. W. Riley
Mr. R. H. Demuth
Mr. B. Chadenet
Mr. H. G. A. Woolley, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. Eugene R. Black *
Mr. W. A. B. Iliff
Mr. Davidson Sommers
Mr. M. L. Hoffman
Mr. M. M. Mendels *

Mr. P. H. French
Mr. E. Lopez-Herrarte
Mrs. S. Boskey

* Part only.

2. U.N. Special Fund

The Committee considered Memorandum SLC/O/921, "U. N. Special Fund,"
and

AGREED

- (a) that the Bank should certainly not remain aloof from the new U.N. Special Fund but should plan to establish a close cooperative association with it;
- (b) that, however, the Bank should not push its way into this association, that the Bank should await the expected approach from the Secretary General on this subject, and that, in the meanwhile, it was too early to reach any definite decision on the exact form of the future association;
- (c) that in the course of any preliminary discussions about Bank association that might be initiated by U.N., the Bank representatives should be guided by the principle that the Bank should be willing to cooperate to the extent that cooperation was compatible with the Bank's institutional structure and with its normal field of operational activity;

- (d) that the Bank should be prepared, in principle, to assume responsibility for the execution on behalf of the U.N. Special Fund of particular surveys which were within the Bank's special competence, subject to agreement in each instance; and
- (e) that the Bank should do what it can to assure the appointment of a suitable director for the new Fund.

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

STAFF LOAN COMMITTEE

SLC/M/691

Minutes of Staff Loan Committee Meeting held on Friday, December 27, 1957
at 11:00 a.m. in Room 1005.

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JUN 13 2014

WBG ARCHIVES

1. Present:

Mr. J. B. Knapp, Chairman
Mr. J. Rucinski
Mr. S. Aldewereld
Mr. H. W. Riley
Mr. R. H. Demuth *
Mr. M. L. Lejeune

Mr. F. A. Consolo
Mr. I. P. M. Cargill
Mr. E. E. Clark *
Mr. P. S. N. Prasad
Mr. H. G. A. Woolley, Secretary

In attendance:

Mr. W. A. B. Iliff
Mr. Davidson Sommers *
Mr. M. M. Mendels
Mr. H. N. Graves *
Mr. M. L. Hoffman
Mr. G. N. Perry
Mr. B. Chadenet *

Mr. J. C. de Wilde
Mr. W. D. S. Fraser
Mr. A. G. Kheradjou *
Mr. S. Matsuda
Mr. M. F. Perkins
Mr. H. E. Tolley *

* Part only.

2. Sudan - Jordan - Malaya

The Committee heard oral reports by the recent missions to Sudan, Jordan, and Malaya.

3. The meeting adjourned at 1:05 p.m.

STAFF LOAN COMMITTEE

SLC/M/692

Minutes of Staff Loan Committee Meeting held on December 30, 1957 at
3:30 p.m. in Room 1007

1. Present:

Mr. J. Burke Knapp, Chairman
Mr. J. Rucinski
Mr. M. M. Rosen
Mr. S. Aldewereld
Mr. L. B. Rist
Mr. H. W. Riley

Mr. R. H. Demuth
Mr. M. L. Lejeune
Mr. F. A. Consolo
Mr. E. E. Clark
Mr. H. G. A. Woolley, Secretary

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JUN 13 2014

WBG ARCHIVES

In attendance:

Mr. Davidson Sommers *
Mr. M. M. Mendels *
Mr. I. P. M. Cargill
Mr. B. Chadenet
Mr. P. S. N. Prasad
Mr. C. Allardice
Mr. N. Chakravarti
Mr. J. C. de Wilde
Mr. J. Filippi
Mr. S. Lipkowitz

Miss V. Morsey *
Mr. M. Piccagli
Mr. R. F. Quandt
Mr. R. B. J. Richards
Mr. L. B. Scribner
Mr. G. M. Street
Mr. J. P. Thibaud
Mr. C. E. Webb
Mr. A. Wenzell

* Part only.

2. Japan

The Committee heard an oral report by Mr. Aldewereld on his recent visit and considered the pattern of the Bank's lending to Japan; and

AGREED that

the Bank should continue to use the JDB as the medium for any loans it might make for the steel and power projects now under consideration.

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