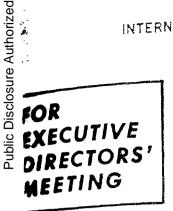
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# CONFIDENTIAL

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.

There were present: 1.

(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 Iongh 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 Antonije Tasic J. H. Warren

<sup>D</sup>ublic Disclosure Authorized

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(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 Groenveld, 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 Recom-

mendations and related documents (R-879, R-879/1 and R-879/2) on the proposed

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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 MEXT LEETING

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.

# ADJOURN ENT

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

Annex "A"

#### 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 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.