

CONFIDENTIAL

SM 58-26

(For consideration by the
Executive Directors at their
next Regular Meeting)

December 3, 1958

FOR
EXECUTIVE
DIRECTORS'
MEETING

Minutes of the 170th Special Meeting of the Executive Directors held
in the Board Room of the Bank on December 1, 1958, at 2:30 p. m.

1. There were present:

(a) Chairman

Eugene R. Black, President

(b) Management

W. A. B. Iliff, Vice President
J. Burke Knapp, Vice President
D. Sommers, Vice President and
General Counsel

(c) Executive Directors and Alternates
acting as Executive Directors

Jose Aragones
Thomas Basyn
C. Brignone
B. B. Callaghan
Tom B. Coughran
Otto Donner
Lennart Hammarskiold
Alan B. Hockin (Alternate)
Ismail bin Mohamed Ali
Ali Akbar Khosropur (Alternate)
Rene Larre
Kan Lee
Pieter Lieftinck
Jorge Mejia-Palacio
Jorge A. Montealegre (Alternate)
B. K. Nehru
Guy F. Thorold
Takeshi Watanabe

(d) Alternates not acting as Executive Directors

B. N. Adarkar (Temporary Alternate)
Harry Gorn
Carlo Gragnani
John S. Hooker
Nicola Miljanic
Erik Thrane
Max Thurn
A. J. J. van Vuuren
Geoffrey M. Wilson

(e) Staff Members Participating

M. M. Mendels, Secretary
John H. Collier, Department of Operations -
Europe, etc.
Christian Finne, Department of Technical Operations
Douglas J. Fontein, Legal Department
Jean-Marie Jentgen, Department of Operations -
Europe, etc.
Alexander M. Saitzoff, Department of
Technical Operations
Alexander Stevenson, Department of Operations -
Europe, etc.
E. R. L. Weimar, Department of Operations -
Europe, etc.
Lyell Doucet, Office of the Secretary

PROPOSED LOAN - UNION OF SOUTH AFRICA

2. The Executive Directors considered the President's Report and Recommendations and related documents (R 58-121) on a proposed loan to The Union of South Africa and adopted the following resolution:

RESOLUTION NO. 462

Approval of Loan to The Union of South Africa (Fifth
Transport Project) in the amount of \$25,000,000

(See Annex "A" attached)

3. Mr. Callaghan expressed appreciation to the Executive Directors for their approval of the loan and to the Management and Staff for their efficient handling of the negotiations.

PROPOSED LOAN - AUSTRIA

4. The Executive Directors considered the President's Report and Recommendations and related documents (R 58-120, R 58-120/1 and R 58-116) on a proposed loan to the "Österreichische Elektrizitätswirtschafts A.G. and the "Österreichische Donaukraftwerke A.G. and adopted the following resolution:

RESOLUTION NO. 463

Approval of Loan to "Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbundgesellschaft) and "Österreichische Donaukraftwerke Aktiengesellschaft (Aschach Project) in the amount of \$25,000,000 to be guaranteed by the Republic of Austria

(See Annex "B" attached)

5. Mr. Basyn expressed appreciation to the Executive Directors for their approval of the loan and to the Management and Staff for their efficient handling of the negotiations.

PARIS OFFICE ACCOMMODATION

6. The Executive Directors approved the report (R 58-125) regarding the Bank's Paris office accommodation.

PROPOSED INCREASE IN CAPITAL SUBSCRIPTION

7. The Executive Directors further considered the draft report (R 58-123) to the Board of Governors regarding a proposed increase in the authorized capital of the Bank and of memoranda thereon from the President (R 58-126) and Dr. Lieftinck (R 58-127).

DATE OF NEXT MEETING

8. It was decided that a Special Meeting of the Executive Directors would be held on Friday, December 5, at a time to be announced, and that the next Regular Meeting would be held at 10:00 a. m., Tuesday, December 9, 1958.

ADJOURNMENT

9. There being no further business, the meeting adjourned at 4:45 p.m.
Sec. 58-448

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

RESOLUTION NO. 462

Approval of Loan to The Union of South Africa (Fifth
Transport Project) in the amount of \$25,000,000.

RESOLVED:

1. THAT, in accordance with the recommendations of the President, dated November 24, 1958, the Bank shall grant a loan to The Union of South Africa in an amount in various currencies equivalent to \$25,000,000, to mature on and prior to December 1, 1968, to bear interest (including commission) at the rate of 5-3/4% per annum, and to be upon other terms and conditions substantially in accordance with the terms and conditions set forth in the form of Loan Agreement (Fifth Transport Project) between The Union of South Africa and the Bank which has 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.

RESOLUTION NO. 463

Approval of Loan to Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbundgesellschaft) and Österreichische Donaukraftwerke Aktiengesellschaft (Aschach Project) in the amount of \$25,000,000 to be guaranteed by the Republic of Austria.

RESOLVED:

1. THAT, in accordance with the recommendations of the President, dated November 24, 1958, the Bank shall grant a loan to Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbundgesellschaft) and Österreichische Donaukraftwerke Aktiengesellschaft, to be guaranteed by the Republic of Austria, in an amount in various currencies equivalent to \$25,000,000, to mature on and prior to September 15, 1983, to bear interest (including commission) at the rate of 5-3/4% per annum, and to be upon other terms and conditions substantially in accordance with the terms and conditions set forth in the form of Loan Agreement (Aschach Project) between the Bank and Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbundgesellschaft) and Österreichische Donaukraftwerke and the form of Guarantee Agreement (Aschach Project) between the Republic of Austria 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.