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THE WORLD BANK

Washington, D.C.

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L.B. Rist: 9% File 1964-1968

Archives
Leonard B. Rist - IBRD Nine Percent Files - Subscriptions - Correspondence - Volume 2
1964 - 1968
A1990-230 Other #: 1
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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of December 31, 1968

S U M M A R Y

1. A summary of the availability for lending of 9% capital is as follows:

(in millions of US dollar equivalent)

On Loan	\$ 1,598.58	
Usable by December 31, 1973	<u>83.14</u>	\$ 1,681.72
Not usable		387.53
		<hr/>
	Total	\$ 2,069.25
		<hr/> <hr/>

2. The total 9% capital on loan and usable is thus \$1,681.72 million compared with \$ 1,676.76 million at June 30, 1968, an increase of \$4.96 million during the six months period. Increases were releases by Israel (\$3.05 million), South Africa (\$1.20 million) and an additional \$0.71 million of the 9% capital of India for purchases in India.
3. Attached is a detailed statement showing the availability of the 9% capital at December 31, 1968.

Treasurer's Department
Finance Division
January 30, 1969

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of December 31, 1968

(in millions of US dollar equivalents)
(figures in parentheses refer to total 9%)

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Afghanistan</u> (\$2.70 million)			
No release.	\$ --	\$ --	\$ 2.70
<u>Algeria</u> (\$7.20 million)			
No release.	--	--	7.20
<u>Argentina</u> (\$33.60 million)			
\$1.00 million released on convertible basis. Balance of \$32.60 million to be paid and lent in dollars in five annual instalments of \$6,519,400 through October 15, 1972. Amount previously released and on loan in pesos (\$1.00 million), when recovered from borrowers, to be released in dollars for relending.	7.52	26.08	--
<u>Australia</u> (\$47.97 million)			
Entire 9% released, convertible into any currency.	47.97	--	--
<u>Austria</u> (\$16.80 million)			
Entire 9% released, convertible into any currency.	16.80	--	--
<u>Belgium</u> (\$40.50 million)			
Entire 9% released, convertible into any currency.	40.50	--	--
<u>Bolivia</u> (\$1.89 million)			
No release.	--	--	1.89
<u>Botswana</u> (\$0.29 million)			
No release.	--	--	0.29
<u>Brazil</u> (\$33.60 million)			
No release.	--	--	33.60
<u>Burma</u> (\$3.60 million)			
\$1.25 million released for purchases in Burma.	0.96	--	2.64
<u>Burundi</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Cameroon</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Canada</u> (\$71.28 million)			
Entire 9% released, convertible into any currency.	71.28	--	--
<u>Central African Republic</u> (\$0.90 million)			
No release.	--	--	0.90

Explanation:

On Loan: Disbursements less repayments at Dec. 31, 1968. No account has been taken of 9% used for administrative expenses.

Usable: All convertible releases usable before December 31, 1973 and all tied releases for which the Bank has a specific use in sight under existing loans.

Not Usable: Capital not yet released, or released only subject to consultation, or so restricted that the Bank does not have a use in sight.

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Ceylon</u> (\$7.44 million) \$0.54 million released on convertible basis; \$0.11 million presently outstanding on loan and \$0.43 million is usable on a convertible basis, subject to consultation.	\$ 0.11	\$ --	\$ 7.33
<u>Chad</u> (\$0.90 million) No release.	--	--	0.90
<u>Chile</u> (\$8.40 million) No release.	--	--	8.40
<u>China</u> (67.50 million) \$2.89 million released for purchases in Taiwan. \$11.15 million released on a convertible basis; \$1.15 million released on December 31, 1968 and \$10.00 million in ten equal semi-annual instalments beginning June 30, 1969.	2.89	11.15	53.46
<u>Colombia</u> (\$8.40 million) Entire 9% paid and lent in dollars.	8.40	--	--
<u>Congo, Democratic Republic of</u> (\$5.40 million) No release.	--	--	5.40
<u>Congo (Brazzaville)</u> (\$0.90 million) No release.	--	--	0.90
<u>Costa Rica</u> (\$0.96 million) \$360,000 paid and lent in dollars.	0.36	--	0.60
<u>Cyprus</u> (\$1.91 million) No release.	--	--	1.91
<u>Dahomey</u> (\$0.90 million) No release.	--	--	0.90
<u>Denmark</u> (\$15.60 million) Entire 9% released, convertible into any currency.	15.60	--	--
<u>Dominican Republic</u> (\$1.20 million) No release.	--	--	1.20
<u>Ecuador</u> (\$1.54 million) Entire 9% paid and lent in dollars.	1.54	--	--
<u>El Salvador</u> (\$0.96 million) \$180,000 paid and lent in dollars.	0.18	--	0.78
<u>Ethiopia</u> (\$0.90 million) Entire 9% paid and lent in dollars.	0.90	--	--
<u>Finland</u> (\$12.00 million) Entire 9% released, convertible into any currency. \$1 million on January 1, 1969 and \$0.59 on January 1, 1970; the date for the balance of \$2.24 million to be decided.	8.17	3.83	--

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>France</u> (\$94.50 million)			
Entire 9% released, convertible into any currency.	\$ 94.50	\$ --	\$ --
<u>Gabon</u> (\$0.90 million)			
Entire 9% to be released in five annual instalments of \$180,000, convertible into any currency, subject to agreement on date of release.	--	--	0.90
<u>Gambia, The</u> (\$0.47 million)			
No release.	--	--	0.47
<u>Germany</u> (\$115.20 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$3,450,000 through June 1, 1972.	101.40	13.80	--
<u>Ghana</u> (\$4.20 million)			
\$2.70 million released, convertible into any currency.	2.70	--	1.50
<u>Greece</u> (\$6.00 million)			
\$2.25 million released subject to consultation.	--	--	6.00
<u>Guatemala</u> (\$0.96 million)			
\$0.36 million paid and lent in dollars.	0.36	--	0.60
<u>Guinea</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Guyana</u> (\$1.44 million)			
No release.	--	--	1.44
<u>Haiti</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Honduras</u> (\$0.72 million)			
\$0.54 million paid and lent in dollars.	0.54	--	0.18
<u>Iceland</u> (\$1.35 million)			
Entire 9% released in dollars in annual instalments of \$234,000 through March 1, 1969.	1.12	0.23	--
<u>India</u> (\$72.00 million)			
Entire 9% released; \$21.6 million of original release convertible into any currency and balance for purchases in India; \$20.74 million presently outstanding on loan and \$51.26 million available for purchases in India.	20.74	--	51.26
<u>Indonesia</u> (\$19.80 million)			
No release.	--	--	19.80
<u>Iran</u> (\$11.57 million)			
\$8.1 million released, convertible into any currency.	8.10	--	3.47
<u>Iraq</u> (\$5.76 million)			
\$1.35 million released, convertible into any currency.	1.35	--	4.41

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Ireland</u> (\$7.68 million)			
Entire 9% released, convertible into any currency. \$0.8 million available immediately and balance available in annual instalments of \$455,400 through January 1, 1971.	\$ 5.48	\$ 2.20	\$ --
<u>Israel</u> (\$8.63 million)			
\$6.0 million released; the unused balance, \$3.05 million, to be paid and lent in dollars in three annual instalments. Amount previously released and on loan in pounds (£6.5 million), when recovered from borrowers, to be released in dollars for relending.	2.95	3.05	2.63
<u>Italy</u> (\$59.94 million)			
Entire 9% released, convertible into any currency.	59.94	--	--
<u>Ivory Coast</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Jamaica</u> (\$2.88 million)			
Entire 9% to be paid and lent in dollars in four annual instalments of \$575,000 through July 15, 1970 with a final payment of \$580,000 on July 15, 1971.	1.15	1.73	--
<u>Japan</u> (\$69.53 million)			
Entire 9% released, convertible into any currency.	69.53	--	--
<u>Jordan</u> (\$1.47 million)			
No release.	--	--	1.47
<u>Kenya</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Korea</u> (\$4.80 million)			
No release.	--	--	4.80
<u>Kuwait</u> (\$6.00 million)			
Entire 9% released, convertible into any currency.	6.00	--	--
<u>Laos</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Lebanon</u> (\$0.81 million)			
Entire 9% paid and lent in dollars.	0.81	--	--
<u>Lesotho</u> (\$0.29 million)			
No release.	--	--	0.29
<u>Liberia</u> (\$1.92 million)			
No release.	--	--	1.92
<u>Libya</u> (\$1.80 million)			
Entire 9% paid and lent in dollars.	1.80	--	--
<u>Luxembourg</u> (\$1.80 million)			
Entire 9% released, convertible into any currency.	1.80	--	--
<u>Malagasy Republic</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Malawi</u> (\$1.35 million)			
No release.	--	--	1.35

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Malaysia</u> (\$12.00 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$1.50 million through March 1, 1970.	\$ 9.00	\$ 3.00	\$ --
<u>Mali</u> (\$1.55 million)			
No release.	--	--	1.55
<u>Mauritania</u> (0.90 million)			
No release.	--	--	0.90
<u>Mauritius</u> (\$1.54 million)			
No release.	--	--	1.54
<u>Mexico</u> (\$18.72 million)			
Entire 9% released; \$15.60 million convertible into any currency. \$3.12 million for purchases in Mexico.	15.60	--	3.12
<u>Morocco</u> (\$8.64 million)			
No release.	--	--	8.64
<u>Nepal</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Netherlands</u> (\$49.50 million)			
Entire 9% released, convertible into any currency.	49.50	--	--
<u>New Zealand</u> (\$15.00 million)			
No release.	--	--	15.00
<u>Nicaragua</u> (\$0.72 million)			
\$0.54 million to be paid and lent in dollars in semi-annual instalments of \$45,000 through January 1, 1970.	0.41	0.13	0.18
<u>Niger</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Nigeria</u> (\$6.00 million)			
No release.	--	--	6.00
<u>Norway</u> (\$14.40 million)			
Entire 9% released, convertible into any currency.	14.40	--	--
<u>Pakistan</u> (\$18.00 million)			
Entire 9% available for purchases in Pakistan.	--	--	18.00
<u>Penama</u> (\$0.81 million)			
\$36,000 paid and lent in dollars.	0.04	--	0.77
<u>Paraguay</u> (\$0.54 million)			
\$126,000 released for purchases in Paraguay.	--	--	0.54
<u>Peru</u> (\$5.72 million)			
\$3.15 million paid and lent in dollars.	3.15	--	2.57
<u>Philippines</u> (\$10.56 million)			
\$2.70 million paid and lent in dollars.	2.70	--	7.86

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Portugal</u> (\$7.20 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$1,440,000 through June 1, 1970..	\$ 4.32	\$ 2.88	\$ --
<u>Rwanda</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Saudi Arabia</u> (\$8.64 million)			
No release.	--	--	8.64
<u>Senegal</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Sierra Leone</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Singapore</u> (\$2.88 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$576,000 through March 1, 1971.	1.15	1.73	--
<u>Somalia</u> (\$1.35 million)			
No release.	--	--	1.35
<u>South Africa</u> (\$19.20 million)			
Entire 9% released, convertible into dollars and sterling.	19.20	--	--
<u>Spain</u> (\$24.00 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$1.2 million through January 1, 1971.	20.40	3.60	--
<u>Sudan</u> (\$5.40 million)			
\$1.80 million released, convertible into any currency.	1.80	--	3.60
<u>Sweden</u> (\$21.60 million)			
Entire 9% released, convertible into any currency.	21.60	--	--
<u>Syrian Arab Republic</u> (\$3.60 million)			
No release.	--	--	3.60
<u>Tanzania</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Thailand</u> (\$9.12 million)			
\$5.40 million paid and lent in dollars.	5.40	--	3.72
<u>Togo</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Trinidad and Tobago</u> (\$4.20 million)			
\$2.40 million to be paid and lent in dollars; unused balance available in annual instalments of \$480,600 through November 30, 1971 with a final payment of \$200,000 on November 30, 1972.	0.76	1.64	1.80

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Tunisia</u> (\$2.70 million)			
No release.	\$ --	\$ --	\$ 2.70
<u>Turkey</u> (\$10.35 million)			
\$7.74 million released for purchases in Turkey.	--	--	10.35
<u>Uganda</u> (\$3.00 million)			
No release.	--	--	3.00
<u>United Arab Republic</u> (\$12.79 million)			
No release.	--	--	12.79
<u>United Kingdom</u> (\$234.00 million)			
Entire 9% released, convertible into any currency.	234.00	--	--
<u>United States</u> (\$571.50 million)			
Entire 9% released, convertible into any currency.	571.50	--	--
<u>Upper Volta</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Uruguay</u> (\$2.52 million)			
\$1.89 million to be paid and lent in dollars in semi-annual instalments of \$189,000 through September 30, 1970.	1.13	0.76	0.63
<u>Venezuela</u> (\$16.80 million)			
\$12.60 million released in dollars in semi-annual instalments of \$1,071,000 through August 1, 1969. Additional \$4,203,000 to be paid and lent in dollars in six semi-annual instalments of \$700,500 through June 30, 1970.	11.86	4.94	--
<u>Viet-Nam</u> (\$3.84 million)			
\$2.30 million released for purchases in Viet-Nam, subject to consultation.	--	--	3.84
<u>Yugoslavia</u> (\$9.60 million)			
Entire 9% to be paid and lent in dollars; unused balance available in annual instalments of \$1,100,000 through July 1, 1970 with a final payment on July 1, 1971.	7.21	2.39	--
<u>Zambia</u> (\$4.80 million)			
No release.	--	--	4.80
	<hr/>	<hr/>	<hr/>
Total 9%: \$2,069.25 million	\$ 1,598.58	\$ 83.14	\$387.53
	<hr/>	<hr/>	<hr/>

Treasurer's Department
Finance Division
January 30, 1969

INTERNATIONAL DEVELOPMENT ASSOCIATION

Availability of Part II Countries' 90% Subscriptions

As of December 31, 1968

S U M M A R Y

1. A summary of the availability for lending of Part II Countries' 90% subscriptions is as follows:

	(in millions of US dollar equivalents)	
On Credit	\$ 10.915	
Usable	<u>4.187</u>	\$ 15.102
Not yet released, or released but without a use in sight		<u>219.939</u>
Total 90%		<u><u>\$ 235.041</u></u>

2. Attached is a detailed statement showing the availability of Part II Countries' 90% Subscriptions.

Attachments

Treasurer's Department
Finance Division
January 23, 1969

INTERNATIONAL DEVELOPMENT ASSOCIATION

Availability of Part II Countries' 90% Subscriptions

As of December 31, 1968

(in millions of US dollar equivalents)
(figures in parentheses refer to total 90%)

	<u>On Credit</u>	<u>Usable</u>	<u>Balance</u>
<u>Afghanistan</u> (\$0.909 million)			
No release	\$ -	\$ -	\$.909
<u>Algeria</u> (\$3.627 million)			
No release	-	-	3.627
<u>Argentina</u> (\$16.947 million)			
No release	-	-	16.947
<u>Bolivia</u> (\$0.954 million)			
No release	-	-	.954
<u>Botswana</u> (\$0.144 million)			
No release	-	-	.144
<u>Brazil</u> (\$16.947 million)			
No release	-	-	16.947
<u>Burma</u> (\$1.818 million)			
No release	-	-	1.818
<u>Burundi</u> (\$0.684 million)			
No release	-	-	.684
<u>Cameroon</u> (\$0.909 million)			
No release	-	-	.909
<u>Central African Republic</u> (\$.450 million)			
No release	-	-	.450
<u>Ceylon</u> (\$2.727 million)			
No release	-	-	2.727
<u>Chad</u> (\$0.450 million)			
No release	-	-	.450
<u>Chile</u> (\$3.177 million)			
No release	-	-	3.177
<u>China</u> (\$27.234 million)			
No release	-	-	27.234
<u>Colombia</u> (\$3.177 million)			
No release	-	-	3.177
<u>Congo (Brazzaville)</u> (\$0.450 million)			
No release	-	-	.450
<u>Congo, Dem. Rep. of</u> (\$2.718 million)			
No release	-	-	2.718
<u>Costa Rica</u> (\$0.180 million)			
No release	-	-	.180

Explanation:

On Credit: Disbursements at December 31, 1968.

Usable: All releases usable before June 30, 1970 and all tied releases for which the Association has a specific use in sight under existing credits.

Balance: Subscriptions not yet released or released but the Association does not have a use in sight.

	<u>On Credit</u>	<u>Usable</u>	<u>Balance</u>
<u>Cyprus</u> (\$0.684 million) No release	\$ -	\$ -	\$.684
<u>Dahomey</u> (\$0.450 million) No release	-	-	.450
<u>Dominican Republic</u> (\$0.360 million) No release	-	-	.360
<u>Ecuador</u> (\$0.585 million) No release	-	-	.585
<u>El Salvador</u> (\$0.270 million) No release	-	-	.270
<u>Ethiopia</u> (\$0.450 million) No release	-	-	.450
<u>Gabon</u> (\$0.450 million) No release	-	-	.450
<u>Gambia, The</u> (\$0.240 million) No release	-	-	.240
<u>Ghana</u> (\$2.124 million) No release	-	-	2.124
<u>Greece</u> (\$2.268 million) No release	-	-	2.268
<u>Guatemala</u> (\$0.360 million) No release	-	-	.360
<u>Guyana</u> (\$0.729 million) No release	-	-	.729
<u>Haiti</u> (\$0.684 million) No release	-	-	.684
<u>Honduras</u> (\$0.270 million) No release	-	-	.270
<u>Iceland</u> (\$0.090 million) Entire 90% released and lent in dollars	.090	-	-
<u>India</u> (\$36.315 million) Release of \$5 million equivalent for specific purchases in India. Willing to release balance of 90% for purchases in India on basis of 50% paid from 90% and 50% from foreign exchange	3.593	1.407	31.315
<u>Indonesia</u> (\$9.990 million) No release	-	-	9.990
<u>Iran</u> (\$4.086 million) No release	-	-	4.086
<u>Iraq</u> (\$0.684 million) No release	-	-	.684
<u>Ireland</u> (\$2.727 million) Entire 90% released, convertible into any currency	2.727	-	-

	<u>On Credit</u>	<u>Usable</u>	<u>Balance</u>
<u>Israel</u> (\$1.512 million) Entire 90% released in five annual instalments through January, 1969, convertible into any currency	\$ 1.210	\$.302	\$ -
<u>Ivory Coast</u> (\$0.909 million) No release	-	-	.909
<u>Jordan</u> (\$0.270 million) Entire 90% released in five annual instalments through August, 1969, convertible into any currency	.216	.054	-
<u>Kenya</u> (\$1.512 million) No release	-	-	1.512
<u>Korea</u> (\$1.134 million) No release	-	-	1.134
<u>Laos</u> (\$0.450 million) No release	-	-	.450
<u>Lebanon</u> (\$0.405 million) No release	-	-	.405
<u>Lesotho</u> (\$0.144 million) No release	-	-	.144
<u>Liberia</u> (\$0.684 million) No release	-	-	.684
<u>Libya</u> (\$0.909 million) No release	-	-	.909
<u>Malagasy Republic</u> (\$0.909 million) No release	-	-	.909
<u>Malawi</u> (\$0.684 million) No release	-	-	.684
<u>Malaysia</u> (\$2.268 million) No release	-	-	2.268
<u>Mali</u> (\$0.783 million) No release	-	-	.783
<u>Mauritania</u> (\$0.450 million) No release	-	-	.450
<u>Mauritius</u> (\$0.774 million) No release	-	-	.774
<u>Mexico</u> (\$7.866 million) \$1.012 million released for purchases in Mexico	1.012	-	6.854
<u>Morocco</u> (\$3.177 million) No release	-	-	3.177
<u>Nepal</u> (\$0.450 million) No release	-	-	.450
<u>Nicaragua</u> (\$0.270 million) No release	-	-	.270
<u>Niger</u> (\$0.450 million) No release	-	-	.450
<u>Nigeria</u> (\$3.024 million) No release	-	-	3.024

	<u>On Credit</u>	<u>Usable</u>	<u>Balance</u>
<u>Pakistan</u> (\$9.081 million) No release	\$ -	\$ -	\$ 9.081
<u>Panama</u> (\$0.018 million) Portion of 90% paid and lent in dollars	.014	-	.004
<u>Paraguay</u> (\$0.270 million) No release	-	-	.270
<u>Peru</u> (\$1.593 million) No release	-	-	1.593
<u>Philippines</u> (\$4.536 million) No release	-	-	4.536
<u>Rwanda</u> (\$0.684 million) No release	-	-	.684
<u>Saudi Arabia</u> (\$3.330 million) No release	-	-	3.330
<u>Senegal</u> (\$1.512 million) No release	-	-	1.512
<u>Sierra Leone</u> (\$0.684 million) No release	-	-	.684
<u>Somalia</u> (\$0.684 million) No release	-	-	.684
<u>Spain</u> (\$9.081 million) Entire 90% released for purchases in Spain	.841	-	8.240
<u>Sudan</u> (\$0.909 million) No release	-	-	.909
<u>Syrian Arab Republic</u> (\$0.855 million) No release	-	-	.855
<u>Tanzania</u> (\$1.512 million) No release	-	-	1.512
<u>Thailand</u> (\$2.727 million) No release	-	-	2.727
<u>Togo</u> (\$0.684 million) No release	-	-	.684
<u>Tunisia</u> (\$1.359 million) No release	-	-	1.359
<u>Turkey</u> (\$5.220 million) No release	-	-	5.220
<u>Uganda</u> (\$1.512 million) No release	-	-	1.512
<u>United Arab Republic</u> (\$4.572 million) No release	-	-	4.572
<u>Upper Volta</u> (\$0.450 million) No release	-	-	.450
<u>Viet-Nam</u> (\$1.359 million) No release	-	-	1.359

	<u>On Credit</u>	<u>Usable</u>	<u>Balance</u>
<u>Yugoslavia (\$3.636 million)</u>			
Entire 90% released in three equal annual instalments beginning on June 30, 1968, convertible into any currency	\$ 1.212	\$2.424	\$ -
<u>Zambia (\$2.421 million)</u>			
No release	-	-	2.421
	<u>\$10.915</u>	<u>\$4.187</u>	<u>\$219.939</u>

Total 90% Part II Countries: \$235.041

OFFICE MEMORANDUM

TO: Mr. Robert W. Cavanaugh

DATE: April 8, 1968

FROM: Walter C. P. Rutland

SUBJECT: IBRD 9% releases - Tables I and II from Mr. Rist.

Mr Rist
I hope
this is ok
Bob

We have the following comments on the above-mentioned Tables.

From the countries included in the Tables it would appear that it is the intention to show all members who have released 9% funds, whether or not the Bank has a use for such funds at this time.

Comments re Table I

- Gabon - Entire 9% was released on a convertible basis, but no agreement was reached on the date of release and no 9% funds have been used on loan. We agree therefore with Gabon's exclusion from Table I.
- Israel - Should be under Table II - since part of its 9% has not been released.
- Peru - Should be under Table II - since part of its 9% has not been released.

Comments re Table II

- Argentina - Argentina has released \$1 million which is on loan but the balance (\$32.6 million) is to be released (in US dollars). The date of the release of first instalment is to be advised; the matter is to be referred to the Executive Directors. At this time, therefore, we agree with Argentina being included in Table II.
- Greece - Not included in Table II, but part of the 9% was released, subject to consultation. No portion has been used at March 31, 1968.
- Viet-Nam - Not included in Table II, but part of the 9% was released for purchases in Viet-Nam, subject to consultation. No portion has been used at March 31, 1968.
- Paraguay and Turkey - Included in Table II, and both have released part for purchases in their territories. No portion has been used.
- To be consistent, we feel Greece and Viet-Nam should also be included in Table II.
- Chile - A request was made to Chile (letter February 15, 1968 Mr. Chaufournier to Central Bank of Chile) to release (US\$ equiv \$546,693) for a specific purchase in Chile. Understand no reply received at this date.

Table I

Tentative list of countries which have made their 9% subscription available in full either, in convertible currency or for purchases in their territory.

Australia
Austria
Belgium
Canada
Colombia
Denmark
Ecuador
Ethiopia
Finland
France
Germany
India
Iceland
Ireland
Israel
Italy
Jamaica
Japan
Korea

Kuwait
Lebanon
Libya
Luxembourg
Malaysia
Mexico
Netherlands
Norway
Pakistan
Peru
Portugal
Singapore
Spain
Sweden
Trinidad and Tobago
United Kingdom
United States
Venezuela
Yugoslavia

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

In Romania - Hotel construction
and management is in hands
of a "Trust" i.e. enterprise.

Financing = a) Working capital and
equipment are
financed by "the budget"
in our language -
government subsidy -
possibly on a repetitive
basis -

b) actual building costs
the Central Bank
on 3 year credit at 5%.

and according to Central Bank
first building loans
have already been repaid

used for letter to Romania
February 68

1. releases

a) more subscription available
to finance purchases in Romania

i. The borrower would be
obligated to repay the same
number of units of the currency
used to finance the ^{outstanding} ~~loans~~
interest on the borrowing
would also be due in the
currency of member.

b) ~~same~~ more available on

ii. convertible basis, meaning
that while member currency
is not itself freely convertible,
the central bank of R.C.
would convert into the
currency needed for ~~use~~
purchases or, when requested
to do so by W.B.R.

Romania obligated to
repay in currency of member
whose 9% or so of interest,

and the exchange risk
is covered by contributing members.

- c) Remburse converts the funds
into \$ and after that
money will be lent (and
repaid) in dollars.

Borrower obligated in \$
W.B.K. takes exchange risks
and after that when
members so wish we will
convert back into his
currency on basis of gold dollar.

The borrower after for payment
on day we disburse we send note
- what currency, how much
whether we bought with
other currency.
- monthly statement during
period of disb.

- a loan prior to payment date
we ~~are~~ for price & interest
+ commission fee

Table II

Tentative list of countries which have made part
of their 9% subscription available either in convertible
currency or for purchases in their territory.

Argentina
Burma
Ceylon
China
Costa Rica
El Salvador
Ghana
Guatemala
Honduras
Iran

Israel

Iraq
Nicaragua
Panama
Paraguay
Philippines
South Africa
Sudan
Thailand
Turkey
Uruguay

Peru

now

9. Review you already
picked up the African
committee members []
if not please make
special sheet
with this
file

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of June 30, 1967

S U M M A R Y

1. A summary of the availability for lending of 9% capital is as follows:

(in millions of U.S. dollar equivalents)

On Loan	\$ 1,553.24	
Usable by June 30, 1972	<u>72.93</u>	\$ 1,626.17
Not usable		<u>430.31</u>
Total		<u>\$ 2,056.48</u>

The total 9% capital on loan and usable is thus \$ 1,626.17 million compared with \$ 1,609.57 at December 31, 1966, an increase of \$ 16.60 during the six-month period. The increase is the result of releases by Germany (\$ 20.70 million) and Singapore (\$ 2.88 million) and of using 9% capital from India (\$ 1.75 million), net of a reduction of the amount on loan due to India's maintenance of value payment (\$ 8.57 million) on its 9% funds outstanding on loan at the time of revaluation, and the repayment of Pakistan rupees (\$ 0.16 million).

2. Attached is a detailed statement showing the availability of the 9% capital at June 30, 1967.

Treasurer's Department
Finance Division
July 19, 1967

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of June 30, 1967

(in millions of U.S. dollar equivalents)
(figures in parentheses refer to total 9%)

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Afghanistan</u> (\$2.70 million)			
No release.	\$ --	\$ --	\$ 2.70
<u>Algeria</u> (\$7.20 million)			
No release.	--	--	7.20
<u>Argentina</u> (\$33.60 million)			
\$1.00 million released on convertible basis.	1.00	--	32.60
<u>Australia</u> (\$47.97 million)			
Entire 9% released, convertible into any currency.	47.97	--	--
<u>Austria</u> (\$16.80 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$2,601,000 through April 15, 1969.	11.60	5.20	--
<u>Belgium</u> (\$40.50 million)			
Entire 9% released, convertible into any currency.	40.50	--	--
<u>Bolivia</u> (\$1.89 million)			
No release.	--	--	1.89
<u>Brazil</u> (\$33.60 million)			
No release.	--	--	33.60
<u>Burma</u> (\$3.60 million)			
\$1.25 million released for purchases in Burma.	0.96	--	2.64
<u>Burundi</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Cameroon</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Canada</u> (\$71.28 million)			
Entire 9% released, convertible into any currency.	71.28	--	--
<u>Central African Republic</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Ceylon</u> (\$7.44 million)			
\$0.54 million released on convertible basis.	0.54	--	6.90

Explanation:

On Loan: Disbursements less repayments at June 30, 1967. No account has been taken of 9% used for administrative expenses.

Usable: All convertible releases usable before June 30, 1972 and all tied releases for which the Bank has a specific use in sight under existing loans.

Not Usable: Capital not yet released, or released only subject to consultation, or so restricted that the Bank does not have a use in sight.

	On Loan	Usable	Not Usable
<u>Chad</u> (\$0.90 million)			
No release.	\$ --	\$ --	\$ 0.90
<u>Chile</u> (\$8.40 million)			
No release.	--	--	8.40
<u>China</u> (\$67.50 million)			
\$3.99 million released for purchases in Taiwan.	2.84	1.15	63.51
<u>Colombia</u> (\$8.40 million)			
Entire 9% to be paid and lent in dollars; unused balance available on January 1, 1968.	7.56	0.84	--
<u>Congo, Democratic Republic of</u> (\$5.40 million)			
No release.	--	--	5.40
<u>Congo (Brazzaville)</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Costa Rica</u> (\$0.96 million)			
\$360,000 paid and lent in dollars.	0.36	--	0.60
<u>Cyprus</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Dahomey</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Denmark</u> (\$15.60 million)			
Entire 9% released, convertible into any currency.	15.60	--	--
<u>Dominican Republic</u> (\$1.20 million)			
No release.	--	--	1.20
<u>Ecuador</u> (\$1.54 million)			
Entire 9% paid and lent in dollars.	1.54	--	--
<u>El Salvador</u> (\$0.96 million)			
\$180,000 paid and lent in dollars.	0.18	--	0.78
<u>Ethiopia</u> (\$0.90 million)			
Entire 9% paid and lent in dollars.	0.90	--	--
<u>Finland</u> (\$12.00 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$1 million through January 1, 1969 with a final instalment January 1, 1970.	9.40	2.60	--
<u>France</u> (\$94.50 million)			
Entire 9% released, convertible into any currency.	94.50	--	--

	On Loan	Usable	Not Usable
<u>Gabon</u> (\$0.90 million) Entire 9% released in five annual instalments of \$180,000, convertible into any currency. Date of release of first instalment not yet agreed.	\$ --	\$ 0.90	\$ --
<u>Germany</u> (\$115.20 million) Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$ 3,450,000 through June 1, 1972.	97.95	17.25	--
<u>Ghana</u> (\$4.20 million) \$2.70 million released, convertible into any currency.	2.70	--	1.50
<u>Greece</u> (\$6.00 million) \$2.25 million released subject to consultation.	--	--	6.00
<u>Guatemala</u> (\$0.96 million) \$0.36 million paid and lent in dollars.	0.36	--	0.60
<u>Guinea</u> (\$1.80 million) No release.	--	--	1.80
<u>Guyana</u> (\$1.44 million) No release.	--	--	1.44
<u>Haiti</u> (\$1.35 million) No release.	--	--	1.35
<u>Honduras</u> (\$0.72 million) \$0.54 million paid and lent in dollars.	0.54	--	0.18
<u>Iceland</u> (\$1.35 million) Entire 9% released in dollars in annual instalments of \$234,000 through March 1, 1969.	0.88	0.47	--
<u>India</u> (\$72.00 million) Entire 9% released; \$21.6 million of original release convertible into any currency and balance for purchases in India; \$17.36 million presently outstanding on loan and \$54.64 million available for purchases in India.	17.36	--	54.64
<u>Indonesia</u> (\$19.80 million) No release.	--	--	19.80
<u>Iran</u> (\$11.57 million) \$8.1 million released, convertible into any currency; unused balance available on February 1, 1968.	7.42	0.68	3.47
<u>Iraq</u> (\$5.76 million) \$1.35 million released, convertible into any currency.	1.35	--	4.41
<u>Ireland</u> (\$7.68 million) Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$455,400 through January 1, 1971.	5.86	1.82	--
<u>Israel</u> (\$8.63 million) \$6.0 million released; of the unused balance, \$3.05 million is available for purchases in Israel.	2.95	--	5.68

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Italy</u> (\$ 59.94 million)			
Entire 9% released, convertible into any currency; unused balance available on August 1, 1967.	\$ 50.76	\$ 9.18	\$ --
<u>Ivory Coast</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Jamaica</u> (\$2.88 million)			
Entire 9% to be paid and lent in dollars in four annual instalments of \$575,000 beginning July 15, 1967 through 1970, with a final payment of \$580,000 on July 15, 1971.	--	2.88	--
<u>Japan</u> (\$ 69.53 million)			
Entire 9% released, convertible into any currency.	69.53	--	--
<u>Jordan</u> (\$1.47 million)			
No release.	--	--	1.47
<u>Kenya</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Korea</u> (\$2.25 million)			
Entire 9% released for purchases in Korea.	--	--	2.25
<u>Kuwait</u> (\$6.00 million)			
Entire 9% released, convertible into any currency.	6.00	--	--
<u>Laos</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Lebanon</u> (\$0.81 million)			
Entire 9% paid and lent in dollars.	0.81	--	--
<u>Liberia</u> (\$1.92 million)			
No release.	--	--	1.92
<u>Libya</u> (\$1.80 million)			
Entire 9% paid and lent in dollars.	1.80	--	--
<u>Luxembourg</u> (\$1.80 million)			
Entire 9% released, convertible into any currency.	1.80	--	--
<u>Malagasy Republic</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Malawi</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Malaysia</u> (\$12.00 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$1.50 million through March 1, 1970.	7.50	4.50	--
<u>Mali</u> (\$1.55 million)			
No release.	--	--	1.55

	On Loan	Usable	Not Usable
<u>Mauritania</u> (\$0.90 million)			
No release.	\$ --	\$ --	\$ 0.90
<u>Mexico</u> (\$18.72 million)			
Entire 9% released; \$15.60 million convertible into any currency. \$3.12 million for purchases in Mexico beginning in April 1967	15.60	--	3.12
<u>Morocco</u> (\$8.64 million)			
No release.	--	--	8.64
<u>Nepal</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Netherlands</u> (\$49.50 million)			
Entire 9% released, convertible into any currency.	49.50	--	--
<u>New Zealand</u> (\$15.00 million)			
No release.	--	--	15.00
<u>Nicaragua</u> (\$0.72 million)			
\$0.54 million to be paid and lent in dollars in semi-annual instalments of \$45,000 through January 1, 1970.	0.27	0.27	0.18
<u>Niger</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Nigeria</u> (\$6.00 million)			
No release.	--	--	6.00
<u>Norway</u> (\$14.40 million)			
Entire 9% released, convertible into any currency; unused balance available on December 1, 1967.	13.40	1.00	--
<u>Pakistan</u> (\$18.00 million)			
Entire 9% available for purchases in Pakistan.	--	--	18.00
<u>Panama</u> (\$0.81 million)			
\$36,000 paid and lent in dollars.	0.04	--	0.77
<u>Paraguay</u> (\$0.54 million)			
\$126,000 released for purchases in Paraguay.	--	--	0.54
<u>Peru</u> (\$3.15 million)			
Entire 9% paid and lent in dollars.	3.15	--	--
<u>Philippines</u> (\$9.00 million)			
\$2.70 million paid and lent in dollars.	2.70	--	6.30
<u>Portugal</u> (\$7.20 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$1,440,000 through June 1, 1970.	2.88	4.32	--

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Rwanda</u> (\$1.35 million)			
No release.	\$ --	\$ --	\$ 1.35
<u>Saudi Arabia</u> (\$8.64 million)			
No release.	--	--	8.64
<u>Senegal</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Sierra Leone</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Singapore</u> (\$2.88 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$576,000 through March 1, 1971.	0.55	2.33	--
<u>Somalia</u> (\$1.35 million)			
No release.	--	--	1.35
<u>South Africa</u> (\$19.20 million)			
\$18.00 million released, convertible into dollars and sterling.	18.00	--	1.20
<u>Spain</u> (\$24.00 million)			
Entire 9% released, convertible into any currency; unused balance available in annual instalments of \$1.2 million through January 1, 1971.	19.20	4.80	--
<u>Sudan</u> (\$5.40 million)			
\$1.80 million released, convertible into any currency.	1.80	--	3.60
<u>Sweden</u> (\$21.60 million)			
Entire 9% released, convertible into any currency.	21.60	--	--
<u>Syrian Arab Republic</u> (\$3.60 million)			
No release.	--	--	3.60
<u>Tanzania</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Thailand</u> (\$9.12 million)			
\$5.40 million to be paid and lent in dollars; of the unused balance \$605,000 is available on October 25, 1967 with a final payment on October 25, 1968.	4.07	1.33	3.72
<u>Togo</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Trinidad and Tobago</u> (\$2.40 million)			
No release.	--	--	2.40
<u>Tunisia</u> (\$2.70 million)			
No release.	--	--	2.70
<u>Turkey</u> (\$10.35 million)			
\$7.74 million released for purchases in Turkey.	--	--	10.35

	<u>On Loan</u>	<u>Usable</u>	<u>Not Usable</u>
<u>Uganda</u> (\$3.00 million)			
No release.	\$ --	\$ --	\$ 3.00
<u>United Arab Republic</u> (\$12.79 million)			
No release.	--	--	12.79
<u>United Kingdom</u> (\$234.00 million)			
Entire 9% released, convertible into any currency.	234.00	--	--
<u>United States</u> (\$571.50 million)			
Entire 9% released, convertible into any currency,	571.50	--	--
<u>Upper Volta</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Uruguay</u> (\$2.52 million)			
\$1.89 million to be paid and lent in dollars in semi-annual instalments of \$189,000. Five instalments have been paid. The next five semi-annual instalments will begin on September 30, 1967.	0.95	0.94	0.63
<u>Venezuela</u> (\$16.80 million)			
\$12.60 million released in dollars in semi-annual instalments of \$1,071,000 through August 1, 1969. Amounts previously released and on loan in bolivares (\$1.89 million), when recovered from borrowers, are being released in dollars for relending.	6.72	5.88	4.20
<u>Viet-Nam</u> (\$2.70 million)			
\$2.30 million released for purchases in Viet-Nam, subject to consultation.	--	--	2.70
<u>Yugoslavia</u> (\$9.60 million)			
Entire 9% to be paid and lent in dollars; unused balance available in annual instalments of \$1,100,000 through July 1, 1970 with a final payment on July 1, 1971.	5.01	4.59	--
<u>Zambia</u> (\$4.80 million)			
No release.	--	--	4.80
Total 9%: \$2,056.48 million	<u>\$ 1,553.24</u>	<u>\$ 72.93</u>	<u>\$ 430.31</u>

usable 9%	1,609.6	and in US\$	260.7
+ 10%	226.2		34.5
	<hr/> 1,835.8	1%	<hr/> 226.2
+ non-usable	426.5		
	<hr/> 2,262.3		

76

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of December 31, 1966

S U M M A R Y

1. A summary of the availability for lending of 9% capital is as follows:

(in millions of U.S. dollar equivalents)

	<u>December 31, 1966</u>	<u>June 30, 1966</u>
Usable	\$ 1,609.6	\$ 1,584.3
Not usable	<u>426.5</u>	<u>434.1</u>
Total	<u>\$ 2,036.1</u>	<u>\$ 2,018.4</u>

The increase of \$ 25.3 million in the amount of usable 9% capital over the six-month period is the result of releases by Canada (\$ 3.8 million), Ireland (\$ 2.3 million), Jamaica (\$ 2.9 million), Japan (\$ 9.6 million), Norway (\$ 2.4 million) and Sweden (\$ 3.6 million) and of using 9% capital from India (\$.72 million).

2. Attached is a detailed statement showing the availability of the 9% capital at December 31, 1966.

Treasurer's Department
Finance Division
January 25, 1967

1836
1022

2,858 found proper

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of December 31, 1966

(in millions of U.S. dollar equivalents)
(figures in parentheses refer to total 9%)

	<u>Usable</u>	<u>Not Usable</u>
<u>Afghanistan</u> (\$2.70 million)		
No release.	\$ --	\$ 2.70
<u>Algeria</u> (\$7.20 million)		
No release.	--	7.20
<u>Argentina</u> (\$33.60 million)		
\$1.00 million released on convertible basis	1.00	32.60
<u>Australia</u> (\$47.97 million)		
Entire 9% released, convertible into any currency.	47.97	--
<u>Austria</u> (\$16.80 million)		
Entire 9% released, convertible into any currency; \$2.0 million disbursed and on loan; \$7.8 million available in three annual instalments of \$2,601,000 beginning early 1967.	16.80	--
<u>Belgium</u> (\$40.50 million)		
Entire 9% released, convertible into any currency.	40.50	--
<u>Bolivia</u> (\$1.89 million)		
No release.	--	1.89
<u>Brazil</u> (\$33.60 million)		
No release.	--	33.60
<u>Burma</u> (\$3.60 million)		
\$1.25 million released for purchases in Burma.	.96	2.64
<u>Burundi</u> (\$1.35 million)		
No release.	--	1.35
<u>Cameroon</u> (\$1.80 million)		
No release.	--	1.80
<u>Canada</u> (\$71.28 million)		
Entire 9% released, convertible into any currency.	71.28	--
<u>Central African Republic</u> (\$0.90 million)		
No release.	--	0.90
<u>Ceylon</u> (\$7.44 million)		
\$0.54 million released on convertible basis.	0.54	6.90

Explanation:

Usable: All convertible releases both now outstanding on loans and usable before July 15, 1971 and all tied releases now outstanding on loans or for which the Bank has a specific use in sight under existing loans.

Not Usable: Capital not yet released, or released only subject to consultation, or so restricted that the Bank does not have a use in sight.

	<u>Usable</u>	<u>Not Usable</u>
<u>Chad</u> (\$0.90 million)		
No release.	\$ --	\$ 0.90
<u>Chile</u> (\$8.40 million)		
No release.	--	8.40
<u>China</u> (\$67.50 million)		
\$3.99 million released for purchases in Taiwan.	3.99	63.51
<u>Colombia</u> (\$8.40 million)		
Entire 9% to be paid and lent in dollars. Remaining two instalments of \$ 840,000 each due on June 1, 1967 and January 1, 1968.	8.40	--
<u>Congo, Democratic Republic of</u> (\$5.40 million)		
No release.	--	5.40
<u>Congo (Brazzaville)</u> (\$0.90 million)		
No release.	--	0.90
<u>Costa Rica</u> (\$0.96 million)		
\$360,000 paid and lent in dollars.	0.36	0.60
<u>Cyprus</u> (\$1.35 million)		
No release.	--	1.35
<u>Dahomey</u> (\$0.90 million)		
No release.	--	0.90
<u>Denmark</u> (\$15.60 million)		
Entire 9% released, convertible into any currency.	15.60	--
<u>Dominican Republic</u> (\$1.20 million)		
No release.	--	1.20
<u>Ecuador</u> (\$1.54 million)		
Entire 9% paid and lent in dollars	1.54	--
<u>El Salvador</u> (\$0.96 million)		
\$180,000 paid and lent in dollars.	0.18	0.78
<u>Ethiopia</u> (\$0.90 million)		
Entire 9% paid and lent in dollars.	0.90	--
<u>Finland</u> (\$12.00 million)		
Entire 9% released, convertible into any currency. \$8.4 million disbursed and on loan; \$3.6 million available in annual instalments of \$1 million through January 1, 1969 with a final instalment January 1, 1970.	12.00	--
<u>France</u> (\$94.50 million)		
Entire 9% released, convertible into any currency.	94.50	--

	<u>Usable</u>	<u>Not Usable</u>
<u>Gabon</u> (\$0.90 million)		
Entire 9% released in five annual instalments of \$180,000, convertible into any currency. Date of release of first instalment not yet agreed.	\$ 0.90	\$ --
<u>Germany</u> (\$115.20 million)		
\$94.50 million released, convertible into any currency.	94.50	20.70
<u>Ghana</u> (\$4.20 million)		
\$2.70 million released, convertible into any currency.	2.70	1.50
<u>Greece</u> (\$6.00 million)		
\$2.25 million released subject to consultation	--	6.00
<u>Guatemala</u> (\$0.96 million)		
\$0.36 million paid and lent in dollars.	0.36	0.60
<u>Guinea</u> (\$1.80 million)		
No release	--	1.80
<u>Guyana</u> (\$1.44 million)		
No release	--	1.44
<u>Haiti</u> (\$1.35 million)		
No release.	--	1.35
<u>Honduras</u> (\$0.72 million)		
\$0.54 million paid and lent in dollars.	0.54	0.18
<u>Iceland</u> (\$1.35 million)		
Entire 9% released in dollars in annual instalments of \$234,000 through March 1, 1969.	1.35	--
<u>India</u> (\$72.00 million)		
Entire 9% released; \$21.60 million convertible into any currency; \$50.40 million for purchases in India.	24.18	47.82
<u>Iran</u> (\$11.57 million)		
\$8.1 million released, convertible into any currency; \$6.73 million disbursed and on loan; \$1.37 million available in annual instalments of \$684,000 through February 1, 1968.	8.10	3.47
<u>Iraq</u> (\$5.76 million)		
\$1.35 million released, convertible into any currency.	1.35	4.41
<u>Ireland</u> (\$7.68 million)		
Entire 9% released, convertible into any currency; \$5.4 million disbursed and on loan. Additional \$2,277,000 released in five annual instalments through January 1, 1971.	7.68	--
<u>Israel</u> (\$8.63 million)		
\$6.0 million released; \$2.95 million disbursed and on loan; \$3.05 million available for purchases in Israel.	2.95	5.68

	<u>Usable</u>	<u>Not Usable</u>
<u>Italy</u> (\$59.94 million)		
Entire 9% released in annual instalments of \$9,180,000 through August 1, 1967, convertible into any currency.	\$ 59.94	\$ --
<u>Ivory Coast</u> (\$1.80 million)		
No release.	--	1.80
<u>Jamaica</u> (\$2.88 million)		
Entire 9% to be paid and lent in dollars in four annual instalments of \$575,000 beginning July 15, 1967 through 1970, with a final payment of \$580,000 on July 15, 1971.	2.88	--
<u>Japan</u> (\$69.53 million)		
Entire 9% released, convertible into any currency.	69.53	--
<u>Jordan</u> (\$1.47 million)		
No release.	--	1.47
<u>Kenya</u> (\$3.00 million)		
No release.	--	3.00
<u>Korea</u> (\$2.25 million)		
Entire 9% released for purchases in Korea.	--	2.25
<u>Kuwait</u> (\$6.00 million)		
Entire 9% released, convertible into any currency.	6.00	--
<u>Laos</u> (\$0.90 million)		
No release.	--	0.90
<u>Lebanon</u> (\$0.81 million)		
Entire 9% paid and lent in dollars.	0.81	--
<u>Liberia</u> (\$1.35 million)		
No release.	--	1.35
<u>Libya</u> (\$1.80 million)		
Entire 9% paid and lent in dollars.	1.80	--
<u>Luxembourg</u> (\$1.80 million)		
Entire 9% released, convertible into any currency.	1.80	--
<u>Malagasy Republic</u> (\$1.80 million)		
No release.	--	1.80
<u>Malawi</u> (\$1.35 million)		
No release.	--	1.35
<u>Malaysia</u> (\$12.00 million)		
Entire 9% released in annual instalments of \$1.5 million through March 1, 1970, convertible into any currency.	12.00	--
<u>Mali</u> (\$1.55 million)		
No release.	--	1.55

	<u>Usable</u>	<u>Not Usable</u>
<u>Mauritania</u> (\$0.90 million)		
No release.	\$ --	\$ 0.90
<u>Mexico</u> (\$18.72 million)		
Entire 9% released; \$15.60 million, convertible into any currency, disbursed and on loan; \$3.12 million for purchases in Mexico beginning in April 1967 (Consideration requested for release of \$3.12 million on convertible basis).	15.60	3.12
<u>Morocco</u> (\$8.64 million)		
No release.	--	8.64
<u>Nepal</u> (\$0.90 million)		
No release.	--	0.90
<u>Netherlands</u> (\$49.50 million)		
Entire 9% released, convertible into any currency.	49.50	--
<u>New Zealand</u> (\$15.00 million)		
No release.	--	15.00
<u>Nicaragua</u> (\$0.72 million)		
\$0.54 million to be paid and lent in dollars in semi-annual instalments of \$45,000 through January 1, 1970.	0.54	0.18
<u>Niger</u> (\$0.90 million)		
No release.	--	0.90
<u>Nigeria</u> (\$6.00 million)		
No release.	--	6.00
<u>Norway</u> (\$14.40 million)		
Entire 9% released, convertible into any currency. \$13.4 million disbursed and on loan; remaining \$1.0 million to be available December 1, 1967.	14.40	--
<u>Pakistan</u> (\$18.00 million)		
Entire 9% available for purchases in Pakistan.	0.16	17.84
<u>Panama</u> (\$0.81 million)		
\$36,000 paid and lent in dollars.	0.04	0.77
<u>Paraguay</u> (\$0.54 million)		
\$126,000 released for purchases in Paraguay.	--	0.54
<u>Peru</u> (\$3.15 million)		
Entire 9% paid and lent in dollars.	3.15	--
<u>Philippines</u> (\$9.00 million)		
\$2.70 million paid and lent in dollars.	2.70	6.30
<u>Portugal</u> (\$7.20 million)		
Entire 9% released in five annual instalments of \$1,440,000 through June 1, 1970, convertible into any currency.	7.20	--

	<u>Usable</u>	<u>Not Usable</u>
<u>Rwanda</u> (\$1.35 million)		
No release.	\$ --	\$ 1.35
<u>Saudi Arabia</u> (\$8.64 million)		
No release.	--	8.64
<u>Senegal</u> (\$3.00 million)		
No release.	--	3.00
<u>Sierra Leone</u> (\$1.35 million)		
No release.	--	1.35
<u>Singapore</u> (\$2.88 million)		
No release.	--	2.88
<u>Somalia</u> (\$1.35 million)		
No release.	--	1.35
<u>South Africa</u> (\$19.20 million)		
\$18.00 million released, convertible into dollars and sterling.	18.00	1.20
<u>Spain</u> (\$24.00 million)		
Entire 9% released, convertible into any currency \$18.0 million disbursed and on loan. Additional \$6,003,000 released in five annual instalments through January 1, 1971.	24.00	--
<u>Sudan</u> (\$5.40 million)		
\$1.80 million released, convertible into any currency.	1.80	3.60
<u>Sweden</u> (\$21.60 million)		
Entire 9% released, convertible into any currency.	21.60	--
<u>Syrian Arab Republic</u> (\$3.60 million)		
No release.	--	3.60
<u>Tanzania</u> (\$3.00 million)		
No release.	--	3.00
<u>Thailand</u> (\$9.12 million)		
\$5.40 million to be paid and lent in dollars in annual instalments of \$605,000 through October 25, 1968.	5.40	3.72
<u>Togo</u> (\$1.35 million)		
No release.	--	1.35
<u>Trinidad and Tobago</u> (\$2.40 million)		
No release.	--	2.40
<u>Tunisia</u> (\$2.70 million)		
No release.	--	2.70
<u>Turkey</u> (\$10.35 million)		
\$7.74 million released for purchases in Turkey.	--	10.35
<u>Uganda</u> (\$3.00 million)		
No release.	--	3.00

	<u>Usable</u>	<u>Not Usable</u>
<u>United Arab Republic</u> (\$12.79 million)		
No release.	\$ --	\$ 12.79
<u>United Kingdom</u> (\$234.00 million)		
Entire 9% released, convertible into any currency.	234.00	--
<u>United States</u> (\$571.50 million)		
Entire 9% released, convertible into any currency.	571.50	--
<u>Upper Volta</u> (\$0.90 million)		
No release.	--	0.90
<u>Uruguay</u> (\$2.52 million)		
\$1.89 million to be paid and lent in dollars in semi-annual instalments of \$189,000. Five instalments have been paid. The next five semi-annual instalments will begin on September 30, 1967	1.89	0.63
<u>Venezuela</u> (\$16.80 million)		
\$12.60 million released in dollars in semi-annual instalments of \$1,071,000 through August 1, 1969. Amounts previously released and on loan in bolivares (\$1.89 million), when recovered from borrowers, are being released in dollars for relending.	12.60	4.20
<u>Viet-Nam</u> (\$2.70 million)		
\$2.30 million released for purchases in Viet-Nam, subject to consultation.	--	2.70
<u>Yugoslavia</u> (\$9.60 million)		
Entire 9% released in dollars in annual instalments of \$1,100,000 through July 1, 1970 with a final payment on July 1, 1971.	9.60	--
<u>Zambia</u> (\$4.80 million)		
No release.	--	4.80
Total 9%: \$2,036.11 million	<u>\$ 1,609.57</u>	<u>\$ 426.54</u>

FORM No. 198
(10-65)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM: THE SECRETARY

Date

8/11/66

SecM

66-271

D I S T R I B U T I O N

Executive Directors and Alternates

✓

President

✓

President's Council

✓

Executive Vice President IFC

✓

Department Heads (Bank and IFC)

✓

Secretary, IMF

✓

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of June 30, 1966

S U M M A R Y

1. A summary of the availability for lending of 9% capital is as follows:

(in millions of U.S. dollar equivalents)

	<u>June 30, 1966</u>	<u>December 31, 1965</u>
Usable	1,584.3	1,563.2
Not usable	<u>434.1</u>	<u>382.3</u>
Total	<u>2,018.4</u>	<u>1,945.5</u>

The increase of \$21.1 million in the amount of usable 9% capital over the six month period is the result of releases by Austria (\$7.8 million), Finland (\$5.1 million), Iran (\$2.05 million) and Spain (\$6.0 million) and of using 9% capital from India (\$.16 million).

The increase of \$51.8 million in "not usable" is the result of increases in subscriptions during the period for which the 9% capital had not been released at June 30, 1966 amounting to \$54.0, net of the release by Iran of \$2.05 million and use of \$.16 capital of India.

2. Attached is a detailed statement showing the availability of the 9% capital at June 30, 1966.
3. During July 1966, additional releases were made by Japan (\$9.6 million), Sweden (\$3.6 million) and Norway (\$2.4 million).

Treasurer's Department
Finance Division
August 9, 1966

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of June 30, 1966

(in millions of U.S. dollar equivalents)
(figures in parentheses refer to total 9%)

	<u>Usable</u>	<u>Not Usable</u>
<u>Afghanistan</u> (\$2.70 million)		
No release.	\$ --	\$ 2.70
<u>Algeria</u> (\$7.20 million)		
No release.	--	7.20
<u>Argentina</u> (\$33.60 million)		
\$1.00 million released on convertible basis.	1.00	32.60
<u>Australia</u> (\$47.97 million)		
Entire 9% released, convertible into any currency.	47.97	--
<u>Austria</u> (\$16.80 million)		
Entire 9% released, convertible into any currency; \$9.0 million disbursed and on loan; \$7.8 million available in three annual instalments of \$2,601,000 beginning early 1967.	16.80	--
<u>Belgium</u> (\$40.50 million)		
Entire 9% released, convertible into any currency.	40.50	--
<u>Bolivia</u> (\$1.89 million)		
No release.	--	1.89
<u>Brazil</u> (\$33.60 million)		
No release.	--	33.60
<u>Burma</u> (\$3.60 million)		
\$1.25 million released for purchases in Burma.	.96	2.64
<u>Burundi</u> (\$1.35 million)		
No release.	--	1.35
<u>Cameroon</u> (\$1.80 million)		
No release.	--	1.80
<u>Canada</u> (\$67.50 million)		
Entire 9% released, convertible into any currency.	67.50	--
<u>Central African Republic</u> (\$0.90 million)		
No release.	--	0.90
<u>Ceylon</u> (\$7.44 million)		
\$0.54 million released on convertible basis.	0.54	6.90
<u>Chad</u> (\$0.90 million)		
No release.	--	0.90
<u>Chile</u> (\$8.40 million)		
No release.	--	8.40

Explanation:

Usable: All convertible releases both now outstanding on loans and usable before July 1, 1971 and all tied releases now outstanding on loans or for which the Bank has a specific use in sight under existing loans.

Not Usable: Capital not yet released, or released only subject to consultation, or so restricted that the Bank does not have a use in sight.

	<u>Usable</u>	<u>Not Usable</u>
<u>China</u> (\$67.50 million)		
\$3.99 million released for purchases in Taiwan.	\$ 3.99	\$ 63.51
<u>Colombia</u> (\$8.40 million)		
Entire 9% to be paid and lent in dollars in semi-annual (January and July 1) instalments of \$840,000 through June 1, 1967.	8.40	--
<u>Congo, Democratic Republic of</u> (\$5.40 million)		
No release.	--	5.40
<u>Congo (Brazzaville)</u> (\$0.90 million)		
No release.	--	0.90
<u>Costa Rica</u> (\$0.96 million)		
\$360,000 paid and lent in dollars.	0.36	0.60
<u>Cyprus</u> (\$1.35 million)		
No release.	--	1.35
<u>Dahomey</u> (\$0.90 million)		
No release.	--	0.90
<u>Denmark</u> (\$15.60 million)		
Entire 9% released, convertible into any currency.	15.60	--
<u>Dominican Republic</u> (\$1.20 million)		
No release.	--	1.20
<u>Ecuador</u> (\$1.54 million)		
Entire 9% released in dollars in semi-annual instalments of \$129,000 through July 31, 1966.	1.54	--
<u>El Salvador</u> (\$0.96 million)		
\$180,000 paid and lent in dollars.	0.18	0.78
<u>Ethiopia</u> (\$0.90 million)		
Entire 9% paid and lent in dollars.	0.90	--
<u>Finland</u> (\$12.00 million)		
Entire 9% released, convertible into any currency. \$8.4 million disbursed and on loan; \$3.6 million available in annual instalments of \$1 million through January 1, 1969 with a final instalment January 1, 1970.	12.00	--
<u>France</u> (\$94.50 million)		
Entire 9% released, convertible into any currency.	94.50	--
<u>Gabon</u> (\$0.90 million)		
Entire 9% released in annual instalments of \$180,000 through January 1, 1970, convertible into any currency.	0.90	--
<u>Germany</u> (\$115.20 million)		
\$94.50 million released, convertible into any currency.	94.50	20.70
<u>Ghana</u> (\$4.20 million)		
\$2.70 million released, convertible into any currency.	2.70	1.50
<u>Greece</u> (\$4.50 million)		
Half of 9% released subject to consultation.	--	4.50
<u>Guatemala</u> (\$0.96 million)		
\$0.36 million paid and lent in dollars.	0.36	0.60

	<u>Usable</u>	<u>Not Usable</u>
<u>Guinea</u> (\$1.80 million)		
No release.	\$ --	\$ 1.80
<u>Haiti</u> (\$1.35 million)		
No release.	--	1.35
<u>Honduras</u> (\$0.72 million)		
\$0.54 million paid and lent in dollars.	0.54	0.18
<u>Iceland</u> (\$1.35 million)		
Entire 9% released in dollars in annual instalments of \$234,000 through March 1, 1969.	1.35	--
<u>India</u> (\$72.00 million)		
Entire 9% released; \$21.60 million convertible into any currency; \$50.40 million for purchases in India.	23.46	48.54
<u>Iran</u> (\$11.57 million)		
\$8.1 million released, convertible into any currency; \$6.73 million disbursed and on loan; \$1.37 million available in annual instalments of \$684,000 through February 1, 1968.	8.10	3.47
<u>Iraq</u> (\$4.95 million)		
\$1.35 million released, convertible into any currency.	1.35	3.60
<u>Ireland</u> (\$7.68 million)		
\$5.40 million released, convertible into any currency.	5.40	2.28
<u>Israel</u> (8.63 million)		
\$6.0 million released; \$2.95 million disbursed and on loan; \$3.05 million available for purchases in Israel.	2.95	5.68
<u>Italy</u> (\$59.94 million)		
Entire 9% released in annual instalments of \$9,180,000 through August 1, 1967, convertible into any currency.	59.94	--
<u>Ivory Coast</u> (\$1.80 million)		
No release.	--	1.80
<u>Jamaica</u> (\$2.88 million)		
Agreement to be confirmed for release in dollars in four annual instalments of \$575,000 beginning 1967 through 1970, with a final payment of \$580,000 in 1971.	--	2.88
<u>Japan</u> (\$69.53 million)		
\$59.94 million released, convertible into any currency. (\$9,594,000 released in July 1966, convertible into any currency).	59.94	9.59
<u>Jordan</u> (\$1.47 million)		
No release.	--	1.47
<u>Kenya</u> (\$3.00 million)		
No release.	--	3.00
<u>Korea</u> (\$2.25 million)		
Entire 9% released for purchases in Korea.	--	2.25
<u>Kuwait</u> (\$6.00 million)		
Entire 9% released, convertible into any currency.	6.00	--
<u>Laos</u> (\$0.90 million)		
No release.	--	0.90
<u>Lebanon</u> (\$0.81 million)		
Entire 9% paid and lent in dollars.	0.81	--
<u>Liberia</u> (\$1.35 million)		
No release.	--	1.35
<u>Libya</u> (\$1.80 million)		
Entire 9% paid and lent in dollars.	1.80	--

	<u>Usable</u>	<u>Not Usable</u>
<u>Luxembourg</u> (\$1.80 million)		
Entire 9% released, convertible into any currency.	\$ 1.80	\$ --
<u>Malagasy Republic</u> (\$1.80 million)		
No release.	--	1.80
<u>Malawi</u> (\$1.35 million)		
No release.	--	1.35
<u>Malaysia</u> (\$12.00 million)		
Entire 9% released in annual instalments of \$1.5 million through March 1, 1970, convertible into any currency.	12.00	--
<u>Mali</u> (\$1.55 million)		
No release.	--	1.55
<u>Mauritania</u> (\$0.90 million)		
No release.	--	0.90
<u>Mexico</u> (\$18.72)		
\$15.60 million released, convertible into any currency.	15.60	3.12
<u>Morocco</u> (\$6.30 million)		
No release.	--	6.30
<u>Nepal</u> (\$0.90 million)		
No release.	--	0.90
<u>Netherlands</u> (\$49.50 million)		
Entire 9% released, convertible into any currency.	49.50	--
<u>New Zealand</u> (\$15.00 million)		
No release.	--	15.00
<u>Nicaragua</u> (\$0.54 million)		
Entire 9% to be paid and lent in dollars in semi-annual instalments of \$45,000 through January 1, 1970.	0.54	--
<u>Niger</u> (\$0.90 million)		
No release.	--	0.90
<u>Nigeria</u> (\$6.00 million)		
No release.	--	6.00
<u>Norway</u> (\$14.40 million)		
\$12.00 million released, convertible into any currency. (\$2,403,000 released in July 1966, convertible into any currency).	12.00	2.40
<u>Pakistan</u> (\$18.00 million)		
Entire 9% available for purchases in Pakistan.	0.16	17.84
<u>Panama</u> (\$0.81 million)		
\$36,000 paid and lent in dollars.	0.04	0.77
<u>Paraguay</u> (\$0.54 million)		
\$126,000 released for purchases in Paraguay.	--	0.54
<u>Peru</u> (\$3.15 million)		
Entire 9% paid and lent in dollars.	3.15	--
<u>Philippines</u> (\$9.00 million)		
\$2.70 million paid and lent in dollars.	2.70	6.30

	<u>Usable</u>	<u>Not Usable</u>
<u>Portugal</u> (\$7.20 million)		
Entire 9% released in five annual instalments of \$1,440,000 through June 1, 1970, convertible into any currency.	\$ 7.20	\$ --
<u>Rwanda</u> (\$1.35 million)		
No release.	--	1.35
<u>Saudi Arabia</u> (\$8.64 million)		
No release.	--	8.64
<u>Senegal</u> (\$3.00 million)		
No release.	--	3.00
<u>Sierra Leone</u> (\$1.35 million)		
No release.	--	1.35
<u>Somalia</u> (\$1.35 million)		
No release.	--	1.35
<u>South Africa</u> (\$19.20 million)		
\$18.00 million released, convertible into dollars and sterling.	18.00	1.20
<u>Spain</u> (\$24.00 million)		
\$18.00 million released and available in five annual instalments of \$3,600,000 through October 1, 1966, convertible into any currency. Additional \$6,003,000 released in five annual instalments, convertible into any currency. Agreement to be confirmed re date of release of first instalment.	24.00	--
<u>Sudan</u> (\$5.40 million)		
\$1.80 million released, convertible into any currency.	1.80	3.60
<u>Sweden</u> (\$21.60 million)		
\$18.00 million released, convertible into any currency. (\$3.6 million released in July 1966, convertible into any currency).	18.00	3.60
<u>Syrian Arab Republic</u> (\$3.00 million)		
No release.	--	3.00
<u>Tanzania</u> (\$3.00 million)		
No release.	--	3.00
<u>Thailand</u> (\$9.12 million)		
\$5.40 million to be paid and lent in dollars in annual instalments of \$605,000 through October 25, 1968.	5.40	3.72
<u>Togo</u> (\$1.35 million)		
No release.	--	1.35
<u>Trinidad and Tobago</u> (\$2.40 million)		
No release.	--	2.40
<u>Tunisia</u> (\$2.70 million)		
No release.	--	2.70
<u>Turkey</u> (\$10.35 million)		
\$7.74 million released for purchases in Turkey.	--	10.35
<u>Uganda</u> (\$3.00 million)		
No release.	--	3.00
<u>United Arab Republic</u> (\$12.79 million)		
No release.	--	12.79
<u>United Kingdom</u> (\$234.00 million)		
Entire 9% released, convertible into any currency.	234.00	--

	<u>Usable</u>	<u>Not Usable</u>
<u>United States</u> (\$571.50 million)		
Entire 9% released, convertible into any currency.	\$ 571.50	\$ --
<u>Upper Volta</u> (\$0.90 million)		
No release.	--	0.90
<u>Uruguay</u> (\$2.52 million)		
\$1.89 million to be paid and lent in dollars in semi-annual instalments of \$189,000. Five instalments have been paid. The next five semi-annual instalments will begin on September 30, 1967.	1.89	.63
<u>Venezuela</u> (\$12.60 million)		
Entire 9% released in dollars in semi-annual instalments of \$1,071,000 through August 1, 1969. Amounts previously released and on loan in bolivares (\$1.68 million), when recovered from borrowers, will be released in dollars for relending.	12.60	--
<u>Viet-Nam</u> (\$2.70 million)		
\$2.30 million released for purchases in Viet-Nam, subject to consultation.	--	2.70
<u>Yugoslavia</u> (\$9.60 million)		
Entire 9% released in dollars in annual instalments of \$1,100,000 through July 1, 1970 with a final payment on July 1, 1971.	9.60	--
<u>Zambia</u> (\$4.80 million)		
No release.	--	4.80
Total 9%: \$2,018.38 million	<u>\$ 1,584.32</u>	<u>\$ 434.06</u>

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of December 31, 1965

S U M M A R Y

1. A summary of the availability for lending of 9% capital is as follows:

(in millions of U.S. dollar equivalents)

Usable	1,563.2
Not usable	382.3
	<hr/>
Total	1,945.5
	<hr/>

The total 9% capital released and usable is thus \$1,563.2 million compared with \$1,546.3 million at June 30, 1965, showing an increase of \$16.9 million during the six month period. The increase is the result of releases by China (\$2.0 million), Malaysia (\$7.5 million), Portugal (\$7.2 million), and of using 9% capital from India (\$.15 million).

2. Attached is a detailed statement showing the availability of the 9% capital.

Treasurer's Department
Finance Division
January 26, 1966

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

As of December 31, 1965

(in millions of U.S. dollar equivalents)

(figures in parentheses refer to total 9%)

	<u>Usable</u>	<u>Not Usable</u>
<u>Afghanistan</u> (\$2.70 million)		
No release.	\$ --	\$ 2.70
<u>Algeria</u> (\$7.20 million)		
No release.	--	7.20
<u>Argentina</u> (\$33.60 million)		
Entire 9% released in five annual instalments of \$6,719,000 through January 1, 1966 on convertible basis, subject to consultation on conversion. Release suspended.	1.00	32.60
<u>Australia</u> (\$47.97 million)		
Entire 9% released, convertible into any currency.	47.97	--
<u>Austria</u> (\$9.00 million)		
Entire 9% released, convertible into any currency.	9.00	--
<u>Belgium</u> (\$40.50 million)		
Entire 9% released, convertible into any currency.	40.50	--
<u>Bolivia</u> (\$1.89 million)		
No release.	--	1.89
<u>Brazil</u> (\$33.60 million)		
No release.	--	33.60
<u>Burma</u> (\$3.60 million)		
\$1.25 million released for purchases in Burma.	.96	2.64
<u>Burundi</u> (\$1.35 million)		
No release.	--	1.35
<u>Cameroon</u> (\$1.80 million)		
No release.	--	1.80
<u>Canada</u> (\$67.50 million)		
Entire 9% released, convertible into any currency.	67.50	--
<u>Central African Republic</u> (\$0.90 million)		
No release.	--	0.90
<u>Ceylon</u> (\$7.44 million)		
\$2.70 million (original 9%) released in annual instalments of \$540,000 on convertible basis, subject to consultation on conversion. Release suspended.	0.54	6.90
<u>Chad</u> (\$0.90 million)		
No release.	--	0.90
<u>Chile</u> (\$8.40 million)		
No release.	--	8.40
<u>China</u> (\$67.50 million)		
\$3.99 million released for purchases in Taiwan.	3.99	63.51
<u>Colombia</u> (\$8.40 million)		
Entire 9% to be paid and lent in dollars in semi-annual (January and July 1) instalments of \$840,000 through June 1, 1967.	8.40	--

Explanation:

Usable: All convertible releases both now outstanding on loans and usable before July 1, 1971 and all tied releases now outstanding on loans or for which the Bank has a specific use in sight under existing loans.

Not Usable: Capital not yet released, or released only subject to consultation, or so restricted that the Bank does not have a use in sight.

	<u>Usable</u>	<u>Not Usable</u>
<u>Congo, Democratic Republic of</u> (\$5.40 million)		
No release.	\$ --	\$ 5.40
<u>Congo (Brazzaville)</u> (\$0.90 million)		
No release.	--	0.90
<u>Costa Rica</u> (\$0.96 million)		
\$360,000 (original 9%) paid and lent in dollars.	0.36	0.60
<u>Cyprus</u> (\$1.35 million)		
No release.	--	1.35
<u>Dahomey</u> (\$0.90 million)		
No release.	--	0.90
<u>Denmark</u> (\$15.60 million)		
Entire 9% released, convertible into any currency.	15.60	--
<u>Dominican Republic</u> (\$1.20 million)		
No release.	--	1.20
<u>Ecuador</u> (\$1.54 million)		
Entire 9% released in dollars in semi-annual instalments of \$129,000 through July 31, 1966.	1.54	--
<u>El Salvador</u> (\$0.96 million)		
\$180,000 (original 9%) paid and lent in dollars.	0.18	0.78
<u>Ethiopia</u> (\$0.90 million)		
Entire 9% paid and lent in dollars.	0.90	--
<u>Finland</u> (\$6.84 million)		
Entire 9% released, convertible into any currency.	6.84	--
<u>France</u> (\$94.50 million)		
Entire 9% released, convertible into any currency.	94.50	--
<u>Gabon</u> (\$0.90 million)		
Entire 9% released in annual instalments of \$180,000 through January 1, 1970, convertible into any currency.	0.90	--
<u>Germany</u> (\$94.50 million)		
Entire 9% released, convertible into any currency.	94.50	--
<u>Ghana</u> (\$4.20 million)		
\$2.70 million (original 9%) released, convertible into any currency.	2.70	1.50
<u>Greece</u> (\$4.50 million)		
Half of 9% released subject to consultation.	--	4.50
<u>Guatemala</u> (\$0.96 million)		
\$0.36 million (original 9%) paid and lent in dollars.	0.36	0.60
<u>Guinea</u> (\$1.80 million)		
No release.	--	1.80
<u>Haiti</u> (\$1.35 million)		
No release.	--	1.35
<u>Honduras</u> (\$0.72 million)		
\$0.54 million (original 9%) paid and lent in dollars.	0.54	0.18
<u>Iceland</u> (\$1.35 million)		
Entire 9% released in dollars in annual instalments of \$234,000 through March 1, 1969.	1.35	--

	<u>Usable</u>	<u>Not Usable</u>
<u>India</u> (\$72.00 million)		
Entire 9% released; \$21.60 million convertible into any currency; \$50.40 million for purchases in India.	\$ 23.30	\$ 48.70
<u>Iran</u> (\$8.10 million)		
\$6.05 million (original 9%) released, convertible into any currency. (Agreement to be confirmed for release of \$2.05 million in three annual instalments, convertible into any currency.)	6.05	2.05
<u>Iraq</u> (\$4.95 million)		
\$1.35 million (original 9%) released, convertible into any currency.	1.35	3.60
<u>Ireland</u> (\$5.40 million)		
Entire 9% released, convertible into any currency.	5.40	--
<u>Israel</u> (\$6.00 million)		
Entire 9% released; unused balance available for purchases in Israel.	2.95	3.05
<u>Italy</u> (\$59.94 million)		
Entire 9% released in annual instalments of \$9,180,000 through August 1, 1967, convertible into any currency.	59.94	--
<u>Ivory Coast</u> (\$1.80 million)		
No release.	--	1.80
<u>Jamaica</u> (\$2.40 million)		
No release.	--	2.40
<u>Japan</u> (\$59.94 million)		
Entire 9% released, convertible into any currency.	59.94	--
<u>Jordan</u> (\$1.35 million)		
No release.	--	1.35
<u>Kenya</u> (\$3.00 million)		
No release.	--	3.00
<u>Korea</u> (\$2.25 million)		
Entire 9% released for purchases in Korea.	--	2.25
<u>Kuwait</u> (\$6.00 million)		
Entire 9% released, convertible into any currency.	6.00	--
<u>Laos</u> (\$0.90 million)		
No release.	--	0.90
<u>Lebanon</u> (\$0.81 million)		
Entire 9% paid and lent in dollars.	0.81	--
<u>Liberia</u> (\$1.35 million)		
No release.	--	1.35
<u>Libya</u> (\$1.80 million)		
Entire 9% paid and lent in dollars.	1.80	--
<u>Luxembourg</u> (\$1.80 million)		
Entire 9% released, convertible into any currency.	1.80	--
<u>Malagasy Republic</u> (\$1.80 million)		
No release.	--	1.80
<u>Malawi</u> (\$1.35 million)		
No release.	--	1.35
<u>Malaysia</u> (\$12.00 million)		
Entire 9% released in annual instalments of \$1.5 million through January 1, 1970, convertible into any currency.	12.00	--
<u>Mali</u> (\$1.55 million)		
No release.	-	1.55

	<u>Usable</u>	<u>Not Usable</u>
<u>Mauritania</u> (\$0.90 million)		
No release.	\$ --	\$ 0.90
<u>Mexico</u> (\$15.60 million)		
Entire 9% released, convertible into any currency.	15.60	--
<u>Morocco</u> (\$6.30 million)		
No release.	--	6.30
<u>Nepal</u> (\$0.90 million)		
No release.	--	0.90
<u>Netherlands</u> (\$49.50 million)		
Entire 9% released, convertible into any currency.	49.50	--
<u>New Zealand</u> (\$15.00 million)		
No release.	--	15.00
<u>Nicaragua</u> (\$0.54 million)		
Entire 9% to be paid and lent in dollars in semi-annual instalments of \$45,000 through January 1, 1970.	0.54	--
<u>Niger</u> (\$0.90 million)		
No release.	--	0.90
<u>Nigeria</u> (\$6.00 million)		
No release.	--	6.00
<u>Norway</u> (\$12.00 million)		
Entire 9% released, convertible into any currency.	12.00	--
<u>Pakistan</u> (\$18.00 million)		
Entire 9% available for purchases in Pakistan.	0.16	17.84
<u>Panama</u> (\$0.81 million)		
\$36,000 (original 9%) paid and lent in dollars.	0.04	0.77
<u>Paraguay</u> (\$0.54 million)		
\$126,000 released for purchases in Paraguay.	--	0.54
<u>Peru</u> (\$3.15 million)		
Entire 9% paid and lent in dollars.	3.15	--
<u>Philippines</u> (\$9.00 million)		
\$2.70 million (original 9%) paid and lent in dollars.	2.70	6.30
<u>Portugal</u> (\$7.20 million)		
Entire 9% released in five annual instalments of \$1,440,000, through June 1, 1970, convertible into any currency.	7.20	--
<u>Rwanda</u> (\$1.35 million)		
No release.	--	1.35
<u>Saudi Arabia</u> (\$8.63 million)		
No release.	--	8.63
<u>Senegal</u> (\$3.00 million)		
No release.	--	3.00
<u>Sierra Leone</u> (\$1.35 million)		
No release.	--	1.35
<u>Somalia</u> (\$1.35 million)		
No release.	--	1.35

	Usable	Not Usable
<u>South Africa</u> (\$18.00 million)		
Entire 9% released, convertible into dollars and sterling.	\$ 18.00	\$ --
<u>Spain</u> (\$18.00 million)		
Entire 9% released and available in annual instalments of \$3,600,000 through October 1, 1966, convertible into any currency.	18.00	--
<u>Sudan</u> (\$5.40 million)		
\$1.80 million (original 9%) released, convertible into any currency.	1.80	3.60
<u>Sweden</u> (\$18.00 million)		
Entire 9% released, convertible into any currency.	18.00	--
<u>Syrian Arab Republic</u> (\$3.00 million)		
No release.	--	3.00
<u>Tanzania</u> (\$3.00 million)		
No release.	--	3.00
<u>Thailand</u> (\$5.40 million)		
Entire 9% to be paid and lent in dollars in annual instalments of \$605,000 through October 25, 1968.	5.40	--
<u>Togo</u> (\$1.35 million)		
No release.	--	1.35
<u>Trinidad and Tobago</u> (\$2.40 million)		
No release.	--	2.40
<u>Tunisia</u> (\$2.70 million)		
No release.	--	2.70
<u>Turkey</u> (\$10.35 million)		
\$7.74 million (original 9%) released for purchases in Turkey.	--	10.35
<u>Uganda</u> (\$3.00 million)		
No release.	--	3.00
<u>United Arab Republic</u> (\$12.79 million)		
No release.	--	12.79
<u>United Kingdom</u> (\$234.00 million)		
Entire 9% released, convertible into any currency.	234.00	--
<u>United States</u> (\$571.50 million)		
Entire 9% released, convertible into any currency.	571.50	--
<u>Upper Volta</u> (\$0.90 million)		
No release.	--	0.90
<u>Uruguay</u> (\$1.89 million)		
Entire 9% to be paid and lent in dollars in semi-annual instalments of \$189,000. Five instalments have been paid. The next five semi-annual instalments will begin on September 30, 1967.	1.89	--
<u>Venezuela</u> (\$12.60 million)		
Entire 9% released in dollars in semi-annual instalments of \$1,071,000 through August 1, 1969. Amounts previously released and on loan in bolivares (\$1.89 million), when recovered from borrowers, will be released in dollars for relending.	12.60	--
<u>Viet-Nam</u> (\$2.70 million)		
\$2.30 million (original 9%) released for purchases in Viet-Nam, subject to consultation.	--	2.70
<u>Yugoslavia</u> (\$9.60 million)		
Entire 9% released in dollars in annual instalments of \$1,100,000 through July 1, 1970 with a final payment on July 1, 1971.	9.60	--
<u>Zambia</u> (\$4.80 million)		
No release.	--	4.80
 Total 9%: \$ 1,945.47 million	 \$ 1,563.15	 \$ 382.32

DECLASSIFIED

Date: 11/15/2010
STB

CONFIDENTIAL

Sec 64-250

FROM: The Secretary

October 26, 1964

Meeting of Executive Directors, October 22, 1964

STATEMENT BY CHAIRMAN ON RELEASE OF 9% SUBSCRIPTION
BY THAILAND

I am glad to be able to tell you that Thailand has agreed to release the remaining balance of the 9% paid-in portion of its subscription to the Bank capital, which amounts to \$3,150,000. The Thai Government is prepared to make this amount available in annual instalments of \$605,000, beginning October 25, 1964, with a balancing instalment on October 25, 1968. The amounts released will be lent and relent in dollars. You may recall that Thailand has previously released the equivalent of \$2,250,000 on the same basis.

Since 1957 the Executive Directors have considered similar proposals in the case of some sixteen other countries. The amounts released, including Thailand's subscription, total the equivalent of \$38 million.

In the absence of objection, we propose to accept the offer of the Thailand Government and the minutes will so reflect. I know that the members of the Board of Executive Directors join me in welcoming this action by Thailand and want me to express our appreciation to the Government of Thailand for their cooperation.

Distribution:

Executive Directors and Alternates
President
Vice Presidents
Department Heads

OFFICE MEMORANDUM

TO: Mr. George D. Woods

DATE: September 23, 1964

FROM: Robert W. Cavanaugh *RWC*SUBJECT: Status of Releases of IBRD 9% Capital Subscriptions
and IDA 90% Subscriptions

This refers to my memorandum of December 6, 1963, in regard to the status of releases of the Bank's capital subscriptions. You asked that I give you an up-to-date report in March and September.

There is attached a statement showing the status of IBRD 9% releases together with a statement of IDA 90% releases, as of August 31, 1964.

Attachments

cc: Messrs. Knapp
Wilson
Rist ✓
Schmidt
Alter
Cargill
Cope
Moussa
Reid

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Summary of Status of 9% Capital Subscriptions as at August 31, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Area	Total subscription	Total 9%	In member currency at Central Banks	In non- negotiable, non-interest- bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released			Not yet released
								In U.S. dollars	Convertible into any currency	Non- convertible	
EUROPE	8,357.40	752.166	13.449	50.405	-	.312	688.000	7.897	11.890	9.990	34.389
AFRICA	803.90	72.351	10.486	55.631	-	.234	6.000	1.200	-	-	65.151
WESTERN HEMISPHERE	8,503.50	766.260	75.275	21.106	1.452	.759	667.668	5.884	-	.126	92.582
SOUTH ASIA AND MIDDLE EAST	1,551.00	139.590	3.264	98.438	-	.779	37.109	-	3.003	67.096	32.382
FAR EAST	2,011.00	180.990	14.013	78.904	16.802	.195	71.076	-	-	5.636	104.278
	21,226.80	1,911.357	116.487	304.484	18.254	2.279	1,469.853	14.981	14.893	82.848	328.782

Treasurer's Department
Finance Division
September 15, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Capital Subscriptions as at August 31, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non- negotiable, non-interest- bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released			Not yet released	Comments
								In U.S. dollars	Convertible into any currency convertible	Non- convertible		
<u>EUROPE</u>												
<u>Part I Countries</u>												
Australia	533.00	47.970	-	-	-	-	47.970	-	-	-	-	
Austria	100.00	9.000	-	-	-	-	9.000	-	-	-	-	
Belgium	450.00	40.500	-	-	-	-	40.500	-	-	-	-	
Denmark	173.30	15.597	-	-	-	-	15.597	-	-	-	-	
Finland	76.00	6.840	.440	-	-	-	6.400	.440	-	-	-	Entire 9% released; unused balance available for purchases in Finland, or for conversion into any currency on 1/1/65.
France	1,050.00	94.500	-	-	-	-	94.500	-	-	-	-	
Germany	1,050.00	94.500	-	-	-	-	94.500	-	-	-	-	
Italy**	360.00	32.400	-	-	-	-	32.400	-	-	-	-	
Luxembourg	20.00	1.800	-	-	-	-	1.800	-	-	-	-	
Netherlands	550.00	49.500	-	-	-	-	49.500	-	-	-	-	
* New Zealand	166.70	15.003	.135	14.853	-	.015	-	-	-	-	15.003	Discussion being held with respect to release of 9%
Norway	133.30	11.997	-	-	-	-	11.997	-	-	-	-	
* Portugal	80.00	7.200	.057	7.128	-	.015	-	-	-	-	7.200	Discussion being held with respect to release of 9%
South Africa	200.00	18.000	-	-	-	-	18.000	-	-	-	-	
Sweden	200.00	18.000	-	-	-	-	18.000	-	-	-	-	
United Kingdom	2,600.00	234.000	-	-	-	-	234.000	-	-	-	-	
<u>Part II Countries</u>												
Cyprus	15.00	1.350	.012	1.335	-	.003	-	-	-	-	1.350	
Greece	50.00	4.500	4.465	-	-	.035	-	-	-	2.250 ***	2.250	One-half of original "18%" released, subject to consultation. Original "18%" released in U.S. dollars. Discussion being held with respect to release of balance over a five year period. To be released 1/1/65.
Iceland	15.00	1.350	.110	1.047	-	.013	.180	-	-	-	1.170	
Ireland	60.00	5.400	.065	.585	-	-	4.750	.650	-	-	-	
Jamaica	26.70	2.403	.023	2.379	-	.001	-	-	-	-	2.403	
Spain **	200.00	18.000	.180	10.620	-	-	7.200	10.800	-	-	-	Being released in annual instalments of \$3.6 million through 10/1/66.
Trinidad and Tobago	26.70	2.403	.024	2.379	-	-	-	-	-	-	2.403	
Turkey	115.00	10.350	.041	10.079	-	.230	-	-	-	7.740 ***	2.610	Original "18%" released in annual instalments of \$ 1.8 million for purchases in Turkey. Being released in dollars in annual instalments of \$1.1 million. First instalment released in September 1964. Second and subsequent instalments to be made on July 1, 1965 through July 1, 1971.
Yugoslavia	106.70	9.603	7.897	-	-	-	1.706	7.897	-	-	-	
	8,357.40	752.166	13.449	50.405	-	.312	688.000	7.897	11.890	9.990 ***	34.389	

* These countries are not members of IDA. It is assumed that if they were they would be considered Part I countries

** Increase in I.B.R.D. capital subscription pending

*** Generally considered unusable.

Treasurer's Department
Finance Division
September 15, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Capital Subscriptions as at August 31, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non- negotiable, non-interest- bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released			Not yet released	Comments
								In U.S. dollars	Convertible into any currency	Non- convertible		
AFRICA												
Part II												
Algeria	80.00	7.200	.071	7.128		.001	-	-			7.200	
Burundi	15.00	1.350	-	1.350		-	-	-			1.350	
Cameroon	20.00	1.800	.012	1.782		.006	-	-			1.800	
Central African Republic	10.00	.900	.005	.891		.004	-	-			.900	
Chad	10.00	.900	.009	.891		-	-	-			.900	
Congo (Brassaville)	10.00	.900	.009	.891		-	-	-			.900	
Congo (Leopoldville)	60.00	5.400	5.398	-		.002	-	-			5.400	
Dahomey	10.00	.900	.009	.891		-	-	-			.900	
Ethiopia	10.00	.900	-	-		-	.900	-			-	
Gabon	10.00	.900	.004	.891		.005	-	-			.900	
Ghana *	46.70	4.203	.002	1.501		-	2.700	-			1.503	Original "18%" released, convertible into any currency.
Guinea	20.00	1.800	1.798	-		.002	-	-			1.800	
Ivory Coast	20.00	1.800	.016	1.782		.002	-	-			1.800	
Kenya	33.30	2.997	.021	2.967		.009	-	-			2.997	
Liberia	15.00	1.350	.013	1.337		-	-	-			1.350	
Libya	20.00	1.800	.005	1.171		.024	.600	1.200			-	To be released in annual installments of \$0.6 million through 12/1/65.
Malagasy Republic	20.00	1.800	.013	1.778		.009	-	-			1.800	
Mali	17.30	1.557	1.550	-		.007	-	-			1.557	
Mauritania	10.00	.900	.006	.891		.003	-	-			.900	
Morocco	70.00	6.300	.049	6.225		.026	-	-			6.300	
Niger	10.00	.900	.008	.891		.001	-	-			.900	
Nigeria	66.70	6.003	.001	5.943		.059	-	-			6.003	
Rwanda	15.00	1.350	-	1.350		-	-	-			1.350	
Senegal	33.30	2.997	.025	2.967		.005	-	-			2.997	
Sierra Leone	15.00	1.350	.008	1.336		.006	-	-			1.350	
Somalia	15.00	1.350	1.348	-		.002	-	-			1.350	
Sudan *	20.00	1.800	-	-		-	1.800	-			-	
Tanganyika and Zanzibar	33.30	2.997	.012	2.967		.018	-	-			2.997	
Togo	15.00	1.350	.007	1.337		.006	-	-			1.350	
Tunisia	30.00	2.700	.055	2.615		.030	-	-			2.700	
Uganda	33.30	2.997	.026	2.967		.004	-	-			2.997	
Upper Volta	10.00	.900	.006	.891		.003	-	-			.900	
	803.90	72.351	10.486	55.631		.234	6.000	1.200			65.151	

* Increase in IBRD capital subscription pending

Treasurer's Department
Finance Division
September 15, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Capital Subscriptions as at August 31, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non-negotiable, non-interest-bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released			Comments	
								In U.S. dollars	Convertible into any currency	Non-convertible		Not yet released
<u>WESTERN HEMISPHERE</u>												
<u>Part I Countries</u>												
Canada	750.00	67.500	-	-	-	-	67.500	-	-	-		
United States	6,350.00	571.500	-	-	-	-	571.500	-	-	-		
<u>Part II Countries</u>												
Argentina	373.30	33.597	26.000	6.597	-	-	1.000	-	-	32.597	Entire 9% released in five annual instalments of \$6.719 million through 1/1/66 on convertible basis, subject to consultation on conversion. Release suspended.	
Bolivia	21.00	1.890	.010	1.877	-	.003	-	-	-	1.890		
Brazil	373.30	33.597	33.441	-	-	.156	-	-	-	33.597		
Chile	93.30	8.397	8.264	-	-	.133	-	-	-	8.397		
Colombia	93.30	8.397	3.949	-	-	.248	4.200	4.197	-	-	Being released in dollars in semi-annual instalments of \$0.84 million through 12/1/66. Original "18%" paid and lent in dollars.	
Costa Rica *	8.00	.720	.360	-	-	-	.360	-	-	.360		
Dominican Republic	13.30	1.197	.478	.714	-	.005	-	-	-	1.197		
Ecuador	17.10	1.539	.387	-	-	-	1.152	-	-	.387	Discussions being held with respect to release of \$.387	
El Salvador	10.70	.963	.774	-	-	.009	.180	-	-	.783	Original "18%" paid and lent in dollars. Negotiations in process for release of remainder.	
Guatemala	8.00	.720	.353	-	-	.007	.360	-	-	.360	Original "18%" paid and lent in dollars.	
Haiti	15.00	1.350	.002	1.315	-	.033	-	-	-	1.350		
Honduras *	6.00	.540	-	-	-	-	.540	-	-	-		
Mexico	173.30	15.597	-	-	-	-	15.597	-	-	-		
Nicaragua	6.00	.540	.506	-	-	.034	-	-	-	.540	Negotiations are in process for release in semi-annual instalments over a 3 year period.	
Panama *	.40	.036	-	-	-	-	.036	-	-	-		
Paraguay	6.00	.540	.472	-	-	.068	-	-	.126 **	.414	\$0.126 million released for purchases in Paraguay	
Peru	35.00	3.150	-	-	-	-	3.150	-	-	-		
Uruguay *	10.50	1.890 1/	.172	-	1.452	.063	.203	1.687	-	-	To be released in semi-annual instalments of \$0.189 through 9/30/67. \$.364 due through August 31, 1964 not yet released. Original "18%" released, convertible into any currency	
Venezuela	140.00	12.600	.107	10.603	-	-	1.890	-	-	10.710		
	8,503.50	766.260	75.275	21.106	1.452	.759	667.668	5.884	.126	92.582		

^{1/} Total 18% capital

* Increase in I.B.R.D. capital subscription pending

** Generally considered unusable

Treasurer's Department
Finance Division
September 15, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Capital Subscriptions as at August 31, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total 9%	In member currency at Central Banks	In non-nego- tiable, non-interest - bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released			Comments	
								In U. S. dollars	Convertible into any currency	Non- convertible		Not yet released
<u>SOUTH ASIA AND MIDDLE EAST</u>												
<u>Part I Country</u>												
Kuwait	66.70	6.003	.060	2.943	-	-	3.000	-	3.003	-	-	Being released in semi-annual instalments through 4/15/65
<u>Part II Countries</u>												
Afghanistan	30.00	2.700	1.200	1.500	-	-	-	-	-	-	2.700	May be used only for purchases in India Original "18%" (\$ 6.048 million) released, convertible into any currency
India	800.00	72.000	.634	48.568	-	-	22.798	-	-	49.202 *	-	
Iran	90.00	8.100	-	2.052	-	-	6.048	-	-	-	2.052	
Iraq	15.00	1.350	-	-	-	-	1.350	-	-	-	-	
Israel	66.60	5.994	.056	2.997	-	-	2.941	-	-	.056	2.997	9% of 1964 capital increase not yet released
Jordan	15.00	1.350	.001	1.315	-	.034	-	-	-	-	1.350	Available for purchases in Pakistan
Lebanon	9.00	.810	-	-	-	-	.810	-	-	-	-	
Nepal	10.00	.900	.004	.891	-	.005	-	-	-	-	.900	
Pakistan	200.00	18.000	1.287	15.951	-	.600	.162	-	-	17.838 *	-	
Saudi Arabia	73.30	6.597	.015	6.575	-	.007	-	-	-	-	6.597	
Syrian Arab Republic	33.30	2.997	.002	2.953	-	.042	-	-	-	-	2.997	
United Arab Republic	142.10	12.789	.005	12.693	-	.091	-	-	-	-	12.789	
	1,551.00	139.590	3.264	98.438	-	.779	37.109	-	3.003	67.096	32.382	

* Generally considered unusable

Treasurer's Department
Finance Division
September 15, 1964

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Status of 9% Capital Subscriptions as at August 31, 1964
(Expressed in Millions of U.S. Dollar Equivalent)

Country	Total subscription	Total %	In member currency at Central Banks	In non- negotiable, non-interest- bearing, demand notes	Receivable for maintenance of value	Administrative expenses paid in member currency, not yet reimbursed	Released and on loan	Agreed to be released			Not yet released	Comments
								In U.S. dollars	Convertible into any currency	Non- convertible		
FAR EAST												
Part I Country												
Japan	666.00	59.940	-	-	-	-	59.940	-	-	-	-	
Part II Countries												
Burma	40.00	3.600	.243	2.393	-	-	.964	-	.286**	-	2.350	\$1.25 million released for purchases in Burma.
Ceylon	60.00	5.400	.595	4.265	-	-	.540	-	-	-	4.860	Original "18%" (\$2.7 million) released in annual instalments on convertible basis, subject to consultation upon conversion. Release suspended.
China	750.00	67.500	.885	66.419	-	.014	.182	-	.800	-	66.518	\$0.982 million released for purchases in China. Any additional releases subject to consultation. Request made for release of additional \$0.338 for purchases in China.
Indonesia	220.00	19.800	.185	2.800	16.802 1/	.013	-	-	-	-	19.800	
Korea	25.00	2.250	2.247	-	-	.003	-	-	2.250 **	-	-	Released for purchases in Korea.
Laos	10.00	.900	.897	-	-	.003	-	-	-	-	.900	
Malaysia *	50.00	4.500	-	-	-	-	4.500	-	-	-	-	
Philippines	100.00	9.000	6.228	-	-	.072	2.700	-	-	-	6.300	Discussions being held with respect to release of \$6.3 million.
Thailand	60.00	5.400	.038	3.027	-	.085	2.250	-	-	-	3.150	Original "18%" (\$2.3 million) released in dollars. Discussions being held for release of balance.
Viet-Nam	30.00	2.700	2.695	-	-	.005	-	-	2.300 **	-	.400	Original "18%" (\$2.3 million) released for purchases in Viet-Nam, subject to consultation.
	2,011.00	180.990	14.013	78.904	16.802	.195	71.076		5.636		104.278	

* Increase in IBRD capital subscription pending

** Generally considered unusable

^{1/} Non-negotiable, non-interest-bearing, demand note in currency equivalent to the amount has been deposited at Bank Indonesia. Awaiting formal request for note substitution to be submitted for approval.

Treasurer's Department
Finance Division
September 15, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

August 31, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non- Negotiable, Non-Interest- Bearing Demand Notes	Amount Not Yet Due <u>1/</u>	Comments
<u>Western Hemisphere</u>						
Argentina	\$ 18,830.0	\$ 16,947.0	\$ -	\$ 13,557.6	\$ 3,389.4	
Bolivia	1,060.0	954.0	-	763.2	190.8	
Brazil	18,830.0	16,947.0	13,557.6	-	3,389.4	
Chile	3,530.0	3,177.0	2,541.6	-	635.4	
Colombia	3,530.0	3,177.0	2,541.6	-	635.4	
Costa Rica	200.0	180.0	144.0	-	36.0	
Dominican Republic	400.0	360.0	288.0	-	72.0	
Ecuador	650.0	585.0	468.0	-	117.0	
El Salvador	300.0	270.0	216.0	-	54.0	
Guatemala	400.0	360.0	288.0	-	72.0	
Haiti	760.0	684.0	136.8	410.4	136.8	
Honduras	300.0	270.0	216.0	-	54.0	
Mexico	8,740.0	7,866.0	6,292.8	-	1,573.2	
Nicaragua	300.0	270.0	216.0	-	54.0	
Panama	20.0	18.0	3.6	-	3.6	Paid first three instalments of initial subscription in US\$ 10,800.
Paraguay	300.0	270.0	216.0	-	54.0	
Peru	1,770.0	1,593.0	-	1,274.4	318.6	
	<u>\$ 59,920.0</u>	<u>\$ 53,928.0</u>	<u>\$ 27,126.0</u>	<u>\$ 16,005.6</u>	<u>\$ 10,785.6</u>	

1/ Fifth instalment of initial subscription due November 9, 1964.

Treasurer's Department
Finance Division
September 16, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

August 31, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non- Negotiable, Non-Interest- Bearing Demand Notes	Amount Not Yet Due <u>1/</u>	Comments
<u>South Asia and Middle East</u>						
Afghanistan	\$ 1,010.0	\$ 909.0	\$ 424.2	\$ 303.0	\$ 181.8	
India	40,350.0	36,315.0	72.0	28,980.0	7,263.0	Member has indicated its willingness, in principle, to release some of the subscription for procurement in India.
Iran	4,540.0	4,086.0	-	3,268.8	817.2	
Iraq	760.0	684.0	-	547.2	136.8	
Israel	1,680.0	1,512.0	-	1,209.6	302.4	Proposal for release in five annual instalment beginning August 1965 has been discussed with member. Mr. Woods in his speech to annual meeting noted that agreement has been reached.
Jordan	300.0	270.0	-	216.0	54.0	Released with full convertibility in five annual instalments beginning August 1965.
Lebanon	450.0	405.0	324.0	-	81.0	
Nepal	500.0	450.0	-	360.0	90.0	
Pakistan	10,090.0	9,081.0	-	7,264.8	1,816.2	
Saudi Arabia	3,700.0	3,330.0	-	2,664.0	666.0	
Syrian Arab Republic	950.0	855.0	342.0	342.0	171.0	
United Arab Republic	5,080.0	4,572.0	-	3,657.6	914.4	
	<u>\$ 69,410.0</u>	<u>\$ 62,469.0</u>	<u>\$ 1,162.2</u>	<u>\$ 48,813.0</u>	<u>\$ 12,493.8</u>	

1/ Fifth instalment of initial subscription due November 9, 1964.

Treasurer's Department
Finance Division
September 16, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

August 31, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non- Negotiable, Non-Interest- Bearing Demand Notes	Amount Not Yet Due <u>1/</u>	Comments
<u>Far East</u>						
Burma	\$ 2,020.0	\$ 1,818.0	\$ -	\$ 1,454.4	\$ 363.6	
Ceylon	3,030.0	2,727.0	-	2,181.6	545.4	
China	30,260.0	27,234.0	-	21,787.2	5,446.8	
Korea	1,260.0	1,134.0	907.2	-	226.8	
Laos	500.0	450.0	360.0	-	90.0	
Malaysia	2,520.0	2,268.0	-	1,814.4	453.6	
Philippines	5,040.0	4,536.0	-	3,628.8	907.2	
Thailand	3,030.0	2,727.0	-	2,181.6	545.4	
Viet-Nam	1,510.0	1,359.0	1,087.2	-	271.8	
	<u>\$ 49,170.0</u>	<u>\$ 44,253.0</u>	<u>\$ 2,354.4</u>	<u>\$ 33,048.0</u>	<u>\$ 8,850.6</u>	

1/ Fifth instalment of initial subscription due November 9, 1964.

Treasurer's Department
Finance Division
September 16, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

August 31, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non- Negotiable, Non-Interest- Bearing Demand Notes	Amount Not Yet Due <u>1/</u>	Comments
<u>Europe 2/</u>						
Cyprus	\$ 760.0	\$ 684.0	\$ -	\$ 547.2	\$ 136.8	Member has stated that at present it is not in a position to make any release.
Greece	2,520.0	2,268.0	1,814.4	-	453.6	
Iceland	100.0	90.0	-	72.0	18.0	
Ireland	3,030.0	2,727.0	-	2,157.5	545.4	The equivalent of \$24,100 has been released and disbursed. The balance of the 90% subscription has been released, convertible into any currency, in five annual instalments beginning November 1965.
Spain	10,090.0	9,081.0	5,448.6	1,816.2	1,816.2	
Turkey	5,800.0	5,220.0	-	4,176.0	1,044.0	
Yugoslavia	4,040.0	3,636.0	2,908.8	-	727.2	
	<u>\$ 26,340.0</u>	<u>\$ 23,706.0</u>	<u>\$ 10,171.8</u>	<u>\$ 8,768.9</u>	<u>\$ 4,741.2</u>	

1/ Fifth instalment of initial subscription due November 9, 1964.

2// Formal application for membership of Portugal is expected shortly. It will however probably be a Part I Country.

Treasurer's Department
Finance Division
September 16, 1964

INTERNATIONAL DEVELOPMENT ASSOCIATION

Status of 90% Subscriptions

August 31, 1964

(Expressed in United States Currency - in thousands)

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non- Negotiable, Non-Interest- Bearing Demand Notes	Amount Not Yet Due 1/	Comments
<u>Africa</u>						
Algeria	\$ 4,030.0	\$ 3,627.0	\$ -	\$2,901.6	\$ 725.4	
Burundi	760.0	684.0	-	547.2	136.8	
Cameroon	1,010.0	909.0	-	727.2	181.8	
Central African Republic	500.0	450.0	-	360.0	90.0	
Chad	500.0	450.0	-	360.0	90.0	
Congo (Brazzaville)	500.0	450.0	-	360.0	90.0	
Congo (Leopoldville)	3,020.0	2,718.0	2,174.4	-	543.6	
Dahomey	500.0	450.0	-	360.0	90.0	
Ethiopia	500.0	450.0	-	360.0	90.0	
Gabon	500.0	450.0	-	360.0	90.0	
Ghana	2,360.0	2,124.0	-	1,699.2	424.8	
Ivory Coast	1,010.0	909.0	-	727.2	181.8	
Kenya	1,680.0	1,512.0	-	1,209.6	302.4	
Liberia	760.0	684.0	-	547.2	136.8	
Libya	1,010.0	909.0	-	727.2	181.8	
Malagasy Republic	1,010.0	909.0	-	727.2	181.8	
Mali	870.0	783.0	626.4	-	156.6	
Mauritania	500.0	450.0	-	360.0	90.0	
Morocco	3,530.0	3,177.0	-	2,541.6	635.4	
Niger	500.0	450.0	-	360.0	90.0	
Nigeria	3,360.0	3,024.0	-	2,419.2	604.8	
Rwanda	760.0	684.0	-	547.2	136.8	
Senegal	1,680.0	1,512.0	-	1,209.6	302.4	
Sierra Leone	760.0	684.0	-	547.2	136.8	

- continued -

COUNTRY - PART II	Total Initial Subscription	Total 90% Portion Initial Subscription	Held in Member Currency at Central Banks	In Non- Negotiable, Non-Interest- Bearing Demand Notes	Amount Not Yet Due <u>1/</u>	Comments
<u>Africa</u> (Contd.)						
Somalia	\$ 760.0	\$ 684.0	\$ 547.2	\$ -	\$ 136.8	
Sudan	1,010.0	909.0	-	727.2	181.8	
Tanganyika and Zanzibar	1,680.0	1,512.0	-	1,209.6	302.4	
Togo	760.0	684.0	-	547.2	136.8	
Tunisia	1,510.0	1,359.0	-	1,087.2	271.8	
Uganda	1,680.0	1,512.0	-	1,209.6	302.4	
Upper Volta	500.0	450.0	-	360.0	90.0	
	<u>\$ 39,510.0</u>	<u>\$ 35,559.0</u>	<u>\$ 3,348.0</u>	<u>\$ 25,099.2</u>	<u>\$ 7,111.8</u>	

1/ Fifth instalment of initial subscription due November 9, 1964.

Treasurer's Department
Finance Division
September 16, 1964

FORM No. 198
(6-59)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FROM: THE SECRETARY

Date

8/5/64

SecM

64-190

D I S T R I B U T I O N

Executive Directors and Alternates

President

Vice Presidents

Department Heads

Assistant Department Heads

Division Chiefs

Secretary, IMF

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Availability of 9% Capital

(As of June 30, 1964)

S U M M A R Y

1. A summary of the availability of 9% capital for lending is as follows:

	(in million \$ equivalent)	
On Loan	1,468.5	
Usable by June 30, 1969	<u>24.0</u>	1,492.5
Not yet released, or, released but without a use in sight		<u>415.2</u>
Total 9%		<u><u>1,907.7</u></u>

The total 9% capital on loan and usable is thus \$1,492.5 million compared with \$1,482.6 million at June 30, 1963, showing an increase of \$9.9 million during the year. The increase is the result of releases by Kuwait (\$6 million), Libya (\$1.8 million) and China (\$1.0 million) and of using 9% capital from India (\$1.1 million) to finance purchases in India.

Since June 30, 1964, Iraq has released the balance of its 9% subscription, amounting to \$270,000, on convertible basis. Yugoslavia has agreed to release the balance of its 9% subscription, amounting to \$7.89 million on a dollar basis.

2. Attached is a detailed statement together with a chart, showing the availability of the 9% capital.

Attachments

Treasurer's Department
July 1964

Availability of 9% Capital

(in million U.S.\$ equivalent; disbursements
as of June 30, 1964; figures in parentheses refer to total 9%)

	<u>On Loan</u>	<u>Usable</u>	<u>Balance</u>
<u>Afghanistan</u> (\$2.70 million)			
No release.	--	--	2.70
<u>Algeria</u> (\$7.20 million)			
No release.	--	--	7.20
<u>Argentina</u> (\$33.60 million)			
Entire 9% released in five annual installments of \$6,719,000 through January 1, 1966 on convertible basis, subject to consultation on conversion. Release suspended.	1.00	--	32.60
<u>Australia</u> (\$47.97 million)			
Entire 9% released, convertible into any currency.	47.97	--	--
<u>Austria</u> (\$9.00 million)			
Entire 9% released, convertible into any currency.	9.00	--	--
<u>Belgium</u> (\$40.50 million)			
Entire 9% released, convertible into any currency.	40.50	--	--
<u>Bolivia</u> (\$1.89 million)			
No release.	--	--	1.89
<u>Brazil</u> (\$33.60 million)			
No release.	--	--	33.60
<u>Burma</u> (\$3.60 million)			
\$1.25 million released for purchases in Burma.	.96	--	2.64
<u>Burundi</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Cameroon</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Canada</u> (\$67.50 million)			
Entire 9% released, convertible into any currency.	67.50	--	--
<u>Central African Republic</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Ceylon</u> (\$5.40 million)			
Original 9% (\$2.70 million) released in annual installments of \$540,000 on convertible basis, subject to consultation on conversion. Release suspended.	0.54	--	4.86
<u>Chad</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Chile</u> (\$8.40 million)			
No release.	--	--	8.40
<u>China</u> (\$67.50 million)			
\$1.0 million released for purchases in Taiwan; further releases subject to consultation.	0.10	0.90	66.50
<u>Colombia</u> (\$8.40 million)			
Entire 9% to be paid and lent in dollars in semi-annual (January and July 1) installments of \$840,000 through December 1, 1966.	3.36	5.04	--

Explanation:

On Loan: Disbursements less repayments at June 30, 1964. No account has been taken of 9% used for administrative expenses.

Usable: All convertible releases usable before June 30, 1969 and all tied releases for which the Bank has a specific use in sight under existing loans.

Balance: Capital not yet released, or released only subject to consultation, or so restricted that the Bank does not have a use in sight.

	<u>On Loan</u>	<u>Usable</u>	<u>Balance</u>
<u>Congo (Brazzaville)</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Congo (Leopoldville)</u> (\$5.40 million)			
No release.	--	--	5.40
<u>Costa Rica</u> (\$0.72 million)			
Original 9% (\$360,000) paid and lent in dollars.	0.36	--	0.36
<u>Cyprus</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Dahomey</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Denmark</u> (\$15.60 million)			
Entire 9% released; convertible into any currency.	15.60	--	--
<u>Dominican Republic</u> (\$0.72 million)			
No release.	--	--	0.72
<u>Ecuador</u> (\$1.54 million)			
Original 9% (\$1.15 million) paid and lent in dollars.	1.15	--	0.39
<u>El Salvador</u> (\$0.96 million)			
Original 9% (\$180,000) paid and lent in dollars.	0.18	--	0.78
<u>Ethiopia</u> (\$0.90 million)			
Entire 9% paid and lent in dollars.	0.90	--	--
<u>Finland</u> (\$6.84 million)			
Entire 9% released; unused balance available for purchases in Finland or for conversion into any currency on January 1, 1965.	6.38	0.46	--
<u>France</u> (\$94.50 million)			
Entire 9% released, convertible into any currency.	94.50	--	--
<u>Gabon</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Germany</u> (\$94.50 million)			
Entire 9% released, convertible into any currency.	94.50	--	--
<u>Ghana</u> (\$4.20 million)			
Original 9% (\$2.70 million) released, convertible into any currency.	2.70	--	1.50
<u>Greece</u> (\$4.50 million)			
Half of 9% released subject to consultation.	--	--	4.50
<u>Guatemala</u> (\$0.72 million)			
Original 9% (\$0.36 million) paid and lent in dollars.	0.36	--	0.36
<u>Guinea</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Haiti</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Honduras</u> (\$0.54 million)			
Entire 9% paid and lent in dollars.	0.54	--	--
<u>Iceland</u> (\$1.35 million)			
Original 9% (\$0.18 million) paid and lent in dollars.	0.18	--	1.17
<u>India</u> (\$72.00 million)			
Entire 9% released; \$21.60 million convertible into any currency; \$50.40 million for purchases in India.	22.80	--	49.20

	<u>On Loan</u>	<u>Usable</u>	<u>Balance</u>
<u>Indonesia</u> (\$19.80 million)			
No release.	--	--	19.80
<u>Iran</u> (\$8.10 million)			
Original 9% (\$6.05 million) released, convertible into any currency.	6.05	--	2.05
<u>Iraq</u> (\$1.35 million)			
Original 9% (\$1.08 million) released, convertible into any currency.	1.08	--	0.27
<u>Ireland</u> (\$5.40 million)			
Entire 9% released; unused balance available on January 1, 1965, for conversion into any currency.	4.75	0.65	--
<u>Israel</u> (\$6.00 million)			
Original 9% (\$3.00 million) released; unused balance available for purchases in Israel.	2.94	0.06	3.00
<u>Italy</u> (\$32.40 million)			
Entire 9% released, convertible into any currency.	32.40	--	--
<u>Ivory Coast</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Jamaica</u> (\$2.40 million)			
No release.	--	--	2.40
<u>Japan</u> (\$59.94 million)			
Entire 9% released, convertible into any currency.	59.94	--	--
<u>Jordan</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Kenya</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Korea</u> (\$2.25 million)			
Entire 9% released for purchases in Korea.	--	--	2.25
<u>Kuwait</u> (\$6.00 million)			
Entire 9% released and available in semi-annual installments of \$1.5 million through April 15, 1965, convertible into any currency.	3.00	3.00	--
<u>Laos</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Lebanon</u> (\$0.81 million)			
Entire 9% paid and lent in dollars.	0.81	--	--
<u>Liberia</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Libya</u> (\$1.80 million)			
Entire 9% to be paid and lent in dollars in annual installments of \$0.6 million through December 1, 1965.	0.60	1.20	--
<u>Luxembourg</u> (\$1.80 million)			
Entire 9% released, convertible into any currency.	1.80	--	--
<u>Malagasy Republic</u> (\$1.80 million)			
No release.	--	--	1.80
<u>Malaysia</u> (\$4.50 million)			
Entire 9% released, convertible into any currency.	4.50	--	--
<u>Mali</u> (\$1.55 million)			
No release.	--	--	1.55

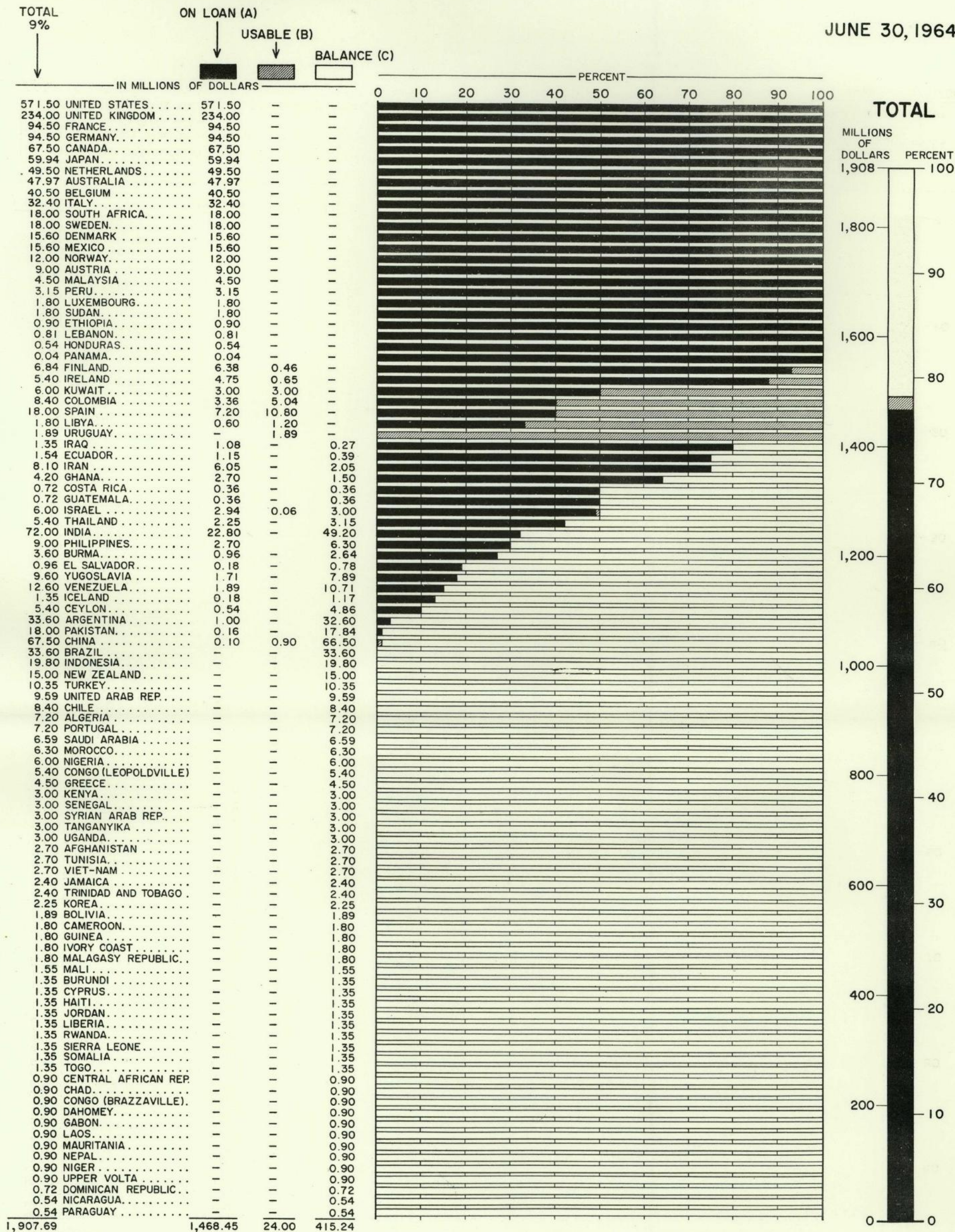
	<u>On Loan</u>	<u>Usable</u>	<u>Balance</u>
<u>Mauritania</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Mexico</u> (\$15.60 million)			
Entire 9% released for purchases anywhere.	15.60	--	--
<u>Morocco</u> (\$6.30 million)			
No release.	--	--	6.30
<u>Nepal</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Netherlands</u> (\$49.50 million)			
Entire 9% released, convertible into any currency.	49.50	--	--
<u>New Zealand</u> (\$15.00 million)			
No release.	--	--	15.00
<u>Nicaragua</u> (\$0.54 million)			
No release.	--	--	0.54
<u>Niger</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Nigeria</u> (\$6.00 million)			
No release.	--	--	6.00
<u>Norway</u> (\$12.00 million)			
Entire 9% released, convertible into any currency.	12.00	--	--
<u>Pakistan</u> (\$18.00 million)			
Entire 9% available for purchases in Pakistan.	0.16	--	17.84
<u>Panama</u> (\$36,000)			
Entire 9% paid and lent in dollars.	0.04	--	--
<u>Paraguay</u> (\$0.54 million)			
\$126,000 released for purchases in Paraguay.	--	--	0.54
<u>Peru</u> (\$3.15 million)			
Entire 9% paid and lent in dollars.	3.15	--	--
<u>Philippines</u> (\$9.00 million)			
Original 9% (\$2.70 million) paid and lent in dollars.	2.70	--	6.30
<u>Portugal</u> (\$7.20 million)			
No release.	--	--	7.20
<u>Rwanda</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Saudi Arabia</u> (\$6.59 million)			
No release.	--	--	6.59
<u>Senegal</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Sierra Leone</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Somalia</u> (\$1.35 million)			
No release.	--	--	1.35

	<u>On Loan</u>	<u>Usable</u>	<u>Balance</u>
<u>South Africa</u> (\$18.00 million)			
Entire 9% released, convertible into dollars and sterling.	18.00	--	--
<u>Spain</u> (\$18.00 million)			
Entire 9% released and available in annual installments of \$3.6 million through October 1, 1966, convertible into any currency.	7.20	10.80	--
<u>Sudan</u> (\$1.80 million)			
Entire 9% released, convertible into any currency.	1.80	--	--
<u>Sweden</u> (\$18.00 million)			
Entire 9% released, convertible into any currency.	18.00	--	--
<u>Syrian Arab Republic</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Tanganyika</u> (\$3.00 million)			
No release.	--	--	3.00
<u>Thailand</u> (\$5.40 million)			
Original 9% (\$2.25 million) paid and lent in dollars.	2.25	--	3.15
<u>Togo</u> (\$1.35 million)			
No release.	--	--	1.35
<u>Trinidad and Tobago</u> (\$2.40 million)			
No release.	--	--	2.40
<u>Tunisia</u> (\$2.70 million)			
No release.	--	--	2.70
<u>Turkey</u> (\$10.35 million)			
Original 9% (\$7.70 million) released for purchases in Turkey.	--	--	10.35
<u>Uganda</u> (\$3.00 million)			
No release.	--	--	3.00
<u>United Arab Republic</u> (\$9.59 million)			
No release.	--	--	9.59
<u>United Kingdom</u> (\$234.00 million)			
Entire 9% released, convertible into any currency.	234.00	--	--
<u>United States</u> (\$571.50 million)			
Entire 9% released, convertible into any currency.	571.50	--	--
<u>Upper Volta</u> (\$0.90 million)			
No release.	--	--	0.90
<u>Uruguay</u> (\$1.89 million)			
Entire 9% to be paid and lent in dollars in semi-annual installments of \$189,000 through September 30, 1967.	--	1.89	--
<u>Venezuela</u> (\$12.60 million)			
Original 9% (\$1.89 million) released, convertible into any currency.	1.89	--	10.71
<u>Viet-Nam</u> (\$2.70 million)			
Original 9% (\$2.30 million) released for purchases in Viet-Nam, subject to consultation.	--	--	2.70
<u>Yugoslavia</u> (\$9.60 million)			
\$1.85 million released for purchases in Yugoslavia, subject to use of two dinars' worth of transferable currency for each 9% dinar used.	1.71	--	7.89
Total 9%: \$1,907.69 million	1,468.45	24.00	415.24

AVAILABILITY OF 9% CAPITAL - TO JUNE 30, 1969

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

JUNE 30, 1964



EXPLANATION

A. ON LOAN: DISBURSEMENTS LESS REPAYMENTS AT JUNE 30, 1964. NO ACCOUNT HAS BEEN TAKEN OF 9% USED FOR ADMINISTRATIVE EXPENSES.

B. USABLE: ALL CONVERTIBLE RELEASES USABLE BEFORE JUNE 30, 1969, AND ALL TIED RELEASES FOR WHICH THE BANK HAS A SPECIFIC USE IN SIGHT UNDER EXISTING LOANS.

C. BALANCE: CAPITAL NOT YET RELEASED, OR RELEASED ONLY SUBJECT TO CONSULTATION OR SO RESTRICTED THAT THE BANK DOES NOT HAVE A USE IN SIGHT.

DECLASSIFIED

Date: 11/15/2010

SRB

CONFIDENTIAL

SSM/M/64-20

June 11, 1964

SENIOR STAFF MEETING

Room 946, June 3, 1964, 9:30 a.m.

Present: Messrs. Woods (Chairman), Knapp, Aldewereld, Alter, Broches, Cargill, Cavanaugh, Consolo, Demuth, Graves, Howell, Johnson, Mendels, Moussa, Reid, Avramovic, Fontein, Wishart, Davies (Secretary)

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RELEASE OF IBRD 9% AND IDA 90% SUBSCRIPTIONS

3. The meeting considered the paper on the above subject (SSM/A/64-28), and accepted its conclusions. It was agreed that a statement in the form of Annex I to the paper should be circulated to the Executive Directors asking them to examine with Part II IDA countries whether the latter could release all or part of their 90% subscriptions, either for exports or on a convertible basis.

4. The Chairman, noting the recommendation of the paper that no attempt be made at this stage to use 90% IDA subscriptions of Part II countries for domestic purposes, said that, having had in mind that releases from the 90% subscriptions might offer some governments a more convenient way of supplying quasi-equity funds to development finance companies than doing so directly, he was glad to note that Annex I left open the possibility that, in exceptional cases, internal uses of 90% subscriptions might eventually be undertaken.

DECLASSIFIED

Date: 11/15/2010 SDB

CONFIDENTIAL

SENIOR STAFF MEETING

SSM/A/64-30/1

May 19, 1964

ADDITIONAL SUBJECT FOR DISCUSSION

In addition to the paper on "Guide Lines Relating to Procurement under Bank Loans and IDA Credits" (SSM/A/64-25), the paper on "Release of IBRD 9% and IDA 90% Subscriptions" (SSM/A/64-28) will also be considered at the May 20 meeting.

C. H. Davies
Secretary

Distribution:

President
Vice Presidents (Bank and IFC)
Special Adviser
Department Heads
Mr. de Wilde
Personal Assistant to the President

DECLASSIFIED

Date: 11/15/2010 STB

CONFIDENTIAL

SENIOR STAFF MEETING

SSM/A/64-28

May 13, 1964

RELEASE OF IBRD 9% AND IDA 90% SUBSCRIPTIONS

The attached report on problems relating to the release and use of IBRD 9% and IDA 90% subscriptions of Part II countries, based on discussion by a group under the chairmanship of Mr. Rist, is circulated with a view to discussion at an early meeting.

C. H. Davies
Secretary

Distribution:

President
Vice Presidents (Bank and IFC)
Special Adviser
Department Heads
Mr. de Wilde
Personal Assistant to the President

Copies for information:

Assistant Department Heads
Director, E.D.I.

April 30, 1964

RELEASE OF IBRD 9% AND IDA 90% SUBSCRIPTIONS

1. Meetings were held on the above subject on April 2 and 10, 1964. The meetings were chaired by Mr. L.B. Rist (Office of the President) and included Mr. R.W. Cavanaugh (Treasurer), Mr. J. Hulley (Consultant, Economic Department) who served as secretary, and the following officers of Area Departments in at least one of the meetings:

Mr. J.H. Williams	(Africa)
Mr. S.N. McIvor	"
Mr. S.R. Cope	(Europe)
Mr. D.J. Fontein	"
Mr. C.H. Thompson	"
Mr. I.P.M. Cargill	(Far East)
Mr. A. Stevenson	(South Asia & Middle East)
Mr. O.A. Schmidt	(Western Hemisphere)
Mr. B.A. de Vries	" "

2. The discussion included first a country-by-country review of the prospects for release of IBRD 9% subscriptions; this is summarized in the attached Tables^{1/}. The discussion also covered the five general questions which follow, about the method of securing both IBRD and IDA releases and their use.

A. Concerning the 9% Subscriptions to IBRD

3. General versus Country-by-Country Approach: The question was raised whether the Bank should systematically approach all countries which have not yet agreed to release the full amount of their subscription, or whether it would be wiser to seize suitable opportunities for discussions with individual countries, taking into account their position and our relation to them.

4. In favor of a general approach, it can be argued that making their capital subscriptions available for lending is an obligation of the member countries, and that it is easier to approach any one country when all others are also being approached. General approaches have been used twice before, the last time in 1957. Letters from the Bank were not identical; there were about five different form letters. Some additional releases resulted.

5. In favor of a country-by-country approach, it may be said that it would be useless or even unwise from the point of view of our relations with them, to request releases now from countries such as Ceylon and Brazil, which are in a balance of payments crisis; or from various new African nations which can expect no Bank loans; or from countries in military or political crisis, like Cyprus, Greece, Turkey, Laos and Viet-Nam. Releases can most effectively be sought when countries are in a fair financial position or when they are receiving IBRD loans and perhaps, very rarely,

^{1/} Annex II.

when they are receiving IDA credits. In fact the Area Departments are continuously following up on the approaches of the late 1950's by direct contact with the countries where the prospects seem to warrant it.

6. It is therefore recommended that we should continue the country-by-country approach, seizing every favorable occasion to request releases.

7. Use of 9% Subscription. Besides financing exports of goods and services included in IBRD projects, or releases in convertible form, are there any other uses which could be made of IBRD 9% subscriptions?

8. One possibility might be the domestic use of the 9% subscriptions to assist in internal investments which would not otherwise occur. The Inter-American Development Bank is said to use releases for such purposes. There may perhaps be cases where these subscriptions could be used, without damaging the Bank's relation to its members, to influence the direction of development, or where providing (or creating) money or credit through the release of these subscriptions might be easier for the member country than through other financial procedures.

9. Against these arguments, it can be said that the Bank's primary mission is to arrange the transfer of resources between countries rather than within them. But even disregarding this general point, internal intervention by the method proposed would most likely serve no practical purpose. Most governments are sufficiently sophisticated to be able to provide, by themselves, the amounts which they could provide to IBRD to use locally. In the case of Pakistan, for instance, the Government should not find it any easier to release to IBRD than to add directly to the resources of a development finance company. It should also be pointed out that it would be more natural for the interest payable on such funds to accrue to the government which provides them rather than to the IBRD, which in this case would only serve as a channel. Moreover, lending of local currencies for internal purposes might seem costly to the country whose currency is used, when it would have to maintain the dollar equivalent value of the loans just as if the 9% had remained unused. This has proved a difficult problem for the Inter-American Development Bank, which makes the ultimate borrower responsible for the maintenance of value. Last but not least it should be emphasized that the practice of accepting 9% subscriptions for local use would effectively undermine the drive to secure convertible releases or releases for exports.

10. It is therefore recommended that the Bank should not use 9% subscriptions to finance domestic investment. It should continue to seek releases for exports or, to the extent the subscription cannot be so used, on a convertible basis.

11. One special form of domestic use of the 9% subscriptions could conceivably be to finance local exporters to enable them to give credit to their external customers. Mr. Hulley has been asked to explore this question.

B. Concerning the 90% Subscriptions to IDA

12. Should the Part II Countries be Asked for their 90% Subscription? The Articles of Agreement (Article IV, Section 1(a))^{1/} and the accompanying Report of the Executive Directors (paragraph 6)^{1/} clearly envisage that at least the more developed Part II countries will contribute their 90% subscriptions.

13. Since IDA, like the Bank, is a cooperative institution, it could be expected from the more advanced countries that they assist the less fortunate ones. Financing of exports with 90% subscriptions is a practice for which the Bank has set a precedent. We already know of small amounts of exports from Ireland and Malaysia which could have been financed in this manner. One Part II country -- India -- has suggested that part of its 90% subscription could be used to finance a portion of the price of the exports required for IDA projects located in other countries (another portion being paid by IDA in convertible currencies). It is moreover likely that some releases in convertible form could be hoped for from the more prosperous members. True, the aggregate amount of such releases would be less important than the principle involved. But if it were known that Part II countries are making some voluntary contribution to the common effort, future replenishment of IDA resources by Part I countries might be facilitated.

14. On the other hand, one cannot ignore the fact that there is a difference between 9% Bank and 90% IDA subscriptions. The sacrifice implied in IDA releases is heavier. Bank releases could theoretically revert to the shareholder as and when the loans are repaid. In the case of IDA the period involved is much longer and the risk is much greater. Furthermore, IBRD 9% subscription releases rank for dividend, which is not the case with IDA. Another consideration is that all Bank countries can in principle expect to borrow either from it or at least from IDA. But this is not so for IDA Part II members. Only some of them can expect to receive credits, and they are precisely those for which a release would be a greater burden. But a number of Part II countries cannot expect to receive credits. Asking them to contribute more than the original 10% in convertible form or for exports puts them, as far as their original subscription is concerned, in a position comparable to that of a Part I member. This may be unobjectionable in a few cases, but it could not be made a general rule for all. The authors of the Articles of Agreement were wise to avoid making a contribution of the 90% mandatory.

15. It is recommended that a careful selection be made of the few countries which are so advanced or so prosperous that a release of at least a fraction of their 90% would not constitute a substantial burden. Iceland, Ireland, Israel, Malaysia, Mexico, Spain, Thailand and Yugoslavia might be selected for a first direct approach. Release in full by all of these would yield about \$30 million. Contributions for export financing would also be useful from any country which can be expected to compete for exports within the framework of IDA operations.

^{1/} Quoted in Annex I

16. General versus Country-by-Country Approach: The preceding paragraphs lead to the conclusion that a general approach, in the form of a circular letter from IDA, even if worded in careful terms, could result in unfortunate misunderstandings. It is however recommended that a general approach in another form be attempted. The President could ask the Executive Directors to consider seriously whether the countries they represent can, at this point or in the near future, release all or part of their 90% subscription either to finance exports under IDA credits, or on a convertible basis. On their side, the Area Departments could discuss the possibility of a release with a few selected countries -- mentioned above -- as and when an opportunity presents itself. A suggested draft statement by the President to the Executive Directors along these lines is attached (Annex I).

17. Use of Local Currency Subscriptions: Here also the question arises whether there are any uses for IDA 90% subscriptions, other than financing of exports, included in IDA projects or convertible releases.

18. One suggestion is contained in the Articles of Agreement of IDA (Article IV Section 1(a))^{1/} which specifically permit the domestic use of 90% subscriptions. Using IDA subscribed capital to facilitate some local investment might well convey the impression that Part II countries are making some contribution to development in addition to the initial 10% part of their subscription. As in the case of IBRD 9%, Mr. Hulley has been asked to explore whether other uses could be devised.

19. The arguments given in paragraph 9 above against domestic use of 9% IBRD subscriptions are however just as strong here, although of course the service charges raise less of a problem than the Bank interest rate. There is, moreover, a difference between IBRD and IDA, namely that in IDA the obligation to maintain the value of subscriptions lapses once they have been used. Thus the governments may be even more tempted than in the case of the Bank to use their subscription for domestic purposes. It should also be noted that this question was reviewed at the time the Articles were discussed by the Executive Directors. The U.S. Executive Director expressed considerable interest in the use of funds contributed by Part II countries within their own borders. He also indicated that the U.S. might at some time wish to turn over to IDA for this purpose local currencies accruing from sales of surplus agricultural products under PL 480. However the Executive Directors and Alternates for Australia, Canada, Holland, Libya, Spain, South Africa, Sweden and the U.K. expressed doubts about such use of local currencies. They pointed to the possible harmful inflationary impact. And the Indians felt that such use did not involve any real addition to the resources of the Part II country concerned, being only a substitution for other funds, an accounting device. Mr. Black said

On the proposal that IDA re-lend to members their own currencies, probably with interest, perhaps at 6 per cent, he wondered why such members would not prefer simply to appropriate funds to carry out the projects directly.^{2/}

^{1/} Quoted in Annex I

^{2/} Meeting of Financial Policy Committee, 29 Oct. 1959 (Summarized in Secretariat Memorandum of same date, p.2.)

20. It is recommended that no attempt be made at this stage to use 90% IDA subscriptions of Part II countries for domestic purposes. The suggested statement by the President to the Executive Directors (Annex I) includes a brief review of the arguments in favor of this recommendation.

ANNEXES:

- I Draft of President's Statement to IDA Executive Directors, Proposing Release of 90% Subscriptions by Part II Countries.
- II Summary Tables: Review of Status of IBRD 9% Local Currency Subscriptions.

ANNEX I

Draft of President's Statement to IDA Executive Directors, Proposing Release of 90% Subscriptions by Part II Countries

As the Executive Directors will remember, the International Bank has in the past made general and individual approaches to its member countries to release their 9% subscriptions in a form usable for our loan operations. The results have been on the whole satisfactory. They include both convertible releases and releases to finance exports to other members. As you are aware, discussions are actively continuing with a number of member countries.

I would now like to ask the Executive Directors to examine with the Part II countries of IDA which they represent whether they can, at this point or in the near future, release all or part of their 90% subscription, at once or in tranches, either for exports or on a convertible basis.

When IDA was organized, the Part I countries obligated themselves to provide the full amount of their original subscriptions in convertible form. Part II countries provided one-tenth of their subscription in convertible currencies, and nine-tenths were subscribed in local currency. Article IV, Section 1(a) of the Articles of Agreement states that

"when and to the extent justified by the economic and financial situation of the member concerned as determined by agreement between the member and the Association, such currency shall be freely convertible or otherwise usable for projects financed by the Association and located outside the territories of the member".

The Report of the Executive Directors accompanying the Articles of Agreement states in paragraph 6

"While the members listed in Part II have no legal obligation to make more than 10% of their initial subscription available to the Association on a freely convertible basis, it is hoped that the more developed of these countries, upon accepting membership in the Association or reasonably soon thereafter, will be in a position to release at least some part of the 90% portion of their subscription."

In other words, the founders of the Association, while aware of the problems which Part II countries may encounter in releasing the 90% portion of their subscription, believed that those who could contribute to the resources of IDA should do so whenever possible.

I have the feeling that this is in strict conformity with the spirit of a cooperative organization where, as and when the members become able to assist their partners, they hasten to do so. Since the replenishment of IDA's resources by Part I countries is now under way, it seems to me that

this may be a particularly suitable time to examine whether Part II countries can, on their side, place some of their local currency subscription at the disposal of the Association, either for exports or on a convertible basis.

As you will recall, internal use of local currencies was also considered by the Executive Directors and the Financial Policy Committee during the discussions of 1959 and 1960 which led to the formation of IDA. As a result it was provided in the Articles of Agreement that IDA might use 90% subscriptions for internal purposes "insofar as consistent with sound monetary policies".^{1/}

However, several of the Executive Directors, as well as my predecessor Mr. Black, raised questions about the usefulness of such operations. Some emphasized the danger of inflationary effects. Others questioned why countries would wish to pay service charges to IDA for currency which they could presumably raise internally. Still another objection was that this use of IDA subscriptions could be described as an accounting device, since the recipient country would be likely to substitute them for funds already provided.

There may be exceptional cases where internal use of 90% subscriptions might serve the objectives of IDA. I would not want to exclude completely the possibility that such expenditures might one day be undertaken.

At this moment, however, when we are just beginning to devise a program for utilizing the 90% subscriptions to IDA of the Part II countries, it seems most sensible to concentrate our efforts along lines where the value of the contribution is obvious. That is why I am recommending that we consider releases to finance exports, or on a fully convertible basis.

I am aware that for a number of Part II countries there may be, at this stage, insurmountable obstacles, but I also remember that when the Bank made similar general approaches with respect to its own local currency subscriptions, it met with a response which on the whole was gratifying. One of the Part II countries already has suggested that part of its IDA subscription might perhaps be used for export purposes, and it is one of those whose income per head is among the lowest.

I should be deeply interested in hearing the results of inquiry by the Executive Directors. Meanwhile, the Directors of Area Departments may, if the opportunity arises, discuss this matter with the countries which seem to them likely to be able to respond favorably to our request.

^{1/} "Currency of any member listed in Part II of Schedule A, whether or not freely convertible, received by the Association pursuant to Article II, Section 2(d), in payment of the ninety per cent portion payable thereunder ... may be used by the Association ... insofar as consistent with sound monetary policies, in payment for goods and services produced in the territories of such member and required for projects financed by the Association and located in such territories;" (Article IV, Section 1(a)).

ANNEX II

SUMMARY TABLES

COUNTRY-BY-COUNTRY REVIEW OF

STATUS OF IBRD 9% SUBSCRIPTIONS

PART II COUNTRIES

1. The Tables which follow are derived from those issued by the Treasurer's Department, Finance Division, March 31, 1964, entitled "IBRD, Summary of Status of 9% Subscriptions as of February 29, 1964". They also reflect comments supplied by the Area Departments.
2. The Tables include only Part II countries (following the IDA nomenclature). All Part I countries have made full convertible releases of their 9%, with the exception of New Zealand, a recent adherent with whom discussions are now in progress.
3. The Tables distinguish between convertible releases and those which may be used only to finance exports to other countries under IBRD projects. While some of these restricted releases have been so used, it seems doubtful at present whether the bulk of them are usable.
4. The subscriptions of a number of countries have been subject to special increases (as distinct from the general increase of 1959). The asterisk identifies countries which have made full release on account of their original subscriptions, but not on account of the special increases.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

A F R I C A

A. Full Convertible Release

- 1) Release completed
ETHIOPIA
SUDAN
- 2) Being released over a period
LIBYA

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance
--
- 4) Department feels approach would be inappropriate now
GHANA (Convertible)*

C. No Release

- 5) Department feels approach might be considered

ALGERIA	(on the occasion of a loan)
GABON	(")
MOROCCO	(")
NIGERIA	(")
SIERRA LEONE	(")
TUNISIA	(")
- 6) Department feels approach would be inappropriate now

BURUNDI	MALAGASY REPUBLIC
CAMEROON	MALI
CENTRAL AFRICAN REPUBLIC	MAURITANIA
CHAD	NIGER
CONGO (BRAZZAVILLE)	RWANDA
CONGO (LEOPOLDVILLE)	SENEGAL
DAHOMEY	SOMALIA
GUINEA	TANGANYIKA
IVORY COAST	TOGO
KENYA	UGANDA
LIBERIA	UPPER VOLTA

* See covering page, paragraph 4.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

E U R O P E

A. Full Convertible Release

- 1) Release completed

--

- 2) Being released over a period

IRELAND
SPAIN

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance

ICELAND (Convertible)*
YUGOSLAVIA (Full release. Part convertible, remainder
for exports only)

- 4) Department feels approach would be inappropriate now

GREECE (Partial release, for exports only)
TURKEY (" " " ")

C. No Release

- 5) Department feels approach might be considered

JAMAICA (on the occasion of a loan)
PORTUGAL (under negotiation)
TRINIDAD AND TOBAGO (on the occasion of a loan)

- 6) Department feels approach would be inappropriate now

CYPRUS

* See covering page, paragraph 4.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

F A R E A S T

A. Full Convertible Release

- 1) Release completed
MALAYSIA
- 2) Being released over a period

--

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance

CHINA	(Partial release, for exports only)
PHILIPPINES	(Partial release, convertible)
THAILAND	(Convertible)*
- 4) Department feels approach would be inappropriate now

BURMA	(Partial release, for exports only)
CEYLON	(Partial release, convertible; releases suspended)
KOREA	(Full release, for exports only)
VIET-NAM	(Partial release, for exports only)

c. No Release

- 5) Department feels approach might be considered

--

- 6) Department feels approach would be inappropriate now

INDONESIA
LAOS

* See covering page, paragraph 4.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

SOUTH ASIA AND MIDDLE EAST

A. Full convertible release

- 1) Release completed
LEBANON
- 2) Being released over a period

--

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance

INDIA	(Full release. Part convertible, remainder for exports only)
IRAN	(Partial release, convertible)
IRAQ	(Convertible)*
ISRAEL	(Full release. Part convertible, remainder for exports only)
PAKISTAN	(Full release, for exports only)
- 4) Department feels approach would be in appropriate now

--

C. No Release

- 5) Department feels approach might be considered

SAUDI ARABIA
SYRIAN ARAB REPUBLIC
- 6) Department feels approach would be inappropriate now

AFGHANISTAN
JORDAN
NEPAL
UNITED ARAB REPUBLIC

* See covering page, paragraph 4.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

WESTERN HEMISPHERE

A. Full Convertible Release

1) Release completed

ECUADOR
HONDURAS
MEXICO
PANAMA
PERU

2) Being released over a period

COLOMBIA
NICARAGUA
URUGUAY (In arrears on agreed releases)
VENEZUELA

B. Partial or Restricted Release

3) Department keeping up discussions for balance

EL SALVADOR (Convertible)*

4) Department feels approach would be inappropriate now

ARGENTINA (Full convertible release over period;
releases suspended)
COSTA RICA (Convertible)*
GUATEMALA (")*
PARAGUAY (Partial release, for exports only)

C. No Release

5) Department feels approach might be considered

CHILE
DOMINICAN REPUBLIC

6) Department feels approach would be inappropriate now

BOLIVIA
BRAZIL
HAITI

* See covering page, paragraph 4.

Mr. J. Hulley

April 30, 1964

Leonard Rist

Further Research on Use of IBRD and IDA Subscriptions

1. I would be obliged to you if you would follow up on our recent discussions on the above subject by preparing two papers.

2. The first would cover the ever-recurring problem of what trade could be encouraged among developing countries. This would fall into two parts:

(a) From a general point of view, can we itemize the types of products (industrial, agricultural, and raw materials) which are now actively traded in among developing countries, and those which have a chance of becoming important elements in this trade? This should of course not be limited to regional trade, but as far as it is possible should encompass more distant trade relations (e.g. India and East Africa).

(b) More particularly, can we list the particular products which the Bank and IDA have in the past obtained from Part II countries in conjunction with their projects; countries of origin would be of interest also in this respect. Mr. Cavanaugh will be happy to help you in this.

3. The second would be a study of the manner in which, in your opinion, 9% and 90% subscriptions of IBRD/IDA could be applied to export credit and export credit insurance. This raises economic problems (impact on the internal and external monetary position of the country, impact on future export possibilities), institutional problems (what kind of organization could handle these operations), and historical ones (experience of Eximbank, IDB, Mexican, Indian, Israeli export financing and export insurance organizations).

cc: Mr. Wilson
Messrs. Avramovic/Larsen
Mr. Goodman

OFFICE MEMORANDUM

To: Mr. George Woods
Mr. J. Burke Knapp
Mr. Geoffrey Wilson

Date: April 30, 1964

From: Leonard Rist *L.R.*

Subject: IBRD 9% and IDA 90% Subscriptions

Following on your request, I am attaching herewith a report on some of the problems relating to the release and use of IBRD 9% and IDA 90% subscriptions of Part II countries. I have consulted the Area and Treasurer's Departments, and they are in agreement with the recommendations.

Attachment

cc: Treasurer
Area Department Heads

LBR:at

April 30, 1964

RELEASE OF IBRD 9% AND IDA 90% SUBSCRIPTIONS

1. Meetings were held on the above subject on April 2 and 10, 1964. The meetings were chaired by Mr. L.B. Rist (Office of the President) and included Mr. R.W. Cavanaugh (Treasurer), Mr. J. Hulley (Consultant, Economic Department) who served as secretary, and the following officers of Area Departments in at least one of the meetings:

Mr. J.H. Williams	(Africa)
Mr. S.N. McIvor	"
Mr. S.R. Cope	(Europe)
Mr. D.J. Fontein	"
Mr. C.H. Thompson	"
Mr. I.P.M. Cargill	(Far East)
Mr. A. Stevenson	(South Asia & Middle East)
Mr. O.A. Schmidt	(Western Hemisphere)
Mr. B.A. de Vries	" "

2. The discussion included first a country-by-country review of the prospects for release of IBRD 9% subscriptions; this is summarized in the attached Tables^{1/}. The discussion also covered the five general questions which follow, about the method of securing both IBRD and IDA releases and their use.

A. Concerning the 9% Subscriptions to IBRD

3. General versus Country-by-Country Approach: The question was raised whether the Bank should systematically approach all countries which have not yet agreed to release the full amount of their subscription, or whether it would be wiser to seize suitable opportunities for discussions with individual countries, taking into account their position and our relation to them.

4. In favor of a general approach, it can be argued that making their capital subscriptions available for lending is an obligation of the member countries, and that it is easier to approach any one country when all others are also being approached. General approaches have been used twice before, the last time in 1957. Letters from the Bank were not identical; there were about five different form letters. Some additional releases resulted.

5. In favor of a country-by-country approach, it may be said that it would be useless or even unwise from the point of view of our relations with them, to request releases now from countries such as Ceylon and Brazil, which are in a balance of payments crisis; or from various new African nations which can expect no Bank loans; or from countries in military or political crisis, like Cyprus, Greece, Turkey, Laos and Viet-Nam. Releases can most effectively be sought when countries are in a fair financial position or when they are receiving IBRD loans and perhaps, very rarely,

^{1/} Annex II.

when they are receiving IDA credits. In fact the Area Departments are continuously following up on the approaches of the late 1950's by direct contact with the countries where the prospects seem to warrant it.

6. It is therefore recommended that we should continue the country-by-country approach, seizing every favorable occasion to request releases.

7. Use of 9% Subscription. Besides financing exports of goods and services included in IBRD projects, or releases in convertible form, are there any other uses which could be made of IBRD 9% subscriptions?

8. One possibility might be the domestic use of the 9% subscriptions to assist in internal investments which would not otherwise occur. The Inter-American Development Bank is said to use releases for such purposes. There may perhaps be cases where these subscriptions could be used, without damaging the Bank's relation to its members, to influence the direction of development, or where providing (or creating) money or credit through the release of these subscriptions might be easier for the member country than through other financial procedures.

9. Against these arguments, it can be said that the Bank's primary mission is to arrange the transfer of resources between countries rather than within them. But even disregarding this general point, internal intervention by the method proposed would most likely serve no practical purpose. Most governments are sufficiently sophisticated to be able to provide, by themselves, the amounts which they could provide to IBRD to use locally. In the case of Pakistan, for instance, the Government should not find it any easier to release to IBRD than to add directly to the resources of a development finance company. It should also be pointed out that it would be more natural for the interest payable on such funds to accrue to the government which provides them rather than to the IBRD, which in this case would only serve as a channel. Moreover, lending of local currencies for internal purposes might seem costly to the country whose currency is used, when it would have to maintain the dollar equivalent value of the loans just as if the 9% had remained unused. This has proved a difficult problem for the Inter-American Development Bank, which makes the ultimate borrower responsible for the maintenance of value. Last but not least it should be emphasized that the practice of accepting 9% subscriptions for local use would effectively undermine the drive to secure convertible releases or releases for exports.

10. It is therefore recommended that the Bank should not use 9% subscriptions to finance domestic investment. It should continue to seek releases for exports or, to the extent the subscription cannot be so used, on a convertible basis.

11. One special form of domestic use of the 9% subscriptions could conceivably be to finance local exporters to enable them to give credit to their external customers. Mr. Hulley has been asked to explore this question.

B. Concerning the 90% Subscriptions to IDA

12. Should the Part II Countries be Asked for their 90% Subscription? The Articles of Agreement (Article IV, Section 1(a))^{1/} and the accompanying Report of the Executive Directors (paragraph 6)^{1/} clearly envisage that at least the more developed Part II countries will contribute their 90% subscriptions.

13. Since IDA, like the Bank, is a cooperative institution, it could be expected from the more advanced countries that they assist the less fortunate ones. Financing of exports with 90% subscriptions is a practice for which the Bank has set a precedent. We already know of small amounts of exports from Ireland and Malaysia which could have been financed in this manner. One Part II country -- India -- has suggested that part of its 90% subscription could be used to finance a portion of the price of the exports required for IDA projects located in other countries (another portion being paid by IDA in convertible currencies). It is moreover likely that some releases in convertible form could be hoped for from the more prosperous members. True, the aggregate amount of such releases would be less important than the principle involved. But if it were known that Part II countries are making some voluntary contribution to the common effort, future replenishment of IDA resources by Part I countries might be facilitated.

14. On the other hand, one cannot ignore the fact that there is a difference between 9% Bank and 90% IDA subscriptions. The sacrifice implied in IDA releases is heavier. Bank releases could theoretically revert to the shareholder as and when the loans are repaid. In the case of IDA the period involved is much longer and the risk is much greater. Furthermore, IBRD 9% subscription releases rank for dividend, which is not the case with IDA. Another consideration is that all Bank countries can in principle expect to borrow either from it or at least from IDA. But this is not so for IDA Part II members. Only some of them can expect to receive credits, and they are precisely those for which a release would be a greater burden. But a number of Part II countries cannot expect to receive credits. Asking them to contribute more than the original 10% in convertible form or for exports puts them, as far as their original subscription is concerned, in a position comparable to that of a Part I member. This may be unobjectionable in a few cases, but it could not be made a general rule for all. The authors of the Articles of Agreement were wise to avoid making a contribution of the 90% mandatory.

15. It is recommended that a careful selection be made of the few countries which are so advanced or so prosperous that a release of at least a fraction of their 90% would not constitute a substantial burden. Iceland, Ireland, Israel, Malaysia, Mexico, Spain, Thailand and Yugoslavia might be selected for a first direct approach. Release in full by all of these would yield about \$30 million. Contributions for export financing would also be useful from any country which can be expected to compete for exports within the framework of IDA operations.

^{1/} Quoted in Annex I

16. General versus Country-by-Country Approach: The preceding paragraphs lead to the conclusion that a general approach, in the form of a circular letter from IDA, even if worded in careful terms, could result in unfortunate misunderstandings. It is however recommended that a general approach in another form be attempted. The President could ask the Executive Directors to consider seriously whether the countries they represent can, at this point or in the near future, release all or part of their 90% subscription either to finance exports under IDA credits, or on a convertible basis. On their side, the Area Departments could discuss the possibility of a release with a few selected countries -- mentioned above -- as and when an opportunity presents itself. A suggested draft statement by the President to the Executive Directors along these lines is attached (Annex I).

17. Use of Local Currency Subscriptions: Here also the question arises whether there are any uses for IDA 90% subscriptions, other than financing of exports, included in IDA projects or convertible releases.

18. One suggestion is contained in the Articles of Agreement of IDA (Article IV Section 1(a))^{1/} which specifically permit the domestic use of 90% subscriptions. Using IDA subscribed capital to facilitate some local investment might well convey the impression that Part II countries are making some contribution to development in addition to the initial 10% part of their subscription. As in the case of IBRD 9%, Mr. Hulley has been asked to explore whether other uses could be devised.

19. The arguments given in paragraph 9 above against domestic use of 9% IBRD subscriptions are however just as strong here, although of course the service charges raise less of a problem than the Bank interest rate. There is, moreover, a difference between IBRD and IDA, namely that in IDA the obligation to maintain the value of subscriptions lapses once they have been used. Thus the governments may be even more tempted than in the case of the Bank to use their subscription for domestic purposes. It should also be noted that this question was reviewed at the time the Articles were discussed by the Executive Directors. The U.S. Executive Director expressed considerable interest in the use of funds contributed by Part II countries within their own borders. He also indicated that the U.S. might at some time wish to turn over to IDA for this purpose local currencies accruing from sales of surplus agricultural products under PL 480. However the Executive Directors and Alternates for Australia, Canada, Holland, Libya, Spain, South Africa, Sweden and the U.K. expressed doubts about such use of local currencies. They pointed to the possible harmful inflationary impact. And the Indians felt that such use did not involve any real addition to the resources of the Part II country concerned, being only a substitution for other funds, an accounting device. Mr. Black said

On the proposal that IDA re-lend to members their own currencies, probably with interest, perhaps at 6 per cent, he wondered why such members would not prefer simply to appropriate funds to carry out the projects directly.^{2/}

^{1/} Quoted in Annex I

^{2/} Meeting of Financial Policy Committee, 29 Oct. 1959 (Summarized in Secretariat Memorandum of same date, p.2.)

20. It is recommended that no attempt be made at this stage to use 90% IDA subscriptions of Part II countries for domestic purposes. The suggested statement by the President to the Executive Directors (Annex I) includes a brief review of the arguments in favor of this recommendation.

ANNEXES:

- I Draft of President's Statement to IDA Executive Directors, Proposing Release of 90% Subscriptions by Part II Countries.
- II Summary Tables: Review of Status of IBRD 9% Local Currency Subscriptions.

ANNEX I

Draft of President's Statement to IDA Executive Directors, Proposing Release of 90% Subscriptions by Part II Countries

As the Executive Directors will remember, the International Bank has in the past made general and individual approaches to its member countries to release their 9% subscriptions in a form usable for our loan operations. The results have been on the whole satisfactory. They include both convertible releases and releases to finance exports to other members. As you are aware, discussions are actively continuing with a number of member countries.

I would now like to ask the Executive Directors to examine with the Part II countries of IDA which they represent whether they can, at this point or in the near future, release all or part of their 90% subscription, at once or in tranches, either for exports or on a convertible basis.

When IDA was organized, the Part I countries obligated themselves to provide the full amount of their original subscriptions in convertible form. Part II countries provided one-tenth of their subscription in convertible currencies, and nine-tenths were subscribed in local currency. Article IV, Section 1(a) of the Articles of Agreement states that

"when and to the extent justified by the economic and financial situation of the member concerned as determined by agreement between the member and the Association, such currency shall be freely convertible or otherwise usable for projects financed by the Association and located outside the territories of the member".

The Report of the Executive Directors accompanying the Articles of Agreement states in paragraph 6

"While the members listed in Part II have no legal obligation to make more than 10% of their initial subscription available to the Association on a freely convertible basis, it is hoped that the more developed of these countries, upon accepting membership in the Association or reasonably soon thereafter, will be in a position to release at least some part of the 90% portion of their subscription."

In other words, the founders of the Association, while aware of the problems which Part II countries may encounter in releasing the 90% portion of their subscription, believed that those who could contribute to the resources of IDA should do so whenever possible.

I have the feeling that this is in strict conformity with the spirit of a cooperative organization where, as and when the members become able to assist their partners, they hasten to do so. Since the replenishment of IDA's resources by Part I countries is now under way, it seems to me that

this may be a particularly suitable time to examine whether Part II countries can, on their side, place some of their local currency subscription at the disposal of the Association, either for exports or on a convertible basis.

As you will recall, internal use of local currencies was also considered by the Executive Directors and the Financial Policy Committee during the discussions of 1959 and 1960 which led to the formation of IDA. As a result it was provided in the Articles of Agreement that IDA might use 90% subscriptions for internal purposes "insofar as consistent with sound monetary policies".^{1/}

However, several of the Executive Directors, as well as my predecessor Mr. Black, raised questions about the usefulness of such operations. Some emphasized the danger of inflationary effects. Others questioned why countries would wish to pay service charges to IDA for currency which they could presumably raise internally. Still another objection was that this use of IDA subscriptions could be described as an accounting device, since the recipient country would be likely to substitute them for funds already provided.

There may be exceptional cases where internal use of 90% subscriptions might serve the objectives of IDA. I would not want to exclude completely the possibility that such expenditures might one day be undertaken.

At this moment, however, when we are just beginning to devise a program for utilizing the 90% subscriptions to IDA of the Part II countries, it seems most sensible to concentrate our efforts along lines where the value of the contribution is obvious. That is why I am recommending that we consider releases to finance exports, or on a fully convertible basis.

I am aware that for a number of Part II countries there may be, at this stage, insurmountable obstacles, but I also remember that when the Bank made similar general approaches with respect to its own local currency subscriptions, it met with a response which on the whole was gratifying. One of the Part II countries already has suggested that part of its IDA subscription might perhaps be used for export purposes, and it is one of those whose income per head is among the lowest.

I should be deeply interested in hearing the results of inquiry by the Executive Directors. Meanwhile, the Directors of Area Departments may, if the opportunity arises, discuss this matter with the countries which seem to them likely to be able to respond favorably to our request.

^{1/} "Currency of any member listed in Part II of Schedule A, whether or not freely convertible, received by the Association pursuant to Article II, Section 2(d), in payment of the ninety per cent portion payable thereunder ... may be used by the Association ... insofar as consistent with sound monetary policies, in payment for goods and services produced in the territories of such member and required for projects financed by the Association and located in such territories;" (Article IV, Section 1(a)).

ANNEX II

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2. The Tables include only Part II countries (following the IDA nomenclature). All Part I countries have made full convertible releases of their 9%, with the exception of New Zealand, a recent adherent with whom discussions are now in progress.
3. The Tables distinguish between convertible releases and those which may be used only to finance exports to other countries under IBRD projects. While some of these restricted releases have been so used, it seems doubtful at present whether the bulk of them are usable.
4. The subscriptions of a number of countries have been subject to special increases (as distinct from the general increase of 1959). The asterisk identifies countries which have made full release on account of their original subscriptions, but not on account of the special increases.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

A F R I C A

A. Full Convertible Release

- 1) Release completed
ETHIOPIA
SUDAN
- 2) Being released over a period
LIBYA

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance
--
- 4) Department feels approach would be inappropriate now
GHANA (Convertible)*

C. No Release

- 5) Department feels approach might be considered

ALGERIA	(on the occasion of a loan)
GABON	(")
MOROCCO	(")
NIGERIA	(")
SIERRA LEONE	(")
TUNISIA	(")
- 6) Department feels approach would be inappropriate now

BURUNDI	MALAGASY REPUBLIC
CAMEROON	MALI
CENTRAL AFRICAN REPUBLIC	MAURITANIA
CHAD	NIGER
CONGO (BRAZZAVILLE)	RWANDA
CONGO (LEOPOLDVILLE)	SENEGAL
DAHOMEY	SOMALIA
GUINEA	TANGANYIKA
IVORY COAST	TOGO
KENYA	UGANDA
LIBERIA	UPPER VOLTA

* See covering page, paragraph 4.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

E U R O P E

A. Full Convertible Release

1) Release completed

--

2) Being released over a period

IRELAND

SPAIN

B. Partial or Restricted Release

3) Department keeping up discussions for balance

ICELAND (Convertible)*

YUGOSLAVIA (Full release. Part convertible, remainder
for exports only)

4) Department feels approach would be inappropriate now

GREECE (Partial release, for exports only)
TURKEY (" " " ")

C. No Release

5) Department feels approach might be considered

JAMAICA (on the occasion of a loan)

PORTUGAL (under negotiation)

TRINIDAD AND TOBAGO (on the occasion of a loan)

6) Department feels approach would be inappropriate now

CYPRUS

* See covering page, paragraph 4.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

F A R E A S T

A. Full Convertible Release

- 1) Release completed
MALAYSIA
- 2) Being released over a period

--

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance

CHINA	(Partial release, for exports only)
PHILIPPINES	(Partial release, convertible)
THAILAND	(Convertible)*
- 4) Department feels approach would be inappropriate now

BURMA	(Partial release, for exports only)
CEYLON	(Partial release, convertible; releases suspended)
KOREA	(Full release, for exports only)
VIET-NAM	(Partial release, for exports only)

c. No Release

- 5) Department feels approach might be considered

--
- 6) Department feels approach would be inappropriate now

INDONESIA
LAOS

* See covering page, paragraph 4.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

SOUTH ASIA AND MIDDLE EAST

A. Full convertible release

- 1) Release completed
LEBANON
- 2) Being released over a period

--

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance

INDIA	(Full release. Part convertible, remainder for exports only)
IRAN	(Partial release, convertible)
IRAQ	(Convertible)*
ISRAEL	(Full release. Part convertible, remainder for exports only)
PAKISTAN	(Full release, for exports only)

- 4) Department feels approach would be in appropriate now

--

C. No Release

- 5) Department feels approach might be considered

SAUDI ARABIA
SYRIAN ARAB REPUBLIC
- 6) Department feels approach would be inappropriate now

AFGHANISTAN
JORDAN
NEPAL
UNITED ARAB REPUBLIC

* See covering page, paragraph 4.

IBRD 9% SUBSCRIPTIONS OF PART II COUNTRIES

WESTERN HEMISPHERE

A. Full Convertible Release

1) Release completed

ECUADOR
HONDURAS
MEXICO
PANAMA
PERU

2) Being released over a period

COLOMBIA
NICARAGUA
URUGUAY (In arrears on agreed releases)
VENEZUELA

B. Partial or Restricted Release

3) Department keeping up discussions for balance
EL SALVADOR (Convertible)*

4) Department feels approach would be inappropriate now
ARGENTINA (Full convertible release over period;
releases suspended)
COSTA RICA (Convertible)*
GUATEMALA (")*
PARAGUAY (Partial release, for exports only)

C. No Release

5) Department feels approach might be considered
CHILE
DOMINICAN REPUBLIC


6) Department feels approach would be inappropriate now
BOLIVIA
BRAZIL
HAITI

* See covering page, paragraph 4.

OFFICE MEMORANDUM

TO: Mr. Rist

DATE: April 30, 1964

FROM: Alexander Stevenson SUBJECT: IBRD and IDA Local Currency Subscriptions

I agree with all the conclusions of the draft report sent with your memorandum of April 28, and I think the report is an excellent job. I have only one or two very small comments.

In paragraph 14 the reference to India might be amplified somewhat in the light of what the Indians have said. For the two lines beginning "India" and ending "same" there might be substituted: "The suggestion made by India that part of its 90% subscription might be used to finance Indian exports may also be taken up if the occasion offers. In this connection India has further proposed that for balance of payments reasons only part (say 50%) of the Indian exports concerned be financed with its 90% subscription with the remainder being financed by IDA's convertible resources. This would be reasonable. A similar approach..."

On page 2 of Annex 1, line 4, I would substitute "on the whole" for "in some cases" and in line 6 "might perhaps" for "could".

AS/uz

OFFICE MEMORANDUM

Treasurer,
TO: Area Department Heads

DATE: April 28, 1964

FROM: L. Rist

URGENTSUBJECT: IBRD and IDA Local Currency Subscriptions

On the basis of our recent discussions on the above subject, I have prepared the attached report for the President and the Vice Presidents. I would appreciate receiving your comments on this paper at your earliest convenience, if possible by Thursday evening, since Mr. Wilson expects to receive it Friday.

Attachment

April 28, 1964

REPORT ON RELEASE OF IBRD 9% AND
IDA 90% SUBSCRIPTIONS

1. Meetings were held on the above subject at 10:00 a.m. on April 2 and 10, 1964. The meetings were chaired by Mr. L.B. Rist (Office of the President) and included Mr. R.W. Cavanaugh (Treasurer), Mr. J. Hulley (Consultant, Economic Department) who served as secretary, and the following officers of Area Departments in at least one of the meetings:

Mr. J.H. Williams	(Africa)
Mr. S.N. McIvor	"
Mr. S.R. Cope	(Europe)
Mr. D.J. Fontein	"
Mr. C.H. Thompson	"
Mr. I.P.M. Cargill	(Far East)
Mr. A. Stevenson	(South Asia & Middle East)
Mr. O.A. Schmidt	(Western Hemisphere)
Mr. B.A. de Vries	" "

2. The discussion included first a country-by-country review of the prospects for release of IBRD 9% subscriptions; this is summarized in the attached Tables^{1/}. The discussion also covered the five general questions which follow, about the method of securing both IBRD and IDA releases and their use.

A. Concerning the 9% Subscriptions to IBRD

3. General versus Country-by-Country Approach: The question was raised whether the Bank should systematically approach all countries which have not yet agreed to release the full amount of their subscription, or whether it would be wiser to leave it to the Area Department to choose an appropriate time or to seize suitable opportunities for discussions with individual countries, taking into account their position and our relation to them.

4. In favor of a general approach, it can be argued that making their capital subscriptions available for lending is an obligation of the member countries, and that it is easier to approach any one country when all others are also being approached. General approaches have been used twice before; the last time in 1957. True, letters from the Bank varied according to circumstances, there being about five different form letters; some additional releases resulted.

5. In favor of a country-by-country approach, it may be said that it would be useless or even unwise from the point of view of our relations with them, to request releases now from countries such as Ceylon and Brazil, which are in a balance of payments crisis; or from various new African nations which can expect no Bank loans; or from countries in military or political crisis, like Cyprus, Greece, Turkey, Laos and Viet-Nam. Releases can most effectively be sought when countries are in a fair financial position or when they are receiving IBRD loans (and perhaps very rarely when they are receiving IDA credits). In fact the Area Departments are continuously following up on the approaches of the late 1950's by direct contact with the countries where the prospects are fair.

During its first decade, the Bank had to rely on a very few releases, some of them inconvertible. It was only in the middle 1950's, after the Marshall Plan and the Korean War, that it became possible to launch a systematic drive for convertible releases. We are still actively following up that drive on a country-by-country basis, and it would be repetitive to send new general letters.

6. It is therefore recommended that we should continue the country-by-country approach, seizing every favorable occasion to request releases.

7. Use of Local Currency Subscription. Besides financing exports of goods and services included in IBRD projects, or releases in convertible form, are there any other uses which could be made of IBRD 9% subscriptions? It is conceivable that other external uses may be found for them (e.g., export credit financing). Mr. Hulley has been asked to explore this question and to consider possible proposals in this respect.

8. Another possibility might be the domestic use of local currency subscriptions to assist in internal investments which would not otherwise occur. The Inter-American Development Bank is said to use releases for such purposes. There may perhaps be cases where local subscriptions could be used, without damaging the Bank's relation to its members, to influence the direction of development, or where creating money or credit through the release of an IBRD subscription may be easier for the government than through parliamentary appropriations.

9. Against these arguments, it can be said that the Bank's primary mission is to arrange the transfer of resources between countries rather than within them. But even disregarding this general point, internal intervention by the method proposed would most likely serve no practical purpose. Most governments are sufficiently sophisticated to be able to provide, by themselves, the amounts which they could provide to IBRD for use locally. In the case of Pakistan, for instance, the Government should not find it any easier to release to IBRD than to add directly to the resources of a development finance company. It should also be pointed out that it would be more natural for the interest payable on such funds to accrue to the government which provides them rather than to the IBRD, which in this case would only serve as a channel. Moreover, lending of local currencies for internal purposes might seem costly to the country whose currency is used, when it would have to maintain the dollar equivalent value of the loans just as if the 9% had remained unused; no one has recommended abrogating the provision for maintenance of value. Last but not least it should be emphasized that the practice of accepting local currency subscriptions for local use would effectively undermine the drive to secure convertible releases or releases for exports.

10. It is therefore recommended that the Bank should not use local currency subscriptions to finance domestic investment. It should continue to seek releases, preferably on a convertible basis, alternatively to finance procurement for export. In the latter case efforts should continue to be made to obtain convertibility of the unused balance.

B. Concerning the 90% Subscription to IDA

11. Should the Part II Countries be Asked for the 90% Subscription? The Articles of Agreement (Article IV, Section 1(a)) and the accompanying Report of the Executive Directors (paragraph 6) clearly envisage that at least the more developed Part II countries will contribute their local currency subscriptions.
12. Since IDA, like the Bank, is a cooperative institution, it could be expected from the more advanced countries that they might assist the less fortunate ones. In one case (India), a Part II country has suggested that part of its 90% subscription could perhaps be used to finance exports as part of IDA projects located in other countries. Similar arrangements might be suggested to others. We already know of small amounts of exports from Ireland and Malaysia which could have been financed in this manner. It is moreover likely that some releases in convertible form could be hoped for from the more prosperous members. True, the aggregate amount of such releases would be less important than the principle involved. But if it were known that Part II countries are making some voluntary contribution to the common effort, future replenishment of IDA resources by Part I countries might be facilitated.
13. On the other hand, one cannot ignore the fact that there is a difference between 9% Bank and 90% IDA subscriptions. The sacrifice implied in IDA releases is heavier. Bank releases could theoretically revert to the shareholder as and when the loans are repaid. In the case of IDA the period involved is much longer. In addition the risk is less in the case of Bank loans than in the case of IDA credits. Another consideration is that all Bank countries can in principle expect to borrow from it or at least from IDA. But this is not so for IDA Part II members. Some of them can expect to receive credits, and they are precisely those for which a release would be a greater burden. But a number of Part II countries cannot expect to receive credits. Asking them to contribute more than the original 10% in convertible form or for exports is almost the same as switching them into the Part I category. This may be unobjectionable in a few cases, but it could not be made a general rule for all. The Articles of Agreement were wise to avoid making a contribution of the 90% mandatory.
14. It is recommended that a careful selection be made of the few countries which are so advanced or so prosperous that a release of at least a fraction of their 90% would not constitute a substantial burden. Iceland, Ireland, Israel, Malaysia, Mexico, Spain, Thailand and Yugoslavia might be selected for a first direct approach. Release in full by all of these would yield about \$30 million. India may also be asked to contribute export financing along the lines of its above-mentioned proposal. The same might apply to a few other countries receiving IDA credits which can be expected to compete for exports within the framework of IDA contracts.
15. General versus Country-by-Country Approach: The preceding paragraphs lead to the conclusion that a general approach, in the form of a circular letter from IDA, even if worded in careful terms, could result in unfortunate misunderstandings. It is however recommended that a general approach in

another form be attempted. The President could make an appeal to the Executive Directors, asking them to consider seriously whether the countries they represent could, at this point or in the near future, release all or part of their 90% subscription on a convertible basis. He could add that releases of inconvertible currencies for local procurement to finance exports of goods and technical services under IDA contracts may also prove valuable to the extent that such exports meet the tests of international competitive bidding. On their side, the Area Departments could discuss the possibility of a release with a few selected countries -- mentioned above -- as and when an opportunity presents itself. A suggested draft statement by the President to the Executive Directors along these lines is attached (Annex I).

16. Use of Local Currency Subscriptions. Here also the question arises whether there are any uses for IDA 90% subscriptions other than financing of exports included in IDA projects or convertible releases. As in the case of IBRD 9%, Mr. Hulley has been asked to explore whether other external uses could be devised.

17. Another suggestion is implied in the Articles of Agreement of IDA (Article IV, Section 1(a)) which specifically foresee the domestic use of local currency subscriptions^{1/}. Using IDA subscribed capital to facilitate some local investment, might well convey the impression that Part II countries are making some contribution to development in addition to the 10% convertible part of their subscription.

18. The arguments given in paragraph 9 above against domestic use of local currency IBRD subscriptions are however just as strong here, although of course the service charges raise less of a problem than the Bank interest rate. It should also be noted that this question was reviewed at the time the Articles were discussed by the Executive Directors. The U.S. Executive Director expressed considerable interest in the use of funds contributed by Part II countries within their own borders. He also indicated that the U.S. might at some time wish to turn over to IDA for this purpose local currencies accruing from sales of surplus agricultural products under PL 480. However the Executive Directors and Alternates for Australia, Canada, Holland, Libya, Spain, South Africa, Sweden and the U.K. expressed doubts about such use of local currencies. They pointed to the possible harmful inflationary impact. And the Indians felt that such use did not involve any real addition to the resources of the Part II country concerned, being only a substitution for other funds, an accounting device. Mr. Black said

"On the proposal that IDA re-lend to members their own currencies, probably with interest, perhaps at 6 per cent, he wondered why such members would not prefer simply to appropriate funds to carry out the projects directly."^{2/}

1/ "Currency of any member listed in Part II of Schedule A, whether or not freely convertible, received by the Association pursuant to Article II, Section 2(d), in payment of the ninety per cent portion payable thereunder ... may be used by the Association ... insofar as consistent with sound monetary policies, in payment for goods and services produced in the territories of such member and required for projects financed by the Association and located in such territories;"

2/ Meeting of Financial Policy Committee, 29 Oct., 1959 (Summarized in Secretariat Memorandum of same date, p.2.)

19. It is recommended that no attempt be made at this stage to use 90% IDA subscriptions of Part II countries for domestic purposes. For this reason, the suggested statement by the President, referred to in paragraph 15 above, does not mention this aspect of the problem. Should any member of the Board propose that local currency subscriptions be released for local use, it is recommended that the President answer along the lines suggested in Annex II.

ANNEXES:

- I Draft of President's Statement to IDA Executive Directors Proposing Release of 90% Subscriptions by Part II Countries.
- II Draft of Additional Statement by the President to IDA Executive Directors in case they suggest Releases for Internal Use.
- III Summary Tables: Review of Status of IERD 9% Local Currency Subscriptions.

ANNEX I

Draft of President's Statement to IDA Executive Directors Proposing Release of 90% Subscriptions by Part II Countries

As the Executive Directors will remember, the International Bank has in the past made general and individual approaches to its member countries to release their local currency subscriptions in a form usable for our loan operations. The results have been on the whole satisfactory. They include both convertible releases and releases to finance exports to other members. As you are aware, discussions are actively continuing with a number of member countries.

I would now like to request the Executive Directors to examine with the Part II countries of IDA which they represent whether they can, at this point or in the near future, release all or part of their 90% subscription, at once or in tranches, either for exports or preferably on a convertible basis.

When IDA was organized, the Part I countries obligated themselves to provide the full amount of their original subscriptions in convertible form. Part II countries provided one-tenth of their subscription in convertible currencies, and nine-tenths were subscribed in local currency. Article IV, Section 1(a) of the Articles of Agreement states that

"when and to the extent justified by the economic and financial situation of the member concerned as determined by agreement between the member and the Association, such currency shall be freely convertible or otherwise usable for projects financed by the Association and located outside the territories of the member".

The Report of the Executive Directors accompanying the Articles of Agreement, states in paragraph 6

"While the members listed in Part II have no legal obligation to make more than 10% of their initial subscription available to the Association on a freely convertible basis, it is hoped that the more developed of these countries, upon accepting membership in the Association or reasonably soon thereafter, will be in a position to release at least some part of the 90% portion of their subscription."

In other words, the founders of the Association, while aware of the problems which Part II countries may encounter in releasing the 90% portion of their subscription, believed that those who could contribute to the resources of IDA should do so whenever possible.

I have the feeling that this is in strict conformity with the spirit of a cooperative organization where, as and when the members become able to assist their partners, they hasten to do so. Since the replenishment of IDA's resources by Part I countries is now under way, it seems to me that

this may be a particularly suitable time to examine whether Part II countries can, on their side, place some of their local currency subscription at the disposal of the Association, either for exports, or preferably, on a convertible basis.

I am fully aware that for a number of Part II countries there may be, at this stage, insurmountable obstacles, but I also remember that when the Bank made similar general approaches with respect to its own local currency subscriptions, it met with a response which in some cases was gratifying. One of the Part II countries already has suggested that part of its IDA subscription could be used for export purposes, and it is one of those whose income per head is among the lowest.

I should be deeply interested in hearing the results of inquiry by the Executive Directors. Meanwhile, the Directors of Area Departments may, if the opportunity arises, discuss this matter with the countries which seem to them likely to be able to respond favorably to our request.

ANNEX II

Draft of Additional Statement by the President to IDA Executive Directors in case they suggest Releases for Internal Use

As you will recall, internal use of local currencies was considered at some length by the Executive Board and the Financial Policy Committee during the discussions of 1959 and 1960 which led to the formation of IDA. As a result it was provided in the Articles of Agreement that IDA might use local currencies for internal purposes "insofar as consistent with sound monetary policies".^{1/}

However, several of the Executive Directors, as well as my predecessor Mr. Black, raised questions about the usefulness of such operations. Some emphasized the danger of inflationary effects. Others questioned why countries would wish to pay servicing charges to IDA for currency which they could presumably raise internally. Still another objection was that this use of IDA subscriptions could be described as an accounting device, since the recipient country would be likely to substitute them for funds already provided.

There may be exceptional cases where internal use of local currencies might serve the objectives of IDA. I would not want to exclude completely the possibility that such expenditures might one day be undertaken.

At this moment, however, when we are just beginning to devise a program for utilizing the 90% subscriptions to IDA of the Part II countries, it seems most sensible to concentrate our efforts along lines where the value of the contribution is obvious. That is why I am recommending that we consider releases to finance exports, or, preferably, on a fully convertible basis.

^{1/} "Currency of any member listed in Part II of Schedule A, whether or not freely convertible, received by the Association pursuant to Article II, Section 2(d), in payment of the ninety per cent portion payable thereunder ... may be used by the Association ... insofar as consistent with sound monetary policies, in payment for goods and services produced in the territories of such member and required for projects financed by the Association and located in such territories;" (Article IV, Section 1(a)).

ANNEX III

SUMMARY TABLES

COUNTRY-BY-COUNTRY REVIEW OF
STATUS OF IBRD 9% LOCAL CURRENCY SUBSCRIPTIONS

PART II COUNTRIES

The Tables which follow are derived from Tables ("IBRD, Summary of Status of 9% Subscriptions as of February 29, 1964") issued by the Treasurer's Department, Finance Division, March 31; they also reflect comments supplied by the Area Departments.

The Tables include only Part II countries (following the IDA classification). All Part I countries have made full convertible releases of their 9%, with the exception of New Zealand, a recent adherent which is still negotiating about its release.

The subscriptions of a number of countries have been subject to special increases (as distinct from the general increase of 1959). The Tables include identification of those countries which have released 9% of their original subscription, but not of their special increase.

The Tables also list countries which have released funds that may be used only to finance exports to other countries under IBRD projects. While some of these restricted releases have been so used, it seems doubtful at present whether the bulk of them are usable.

A F R I C A

A. Full Convertible Release

- 1) Release completed
ETHIOPIA
SUDAN
- 2) Being released over a period
LIBYA

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance
--
- 4) Department feels approach would be inappropriate now
GHANA (Convertible. 9% of special increase not released)

C. No Release

- 5) Department feels approach might be considered

ALGERIA	(on the occasion of a loan)
GABON	(")
MOROCCO	(")
NIGERIA	(")
SIERRA LEONE	(")
TUNISIA	(")
- 6) Department feels approach would be inappropriate now

BURUNDI	MALAGASY REPUBLIC
CAMEROON	MALI
CENTRAL AFRICAN REPUBLIC	MAURITANIA
CHAD	NIGER
CONGO (BRAZZAVILLE)	RWANDA
CONGO (LEOPOLDVILLE)	SENEGAL
DAHOMEY	SOMALIA
GUINEA	TANGANYIKA
IVORY COAST	TOGO
KENYA	UGANDA
LIBERIA	UPPER VOLTA

E U R O P E

A. Full Convertible Release

1) Release completed

--

2) Being released over a period

IRELAND
SPAIN

B. Partial or Restricted Release

3) Department keeping up discussions for balance

ICELAND	(Convertible. 9% of special increase not released)
YUGOSLAVIA	(Full release. Part convertible, remainder for exports only)

4) Department feels approach would be inappropriate now

GREECE	(Partial release, for exports only)
TURKEY	(" " " ")

C. No Release

5) Department feels approach might be considered

JAMAICA	(on the occasion of a loan)
PORTUGAL	(under negotiation)
TRINIDAD AND TOBAGO	(on the occasion of a loan)

6) Department feels approach would be inappropriate now

CYPRUS

F A R E A S T

A. Full Convertible Release

- 1) Release completed
MALAYSIA
- 2) Being released over a period

--

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance

CHINA	(Partial release, for exports only)
PHILIPPINES	(Partial release, convertible)
THAILAND	(Convertible. 9% of special increase not released)
- 4) Department feels approach would be inappropriate now

BURMA	(Partial release, for exports only)
CEYLON	(Partial release, convertible; releases suspended)
KOREA	(Full release, for exports only)
VIET-NAM	(Partial release, for exports only)

C. No Release

- 5) Department feels approach might be considered

--
- 6) Department feels approach would be inappropriate now

INDONESIA
LAOS

SOUTH ASIA AND MIDDLE EAST

A. Full Convertible Release

- 1) Release completed
LEBANON
- 2) Being released over a period

--

B. Partial or Restricted Release

- 3) Department keeping up discussions for balance

INDIA	(Full release. Part convertible, remainder for exports only)
IRAN	(Partial release, convertible)
IRAQ	(Convertible. 9% of special increase not released)
ISRAEL	(Full release. Part convertible, remainder for exports only)
PAKISTAN	(Full release, for exports only)
- 4) Department feels approach would be inappropriate now

--

C. No Release

- 5) Department feels approach might be considered
SAUDI ARABIA
SYRIAN ARAB REPUBLIC
- 6) Department feels approach would be inappropriate now
AFGHANISTAN
JORDAN
NEPAL
UNITED ARAB REPUBLIC

WESTERN HEMISPHERE

A. Full Convertible Release

1) Release completed

ECUADOR
HONDURAS
MEXICO
PANAMA
PERU

2) Being released over a period

COLOMBIA
NICARAGUA
URUGUAY (In arrears on agreed releases)

B. Partial or Restricted Release

3) Department keeping up discussions for balance

EL SALVADOR (Convertible. 18% of special increase of 1958
not released)*
VENEZUELA (Convertible. 9% of special increase not released)

4) Department feels approach would be inappropriate now

ARGENTINA (Full convertible release over period; releases
suspended)
COSTA RICA (Convertible. 9% of special increase not released)
GUATEMALA (" " " " ")
PARAGUAY (Partial release, for exports only)

C. No Release

5) Department feels approach might be considered

CHILE
DOMINICAN REPUBLIC

6) Department feels approach would be inappropriate now

BOLIVIA
BRAZIL
HAITI

* The original subscription of El Salvador was \$1 million; the corresponding 18% was released. In 1958, the subscription was raised to \$3 million; the corresponding 18% has not been released. In 1959, in line with the general capital increase, the subscription was raised to \$6 million without any change in the cash subscription.

OFFICE MEMORANDUM

TO: Mr. Leonard B. Rist

DATE: April 27, 1964

FROM: Robert F. Skillings *RF*SUBJECT: Local Contributions to Development Finance Companies

In response to your request of several weeks ago, I am attaching a table setting forth the local contributions to development finance companies divided up, as far as possible, by sources of funds. In a few cases, we have had to make educated guesses about the source of funds and in many cases, have inserted footnotes to be a little more precise.

I am afraid that even so, the table will still leave much to be desired from your point of view. In particular, it has been quite impossible for us to determine the possible inflationary impact of some of the financing, since to have done so would have required a much more precise knowledge than we possess of the general monetary situation in each of the countries at the time each of the contributions was made.

LOCAL CONTRIBUTIONS TO DEVELOPMENT FINANCE COMPANIES

(equivalent of US\$ ' 000)

	Austria IVK	China CDC	Colombia			Ethiopia DBE	Finland TR	India ICICI	Iran IMDBI
			Bogota CFC	Medellin CFN	Caldas				
<u>Equity</u>									
Private Savings	450	1603	4820	3620	2680 ¹	0	493	4900	3170 ⁵
Commercial Banks	1170	1004	3030	1380	1000	0	536	2700	0
Central Bank	0	87	0	0	0	400	2813	0	0
Government	0	0	0	0	0	4000 ²	221	0	0
<u>Loan Funds</u>									
Private Savings	635	0	3060	1790	890	0	2906 ³	0	0
Central Bank:									
a) Own Funds	0	0	8240	5950	1750	0	-4	0	0
b) Counterpart Funds	0	12,500	450	1920	260	0	0	0	0
Government:									
a) Own Funds	0	0	0	0	0	0	4436 ⁴	36,800	13,200 ⁶
b) Counterpart Funds	4615	0	0	0	0	0	0	0	0
Commercial Banks	1445	0	0	0	0	0	-3	0	0

¹ The equivalent of \$1,170,000 of this amount is from the National Federation of Coffee Growers which derives most of its funds from a levy on Colombian coffee exports.

² The equivalent of \$2 million is derived from an IBRD loan.

³ An unknown amount is held by Commercial Banks.

⁴ An unknown amount is held by the Central Bank.

⁵ An unknown amount may be held by Commercial Banks.

⁶ In addition, IMDBI manages the equivalent of \$18.7 million on behalf of Government Agencies.

	Malaysia MIDFL	Morocco BNDE	Nigeria NIDB	Pakistan PICIC	Philippines PDCP	Spain BANDESCO	Thailand IFCT	Turkey IDB	Venezuela CAVD
<u>Equity</u>									
Private Savings	1690	140	79	4400	4217	0	167	2789	1027
Commercial Banks	0	485	0	600	6	1750	513	1800	102
Central Bank	833	0	1400	400	0	0	0	0	0
Government	833	2600	0	0	0	0	0	0	441 ¹¹
<u>Loan Funds</u>									
Private Savings	0	5400 ⁷	0	0	0	12,500	0	0	0
Central Bank:									
a) Own Funds	0	0	0	0	0	0	0	2084	0
b) Counterpart Funds	0	0	0	0	0	0	0	0	0
Government:									
a) Own Funds	12,500	5000	5600	0	0	0	1655 ⁹	695 ¹⁰	0
b) Counterpart Funds	0	0	0	12,600	6875 ⁹	0	750 ⁹	0	0
Commercial Banks	0	900 ⁸	0	0	0	0	0	0	0

⁷ An unknown amount is held by Commercial Banks.

⁸ "Bons de Caisse" of 3, 6 and 9 months.

⁹ Direct from AID.

¹⁰ IDB administers \$38.4 million of counterpart AID funds.

¹¹ Held by CVF, a Government-owned company.