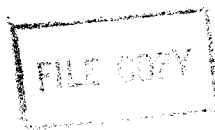


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INTERNATIONAL

BANK

FOR RECONSTRUCTION

AND DEVELOPMENT

FILE COPY

SEVENTH ANNUAL REPORT

1951-1952

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

SEVENTH ANNUAL REPORT

TO THE BOARD OF GOVERNORS

1951-1952



WASHINGTON, D. C.

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

September 3, 1952

My dear Mr. Chairman:

In accordance with Section 10 of the By-Laws of the International Bank for Reconstruction and Development, I have been authorized by the Executive Directors to submit to the Board of Governors this Seventh Annual Report of the Bank. The report includes financial statements as of June 30, 1952, based on an audit of the accounts of the Bank made pursuant to Section 19 of the By-Laws. It also incorporates, pursuant to Section 19 of the By-Laws, an administrative budget for the fiscal year ending June 30, 1953.

The report as a whole covers the Bank's activities for the fiscal year beginning July 1, 1951 and ending June 30, 1952.

Sincerely yours,



EUGENE R. BLACK,
President.

Chairman, Board of Governors,
International Bank for Reconstruction and Development.

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Chapter I - General

THE YEAR IN REVIEW

In the past fiscal year the Bank made 19 loans in 16 countries for an amount equivalent to \$298.6 million. This brought the total of all Bank lending to \$1,412 million, in 27 countries. Of this amount, \$29.7 million has been refunded or canceled. Disbursements during the fiscal year amounted to \$184.8 million, compared with \$77.6 million in the preceding 12 months. The total of Bank disbursements is now \$876.5 million.

During the year, loans for agricultural development were made in Chile, Iceland, Nicaragua, Pakistan and Paraguay; for improved transportation facilities in Brazil, the Netherlands, Pakistan and Peru; for the production and distribution of electric power in Brazil, Colombia, Mexico and Southern Rhodesia; for irrigation and power in Turkey; and for power, industry and transportation in Finland. A loan was made to Yugoslavia for projects in seven important sectors of the economy. Loans were made to Belgium and to the Belgian Congo to aid in carrying out the Ten Year Development Plan for the Congo, and to Italy in support of its ten year plan for southern Italy. The loan to the Congo was the first made by the Bank to assist in the development of an overseas territory of a member country.

The Bank has continued to help its members to draw up long-term programs of economic development. The general survey mission continues to be the Bank's chief means of giving assistance of this kind. Reports of the missions to Guatemala, Cuba, Iraq and Surinam were presented to the Governments during the year. A report on Ceylon was ready for presentation, and a report on Jamaica was in preparation. A variation of the survey mission technique was used in Nicaragua; two staff members were stationed there during most of the year, to work directly with the Government in drafting a broad development program and starting to put it into effect.

The Bank sent out a number of specialized missions to study specific development problems in member countries. And in the normal course of its work on loan proposals and projects, it gave advice on a wide range of technical, financial and administrative matters.

The Bank added to its dollar resources by selling \$150 million of its own bonds in the United States. One issue, of \$100 million, was sold in September 1951 and another, of \$50 million, in May 1952.

Bank bonds were also issued outside the United States. The Bank's first public offering in Switzerland, in an amount of 50,000,000 Swiss francs (approximately \$11.6 million), was sold in July 1951; and in February 1952 the Bank marketed its first issue of securities in Canada, in the amount of Can \$15 million. The Bank further added to its resources by selling \$23.4 million of securities from its portfolio, \$10.4 million without its guarantee.

Several member countries made parts of their local-currency subscriptions to the Bank's capital available for lending. Among them, Canada in May 1952 released the balance (Can \$41 million) of her original Canadian-dollar subscription (Can \$58.5 million). This release is fully convertible and may be used without restriction for purchases in Canada and elsewhere.

Two loans during the year, one to Iceland and another to Yugoslavia, were made for disbursement entirely in European currencies. The loan of \$27.2 million for the Pakistan railways included the equivalent of \$12 million in French francs, released from the French subscription to the Bank's capital.

At the beginning of the year it was expected that serious delays on Bank-financed projects might be caused by shortages in the supplies of capital goods. A special unit in the Bank followed

supply developments closely, in Europe as well as in the United States and Canada, and helped the Bank's borrowers to obtain priority ratings for equipment on order. No request by the Bank for assistance in obtaining priority ratings for its borrowers was denied; and no project was halted and no abnormal delays were caused by failure to obtain necessary equipment.

In November 1951, after expressions of interest by Iran and the United Kingdom, the Bank offered to try to work out a proposal under which, as an interim measure, it might assist in restoring oil operations in south Iran. Several weeks of discussion with the Government in Iran did not produce agreement on several major points. It was mutually decided to recess the talks, with the understanding that they could be resumed if it should appear that a basis of agreement might be reached.

In March 1951 the United States International

Development Advisory Board, a representative group of private citizens appointed by the President of the United States in accordance with the Act for International Development, published a report entitled *Partners in Progress*. This report, prepared after consultation with the management of the Bank, proposed, among other things, that an International Finance Corporation be created as an affiliate of the Bank, to help finance private enterprise by equity investment or by loans made without governmental guarantee. During the fiscal year, a report was prepared by the staff as a basis for continuing to explore the proposal with member governments and interested business groups. In June 1952, after discussing the report, the United Nations Economic and Social Council approved a resolution requesting that explorations continue, and that the Bank inform the Council in 1953 of the results of its study and of any action it might take on the proposal.

THE BANK'S LENDING: 1947-52

In its five years of lending the Bank has made 68 loans amounting to the equivalent of \$1,412 million, of which approximately \$30 million has been canceled or refunded, leaving a total of \$1,382 million. The table on the opposite page shows the purposes for which the loans were made and their geographical distribution. Altogether, some 250 individual projects have been completed or are being carried out with the help of Bank financing.

The amounts lent do not measure the magnitude or the total costs of these projects. The Bank normally finances only the foreign-exchange costs of imported equipment and services needed to complete projects; usually the larger part of the cost of any project is met by the borrower. The total cost of projects completed or going forward with the help of Bank financing amounts to more than \$3 billion.

The Bank's first four loans, amounting to \$497 million, were made in 1947 to France, Denmark, Luxembourg and the Netherlands to assist post-

war reconstruction during the period before the European Recovery Program was in operation. Since that time nearly all of the Bank's lending has been devoted to providing basic utilities in the less developed areas. It is the loans made after the reconstruction loans of 1947 that are discussed in the following paragraphs.

Agriculture: The Bank has engaged in a wide variety of lending to increase agricultural production. Among other things, it has helped to finance farm mechanization (in Australia, Chile, Colombia, Nicaragua and Paraguay), land clearance (in India and Pakistan), irrigation (in Chile, India, Iraq, Thailand and Turkey), flood control (in Iraq and Turkey), grain storage (in Nicaragua and Turkey) and improvements on individual farms (in Iceland). In all, the Bank's lending in direct support of agricultural development, including small amounts for forestry, totals \$128 million. In addition, many of the Bank's loans for electric power and transportation have been made to countries that are predominantly agri-

International Bank Loans Classified by Purpose and Area

As of June 30, 1952
(In millions of United States dollars)

Purpose	Area					
	Total	Africa	Asia & Middle East	Australia	Europe	Western Hemisphere
GRAND TOTAL	<u>1,382</u>	<u>125</u>	<u>129</u>	<u>100</u>	<u>699</u>	<u>329</u>
RECONSTRUCTION LOANS:						
TOTAL France, The Netherlands, Denmark, Luxembourg	<u>497</u>	—	—	—	<u>497</u>	—
OTHER LOANS:						
TOTAL	<u>885</u>	<u>125</u>	<u>129</u>	<u>100</u>	<u>202</u>	<u>329</u>
ELECTRIC POWER (Machinery, equipment and construction materials)	<u>391</u>	<u>58</u>	<u>19</u>	<u>27</u>	<u>34</u>	<u>253</u>
TRANSPORTATION	<u>179</u>	<u>24</u>	<u>67</u>	<u>20</u>	<u>33</u>	<u>35</u>
Railroads: locomotives, rolling stock, rails and shop supplies	108	18	63	14	1	12
Shipping: vessels and marine equipment	12	—	—	—	12	—
Airlines: planes and spare parts	7	—	—	—	7	—
Roads: building machinery and equipment	31	5	—	6	—	20
Ports: docks, loading and dredging machinery and harbor craft	21	1	4	—	13	3
COMMUNICATIONS (Telephone & telegraph equipment and supplies)	<u>25</u>	<u>1</u>	—	—	—	<u>24</u>
AGRICULTURE AND FORESTRY	<u>128</u>	—	<u>43</u>	<u>44</u>	<u>25</u>	<u>16</u>
Mechanization: general farm machinery and equipment	43	—	—	29	2	12
Irrigation and flood control: construction equipment and materials	55	—	31	10	13	1
Land improvement: machinery, equipment and construction materials	20	—	12	5	1	2
Grain storage: construction materials	5	—	—	—	4	1
Timber production: machinery and vehicles	5	—	—	—	5	—
INDUSTRY	<u>70</u>	—	—	<u>9</u>	<u>61</u>	—
Manufacturing machinery	59	—	—	<u>6</u>	<u>53</u>	—
Mining equipment	11	—	—	3	8	—
GENERAL DEVELOPMENT	<u>92</u>	<u>42</u>	—	—	<u>49</u>	<u>1</u>
Development banks	12	2	—	—	9	1
General development plans	80	40	—	—	40	—

cultural, and have been designed in part to promote agricultural production and earnings.

Transportation: The less developed countries need basic transportation facilities, to quicken internal and international trade and to provide new incentives for production. Without ready access to markets, farmers in many countries will continue to grow only what they need for their own consumption; without adequate roads and railroads to reach potential customers, industry will not flourish; and raw materials beyond the reach of transportation will lie idle. The Bank's lending for transportation amounts to \$179 million. It includes the financing of highway construction (in Colombia, Ethiopia and Nicaragua), railway rehabilitation (in Australia, Brazil, India, Pakistan, Thailand and the Union of South Africa), and port development (in Peru, South Africa, Thailand and Turkey).

Electric power: In many of the Bank's member nations, agricultural and industrial demands for electric power are running ahead of supply; and the Bank has lent \$391 million for the generation and distribution of electricity. Bank-financed power projects, for the most part still under construction, are situated in Australia, Belgium, Finland, Iceland, India, South Africa, Southern Rhodesia, Turkey, Yugoslavia, and in six countries of Latin America: Brazil, Chile, Colombia, El Salvador, Mexico and Uruguay. The Bank's lending in the Western Hemisphere has been predominantly for electric power, and the contribution being made to the power capacity of Latin American countries is noteworthy. In Mexico, for instance, projects financed by the Bank will by

1955 add 700,000 kilowatts of generating capacity to the 1,000,000 that existed when the Bank made its first loan for electricity there in 1949.

Industry: The Bank's lending for industry has not been comparable in amount to its financing for other purposes. The requirement of the Bank's charter that loans to private borrowers be government-guaranteed has, as a practical matter, limited the extent to which the Bank can make loans direct to industry (see p. 12). In many countries, moreover, the very lack of transportation, power and other basic facilities such as the Bank is trying to provide, means that industrialization must begin with many relatively small enterprises. It is difficult, at a distance, to assess the merits and feasibility of such enterprises; and for that reason the Bank in a number of cases has helped to organize local credit institutions and to provide funds for industry through them. The \$70 million of industrial financing summarized in the accompanying table reflects portions of loans to Australia, Belgium, Finland, the Netherlands and Yugoslavia. The \$12 million attributed in the table to development banks has been provided to credit institutions in Ethiopia, Mexico and Turkey; and the use made of these funds so far has been almost entirely for industrial loans.

Program Lending: Some of the Bank's lending in less developed areas has been in support of broad programs covering an entire country or region. The \$80 million shown in the table reflects loans of this kind to Belgium and the Belgian Congo for the development of the Congo, and to Italy for a program embracing southern Italy and the Italian islands.

TECHNICAL ASSISTANCE

The Bank's technical assistance program is the outgrowth of its conviction that external financing, from whatever quarter, will be of most value in countries that are already making the best possible use of their own resources. The principal way in which the Bank has endeavored to help member countries to achieve this objective has

been through the general survey mission—a group of experts specially organized to make an intensive firsthand study of a country's resources and formulate recommendations designed to serve as the basis of a long-term development program.

Beginning with the general survey mission to Colombia in 1949, the Bank has sent out eight

such groups. As is detailed later in these pages, during the fiscal year the Bank transmitted the reports of four of them, to Cuba, Guatemala, Iraq and Surinam. At the end of June, the report of the mission to Ceylon was being made ready for formal presentation to the Government and the report on Jamaica was in preparation.

In size and composition the missions have varied according to the needs of the individual country. Usually, they have included advisers on public finance and general economics, industry, power, transportation, and one or two agricultural specialists provided by the Food and Agriculture Organization. On occasion, experts in public health and education, nominated by the World Health Organization and United Nations Educational, Scientific and Cultural Organization, have been added. Additional experts in such fields as mining and irrigation have been recruited, as needed, on an international basis. At least one or two Bank staff members have served in every case, and the tendency is to use a larger proportion of Bank personnel. This assures that specialized knowledge accumulated by the Bank will be available to the survey group, and provides greater continuity between the work of the mission and subsequent activities of the Bank.

Whatever the size and composition of the particular group, the broad purpose has been the same—to help in working out long-range programs designed to raise the level of productivity and to increase the standard of living. The results achieved through this type of activity are difficult to evaluate. It is still too early to attempt any general appraisal; and in many cases, the most far-reaching contribution a mission can make may be the intangible effect of its work in changing the approach of the government to its development problems. Nevertheless there is encouraging evidence that the work done by the survey missions is achieving results in most of the countries to which they have gone.

In Colombia, for example, the stimulation provided, directly and indirectly, by the Bank's general survey mission has already had concrete re-

sults. After transmittal of the group's report in 1950, a non-partisan development committee of leading private citizens was appointed by the Government. Aided by Bank technicians, the Committee spent more than a year outlining a long-term program based on the mission's recommendations.

The Government is carrying forward this program. It has adopted budgetary and banking reforms, lifted restrictions on imports, relaxed exchange controls and adopted a liberal and encouraging attitude toward foreign capital. Inflation has been checked. The Government has established a National Board of Economic Planning that will serve as the focal point for the coordination of the country's whole development effort.

The Bank is continuing to provide technical assistance in Colombia to help carry on the work set in motion by the mission's report. It nominated the Economic Adviser chosen to assist the new planning board. Consultants retained jointly by the Government and the Bank are making studies of the administrative and financial aspects of a proposed reorganization of the railway system and of ground facilities for civil aviation. In June 1952 the Bank was preparing to send to Colombia the recommendations of a financial expert, also jointly retained by the Government and the Bank, for measures to promote investment in industry and to improve the market for government securities.

In the case of most of the other countries that have been visited by general survey groups, the mission reports are still too new to have had an impact similar to that of the Colombian Report. Nevertheless, beginnings are being made. In Guatemala, for instance, construction of a highway between Guatemala City and the Atlantic Coast—a project given top priority by the survey mission—has been started. A commission has been appointed to make recommendations for reorganization of the nationalized rural estates, an essential reform stressed in the recommendations presented to the Government; and several other

proposals are being followed out. In Turkey and Iraq, analysis of the most recent development budgets indicates that governmental thinking has been substantially influenced by the investment recommendations of the Bank's missions. The Government of Cuba has recently framed a comprehensive request for technical assistance, based on the report of the Bank's survey group. In June the Government enacted legislation reorganizing the National Economic Planning Commission, in accordance with the recommendations of the Bank's mission.

A variation of the survey mission technique has been employed by the Bank in Nicaragua, with excellent results. Nicaragua originally asked for a general mission. After discussion, it was mutually agreed, instead, that the Bank would provide one or two members of its staff to work directly with the Government on drawing up a development program and determining the first steps needed to carry it out.

The Bank named a member of its economic staff as special representative to Nicaragua. Assisted by a Bank engineer, he spent from July 1951 to May 1952 in Nicaragua helping to draw

up a development program. The members of the Bank's staff also helped the Government to arrange for other experts to come to Nicaragua for shorter periods to study agriculture, transportation, fiscal problems, banking and credit, and the organization of a development corporation. Although the final report of the special representative has not yet been presented, the Government already has taken action. It has brought into effective operation a National Economic Council, is establishing a development corporation, has adopted a five-year development program and a budget for its first year, and has undertaken major changes in fiscal, budgetary and tariff policies.

During the year the Bank continued to provide a variety of technical assistance in addition to the general survey missions. These included: a joint Bank-FAO mission to make recommendations for a program of agricultural development in Chile; the dispatch of specialists to advise on particular development problems such as the stimulation of capital markets and the organization of development corporations; and the recruitment of experts to serve as economic and financial advisers.

INTERNATIONAL FINANCE CORPORATION

As already noted, the report of the United States International Development Advisory Board, published in March 1951, recommended that an International Finance Corporation be created as an affiliate of the Bank. This Corporation would be authorized to make loans to private enterprise without governmental guarantee and to make equity investment in participation with private investors.

This proposal was prompted by a recognition that the ability of the Bank itself to promote private enterprise is limited. In the first place, the Articles of Agreement require that all loans to non-governmental borrowers must be guaranteed by the government, or by the central bank or its equivalent, of the country in which the project to be financed is located. This discourages private

borrowers, who fear that a governmental guarantee might lead to interference by the government in the conduct of their business. Governments, for their part, hesitate to guarantee loans to private enterprises for fear they might be charged with favoritism—no matter how useful the private project may be.

Secondly, the Bank does not engage in equity financing. The Bank has sometimes had to abandon consideration of promising projects because they required more equity capital than the entrepreneur was able to obtain. Lacking equity funds, the Bank has had no way to adapt its operations to take advantage of such opportunities.

The Bank has attempted to overcome these limitations by extending credits to private undertakings through a development bank or a consor-

tium of banks. This type of lending has been useful to some extent, and the Bank hopes to do more of it. Intermediary institutions of this kind, however, cannot entirely escape the necessity of governmental sanction; and the extent to which borrowed funds can be used for equity investment is obviously limited. Moreover, these institutions are not well placed to attract the interest and participation of foreign firms and investors in the projects they finance.

During the past year the Bank's staff studied the proposal for creating an International Finance Corporation, and in May 1952 the management of the Bank made public a report on the matter. The report envisages that the capital of the Corporation would be subscribed by member governments and not by the Bank. The purpose of the Corporation would be to promote economic development through the stimulation of private investment, "by bringing together investment opportunities, capital (both domestic and foreign) and experienced management, and by helping to finance private productive undertakings through equity investment and loans without government guarantee." The Corporation would not accept responsibility for managing an enterprise in which it invested, and would not hold a controlling equity interest in it. No special immunity or status would attach to any enterprise solely by reason of the Corporation's participation. The Corporation would attempt to revolve its funds as rapidly as possible by selling securities in its

portfolio whenever possible at a fair price.

The Corporation is presented in the report as an experiment in stimulating international private investment. In the words of the report, "Although the extent to which the Corporation could generate such flow of capital can be determined only by experience, there are good reasons for concluding that over a period of years the Corporation would be able to give a substantial stimulus to the growth of private enterprise and thus contribute significantly to the further development of the Bank's member countries."

The President of the Bank sent a copy of this report, through the Secretary-General of the United Nations, to the Economic and Social Council as had been requested by it. In transmitting the report, he called attention to the fact that the Executive Directors of the Bank, in authorizing its transmittal, did not express any opinion on the merits of the proposal or any opinion on behalf of the governments they represent. In June the Economic and Social Council considered the report and adopted a resolution requesting the Bank to continue its study in consultation with member governments and interested business groups, and to inform the Council in 1953 of the results of its study and of any action it might take on the proposal. The Bank intends to explore this matter further with all interested groups in order to determine the desirability and feasibility of carrying this project forward.

Chapter II - The Bank's Operations

This section is a country-by-country description of the operations of the Bank in the past fiscal year. For each country in which the Bank was active, information is given on one or more of the following topics: loans made; negotiations and surveys looking to possible loans; reports of progress on Bank-financed projects; and technical assistance. Brief mentions are also made of completely disbursed loans more fully described in previous Annual Reports.

Preceding the account of operations in each

country is a list by fiscal year of all loans made to that country. Unless otherwise indicated, governments are the borrowers; loans to other borrowers are government-guaranteed. The interest rates shown include the 1% commission which, under the Bank's Articles of Agreement, is allocated to the Bank's Special Reserve. Additional details, such as maturity dates of loans, amounts disbursed and repayments of principal, are shown in a tabular summary of loans in Appendix D, beginning on page 48.

AFRICA

Belgian Congo

Fiscal 1952: \$40 million 25-year 4½% Loan of September 13, 1951 to the Belgian Congo for development. Made simultaneously with loan of \$30 million to Belgium (see page 21).

The loan to the Belgian Congo was the first made by the Bank to an overseas territory of a member country. The purpose of the loan, and of the \$30 million loan made simultaneously to Belgium, is to help carry out the Ten Year Development Plan for the Congo. This Plan was put into effect in 1950. Public investment under the Plan is expected to reach the equivalent of \$660 million; and private investment will probably equal this amount. The Bank's loans relate to Government expenditures totaling 11 billion Belgian francs (equivalent to \$220 million) which are to be made in the two years July 1, 1951 to June 30, 1953. Of this total, 7.1 billion francs will be spent for transport and communications, 2.1 billion for housing and public health, and 1.8 billion for electricity, water supply, education and research.

Private investment during the 10 years is expected in mining and manufacturing, large-scale agriculture, commerce and electric power. As a

result of the expansion in both the public and private sectors of the economy, exports are expected to rise by 30% to 50% during the life of the Plan.

The large expenditures contemplated will increase the demand for imports of food and consumer goods as well as capital equipment. The Bank's \$40 million loan to the Congo will help to pay for part of the imports from countries other than Belgium during the two years beginning July 1, 1951. The franc equivalent of the Bank's \$30 million loan to Belgium will be made available to the Congo and used to pay for imports from Belgium.

Because of the wide variety of goods which will be imported, it was impracticable to base disbursements from the Bank's loan on purchases of specified goods. Disbursement of the loan, therefore, is geared both to the rate of investment under the general plan and to expenditures on railways, ports, waterways and roads by the Office d'Exploitation des Transports Coloniaux (Otraco), a public organization which administers the larger part of the Congo transport network. To date \$6.1 million has been disbursed under the loan.

Egypt

On the basis of the report of a Bank mission which visited Egypt in the summer of 1951, the Bank informed the Government that it was willing to consider the financing of a number of development projects, subject to certain technical and financial conditions. The Bank has arranged to send an engineering consultant to Egypt in the second half of 1952 to study the capital works program of the Egyptian State Railways.

Ethiopia

Fiscal \$5 million 20-year 4% Loan of September 13, 1950 for rehabilitation of roads.

\$2 million 20-year 4% Loan of September 13, 1950 for Development Bank.

\$1.5 million 20-year 4% Loan of February 19, 1951 for rehabilitation and development of telecommunications.

Almost all the road-making equipment required for the highway project being financed by the Bank's \$5 million loan has been delivered, and work has been carried out on important sections of road that connect producing areas with Addis Ababa and the Eritrean border. The Imperial Highway Authority estimates that the three-year program for 1951-54 will result in rehabilitation of about 900 miles of road and light maintenance on an additional 1,800 miles.

Since it started operations in May 1951, the Development Bank of Ethiopia has entered into agreements for four loans requiring about \$555,000 of foreign exchange. Nearly all of this amount, to be drawn from the \$2 million loan of the International Bank, will be spent to import machinery and raw cotton for a textile project. The remainder is for the purchase of agricultural machinery and equipment, and for woodworking machinery. The Development Bank has also made several loans requiring only local currency.

The telecommunications project has not yet been started. The Bank has been in consultation with the Government regarding means for putting the project into effective operation.

Southern Rhodesia

Fiscal \$28 million 25-year 4¾% Loan of February 27, 1952 to the Colony of Southern Rhodesia for electric power development.

In October 1951 a Bank mission went to Southern Rhodesia to investigate the possibility of financing part of its program of development. As a result it was decided that the Bank could best aid in carrying out this plan by financing equipment needed for expanding the production and distribution of electric power. A loan of \$28 million, guaranteed by the United Kingdom, was made for this purpose in February 1952.

Southern Rhodesia's four-year development plan, extending to March 31, 1955, contemplates public investment equivalent to about \$280 million. Private investment is expected to equal this amount. Most of the public investment is to be in basic services such as transportation, electricity, communications and water supply. Railways and electric power development will account for the largest amounts.

The Bank's \$28 million loan will help finance the purchase of imported equipment and materials required for power expansion during the three years ending March 31, 1955. The expansion consists of the installation of about 230,000 kw. of new thermal generating capacity, the erection of some 2,000 miles of transmission lines, and the installation of distributing equipment. Most of the equipment to be bought abroad will come from the United Kingdom, though some will come from the Union of South Africa and a small amount from the United States.

South Africa has approved the use in the loan of £1,000,000 from her capital subscription to the Bank, for purchases Southern Rhodesia intends to make in the Union. South Africa has also agreed to consider making an additional amount available later this year.

A large part of the capital for the development of Southern Rhodesia is being provided by the London market. This investment will cause a drain on the United Kingdom's foreign-exchange reserves: much of the equipment which will be

exported to Southern Rhodesia under the program might otherwise have earned foreign exchange; and some of the materials going into the equipment must be bought with foreign exchange. The Bank's loan will be disbursed in dollars for purchases in the United Kingdom, and will help offset the drain on her foreign-exchange reserves.

Other British Territories in Africa

Throughout the year the Bank has kept in close touch with the Colonial Office regarding Bank assistance for colonial development in Africa. Bank representatives visited Kenya, Northern Rhodesia and Nyasaland in November 1951. A Bank mission is to visit the Rhodesias in July 1952, and some months later a mission will visit other British territories in East and West Africa.

Union of South Africa

Fiscal \$30 million 20-year 4% Loan of January 23, 1951 to the Electricity Supply Commission for power development program.

\$20 million 15-year 3¾% Loan of January 23, 1951 for expansion of transportation facilities.

About one-third of the \$30 million loan to the Electricity Supply Commission has been disbursed

in payment for turbo-generators, boilers and other equipment for two new power stations at Hex River and Vierfontein and for the stations already operating at Vaal, Congella and Witbank. In spite of delays in deliveries, the work is going well.

About one-half of the \$20 million transport loan has been spent for the purchase of rolling stock and other equipment for the expansion and improvement of the system operated by the South African Railways and Harbors Administration. Owing to delays in the delivery of rolling stock from the United Kingdom and Germany and difficulties in buying rails and steel sleepers in France, progress has been slower than was expected. Difficulties have also been caused by a shortage of skilled labor. Nevertheless, the double tracking of some lines and improvements on the others, the purchase of new locomotives, and the construction of new workshops are to be completed in 1953. This will help the South African Railways and Harbors Administration to deal with the heavy increase in traffic brought about by the economic expansion during the war and the immediate postwar years.

ASIA

President's Visit to South and Southeast Asia

The President of the Bank visited Pakistan, India, Ceylon and Thailand during February and March 1952.

Use of the Waters of the Indus River System

The Governments of India and Pakistan accepted an invitation from the President of the Bank to send engineers to the Bank to study, together with Bank engineers, possible technical measures to increase the supplies of water available from the Indus system of rivers for purposes of economic development. Meetings began on May 7, 1952 and continued until June 18. Agreement was reached on field studies to be undertaken by the engineers of the two countries as a first step toward drawing up and recommending

a program of construction, with an estimate of costs. The engineers have returned to their countries to carry on their studies. They will meet again in Karachi, together with Bank engineers, in November 1952.

Ceylon

The Bank organized a general survey mission to study Ceylon's economic potentialities and make recommendations to assist the Government in drawing up a long-range development program. The mission was composed of twelve members, five of whom were from the Bank's staff. The Food and Agriculture Organization of the United Nations nominated the agricultural technician and paid part of his expenses. The public health expert was nominated by the World Health Organization.

The group arrived in Ceylon early in October 1951 and stayed about ten weeks. The mission's report will be published simultaneously in Colombo and in Washington early in September 1952.

India

Fiscal \$34 million 15-year 4% Loan of August 18, 1949 for railway rehabilitation; reduced to \$32.8 million on May 16, 1950 at request of borrower.

\$10 million 7-year 3½% Loan of September 29, 1949 for importation of agricultural machinery; reduced to \$8.5 million on July 27, 1951 at request of borrower.

\$18.5 million 20-year 4% Loan of April 18, 1950 for power development project.

The Bank's \$34 million loan of 1949 was used primarily for the purchase of locomotives. There has been a continued improvement in the operating efficiency of the railways in the past year; this and higher fares have brought about a substantial improvement in railway finances.

The agricultural machinery loan was made to enable the Central Tractor Organization of the Government to clear large areas of land in central India of a deep-rooted weed called kans grass, and to develop methods for clearing jungle land in northern India and opening it to cultivation. Some of the organizational and managerial problems that had slowed the C.T.O.'s progress on kans grass clearance have been solved, and there has been a definite improvement in the administration of the project.

In central India, 500,000 acres have now been cleared of kans grass. In the 1951-52 season, the goal of 210,000 acres was exceeded. Better results might have been achieved if all the State Governments had made large blocks of land available to the C.T.O. to permit operations to be carried out economically, and if one type of tractor, being used under difficult conditions, had not had mechanical failures. Jungle-clearance operations in the Himalayan foothills have resulted in the reclamation and plowing of nearly 18,000 acres, and have demonstrated that the clearance of

jungle in India can be successfully carried out with mechanical equipment.

The first of the three 50,000 kw. generating units of the Bokaro thermal power plant in the Damodar Valley is expected to come into operation in November 1952 and the entire plant by March 1953. Work on the Konar dam, where a hydroelectric power station will be built, was retarded because of changes in design and delays in the delivery of equipment. The dam should be completed by the middle of 1953.

A Bank mission visited India for seven weeks in late 1951 to gain firsthand knowledge of the planning, financing and execution of the development program set forth in the Draft Outline of India's First Five-Year Plan. On the basis of the mission's report, and of discussions by the President of the Bank during his visit in February 1952, the Bank has expressed its willingness to consider loans for selected projects.

A number of technical missions already have gone to India to make an examination of these projects. In May 1952 Bank representatives carried on discussions of possible assistance to the Industrial Finance Corporation, a private institution for providing medium and long-term credit to industry. It is expected that negotiations for a loan to the Corporation will begin soon.

In June 1952 a member of the Bank's staff went to India to make a study of plans for completion of an integrated power development scheme in the Damodar Valley. Also in June, a mission, organized by the Bank and headed by the Chairman of The First Boston Corporation of New York, arrived in India to study technical and financial problems of the iron and steel industry, and to see on what basis the Bank might be able to assist in expanding iron and steel production.

Iran

After expressions of interest by Iran and the United Kingdom, the Bank offered in November 1951 to try to work out interim arrangements for the restoration of oil operations in south Iran. After a preliminary visit to Iran by a Bank official

and a technical consultant, a mission headed by the Vice President of the Bank went in February to Teheran and London. There, conversations were held with the Governments concerned and with the Anglo-Iranian Oil Company.

It was the hope of the mission that it could work out an agreement acceptable to the two parties to the dispute. As a basis for discussion the Bank put forward a proposal which included the following points: For a limited period of about two years, and without prejudice to the legal rights of the interested parties, the Bank would operate the oil properties through a management headed by neutrals. The Bank would sell the crude oil and products for the most part to the principal purchaser, the Anglo-Iranian Oil Company, at prices and on terms to be mutually agreed upon by the Company and Iran. Part of the proceeds of sale would be retained by the Bank pending final settlement. The Bank, as a neutral institution of which both parties are members, would act in the interests of both. It would have full freedom of action, during the interim period, to manage the properties without interference so as to achieve the greatest possible efficiency and produce a substantial flow of oil to the purchaser and of revenues to Iran. The Bank would undertake to limit the employment of foreign technicians to a minimum consistent with efficient operations; and the employment of British technical personnel, among others, would not be excluded. Appropriate provisions would be included to protect the Bank's resources against risks not incident to its usual operations, such as claims for damage to oil properties. The Bank would undertake to see that, if necessary, funds would be provided for the resumption of operations; this would be accomplished in such a way as to avoid affecting the Bank's credit.

This proposal, if it had been found acceptable, would have given the parties to the controversy an opportunity to work out a final settlement. It would also have permitted a resumption of the flow of oil and oil revenues without any sacrifice of legal rights on either side.

This proposal was discussed in Teheran for several weeks, and also in London. *Understanding* in general terms was reached on a number of questions, but on several major points there was no agreement. In the absence of real progress in reconciling views on these points, it was mutually decided to recess the talks, with the understanding that they could be resumed later if it should appear that a basis for agreement could be reached.

Iraq

Fiscal \$12.8 million 15-year 3¾% Loan of
1950: June 15, 1950 for flood control.

Work on the flood-control project began early in 1952. The project is designed to protect Baghdad and the surrounding agricultural area against periodic floods of the Tigris River, by diverting flood waters into a large uninhabited depression, northwest of Baghdad, known as the Wadi Tharthar. In October 1951 a contract was awarded to a British firm for the excavation of a 33-mile long diversion channel into the depression, and work on this first phase of the project has now begun.

The Bank's general survey mission, headed by Dr. Ivar Rooth, presented its report to the Iraqi Government in February 1952. The mission was impressed by Iraq's potentialities for economic development; and it outlined a five-year development program calling for a total expenditure equivalent to \$470 million. It reported that Iraq's three principal resources—land, water and oil—can ultimately maintain a much larger population with a considerably higher standard of living. Rapidly rising revenues from oil make it possible for the Government to undertake a large-scale development program over the next few years. Seventy percent of these revenues have been assigned to the Iraqi Development Board, an autonomous agency established in 1950 for the planning and financing of development.

Economic development, in the mission's opinion, should put major emphasis on agriculture. The most urgent needs are flood control and irrigation to bring additional land under cultivation, drain-

age to improve existing crop land, and the introduction of better agricultural techniques.

In the industrial field the mission suggested the expansion of certain existing industries and the creation of new ones. In particular, the mission suggested the establishment of a chemical plant which would use natural gas from the Kirkuk oil field to make fertilizer and other valuable chemical products.

The mission found the transport system generally adequate for present needs; but for the future it recommended the standardization of railway gauges to be carried out in conjunction with a comprehensive replacement program, and the building of an adequate network of surfaced roads. Throughout its report the mission stressed the importance of increasing the productivity of workers by providing better education and effective measures for reducing the incidence of debilitating diseases.

In June 1952 a Bank representative visited Iraq. He discussed with the Government the recommendations of the mission's report and the action taken by the Government to carry them into effect.

Lebanon

In May 1952 a Bank representative visited Beirut and had exploratory talks with the Government on the financing of development projects. Further discussions of the type and extent of possible Bank assistance are in prospect.

Pakistan

Fiscal \$27.2 million 15-year 4 $\frac{3}{8}$ % Loan of 1952: March 27, 1952 for railway rehabilitation.
\$3.25 million 7-year 4 $\frac{1}{8}$ % Loan of June 13, 1952 for agricultural machinery.

The railway loan will help finance a program for the rehabilitation, improvement and modernization of the Government-owned railways in both East and West Pakistan. The program is to make up arrears in replacement, start substitution of diesel for steam locomotives, improve the permanent way and provide additional facilities to en-

able the railways to keep pace with the growth of the Pakistan economy.

The railways urgently need rolling stock and repair facilities to replace equipment which deteriorated from heavy use and insufficient maintenance during and after World War II. The loan will be used to finance the purchase of diesel electric locomotives, passenger cars, freight cars, workshop equipment, locomotive boilers and cross ties. This equipment will be purchased in the United States, France and Canada. The French Government has released to the Bank for this loan the equivalent of \$12 million in French francs from its capital subscription to the Bank.

The agricultural loan will be used to help reclaim 660,000 acres of waste land in the Thal desert, an area in the northeastern part of West Pakistan. It will be used to finance the import of tractors and ancillary equipment to clear, plow, harrow and seed the land and to construct irrigation ditches. The Government has already constructed most of the irrigation canals planned for the area and is now building roads.

This reclamation project is planned for completion in about five years. The cleared land will be divided into 15-acre farms on which 44,000 families, mostly refugees, will be settled. Increased crop production will consist mainly of wheat and cotton.

The Bank is now discussing with the Government the financing of a paper-mill project in East Pakistan and is exchanging views with the Government on other projects which may be the basis for further financing.

In May 1952 the Government requested the Bank to help organize a Technical Research Institute in Pakistan. The Institute would do applied research designed primarily to promote industrial development, and would be sponsored jointly by the Bank and the U. N. Technical Assistance Administration. The Bank expects to send a representative to Pakistan in the second half of 1952 to explore, for itself and UNTAA, the feasibility of establishing the proposed Institute.

Syria

In June 1951 the Bank advised the Government that it was prepared to negotiate loans which had been requested for drainage and irrigation, highway improvement and the development of the Port of Latakia; and in September 1951 negotiation procedures were discussed with the Syrian Governor of the Bank.

In May 1952 a Bank representative visited Damascus. The Government informed him it was ready to open negotiations for loans for the purposes mentioned. The Government said it also wished the Bank to consider, at the same time, the financing of additional projects. The Bank is studying the Government's proposals.

Thailand

Fiscal \$3 million 15-year 3¾% Loan of October 27, 1950 for railway rehabilitation.
\$18 million 20-year 4% Loan of October 27, 1950 for irrigation project.
\$4.4 million 15-year 3¾% Loan of October 27, 1950 for port development.

Almost two-thirds of the \$3 million railway loan is being spent to rehabilitate and re-equip the railway workshops at Makkasan, near Bangkok. Plans for reconstructing the workshops, together with a list of required equipment, were prepared by engineering consultants retained by the Government. A Bank engineer visited Thailand in June 1952 and approved the plans and the list of equipment required. Orders have been placed for nearly half of the equipment needed for the workshops, and for the signaling equipment that will consume most of the remainder of the loan.

The Royal Irrigation Department has now completed the design for a barrage on the Chao Phya River to regulate the flow of water in the River and its branches and in the canal system on the central plain. The design of the barrage has been approved by the United States Bureau of Reclamation, which is the Department's engineering consultant. A firm of British contractors has been employed to supervise construction. Access roads and a construction camp have already been built and clearing and foundation work has begun. Nearly all the orders for equipment have been placed, but delays in the delivery of equipment have set back construction of the dam by about a year.

The \$4.4 million loan for developing the Port of Bangkok became effective at the end of August 1951. The greater part of the loan is being used to finance the foreign-exchange cost of deepening the channel through the sand bar at the mouth of the Chao Phya River, so that vessels of about 10,000 tons can enter the river and berth at the port. A dredging contract was awarded to a Dutch company; deepening of the channel may be completed by early 1953. The port development project provides also for the improvement of cargo-handling facilities at the Port of Bangkok. Orders for equipment needed for this phase of the project are now being placed.

In March 1952 the Government and the Bank agreed that the alleviation of the power shortage should be given first priority in Thailand's further development plans. A commission has been set up to plan and coordinate the activities of the Government in the development of electric power.

AUSTRALIA

Fiscal \$100 million 25-year 4¼% Loan of August 22, 1950 for development program.

The Bank's loan to Australia was to be spent over a period of about two years. So far, about two-thirds of it has been disbursed and it is expected that the rest will be withdrawn over the

next nine months. A portion of the loan has been spent on capital goods for public projects of the Commonwealth and State authorities. A large part, however, has been spent on capital goods needed by farmers and private business concerns. Nearly all of these goods have been distributed through normal commercial channels.

Tractors and other farm machinery, such as balers, grain combines and harvesters, valued at \$18 million, have been imported and retailed by commercial distributors. Industrial crawler tractors and earth-moving equipment valued at \$13 million have gone in the main to public authorities, or to private contractors working for public authorities, for use on projects in various parts of Australia. About \$3 million worth of earth-moving equipment, for instance, will be used on the Big Eildon dam project for the State Rivers and Water Supply Commission of Victoria. The project will make possible the irrigation of 360,000 additional acres in the Goulburn Valley and will increase electric generating capacity by 120,000 kw.

Bank-financed imports of locomotives and locomotive parts will help bring into service 11 new diesel-electric locomotives for the Commonwealth Railways, 20 for the New South Wales Railways, 17 for the Victoria Railways, and 10 for Queensland Railways. Twenty steam locomotives have also been financed for the New South Wales Railways. Some of these locomotives are already

in service. Bank-financed mining machinery, such as coal cutters, conveyors and drills for privately owned mines in New South Wales, has helped to raise coal production. About \$11 million has been spent on power plants of a total capacity of 150,000 kw. which are being purchased for the State Electricity Commissions of New South Wales, Victoria and Queensland. In these States there is an acute shortage of electric power.

A Bank mission was in Australia in March and April 1952, and the President of the Bank visited Australia at the invitation of the Commonwealth Prime Minister for a week during this period. Discussions covered economic developments of the past two years, the part which the Bank's loan has played, and the possibility of further Bank lending. The Prime Minister and the President of the Bank had further discussions of loan possibilities when the Prime Minister visited Washington in May 1952 and again in June. At the end of the fiscal year negotiations were far advanced for a new loan of \$50 million.

EUROPE

Belgium

Fiscal \$16 million 20-year 4¼% Loan of 1949: March 1, 1949 for steel plants and electric power.

Fiscal \$30 million 25-year 4½% Loan of 1952: September 13, 1951 for development of the Belgian Congo. Made simultaneously with loan of \$40 million to the Belgian Congo (see page 14).

The \$30 million loan of September 1951 was the first made to a member country to assist it in promoting the development of an overseas territory. The loan will aid in carrying out the Ten Year Development Plan for the Belgian Congo (see page 14). Belgium has long been the leading supplier of manufactured goods to the Congo, and she will provide most of the capital equipment required to execute the Congo program. Additional demand for goods for the Congo stimulates economic activity in Belgium—raising employment and income, increasing imports of

raw materials and foodstuffs, and increasing the expenditure of foreign exchange. The loan was aimed at reducing the pressure on Belgium's foreign-exchange reserves during the two years ending September 30, 1953.

The loan is being disbursed to the National Bank of Belgium, which credits the equivalent in Belgian francs to the Belgian Government. This equivalent will be available to the Congo to finance expenditures under the Ten Year Plan. Disbursement of the loan is geared to the rate of investment in the Plan in general. Disbursement is also related more specifically to expenditures for transport and related installations by the Office d'Exploitation des Transports Coloniaux (Otraco).

The two steel plants and the thermal power plant financed by the \$16 million loan of 1949 have been completed and are in operation. The thermal power plant, of the Union des Centrales

Electriques de Liège-Namur-Luxembourg (Linalex), started operating at full capacity (100,000 kw.) early in 1952.

Denmark

Fiscal \$40 million 25-year 4¼% Loan of 1948: August 22, 1947 for reconstruction.

The loan made in 1947 financed the import of essential goods which contributed to Denmark's recovery in the immediate postwar period. This recovery has continued, but Denmark's dollar position has remained difficult. The country continues to rely heavily on imports of raw materials from the dollar area, and reductions in these imports would cut down production. Yet Denmark has not been able to increase dollar earnings rapidly enough, partly because of restrictions on the entry of dairy products into the United States. Denmark's dollar problem will remain particularly acute because of large dollar loans which mature in the next three years.

Late in 1951 two Bank representatives visited Copenhagen for consultations with the Government on payments problems. The Bank will continue its close collaboration with the Government on this and other matters of common interest.

Finland

Fiscal \$12.5 million 15-year 4% Loan of 1950: August 1, 1949 to the Bank of Finland for development of power, wood-products industries and limestone powder production.

\$2.3 million 2-year 3% Loan of October 17, 1949 for equipment for timber production; reduced at the request of the borrower to \$2.1 million on September 30, 1951.

Fiscal \$20 million 18-year 4¾% Loan of April 1952: 30, 1952 to the Bank of Finland for further development of power and wood-products industries and for agricultural improvement.

Of the \$20 million loaned to Finland in April 1952, \$9.5 million is for the wood-products industries, \$9.5 million for electric power production, and \$1 million for agriculture.

The wood-products industries had previously obtained \$10.45 million of the Bank's \$12.5

million loan of August 1949 for modernization and expansion, and also benefited from a second loan of \$2.3 million made in October 1949, mainly to aid forest operations. The new loan will help these industries to buy much needed modern equipment to increase their capacity for making the more highly processed products, such as chemical pulp, newsprint, paper, paperboard and cardboard.

More electric power is needed to keep pace with, and make possible, Finland's continued industrial growth. The Bank's loan will provide equipment for four hydroelectric generating plants in northern and eastern Finland and one steam generating plant in western Finland. By 1957 these plants will have added 275,000 kw. to Finland's generating capacity, thus increasing her present capacity by nearly a third and raising it far above the prewar level. In addition, transmission lines will be erected to bring power to the principal industrial centers in the southern and western parts of the country. The Bank's loan will be used for the import of construction machinery, aluminum transmission cables, turbines, generators and switch gear.

The \$1 million for agriculture will pay for imported tractors and earth-moving equipment to be used for clearing land and building forest roads. It will aid a Government program begun in 1940 for increasing agricultural and forestry output. This program has also been important in resettling farmers from Karelia.

The recent loan followed a review of economic developments and investment needs made by a Bank mission in November 1951. A smaller supplemental loan in Swedish kronor to cover the purchase of machinery in Sweden for the wood-products industries is now under consideration. The Swedish Government has been asked to release part of its subscription to the Bank's capital for this purpose.

More than four-fifths of the \$12.5 million loan of August 1949 has been disbursed and the loan will probably be withdrawn in full by the end of 1952.

The \$2.3 million loan of October 1949 was repaid in full in 1951. This loan financed the purchase of forestry equipment to help Finland to increase her exports of sawn timber to Western Europe.

France

Fiscal \$250 million 30-year 4 $\frac{1}{4}$ % Loan of May 1947: 9, 1947 to Crédit National for reconstruction.

This loan was completely disbursed during the second half of 1947, and financed imports of a wide range of raw materials, fuels and equipment. It helped to maintain economic activity and employment, facilitated the rehabilitation of essential transport facilities, and made possible new construction in heavy industry, notably for the production of steel.

Iceland

Fiscal £875,000 (\$2,450,000) 22-year 4 $\frac{3}{8}$ % 1951: Loan of June 20, 1951 for power development.

Fiscal £360,000 (\$1,008,000) 22-year 4 $\frac{1}{2}$ % 1952: Loan of November 1, 1951 for agriculture.

The agricultural loan will pay for the import of cement, steel, timber, fencing materials, seed and fertilizer, which are needed by farmers for building or improving farm houses and other farm buildings and for re-seeding and fencing grasslands. The equivalent of the loan in Icelandic krónur will be set aside in a special account at the Agricultural Bank for loans to farmers.

In the last few years both Government and private agencies have become concerned at the neglect of farm lands and the fall in agricultural output. Exports of live sheep, frozen lamb, wool and other agricultural products, which once accounted for a fourth of Iceland's exports, now are only a twelfth. Iceland has become excessively dependent on the fishing industry; and this dependence is a weakness which has been emphasized in recent years by sharp fluctuations in the price of fish and in the size of catches. The program of agricultural development will help correct this

situation by broadening the country's economic base.

The loan made in 1951 is helping to finance hydroelectric projects on the Sog and Laxa Rivers. These are several months behind in construction because of delays in procurement and technical difficulties. The estimated cost of the projects has risen by about 20%, mainly as the result of internal price rises.

Approximately two-fifths of each of the above loans has already been disbursed, the Bank making use of sterling raised in the London market in May 1951 and of parts of the capital subscriptions of the United Kingdom, France, Denmark and Norway.

The Bank has discussed with the Icelandic Government ways of channeling investment to achieve better balanced economic development. An officer of the Bank visited Iceland in October 1951 to advise the Government on the organization and functions of a new investment institution to be established in general accordance with the recommendations of an earlier Bank mission.

Italy

Fiscal \$10 million 25-year 4 $\frac{1}{2}$ % Loan of 1952: October 10, 1951 to the Cassa per Opere Straordinarie di Pubblico Interesse nell'Italia Meridionale (Cassa per il Mezzogiorno) for development of the South of Italy.

The loan is to aid in carrying out the Government's 10-year plan for the development of southern Italy, including Sicily and Sardinia. The plan covers the period between July 1, 1950 and June 30, 1960. It is administered by the Cassa per il Mezzogiorno and supervised by a special committee of the Council of Ministers. Investment is planned at the rate of 100 billion lire (\$160 million) a year from funds allocated by the Italian Treasury. Three-fourths of the total 10-year appropriations of 1,000 billion lire (\$1.6 billion) will be used in agriculture. Of the amount for agriculture, the largest part will be spent on irrigation, drainage and clearance of land. It is estimated that the area under irrigation in southern Italy will be increased tenfold. Other projects

a wide range of goods, including industrial equipment and merchant ships.

The 1948 loans to four shipping companies for the purchase of ships in the United States have been reduced to \$7.8 million by repayments. All of these loans were sold by the Bank with its guarantee in 1948 and 1949.

The \$15 million loan of 1949, now reduced to \$7.9 million, was made to the Finance Corporation for National Reconstruction (Herstelbank) to provide foreign exchange for manufacturing industries in the Netherlands. Of the 35 projects for which the loan was used, seven were completed by the end of 1951 and 21 more are expected to be completed by the end of 1952.

Turkey

Fiscal \$3.9 million 18-year $3\frac{7}{8}\%$ Loan of 1951: July 7, 1950 for grain-storage facilities.
\$12.5 million 25-year $4\frac{1}{4}\%$ Loan of July 7, 1950 for development of ports.
\$9 million 15-year $3\frac{3}{4}\%$ Loan of October 19, 1950 to Industrial Development Bank of Turkey for development of private industry.

Fiscal \$25.2 million 25-year $4\frac{3}{4}\%$ Loan of 1952: June 18, 1952 for multi-purpose dam and power facilities on the Seyhan River.

The loan made in 1952 will finance the foreign-exchange costs of a dam, a power-generating plant, and power transmission lines to industrial centers. The dam will help control floods and will provide water for irrigation and electric power in the Adana Plain, a productive agricultural and industrial area in south-central Turkey. The dam is the key to the Seyhan Project, a comprehensive plan being carried out by the Turkish Government for the control and use of the waters of the Seyhan River. The economic development of the Adana Plain has been limited by ruinous seasonal floods, an inadequate and irregular supply of water for cultivation, and a serious shortage of electric power.

The power plant at the dam will have an initial capacity of 36,000 kw. Housing will be provided for an additional 18,000 kw. generator which may be installed later. The power generated will make possible the growth of existing industries (textile

plants and plants for processing vegetable oils), the establishment of new ones, and additional public use of electricity. When completed, the power-generating and transmission facilities will be turned over for operation to a private corporation. Both the Government and private capital will share in the ownership of this corporation, but the majority of the stock will be held by private interests.

The port and grain-storage projects are behind schedule. Construction of the 29 steel sheds for grain storage is now well under way and should be completed this summer. Some of the inland silos may also be completed this year. Engineering studies required for the three large port silos have not yet been completed. Technical studies on several of the port development and construction projects have been finished and construction and cargo-handling equipment is being ordered. The delay in the execution of these projects has hampered the handling of Turkey's recent large surplus of grain.

The Industrial Development Bank has steadily increased the volume of its loans. By the end of May 1952, 15 months after the start of operations, it had approved loans amounting to 22 million Turkish liras (about \$7 million). Five of these projects, requiring foreign exchange equivalent to about \$1.9 million, were submitted to the International Bank in accordance with the loan agreement and were approved. One of these loans will help build a cotton-ginning and oil-seed plant; one will help to build a transmission line; and three are for cotton textile mills.

In August 1951 the Turkish Government signed a contract with the Development Bank by which the latter will make loans to private enterprises from T. L. 54.5 million of ECA counterpart funds.

Yugoslavia

Fiscal \$2.7 million 2-year 3% Loan of October 1950: 17, 1949 for equipment for timber production.

Fiscal \$28 million equivalent 25-year $4\frac{1}{2}\%$ 1952: Loan of October 11, 1951 for power, mining, industrial and other projects.

In October 1951 the Bank lent Yugoslavia an amount in various currencies equivalent to \$28 million to provide the foreign exchange needed to complete projects in the fields of electric power, coal mining, non-ferrous metals development, industry, forest products utilization, agriculture and fisheries, and transportation. In addition to the amount of the Bank's loan, substantially larger amounts of foreign exchange and local currency are being invested by Yugoslavia. The projects selected by the Bank and the Yugoslav Government for Bank assistance were those that would increase Yugoslav production and improve its balance of payments position promptly and substantially. In several cases the imports to be financed are relatively small amounts of key equipment needed to complete projects on which considerable investments have already been made.

Because of the present and probable future pattern of its foreign trade, Yugoslavia is able to service foreign indebtedness in Western European currencies with less difficulty than in dollars. The Bank therefore obtained permission from Belgium, Denmark, France, Italy, the Netherlands and the United Kingdom to use parts of their capital subscriptions for this loan. Purchases are being made in Germany and in the United States and Canada as well as in the Western European coun-

tries which authorized the use of their capital. Purchases in the United States and Canada are being financed through conversion of Swiss francs obtained from the Bank's security sales in Switzerland, and purchases in Germany are being financed through conversion of sterling from the Bank's London bond issue. It is expected, therefore, that the loan will be repayable entirely in currencies other than dollars.

During the year the \$2.7 million timber-equipment loan was completely repaid. The object of the loan was to provide additional equipment to expand production of sawn softwood and pitprops.

Mediterranean Training Center

A Training Center on Agriculture and Allied Projects was established in Ankara, Turkey, from October to December 1951, to train government officials in appraising and drawing up agricultural development projects. The Center was sponsored jointly by Turkey, the United Nations, the Food and Agriculture Organization and the Bank. It was attended by 60 participants: 40 from Turkey and 20 from 10 other Mediterranean countries and territories. Instructors included two members of the Bank's staff.

WESTERN HEMISPHERE

Brazil

Fiscal \$75 million 25-year 4½% Loan of 1949: January 27, 1949 to Brazilian Traction, Light and Power Company, Ltd. for power and telephone development program.

Fiscal \$15 million 25-year 4¼% Loan of May 1950: 26, 1950 to Companhia Hidro Elétrica do São Francisco for power development project.

Fiscal \$15 million 25-year 4¼% Loan of 1951: January 18, 1951 to Brazilian Traction, Light and Power Company, Ltd. for power development program.

Fiscal \$25 million 25-year 4¾% Loan of June 1952: 27, 1952 to the Comissão Estadual de Energia Elétrica of Rio Grande do Sul for power development program.

\$12.5 million 15-year 4⅝% Loan of June 27, 1952 for improvement of railways.

The \$25 million loan of June 27, 1952, will finance imported equipment needed for the electric power program of the State of Rio Grande do Sul. The borrower is a State-owned agency, the Comissão Estadual de Energia Elétrica (CEEE).

Additional power is urgently needed in Rio Grande do Sul. Because of its favorable climate, fertile land and vigorous population, the State is an important agricultural and cattle-raising area. Related industries, such as food processing, shoe manufacturing and textile plants, have already been established there. The State contains Brazil's largest known deposits of coal. Prospects are good for further development of industry as well as agriculture.

Demands for electric power for both industrial, commercial and residential purposes have been steadily increasing, and shortages have necessitated power rationing. In the north-central section of the State, over 3,000 industrial plants now have to generate their own power with relatively small and inefficient units.

The State has undertaken an electrification program to meet present needs and to provide for future requirements. The program is being carried out in two stages. The first, now almost completed, will add about 40,000 kw. to present capacity and will relieve the most critical power shortages. The second stage, which is to be completed in 1960, will provide power for longer range development. It will add 185,000 kw. to the State's power system through the construction of four hydroelectric power stations, two steam turbine plants and some small diesel plants. By 1960, the system is to have more than twice its present capacity.

The Bank's loan will be applied to projects in the second stage of the program which are to be completed in or before 1957. The funds required during that time will be equivalent to about \$80 million. The Brazilian Government will finance works costing the equivalent of \$16 million; CEEE will receive \$39 million worth of cruzeiros from the proceeds of a State electrification tax and from operating revenues; and the Bank's loan will provide \$25 million.

The \$12.5 million loan of June 27, 1952 was made directly to the Brazilian Government. It will be used to purchase imports needed in an urgent project for rehabilitating the Central do Brasil Railroad and adding to its carrying capacity. The project is to add to rolling stock, improve maintenance, rehabilitate broad-gauge track and strengthen bridges. Most of the loan will be used to buy components of freight cars to be assembled in Brazil. The remainder will be used to buy equipment for track maintenance, stone quarrying (to provide track ballast), maintenance shops and switches.

This project is to be completed in about three years, except for track rehabilitation, which is expected to take about five. The total cost is estimated at the equivalent of approximately \$76 million. Of this amount, the Brazilian Government will provide \$64 million in cruzeiros and the Bank will provide \$12.5 million in foreign exchange.

The Central do Brasil Railroad serves the economic center of Brazil. It links the important cities of Rio de Janeiro, São Paulo and Belo Horizonte; and serves Volta Redonda, Brazil's largest steel plant, and the mining State of Minas Gerais. The railroad is a large carrier of iron ores, steel, fuel and food products, as well as of passengers.

The \$90 million loan made in two installments to the Brazilian Traction, Light and Power Company, Ltd., is financing most of the foreign-exchange cost of a \$270 million program for expanding hydroelectric generating and transmitting facilities in the Rio de Janeiro and São Paulo areas. The loan has already enabled Brazilian Traction to increase its power capacity substantially. Two hydroelectric generating units, with a total capacity of 117,000 kw., have been installed, and a 30,000 kw. floating power plant has been added to the system. The first phase of the complex Paraíba-Pirai River diversion project, built to provide an ample water supply for the new Forçacava plant and the old Fontes plant, has been completed. The Company expects the first unit at Forçacava to be in operation early next year, thus adding 35,000 kw. to the system. The total planned capacity of this plant is 330,000 kw., of which 195,000 kw. is expected to be in operation by the end of 1953.

Already the Company's output of power has been increased by one billion kilowatt-hours per annum. About half the power sold is for the use of industrial consumers. The first installment is also helping to finance expansion of telephone facilities in the same area. The program for augmenting telephone facilities is scheduled for completion before the end of 1952.

Work is continuing on the project of the Companhia Hidro Elétrica do São Francisco for the construction of a hydroelectric power plant at Paulo Afonso Falls in northeastern Brazil. In spite of construction difficulties, this project is being carried forward in a satisfactory manner.

In November 1951 the President of the Bank visited Brazil for two weeks to learn at first hand about Brazil's development problems and plans. His trip took him to Rio de Janeiro, São Paulo, Porto Alegre and Belo Horizonte.

British Guiana

In June 1952 two members of the staff visited British Guiana to discuss a request that the Bank arrange a mission to study the major economic problems of the colony.

Chile

Fiscal \$13.5 million 20-year 4½% Loan of
1948: March 25, 1948 to Corporación de Fomento de la Producción (Fomento) and Empresa Nacional de Electricidad, S. A. (Endesa) for power development.
\$2.5 million 6½-year 3¾% Loan of
March 25, 1948 to Corporación de Fomento de la Producción for importation of agricultural machinery.

Fiscal \$1.3 million 10-year 4¾% Loan of
1952: October 10, 1951 to Corporación de Fomento de la Producción for exploration and use of water resources of the Río Elqui Valley.

The project in the Río Elqui Valley in north central Chile will be carried out in two stages. In the first stage, the volume of underground water, already known to be large, will be precisely determined. In the second stage, permanent pumps and electric power facilities for operating them will be installed.

Agricultural production in the river valleys in northern Chile is severely limited by irregularity in the flow and volume of surface waters available for irrigation. The present project is a pilot undertaking. If successful, it would point the way to a much larger development of irrigation and agriculture, both in the Río Elqui Valley and in other river valleys of northern Chile. The

project is being carried out by Chile's Department of Public Works. All equipment required for the project has been purchased and technical experts from abroad are at work.

The Endesa hydroelectric project is proceeding satisfactorily. The Bank-financed unit at Pilmaiquén (capacity 10,800 kw.), which serves the fertile agricultural area in the south of Chile, started operations early in 1952. The 16,000 kw. unit at Los Molles, which will serve the area of La Serena, some 500 kilometers north of Santiago, is expected to go into operation by September or October 1952. The Los Cipreses hydroelectric plant, with a generating capacity of 54,000 kw., is expected to start operating during the second half of 1953. In response to a request from Fomento and Endesa, the Bank has agreed to permit the Los Cipreses project to be enlarged to include the construction of a transmission line linking the south-central power area with that of Santiago. This will assure a steady supply of power for Santiago and for the industrial center of Concepción. Because of economies effected in the original project, the foreign-exchange costs of the proposed extension can be met from the original loan.

Virtually all equipment provided under the Bank's agricultural machinery loan has been sold to farmers. Spot checks indicate that dealers are providing adequate repair facilities and spare parts; farmers are making good use of the equipment and giving it proper maintenance.

Bank representatives visited Chile in February 1952 to examine a project for the construction of pulp and newsprint plants; and at the close of the fiscal year, negotiations for a loan were well advanced. The Bank has also been considering requests submitted by two private coal-mining companies for assistance in financing the rehabilitation and modernization of their mines.

The joint Bank-FAO mission, which made a field study of agricultural development in Chile in collaboration with the Chilean Government and other technical experts, returned to Washington in September 1951. In June, the chief of

mission returned to Chile to discuss the mission's major findings and recommendations with the Government and with FAO and Point Four specialists. The mission's final report and recommendations for a program of agricultural development will soon be formally presented to the Government.

Colombia

Fiscal \$5 million 7-year 3½% Loan of August 1950: 19, 1949 to Caja de Crédito Agrario, Industrial y Minero for importation of agricultural machinery; reduced at the request of the borrower to \$4.9 million on April 2, 1951.

Fiscal \$3.53 million 20-year 4% Loan of 1951: November 2, 1950 to Central Hidroeléctrica del Río Anchicayá, Limitada, for power development project.

\$2.6 million 20-year 4% Loan of December 28, 1950 to Central Hidroeléctrica de Caldas, Limitada, for power development project.

\$16.5 million 10-year 3⅞% Loan of April 10, 1951 for highway construction and rehabilitation.

Fiscal \$2.4 million 20-year 4½% Loan of 1952: November 13, 1951 to Central Hidroeléctrica del Río Lebrija, Limitada, for power development project.

The most recent of three Bank loans for the development of electric power in Colombia was made to the Central Hidroeléctrica del Río Lebrija, a publicly owned company, to increase the supply of power for the city of Bucaramanga, the center of the tobacco-processing industry. The project provides for the building of a hydroelectric plant, construction of transmission lines, and the enlargement of the present distribution system. The plant initially will have an installed capacity of about 7,500 kw. but is designed for an eventual capacity of about 15,000 kw. Work is already far advanced and the project is scheduled for completion in late 1953.

Progress under the Bank's other two power loans has been satisfactory. In December 1951 the first generator installed by the Central Hidroeléctrica de Caldas began to supply power for the city of Manizales.

In 1952 the highway rehabilitation project was changed, to pave 50% instead of 15% of the

mileage included in the project. The additional foreign-exchange requirements are being met by using part of the unallocated funds available from the Bank loan. Additional local-currency financing will be provided from Colombian budgetary sources.

The loan for the purchase of agricultural machinery by the Caja de Crédito Agrario was fully disbursed early in 1951. All the machinery bought with the loan has been distributed for sale on credit to farmers, and most of it is actually in use. Payments made by the purchasers are accumulating in a revolving fund from which the loan eventually will be amortized. To the extent that the sales proceeds are not immediately needed for the purpose of amortization, they are used by the Caja to acquire additional machinery. Farmers' payments for this machinery, in turn, are put back in the fund. More machinery has been purchased out of the fund than was originally financed by the Bank's loan.

The Bank has under consideration a project for the construction of a Magdalena Valley Railroad which would greatly improve the communication between the Caribbean coast and the central part of Colombia. The railroad would replace river transportation on part of the Magdalena River, where traffic is subject to serious interruption in dry seasons. It would thereby provide a reliable, year-round route between the Bogotá area and the Caribbean ports, and an all-rail route between Bogotá and Medellín. Its completion would also provide better access for colonization of fertile areas of the Magdalena Valley. Since December 1951, consulting engineers engaged jointly by the Bank and the Government have been studying the railway system with a view to suggesting measures for administrative and financial reorganization.

These engineers are also making a study of a proposed corporation to operate ground and communications facilities for civil aviation. Their report is expected to be ready in the latter part of 1952.

The Bank has continued to provide a variety of technical assistance to aid the Government in

carrying out a long-range development program. The Economic Development Committee, established in 1950 to work out specific recommendations for a development program based on the report of the Bank's general survey mission, completed its work in September 1951. Several members of the Bank's staff assisted the Committee in its studies. In August 1951 the Vice President of the Bank visited Colombia to discuss the progress being made; and early in 1952 a member of the staff was stationed for several weeks in Bogotá as a special representative of the Bank.

The Colombian Government is carrying out measures recommended by the Economic Development Committee. In April 1952 it named a National Board of Economic Planning, to advise on the coordination of development activities and to direct a newly established central planning office. An Economic Advisor nominated by the Bank has been appointed by the Board.

In November 1951 the Bank sent an expert to Colombia to suggest ways of developing the capital market. His report has been completed, and will soon be transmitted to the Colombian Government.

Costa Rica

At the request of the Government, a Bank mission visited Costa Rica in October 1951 to study the economic situation and to examine the Government's development plans. The Bank afterward informed the Government that it was willing in principle to help finance railroad, highway and airport projects, and to consider other projects when they were ready. In February 1952 the Government informed the Bank that, in view of a substantial budget surplus in 1951 and good revenue prospects for the current year, it would be able to carry forward its immediate development program without external financial assistance.

Cuba

The report of the Bank's general survey mission was presented to the Government in August 1951.

In its report the mission expressed the belief that Cuba has ample resources, both human and material, with which to increase its output, broaden its economic base, and create a better standard of living for its people. The report offers a large number of suggestions and recommendations in various fields and urges that the Cubans work out for themselves a long-term strategy for development aimed at the following objectives:

1. To make Cuba less dependent on sugar by promoting new enterprises—not by curtailing sugar production.
2. To expand existing—and create new—industries producing sugar by-products or using sugar as a raw material. This objective deserves a first priority because progress in this direction will make the sugar sector of the economy more stable.
3. To promote vigorously the export of non-sugar products in order to reduce the dependence on exports of sugar. This will help both to raise total income and employment and to stabilize the economy. Among the most promising possibilities for achieving this aim are the promotion of exports of minerals and of various crude and processed foodstuffs.
4. To produce in Cuba, for domestic consumption, a wide range of foodstuffs, raw materials and consumer goods which are now imported.

To foster development, the mission outlines action that should be taken in applied research, education, labor-management relations, and in the field of government policy and reform. It also makes recommendations on ways of increasing agricultural and industrial production, and of improving railroad transportation.

Dominican Republic

A Bank mission visited the Dominican Republic in May 1952 to explore the Government's request for technical assistance in connection with the development of hydroelectric power. As a result of the visit, the Bank has given the Government a list of engineering firms qualified to make technical and market studies, and has agreed to nominate a consultant who can advise the Government on problems of policy.

Ecuador

The Bank has received technical studies on projects for the construction of a new port for

Guayaquil and for highway development in the Province of Guayas. The Bank has informed the Government that soon after the elections, held in June 1952, it would send a representative to Ecuador for preliminary discussions with the President and the President-elect. It has also stressed the importance of the restoration by Ecuador of a satisfactory relationship with holders of its external bonds.

El Salvador

Fiscal \$12.545 million 25-year 4¼% Loan of 1950: December 14, 1949 to Comisión Ejecutiva Hidroeléctrica del Río Lempa for power development project.

Until early this year generally satisfactory progress had been made in the construction of the hydroelectric project on the Lempa River. In February and March, however, the contractor encountered difficulties in diverting the river from the dam site; and excavation and concrete pouring are now about two months behind schedule.

Guatemala

In July 1951 the Bank submitted to the Government the report of a general survey mission which visited Guatemala in the summer of 1950. The general program of development proposed by the group was summarized in the Sixth Annual Report.

The Government established a Citizens' Committee to study the mission report and to make recommendations for a long-term development program. A member of the Bank's staff spent several months in Guatemala assisting the Committee and advising the Government on various aspects of the program proposed in the report. The Committee endorsed nearly all of the mission's recommendations, and in December 1951 the Government announced that it would include the proposals of the Committee in its economic program. The Government already is carrying out some of the measures suggested by the Bank's mission and endorsed by the citizens' group. Construction of an urgently needed highway

between Guatemala City and the Atlantic coast has begun. A commission has been appointed to make recommendations for reorganization of the nationalized coffee estates. The Government has increased the tax on coffee exports; and technical committees have been appointed to recommend measures for the development of hydroelectric potential and of port facilities on the Atlantic coast.

Jamaica

At the request of the Governments of the United Kingdom and Jamaica, the Bank sent a general survey mission to Jamaica early in March 1952. The mission consisted of seven experts: four members of the Bank's staff, two agricultural specialists selected in cooperation with the Food and Agriculture Organization (which shared the cost of their services), and a consultant on social services who was recruited by the Bank. This mission remained in the Colony for about two months studying development requirements, and is now preparing its report.

Mexico

Fiscal \$24.1 million 25-year 4½% Loan of 1949: January 6, 1949 to Comisión Federal de Electricidad and Nacional Financiera for power development.

\$10 million 1-year 4½% Loan of January 6, 1949 to Comisión Federal de Electricidad and Nacional Financiera for power development. (Refunded)

Fiscal \$26 million 25-year 4½% Loan of April 1950: 28, 1950 to Mexican Light and Power Company, Ltd. for power development.

Fiscal \$10 million (maturity dates 1952-1957) 1951: 3½% Line of Credit of October 18, 1950 to a Consortium of Eight Mexican Banks and Nacional Financiera for financial assistance to small enterprises. Expired on June 30, 1952, with \$0.556 million of loans outstanding.

Fiscal \$29.7 million 25-year 4½% Loan of 1952: January 11, 1952 to Comisión Federal de Electricidad and Nacional Financiera for power development.

The Bank has now lent nearly \$90 million for the development of electric power in Mexico. By 1955, when the projects financed by the most

recent loan to the Federal Electricity Commission and Nacional Financiera are completed, Bank-financed projects will have contributed 700,000 kw. to Mexico's generating capacity. Total capacity in 1955 will be 1,850,000 kw., or nearly double the capacity at the time of the Bank's first power loan in 1949. Because of the rapid growth of population and industry, this increase will be sufficient only to meet the most essential requirements.

The latest loan for the Federal Electricity Commission will help finance two hydroelectric plants, four steam electric plants, and increased distribution facilities. The projects are located in widely separated parts of the country. Some of them will serve industrial areas, such as Mexico City and Monterrey, where further development is hampered by lack of power. Others will help stimulate the development of agriculture and industry in relatively undeveloped regions, such as Yucatán and Lower California.

One of the two hydroelectric plants, at Tingambato in the State of Mexico, will generate 150,000 kw. This will be the largest power plant in the country. The other hydroelectric plant, at El Cobano in the State of Michoacán, will generate 55,000 kw. This plant will make use of hydraulic works already constructed for irrigation. It will supply power for an area where rapid industrial development is taking place.

One of the steam electric plants (30,000 kw.) will be built in Monterrey, the second most important industrial city in Mexico, and another (10,000 kw.) at Veracruz, the chief seaport. Smaller plants will be built in Lower California and Yucatán.

In the State of Sonora new distribution facilities will permit fuller use of the generating stations constructed at Ciudad Obregón and Guaymas with the aid of the Bank's previous loan to the Commission.

The construction programs financed by the Bank's earlier power loans are now well advanced. Some of the projects are already making important contributions to the power supply. With the

aid of the \$24.1 million loan of 1949, the Federal Electricity Commission is carrying out projects which will add 300,000 kw. to its generating capacity. Of this total, 155,000 kw. will be installed in the Miguel Alemán hydroelectric system, which supplies part of Mexico City's power; this addition to the system is due to be completed in 1953.

In addition to its larger installations, the Commission has built diesel-electric plants in several areas that formerly had no organized public utility supply of power. In these areas the smaller plants have made a striking contribution to productive efficiency and to the well-being of the people.

The Mexican Light and Power Company, Ltd., is also making progress on the construction program which the Bank helped to finance by its \$26 million loan of 1950. This program is intended, in combination with expansion of the Commission's Miguel Alemán system, to ease the shortage of power in the Mexico City area. Mexlight distributes the power generated in the Miguel Alemán system as well as that from its own plants. The loan is helping Mexlight to add 152,000 kw. to its generating capacity and to install added facilities for transmission and distribution; these additions are expected to be finished in 1953.

In October 1950 the Bank opened a line of credit of \$10 million to a consortium of eight leading commercial banks and Nacional Financiera for the purpose of assisting industrial development. Specific loans were to be provided through the members of the consortium to finance medium-sized and small industrial projects. As of June 30, 1952, the last day on which the Bank's approval of loans under the line of credit was to be given, only six loans, totaling \$595,050, had been made; and one of these had been canceled by the borrower.

The disappointing results of this experiment can be traced to several causes. First, the line of credit became effective at a time when the foreign-exchange holdings in Mexico were increasing

rapidly, and the Mexican banks did not feel the need for this credit; private capital from abroad became more readily available, and the Bank's line of credit became correspondingly less attractive. Second, the requirements of Mexican law regarding loans for private industry are both strict and complex, and have made the practical operation of the line of credit difficult. Third, potential borrowers under the line of credit were reluctant to assume any part of the foreign-exchange risk involved.

Nicaragua

Fiscal \$3.5 million 10-year $4\frac{1}{8}\%$ Loan of 1951: June 7, 1951 for highway construction.

\$1.2 million 7-year 4% Loan of June 7, 1951 to the Banco Nacional de Nicaragua for importation of agricultural machinery.

Fiscal \$550,000 10-year $4\frac{3}{8}\%$ Loan of October 29, 1951 for construction of grain-storage facilities.

The drying and storage plant to be financed by the loan of October 1951 will have a capacity of 6,000 tons. It will be built at Managua, the largest center of grain consumption. At present, Nicaragua loses a substantial portion of her grain through spoilage because of a complete lack of modern facilities for drying and storage. Successful operation of the plant would demonstrate the advantages that could be obtained by building similar plants in other parts of the country. Such installations would bring greater stability in the supply and price of grain and grain foods, improvement in the quality of grain marketed for local consumption, and an increase in the quantity and quality of grain available for export.

Satisfactory progress has been made under the farm machinery and highway construction loans made by the Bank in June 1951. A considerable part of the agricultural machinery has been delivered. Procurement of the highway machinery is going forward and road construction has begun.

A special representative of the Bank arrived in Nicaragua in July 1951, to help the Government's new National Economic Council prepare a development program. He was assisted by a Bank

engineer, and coordinated the work of other experts, enlisted by the Government (or by the Bank on the Government's behalf) to advise on problems in their special fields. Consultants included: a representative of the Corporación de Fomento de la Producción of Chile, who gave advice on the organization of a development corporation in Nicaragua; a staff member of the Federal Reserve Bank of New York, who made recommendations for fiscal reforms; a Food and Agriculture Organization expert, who made a survey of agricultural needs; and a member of the Bank's own staff, who made recommendations on the development of transportation and communications. In addition, the Bank gave leave of absence to a Nicaraguan member of its staff in December 1951 so that he could serve as Executive Secretary of the National Economic Council.

The Bank's special representative returned to Washington in May 1952. At the end of the fiscal year his report was being reviewed in the Bank before being submitted formally to the Government. Already, however, the Government has taken a number of steps along the lines suggested by him. It has (1) undertaken the organization of a National Development Institute to promote the growth of industry and agriculture; (2) started work on a number of projects which will be part of a five-year development program; (3) drawn up a budget which provides for a marked increase of development expenditure; and (4) undertaken major changes in its fiscal, budgetary and tariff policies. The Government is also studying other major administrative changes which will aid in carrying out the five-year development plan recommended by the Bank's representative.

Panama

The mission mentioned in the Sixth Annual Report visited Panama in September and October 1951. Its report is now being considered by the Government.

The mission concluded that it would be difficult for Panama to prepare and carry out a comprehensive development program until various fiscal

and administrative reforms had been made. It believed, however, that if these reforms were actively begun, the Bank could consider the financing of agricultural projects without waiting for the preparation of a complete development program.

Paraguay

Fiscal \$5 million 9-year 4 $\frac{3}{8}$ % Loan of December 7, 1951 for the importation of agricultural machinery and supplies and road-building equipment.

This loan will finance imports of farm machinery and supplies, road-building and maintenance equipment, and trucks. Wider distribution and use of farm machinery and supplies should enable farmers to increase the acreage under cultivation and improve yields per acre. Better roads and motorized transport will link isolated producing areas, and should not only reduce losses of perishable goods between farm and market, but should also induce farmers to raise larger crops.

The farm machinery and supplies will be sold to farmers either for cash or on credit extended by the Banco del Paraguay and by the Crédito Agrícola de Habilidadación (CAH). For farmers who cannot afford to buy machinery, machinery pools will be established by the Ministry of Agriculture and Livestock. Provision has been made for skilled operators and effective repair and maintenance facilities for each pool.

The road-building and maintenance equipment will be used by the Ministry of Public Works and Telecommunications for the completion or construction and maintenance of trunk roads in selected farming regions. Trucks will be operated by the Banco del Paraguay for distributing farm supplies and bringing crops to market.

The Loan Agreement required that steps be taken to strengthen the financial position and organization of CAH and to improve accounting methods and procedures for controlling the distribution of the Bank-financed farm implements and supplies. While substantial progress has been

made, these requirements have not been fully met and the loan has not become effective.

Peru

Fiscal \$2.5 million 15-year 4 $\frac{1}{2}$ % Loan of January 23, 1952 for improvement of the Port of Callao.

This loan will be used to provide modern facilities for the handling of general cargo and for the unloading and storage of bulk grain. These cargoes account for about 80 to 85% of the freight moving through the port. More efficient handling of these cargoes will reduce the turn-around time of ships, eliminate losses of grain from spillage, and effect savings of foreign exchange. To assure efficient operation of the port, the Government is setting up an autonomous Port Authority under the direction of an experienced Port Administrator.

Under consideration for Bank financing are projects for highway construction and maintenance, irrigation, purchase of agricultural machinery, and the provision of agricultural credit.

During the past year Peru has been actively negotiating settlement of her dollar and sterling debts. In November 1951 the Government announced the terms of a readjustment plan for the dollar debt, negotiated with the Foreign Bondholders Protective Council, Inc., of New York. In April 1952 the Peruvian Congress passed a law authorizing the Government to put the settlement into effect. Negotiations have also taken place with the Council of Foreign Bondholders in London on two sterling bond issues but so far these negotiations have not led to agreement.

Surinam

At the request of the Netherlands and Surinam Governments, a general survey mission from the Bank visited Surinam in November 1951. The six-man mission included four members of the staff and two experts nominated by the Food and Agriculture Organization. A report of its findings has been transmitted to the two Governments. The report contains recommendations for the

development of agriculture, forestry, fisheries, transportation and social services, aimed at strengthening the country's economy and maintaining the standard of living of the growing population.

The mission recommends a 10-year public investment program beginning in mid-1952 of 100 million Surinam guilders, on the assumption that financing from the Netherlands would be available to the extent of 4 million Surinam guilders a year and that other external credits could be obtained. The mission outlines a supplementary program of 30 million guilders, to be undertaken to the extent that additional resources, technical as well as financial, prove to be available.

The program of public investment recommended by the mission places primary emphasis on improving agricultural production and opening up the tropical forests. The mission suggests that the program be administered by a development board to be created jointly by the Governments of the Netherlands and of Surinam.

Uruguay

Fiscal \$33 million 24-year 4 $\frac{1}{4}$ % Loan of 1951: August 25, 1950 to Administración General de las Usinas Eléctricas y los Teléfonos del Estado for power and telephone development program.

As a result of delay in making this loan effective and in concluding contracts for the principal sections of the project, the power program will probably be about a year behind schedule. Contracts have now been awarded and orders placed for the 50,000 kw. thermal generating unit at Montevideo, for the diesel engines for power plants in the interior of the country, and for equipment for the lower part of the western transmission circuit which will serve the southwestern region of Uruguay. The expansion of telephone services is proceeding according to schedule.

The report of a joint Bank-FAO mission was presented to the Government in July 1951. The report contains a series of recommendations on measures to stimulate and improve agricultural and livestock production, to reduce costs of production and to improve marketing methods. It stresses the need for expanding research, which requires, among other things, the provision of facilities to develop and test new methods for increasing productivity. In addition, the report recommends a program of increased afforestation to protect agricultural and grazing land and to increase domestic fuel and lumber supplies. In the opinion of the mission, there are also wide opportunities for improvement in the transportation, storage and marketing of agricultural products.

The report outlines suggested changes in the organization of public agencies concerned with agriculture, to assure the services needed for successful execution of the recommended production and marketing program. While the mission did not attempt to calculate precisely the amount of capital investment which would be required to carry out its recommendations, it noted that the period of agricultural prosperity then prevailing was a favorable time to undertake important adjustments and improvements.

Training Center and Seminar

A Latin American Training Center on Agriculture and Allied Plans and Projects was conducted in Santiago, Chile from October to December 1951, to train government officials in appraising and drawing up agricultural development projects. The Center was sponsored jointly by Chile, the United Nations, the Food and Agriculture Organization and the Bank. It was attended by 68 participants from 20 Latin American countries. Instructors included two members of the Bank's staff.

Chapter III - Financial Activities and Resources

EARNINGS, RESERVES, REPAYMENTS AND DISBURSEMENTS

Net income during the fiscal year 1951-52 amounted to \$15,872,883 as compared with \$15,156,947 during the previous fiscal year. In accordance with a decision of the Executive Directors and the Board of Governors this net income has been placed in a general reserve against losses on loans and guarantees. On June 30, 1952 this reserve amounted to \$58,028,100.

Loan commissions for the year totaled \$7,558,906 and, as required by the Articles of Agreement, they were credited to the Special Reserve for meeting the Bank's obligations. The Special Reserve amounted to \$27,684,654 on June 30, 1952. Total reserves of the Bank on that date aggregated \$85,712,754.

Gross income for the fiscal year, exclusive of loan commissions, was \$35,188,744. Of this amount, loan income totaled \$26,587,555, income from investments, \$8,500,740 and other income, \$100,449. Gross expenses increased from \$13,045,595 in the 1950-51 fiscal year to \$19,315,861 in the past fiscal year. The increase resulted almost entirely from increases in interest rates and other costs of the Bank's borrowings. More and more of the loans made by the Bank are being financed out of borrowed funds, as nearly all of the capital subscribed by members and released for lending has been committed.

All repayments of principal due during the year were received. They amounted to \$4,239,011. In addition, \$1,863,000 was paid by borrowers to investors to retire portions of loans which had been sold by the Bank.

Disbursements on loans during the year amounted to \$184,777,004 as compared with \$77,564,969 during the previous year. Cumulative disbursements to June 30, 1952 amounted to \$876,504,133. Of this amount \$827,364,519 was repayable in United States dollars. The equivalent of \$49,139,614 was repayable in Belgian francs, Canadian dollars, Danish kroner, French francs, Italian lire, Netherlands guilders, Norwegian kroner, pounds sterling, Swedish kronor and Swiss francs. Of the \$184.8 million disbursed during the year, \$116.5 million (63%) was spent in the United States and \$68.3 million in other countries.

The geographical distribution of total expenditures financed by the Bank through June 30, 1952 is as follows:

<i>Area of Expenditure</i>	<i>Amount (Expressed in millions of U. S. \$)</i>
United States	\$622.1
Europe	125.0
Latin America	62.5
Canada	61.7
Near East	2.5
Africa	2.5
Far East2
Total	\$876.5

FUNDS AVAILABLE FOR LENDING

Funds available to the Bank for lending on June 30, 1952, in U. S. dollar equivalent, are summarized below:

2% paid-in portion of subscription of all members	\$165,475,000
18% portion of subscriptions made available by:	
Belgium	\$ 3,500,000
Canada	53,356,000
Denmark	1,066,000
France	23,911,000
Italy	1,199,000
Netherlands	300,000
Norway	200,000
South Africa ..	2,800,000
Sweden	150,000
United Kingdom ..	5,461,000
United States ..	571,500,000
Total	663,443,000
Total available capital subscriptions..	\$828,918,000
Funds available from operations.....	59,000,000
Funds available from sale of bonds ..	499,859,000
Funds available from sale of loans and principal repayments	66,717,000
Gross total available funds	\$1,454,494,000
Loans disbursed	876,504,000
Excess of available funds over loan disbursements	\$ 577,990,000

This table includes only those funds which have been used by the Bank or which are expected to be used without further approval of members. In addition, Ecuador, El Salvador, Guatemala, Hon-

duras, Mexico and Paraguay have released all or part of their 18% capital subscriptions for the purchase of goods in their respective territories. To date borrowers have not made any purchases in these countries, and it is unlikely that they will do so in the near future. The amounts released by them therefore have not been included in the statement of funds available for lending. Other members have expressed a willingness to consider releases from their 18% subscriptions when borrowers propose purchases in their countries.

Canada, the United Kingdom and the United States have agreed that the Bank may relend all their 18% funds which are repaid by borrowers or recovered through sales from portfolio. Canada and the United States, and to a limited extent France and the United Kingdom, have agreed that funds released by them may be converted into various currencies to cover the cost of goods purchased in other countries.

There are still large amounts of 18% currency which the Bank has not yet received permission to use but which could be of the greatest advantage in its lending operations. Releases of these funds would enable the Bank to expand its activities in countries which have a limited ability to repay dollar obligations but have adequate earnings to service external debt in other currencies.

SALES OF SECURITIES

Direct obligations of the Bank sold to investors during the year amounted to \$175.3 million. This is the largest volume of the Bank's bonds issued in any single fiscal year since 1947-48, when the initial issues, totaling \$250 million, were offered in the United States market. Sold during the year were two issues in the United States in a total amount of \$150 million; one issue in Switzerland in the amount of Sw fr 50,000,000, the equivalent of approximately \$11.6 million; and an issue in Canada amounting to Canadian \$15

million. The lendable resources of the Bank were also replenished by sales of bonds from its portfolio, equivalent to about \$23.4 million.

There has been an encouraging broadening of the market for the Bank's obligations, with more general acceptance of the bonds by large institutional investors in the United States and institutional and individual investors in other countries. It is estimated that of the total direct and guaranteed obligations outstanding in an amount equivalent to approximately \$536.7 mil-

lion, about \$130 million is held by investors outside the United States.

Conditions in the United States money market were unsettled during the year, with intermittent periods of strength and weakness complicating the task of large-scale financing. The general trend, however, was toward higher interest rates, and this increased the costs of long-term borrowing to the U. S. Treasury and to other borrowers, both public and private. The Bank, despite the further seasoning of its bonds and a widening distribution, has likewise had to pay higher interest rates on its bonds, and there has been a corresponding rise in the rates of interest on its loans.

New Issues of the Bank's Bonds

In the Sixth Annual Report it was noted that arrangements had been completed for the first public offering of the Bank's bonds in Switzerland. On July 3, 1951 a syndicate of leading Swiss banks publicly offered at par Sw fr 50,000,000 (approximately \$11.6 million) of the Bank's 3½% Twelve-Year Bonds due August 1, 1963. The issue was heavily oversubscribed. The banking syndicate was headed by The Swiss Bank Corporation, of Basle, the Crédit Suisse, of Zurich, and the Union Bank of Switzerland, of Zurich.

On September 12, 1951 the Bank offered in the United States a new issue at par of \$100 million 3¼% Thirty-Year Bonds of 1951 due October 1, 1981. The issue was offered through a Sponsoring Group of 32 leading United States commercial banks and investment banking firms managed jointly by The First National Bank of Chicago and Halsey, Stuart & Co. Inc. The distribution of the bonds was accomplished through a large selling group which included three European and two Canadian participants. United States savings banks pension and trust funds and life insurance companies were the principal purchasers. Canadian, European and Asiatic institutions also purchased an impressive amount.

On February 5, 1952 a new issue at par of Can \$15 million 4% Ten-Year Canadian dollar bonds of 1952 due February 1, 1962 was offered through

a Canadian syndicate of investment dealers and chartered banks headed by the Dominion Securities Corp'n. Limited, A. E. Ames & Co., Limited, and Wood, Gundy & Company Limited. The bonds were heavily oversubscribed.

On May 14, 1952 the Bank sold an issue of \$50 million 3¾% Twenty-Three Year Bonds of 1952, due May 15, 1975, to an underwriting group of 119 commercial banks and investment banking firms managed jointly by Morgan Stanley & Co. and The First Boston Corporation. The bonds, offered to the public at 98½, were in strong demand. The direct, negotiated sale to underwriters was a method not previously used by the Bank in the sale of its bonds in the United States market. The initial issues offered in 1947 were sold on an agency basis through approximately 1,700 security dealers; the next issue was sold early in 1950 through competitive bidding to a group of commercial banks and investment banking firms; and for the two issues sold in 1951, the sponsorship agency method was used but with the number of participating banks and investment firms greatly reduced. The several methods have been employed to determine which was best suited for the most efficient distribution and which would best serve the interests both of the investor and the Bank. The results achieved in the last issue proved highly satisfactory.

All of the Bank's United States dollar bond issues are listed on the New York Stock Exchange and certain of them are also listed on the exchanges in Amsterdam, Antwerp, Brussels, Istanbul, Mexico City and Paris. The Sterling 3½'s of 1966/71 are listed in London and the Swiss Franc 3½'s of 1963 are quoted on the stock exchanges of Basle, Zurich, Geneva and Berne.

Sales of Bonds from the Bank's Portfolio

Sales of the obligations of the Bank's borrowers continued to increase in the fiscal year. During the period, the Bank sold the equivalent of \$23,359,192 principal amount of borrowers' obligations, of which \$12,950,001 carried its unconditional guarantee and \$10,409,191 were sold with-

out recourse to the Bank. Obligations of 16 borrowers were sold either with or without the Bank's guarantee. Included among the sales without the Bank's guarantee is the participation to the extent of \$3.5 million by an American banking institution in the loan by the Bank to KLM Royal Dutch Airlines. Cumulative sales of the securities of borrowers from the Bank's portfolio to June 30, 1952 expressed in United States dollars were \$56,376,688, consisting of \$41,499,001 sold with the Bank's guarantee and \$14,877,687 without.

Broadening Market for the Bank's Bonds

There is evidence of an expanding market for the Bank's bonds in the United States. During the fiscal year some large institutional investors made their first purchases of the Bank's bonds, others re-established earlier positions, and many added substantially to their holdings.

In the United States, mutual savings banks, life insurance companies, and pension and trust funds are the principal investors in the Bank's bonds. Each of these three groups holds approximately 20% of the outstanding total. Another 20% is held by commercial banks and other investors. The remaining 20% is owned by investors outside the United States; this includes the major portion of the Bank's obligations not denominated in United States dollars, equivalent to about \$50 million; and an estimated \$69 million of direct obligations of the Bank payable in United States dollars. Among the non-United States purchasers are the central banking institutions of 12 member nations, which have some of the largest holdings of the Bank's obligations. In addition, approximately \$11 million of the obligations of borrowers, to which the Bank has added its unconditional guarantee of principal and interest, are held outside the United States.

FINANCIAL STATEMENTS AND REPORTS

Appendices A through G provide a balance sheet showing the financial position of the Bank as of June 30, 1952, a comparative statement of income and expenses for the fiscal years ended June 30, 1951 and June 30, 1952, a complete state-

ment of loans up to the end of the fiscal year, an opinion of the auditor, and other schedules giving details about the assets and the capital structure of the Bank.

Chapter IV - Management and Organization

Personnel and Organization

Mr. Chauncey G. Parker, Director of Administration, returned to the Bank on April 16, 1952 on completion of duty in Germany with the United States Government. Since January 1, 1951 he had held the post of Assistant U. S. High Commissioner.

On November 1, 1951 the Staff Office was redesignated the Technical Assistance and Liaison Department and Mr. Richard H. Demuth was named Director. The new department is responsible for the Bank's technical assistance activities and for liaison with the United Nations and other specialized agencies.

During the fiscal year there have been 76 appointments to the permanent staff of the Bank and 67 terminations. As of June 30, 1952, the staff of the Bank consisted of 433 regular members from 31 countries.

Training Program

The fourth course of the Junior Professional and Administrative Training Program began in January 1952 with trainees from Australia, Austria, Chile, Egypt, France, India, South Africa and Syria. To date, citizens of 28 of the Bank's member countries have participated in this program. Selection is now being made of candidates

for the fifth annual course, which begins in January 1953.

The Public Finance Training Program has made training available to an income tax official from Iraq and to central bank officials from Thailand and Iran. This program will be continued in the coming year.

Staff Retirement Plan

Total assets of the staff retirement plan on December 31, 1951 were \$1,704,000, an increase of \$440,000 over the previous year. Of the 445 participants, 427 are presently employed. The average yield on the purchase price of securities held on December 31, 1951 was 3.83% per annum, as compared with a yield of 3.61% on December 31, 1950. There were no amendments to the plan during the year.

Administrative Budget

There is attached as Appendix H the Administrative Budget of the Bank for the fiscal year ending June 30, 1953. This budget has been prepared by the President and approved by the Executive Directors in accordance with Section 19 of the By-Laws. A special report on the budget is being submitted to the Board of Governors at the Annual Meeting.

Chapter V - Miscellaneous

Relations with Other International Organizations

During the year the Bank continued to maintain close relations with the International Monetary Fund, the United Nations and other international organizations. As in the past, representatives of the Bank attended meetings of the United Nations General Assembly and the Economic and Social Council. In addition, the Bank was represented at meetings of other international agencies when subjects of interest to the Bank were discussed.

At the Thirteenth Session of the Economic and Social Council in Geneva, the Bank's representatives participated actively in the discussion of various proposals put forward to aid in the financing of development in the less developed countries. The President of the Bank addressed the Economic Committee of the General Assembly in Paris in December 1951 during the Committee's consideration of problems of economic development. The President also presented a report on the Bank's activities to the Fourteenth Session of the Economic and Social Council in New York, and spoke for the Bank during the Council's consideration of the report prepared by the Bank's staff on the proposal for an International Finance Corporation.

During the course of the year representatives of the Bank also attended meetings of the United Nations regional commissions and of the Consultative Committee on Economic Development in South and Southeast Asia. The Bank also kept in close touch with the Organization of American States.

The President of the Bank attended several meetings of the United Nations Administrative Committee on Coordination, and staff members attended meetings of its subsidiary committees.

The Bank was represented at numerous meet-

ings of the Technical Assistance Board of the United Nations and of the Technical Assistance Committee, which reviews the Board's activities on behalf of the Economic and Social Council. As the international technical assistance programs have expanded and more and more experts are sent out by the specialized agencies and by the United Nations Technical Assistance Administration, there have been increasing consultation and interchange of information between these experts and Bank personnel both at headquarters and in the field.

The joint Bank-FAO mission to Chile to make recommendations for agricultural development has been mentioned in another part of this Report. Agricultural and forestry experts for the Bank's general survey missions have continued to be selected in cooperation with the Food and Agriculture Organization, which has also shared the cost of their services. The World Health Organization has nominated the public health specialist when this field has been included in a mission's study.

As mentioned earlier, during the year the Bank joined with the Food and Agriculture Organization and the United Nations in sponsoring two training centers on agricultural and allied projects, one at Ankara, Turkey, for Mediterranean countries, and one at Santiago, Chile, for Latin American countries.

Membership and Subscription

Sweden (subscription \$100 million) and Burma (subscription \$15 million) became members of the Bank on August 31, 1951 and January 3, 1952, respectively, bringing the membership to 51. The Bank's total subscribed capital was \$8,453.5 million as of June 30, 1952. The application for membership by the Hashemite Kingdom of Jordan (subscription \$3 million) was approved

by the Board of Governors on April 21, 1952, and that country has until September 30, 1952 to accept membership in the Bank. The applications by the Federal Republic of Germany (subscription \$330 million) and by Japan (subscription \$250 million) were approved by the Board of Governors on May 28, 1952 and those countries have until August 15, 1952 to accept membership in the Bank.

Additional Reports to Board of Governors

In addition to this Annual Report, reports are being submitted to the Board of Governors at the Seventh Annual Meeting on the following subjects:

- (a) Administrative Budget.
- (b) Allocation of Income by Executive Directors to Reserve.
- (c) Regulations Relating to Executive Directors and Alternates.

- (d) Fourth Regular Election of Executive Directors.

In the absence of new developments, no report is being submitted on the Advisory Council.

Appendices

In addition to Appendices A through H containing the financial statements and reports and the administrative budget of the Bank, there are also included for the information of the Governors the following appendices:

- Appendix I — Voting Power and Subscriptions of Member Countries as of June 30, 1952.
- Appendix J — Governors and Alternates as of June 30, 1952.
- Appendix K — Executive Directors and Alternates and their Voting Power as of June 30, 1952.
- Appendix L — Principal Officers of the Bank as of June 30, 1952.

APPENDICES

EXPRESSED IN UNITED STATES CURRENCY

ASSETS

Due from Banks and Other Depositories

(See APPENDIX C)

Member currencies, including \$6,121,409 United States Dollars

Unrestricted \$ 7,935,286

Subject to restrictions—NOTE B..... 129,781,910 \$ 137,717,196

Non-member currency 13,398,628 \$ 151,115,824

Investment Securities

United States Government obligations

(\$463,004,400 face amount; at cost less amortized premium) \$462,610,080

Canadian Government obligations

(Can \$10,000,000 face amount; at cost plus accumulated discount) 9,062,516

United Kingdom Government obligations

(£3,900,000 face amount; at cost) 10,855,916 \$ 482,528,512

Accrued interest 3,958,870 486,487,382

Receivable on Account of Subscribed Capital

(See APPENDIX E)

Receivable in United States currency

Calls on subscription to capital stock—NOTE C.... \$ 3,595,000

Receivable in other member currencies—NOTE B

Non-negotiable, non-interest-bearing, demand notes.. 792,398,866 795,993,866

Loans Outstanding Held by Bank (See APPENDIX D)

—NOTES D AND E..... 1,213,241,588

Accrued Interest, Commitment and Service Charges on Loans—NOTE E

6,544,203

Other Receivables and Other Assets

Receivable from participant in loan (See APPENDIX D, NOTE 2) \$ 3,500,000

Miscellaneous receivables and other assets..... 531,428 4,031,428

Special Reserve Fund Assets—NOTE F

Due from Banks—member currency—United States.... \$ 41,323

Investment securities—United States Government obligations (\$25,740,600 face amount; at cost) 25,740,600

Accrued loan commissions—NOTE E..... 1,902,731 27,684,654

Staff Retirement Plan Assets

(Segregated and held in trust) 1,938,220

Total Assets

\$2,687,037,165

—June 30, 1952

See Note A of Notes to Financial Statements, Appendix F.

LIABILITIES, RESERVES AND CAPITAL

Liabilities

Accounts payable and accrued expenses, including

\$4,883,880 bond interest..... \$ 5,373,180

Undisbursed balance of loans (See APPENDIX D)

On loans held by Bank..... \$ 401,081,338

On loans represented by obligations of borrowers
sold under guarantee—NOTE D..... 2,373,087 403,454,425

Funded debt—NOTE G

Amount payable in United States Dollars

2% Serial Bonds of 1950, due 1953-62..... \$100,000,000

3% Twenty-Five Year Bonds of 1947, due 1972.. 150,000,000

3% Twenty-Five Year Bonds of 1951, due 1976.. 50,000,000

3¼% Thirty Year Bonds of 1951, due 1981..... 100,000,000

3¾% Twenty-Three Year Bonds of 1952, due 1975 50,000,000 \$ 450,000,000

Amount payable in Canadian Dollars

4% Ten Year Bonds of 1952, due 1962 (Can
\$15,000,000) 13,636,364

Amount payable in Pounds Sterling

3½% Twenty Year Stock of 1951, due 1971
(£5,000,000) 14,000,000

Amount payable in Swiss Francs

2½% Serial Bonds of 1948, due 1953-54 (Sw fr
17,000,000) \$ 3,955,7882½% Serial Bonds of 1950, due 1953-56 (Sw fr
28,500,000) 6,631,7633½% Twelve Year Bonds of 1951, due 1963
(Sw fr 50,000,000) 11,634,671 22,222,222 499,858,586

Bonds called for redemption not presented..... \$ 2,102

Less funds on deposit with Fiscal Agent therefor.... 2,102

Reserves for Losses

Special reserve—NOTE F..... \$ 27,684,654

General (Supplemental) reserve—NOTE H..... 58,028,100 85,712,754

Staff Retirement Plan Reserve..... 1,938,220*Capital* (See APPENDIX E)

Capital stock

Authorized 100,000 shares of \$100,000 par value each

Subscribed 84,535 shares..... \$8,453,500,000

Less—Uncalled portion of subscriptions—NOTE I 6,762,800,000 1,690,700,000

Contingent Liability—OBLIGATIONS OF BORROW-
ERS OUTSTANDING SOLD UNDER GUARANTEE
—NOTE D \$34,484,914

Total Liabilities, Reserves and Capital

\$2,687,037,165

Comparative Statement of Income and Expenses
For the Fiscal Years Ended June 30, 1951 and June 30, 1952

EXPRESSED IN UNITED STATES CURRENCY

See Note A of Notes to Financial Statements, Appendix F

	<i>July 1-June 30</i>	
	<u>1950-1951</u>	<u>1951-1952</u>
Income		
Interest earned on investments.....	\$ 6,116,319	\$ 8,500,740
Income from loans:		
Interest	19,926,371	23,669,009
Commitment charges	2,053,197	2,838,343
Commissions	6,388,543	7,558,906
Service Charges	88,207	80,203
Other income	18,448	100,449
Gross Income	<u>\$34,591,085</u>	<u>\$42,747,650</u>
Deduct—Amount equivalent to commissions appropriated to Special Reserve— NOTE F	6,388,543	7,558,906
Gross Income Less Reserve Deduction	<u><u>\$28,202,542</u></u>	<u><u>\$35,188,744</u></u>
Expenses		
Administrative expenses:		
Personal services	\$ 2,778,456	\$ 3,132,058
Expense allowance—Executive Directors and Alternates	4,317	5,144
Fees and compensation	406,976	318,832
Representation	57,589	56,092
Travel	597,011	538,211
Supplies and material	45,060	42,574
Rents and utility services	335,887	397,770
Communication services	106,860	114,332
Furniture and equipment	29,513	33,586
Motor vehicles	10,843	4,907
Books and library services	56,554	69,463
Printing	84,018	67,765
Contributions to staff benefits	300,322	336,559
Insurance	29,040	16,704
Handling and storage of gold	—	2,080
Other expenses	1,001	1,281
Total Administrative Expenses	<u>\$ 4,843,447</u>	<u>\$ 5,137,358</u>
Interest on bonds	7,248,276	11,793,631
Bond registration, issuance and other financial expenses	953,872	2,346,692
Exchange adjustments	—	38,180
Gross Expenses	<u><u>\$13,045,595</u></u>	<u><u>\$19,315,861</u></u>
Net Income —Appropriated to General Reserve Against Losses on Loans and Guarantees—NOTE H	<u><u>\$15,156,947</u></u>	<u><u>\$15,872,883</u></u>

Statement of Currencies Held by the Bank—June 30, 1952

See Note A of Notes to Financial Statements, Appendix F

	Unit of Currency	Amount Expressed In Member Currency (Restricted)	Rate of Exchange	Total Expressed in United States Dollars
Member Currencies				
Australia	Pound	159,840	\$ = 0.4464	\$ 358,043
Austria	Schilling	1,912,225	\$ = 21.36	89,524
Belgium	Franc	61,544,567	\$ = 50.00	1,230,891
Bolivia	Boliviano	737,410	\$ = 60.00	12,290
Brazil	Cruzeiro	349,133,960	\$ = 18.50	18,872,106
Burma	Rupee	128,542	\$ = 4.7619	26,994
Canada	Dollar	43,605	\$ = 1.10	39,641
Ceylon	Rupee	134,589	\$ = 4.7619	28,264
Chile	Peso	194,518,726	\$ = 31.00	6,274,798
China	Gold Yuan	21,581,589	\$ = 20.00	1,079,079
Colombia	Peso	12,240,243	\$ = 1.950	6,277,109
Costa Rica	Colón	1,996,515	\$ = 5.615	355,568
Cuba	Peso	59,047	\$ = 1.00	59,047
Czechoslovakia	Koruna	11,062,883	\$ = 50.00	221,258
Denmark	Krone	3,218,333	\$ = 6.907	465,943
Dominican Republic	Peso	1,241	\$ = 1.00	1,241
Ecuador	Sucres	8,598,314	\$ = 15.00	573,221
Egypt	Pound	21,632	\$ = 0.3482	62,118
El Salvador	Colón	436,740	\$ = 2.50	174,696
Ethiopia	Dollar	1,290,651	\$ = 2.4845	519,487
Finland	Markka	1,572,329,035	\$ = 230.00	6,836,213
France	Franc	1,377,368,986	\$ = 349.6	3,939,843
Greece	Drachma	22,500,000,000	\$ = 5,000.00	4,500,000
Guatemala	Quetzal	350,432	\$ = 1.00	350,432
Honduras	Lempira	355,400	\$ = 2.00	177,700
Iceland	Króna	2,885,486	\$ = 16.2857	177,179
India	Rupee	3,140,799	\$ = 4.7619	659,568
Iran	Rial	1,570,319	\$ = 32.25	48,692
Iraq	Dinar	4,035	\$ = 0.3571	11,298
Italy	Lira	7,200,757,169	\$ = 225.00	32,003,365
Lebanon	Pound	1,762,886	\$ = 2.1915	804,427
Luxembourg	Franc	768,189	\$ = 50.00	15,363
Mexico	Peso	100,956,670	\$ = 8.65	11,671,291
Netherlands	Guilder	1,452,793	\$ = 3.80	382,314
Nicaragua	Córdoba	688,951	\$ = 5.00	137,790
Norway	Krone	945,267	\$ = 7.1429	132,337
Pakistan	Rupee	531,810	\$ = 3.3085	160,740
Panama	Balboa	34,495	\$ = 1.00	34,495
Paraguay	Guarani	1,439,362	\$ = 6.00	239,894
Peru	Sol	81,778	\$ = 6.50	12,581
Philippine Republic	Peso	2,383,000	\$ = 2.00	1,191,500
Sweden	Krona	92,942,927	\$ = 5.1732	17,966,200
Syria	Pound	4,966	\$ = 2.1915	2,266
Thailand	Baht	149,497	\$ = 12.50	11,960
Turkey	Lira	128,103	\$ = 2.80	45,751
Union of South Africa	Pound	59,945	\$ = 0.3571	167,847
United Kingdom	Pound	341,438	\$ = 0.3571	956,027
United States	Dollar	---	\$ =	---
Uruguay	Peso	2,844,619	\$ = 1.519	1,872,631
Venezuela	Bolivar	4,564,421	\$ = 3.35	1,362,514
Yugoslavia	Dinar	2,156,512,242	\$ = 300.00	7,188,374
Restricted Currency (NOTE B)				\$129,781,910
Unrestricted Currency (Belgium, Canada, United Kingdom and United States)				7,935,286
Non-Member Currency (Switzerland)				\$137,717,196
				13,398,628
Total				\$151,115,824

Statement of Loans

EXPRESSED IN UNITED STATES CURRENCY

<i>Loan Number</i>	<i>Borrower and Guarantor</i>	<i>Program or Project</i>	<i>Date of Loan Agreement</i>	<i>Maturity</i>
29 AU	<i>Australia</i>	Equipment and materials for development	Aug. 22, 1950	1955-1957
14 BE	<i>Belgium</i>	Equipment for steel and power industries	Mar. 1, 1949	1953-1957
48 BE		Equipment and materials for 10-year Development Plan of the Belgian Congo	Sept. 13, 1951	1957-1967
47 BE	<i>Belgium (Guarantor)</i> <i>Belgian Congo</i>	Equipment and materials for 10-year Development Plan of the Belgian Congo	Sept. 13, 1951	1957-1967
*65 BR	<i>Brazil</i>	Railway rehabilitation	June 27, 1952	1955-1967
11 BR	<i>Brazil (Guarantor)</i> <i>Brazilian Traction (First Installment)</i>	Electric power development and telephone equipment	Jan. 27, 1949	1953-1957
11 BR-S	<i>Brazilian Traction (Second Installment)</i>	Electric power development	Jan. 18, 1951	1955-1957
25 BR	<i>São Francisco Hidro Eléc. Co.</i>	Electric power development	May 26, 1950	1954-1957
*64 BR	<i>Comissão Estadual de Energia Elétrica</i>	Electric power development	June 27, 1952	1957-1967
5 CH	<i>Chile (Guarantor)</i> <i>Fomento and Endesa</i>	Electric power development	Mar. 25, 1948	1953-1957
6 CH	<i>Fomento</i>	Agricultural development	Mar. 25, 1948	1950-1957
49 CH	<i>Fomento</i>	Exploration and use for irrigation of underground water resources	Oct. 10, 1951	1955-1967
43 CO	<i>Colombia</i>	Highway construction and rehabilitation	Apr. 10, 1951	1954-1967
18 CO	<i>Colombia (Guarantor)</i> <i>Caja de Crédito</i>	Agricultural development	Aug. 19, 1949	1952-1957
38 CO	<i>CHIDRAL</i>	Electric power development	Nov. 2, 1950	1954-1957
39 CO	<i>Caldas Hidro-Eléc. Co.</i>	Electric power development	Dec. 28, 1950	1952-1957
54 CO	<i>Hidroeléctrica del Río Lebrija</i>	Electric power development	Nov. 13, 1951	1954-1957
3 DE	<i>Denmark</i>	Equipment and materials for reconstruction and development	Aug. 22, 1947	1953-1957
22 ES	<i>El Salvador (Guarantor)</i> <i>Comisión del Río Lempa</i>	Electric power development	Dec. 14, 1949	1954-1957
31 ET	<i>Ethiopia</i>	Highway rehabilitation	Sept. 13, 1950	1956-1957
32 ET		Foreign exchange for Development Bank	Sept. 13, 1950	1956-1957
*42 ET		Rehabilitation and extension of telephone and telegraph systems	Feb. 19, 1951	1956-1957
21 FI	<i>Finland</i>	Equipment for timber production	Oct. 17, 1949	1950-1957
16 FI	<i>Finland (Guarantor)</i> <i>Bank of Finland</i>	Electric power development and equipment for wood products industries and limestone powder production	Aug. 1, 1949	1953-1957
*61 FI	<i>Bank of Finland</i>	Electric power, wood products industries and agricultural development	Apr. 30, 1952	1955-1957

—June 30, 1952

See Notes A, D and E of Notes to Financial Statements, Appendix F

Interest Rate (Including Commission)	Original Principal Amount	Loans Not Yet Effective	Cancellations and Refundings	Principal Repayments to Bank	Obligations of Borrowers Sold by Bank	Effective Loans Outstanding Held by Bank	Principal Amount Disbursed	Undisbursed Balance of Effective Loans ¹
4¼%	\$100,000,000	\$ —	\$ —	\$ —	\$ —	\$ 100,000,000	\$ 64,707,067	\$ 35,292,933
4¼%	16,000,000	—	—	—	16,000,000	—	13,626,913	2,373,087
4½%	30,000,000	—	—	—	—	30,000,000	4,575,000	25,425,000
4½%	40,000,000	—	—	—	—	40,000,000	6,101,000	33,899,000
4⅝%	12,500,000	12,500,000	—	—	—	—	—	—
4½%	75,000,000	—	—	—	3,379,632	71,620,368	68,835,530	6,164,470
4¼%	15,000,000	—	—	—	—	15,000,000	8,458,441	6,541,559
4¼%	15,000,000	—	—	—	—	15,000,000	10,116,728	4,883,272
4¾%	25,000,000	25,000,000	—	—	—	—	—	—
4½%	13,500,000	—	—	—	—	13,500,000	7,706,498	5,793,502
3¾%	2,500,000	—	—	518,000	991,000	991,000	2,500,000	—
4⅜%	1,300,000	—	—	—	—	1,300,000	347,896	952,104
3⅞%	16,500,000	—	—	—	—	16,500,000	7,950,347	8,549,653
3½%	5,000,000	—	74,559	500,000	1,180,000	3,245,441	4,925,441	—
4%	3,530,000	—	—	—	—	3,530,000	1,629,260	1,900,740
4%	2,600,000	—	—	—	95,000	2,505,000	2,172,453	427,547
4½%	2,400,000	—	—	—	—	2,400,000	1,342,079	1,057,921
4¼%	40,000,000	—	—	—	—	40,000,000	40,000,000	—
4¼%	12,545,000	—	—	—	—	12,545,000	5,620,140	6,924,860
4%	5,000,000	—	—	—	—	5,000,000	3,721,299	1,278,701
4%	2,000,000	—	—	—	—	2,000,000	66,555	1,933,445
4%	1,500,000	1,500,000	—	—	—	—	—	—
3%	2,300,000	—	197,869	2,102,131	—	—	2,102,131	—
4%	12,500,000	—	—	—	1,559,010	10,940,990	10,467,451	2,032,549
4¾%	20,000,000	20,000,000	—	—	—	—	—	—

(Continued)

APPENDIX D

Statement of Loans

EXPRESSED IN UNITED STATES CURRENCY

Loan Number	Borrower and Guarantor	Program or Project	Date of Loan Agreement	Maturities
1 FR	France (Guarantor) Crédit National	Equipment and materials for reconstruction and development	May 9, 1947	1952-1977
46 IC	Iceland	Electric power development	June 20, 1951	1956-1973
53 IC		Agricultural development	Nov. 1, 1951	1956-1973
17 IN	India	Railway rehabilitation	Aug. 18, 1949	1950-1964
19 IN		Agricultural development	Sept. 29, 1949	1952-1956
23 IN		Electric power development	Apr. 18, 1950	1955-1970
26 IRQ	Iraq	Construction of a flood-control project	June 15, 1950	1956-1965
*50 IT	Italy (Guarantor) Cassa per Il Mezzogiorno	Equipment and materials for 10-year Development Plan of Southern Italy	Oct. 10, 1951	1956-1976
4 LU	Luxembourg	Equipment for steel mill and railroads	Aug. 28, 1947	1949-1972
12 ME	Mexico (Guarantor) Financiera and Comisión	Electric power development	Jan. 6, 1949	1953-1973
13 ME		Electric power development	Jan. 6, 1949	July 1, 1950
24 ME		Electric power development	Apr. 28, 1950	1953-1973
33 ME		Foreign exchange for small private enterprises	Oct. 18, 1950	1952-1957
56 ME		Electric power development	Jan. 11, 1952	1955-1977
2 NE	Netherlands	Equipment and materials for reconstruction and development	Aug. 7, 1947	1954-1972
2a NE		Equipment and materials for reconstruction and development (Supplemental Loan Agreement)	May 25, 1948	1953-1954
7, 7a NE	Netherlands (Guarantor) N.V. Stoomvaart Mij. "Nederland"	Purchase of S.S. Raki and S.S. Roebiah	July 15, 1948	1949-1958
8 NE		Purchase of S.S. Almkerk	July 15, 1948	1949-1958
9 NE		Purchase of S.S. Alblasterdijk	July 15, 1948	1949-1958
10, 10a NE	N.V. Rotterdamsche Lloyd	Purchase of S.S. Friesland and S.S. Drente	July 15, 1948	1949-1958
15 NE	Herstelbank	Equipment for reconstruction and modernization of particular industrial plants	July 26, 1949	1952-1964
59 NE	KLM Royal Dutch Airlines	Purchase of aircraft	Mar. 20, 1952	1954-1958
45 NI	Nicaragua	Highway construction	June 7, 1951	1954-1961
52 NI		Construction of grain storage facilities	Oct. 29, 1951	1954-1962
44 NI	Nicaragua (Guarantor) Banco Nacional de Nicaragua	Agricultural development	June 7, 1951	1954-1958
60 PAK	Pakistan	Railway rehabilitation	Mar. 27, 1952	1954-1967
*62 PAK		Agricultural development	June 13, 1952	1954-1959
*55 PA	Paraguay	Agricultural development	Dec. 7, 1951	1954-1960

—June 30, 1952 (Continued)

See Notes A, D and E of Notes to Financial Statements, Appendix F

Interest Rate (Including Commission)	Original Principal Amount	Loans Not Yet Effective	Cancellations and Refundings	Principal Repayments to Bank	Obligations of Borrowers Sold by Bank	Effective Loans Outstanding Held by Bank	Principal Amount Disbursed	Undisbursed Balance of Effective Loans ¹
4¼%	\$250,000,000	\$ —	\$ —	\$ —	\$ 5,335,000	\$ 244,665,000	\$250,000,000	\$ —
4¾%	2,450,000	—	—	—	—	2,450,000	1,159,381	1,290,619
4½%	1,008,000	—	—	—	—	1,008,000	457,157	550,843
4%	34,000,000	—	1,200,000	3,484,518	2,811,100	26,504,382	32,800,000	—
3½%	10,000,000	—	1,500,000	850,000	2,505,000	5,145,000	4,205,830	4,294,170
4%	18,500,000	—	—	—	—	18,500,000	8,965,307	9,534,693
3¾%	12,800,000	—	—	—	—	12,800,000	3,834,435	8,965,565
4½%	10,000,000	10,000,000	—	—	—	—	—	—
4¼%	12,000,000	—	238,017	171,983	1,007,000	10,583,000	11,761,983	—
4½%	24,100,000	—	—	—	794,600	23,305,400	15,522,586	8,577,414
4½%	10,000,000	—	10,000,000 (Refunding)		—	—	—	—
4½%	26,000,000	—	—	—	250,000	25,750,000	19,576,710	6,423,290
3½%	10,000,000	—	9,443,997	13,650	—	542,353	222,090	333,911
4½%	29,700,000	—	—	—	—	29,700,000	594,771	29,105,229
4¼%	191,044,212	—	—	—	820,000	190,224,212	191,044,212	—
4¼%	3,955,788	—	—	—	3,025,015	930,773	3,955,788	—
3¾%	4,000,000	—	—	—	4,000,000	—	4,000,000	—
3¾%	2,000,000	—	—	—	2,000,000	—	2,000,000	—
3¾%	2,000,000	—	—	—	2,000,000	—	2,000,000	—
3¾%	4,000,000	—	—	—	4,000,000	—	4,000,000	—
4%	15,000,000	—	7,070,000	—	849,331	7,080,669	5,563,815	2,366,184
4½%	7,000,000	—	—	—	3,500,000 ²	3,500,000	—	7,000,000
4½%	3,500,000	—	—	—	—	3,500,000	1,012,508	2,487,492
4½%	550,000	—	—	—	—	550,000	104,568	445,432
4%	1,200,000	—	—	—	—	1,200,000	734,367	465,633
4½%	27,200,000	—	—	—	—	27,200,000	710,650	26,489,350
4½%	3,250,000	3,250,000	—	—	—	—	—	—
4½%	5,000,000	5,000,000	—	—	—	—	—	—

(Continued)

Statement of Loans

EXPRESSED IN UNITED STATES CURRENCY

<i>Loan Number</i>	<i>Borrower and Guarantor</i>	<i>Program or Project</i>	<i>Date of Loan Agreement</i>	<i>Maturities</i>
57 PE	<i>Peru</i>	Port development	Jan. 23, 1952	1954-1967
40 SA	<i>South Africa</i>	Expansion of transport facilities	Jan. 23, 1951	1956-1965
41 SA	<i>South Africa (Guarantor)</i> Electricity Supply Commission	Electric power development	Jan. 23, 1951	1954-1970
35 TH	<i>Thailand</i>	Railway rehabilitation	Oct. 27, 1950	1954-1966
36 TH		Irrigation	Oct. 27, 1950	1956-1971
37 TH		Port construction and development	Oct. 27, 1950	1954-1966
27 TU	<i>Turkey</i>	Construction of grain storage facilities	July 7, 1950	1954-1968
28 TU		Port construction and development	July 7, 1950	1956-1975
*63 TU		Electric power development, irrigation and flood control	June 18, 1952	1957-1977
34 TU	<i>Turkey (Guarantor)</i> Industrial Development Bank of Turkey	Foreign exchange for development of private industry	Oct. 19, 1950	1957-1965
58 SR	<i>United Kingdom (Guarantor)</i> Southern Rhodesia	Electric power development	Feb. 27, 1952	1956-1977
30 UR	<i>Uruguay (Guarantor)</i> U. T. E.	Electric power development and telephone equipment	Aug. 25, 1950	1955-1974
20 YU	<i>Yugoslavia</i>	Equipment for timber production	Oct. 17, 1949	1950-1951
51 YU		Equipment for electric power, coal mining, non-ferrous metal development, industry, forest products, agriculture and fishery, and transportation projects	Oct. 11, 1951	1955-1976
TOTAL LOANS GRANTED				

¹ Of the Undisbursed Balance of Effective Loans, the following amounts have been irrevocably committed by the Bank:

<i>Loan Number</i>	<i>Borrower</i>	<i>To Whom Committed</i>	<i>Amount</i>
5 CH	Chile (Endesa)	To Third Parties	\$ 1,011,334
11 BR	Brazilian Traction		
	(First Installment)	Borrower	6,164,470
11 BR-S	Brazilian Traction		
	(Second Installment)	Borrower	4,173,110
16 FI	Bank of Finland	To Third Parties	658,613
26 IRQ	Iraq	To Third Parties	1,327,183
27 TU	Turkey (Grain Storage)	To Third Parties	821,464
28 TU	Turkey (Ports)	To Third Parties	281,122
32 ET	Ethiopia (Bank)	To Third Parties	166,000
36 TH	Thailand (Irrigation)	To Third Parties	946,043
37 TH	Thailand (Ports)	To Third Parties	10,915
38 CO	Colombia (Anchicayá)	To Third Parties	175,020
51 YU	Yugoslavia	To Third Parties	17,065,275
54 CO	Colombia (Lebrija)	To Third Parties	308,748
Total			<u>\$33,109,297</u>

² Participation of The Chase National Bank of the City of New York.

³ The amount of currency repayable may differ from the amount of currency disbursed as a result of the purchase of one currency with another for purpose of disbursement. The currency used to make the purchase is the currency repayable.

* Denotes Loans Not Yet Effective.

—June 30, 1952 (Continued)

See Notes A, D and E of Notes to Financial Statements, Appendix F

Interest Rate (Including Commission)	Original Principal Amount	Loans Not Yet Effective	Cancellations and Refundings	Principal Repayments to Bank	Obligations of Borrowers Sold by Bank	Effective Loans Outstanding Held by Bank	Principal Amount Disbursed	Undisbursed Balance of Effective Loans ¹
4½%	\$ 2,500,000	\$ —	\$ —	\$ —	\$ —	\$ 2,500,000	\$ —	\$ 2,500,000
3¾%	20,000,000	—	—	—	—	20,000,000	10,635,432	9,364,568
4%	30,000,000	—	—	—	—	30,000,000	10,858,093	19,141,907
3¾%	3,000,000	—	—	—	—	3,000,000	228,040	2,771,960
4%	18,000,000	—	—	—	—	18,000,000	8,145,219	9,854,781
3¾%	4,400,000	—	—	—	275,000	4,125,000	556,340	3,843,660
3⅞%	3,900,000	—	—	—	—	3,900,000	665,853	3,234,147
4¼%	12,500,000	—	—	—	—	12,500,000	451,451	12,048,549
4¾%	25,200,000	25,200,000	—	—	—	—	—	—
3¾%	9,000,000	—	—	—	—	9,000,000	107,850	8,892,150
4¾%	28,000,000	—	—	—	—	28,000,000	—	28,000,000
4¼%	33,000,000	—	—	—	—	33,000,000	5,992,234	27,007,766
3%	2,700,000	—	—	2,700,000	—	—	2,700,000	—
4½%	28,000,000	—	—	—	—	28,000,000	4,965,234	23,034,766
	<u>\$1,412,133,000</u>	<u>\$102,450,000</u>	<u>\$29,724,442</u>	<u>\$10,340,282</u>	<u>\$56,376,688</u>	<u>\$1,213,241,588</u>	<u>\$876,504,133</u>	<u>\$403,454,425</u>

SUMMARY BY CURRENCY

Currency	Principal Amount Disbursed				Principal Recovered By Repayment or Sale				Balance Outstanding	
	Currency Disbursed		Currency Repayable ²		By Repayment or Sale		Balance Outstanding			
	Amount	United States Dollar Equiv.	Amount	United States Dollar Equiv.	Amount	United States Dollar Equiv.	Amount	United States Dollar Equiv.		
Belgian Francs	1,232,942,637	\$ 27,168,563	124,353,292	\$ 2,739,801	1,571,600	\$ 35,963	122,781,692	\$ 2,703,838		
Canadian Dollars	46,991,573	43,779,244	26,627,461	24,380,903	4,170,432	3,946,125	22,457,029	20,434,778		
Danish Kroner	3,591,579	519,981	3,514,448	508,814	—	—	3,514,448	508,814		
French Francs	1,426,989,073	4,080,938	1,273,086,344	3,641,551	—	—	1,273,086,344	3,641,551		
German Marks	4,876,600	1,161,413	—	—	—	—	—	—		
Italian Lire	281,984,584	451,550	211,980,570	339,169	—	—	211,980,570	339,169		
Netherlands Guilders	1,624,417	564,405	340,500	89,605	—	—	340,500	89,605		
Norwegian Kroner	698,400	97,814	283,200	39,648	—	—	283,200	39,648		
Swedish Kronor	14,254,504	2,820,163	166,897	32,262	—	—	166,897	32,262		
Swiss Francs	62,012,257	14,447,286	52,512,301	12,181,087	16,895,000	3,931,356	35,617,301	8,249,731		
United Kingdom Pounds	9,265,610	26,236,514	1,769,334	5,186,774	—	—	1,769,334	5,186,774		
United States Dollars	755,176,262	755,176,262	827,364,519	827,364,519	58,803,526	58,803,526	768,560,993	768,560,993		
		<u>\$876,504,133</u>		<u>\$876,504,133</u>		<u>\$66,716,970</u>		\$ 809,787,163		
									Plus—Undisbursed Balance of Effective Loans	
									403,454,425	
									Effective Loans Outstanding Held by Bank	
									<u>\$1,213,241,588</u>	

APPENDIX E

Statement of Subscriptions to Capital Stock and Voting Power June 30, 1952

EXPRESSED IN UNITED STATES CURRENCY
See Note A of Notes to Financial Statements, Appendix F

Member	Subscriptions		United States Dollars	Amounts Paid In			Amounts Due (Note C)	Subject to Call to Meet Obligations of Bank (Note I)	Number of Votes
	Shares	Amount (Note J)		In Currency of Member Other Than United States Dollars (Note B)	Non-Interest-Bearing, Non-Negotiable Demand Notes (Note B)				
1 Australia	2,000	\$ 200,000,000	\$ 4,000,000	\$ 360,368	\$ 35,639,632	\$ —	\$ 160,000,000	2,250	1
2 Austria	500	50,000,000	1,000,000	90,000	8,910,000	—	40,000,000	750	2
3 Belgium	2,250	225,000,000	4,500,000	3,844,422	36,655,578	—	180,000,000	2,500	3
4 Bolivia	70	7,000,000	140,000	12,600	1,247,400	—	5,600,000	320	4
5 Brazil	1,050	105,000,000	2,100,000	18,900,000	—	—	84,000,000	1,300	5
6 Burma	150	15,000,000	300,000	27,000	2,673,000	—	12,000,000	400	6
7 Canada	3,250	325,000,000	6,500,000	16,675,909	41,824,091	—	260,000,000	3,500	7
8 Ceylon	150	15,000,000	300,000	32,997	2,667,003	—	12,000,000	400	8
9 Chile	350	35,000,000	700,000	6,300,000	—	—	28,000,000	600	9
10 China	6,000	600,000,000	9,030,000	1,080,000	106,920,000	2,970,000	480,000,000	6,250	10
11 Colombia	350	35,000,000	700,000	6,300,000	—	—	28,000,000	600	11
12 Costa Rica	20	2,000,000	40,000	360,000	—	—	1,600,000	270	12
13 Cuba	350	35,000,000	700,000	63,000	6,237,000	—	28,000,000	600	13
14 Czechoslovakia	1,250	125,000,000	1,875,000	225,000	22,275,000	625,000	100,000,000	1,500	14
15 Denmark	680	68,000,000	1,360,000	991,066	11,248,934	—	54,400,000	930	15
16 Dominican Republic	20	2,000,000	40,000	3,600	356,400	—	1,600,000	270	16
17 Ecuador	32	3,200,000	64,000	576,000	—	—	2,560,000	282	17
18 Egypt	533	53,300,000	1,066,000	95,940	9,498,060	—	42,640,000	783	18
19 El Salvador	10	1,000,000	20,000	180,000	—	—	800,000	260	19
20 Ethiopia	30	3,000,000	60,000	540,000	—	—	2,400,000	280	20
21 Finland	380	38,000,000	760,000	6,840,000	—	—	30,400,000	630	21
22 France	5,250	525,000,000	10,500,000	7,915,332	86,584,668	—	420,000,000	5,500	22
23 Greece	250	25,000,000	500,000	4,500,000	—	—	20,000,000	500	23
24 Guatemala	20	2,000,000	40,000	360,000	—	—	1,600,000	270	24
25 Honduras	10	1,000,000	20,000	180,000	—	—	800,000	260	25
26 Iceland	10	1,000,000	20,000	180,000	—	—	800,000	260	26
27 India	4,000	400,000,000	8,000,000	721,800	71,278,200	—	320,000,000	4,250	27
28 Iran	336	33,600,000	672,000	60,480	5,987,520	—	26,880,000	586	28
29 Iraq	60	6,000,000	120,000	20,880	1,059,120	—	4,800,000	310	29
30 Italy	1,800	180,000,000	3,600,000	32,400,000	—	—	144,000,000	2,050	30
31 Lebanon	45	4,500,000	90,000	810,000	—	—	3,600,000	295	31
32 Luxembourg	100	10,000,000	200,000	18,000	1,782,000	—	8,000,000	350	32
33 Mexico	650	65,000,000	1,300,000	11,700,000	—	—	52,000,000	900	33
34 Netherlands	2,750	275,000,000	5,500,000	552,632	48,947,368	—	220,000,000	3,000	34
35 Nicaragua	8	800,000	16,000	144,000	—	—	640,000	258	35
36 Norway	500	50,000,000	1,000,000	174,000	8,826,000	—	40,000,000	750	36
37 Pakistan	1,000	100,000,000	2,000,000	180,000	17,819,992	—	80,000,000	1,250	37
38 Panama	2	200,000	4,000	36,000	—	—	160,000	252	38
39 Paraguay	14	1,400,000	28,000	252,000	—	—	1,120,000	264	39
40 Peru	175	17,500,000	350,000	31,500	3,118,500	—	14,000,000	425	40
41 Philippines	150	15,000,000	300,000	1,200,000	1,500,000	—	12,000,000	400	41
42 Sweden	1,000	100,000,000	2,000,000	18,000,000	—	—	80,000,000	1,250	42
43 Syria	65	6,500,000	130,000	11,700	1,158,300	—	5,200,000	315	43
44 Thailand	125	12,500,000	250,000	22,500	2,227,500	—	10,000,000	375	44
45 Turkey	430	43,000,000	860,000	77,400	7,662,600	—	34,400,000	680	45
46 Union of South Africa	1,000	100,000,000	2,000,000	180,000	17,820,000	—	80,000,000	1,250	46
47 United Kingdom	13,000	1,300,000,000	26,000,000	4,050,000	229,950,000	—	1,040,000,000	13,250	47
48 United States	31,750	3,175,000,000	635,000,000	—	—	—	2,540,000,000	32,000	48
49 Uruguay	105	10,500,000	210,000	1,890,000	—	—	8,400,000	355	49
50 Venezuela	105	10,500,000	210,000	1,365,000	525,000	—	8,400,000	355	50
51 Yugoslavia	400	40,000,000	800,000	7,200,000	—	—	32,000,000	650	51
84,535		\$8,453,500,000	\$736,975,000	\$157,731,134	\$792,398,866	\$3,595,000	\$6,762,800,000	97,285	

Notes to Financial Statements—June 30, 1952

NOTE A

Amounts in currencies other than United States dollars have been translated into United States dollars:

(i) In the cases of 41 members, at the par values established under the International Monetary Fund Agreement as specified in the "Schedule of Par Values" published by the International Monetary Fund; and

(ii) In the cases of the remaining 10 members (Austria, Burma, Canada, China, France, Greece, Italy, Peru, Thailand and Uruguay), the par values of whose currencies are not so specified, at the rates used by such members in making capital payments.

(iii) In the case of non-member currency, all Swiss francs, at the rate of 4.2975 Swiss francs to 1 United States dollar.

No representation is made that any of such currencies is convertible into any other of such currencies at any rate or rates. *See also Note B.*

NOTE B

These currencies and notes are derived from the 18% of the subscriptions to the capital stock of the Bank which is payable in the currencies of the respective members. Such 18% may be loaned by the Bank, and funds received by the Bank on account of principal of loans made by the Bank out of such currencies may be exchanged for other currencies or reloaned, only with the approval in each case of the member whose currency is involved; provided, however, that, if necessary, after the Bank's subscribed capital is entirely called, such currencies may, without restriction by the members whose currencies are offered, be used or exchanged for the currencies required to meet contractual payments of interest, other charges or amortization on the Bank's own borrowings or to meet the Bank's liabilities with respect to contractual payments on loans guaranteed by it. These currencies of the several members, and the notes issued by them for any part of such currencies, as permitted under the provisions of Article V, Section 12, are held on deposit with designated depositories in the territories of the respective members.

Article II, Section 9 provides for the maintenance of value of such 18% currencies as follows:

(a) Whenever (i) the par value of a member's currency is reduced, or (ii) the foreign exchange value of a member's currency has, in the opinion of the Bank, depreciated to a significant extent within that member's territories, the member shall pay to the Bank within a reasonable time an additional amount of its own currency sufficient to maintain the value, as of the time of initial subscription, of the amount of the currency of such member which is held by the Bank and derived from currency originally paid in to the Bank by the member under Article II, Section 7 (i), from currency referred to in Article IV, Section 2 (b), or

from any additional currency furnished under the provisions of the present paragraph, and which has not been repurchased by the member for gold or for the currency of any member which is acceptable to the Bank.

(b) Whenever the par value of a member's currency is increased, the Bank shall return to such member within a reasonable time an amount of that member's currency equal to the increase in the value of the amount of such currency described in (a) above.

(c) The provisions of the preceding paragraphs may be waived by the Bank when a uniform proportionate change in the par values of the currencies of all its members is made by the International Monetary Fund.

NOTE C

Under Article II, Section 8 (a) (i), any original member of the Bank whose metropolitan territories suffered from enemy occupation or hostilities during World War II had a right to postpone payment of $\frac{1}{2}$ of 1% of the amount of its subscription payable in gold or United States dollars until June 25, 1951. All members who received such a postponement have made payment in full except China and Czechoslovakia. China has made a payment of \$30,000 and has stated that it recognized its obligation to the Bank and would pay the balance of \$2,970,000 as soon as it was in a position to do so. Czechoslovakia has claimed a further postponement under Article II, Section 8 (a) (ii). On August 21, 1951, the Executive Directors rejected such claim. The Executive Directors thereafter reported such action to the Board of Governors which, on September 13, 1951, approved such report.

NOTE D

The Bank has sold under its guarantee \$41,499,001 of borrowers' obligations received by the Bank in connection with its loan operations of which amount a total of \$4,641,000 has been retired. Of the total of \$36,858,001 of obligations outstanding under guarantee \$2,373,087 is reflected in the balance sheet as a direct liability subject to withdrawal.

NOTE E

The principal disbursed and outstanding on loans and the accrued charges for interest, commitment fee, service charge and loan commission are receivable in United States dollars except the following amounts for which the dollar equivalent is shown:

Principal Outstanding	\$41,226,171
Accrued Interest, Commitment and Service Charges	321,439
Accrued Loan Commissions	85,810
Total	<u>\$41,633,420</u>

APPENDIX F

NOTE F

The amount of commissions received by the Bank on loans made or guaranteed by it is required under Article IV, Section 6, to be set aside as a special reserve to be kept available for meeting obligations of the Bank created by borrowing or by guaranteeing loans. On all loans granted to date the effective rate of commission is 1% per annum.

NOTE G

As sinking funds, the Bank has agreed to purchase and retire or redeem bonds in varying amounts calculated to retire by maturity 33-1/3% of the Canadian Dollar issue and 50% of the Sterling Stock and the United States Dollar Bonds except the Serial Bonds. On June 27, 1952, the Executive Directors authorized the redemption on or before September 1, 1952 of the 2 1/2% Swiss Franc Serial Bonds of 1948, due 1953-54 in the principal amount of Sw fr 17 million. A premium of 1/2 of 1% (equivalent to \$19,779) will be payable.

NOTE H

Pursuant to action of the Board of Governors and Executive Directors the net income of the Bank has been allocated to a General Reserve Against Losses on Loans and Guarantees Made by the Bank; and the future net income of the Bank will, until further action by the Executive Directors or the Board of Governors, be allocated to this reserve.

NOTE I

Subject to call by the Bank only when required to meet the obligations of the Bank created by borrowing or guaranteeing loans.

NOTE J

In terms of United States dollars of the currency in effect in effect on July 1, 1944.

GENERAL

The application for membership by the Hashemite Kingdom of the Jordan (proposed subscription \$1 million) was approved by the Board of Governors on April 21, 1952 and that country will have until September 30, 1952 to accept membership in the Bank. The applications by the Federal Republic of Germany (proposed subscription \$330 million) and by Japan (proposed subscription \$250 million) were approved by the Board of Governors on May 28, 1952 and those countries have until August 15, 1952 to accept membership in the Bank.

LITIGATION

A suit has been commenced by an individual plaintiff against the Bank asking damages of approximately \$625,000 for alleged interference with plaintiff's contractual relationships (*Frank H. Redicker v. Warfield et al.*, U. S. District Court, Southern District of New York, Civil No. 61-210). The Bank has denied the substance of the charges contained in the complaint and has been advised by trial counsel that the suit is without merit. At June 30, 1952 there was no other litigation pending against the Bank.

Opinion of Independent Auditor

1000 VERMONT AVENUE, N.W.
WASHINGTON 5, D.C.

August 12, 1952

TO INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT,
Washington, D. C.

We have examined the financial statements listed below of International Bank for Reconstruction and Development as of June 30, 1952. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, such financial statements, with the notes thereto, present fairly the financial position of the Bank at June 30, 1952, expressed in United States currency, and the results of its operations for the twelve months then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.

PRICE WATERHOUSE & CO.

Financial Statements Covered by the Foregoing Opinion

Balance Sheet—June 30, 1952.....	APPENDIX A
Comparative Statement of Income and Expenses for the Fiscal Years Ended June 30, 1951 and June 30, 1952	APPENDIX B
Statement of Currencies Held by the Bank—June 30, 1952	APPENDIX C
Statement of Loans—June 30, 1952.....	APPENDIX D
Statement of Subscriptions to Capital Stock and Voting Power—June 30, 1952.....	APPENDIX E
Notes to Financial Statements.....	APPENDIX F

Administrative Budget

For the Fiscal Year Ending June 30, 1953

There is outlined below the Administrative Budget for the fiscal year ending June 30, 1953, as prepared by the President and approved by the Executive Directors in accordance with Section 19 of the By-Laws. For purposes of comparison there are also outlined below the administrative expenses incurred during the fiscal years ended June 30, 1951 and 1952.

	<i>Actual Expenses</i>		<i>Budget 1953</i>	
	1951	1952		
BOARD OF GOVERNORS	\$ 223,136	\$ 114,220		\$ 206,000
OFFICE OF EXECUTIVE DIRECTORS	278,630	276,360		305,000
STAFF				
Personal Services	2,503,469	2,759,133		3,063,500
Staff Benefits	295,522	320,633		356,500
Consultants	120,703	107,927		100,000
Travel	345,352	378,170		363,000
Representation	43,504	41,833	3,607,696	40,000
				3,923,000
OTHER ADMINISTRATIVE EXPENSES				
Fees & Compensation	55,119	47,809		46,000
Supplies	42,130	39,676		36,000
Rents & Maintenance	335,040	394,868		412,000
Communications	101,575	112,332		102,000
Furniture & Equipment	39,634	34,953		31,000
Books & Library Services	56,554	69,375		73,000
Printing	39,201	39,701		40,000
Insurance	29,040	16,704		38,000
Other	1,001	3,361	758,779	—
				778,000
CONTINGENCY	—	—		100,000
TOTAL	\$4,509,610	\$4,757,055		\$5,312,000
SPECIAL SERVICES TO MEMBER COUNTRIES	333,837	380,303		400,000
GRAND TOTAL	\$4,843,447	\$5,137,358		\$5,712,000

No estimate has been made of bond registration, issuance and other financial expenditures for the fiscal year ending June 30, 1953. The amount of bonds which may be issued by the Bank during the next year is not known. These expenditures may amount to about \$100,000, exclusive of commissions and premiums, for each \$100 million of bonds which the Bank may issue.

APPENDIX I

Voting Power and Subscriptions of Member Countries As of June 30, 1952

MEMBER COUNTRIES	Voting Power		Subscription	
	Number of Votes	Percent of Total	Amount (in Millions of Dollars)	Percent of Total
Australia	2,250	2.31	200.0	2.47
Austria	750	.77	50.0	.59
Belgium	2,500	2.57	225.0	2.66
Bolivia	320	.33	7.0	.08
Brazil	1,300	1.34	105.0	1.24
Burma	400	.41	15.0	.18
Canada	3,500	3.60	325.0	3.85
Ceylon	400	.41	15.0	.18
Chile	600	.62	35.0	.41
China	6,250	6.42	600.0	7.10
Colombia	600	.62	35.0	.41
Costa Rica	270	.28	2.0	.02
Cuba	600	.62	35.0	.41
Czechoslovakia	1,500	1.54	125.0	1.48
Denmark	950	.96	68.0	.81
Dominican Republic	270	.28	2.0	.02
Ecuador	282	.29	3.2	.04
Egypt	783	.80	53.3	.63
El Salvador	260	.27	1.0	.01
Ethiopia	280	.29	3.0	.04
Finland	630	.65	38.0	.45
France	5,500	5.65	525.0	6.21
Greece	500	.51	25.0	.30
Guatemala	270	.28	2.0	.02
Honduras	260	.27	1.0	.01
Iceland	260	.27	1.0	.01
India	4,250	4.37	400.0	4.73
Iran	586	.60	33.6	.40
Iraq	310	.32	6.0	.07
Italy	2,050	2.11	180.0	2.13
Lebanon	295	.30	4.5	.05
Luxembourg	350	.36	10.0	.12
Mexico	900	.93	65.0	.77
Netherlands	3,000	3.08	275.0	3.26
Nicaragua	258	.27	.8	.01
Norway	750	.77	50.0	.59
Pakistan	1,250	1.28	100.0	1.18
Panama	252	.26	.2	*
Paraguay	264	.27	1.4	.02
Peru	425	.44	17.5	.21
Philippines	400	.41	15.0	.18
Sweden	1,250	1.28	100.0	1.18
Syria	315	.32	6.5	.08
Thailand	375	.39	12.5	.15
Turkey	680	.70	43.0	.51
Union of South Africa	1,250	1.28	100.0	1.18
United Kingdom	13,250	13.62	1,300.0	15.38
United States	32,000	32.89	3,175.0	37.56
Uruguay	355	.36	10.5	.12
Venezuela	355	.36	10.5	.12
Yugoslavia	650	.67	40.0	.47
Total.....	97,285	100.00	8,453.5	100.00

* Less than .005 percent.

Governors and Alternates as of June 30, 1952

MEMBER GOVERNMENT	GOVERNOR	ALTERNATE
AUSTRALIA	Sir Arthur Fadden	Sir Percy Spender
AUSTRIA	Reinhard Kamitz	Wilhelm Teufenstein
BELGIUM	Albert-Edouard Janssen	Maurice Frere
BOLIVIA	Hector Ormachea Zalles	Jaime Gutierrez Guerra
BRAZIL	Horacio Lafer	Octavio Paranagua
BURMA	Minister of Finance	General Manager, Union Bank of Burma
CANADA	D. C. Abbott	John Deutsch
CEYLON	J. R. Jayewardene	Sir Claude Corea
CHILE	Arturo Maschke	—vacant—
CHINA	Chia Kan Yen	Peh-Yuan Hsu
COLOMBIA	Emilio Toro	Ignacio Copete-Lizarralde
COSTA RICA	Angel Coronas	Mario Fernandez
CUBA	Luis Machado	Joaquin E. Meyer
CZECHOSLOVAKIA	Jaroslav Docekal	Antonin Bezckocka
DENMARK	Svend Nielsen	Hakon Jespersen
DOMINICAN REPUBLIC	Wenceslao Troncoso	Nicolas Vega
ECUADOR	Luis Ernesto Borja	Ramon de Ycaza
EGYPT	Ahmed Zaki Saad Pasha	A. Nazmy Abdel Hamid Bey
EL SALVADOR	Catalino Herrera	Luis Escalante-Arce
ETHIOPIA	Jack Bennett	Ato Menassie Lemma
FINLAND	Artturi Lehtinen	Ralf Torngren
FRANCE	Minister of Finance	Pierre Mendes-France
GREECE	George Mavros	Gregorios Zarifopoulos
GUATEMALA	Manuel Noriega Morales	Carlos Leonidas Acevedo
HONDURAS	Rafael Heliodoro Valle	Guillermo Lopez Rodezno
ICELAND	Jon Arnason	Thor Thors
INDIA	Sir Chintaman D. Deshmukh	Sir Benegal Rama Rau
IRAN	Ali-Asghar Nasser	Abbas-Gholi Neysari
IRAQ	Abdul Wahab Mirjan	Abdul-Ghani Al-Dalli
ITALY	Donato Menichella	Giorgio Cigliana-Piazza
LEBANON	Joseph Oughourlian	Raja Himadeh
LUXEMBOURG	Pierre Dupong	Pierre Werner
MEXICO	Carlos Novoa	Mario R. Beteta
NETHERLANDS	P. Lieftinck	A. M. de Jong
NICARAGUA	Guillermo Sevilla Sacasa	Rafael Huezo
NORWAY	Gunnar Jahn	Ole Colbjornsen
PAKISTAN	Mohammad Ali	Amjad Ali
PANAMA	Roberto Heurtematte	Julio E. Heurtematte
PARAGUAY	Juan R. Chaves	Victor A. Pane
PERU	Fernando Berckemeyer	—vacant—
PHILIPPINES	Miguel Cuaderno, Sr.	Emilio Abello
SWEDEN	N. G. Lange	S. T. G. Akermalm
SYRIA	Husni A. Sawwaf	Rafik Asha
THAILAND	Prince Viwat	Kajit Kasemsri
TURKEY	Hasan Polatkan	Munir Mostar
UNION OF SOUTH AFRICA	N. C. Havenga	M. H. de Kock
UNITED KINGDOM	Richard Austen Butler	Sir Leslie Rowan
UNITED STATES	John W. Snyder	David K. E. Bruce
URUGUAY	Carlos Quijano	Nilo Berchesi
VENEZUELA	Manuel Reyna	Carlos M. Lollet C.
YUGOSLAVIA	Lavoslav Dolinsek	Bogoljub Lazarevic

APPENDIX K

*Executive Directors and Alternates and Their Voting Power
As of June 30, 1952*

DIRECTORS	ALTERNATES	CASTING VOTES OF	VOTES BY COUNTRY	TOTAL VOTES
<i>Appointed</i>				
Andrew Overby	John S. Hooker	United States	32,000	32,000
Sir Edmund Hall-Patch	Allan Christelow	United Kingdom	13,250	13,250
Yueh-Lien Chang	Tsoo-Whe Chu	China	6,250	6,250
Roger Hoppenot		France	5,500	5,500
B. K. Nehru	B. R. Shenoy	India	4,250	4,250
<i>Elected</i>				
Thomas Basyn (Belgium)	Ernest de Selliers (Belgium)	Belgium	2,500	4,410
		Denmark	930	
		Finland	630	
		Luxembourg	350	
Manuel Jose Diez (Panama)	Julio E. Heurtematte (Panama)	Mexico	900	4,180
		Cuba	600	
		Philippines	400	
		Uruguay	355	
		Venezuela	355	
		Costa Rica	270	
		Dominican Republic	270	
		El Salvador	260	
		Honduras	260	
		Nicaragua	258	
		Panama	252	
Guillermo Perez-Chiriboga (Ecuador)	Oswaldo Garcia (Ecuador)	Brazil	1,300	4,061
		Chile	600	
		Colombia	600	
		Peru	425	
		Bolivia	320	
		Ecuador	282	
		Guatemala	270	
		Paraguay	264	
Louis Rasminsky (Canada)	G. Neil Perry (Canada)	Canada	3,500	3,760
		Iceland	260	
J. W. Beyen (Netherlands)	Karl Skjerdal (Norway)	Netherlands	3,000	3,750
		Norway	750	
Yaqub Shah (Pakistan)	Djahangir Boushehri (Iran)	Pakistan	1,250	3,539
		Egypt	783	
		Iran	586	
		Syria	315	
		Iraq	310	
		Lebanon	295	3,500
Leslie Galfreid Melville (Australia)	L. H. E. Bury (Australia)	Australia	2,250	
		Union of South Africa	1,250	3,300
Costantino Bresciani-Turroni (Italy)	*Giorgio Cigliana-Piazza (Italy)	Italy	2,050	
		Austria	750	
		Greece	500	2,385
Cabir Selek (Turkey)	Boonma Wongswan (Thailand)	Turkey	680	
		Yugoslavia	650	
		Ceylon	400	
		Thailand	375	
		Ethiopia	280	

* Acting temporarily.

Member countries unrepresented by an Executive Director: Czechoslovakia with 1,500 votes.
Sweden with 1,250 votes.
Burma with 400 votes.

APPENDIX K

In addition to the Executive Directors and Alternates shown on the foregoing list, the following also served as Executive Directors or Alternates since June 30, 1951.

EXECUTIVE DIRECTORS

William McChesney Martin, Jr. (*United States*)
Sir Ernest Rowe-Dutton (*United Kingdom*)

End of Period of Service

February 20, 1952
May 18, 1952

ALTERNATE EXECUTIVE DIRECTORS

Sir Sydney Caine (*United Kingdom*)
D. S. Savkar (*India*)
W. R. Natu (*India*)
Eduardo Salazar (*Ecuador*)
Nasrollah Djahanguir (*Iran*)
Thoralf Svendsen (*Norway*)
Harry L. Wolfson (*Canada*)

September 19, 1951
October 31, 1951
November 29, 1951
December 31, 1951
January 21, 1952
February 29, 1952
March 31, 1952

*Principal Officers of the Bank
As of June 30, 1952*

Eugene R. Black.....*President*
Robert L. Garner.....*Vice President*
William A. B. Iliff.....*Assistant to President*

A. S. G. Hoar.....*Loan Director*
D. Crena de Iongh.....*Treasurer*
Leonard B. Rist.....*Economic Director*
Davidson Sommers.....*General Counsel*
Morton M. Mendels.....*Secretary*
George L. Martin.....*Director of Marketing*
*Chauncey G. Parker.....*Director of Administration*
Harold N. Graves, Jr.....*Director of Public Relations*
Richard H. Demuth.....*Director of Technical Assistance and Liaison*

* Mr. Parker submitted his resignation on July 15, 1952, to be effective July 28. William F. Howell has been appointed to succeed him as Director of Administration.