

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

(NOT FOR PUBLIC USE)

64904

**FOR
EXECUTIVE
DIRECTORS'
MEETING**

CONFIDENTIAL

SM-93

(For consideration by the Executive
Directors on June 14, 1955.)

June 1, 1955

Minutes of the 93rd Special Meeting of the Executive Directors held
in the Board Room of the Bank on May 31, 1955, at 9:30 a.m.

1. There were present:

(a) Chairman

Eugene R. Black, President
Robert L. Garner, Vice President

(b) Executive Directors and Alternates
acting as Executive Directors

Jon Arnason
Thomas Basyn
L. H. E. Bury
D. Crena de Longh
Otto Donner
Viscount Harcourt
John S. Hooker (Alternate)
G. R. Kamat
Ali Akbar Khosropur (Alternate)
Kan Lee
Luis Machado
Jorge Mejia-Palacio
Maurice Perouse (Alternate)
Felice Pick (Alternate)
Louis Rasminsky
William Tennekoon (Alternate)

(c) Alternates not acting as Executive Directors

B. B. Callaghan
Johan Cappelen
Martin T. Flett
Hans Kloss
H. W. Lueck
V. G. Pendharkar
Antoniye Tasic
J. H. Warren

(d) Staff

M. M. Mendels, Secretary
Henry W. Riley, Treasurer
A. S. G. Hoar, Director of Operations - Europe, etc.
J. Burke Knapp, Director of Operations - Western Hemisphere
Joseph Rucinski, Director of Operations - Asia, etc.
Leonard B. Rist, Director of Economic Staff
Richard H. Demuth, Director of Technical Assistance and
Liaison Staff
William F. Howell, Director of Administration
Aron Broches, Assistant General Counsel
Martin M. Rosen, Assistant Director of Department of
Operations - Europe, etc.
S. Aldewereld, Assistant Director of Department of
Technical Operations
Walter J. Armstrong, Department of Technical Operations
Bernard Chadenet, Department of Technical Operations
Ellsworth E. Clark, Office of the General Counsel
Christian Finne, Department of Technical Operations
Douwe Groenvelde, Department of Technical Operations
Petrus A. Kanters, Department of Technical Operations
C. G. Parker, III, Marketing Department
Murray Ross, Department of Operations - Europe, etc.
Edward Symonds, Office of Public Relations
Sidney P. Wheelock, Department of Operations - Europe, etc.
Krishan Kapur, Office of the Secretary

AUDIT OF ACCOUNTS

2. The Executive Directors considered and adopted the following resolution
(R-878):

RESOLUTION NO. 320

Audit of Accounts

RESOLVED that the President or the Vice President
of the Bank be, and he hereby is authorized to engage
Price, Waterhouse & Company to make an audit of the
accounts of the Bank as of June 30, 1955.

LOAN TO ITALY - APPROVAL

3. The Executive Directors considered the President's Report and Recommendations and related documents (R-879, R-879/1 and R-879/2) on the proposed

loan to Cassa per il Mezzogiorno, to be guaranteed by the Republic of Italy, and adopted the following resolution:

RESOLUTION NO. 319

Approval of Loan to Cassa per il Mezzogiorno
(Electric Power, Irrigation and Industrial
Projects) in the amount of \$70,000,000 to be
guaranteed by Republic of Italy.

(See Annex "A" attached)

4. The Executive Directors also approved the three Project Agreements presented to the meeting.
5. The Executive Directors approved participation by the Bank of America in the loan to the extent of \$5,000,000, without the Bank's guarantee.
6. Mr. Pick expressed appreciation to the Executive Directors for approval of the loan and to the Management and Staff for their efficient handling of the negotiations.

DATE OF NEXT MEETING

7. In addition to the next regular meeting on June 14, the Chairman informed the Executive Directors that a special meeting might be held during the week of June 6.

ADJOURNMENT

8. There being no further business, the meeting adjourned at 11:10 a.m.

RESOLUTION NO. 319

Approval of Loan to Cassa per il Mezzogiorno (Electric Power, Irrigation and Industrial Projects) in the amount of \$70,000,000 to be guaranteed by Republic of Italy.

RESOLVED:

1. THAT, in accordance with the recommendations of the President, dated May 24, 1955, the Bank shall grant a loan to Cassa per il Mezzogiorno, to be guaranteed by the Republic of Italy, in an amount in various currencies equivalent to \$70,000,000, to mature on and prior to July 15, 1975, to bear interest (including commission) at the rate of $4 \frac{3}{4}\%$ per annum, and to be upon other terms and conditions set forth in the form of Loan Agreement (Electric Power, Irrigation and Industrial Projects) between the Bank and Cassa per il Mezzogiorno and the form of Guarantee Agreement (Electric Power, Irrigation and Industrial Projects) between Republic of Italy and the Bank which have been presented to this meeting.

2. THAT the rate of commission to be charged in connection with said loan shall be 1% per annum of the principal amount of said loan from time to time outstanding and held or guaranteed by the Bank; that said commission shall be included as part of the interest and service charge on said loan and shall be payable semi-annually on the dates for the payment of said interest and service charge; and that the amount of said commission so paid to the Bank shall be set aside in the special reserve as provided in Section 6 of Article IV of the Articles of Agreement of the Bank.