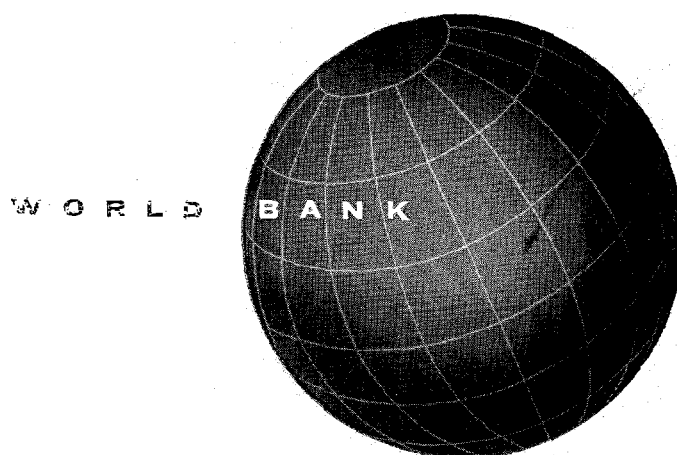
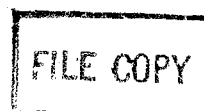


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International Bank
for Reconstruction and Development



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TWELFTH ANNUAL REPORT • 1956-1957

International Bank for Reconstruction and Development

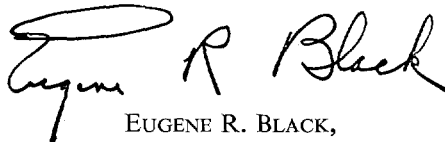
September 24, 1957

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 Twelfth Annual Report of the Bank, for the fiscal year July 1, 1956 to June 30, 1957.

The first section of this year's Report surveys the various activities of the Bank in the fiscal year, and includes a description of the progress made by Bank borrowers on some of the projects assisted by earlier loans. There then follow a country-by-country summary of the year's operations, a Statement of Bank loans, and the customary Appendices, including the Financial Statements as of June 30, 1957 and the Administrative Budget for the fiscal year ending June 30, 1958.

Sincerely yours,

A handwritten signature in black ink, reading "Eugene R. Black". The signature is fluid and cursive, with the first name "Eugene" written in a smaller, more compact script than the last name "Black".

EUGENE R. BLACK,
President

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

Twelfth Annual Report

contents

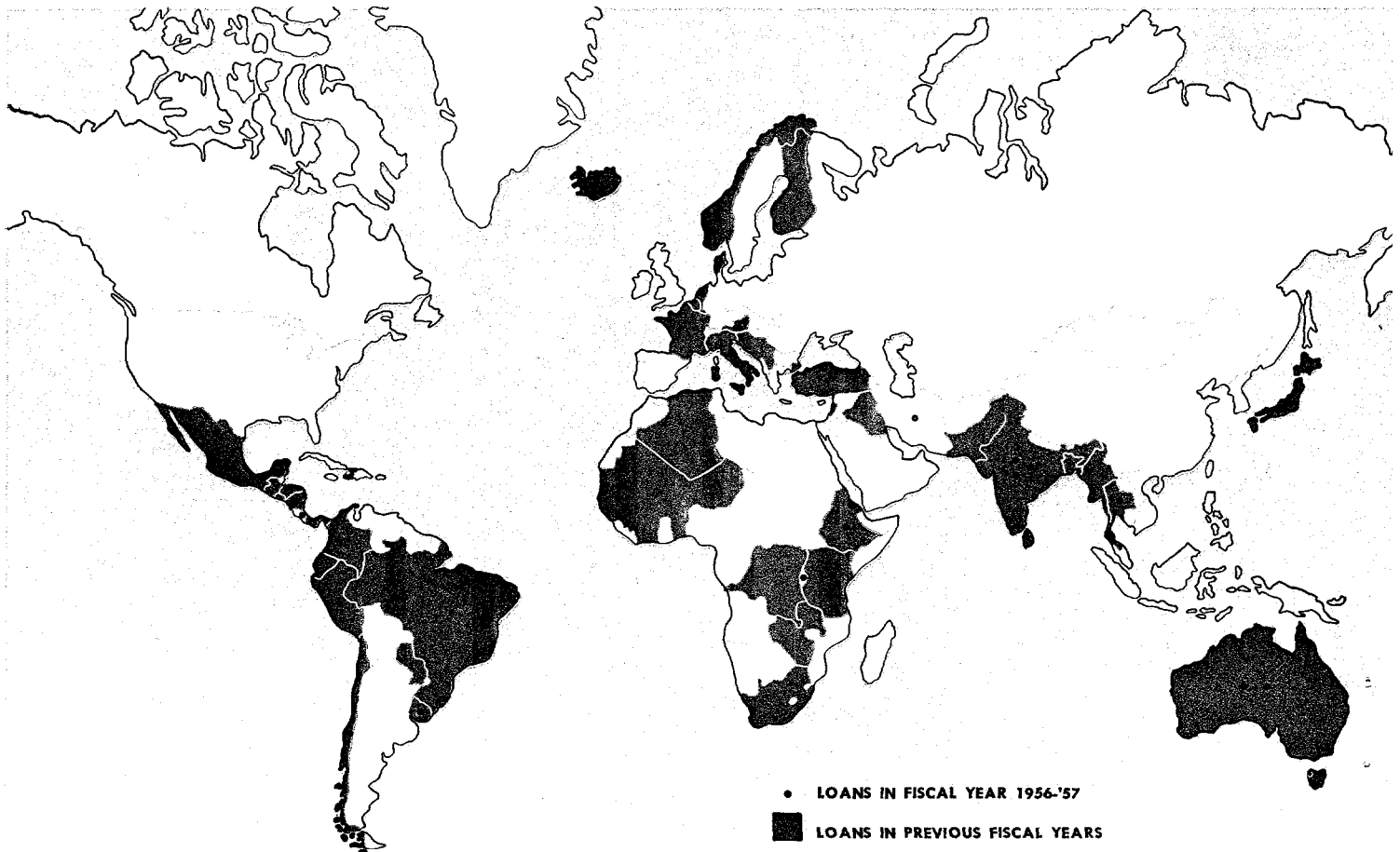
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Financial Highlights

(Expressed in millions of United States Dollars)

	Fiscal Years	
	1956	1957
TOTAL LOANS	\$396	\$388
FOR ELECTRIC POWER	148	108
FOR TRANSPORT	127	55
FOR AGRICULTURE	28	55
FOR INDUSTRY	93	95
FOR GENERAL DEVELOPMENT	—	75
DISBURSEMENTS ON LOANS	284	332
GROSS INCOME	64	74
NET INCOME	29	36
COMMISSIONS	15	17
NEW RELEASES OF 18% CAPITAL	129	134
NET INCREASE IN FUNDED DEBT	—1	183
SALES OF PARTS OF BANK LOANS	72	57
REPAYMENTS OF LOANS TO BANK	24	26

THE YEAR'S ACTIVITIES . . .



The year's 20 loans were made in 15 countries and territories, and were equivalent to \$388 million.



*T*HE OPERATIONS OF THE BANK IN THE PAST YEAR have been carried on against a background of continued high production and trade in nearly every part of the world. Industrial and mining output increased by about 5 per cent; although this increase was less than in the preceding year and slightly below the average for the postwar decade, it was high in comparison with the interwar period. Farm output rose somewhat more slowly, but continued the upward trend of the last few years. On the other hand, worldwide inflationary tendencies continued and were accompanied by heavy investment demand which pressed with increasing force on the available supply of savings. This contributed to sharp rises in interest rates almost everywhere.

A remarkable upswing in world trade during the year brought total exports to more than \$95,000 million, the highest level in history. This rise occurred in spite of the economic dislocation caused by the closing of the Suez Canal and by the interruption of normal pipeline supplies in the Middle East; the effects of these disturbances were less severe and less protracted than had been feared. Although prices of manufactured goods continued to rise, the increase of 12 per cent in the value of total exports was mainly the result of a larger volume of goods exported. There was a particularly rapid growth—in some cases by more than a fifth—in the export earnings of industrialized countries. The growth in earnings of most of the less developed countries was considerably slower. In the aggregate their export volume increased moderately, but the export prices of their primary products advanced on the average only slightly, and some even declined.

Increasing economic activity in most member

countries has been favorable to the operations of the Bank. It has also favored the growth of investment as a whole; in fact, investment activity, which has been large throughout the postwar period, was even greater during the past year. In some industrialized countries gross fixed investment has been running at about 20 per cent or more of national output, and in the majority the present level represents a substantial advance over the interwar period.

The increasing realization by many borrowing countries of the need to provide an atmosphere congenial to foreign investors has been another favorable factor. For example, there has been further progress in settling arrears on the external debt of governments. A settlement proposed during the year would remove the last substantial foreign bond default of any government in Latin America, and leave in default less than 3 per cent of the dollar bonds of all Bank member countries, compared with about 40 per cent ten years ago. A substantial improvement has also taken place over the same period in the status of other defaulted foreign debt.

In view of the importance of adequate information on the relation of external debt to debt servicing capacity, the Bank has recently been engaged in a survey of developments in this field. This shows that at the end of the first postwar decade the total public external long-term debt of a group of 52 member countries and territories—which excludes Canada and the United States, but includes practically all the principal debtor countries in the Bank's membership—amounted to the equivalent of \$23,000 million. In a group of 36 of these countries, with a total public external debt of \$18,000 million, the aggregate outstanding had approximately doubled between 1945 and 1955.

Taking into account also the large sums which have flowed into direct and other private investments, the decade as a whole has been one of the most active periods of international investment of recent times.

Debt service payments increased during the postwar decade at an even faster rate than total debt. As an example, in the same group of 36 countries these payments trebled, while the outstanding debt approximately doubled. To some extent this resulted from the resumption of payments on defaulted bonds, but it mainly reflected heavy repayments of medium-term debts contracted after the war. In 1955, payments of principal and interest on the \$23,000 million debt amounted to about \$2,000 million, of which interest accounted for a quarter. Because of the very low rates charged on many of the early postwar loans, the average effective rate paid on the total debt in 1955 was only about 2½ per cent. Apart from any subsequent increases in the principal amount of debt, the interest charge will inevitably increase as a result of the higher rates of the last few years.

The scale of present and expected service obligations must be viewed, however, in the perspective of the rapid postwar economic growth and the consequent increase in borrowing strength since 1945. In most

debtor countries the rise in total production and income has been sufficient to cover the higher level of debt service payments and also to leave increasing amounts available for domestic consumption and investment. Moreover, taking again the group of 36 debtor countries, the rate of growth of foreign exchange earnings has in fact been almost as fast as that of service obligations on public external debt.

There are, of course, some countries whose postwar growth record has been less favorable, with inflation continuing unchecked and indebtedness mounting to a level that will not be easy to service. There are also countries which have failed to increase the volume of their exports, and in which only rising export prices or emergency external assistance have made possible the financing of increased imports and other external expenditures. But in most countries the growth of production and exports, to which foreign investment has itself notably contributed, has kept pace with the increase in total public indebtedness. In general, it appears that postwar gains in production and trade have been sufficient not only to enable borrowing countries to continue to maintain service on their obligations but also to provide a foundation for further productive investment.

LOANS MADE

Bank lending during the 12 months ending on June 30, 1957, continued at approximately the rate of the previous three years. The 20 loans made during the year amounted to \$388 million and brought the gross total of Bank loans to \$3,108 million, made up of 170 loans in 45 member countries and territories.

Electric power continued to be the major purpose for which the Bank has lent; the table, "Loans Classified by Purpose and Area" (page 16), shows that power loans account for over one-third of the Bank's development lending. In 1956-57, \$108 million, or more than a quarter of the amount lent in the year, was added to the Bank's commitments in this sector. Almost equally important were new loans for industry.

In the Bank's earlier years loans made directly to industry accounted for only a small part of its activities; but with \$95 million this year the Bank maintained the high rate reached in 1955-56. During the year loans for agriculture and transport each accounted for about \$55 million.

The three largest loans of the year, in Australia, Iran and Italy, will provide funds for several economic sectors. In Australia \$50 million was lent to maintain the pace of development in industry, agriculture and transport. The loan to Iran provides \$75 million for a comprehensive development plan started two years ago. In southern Italy, \$74.6 million will support the expansion of industry, agriculture and power.

The year's lending operations are briefly reviewed below; a detailed description of the loans made during the year is given in the Country-by-Country Summary starting on page 27.

Power

The continuing upsurge in the demand for electricity promises to place an increasing strain on conventional sources of power. The Bank's lending during the year will help to finance the addition of more than 900,000 kilowatts to generating capacity in member countries. In addition, the Bank advised a number of prospective borrowers on technical aspects of power development, and for the first time began to consider with one of its member countries, Italy, specific problems that might arise in connection with the development of atomic power for commercial use.

Of the Bank's loan to the Cassa per il Mezzogiorno for the development of southern Italy, \$25.2 million will be re-lent to power companies to help finance three hydroelectric plants on the mainland and a thermal plant in Sicily. The new capacity will be 224,000 kilowatts, a 14 per cent increase in generating capacity in southern Italy. Two loans totaling \$31 million were made for the further development of electric power in Austria. They will provide funds for the completion of a hydroelectric plant on the Danube and for additions to two thermal plants.

In Uruguay, where two previous loans had helped to install 100,000 kilowatts of thermal capacity in Montevideo, a new loan of \$25.5 million will finance the construction of a hydroelectric plant on the Río Negro. This will double hydroelectric capacity and will increase total generating capacity by 103,000 kilowatts, or about one-third.

A loan of \$15 million will help to finance a six-year power expansion program in Chile. The three projects to be financed, all hydroelectric plants, will add 166,000 kilowatts to generating capacity. The largest is at Los Cipreses, close to another brought into operation with Bank assistance two years ago. A second is being constructed among the mountain lakes of the south to connect with a system that will serve

LOANS DURING THE YEAR

Expressed in United States Dollars

<i>Country</i>	<i>Purpose</i>	<i>Amount</i>
Australia	Airlines	\$ 9,230,000
	Agriculture, Transport, Industry	50,000,000
Austria	Power	21,000,000
	Power	10,000,000
Chile	Power	15,000,000
Costa Rica	Agriculture, Industry . .	3,000,000
Ethiopia	Roads	15,000,000
India	Industry	20,000,000
	Airlines	5,600,000
	Power	9,800,000
Iran	General Development .	75,000,000
Italy	Agriculture, Power, Industry	74,628,000
Japan	Agriculture	4,300,000
	Industry	20,000,000
Netherlands	Industry, General Development .	15,000,000
Nicaragua	Power	1,600,000
Peru	Agriculture	5,000,000
Ruanda-Urundi	Ports and Roads . . .	4,800,000
Thailand	Ports	3,400,000
Uruguay	Power	25,500,000
TOTAL		\$387,858,000

the whole coastal area between Santiago and Puerto Montt, a distance of 750 miles. The third project will serve the Concepción area and its steel, metallurgical, paper and other industrial plants.

In India further power supplies are already required in the Bombay area, where the installation of two 62,500-kilowatt units for the Trombay thermal plant was financed by a Bank loan in 1954. A further loan of \$9.8 million to the privately-owned Tata power companies will help to add a third unit of the same capacity, expected to be in operation by 1960.

A loan of \$1.6 million will supplement loans made

in *Nicaragua* two years ago to build a 30,000-kilowatt thermal plant in Managua, and to link 15 nearby towns into an integrated supply network.

Transportation

Nearly one-third of the total lent during the year for transport improvements was accounted for by two loans to buy aircraft for the international airlines of *India* and *Australia*. Because international airlines earn foreign exchange in their operations and have readily marketable assets, they offer special attractions to private investors. Both of these loans were made as joint operations in which the greater part of the funds was obtained directly from the capital market.

In order to buy three long-range jet passenger aircraft Air India International required \$16.8 million to cover the cost of the air frames, which are to be purchased in the United States. Two-thirds of the sum was raised through credits to Air India International from five United States commercial banks; the Bank lent the balance of \$5.6 million. The Government made separate arrangements for the financing of the engines, which will be bought in the United Kingdom and paid for in sterling. QANTAS Empire Airways of Australia required funds to purchase for its long-distance services both additional piston-engine aircraft and new jet aircraft to meet the rapid growth expected in traffic over the next six years. In this case also approximately two-thirds of the sum required from foreign sources was raised through the private market; \$17.8 million was placed with institutions in the United States. The balance of \$9.2 million was provided by the Bank.

The Bank's \$50 million loan to Australia also included \$16.8 million for improvements to roads and railways. This will be used mainly for trucks, tractors and roadbuilding equipment and for railway equipment, including components for diesel locomotives and rolling stock. Approximately \$128 million, representing more than one-third of the total so far lent in Australia, has now been allocated to road, rail and air transport.

In *Thailand* the Bank made its second loan for the improvement of the port of Bangkok. With the new

loan, amounting to \$3.4 million, the Port Authority has purchased another dredge to keep the port open to the bigger ships whose entry was made possible by cutting a deeper channel through the bar at the mouth of the Chao Phya River three years ago. In addition, two smaller dredges are being purchased to maintain an adequate depth of water in the harbor itself.

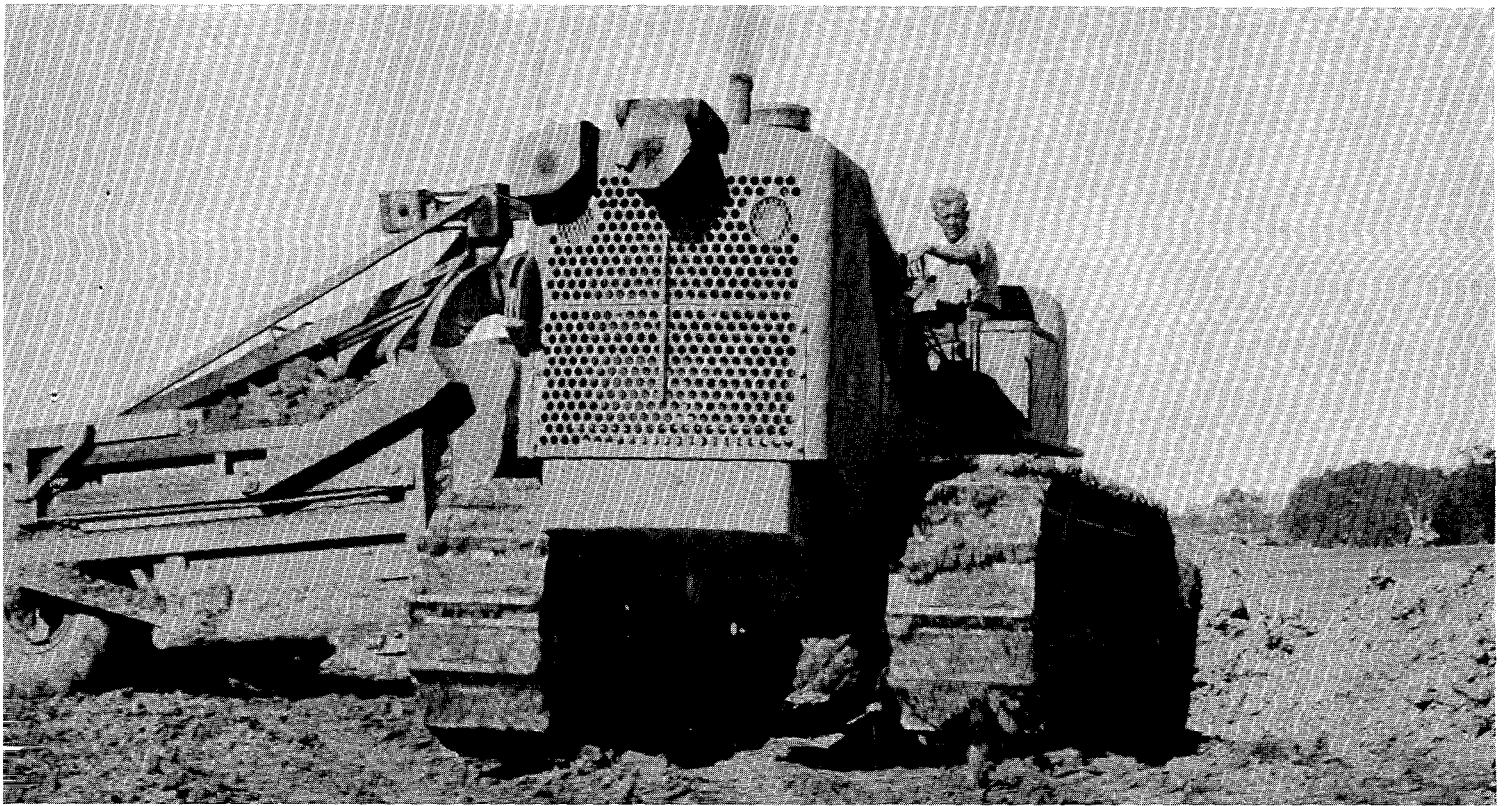
The Bank's first loan to the Belgian Trust Territory of *Ruanda-Urundi* in central Africa provided \$4.8 million to improve land and water transport. About half the loan will be used for rebuilding the port of Usumbura on Lake Tanganyika. The balance will be used to build 25 miles of all-weather highway northward from Usumbura. A loan of \$15 million will help *Ethiopia* to carry out three more years of work on a highway program which was begun in 1950 with the help of an earlier Bank loan.

Industry

The year's lending for industry will stimulate steel production in Asia and various industrial enterprises in Australia and western Europe. In *India* a loan of \$20 million to the privately-owned Indian Iron and Steel Company will finance an increase in the Company's rolling capacity to raise output of finished steel to 800,000 tons a year, an advance of 100,000 tons. This expansion, together with a program financed by the Bank four and a half years ago, will more than double the Company's capacity. In *Japan* a loan of \$20 million to the Kawasaki Steel Corporation is financing the second stage in the construction of a complete new steel mill. Bank funds are being used to install semi-continuous mills that will increase supplies of steel strip, hitherto in very short supply in Japan.

A sum of \$15 million lent in the *Netherlands* will enable the Herstelbank to maintain its lending to Dutch industry. About one-third of the loan to the Cassa per il Mezzogiorno was allocated to ten industrial projects in southern *Italy*, Sicily and Sardinia.

The \$50 million loan to *Australia* is providing \$16 million to finance imports of specialized equipment for the iron and steel, engineering and food-processing industries. Mining equipment will also be financed for use in production of coal and base metals.



A crawler tractor, one of over 16,000 of many types bought with Bank funds for Australia's agriculture, digs a new channel for the Goulburn River irrigation system north of Melbourne.

Agriculture

In *Japan* the Government is seeking new ways of increasing food production. To support this effort the Bank lent \$4.3 million, partly for the improvement of dairy herds but mainly to test the feasibility in Japan of land reclamation by mechanical methods.

Nearly half the total lent for agriculture during the year was included in the loan to the Cassa per il Mezzogiorno in *Italy*. The Bank loan will provide \$25.5 million for equipment and consultants' services required in Sardinia for the Flumendosa irrigation project, which will bring water to 123,500 acres.

Two agricultural loans will increase supplies of imported farm equipment and expand medium and long-term credit facilities available to farmers. In *Peru*, following an earlier loan of the same amount, \$5 million was lent to the Banco de Fomento Agropecuario, the only source of long-term agricultural credit available to farmers, to provide the foreign exchange necessary for its operations over a two-year period ending in 1958. Approximately half the proceeds of the loan will be used for tractors and

implements, and the remainder mainly for irrigation equipment and livestock. A loan of \$3 million to the Central Bank of *Costa Rica* will provide foreign exchange for imports of farm equipment and thus make it possible for more farmers to adopt modern production methods. Part of the proceeds will also be used to import capital equipment for light industry.

One-third of the \$50 million loan to *Australia* will help agriculture. While Australia's imports of agricultural equipment are largely bought in Europe and paid for in sterling or other European currencies, the new loan will provide dollars for types of equipment Australia wishes to buy in North America. The imports financed will include complete pieces of equipment and also components for local assembly.

General Development

The year's largest loan was a sum of \$75 million lent for the Second Seven-Year Plan in *Iran*. The object was to provide a source of interim financing to help in carrying the Plan Organization of Iran through the early years of a seven-year investment program involving expenditure equivalent to over \$1,000 million.

FINANCIAL OPERATIONS

The year's net income, exclusive of receipts from loan commissions, amounted to \$36 million. This sum was credited to a Supplemental Reserve against losses on loans and guarantees, increasing that Reserve to \$195 million. Receipts from the commission of 1 per cent charged on the outstanding balance of all loans amounted to \$17 million. This was credited, as required by the Articles of Agreement, to a Special Reserve, and raised that Reserve to \$94 million.

At the end of the year total Reserves thus stood at \$289 million.

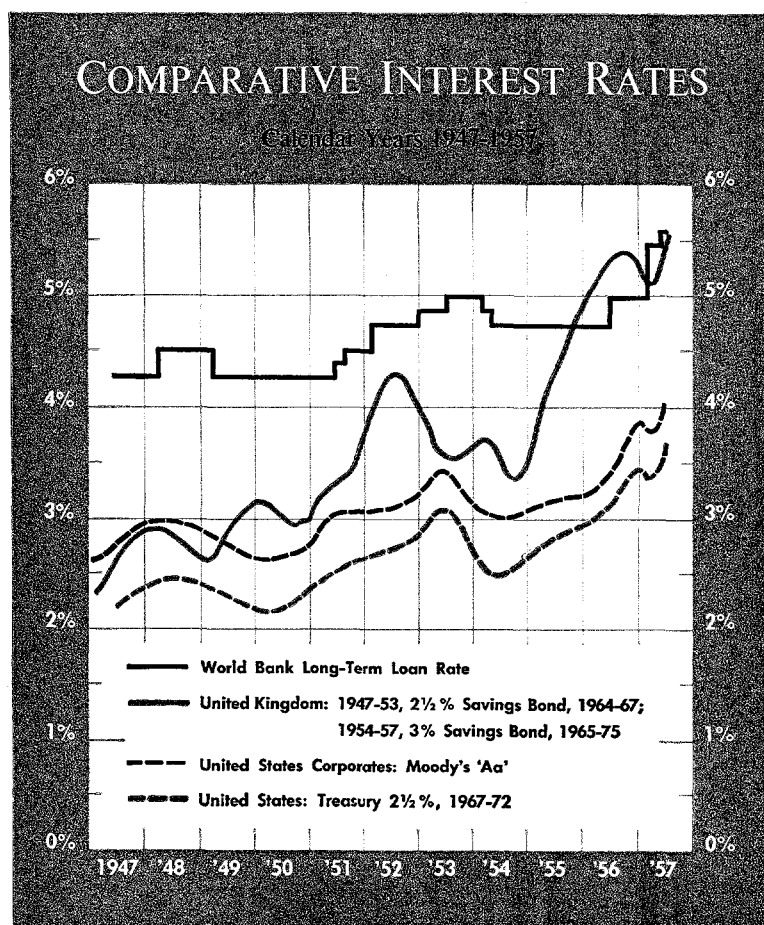
Gross income for the year, excluding loan commissions, amounted to \$74 million, of which \$63 million came from loans and \$11 million from investments. Expenses were \$38 million, of which nearly \$30 million was the interest paid on the Bank's funded debt.

As of the end of the fiscal year, the Bank changed its method of accounting for bond discount, commission and other bond issue costs. Previously these costs were charged against income as incurred; under the new procedure they are amortized over the life of the respective bond issues. The figures given above for net income and Supplemental Reserve are calculated on the new basis. Under the old method net income this year would have been \$3 million less and Reserves \$11 million less. (See Appendix G, Note D.)

Borrowers met all payments of principal and interest due during the year. With the early maturities now becoming due on many loans, repayments to the Bank amounted to \$26 million, including \$3 million repaid in advance of maturity. In addition, borrowers repaid a total of \$37 million on loans that had been sold to other investors. Total principal repayments thus amounted to \$63 million, an increase of \$15 million over the previous year's figure.

The period was one of rising interest rates; the rates charged by the Bank, which are based on the estimated cost of borrowing by the Bank at the time a loan is made, therefore also increased. In January the interest rate on long-term Bank loans, including the 1 per cent commission, was raised from 5 to 5½ per cent. In May the rate was raised again to 5¾ per cent, the highest yet charged. In view of the sharp rise in the cost of borrowing in the capital markets for short and medium term, in January the Bank ceased to charge a lower rate on its shorter term loans and adopted a uniform rate irrespective of the life of the loan.

The accompanying chart shows movements in the Bank's level of charges since it started operation, and the steep rise that has taken place over the last eighteen months. Representative yields on long-term government bonds in the United Kingdom and the United States, and on United States corporate securities rated Aa, are shown for comparison. It will be seen that, making allowance for the inclusion of the commission and a fractional charge to cover administrative expenses, movements in the level of the Bank's charges reflect fluctuations in capital markets, especially the



United States market, fairly closely. The rates shown do not, of course, indicate the cost to foreign borrowers of raising money in those markets. Such borrowers would have been charged rates of interest not only higher but also varying with their credit standings.

Funds Available for Lending

Additions to the Bank's lendable funds, which are summarized in the table below, amounted during the year to the equivalent of \$439 million. Well over one third of this sum was represented by a net increase of \$183 million in the Bank's funded debt, resulting from three new issues of United States dollar bonds and from a loan of Sw fr 200 million from the Swiss Government.

Further sums also became available as a result of releases by member countries from the 18 per cent part of their subscriptions. The Bank was able to use or allocate for lending \$134 million of such releases, about the same amount as in the previous year. With the growth in the Bank's membership the total of its 2-per cent capital also rose, bringing an addition of \$4 million to its resources.

Shortage of funds in capital markets affected sales to other investors of borrowers' obligations held by the Bank. Even so, these sales during the year of parts of loans, all of which were made without the guarantee

of the Bank, amounted to the equivalent of \$57 million, compared with \$72 million in the year before. Of the principal repaid to the Bank, \$25 million was available for new lending compared with \$23 million a year earlier. The Bank's lendable resources were also increased by its earnings and by other miscellaneous items together amounting to a net total of \$34 million.

Increase in Borrowed Funds

The Bank was an active borrower during the year. New bond issues amounted to \$275 million compared with only \$22 million in 1955-56. In the two preceding years all new bond issues had been sold in other countries, but the main sales this year were in the United States, and all the issues were of United States dollar bonds.

The greater part of the new bonds sold during the year was accounted for by two issues of \$100 million, one in January and the other in April. The first was issued at par with an interest rate of 4½ per cent and a term of 20 years; the second, issued at 98, carried 4¼ per cent interest for a term of 21 years. Each was made by an underwriting group headed jointly by Morgan Stanley & Co. and The First Boston Corporation. Approximately \$30 million of these new issues was sold to investors outside the United States.

In view of the difficult conditions in the capital

SUMMARY OF FUNDS AVAILABLE FOR LOANS UP TO JUNE 30, 1957

(Expressed in millions of United States dollars)

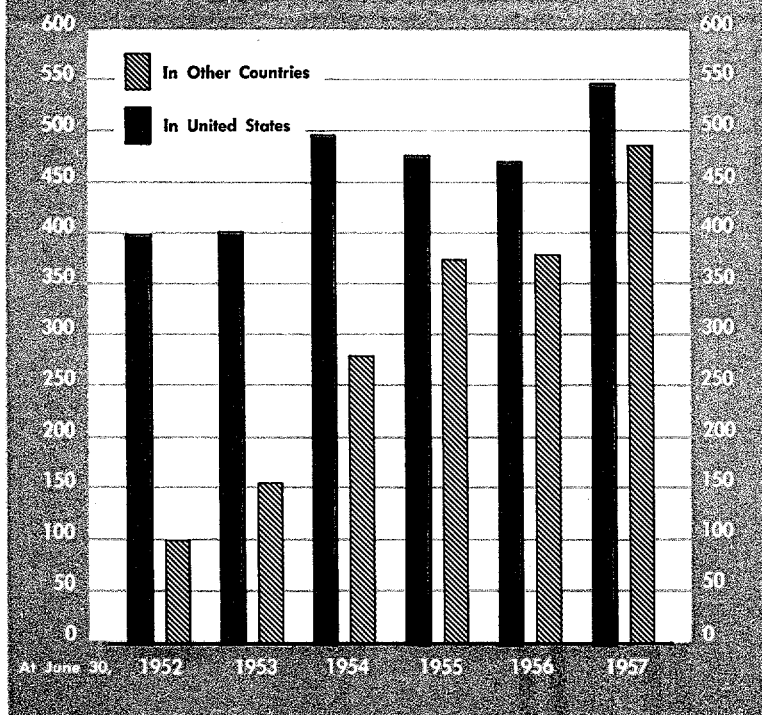
	June 30, 1956	June 30, 1957	Net Increase
2% paid-in portion of subscriptions of all members	178.4	182.8	4.4
18% portion of subscriptions made available by members	893.1	1,027.2	134.1
Total available capital subscriptions	1,071.5	1,210.0	138.5
Funds available from outstanding Bank debt.	850.2	1,033.6	183.4
Funds available from operations	159.5	193.8	34.3
Funds available from sales of loans	272.1	329.0*	56.9
Funds available from principal repayments to the Bank	161.8	187.2*	25.4
GROSS TOTAL	2,515.1	2,953.6	438.5
Loan disbursements	1,963.7	2,296.0	332.3
BALANCE available for future disbursements	551.4	657.6	106.2

* Additional sales of loans have been made amounting to about \$4 million and principal repayments received amounting to about \$3.5 million; but these sums represent 18% funds which have not been made available for re-lending by the releasing member country, and thus are not included in the total of the Bank's lendable funds.

BANK BORROWING

Distribution between the United States and Other Countries of Outstanding Total of the Bank's Funded Debt

Expressed in millions of United States Dollars



market both issues carried a feature new to Bank borrowing and unusual in public offerings in the United States market: certain institutional buyers were offered an option to buy the bonds with payment and delivery deferred for a period ranging up to two years and nine months. In this way these institutions could make substantial purchases notwithstanding the widespread shortage of available funds. A total of \$47 million of the two issues was sold on these terms.

The loan of Sw fr 200 million (\$47 million) from the Swiss Government represented an innovation in the Bank's methods of raising money. The funds became available in January and, as requested by the Government, were disbursed for use outside Switzerland through conversion into dollars. The loan carried a final maturity of eight years and interest at 3½ per cent.

The continuing strength of the international demand for Bank obligations was further demonstrated when, in September 1956, the whole of a \$75 million bond issue was sold outside the United States. This was

the second time the Bank had sold the whole of an issue of United States dollar bonds to holders in other countries. The new bonds have a life of two years and an interest rate of 3½ per cent. They were placed in 22 countries, with purchasers including central banks, government accounts, commercial banks, insurance companies and private corporations. Simultaneously with this issue an equal amount of maturing three-year 3 per cent bonds was paid off.

Bonds retired during the year totaled \$94 million. This was made up of the \$75 million of the three-year 3 per cent bonds of 1953, \$10 million of the 2 per cent serial United States dollar bonds of 1950, and purchases by the Bank in the market of a total equivalent to \$9 million of its bonds to meet purchase and sinking fund requirements.

It was estimated that at the end of the year 47 per cent of the \$1,034 million outstanding total of the Bank's funded debt was held outside the United States. This included holdings abroad of approximately \$280 million of United States dollar bonds, one-third of the outstanding total. The accompanying chart shows the changes that have taken place over the last six years in the international distribution of the Bank's outstanding debt.

The principal holders of Bank bonds in the United States were pension and trust funds with about 47 per cent of the total, insurance companies with about 26 per cent and savings banks with about 23 per cent; the balance was held by commercial banks and other investors. Bonds outside the United States were held by banks, insurance companies, pension and trust funds and other private holders, as well as by central banks and government agencies.

Use of Capital Subscriptions

Some progress was made by member governments during the year in freeing their subscribed capital for use by the Bank in its lending. The part of the Bank's capital that is payable in gold or dollars, representing 2 per cent of the subscription of each member country is freely available for lending and now totals \$183 million. The other part of the paid-in capital, representing 18 per cent of each subscription, is payable in

the member's own currency and may be lent only with the member's approval.

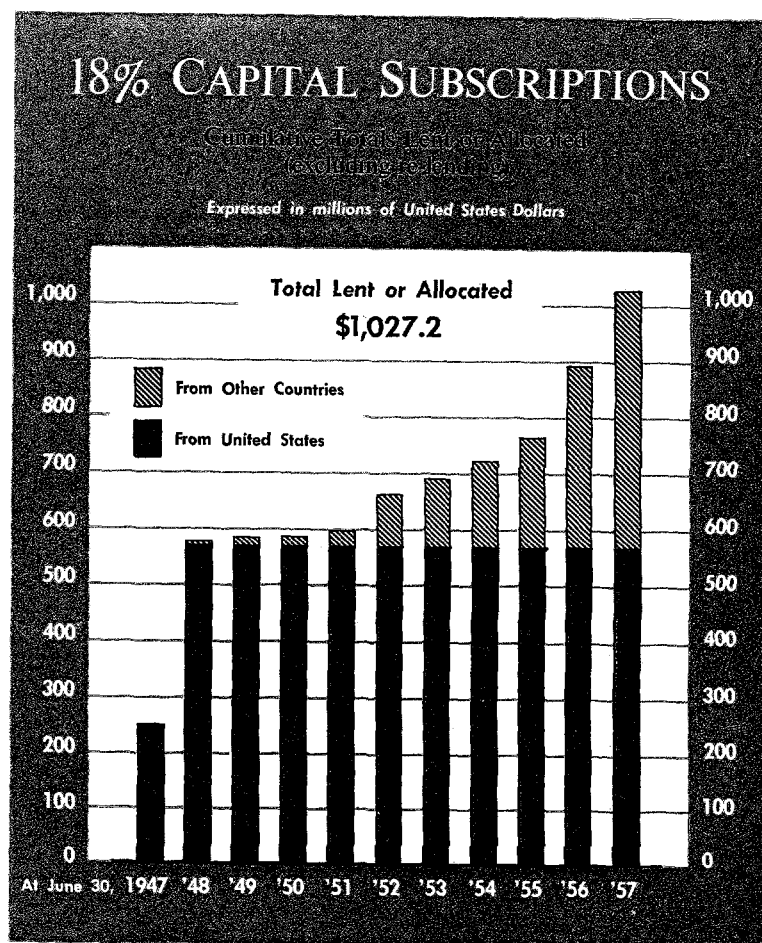
The total of the 18 per cent capital that the Bank had been able to use in its lending, including funds allocated for future disbursement, amounted as of June 30, 1956 to \$893 million. This sum included the complete release for use for purchases anywhere of the original 18 per cent subscriptions of the United States, Canada and Germany, together totaling the equivalent of \$684 million. The remainder was made up of partial releases by other member countries.

New releases during the year, in such a form as to be useful to the Bank in its lending operations, amounted to \$134 million, bringing the total to \$1,027 million by June 30, 1957. Several of the new releases were made by member governments subject to a freeing of their use step by step over a period of several years.

Until recently most of the 18 per cent capital released in a usable form has come from countries in North America and Western Europe. In the year under review important releases have come from other countries. In the Western Hemisphere, Costa Rica, El Salvador and Venezuela released on a convertible basis the whole of their 18 per cent subscription for immediate use; Ecuador also released its subscription on a convertible basis but stipulated that disbursement should be spread over four years. Mexico made one-third of its subscription available on a convertible basis and the rest for purchases in Mexico.

Japan has released the whole of its subscription in such a way as to make it probable that the Bank will be able to disburse the greater part of it in the next two years. Australia and South Africa have both made partial releases on a convertible basis.

In Europe, Austria, Belgium, Italy and Luxembourg released the remainder of their 18 per cent subscriptions during the year. France, The Netherlands, Norway, Sweden and Yugoslavia made partial releases. All these releases, except that of Yugoslavia, were wholly or partly transferable; in most cases there was the stipulation that their use be spread over a period of several years. The United Kingdom released further amounts under the arrangements made in 1953,



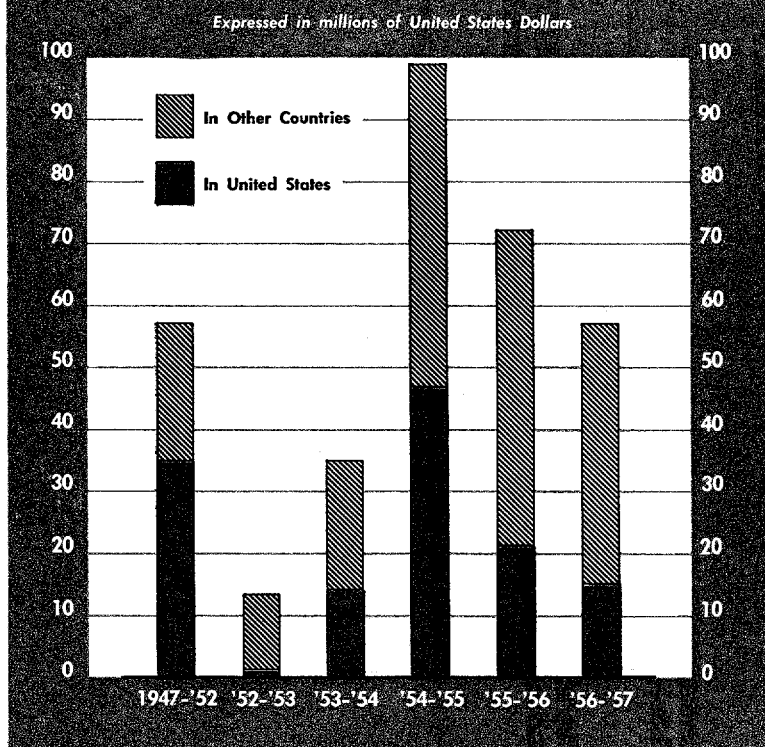
whereby a total of £60 million was made available under certain conditions for Bank loans in the sterling countries of the Commonwealth.

Despite the progress made during the year in widening the Bank's access to its 18 per cent capital, the limitations that have been placed upon its use—and that in many cases still remain—have been such that it has so far been able to use or allocate funds from the 18 per cent subscriptions of only 23 of its 60 member countries. A sum equivalent to \$641 million has not yet been made available for lending.

In these circumstances, the President wrote in April to the Governors of all member countries reminding them of the status of their 18 per cent subscriptions and, except where further releases were not in question, asking for an urgent reconsideration of the matter. The President laid particular stress upon the desirability of releases in a form usable by the Bank, and without being restricted to purchases only in the releasing country. This approach has been followed by discussions with individual member countries.

SALES OF PARTS OF LOANS

By Fiscal Years, Showing Distribution between Purchasers in the United States and Other Countries



Market Participation in Loans

The \$57 million raised through private placements with investors of parts of Bank loans represented a drop of 21 per cent compared with the previous year.

Maturities taken up by private banks at the time the loans were made accounted for \$16 million of sales. There was participation of this kind, in every case without the Bank's guarantee, in the majority of the loans made during the year; in all, 15 banks and one international organization participated in the 14 loans concerned. The institutions participating included, apart from United States banks, four Dutch, one Swiss and one Belgian bank.

The remainder of the sum of \$57 million raised by selling borrowers' obligations came from sales of parts of loans already made; these amounted during the year to \$41 million. Purchasers included central and private banks, investment houses, insurance companies and other private investors. All these sales were made without the Bank's guarantee.

By the end of the fiscal year the cumulative total received or receivable by the Bank from sales of parts of loans had risen, since the start of operations, to \$333 million. Of this total \$122 million has already been repaid at maturity or prepaid to the purchasers, leaving a total of \$211 million still outstanding; only \$23 million of the outstanding total carries the Bank's guarantee. A large part of the sales to date, representing 60 per cent of the total, has been made to purchasers outside the United States. The chart (left) shows each year's sales since 1952, divided between the United States and other countries.

Sustained interest was shown by other investors in the type of joint operation that the Bank has developed with the capital market within the last three years. In November, Morgan Stanley & Co. of New York arranged the private placement of \$17.8 million of Australian notes coincident with and for the same purpose as the Bank's loan to Australia for the purchase of aircraft. In March, The First Boston Corporation of New York joined with the Bank in a similar operation; it arranged a credit of \$11.2 million from five United States commercial banks for Air India International Corporation. This was the first direct Indian borrowing in the United States market. The Bank agreed to an amortization schedule for both these loans whereby the private credits will be repaid first.

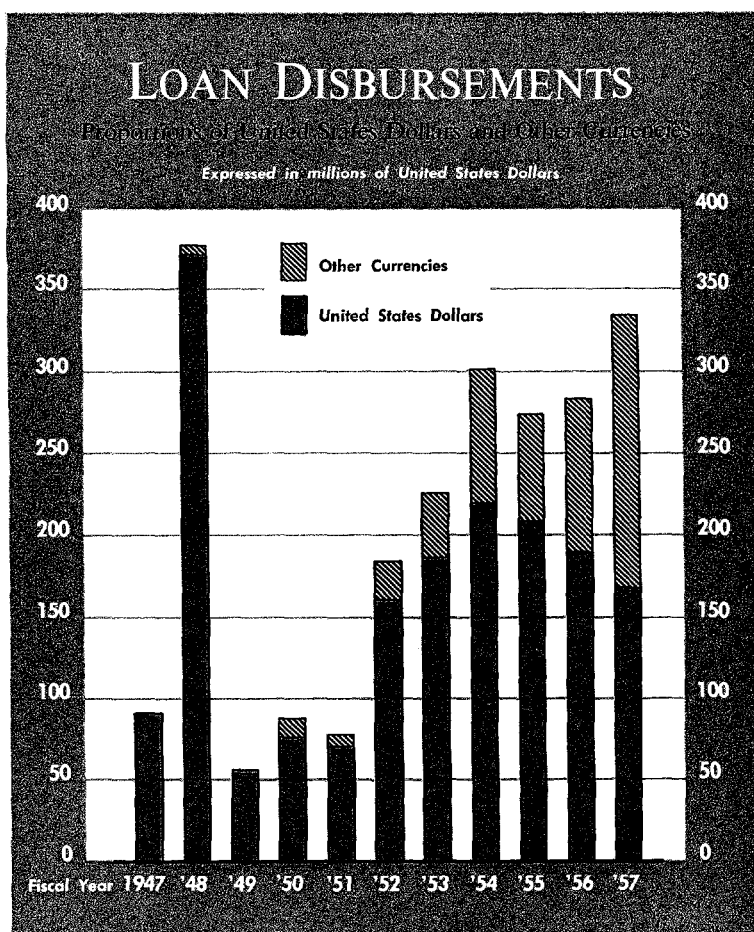
Investment houses in New York carried on discussions during the year concerning the possibility of two other joint operations within the next few months. The Bank believes that by lending its funds alongside those of private investors it can play a useful part in encouraging private capital to invest in projects of high economic priority in less-developed countries.

Disbursements

The year's loan disbursements, equivalent to \$332 million, were approximately 17 per cent larger than in the preceding year and reached the highest figure since the Bank's development lending began; they brought the cumulative total disbursed to \$2,296 million. Reflecting the use of 18 per cent capital and of the Swiss loan, the amount disbursed during the year in

currencies other than United States dollars totaled \$165 million and for the first time almost equaled the amount disbursed in United States dollars. The accompanying chart shows the proportions of United States dollars and other currencies used by the Bank in making disbursements on loans since 1947. It will be seen that in the earlier years, which included the loans for reconstruction, United States dollars made up almost all the disbursements. In later years, however, other currencies have come to play an increasingly important part. A Summary of currencies used for disbursements is given in Appendix F on page 52.

The placing of orders for the equipment and services financed by the Bank is a matter for the borrowers and is governed by their interest in making purchases where they believe that conditions are most favorable to them. The Bank, however, expects borrowers to take advantage of international competition and, wherever practicable, to place contracts through international competitive bidding. This procedure was in fact widely adopted in connection with the year's disbursements and is being used in obtaining the greater part of the imported equipment and materials required for all the loans (with the exception of those for aircraft) made during the year for individual projects. The accompanying table indicates, insofar as



relevant data are available in the Bank, the estimated international distribution of loan expenditures by Bank borrowers in recent years.

LOAN EXPENDITURES IN INDIVIDUAL COUNTRIES—FISCAL YEARS ENDING JUNE 30
(Estimates rounded to equivalent in millions of United States Dollars)

Disbursements by borrowers for imports from:	Cumulative total through 1954		1955		1956		1957		Cumulative total to date	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
North America										
U. S.	\$ 853.0	65.1	\$129.3	54.0	\$114.9	50.5	\$102.7	44.3	\$1,199.9	59.7
Canada	78.6	6.0	7.9	3.3	16.0	7.0	14.0	6.1	116.5	5.8
Europe										
U. K.	114.2	8.7	57.4	23.9	30.0	13.2	25.3	11.0	226.9	11.3
Germany	47.6	3.6	15.3	6.4	32.0	14.1	43.1	18.7	138.0	6.9
France	31.6	2.4	10.1	4.2	7.5	3.3	8.0	3.4	57.2	2.8
Belgium	55.4	4.2	1.8	.8	6.5	2.9	6.4	2.7	70.1	3.5
Switzerland	27.6	2.1	4.6	1.9	5.3	2.3	4.4	1.9	41.9	2.1
Sweden	7.2	.6	4.4	1.8	3.4	1.5	6.2	2.6	21.2	1.1
Other European countries	24.7	1.9	5.4	2.3	7.6	3.3	11.2	4.8	48.9	2.4
All other countries	70.9	5.4	3.3	1.4	4.3	1.9	10.3	4.5	88.8	4.4
TOTALS	\$1,310.8	100.0	\$239.5	100.0	\$227.5	100.0	\$231.6	100.0	\$2,009.4	100.0
OTHER DISBURSEMENTS*	94.7		34.7		56.4		100.8		286.6	
GRAND TOTAL . . .	\$1,405.5		\$274.2		\$283.9		\$332.4		\$2,296.0	

* These include disbursements on loans in which the funds are used for local expenditures or for broad development programs in which the items imported with Bank funds are not specified.

Loans Classified by Purpose and Area

JUNE 30, 1957

EXPRESSED IN MILLIONS OF UNITED STATES DOLLARS†

Purpose	Areas					
	Total	Africa	Asia	Austral- asia	Europe	Western Hemi- sphere
Grand Total	3,025	367	575	317	1,088	678
Development Loans: Total	2,528	367	575	317	591	678
ELECTRIC POWER						
Generation and Distribution	869	178	145	29	186	331
TRANSPORTATION						
	715	145	137	127	59	247
Railroads	353	117	80	26	3	127
Shipping	12	—	—	—	12	—
Ports and Inland Waterways	83	3	37	—	37	6
Roads	196	25	—	57	—	114
Airlines and Airports	57	—	6	44	7	—
Pipelines (natural gas)	14	—	14	—	—	—
COMMUNICATIONS						
Telephone, Telegraph and Radio	24	2	—	—	—	22
AGRICULTURE AND FORESTRY						
	276	—	46	104	71	55
Farm Mechanization.	115	—	—	88	2	25
Irrigation and Flood Control	115	—	31	6	57	21
Land Clearance and Improvement	26	—	14	6	2	4
Crop Processing and Storage	7	—	—	—	4	3
Livestock	3	—	1	—	—	2
Forestry	10	—	—	4	6	—
INDUSTRY						
	439	2	172	57	185	23
Iron and Steel	190	—	153	14	23	—
Pulp, Paper and Board	70	—	4	1	45	20
Fertilizer and other Chemicals	29	—	—	—	29	—
Other Industries	76	—	5	26	43	2
Mining.	28	—	—	16	12	—
Development Banks	46	2	10	—	33	1
GENERAL DEVELOPMENT						
	205	40	75	—	90	—
Reconstruction Loans: Total	497	—	—	—	497	—

† The difference between the grand total given above (\$3,025 million) and the gross total of lending (\$3,108 million) given on page (6) and elsewhere arises from the fact that the figures here tabulated are net of cancellations and refundings.

PROGRESS UNDER EARLIER LOANS

Since most of its loans are made for specific projects, it is possible to follow closely the results of the Bank's lending operations. The following section describes achievements by borrowers in a number of different countries. The loans that are helping to finance the projects mentioned are tabulated in the statement of loans on pages 60 to 66.

Adding in the loans made during the year, the Bank has now lent \$1,608 million for power, transport and communications, including finance for individual projects which usually call for a total investment two to four times as large as the Bank's loan. This is helping member countries to add 7½ million kilowatts to their generating capacity, representing more capacity than was available in the whole of Latin America at the time the Bank's development lending began. It has also financed some 50 road, port, railway and other transport programs in various countries, and the expansion of three international airlines. A total of \$715 million lent directly for agriculture and industry has financed irrigation work on 3½ million acres, and manufacturing and mining investments in 15 countries. The remainder of the Bank's development loans, amounting to \$205 million, have been made for general investment purposes in four countries.

Africa

The economy of *Ethiopia* is benefiting in many ways from a highway program supported by the Bank from 1950 to 1954 and subsequently carried on by the Government with its own resources. The prewar network of about 2,900 miles of trunk highways, formerly so dilapidated as to be impassable in many areas during the wet season, is now in improved condition and open all the year round. Since *Ethiopia's* exports depend on road transport from the major producing areas, this improvement has contributed to a doubling of exports of coffee and oilseeds, the main export products, in the years since the loan was made, and an even more rapid growth of foreign exchange reserves. The rehabilitation of the road between Addis Ababa and Jimma, center of the main coffee-growing

area, has been reflected in a 75 per cent expansion in the volume of coffee transported and a 50 per cent reduction in trucking charges. Internal traffic has also grown; the most marked expansion has been in bus services, which have increased eightfold since 1953.

In *South Africa*, the planned expansion of electric power supply over nine years ending in 1959 has been assisted by Bank loans and has already added 1,260,000 kilowatts, or 90 per cent of the total increase envisaged, to generating capacity. Over the first six years the amount of power delivered, much of it to the mines and to the new light industries whose growth has marked the postwar years in South Africa, has increased by 60 per cent and the revenue of the Electricity Supply Commission has doubled. These Bank loans for power have covered 20 per cent of the Commission's total investment over this period.

In *Algeria* work started two years ago on a power program calling for a 25 per cent increase in total output by 1959. Work is going forward satisfactorily, and output has already increased by about 14 per cent since the program began. Slightly over half the total sum spent on the program in 1956 was covered by the proceeds of a Bank loan to *Electricité et Gaz d'Algérie*, the agency responsible for the program. Bank funds are assisting construction of a large reservoir and hydroelectric project on the Djen Djen River and completion of vital links in a high-voltage transmission network that will carry power from it to the main consuming centers. A 21,000-kilowatt gas turbine plant at Oran has already been completed.

Asia

With the completion of the Maithon Dam in *India*, the Damodar Valley multi-purpose project, for which two Bank loans have been made, took an important forward step during the year. This project, apart from providing power for Calcutta, will improve both power and water-transport services in a region which contains three-quarters of *India's* coal reserves, the two largest iron and steel plants, a fertilizer plant, cement works and other major industrial enterprises.



The 125,000-kilowatt Trombay power station, near Bombay, was recently completed. A second Bank loan has now been made to help finance a further increase in capacity of 50 per cent.

It will also increase the supply of irrigation water and reduce the risk of flooding, which in 1943 caused damage to agricultural land estimated at over \$15 million. The Maithon Dam is mainly a flood control structure, but it will also add 60,000 kilowatts to power capacity in the Valley. This hydroelectric capacity, which is expected to come into operation by the end of the year, will complement the 150,000 kilowatts of thermal capacity installed four years ago at Bokaro with Bank assistance. Of the seven reservoirs projected for the Damodar Valley four are now completed.

The Tata group's new thermal electric power plant at Trombay has been brought into operation, thus adding 125,000 kilowatts to the capacity available to serve the city and State of Bombay; it uses as fuel the tar and waste gas from a nearby oil refinery that has recently been completed. The growth of demand in the area has been such that some restrictions on consumption have had to be retained. The importance of industry in the Bombay area is reflected in the fact that it now takes 70 per cent of the power generated.

After four years of work with Bank-financed equipment, about 350,000 acres of sand dunes and brush-covered desert in the Thal area of *Pakistan* have been reclaimed. The land is now under successful cultivation with wheat, sugar, cotton, rice and other crops; yields were at first very light, but have since been increasing. The Thal project represented the first use of mechanical methods of land reclamation on any substantial scale in *Pakistan*. Lack of experience in operating the machinery gave rise in the early stages of the project to problems of organization and maintenance. These have been overcome and, although the more difficult nature of the land remaining to be cleared is slowing down the work, more than half the project has now been completed.

The pipeline built with Bank assistance to carry natural gas to Karachi from the Sui field in Baluchistan has now been in operation for nearly two years. Throughput so far has been considerably lower than was originally expected; indeed, the volume estimated for the initial period of operation is not likely to be

reached for some years. However, deliveries from the line are continuing to increase and have now reached an average of 28 million cubic feet daily, a rise of about 40 per cent during the year. The gas is being sold to industrial consumers, which already include electrical and cement plants, textile mills and other enterprises. The largest user is the Karachi Electric Supply Corporation, whose 30,000-kilowatt plant, also constructed with Bank assistance, is now in operation.

In *Japan*, operations will soon start at a modern plate mill which has replaced three obsolete mills belonging to the Yawata Iron and Steel Company, largest steel producer in Japan. The new mill, financed by the Bank in 1955, is expected to reduce unit production costs at the plant by more than 10 per cent. Meanwhile the Company has been working at full capacity, and the demand for its products has grown

more rapidly than was expected. As a result it decided during the year that a further increase in the size of the new mill was justified, and work is now in progress which will raise its output to 480,000 tons a year, representing a 30 per cent increase.

At Bangkok, *Thailand*, a channel dredged three years ago affords access to the port for ships of twice the former tonnage, and there has been a marked reduction in cargo-handling costs. Formerly ships larger than 4,000 tons had to unload into lighters at an exposed ocean anchorage 50 miles from Bangkok, or transfer to smaller ships at Singapore or other distant ports. The proportion of incoming cargo reaching the Bangkok port terminal by lighter was formerly 40 per cent of the total handled there; since the completion of the channel in 1954, this proportion has decreased to less than 2 per cent. As a result handling and

Trainees of the Thal Development Authority learn to operate a bulldozer. These machines, bought by Pakistan with Bank loan funds, have now cleared 350,000 acres for new settlement.



lighterage costs at Bangkok, through which flows more than four-fifths of Thailand's foreign trade, have been reduced by about \$5 million a year. The channel improvements, together with the use of new equipment installed at the terminal with Bank assistance, have also greatly reduced turn-around time at the port. Large cargoes can now be unloaded in four to six days, almost twice as fast as before.

Australia

The total of \$318 million lent in *Australia* has financed imports of key equipment for all sectors of the economy. This has helped to increase farm production, on which Australia depends for over three-quarters of its export income, and to raise the output of industry to two and a half times the prewar level.

Lending for transport has provided \$57 million for imports of certain types of heavy roadmaking equipment and road vehicles, \$44 million for new equipment for Australia's air lines, and \$26 million for improvements in the rail network. The results of the lending for the railways have been particularly striking. Most of the sum lent has supported a program for conversion to diesel traction from which substantial operating economies are now being derived. On Commonwealth Railways' 1,100-mile transcontinental line, which runs across the empty and waterless desert of southern Australia, diesel has replaced steam traction for all main passenger and freight services. This has done away with the need to haul coal and water for the locomotives, formerly accounting for up to 28 per cent of the train load, and has contributed to a large increase in revenue-producing traffic. Travel time on the line has been cut by 40 per cent. At the same time the operating costs of the diesel engines have proved so much lower that total operating costs per ton mile fell by 30 per cent in the first three years' use of the new equipment.

The expansion of Australian agriculture over the last six years has been reflected in a 40 per cent increase in the production of wool, by far the largest export, while output of meat and dairy products has risen by about 20 per cent. These achievements have mainly been the result of the raising of pasture capacity

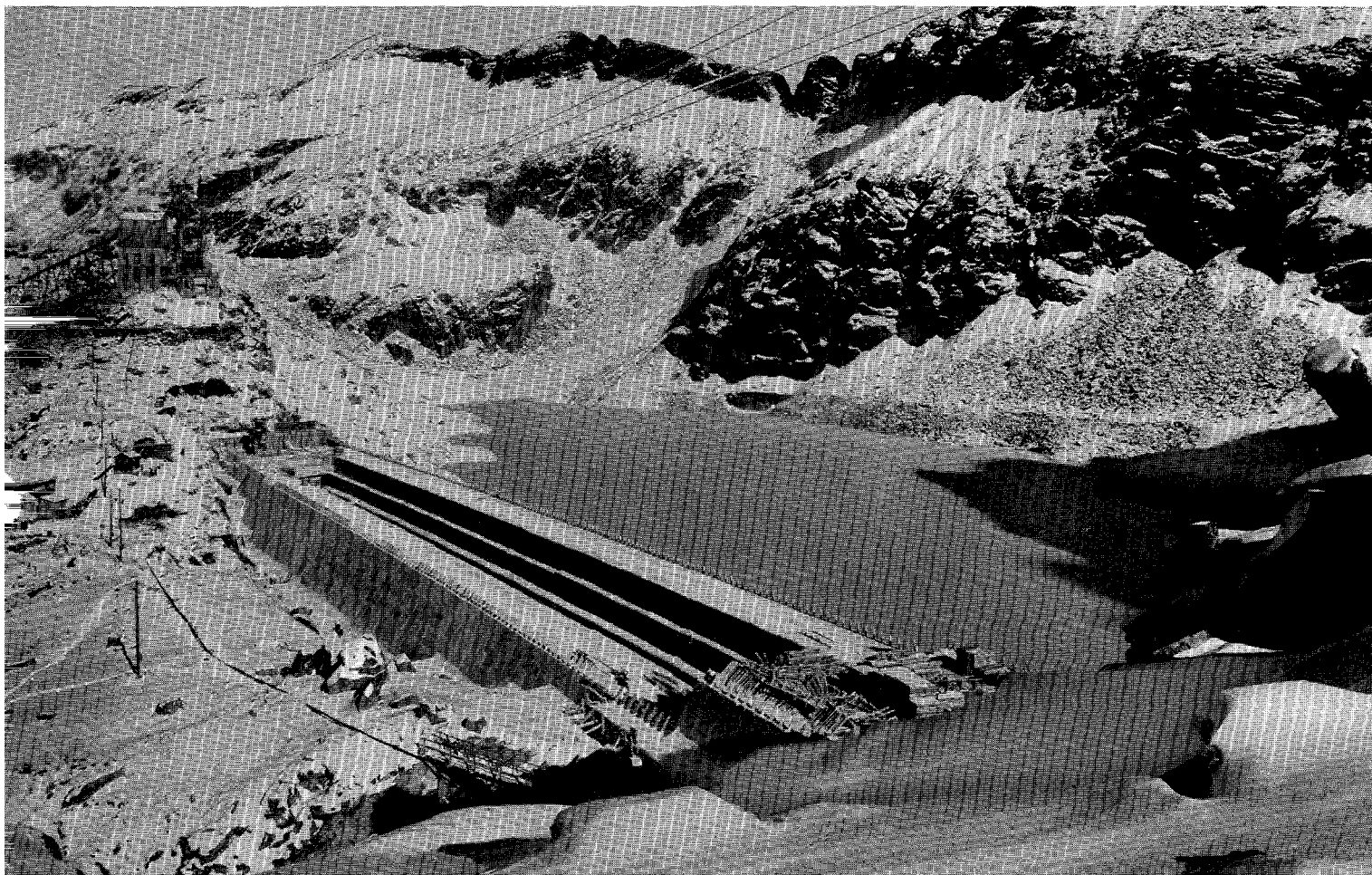
by means of the successful use of chemical fertilizers and trace elements and by measures to reduce the rabbit population. But a total of \$104 million lent by the Bank to finance imports of machinery for fodder conservation and heavy equipment for irrigation, scrub clearance and other work, has also contributed to increasing yields on land already in use and to bringing into production land hitherto idle.

Europe

Five major power projects being financed by the Bank in *Austria* will add 660,000 kilowatts in new generating capacity, an increase equivalent to more than a quarter of total capacity in 1954, when the Bank's lending in Austria began. The first project assisted was a hydroelectric scheme which will make a valuable addition to winter power supplies in both Austria and Italy. Located in the Risseck and Kreuzeck Mountains of southern Austria, the project will use both natural and artificial lakes to store water during the summer for power generation to meet the winter peak demand. The storage in the lakes will be increased by pumping water into them during the summer, using for this purpose inexpensive surplus power available in that season. The project has been so planned that the water will fall about 5,500 feet down the penstock to the main power station. Two-thirds of the planned capacity of 118,000 kilowatts has already been installed, and the project is expected to be virtually complete by the end of 1958. A contract has already been signed to sell a substantial part of the output to a power company serving adjoining areas of Italy.

Norway's economic growth has been assisted by two general development loans made in 1954 and 1955 which provided more than a quarter of Norway's net long-term capital inflow in those years. Norway has maintained a rate of investment amounting to about 30 per cent of the gross national product. With this high rate of investment, together with improved terms of trade and favorable freight rates, industrial output has risen by 22 per cent and foreign exchange receipts by nearly 60 per cent over the last three years.

Site preparation has now begun for the Tokke hydroelectric project for which the Bank made a



The Grösser Mühldorfersee reservoir, high in the mountains of south Austria, is part of the Reisseck-Kreuzeck power project. In the winter the water is released to turbines 5,500 feet below, to compensate for the reduced flow of the Alpine rivers and thus maintain power output.

loan in 1956, and which will ultimately provide an increase of 400,000 kilowatts in generating capacity in the Oslo area. Completion of the project will also contribute to Norway's export capacity, especially in the electro-chemical and metallurgical industries, which depend on abundant and inexpensive power.

In *Yugoslavia*, two Bank loans have supported a total of approximately 50 projects from which industry, mining, transportation and agriculture have all benefited. With two exceptions the whole group of projects is now in operation. Plants completed during the year included a glass factory and a zinc electrolysis plant. The industrial production of *Yugoslavia* has expanded by 60 per cent since 1951.

Helped by Bank loans in 1950 and in 1954, five ports in *Turkey* are being improved, and work on two of them has now been completed. Modern equipment and improved port services have been installed at

Iskenderun at the eastern extremity of Turkey's Mediterranean coastline. Coal imports can now be unloaded in bulk, and storage and mechanical handling equipment has been provided for Turkey's chrome ore exports, of which the greater part passes through this port. Modern high-speed equipment has also been installed to handle shipments of grain from a port silo constructed with the help of another Bank loan. The second completed port project is the construction of a new wharf and the provision of cranes and mechanized handling equipment at Salipazar on the Istanbul waterfront. This allows the port of Istanbul to accommodate large freighters and has cut down turn-around time. Work on all five ports, which between them handle over three-quarters of Turkey's foreign trade, is expected to be completed within two years. The volume of goods handled has more than doubled since the first port loan was made.

Western Hemisphere

Three new power units, with a total capacity of 52,500 kilowatts, will come into operation in the Cali area of *Colombia* in the early part of the new fiscal year. One hydroelectric and one steam unit were financed by the Bank; the third, with a capacity of 20,000 kilowatts, was financed by the city of Cali. Completion of the three plants, along with two already put into service under an earlier Bank loan, has added 76,500 kilowatts to generating capacity, representing a nearly fourfold increase in the power potential of the area since 1950. Much of the demand comes from industrial plants, which include cement, rubber, pharmaceutical and other concerns, as well as plants for processing sugar, oilseeds and grain grown in the rich agricultural land surrounding the city.

Farm output is being increased in a number of ways in *Peru* where imports of meat, wheat and other agricultural products have been increasing despite considerable unused reserves of fertile land. The work of tractor pools, equipped with the help of Bank loans and operated by SCIPA, an official agricultural agency, has proved successful in familiarizing farmers with mechanized operations and encouraging them to invest in their own power equipment. The activities of SCIPA are now being concentrated on larger land reclamation contracts.

The progress of mechanization is also being aided by medium and long-term credits extended through the Banco de Fomento Agropecuario (see page 44), which is now financing three-quarters of Peru's total imports of light tractors and half the imports of heavy tractors. As a result, the number of tractors in use in Peru has been increasing by 500 to 600 a year, representing an annual increase of nearly 10 per cent. The Banco de Fomento Agropecuario has also been spending large sums on imports of livestock. The quality of dairy herds has been improved and experience has shown that better stock and improved pasture can treble the wool clip from sheep in the high Andes.

A newsprint mill financed by the Bank near Concepción in *Chile* is now in operation, while a chemical pulp plant to provide a source of local raw material for the mill is expected to be completed during 1958. Both plants are to be operated by Compañía Manufacturera de Papeles y Cartones, a privately-owned paper company with a long record of successful production. The newsprint mill, designed for a capacity of 55,000 tons a year, has begun operations. It embodies the most modern types of equipment, capable of operating at more than three times the speed of the Company's older plant. The Bank loan included funds for the training of Chilean staff by foreign technicians experienced in the operation of high-speed equipment.

The growth of Cali, an important industrial and commercial center in Colombia, has required large increases in power supplies; the Bank has lent \$8 million for new capacity in the area.



TECHNICAL ASSISTANCE

The Bank provided extensive technical assistance services during the year; the importance attached by the Bank to this activity is indicated by the allocations made for it in the administrative budget (Appendix I). Expenditures shown in the budget as "Services to Member Countries" have been running at more than \$500,000 a year for the past three years and total more than \$3 million since Bank operations began. In addition, some kinds of advisory service to member countries are regarded as an integral part of the Bank's operations and are therefore not shown separately in the accounts.

During the year, the Bank continued to post resident representatives in member countries to assist governments in their development work. Two staff members were assigned to *Peru* and one to *Haiti* and the Bank continued to have representatives in *Ecuador*, *Honduras* and *Panama*. Others completed their assignments in *Guatemala* and *Nicaragua* and were withdrawn, in agreement with the respective governments. In *Colombia* a staff member was assigned to help the Government to implement a long-term agricultural program produced by the Bank early in 1956.

Work was completed early in the year on the report of the general survey mission to *Jordan*, and the report is to be published in July 1957. The mission's objective was to recommend ways to increase Jordan's production and to reduce its dependence on external financial support. The recommendations of the report are formulated as a ten-year program indicating the lines along which, in the mission's view, the need for government action is most urgent.

At the request of the Italian Government another mission examined the economic problems of the Trust Territory of *Somaliland*, particularly those which will arise when the Territory becomes independent in 1960. The mission's report, which was completed in December, noted the great extent to which the economy of Somalia depends on preferential treatment for its banana exports to Italy, and it emphasized the need for early decisions on ways of sustaining the economy after 1960, particularly in view of the fact that Somalia

possesses no known resources offering prospects of quick or easy development. The report was made public in January, after transmittal to the Italian Government. The UN Trusteeship Council discussed the report at a meeting in June.

In reply to a request for a general survey mission in *Thailand*, the Bank proposed a variation from the usual arrangements, and suggested that a small resident mission should carry out the survey in cooperation with a group of Thai government officials. While the purpose would be similar to that of the usual general survey mission, there would be less emphasis on the preparation of a formal report; the main concern would be to formulate a long-term investment program and to prepare the way for its early implementation. This proposal has been accepted by the Thai Government, and the Bank mission will arrive in Thailand early in July.

Other forms of advisory assistance extended during the year included discussions with various member governments on ways in which productive private investment could be stimulated in less developed countries. At the request of the Ministry of Finance of *Peru*, the Bank's Director of Marketing visited the country to advise on the encouragement of a capital market. Contact was also maintained with a number of development banks in whose establishment the Bank had participated, and advice was given to several countries on proposals for organizing new institutions of this kind.

Discussions on the Indus Waters question continued in Washington throughout the year between representatives of the Governments of *India* and *Pakistan* and with the participation of the Bank. This phase of the work accomplished useful results and, towards the end of the fiscal year, a position had been reached where the President of the Bank felt it desirable that there should be direct discussions between a member of the Bank Management and the Governments of India and Pakistan. Accordingly, Mr. W. A. B. Iliff, one of the Bank's Vice Presidents, visited the sub-continent during June. He had conversations with both Prime Ministers and with Ministers and senior officials in both

countries, and the cooperative work is continuing in an effort to arrive at an agreed solution.

In *Japan* the Bank agreed to finance, jointly with the Government, a study of means by which productivity in the coal mines might be increased. The study will be carried out by Société Française d'Etudes Minières, a firm of French consultants, and the Bank will contribute a quarter of the cost, up to a limit of \$75,000. The Bank also provided \$35,000 to cover part of the cost of a two-year contract for technical services between the Government of *Italy* and the Development and Resources Corporation, a United States group with wide experience of multi-purpose projects and regional development programs.

As in past years the Bank helped member countries to recruit a variety of experts for work in economic development. These experts included advisers on general economic and financial policies and specialists in railway and port administration, banking legislation and other subjects. In certain cases the Bank also provided members of its regular staff to perform important services for member governments. Thus in *Ecuador* a staff member was assigned as assistant to the economic and financial adviser engaged by the Government with the help of the Bank. In *Ceylon* the Bank continued to cooperate with the UN Technical Assistance Administration in providing to the Institute of Scientific and Industrial Research the services of the Director and a senior assistant. In *Iran* a staff member remained on leave of absence as chief of a bureau responsible for technical services in the Plan Organization, while another will shortly be given leave of absence to serve as an economic adviser to the Development Board in *Iraq*.

A number of officials from member countries continued to receive training within the Bank to become familiar with its methods of operation and with its approach to some of the many problems connected with economic development. The Bank's general training program, now in its ninth year, has included 73 persons from 49 countries, mostly junior career officials. Over the same period specialized training has also been provided within the Bank for 41 more senior officials from 21 member countries.

Economic Development Institute

The Economic Development Institute, a new type of staff college organized by the Bank in 1955, concluded its second six-month course in April.

The 18 participants in the second course came from 16 countries—Afghanistan, Brazil, Burma, Ceylon, Ecuador, Egypt, France, Madagascar, Guatemala, India, Indonesia, Korea, Pakistan, Turkey, Jamaica and Tanganyika. In addition, participants from Honduras and Jordan attended the opening part of the course but were later recalled for urgent work with their Governments. Arrangements for the third course, which will start in October 1957, are well advanced; 25 participants from 20 countries have been selected.

The Institute is now at the end of its initial experimental period and, in view of the results achieved in the first two courses and of the interest expressed by member governments in its continuation, the Bank has decided to establish the Institute as a regular part of its activities. The object of the Institute is to help in raising the standard of economic management in government by gathering together a group of senior government officials directly concerned with economic development in an atmosphere free from preoccupation with their normal duties. The Institute enables them to compare their experience with that of others facing similar problems elsewhere and to discuss the long-range factors affecting economic growth in their various countries. It may be hoped that officials who have participated in the courses will be able with advantage to keep in touch with the Institute and with each other.

Meanwhile the Institute has been building up its resources, both of documentation and of outside authorities on whom it can call to supplement the work of the full-time staff. It has also begun to prepare a series of publications arising from its work. The first of these is a study of development banks as they have evolved in many countries, and of the purposes which they can serve in various situations.

The Ford and Rockefeller Foundations, which each agreed to contribute up to \$135,000 toward the cost of the experimental period, will cease their financial support for the regular budget of the Institute at

the end of the third course. The future cost to the Bank of running the Institute on a regular basis is expected to be about \$200,000 a year.

At the end of 1956 the first Director of the Institute, Professor A. K. Cairncross, returned to the University of Glasgow from which he had been given an eighteen-months' leave of absence. His successor is Mr. Michael L. Hoffman, formerly European Economic Correspondent of "The New York Times."

In addition to the Director, the staff of the Institute during the second course was composed of two economists from the Bank staff and of Mr. K. S. Krishnaswamy, on leave from the Reserve Bank of India. Mr. Javier Marquez, Director of the Center for Latin American Monetary Studies, also served on the staff for two months, and Professor Jan Tinbergen of the Netherlands Economic University conducted three seminars on problems of industrial development. A

large number of other experts from universities, international organizations and member governments gave addresses or led discussions on aspects of economic development. The staff for the third course will include, in addition to the full-time members and various outside experts, Professor Martin Ekker, an experienced Netherlands economist, and Mr. George Garvy of the Federal Reserve Bank of New York, both of whom will serve as part-time members.

In addition to providing full-time staff, the Bank also made available speakers who addressed the Institute on projects with which they were directly concerned or on subjects of which they possessed special knowledge. Individual staff members also participated in the discussions, and two attended as full-time participants for a part of the course. Documentation was supplied by the Bank to illustrate experience gained from its own operations.

MEMBERSHIP, ORGANIZATION AND STAFF

A feature of the year was the number of countries which either joined the Bank or took steps toward membership. *Argentina* joined in September 1956, with a capital subscription of \$150 million, thus extending Bank membership to all the countries of the Americas. *Viet-Nam* also joined in September, with a capital subscription of \$12.5 million, bringing the membership of the Bank to 60 countries. Five member countries, *Brazil*, *Dominican Republic*, *Ecuador*, *Israel* and *Nicaragua*, increased their capital subscriptions adding \$55.4 million to the Bank's subscribed capital, which totaled \$9,268.4 million at the end of the year.

Between 1952, when the total of member countries was 55, and 1956, there had been no increase in the number of elected Executive Directors of the Bank. At their Annual Meeting in September 1956, the Board of Governors decided that the larger membership warranted an increase from 11 to 12 in the number of elected Executive Directors, bringing the number of Executive Directors to 17. The present distribution of the groups of countries electing individual Executive Directors is given in Appendix K.

Applications to join the Bank were received during the year from eight additional countries. By June 30, 1957, three of these applications—from *Sudan*, *Ghana* and *Saudi Arabia*—had been approved by the Bank's Board of Governors. Applications from *Ireland*, *Libya*, *Malaya*, *Morocco* and *Tunisia* were pending. In addition, *Haiti* and *Paraguay* had submitted requests for increases in their capital subscriptions to the Bank.

Following the arrangements made in 1954, *China* paid \$80,000 in May 1957, on account of the unpaid portion of its capital subscription. It also furnished economic data relating to its capacity to pay the balance of \$2,580,000 remaining due.

The Bank was pleased to be able to be of assistance to the United Nations in its vitally important task of clearing the Suez Canal. At the request of the Secretary General, the Bank put at the disposal of the United Nations, Lt. General R. A. Wheeler, formerly Engineering Adviser to the Bank and presently an engineering consultant on the Bank's staff. General Wheeler was given responsibility for the direction of the clearance operations. Another Bank consultant, Mr.

J. Connors, was made available to assist General Wheeler. The speed and efficiency with which the clearance operation was carried out was a benefit to the entire international community and it was a source of gratification to the Bank that Lt. General Wheeler and Mr. Connors should have been so prominently associated with the operation. Also at the request of the United Nations, the Bank acted as its fiscal agent for the funds contributed by various governments towards the cost of the clearance of the Canal. The Bank received the contributions and, on the instructions of the United Nations, disbursed them as they were needed to pay for the work done.

The Bank continued to be represented at meetings of other international agencies concerned with development work, including various specialized agencies and regional commissions of the United Nations, the Organization of American States, the Colombo Plan Organization, the Bank for International Settlements and other bodies. Close cooperation was also maintained with the International Monetary Fund.

A net increase of 31 over the year brought the total of the Bank's regular staff to 542. At the end of the year the staff included nationals of 42 countries, compared with 37 a year earlier. In addition, 36 consultants were engaged for special short-term assignments during the year and were drawn from 10 countries.

In April a new Department was formed in the Bank to assist in handling the growing volume of work in Asia. Over the last two years, the total lent in that region has more than doubled and a corresponding increase has taken place in the Bank's advisory work. Responsibility has therefore been assigned to a separate Department of Operations, Far East, for the following countries: Burma, Ceylon, China, Indonesia, Japan, Korea, the Philippines, Thailand and Viet-

Nam. The Director of the Department is Mr. Martin M. Rosen, who had been Assistant Director of Technical Operations. Relations with the remaining countries that were formerly the responsibility of the Department of Operations, Asia and the Middle East—Afghanistan, Egypt, Ethiopia, India, Iran, Iraq, Israel, Jordan, Lebanon, Pakistan and Syria—are now handled by the Department of Operations, South Asia and the Middle East, with Mr. Joseph Rucinski continuing as Director.

The post of Engineering Adviser lapsed in February when Mr. Brian H. Colquhoun completed the term of his appointment and returned to private practice.

In April, Mr. Gail A. Hathaway was appointed Engineering Consultant to the Department of Technical Operations. Mr. Hathaway enjoys an international reputation as a civil engineer: he has held many important offices in his profession including President of the American Society of Civil Engineers and he is now President of the International Commission on Large Dams. Among his duties will be the maintenance of liaison between the Bank and institutions representing the engineering profession in member countries.

International Finance Corporation

The International Finance Corporation was established as an affiliate of the Bank in July 1956, and its activities since that time are described in its own Annual Report. Although IFC is both legally and financially distinct from the Bank, it has kept its own organization small by relying as far as possible on services available in the Bank. The staff of the Bank therefore assumed new duties in connection with the work of IFC, and several of the principal officers of the Bank now also serve the Corporation. The Bank is reimbursed for services and facilities furnished to the IFC.

The information in this Summary covers loans made during the year, negotiations and surveys looking to possible loans in the future, general survey missions and other kinds of advisory assistance. Loans to borrowers other than member governments carry the guarantee of the governments concerned. Interest rates shown include the 1% commission which is allocated to the Bank's Special Reserve. In the loan tables at the beginning of each geographical area, the amounts are expressed in United States dollars and are net of cancellations and refundings.

COUNTRY-BY-COUNTRY SUMMARY OF BANK OPERATIONS—1956-1957

A F R I C A

<i>Country</i>	<i>Loans During Year</i>	<i>Total Loans</i>
Algeria		\$ 10,000,000
Belgian Congo		40,000,000
East Africa		24,000,000
Ethiopia	\$15,000,000	23,500,000
French West Africa		7,091,567
Rhodesia and Nyasaland		122,000,000
Ruanda-Urundi	4,800,000	4,800,000
Union of South Africa		135,200,000
	\$19,800,000	
<hr/>		
Lending in Africa—		
17 loans in 8 countries totaling . . .		\$366,591,567

E T H I O P I A

HIGHWAY LOAN

\$15 million 20-year 5½% loan of June 28, 1957

BORROWER • Empire of Ethiopia

PURPOSE • Improvement and extension of Ethiopia's all-weather road network.

A Bank loan of \$5 million was made in 1950 for the rehabilitation and maintenance of roads and this year's loan will assist in the next phase of the highway development program: further improvements to the existing network of about 2,900 miles, construction of some 530 miles of new all-weather roads, surveys for about 625 miles of additional roads, and a training program for Ethiopian highway personnel.

ECONOMIC BENEFITS • Extension and improvement of the highway system is considered of first priority for the development of Ethiopia, to open up new productive areas, reduce transport costs and make possible more effective governmental administration and services. The results of the highway improvements financed under the first Bank loan and with Ethiopian Government funds are evident in the growth of road transport by some 50% and in the sharp reduction of transportation freight charges. This has been an important factor in the rapid expansion of Ethiopia's foreign trade, particularly in exports of coffee and oil-seeds. The new roads to be built with the help of this year's loan will open up rich agricultural areas, especially coffee lands, and will provide access to important centers of population; the projected surveys will enable highway development to continue in orderly fashion as rapidly as Ethiopia's resources permit.

PARTICIPATION • \$1,491,000 maturing from 1961 to 1963, by The First National City Bank of New York.

OTHER ACTIVITIES

ETHIOPIAN DEVELOPMENT BANK • During the year the Bank approved three projects being financed by the Ethiopian Development Bank calling for foreign exchange expenditures of \$134,500 from the Bank's loan of \$2 million made in 1950. By the end of the fiscal year, the Bank had approved projects requiring a total of \$1,620,000 from its loan.



The port of Usumbura on Lake Tanganyika provides the principal trade link between the landlocked territory of Ruanda-Urundi and the rest of the world. The harbor and the highway leading up to the plateau behind the city will be improved with the assistance of a Bank loan.

LOAN PROJECTS • When a Bank mission was in Ethiopia late in 1956 to examine the highway project, it also discussed projects for new facilities at the Port of Assab and for the expansion of the telecommunications system, for which Bank loans have been requested.

GHANA

At the request of the Governments of the United Kingdom and the Gold Coast, the Bank sent a mission to the Gold Coast (now Ghana) in November 1956 to examine the development problems and possibilities of the economy, particularly in the light of the territory's move into independent status in March 1957.

NIGERIA

Representatives from Nigeria visited the Bank during the year to discuss the possibility of a loan for a railway extension into Bornu Province. At the end of the fiscal year, the Bank was arranging to send a mission to Nigeria to review economic developments and examine the project's technical and financial feasibility.

RUANDA-URUNDI

TRANSPORT LOAN

\$4.8 million 20-year 5½% loan of June 26, 1957

BORROWER • Trust Territory of Ruanda-Urundi.

GUARANTOR • Kingdom of Belgium.

PURPOSE • The construction of a modern port on Lake Tanganyika at Usumbura, the administrative capital, and the building of a 25-mile paved highway from Usumbura up to the central plateau.

The port works to which the Bank's loan will be applied consist of two quays built around an interior basin with breakwaters to protect the entrance from the high waves caused by the prevailing southwesterly winds. The new highway will be built to replace the worst and most difficult stretch of the Usumbura-Kigali road, the main artery between the port and the central plateau where most of the population and economic activity are concentrated.

ECONOMIC BENEFITS • The two projects form a vital link between Ruanda-Urundi and the rest of the world. Most of the exports and imports pass through the port of Usumbura, the volume reaching about

200,000 tons in 1956. The replacement of inadequate and obsolete facilities by a modern port will expedite the movement of goods, reduce costs and provide for growing traffic. The bulk of the coffee and minerals, the Territory's chief exports, are produced on the plateau and brought down the highway by truck for shipping through the port of Usumbura. The new section of the highway will be shorter than the old route, will traverse more favorable terrain and will be built to higher standards.

PARTICIPATION • \$359,000 maturing in 1961 and 1962, by the Belgian-American Banking Corporation.

SOMALILAND

In January 1957 the Bank transmitted to the Italian Government the report of its special survey mission to the Trust Territory of Somaliland; the Italian Government in turn transmitted the report to the United Nations Trusteeship Council. The mission made a study of the existing situation and the possibilities of economic development of the Territory in view of plans for its independence in 1960. The Territory now

receives a grant from Italy equivalent to about \$8 million a year and its products, notably bananas, enjoy a favored position in the Italian market. The mission stressed that the Territory could not increase its income from existing resources before 1960 by enough to replace Italian aid. Without continuing financial aid after the end of the Trusteeship, there would be a drastic reduction in standards of administration, education and social services, the abandonment of much pioneer work, and the frustration of hopes for higher living standards. Uncertainty about the future of external assistance was already affecting public and private investment decisions. The report concluded that an end to this uncertainty was the most urgent and important contribution that could at present be made to the economic future of the country.

SOUTH AFRICA

A Bank mission visited the Union of South Africa in May 1957 to review the economic situation and to discuss the financial needs of the Railways and Harbours Administration.

ASIA AND THE MIDDLE EAST

<i>Country</i>	<i>Loans During Year</i>	<i>Total Loans</i>
Burma		\$ 19,350,000
Ceylon		19,110,000
India	\$ 35,400,000	233,844,313
Iran	75,000,000	75,000,000
Iraq		6,293,946
Japan	24,300,000	76,033,389
Lebanon		27,000,000
Pakistan		77,250,000
Thailand	3,400,000	40,800,000
	\$138,100,000	

Lending in Asia and the Middle East—

35 loans in 9 countries totaling . . . \$574,681,648

AFGHANISTAN

A Bank mission visited Afghanistan in September 1956 to study the economic and financial situation.

BURMA

A Bank mission visited Burma in January 1957 to review the economic and financial situation and to discuss the four-year development plan. The mission also made a study of Burma's highway program.

CEYLON

The Government has asked the Bank to finance the foreign exchange costs of a further stage of the Aberdeen-Laksapana hydroelectric power scheme. A Bank loan of \$19,110,000 in 1954 is helping to finance facilities which will raise hydroelectric generating capacity to 50,000 kilowatts; the next stage of the Aberdeen-Laksapana scheme would add a further 50,000 kilowatts of hydroelectric capacity. A Bank

mission visited Ceylon in February-March 1957 to review the economic and financial situation.

CHINA

The President of the Bank visited Taiwan in May 1957 during his visit to several of the Bank's member countries in the Far East, and discussed the financial and economic situation with the Government.

INDIA

LOAN FOR STEEL PRODUCTION

\$20 million 11-year 5% loan of December 19, 1956

BORROWER • The Indian Iron and Steel Company, Limited, (IISCO), a privately-owned Indian company with steel works situated at Burnpur in West Bengal.

PURPOSE • In December 1952 the Bank made a loan of \$31.5 million (later reduced to \$30 million at the request of the borrower) to help the Company increase its annual production of pig iron from about 640,000 tons to 1.4 million tons, and to raise its output of steel products from about 350,000 to 700,000 tons. The new loan will finance additions to billet and structural mills and the installation of a new bar mill; it will enable the Company to expand its output of steel products to 800,000 tons a year. Work under the first loan is expected to be complete in November 1958; and the latest expansions will be done by the second half of 1959.

ECONOMIC BENEFITS • An outstanding feature of India's Second Five-Year Plan is the expansion of iron and steel production to replace imports and to meet the rising demand for steel products, particularly for railways, industry, power, irrigation works and other construction. The Plan envisages steel production at a rate of 4.5 million tons a year by 1961, or triple the rate in 1956. IISCO and The Tata Iron and Steel Co., Limited, which received a loan from the Bank in June 1956, are carrying out expansion programs which will enable these two private companies to produce 2.3 million tons of finished steel annually, and the Government is building three plants which will produce a total of 2.2 million tons.

PARTICIPATION • \$1,032,000 maturing in 1960, by The First National City Bank of New York, Irving Trust Company and Philadelphia National Bank.

LOAN FOR AIRCRAFT

\$5.6 million 9-year 5½% loan of March 5, 1957

BORROWER • Air-India International Corporation. This government corporation is India's international airline.

JOINT FINANCING • The Bank loan was part of a joint operation whereby Air-India also borrowed \$11.2 million from five United States commercial banks: The First National City Bank of New York, the Bank of America, the Chase Manhattan Bank, the Irving Trust Company and the First National Bank of Boston. This was the first direct Indian borrowing in the United States market.

PURPOSE • Funds from the joint borrowing will finance the dollar costs of three long-range jet passenger airplanes and ancillary equipment.

ECONOMIC BENEFITS • In nine years Air-India International's operations have grown from a weekly Bombay-London service to 11 services a week along routes aggregating over 22,000 miles. The airline now carries about two-thirds of the air passenger traffic between India and other countries. The Corporation is purchasing the new planes to meet the demands of growing traffic and has chosen jet aircraft to maintain its competitive position among airlines serving India.

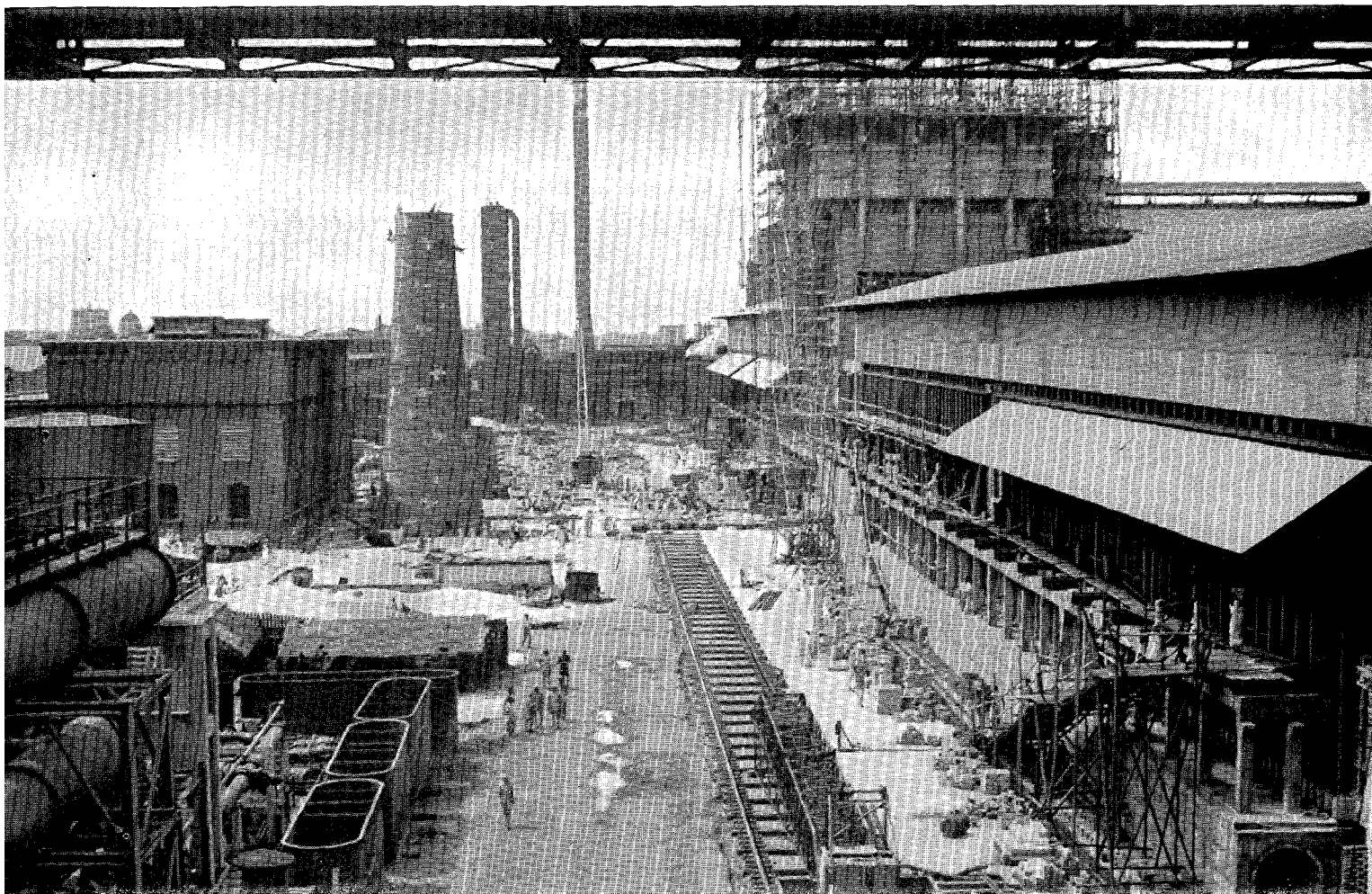
LOAN FOR ELECTRIC POWER

\$9.8 million 18-year 5¾% loan of May 29, 1957

BORROWERS • The Tata Hydro-Electric Power Supply Company, Limited; The Andhra Valley Power Supply Company, Limited; The Tata Power Company, Limited.

These companies are privately owned and form part of the group of Tata enterprises which have long operated in India. The companies are the main suppliers of bulk power in the Bombay area.

PURPOSE • The expansion of the Trombay thermal electric power plant near Bombay. A Bank loan in 1954 assisted in the construction of the first two units of the plant; this year's loan will pay the foreign



New coke ovens, rolling mills and other plant will more than double the output of both pig iron and finished steel at the Burnpur works of the Indian Iron and Steel Company. The Bank has now made two loans totaling \$51.5 million toward the cost of this expansion program.

exchange costs of adding a third unit to give the plant a maximum capacity of 187,500 kilowatts.

ECONOMIC BENEFITS • The additional power from Trombay will help to meet the rising demand for power in the Bombay area. Bombay is one of India's most important industrial centers, and its rapid industrial growth in recent years has caused a severe power shortage. The expansion of the Trombay thermal plant will produce power by 1960—an earlier date than could be met from alternative sources—and will provide a desirable balance between thermal and hydroelectric power in the Tata system.

OTHER ACTIVITIES

ECONOMIC MISSION • The economic mission which was in India from April until July 1956 submitted its report to the Government in September 1956. The mission made a comprehensive study of economic

progress under the First Five-Year Plan and of proposed investment under the Second Five-Year Plan. Discussions took place the following month in Washington between Indian and Bank officials regarding Bank participation in the financing of projects under the Second Five-Year Plan.

LOAN PROJECT • Bank consultants visited India in December 1956 to study the operational efficiency of the Indian Railways, its management, organization, financial situation and investment plans. At the end of the fiscal year, negotiations were in progress for a loan for the expansion and improvement of the railways.

The Bank was also studying a large hydroelectric project in the State of Bombay and the expansion of power facilities in the Damodar Valley; and arrangements were being made to send a mission to survey projects for the modernization of major ports.



A new Bank-financed strip mill will be added on the site of the Chiba plant of the Kawasaki Steel Corporation. The mill will increase Japan's steel strip supplies by 400,000 tons a year.

IRAN

GENERAL DEVELOPMENT LOAN

\$75 million 5-year 8-month 5% loan of January 22, 1957

BORROWER • Iran

PURPOSE • To provide interim financing for Iran's Second Seven-Year Development Plan.

Iran's development activities are financed mainly from oil revenues; when oil production was drastically curtailed from 1951 to 1954, the first postwar development plan had to be abandoned. Following the resumption of oil production in 1955, Iran embarked on its Second Seven-Year Development Plan. The Plan covers the period September 1955 to September 1962 and encompasses a wide range of projects and programs for the development of agriculture, transport, electric power, industry and social services. The portion of oil revenues allocated to the Plan Organization—the government agency administering the Plan—is expected to exceed the equivalent of \$1,000 million during the 7-year period and should be sufficient to cover the expenditure now programmed. However, since oil production can only gradually be

restored, the revenues are expected to fall short of the expenditure to be undertaken during the early years of the Plan, but this shortfall will be overtaken in the later years. The Bank loan will enable Iran to anticipate some of these future revenues and thus to proceed with projects which would otherwise have to be delayed. In February 1957 the Bank stationed a resident representative in Iran to assist in the administration of the Bank's loan.

PARTICIPATION • \$3.5 million maturing in 1959, by the Bank of America, Irving Trust Company and Manufacturers Trust Company.

OTHER ACTIVITIES

The agreement between the Bank and the Plan Organization whereby the Bank recruits foreign experts for the Organization's Technical Bureau, has been extended from February 15, 1957 to April 30, 1958.

IRAQ

The Bank has agreed to give leave of absence to a staff member to serve as economic adviser to the Development Board.

JAPAN

LOAN FOR STEEL PRODUCTION

\$20 million 15-year 5% loan of December 19, 1956

BORROWER • Japan Development Bank.

The Japan Development Bank is a government agency which supplies long-term credit for industrial development in Japan, and is the medium selected by the Government to contract international loans for private beneficiaries. The Development Bank is re-lending the proceeds of this loan to the privately-owned Kawasaki Steel Corporation.

PURPOSE • Construction of a modern strip mill at Kawasaki's Chiba plant near Tokyo. These finishing facilities, consisting of semi-continuous hot and cold strip mills, are designed to produce about 400,000 tons of hot strip annually, the bulk of which will be processed into 300,000 tons of cold strip. The new strip mill is the final stage in the construction of a fully integrated steel plant at Chiba; it will enable the company to lower the cost and improve the quality of its products. The plant is expected to begin operations in 1959, and Kawasaki will then rank as one of the most modern steel producers in Japan.

ECONOMIC BENEFITS • The rapid industrial growth of Japan has created a shortage of iron and steel. Increased output is essential in order to sustain the growth of production both for home consumption and for exports. Japan is heavily dependent on imports of essential raw materials, fuels and food. The provision of adequate supplies of iron and steel to important export industries, such as shipbuilding, the manufacture of railway rolling stock and machinery will help Japan earn additional foreign exchange and thus strengthen the whole economy.

PARTICIPATION • \$1,252,000 maturing in 1960, by The First National City Bank of New York.

LOAN FOR LAND RECLAMATION

\$4.3 million 15-year 5% loan of December 19, 1956

BORROWER • Agricultural Land Development Machinery Public Corporation, an autonomous agency of the Government.

PURPOSE • To test methods of reclaiming land and to increase imports of dairy cattle.

Most of the loan will be used to import power shovels, tractors, dozers and other machinery to be used in pilot projects to prepare new land for cultivation. The reclamation projects will be carried out in three areas of northern Japan: Kamakita in northern Honshu, Konsen plain in eastern Hokkaido and the Ishikari River Valley in western Hokkaido. The loan will also pay for the import of 5,000 head of dairy breeding cattle to provide additional stock for existing farms and for the new farms to be established.

ECONOMIC BENEFITS • Japan has a population of about 90 million, and imports about one-fifth of its food requirements. Population is growing at the rate of a million a year and output of food will need to be increased by 15% within ten years merely to keep pace. The machinery imported under the Bank's loan will initially be used in reclaiming 54,000 acres of land; if the projects are successful, they will demonstrate that mechanized methods can be used effectively on other unused but potentially arable land, of which there are estimated to be some 2.5 million acres. Raising livestock offers another avenue to increased food production, and it is estimated that to provide additional stock for existing farms and for the new farms, Japan needs to import 2,500 head of cattle annually for several years. The Bank's loan will finance needed imports for a period of two years.

OTHER ACTIVITIES

LOAN PROJECT • Loan discussions were at an advanced stage at the end of the fiscal year for a loan for the Aichi irrigation and water supply project to be located near the industrial city of Nagoya, the third largest city in Japan. This is a multi-purpose project for irrigation, municipal water supply and electric power generation. The most important element will be the irrigation of 42,000 acres of land already under paddy and of 39,500 acres of hitherto non-irrigated ridge land. It will be the first time Japan has opened new lands to agriculture by irrigating upland areas.

COAL INDUSTRY SURVEY • Contracts were signed in March 1957 between the Japan Productivity Center and the Bank on the one hand, and Société Française d'Etude Minières (SOFREMINES) on the other, for a survey of the Japanese coal industry. The Bank will

meet one-fourth of the cost of the survey up to a maximum of \$75,000

PRESIDENT'S VISIT • The President of the Bank visited Japan for the first time in May 1957 for discussions with government officials and business leaders.

JORDAN

The report of the general survey mission which visited Jordan in 1955 was transmitted to the Government of Jordan in January 1957. The report contained recommendations for a ten-year program of public investment designed to increase Jordan's productive resources and to raise the standard of living.

KOREA

A Bank staff member visited Korea in May 1957 to establish contact with officials in the Ministry of Finance and the Central Bank. This was the first Bank visit since Korea became a member in August 1955.

LEBANON

At the request of the Litani River Authority, a Bank mission visited Beirut in August-September 1956 to study a proposed revision of the Litani River power and irrigation project for which the Bank made a loan of \$27 million in August 1955. The revision requires changes in the location of the main tunnel and the power plants. While the revision will raise the total cost of the project from the equivalent of about \$41 million to \$43.5 million, it will increase the power potential of the development scheme. The Bank has informed the Authority that it agrees to this proposal.

PAKISTAN

ECONOMIC MISSION AND LOAN PROJECTS • In December 1956 the Bank transmitted to the Government the findings of the mission which had spent three months in Pakistan during April-July 1956 to make a comprehensive study of the Five-Year Plan and to appraise Pakistan's economic and financial prospects

in general. In January 1957 discussions took place in Washington between the Finance Minister and the Bank regarding Bank participation in the financing of transport and power projects in the Plan. A Bank mission visited Pakistan in April to review the current program for the improvement of the railway systems in East and West Pakistan; arrangements have also been made for a mission to examine Pakistan's program for the development of electric power.

FINANCING OF INDUSTRY • During the year the preparatory work was completed on the establishment of a company to be known as the Pakistan Industrial Credit and Investment Corporation which would provide and stimulate investment in private industry.

RESIDENT REPRESENTATIVE • The Bank continued to maintain a resident representative in Pakistan.

PHILIPPINES

The President of the Bank visited the Philippines for the first time during a trip to the Far East in May 1957 to meet government officials and business leaders and to acquaint himself at first hand with economic conditions and development problems. A Bank mission went to the Philippines in June 1957 to study the economic and financial situation.

SYRIA

At the end of the fiscal year the Bank had not received any information about the Government's intentions regarding the three projects for which loans were negotiated in 1955. The projects were highway construction, equipment for the Port of Latakia, and drainage and irrigation of the Ghab area in north-western Syria.

THAILAND

PORT LOAN

\$3.4 million 15-year 4¾% loan of October 12, 1956

BORROWER • Port Authority of Thailand.

PURPOSE • The purchase of equipment to maintain the channel leading to Bangkok and the port basin.

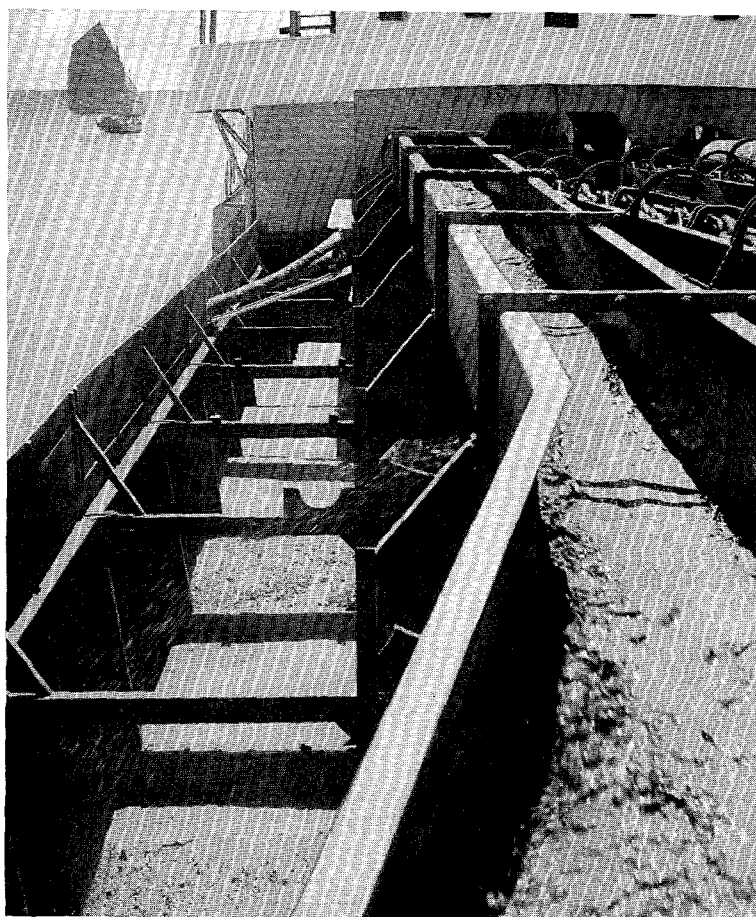
The "Sandon IV", a hopper dredge with a capacity of 2,000 cubic meters, was bought with Bank funds to maintain the depth in the channel leading to the port of Bangkok, in Thailand. The channel was first deepened in 1954 and now allows access to the harbor by 10,000-ton vessels.

Access to the Port of Bangkok, on the Chao Phya River, was long impeded by a bar of silt at the river's mouth. Only ships of less than 4,000 deadweight tons could reach the harbor; larger vessels had to transfer cargoes to lighters some 50 miles away in the Gulf of Thailand. Part of a Bank loan of \$4.4 million made in 1950 was used to deepen and widen the channel through the bar, and since 1954 ships up to 10,000 deadweight tons have been able to reach the port. The savings in lighterage fees and in the costs of handling cargo have been substantial—an important factor in the Thai economy, since nearly 90% of Thailand's foreign trade passes through the port. However, the rapid silting in the channel necessitates constant dredging; the present loan financed the purchase of three dredges and auxiliary equipment to replace worn-out or inadequate equipment previously in use, and will enable the Port Authority to maintain adequate depth of water in the channel and the harbor itself. One of the dredges is in operation; the others will be delivered toward the end of 1957.

PARTICIPATION • \$184,000 maturing in 1958 and 1959, by The First National City Bank of New York.

OTHER ACTIVITIES

GENERAL SURVEY MISSION • At the end of the fiscal year, the Bank had completed arrangements to send a general survey mission to Thailand to study the country's resources and assist in drawing up a plan for economic development. The mission will consist of four or five persons who will remain in Thailand for about one year, beginning July 1, 1957; they will be joined from time to time by specialists who will stay for shorter periods. The Bank's resident representative who has been in Thailand for over a year will serve as Deputy Chief of Mission and Chief



Economist. The mission will work in close cooperation with a group of Thai experts so that a beginning can be made during the year on measures to carry out the main recommendations and on the formation of a continuing development planning organization.

LOAN PROJECT • A Bank mission visited Thailand in November-December 1956 to appraise the technical and financial feasibility of the Yanhee multipurpose project for electric power development, flood control and irrigation. At the end of the fiscal year, negotiations were under way for a loan to finance the project's first stage, which consists of the construction of a dam, of a powerhouse with two generating units having a combined capacity of 140,000 kilowatts, and of transmission facilities.

VIET-NAM

A Bank staff member visited Viet-Nam in April 1957 to meet government officials, establishing the first direct contact with Viet-Nam since it joined the Bank in September 1956.

A U S T R A L A S I A

<i>Country</i>	<i>Loans During Year</i>	<i>Total Loans</i>
Australia	\$59,230,000	\$317,730,000
Lending in Australia—		
6 loans totaling		\$317,730,000

A U S T R A L I A

AIRCRAFT LOAN

\$9,230,000 10-year 4¾% loan of November 15, 1956

BORROWER • Commonwealth of Australia.

JOINT FINANCING • The Bank loan was part of a joint operation in which the Commonwealth of Australia simultaneously borrowed \$17,770,000 in New York through the private placement of notes with institutional investors.

PURPOSE • The proceeds of the borrowings will be used to help Qantas Empire Airways, Ltd., to purchase seven long-range jet aircraft, four large piston-engined aircraft and other flight equipment.

Qantas Airways, a government-owned company, is Australia's international airline. It carries more than half the airborne passenger traffic between Australia and the rest of the world and operates freight and mail as well as passenger services over an extensive network of about 60,000 route miles. Since the end of the war, Qantas has expanded its services and acquired new equipment to meet the increasing demand for air transport. In order to handle the expected growth of traffic between 1956 and 1962, the company is investing the equivalent of over \$60,000,000 in the replacement of a number of its aircraft with larger and more efficient jets, in adding new propeller-driven aircraft and in providing for the necessary ground installations. The borrowings will assist the Qantas airline in carrying out its program in the period from July 1956 to December 1959.

GENERAL DEVELOPMENT LOAN

\$50 million 15-year 4¾% loan of December 3, 1956

BORROWER • Commonwealth of Australia.

PURPOSE • To finance imports of equipment for the

development of agriculture and forestry, road and rail transport, industry and mining.

Australia's development has been rapid since the war: gross national product has risen at an annual rate of 5%. An immigration program assisted by the Government has added over a million to the population since 1947 and is providing much needed additional labor. The Commonwealth continues to need imports of capital goods of all kinds. The Bank's loan, the latest in a series made for capital improvements since 1950, will enable the Government to issue extra licenses for imports of capital equipment from the dollar area. The World Bank has now lent a total of \$317.73 million to help finance equipment from the dollar area; apart from the loan for Qantas, each of the other loans has been to assist in programs for developing, expanding and improving productive facilities in several sectors of the economy.

ECONOMIC BENEFITS • About a third of the loan will be used to benefit agriculture, which accounts for more than three-quarters of Australia's exports. The loan will assist importation of heavy tractors, agricultural machinery and implements, and components for the manufacture of agricultural machinery.

Another third of the loan will benefit transportation; it will aid imports of trucks and tractors, and components for the manufacture of trucks in Australia; road-building equipment; and components for the manufacture of diesel-electric locomotives, rolling stock and other equipment to improve the operating efficiency of the railways.

The remaining third of the loan will provide foreign exchange to import equipment for raising production in the iron and steel, engineering and food processing industries, and in mining lead, zinc, copper and coal.

OTHER ACTIVITIES

At the request of the Commonwealth and Queensland Governments, the Bank assisted in recruiting the services of consultants to advise on improving the Mount Isa-Townsville section of the Queensland Railways.

EUROPE

Country	Loans During Year	Total Loans
Austria	\$ 31,000,000	\$ 53,000,000
Belgium		66,000,000
Denmark		40,000,000
Finland		65,081,595
France		250,000,000
Iceland		5,914,000
Italy	74,628,000	163,028,000
Luxembourg		11,761,983
Netherlands	15,000,000	236,451,985
Norway		75,000,000
Turkey		60,822,383
Yugoslavia		60,700,000
	\$120,628,000	

Lending in Europe—

47 loans in 12 countries totaling . . . \$1,087,759,946

AUSTRIA

ELECTRIC POWER LOANS

\$21 million 25-year 5% loan of September 21, 1956

BORROWERS • Donaukraftwerke and Verbundgesellschaft.

\$10 million 20-year 5% loan of September 21, 1956

BORROWERS • Draukraftwerke and Verbundgesellschaft.

The Verbundgesellschaft (Austrian Electric Power Corporation), the co-borrower in each of the loans, operates most of Austria's high tension transmission system and controls the operations of four government-owned generating companies, including the Donaukraftwerke and the Draukraftwerke.

PURPOSE OF LOANS • To add 357,000 kilowatts to the capacity of the Austrian national power system.

The \$21 million loan was for the Ybbs-Persenbeug project, a 192,000-kilowatt hydroelectric plant being constructed by the Donaukraftwerke on the Danube, about 80 miles up the river from Vienna. The \$10 million loan was for the expansion of two thermal power plants in southern Austria. The Draukraftwerke is adding a 65,000-kilowatt unit to a 60,000-kilowatt plant at Voitsberg; and 100,000 kilowatts of capacity to a 67,500-kilowatt plant at St. Andrae.

ECONOMIC BENEFITS • Austria's rapid industrial growth in the postwar years has required large increases in electric power supplies and, despite extensive exploitation of its hydroelectric power resources, the country has little reserve capacity. The seasonal variation in the generation of power by its hydroelectric plants, while permitting the export of power in summer, necessitates imports of power during winter. The Verbundgesellschaft is carrying out an expansion program which includes both hydroelectric and thermal power plants to meet the estimated growth of demand until 1960; the Bank-financed projects are part of this program.

PARTICIPATION • \$449,000 maturing in 1959 and 1960, by the Manufacturers Trust Company.

OTHER ACTIVITIES

PRESIDENT'S VISIT • The President of the Bank visited Austria for the first time in November 1956 for general discussions about future Bank operations.

LOAN PROJECTS • The Government has asked the Bank for a loan for the expansion and modernization of private industrial enterprises in Austria and for a small supplemental loan for the Lunersee hydroelectric power project being constructed in western Austria with the help of a \$10 million loan made in June 1955. Bank staff members visited Austria towards the end of the fiscal year to discuss the two loan proposals.

ITALY

LOAN FOR AGRICULTURE, INDUSTRY AND POWER

\$74,628,000 20-year 5% loan of October 11, 1956

BORROWER • Cassa per il Mezzogiorno.

The Cassa per il Mezzogiorno is the governmental agency established in 1950 to administer a 12-year \$2,000 million program for the development of Southern Italy. This is the Bank's fourth loan to the Cassa, bringing the total lent to nearly \$165 million.

PURPOSE • An amount of \$25.5 million of the loan was allocated to the Flumendosa irrigation project in Sardinia. This includes the construction of storage

dams on the Flumendosa River and two of its tributaries, and a series of tunnels and canals to distribute the water over the Cagliari plain in southwestern Sardinia. The project will irrigate up to 123,500 acres of the plain. It is expected to increase the annual value of farm production in the area by the equivalent of \$21 million and the total income of the region by approximately \$30 million.

About \$24 million of the loan was allocated for the Cassa to re-lend to ten industrial concerns on the Italian mainland, in Sicily and in Sardinia. Three of the companies, well-known northern industrial firms, plan to establish industries in Southern Italy for the first time; all three of their plants would be in the Naples area, where unemployment is high. The ten projects for which funds were allocated are two cement factories and two glass factories, a vegetable cannery, an automobile assembly plant, a plant for the construction of bus and truck bodies, a fertilizer factory, a plant for the production of hardboard and another for the production of polyethylene. They will provide some 3,000 new jobs and are expected to favorably affect the balance of payments by the equivalent of almost \$10 million a year.

The Cassa is re-lending the remaining \$25.2 million of the loan to electric power companies which are carrying out large investment programs in Southern Italy. Bank-financed projects include three hydro-electric plants on the mainland—two in the neighborhood of Cassino between Rome and Naples and one south of Salerno on the west coast—and a thermal plant at Augusta on the east coast of Sicily. The projects will increase installed capacity in the Cassa area by 224,000 kilowatts or 14%. All the plants will be in operation in 1959 and some of them earlier.

PARTICIPATION • \$500,000 maturing in 1959, by the Bank of America.

OTHER ACTIVITIES

ECONOMIC MISSION • A mission visited Italy in January 1957 to review the economic situation.

LOAN PROJECTS • A technical mission will visit Italy at the end of September to study projects for a further loan to the Cassa per il Mezzogiorno.

STUDY OF NUCLEAR POWER DEVELOPMENT • At the

end of the fiscal year, the Bank was concluding arrangements with the Italian Government for a joint Italian-Bank study of the commercial feasibility of using atomic energy for the production of electric power in Italy.

THE NETHERLANDS

INDUSTRIAL LOAN

\$15 million 5-year 5½% loan of May 15, 1957

BORROWER • Maatschappij tot Financiering van het Nationaal Herstel N.V. (Herstelbank).

The Herstelbank, a development corporation owned jointly by the Government and by private investors, was founded in 1945 to provide capital for the reconstruction and development of industry, transport and commerce.

PURPOSE • The Herstelbank finances its operations mainly from its own resources, supplementing them from time to time by borrowing. In recent years it has made a number of relatively large loans, notably for ship construction, and repayments of earlier loans will not be at a rate fast enough to cover the disbursements scheduled for the next year or two. The World Bank loan is providing the additional capital needed.

ECONOMIC BENEFITS • Since its establishment, the Herstelbank has played a significant part in the financing of industrial and commercial enterprises which needed more capital than could be obtained from normal channels. More than three-quarters of its outstanding commitments represent loans for ship construction and shipyards and for the metal working, aircraft, automotive and chemical industries. These leading export industries have played a central role in the remarkable postwar recovery and growth of the Netherlands economy.

PARTICIPATION • \$5 million, maturing from November 1959 through May 1962, by Nederlandsche Handel-Maatschappij, Amsterdamsche Bank, Twentsche Bank, Rotterdamsche Bank, Swiss Bank Corporation, Philadelphia National Bank, Grace National Bank and National Shawmut Bank of Boston. The four Dutch banks participated for the account of other investors as well as for their own account.

TURKEY

During the year the Bank approved a project for the construction of a copper refinery and fabricating plant being financed by the Industrial Development Bank which called for an allocation of \$2,150,000 from the second of two \$9 million loans which the International

Bank made to the Industrial Development Bank in 1950 and 1953.

Between 1951, when it started operations, and May 1957, the Industrial Development Bank had lent 166 million Turkish lire (\$59 million) to 345 enterprises, of which the International Bank's loans have provided \$16 million in foreign exchange for 47 projects.

WESTERN HEMISPHERE

Country	Loans During Year	Total Loans
Brazil		\$169,090,000
Chile	\$15,000,000	51,854,456
Colombia		111,205,441
Costa Rica	3,000,000	3,000,000
Ecuador		13,500,000
El Salvador		23,645,000
Guatemala		18,200,000
Haiti		2,600,000
Honduras		4,200,000
Mexico		141,327,888
Nicaragua	1,600,000	22,990,115
Panama		6,847,426
Paraguay		5,000,000
Peru	5,000,000	40,910,528
Uruguay	25,500,000	64,000,000
	\$50,100,000	
Lending in Western Hemisphere—		
65 loans in 15 countries totaling		\$678,370,854

ARGENTINA

A Bank mission went to Argentina in the latter part of February 1957 for a stay of about two months to study the general economic situation and the Government's investment plans. Particular study was given to agriculture, transport and power. The mission was preparing its report at the end of the year.

BRAZIL

LOAN CANCELLATION • At the request of the State Government of Rio Grande do Sul and the Federal Government, the Bank has cancelled the loan of \$25

million made in 1952 to the Comissão Estadual de Energia Elétrica. Discussions are being carried on with Brazil's Economic Development Bank about the selection of suitable projects to use the funds so released, including power projects in the states of Rio de Janeiro, São Paulo and Minas Gerais.

ECONOMIC MISSION • At the end of the fiscal year the Bank was proposing to send a mission to Brazil in the next few months to make an appraisal of economic developments.

CHILE

ELECTRIC POWER LOAN

\$15 million 20-year 5% loan of November 1, 1956

BORROWERS • Corporación de Fomento de la Producción (Fomento) and Empresa Nacional de Electricidad, S.A. (Endesa).

Fomento is a government agency responsible for promoting economic development in Chile. Endesa, a joint stock company owned almost entirely by Fomento, was established in 1944 to plan electric power development in Chile and to meet power demands not satisfied by private companies.

PURPOSE • The addition of 166,000 kilowatts of generating capacity in Chile.

Projects being financed are a 68,000-kilowatt hydroelectric plant at La Isla on the Cipreses River to increase the supply of power to the Santiago-Valparaíso area; the addition of 49,000 kilowatts of capacity to the existing Abanico power station serving Concepción; and a new 49,000-kilowatt hydroelectric plant



Shown above are the pithead installations of the Lota coal mine on Arauco Bay in Chile. Negotiations were in progress at the end of the year for a loan to enable this company, which produces nearly half of the country's coal output, to modernize and expand its operations.

at the outlet of Lake Pullinque in southern Chile. The Pullinque plant will be interconnected to the south with the Pilmaiquén power system, and through the Abanico system to the north, with Santiago, thus affording a single integrated system from Santiago to Puerto Montt—a distance of about 750 miles. Distribution lines will also be constructed to serve small towns and villages now without electricity.

ECONOMIC BENEFITS • Electricity consumption in Chile has increased steadily, and sales by public service companies have risen by 150% in the past ten years. The Santiago, Valparaíso and Concepción areas are the largest consumers. In recent years power has had to be rationed in the Santiago-Valparaíso region, which contains the greatest concentration of industrial, commercial and agricultural activity; and demand is rising at an accelerated rate in the Concepción area, a growing industrial center. The Bank-financed projects are part of Endesa's program to add 400,000 kilowatts of new capacity which, together with facilities to be provided by private companies, should meet the in-

crease in the demand for power through 1965.

PARTICIPATION • \$298,000 maturing in 1960, by the Grace National Bank of New York.

OTHER ACTIVITIES

LOANS FOR COAL PRODUCTION • At the end of the year, negotiations were in progress for loans to two coal companies, the Compañía Carbonífera e Industrial de Lota and Compañía Carbonífera y de Fundición Schwager, S.A., to provide foreign exchange to purchase equipment which will enable the companies to expand coal production and reduce operating costs.

PROJECT DISCUSSIONS • A Bank mission visited Chile in November-December 1956 to study Chile's needs for the development of transport and agriculture. Subsequently the Bank informed the Government that it believed that it could most effectively contribute to Chile's economic development by making loans for railway and highway development, and that, if the stabilization program continued to be vigorously pursued, it was prepared to proceed with discussions of specific projects in these fields.

COLOMBIA

Following the change of Government in May 1957, a representative of the Bank visited Bogotá at the invitation of the new Administration. Discussions took place on a broad range of financial and economic questions.

In order to render further assistance to the large-scale railroad development program which is being supported by two Bank loans totaling \$41 million, the Bank suggested the formation of a special Financial Committee to advise the National Railways on improvement in their finances. The Committee was set up in September 1956, and now has under review such subjects as the reduction of operating costs, revision of the rate structure, improvement of the financial administration of the railways, including statistical and accounting procedures, and the raising of funds for expansion. The meetings of the Committee are attended by a Bank staff member who has been stationed in Colombia since 1955 to advise on the Bank-financed transportation projects, and also, from time to time, by other members of the staff of the Bank.

COSTA RICA

LOAN FOR AGRICULTURE AND INDUSTRY

\$3 million 7-year 4¾% loan of September 18, 1956

BORROWER • Central Bank of Costa Rica.

PURPOSE • The loan will assist the Central Bank in carrying on, through the banking system, a program of extending credit to individuals and private enterprises for imported capital goods required in the development of agriculture and light industry. The loan will provide the foreign exchange expected to be needed for the program until late 1958.

ECONOMIC BENEFITS • Costa Rica is primarily an agricultural country; agriculture contributes 45% of the national income, accounts for 90% of exports and directly employs over half the population. The availability of credit through the Central Bank's lending program, the efficient administration of policies to promote agriculture, and the willingness of farmers to adopt improved practices have made possible a marked

increase in agricultural output in recent years. Continued expansion must be maintained if Costa Rica is to provide for the rising food needs of its population—now growing at the rate of 3% a year—and to increase exports. The market for its main exports—coffee, bananas and cacao—is becoming more selective and competitive, and expansion must be based on efficient production of quality products. The effectiveness of technological improvements has already been demonstrated and the Bank loan will help make possible the more widespread use of equipment and materials needed for the adoption of those techniques. The loan will also help to promote the establishment of new light industries and the expansion of existing ones.

PARTICIPATION • \$366,000 maturing in 1958 and 1959, by the Chemical Corn Exchange Bank of New York.

OTHER ACTIVITIES

A Bank mission visited Costa Rica in April 1957 for discussions of plans for highway development.

ECUADOR

TECHNICAL ASSISTANCE • At the request of the Government, the Bank assisted in recruiting an outside expert of wide experience to serve as principal economic and financial adviser to the Administration. The Bank also helped to find two economists, whose services were contributed by the Bank of America, to give advice on banking legislation. The Bank's resident representative in Ecuador, who had been serving as liaison with the National Board of Economic Planning, will assist in this work; another economist from the Bank will join the group in July.

The Bank also assisted the Government in recruiting a railroad expert to serve as General Manager of the Ecuadorian State Railways which are at present being reorganized.

LOAN PROJECTS • A Bank mission was in Ecuador in March-April 1957 to review the economic situation and to study projects for which Bank loans have been requested. They include a program for improving the national highway system and the construction of a new port at Guayaquil.

REVISION OF QUITO POWER PROJECT • In March 1956 the Bank made a loan of \$5 million to the Empresa Eléctrica Quito for hydroelectric and thermal power projects to supply power to Quito, the capital. The Bank now has under consideration a proposal for a revision of part of the project under which the proposed hydroelectric plant would be built at another site. While the new project would cost considerably more, its cost per installed kilowatt would be less and it would triple the supply of power to Quito.

EL SALVADOR

Discussions took place during the year between the Bank and the Río Lempa Commission regarding expansion of the Commission's electric generating and transmission facilities. The proposed expansion would

consist of the installation of a power generating plant near Lake Guija where some of the civil works already exist, and extension of the Commission's transmission lines. Consultants engaged by the Commission are now preparing a study of the technical and economic aspects of the project.

GUATEMALA

The Bank's resident mission, which had been in Guatemala since February 1955, completed its assignment in September 1956. The mission had assisted in the organization of the Consejo Nacional de Planificación Economica and had worked with it in formulating an economic development plan. One Bank staff member was given leave of absence to serve with the Consejo, at its request, for a further six months.

A new highway is built through Pedro Carbo in the Province of Guayas, Ecuador. The Bank-assisted highway program is opening up the country and stimulating the whole economy.



HAITI

The Bank stationed a resident representative in Haiti, at the request of the Government, for a period of one year beginning in January 1957 to advise the Government on economic development programming and on general economic and financial matters.

HONDURAS

RESIDENT REPRESENTATIVE • The Bank continued to maintain a resident representative in Honduras. **LOAN PROJECTS** • The Government has requested Bank assistance in the financing of the Puerto Cortés-Búfalo road running from Honduras' main port on the Atlantic to an area containing the second largest city, and the Río Lindo hydroelectric power project. At the end of the fiscal year, the Bank was awaiting information from engineering consultants retained by the Government to advise on the technical aspects of the power project.

JAMAICA

A Bank mission visited Jamaica in December 1956 to review economic progress and to examine the colony's development plans, including the expansion and modernization of the transportation system and harbor installations. Discussions took place later in Washington about Jamaica's power development plans.

MEXICO

LOAN PROJECTS • At the end of the fiscal year, negotiations were nearing completion for a loan of \$11 million to the Mexican Light and Power Company, Limited, to assist in financing a project which will add about 95,000 kilowatts to the Company's generating capacity and extend its transmission and distribution network in the Mexico City area.

The Bank has informed the Government that it would be willing to consider financing projects for the construction and rehabilitation of the Chihuahua-Pacifico and Sonora-Baja California Railroads, sub-

ject to their economic and technical justification by independent consultants retained by the Government. **INVESTMENT STUDY** • A Bank mission was in Mexico during February-March 1957 to study a two-year program of public investment which had been prepared by the Government's Investment Commission. At the end of the fiscal year the mission was preparing its report.

NICARAGUA

SUPPLEMENTAL LOAN FOR ELECTRIC POWER

\$1.6 million 15-year 4¾% loan of November 15, 1956

BORROWER • Empresa Nacional de Luz y Fuerza.

The Empresa is an autonomous government corporation which supplies power to the Managua area.

PURPOSE • The loan will cover the additional foreign exchange needed for the Managua power project, for which the Bank made a loan of \$7.1 million in July 1955. The total cost of the project will be approximately the same as had been originally estimated—\$10.6 million—but after the award of contracts for equipment and construction, it was found that the foreign exchange component was larger than had been estimated. The project consists of the construction of a 30,000-kilowatt thermal power plant and expansion of the distribution system in Managua, and transmission lines to 15 outlying towns. The project will double electric generating capacity in Nicaragua.

PARTICIPATION • \$101,000 maturing in 1959 and 1960, by the Grace National Bank of New York.

OTHER ACTIVITIES

RESIDENT REPRESENTATIVE • In July 1956 the Bank, in agreement with the Government, withdrew the resident mission which had been in Nicaragua since 1952.

REVISION OF LOAN PROJECT • At the request of the Government the Bank has approved a revision of the road project for which a loan of \$3.5 million was made in September 1953. Originally the project called for the construction of 43 all-weather feeder and access roads throughout the country. Under the present plan, the number of these roads will be reduced and a new highway will be constructed between Chinandega and the Port of Corinto. The Chinandega-Corinto highway

will be an important artery providing a highway connection between the hinterlands and Corinto, Nicaragua's most important port on the Pacific.

PANAMA

The resident representative who had been in Panama for some time working in collaboration with other technical assistance experts on programs for the development of the economy of Panama returned to the Bank in mid-1956. Subsequently, a series of reports on subjects such as public finance, public health, education, social security, industry and agriculture were sent to the Government.

In December 1956 another staff member was stationed in Panama as resident representative to advise the Government on economic development.

PERU

AGRICULTURAL LOAN

\$5 million 8-year 5½% loan of March 13, 1957

BORROWER • Banco de Fomento Agropecuario del Perú.

The Banco Agropecuario is an autonomous government institution which provides agricultural credit and other services to increase agricultural production.

PURPOSE • To enable the Banco Agropecuario to continue its program of lending for agriculture.

With the help of a \$5 million World Bank loan in 1954, the Banco was able to double the volume of its medium and long-term loans in the period 1954-56. The new loan will provide the Banco with the foreign exchange it needs to maintain this volume of lending. The funds will be used for the importation of agricultural machinery, irrigation equipment, livestock and some equipment for fisheries.

ECONOMIC BENEFITS • Continuing expansion of agriculture is necessary to keep pace with the needs of Peru's growing economy and population. Wheat and meat are still being imported in large quantities and there is an unsatisfied demand for more and better milk products. Most of the Banco's operations are in the Pacific coast area where conditions for commercial

agriculture are most favorable and farmers can make best use of mechanized equipment. In the highlands of the Andes the Banco is helping to improve wool production and is undertaking pioneering credit work among the Indian population on small subsistence farms. In the Amazon region, east of the Andes, credit operations of the Banco stimulate the cultivation of coffee, cocoa, and other tropical products and encourage the opening up of new land for cattle raising. **PARTICIPATION** • \$1,101,000 maturing in 1959 and 1960, by the New York Trust Company, Bank of America and The First National City Bank of New York.

OTHER ACTIVITIES

RESIDENT MISSION • During the year the Bank stationed a two-man resident mission in Peru to assist the Government in preparing and executing a public investment program and to advise on related matters of economic policy.

LOAN PROJECTS • The Government has asked for Bank loans for the construction of a road between Bagua and Yurimaguas in northern Peru, as an alternative to the Aguaytia-Pucallpa road project which the Bank had been previously asked to consider; for the further expansion of facilities at the port of Callao; and for improvements at the ports of Salaverry and Paita. Also, the privately-owned Peruvian Corporation has asked for a loan to rehabilitate and modernize the southern and central railways which it owns and operates.

A Bank mission visited Peru in April-May 1957 to review economic developments and to discuss these loan projects.

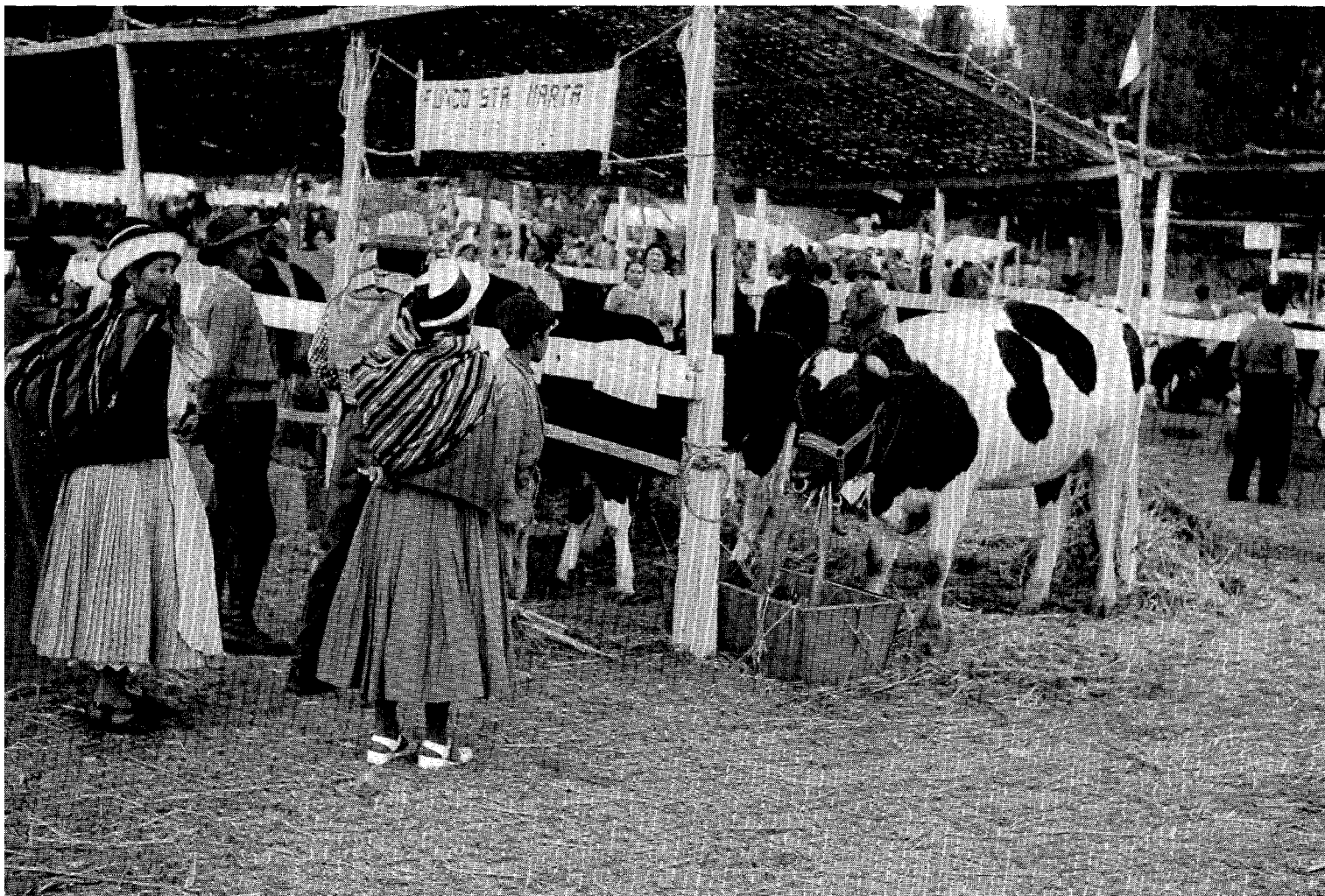
URUGUAY

ELECTRIC POWER LOAN

\$25.5 million 25-year 5% loan of October 25, 1956

BORROWER • Administración General de las Usinas Eléctricas y los Teléfonos del Estado (U.T.E.)

U.T.E. is an autonomous government agency responsible for providing electric power and telephone services in Uruguay. It supplies power to the smaller communities through diesel units, and to the larger



Pedigree cattle on show at Huancayo in the high sierras of Peru. As part of its efforts to raise agricultural production, Peru's agricultural credit agency has borrowed \$10 million from the Bank to finance the import of high quality cattle and modern agricultural machinery.

towns and Montevideo through an extensive transmission system fed by two steam plants and a hydroelectric station.

PURPOSE • The construction of a 103,000-kilowatt hydroelectric power plant at Rincón de Baygorria on the Río Negro. The plant will be connected into U.T.E.'s transmission system and will raise the agency's total generating capacity to 418,500 kilowatts. Also included in the project is a "collector ring" consisting of underground cables, transmission lines and substations to be built in Montevideo to improve the city's primary distribution system.

ECONOMIC BENEFITS • Since 1947 there has been

considerable industrial expansion in Uruguay, especially in the interior. This industrial growth, together with a steady rise in demand for residential and other uses, has greatly increased the demand for electricity throughout the country. During the period 1947-1955 sales of power in Montevideo grew at an average rate of about 8.5% a year; the rate of increase in other communities reached 16.2%. The Baygorria project will increase generating capacity in Uruguay by about a quarter and is part of a program being carried out to provide an adequate power system throughout the country. The Bank has now lent U.T.E. \$64 million for its expansion program.

APPENDICES

APPENDIX A

Balance Sheet

EXPRESSED IN UNITED STATES CURRENCY

ASSETS

Due from Banks and Other Depositories (See APPENDIX C)

Member currencies, including \$11,463,629 United States dollars			
Unrestricted	\$ 16,763,600		
Subject to restrictions—NOTE B	126,668,614	\$143,432,214	
Non-member currency (Swiss francs)		1,729,928	\$ 145,162,142

Investment Securities

United States Government obligations (\$383,918,000 face amount; at cost plus accumulated discount and less amortized premium)	\$383,246,813		
Canadian Government obligations (Can\$16,200,000 face amount; at cost less amortized premium)	14,727,273		
United Kingdom Government obligations (£ 1,045,000 face amount; at cost)	2,897,899	\$400,871,985	
Accrued interest		3,217,939	404,089,924

Receivable on Account of Subscribed Capital (See APPENDIX D)

Receivable in United States currency			
Calls on subscription to capital stock		\$ 2,580,000	
Receivable in other member currencies—NOTE B			
Non-negotiable, non-interest-bearing, demand notes	\$721,947,160		
Amounts required to maintain value of currency holdings	3,428,623	725,375,783	727,955,783

Effective Loans Held by Bank (See APPENDIX F)—NOTE C

(Including undisbursed balance of \$655,727,072)			2,437,331,018
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Accrued Interest, Commitment and Service Charges

on Loans—NOTE C			17,330,553
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Receivable from Purchasers on Account of Effective Loans

Sold or Agreed to be Sold			23,391,639
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Unamortized Bond Issuance Costs—NOTE D

11,230,524

Other Assets

5,319,473

Special Reserve Fund Assets—NOTE E

Due from Banks—member currency—United States	\$ 687		
Investment securities—United States Government obligations (S89,207,000 face amount; at cost plus accumulated discount)	89,180,988		
Accrued loan commissions—NOTE C	4,550,979	93,732,654	

Staff Retirement Plan Assets

(Segregated and held in trust)			4,936,936
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Total Assets			\$3,870,480,646
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June 30, 1957

APPENDIX A

See Note A of Notes to Financial Statements, Appendix G

LIABILITIES, RESERVES AND CAPITAL

Liabilities

Accounts payable and accrued expenses, including \$11,771,345 bond interest		\$ 18,109,160
Collection on loans in advance of due date		1,219,612
Undisbursed balance of effective loans (See APPENDIX F)		
On loans held by Bank	\$ 655,727,072	
On loans sold or agreed to be sold	14,709,839	670,436,911
Funded debt (See APPENDIX E)		
(Of this amount \$11,387,033 is due within one year)		1,033,551,639
Bonds called for redemption not presented	\$ 8,479	
Less funds on deposit with Fiscal Agent therefor	8,479	—

Reserves for Losses

Special reserve—NOTE E	\$ 93,732,654	
Supplemental reserve against losses on loans and guarantees—NOTES D and F	194,813,734	288,546,388

Staff Retirement Plan Reserve		4,936,936
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Capital (See APPENDIX D)

Capital stock		
Authorized 100,000 shares of \$100,000 par value each		
Subscribed 92,684 shares	\$9,268,400,000	
Less—Uncalled portion of subscriptions—NOTE G	7,414,720,000	1,853,680,000

Contingent Liability—LOANS SOLD UNDER GUARANTEE—NOTE H	\$22,592,000	
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Total Liabilities, Reserves and Capital		\$3,870,480,646
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Comparative Statement of Income and Expenses

FOR THE FISCAL YEARS ENDED JUNE 30, 1956 AND JUNE 30, 1957

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

	July 1–June 30	
	1955–1956	1956–1957
Income		
Income from investments	\$ 9,585,407	\$10,679,446
Income from loans:		
Interest	50,123,943	57,630,772
Commitment charges	3,863,589	4,924,332
Commissions	14,747,349	16,728,564
Service charges	303,843	246,166
Other income	4,088	434,616
Gross Income	\$78,628,219	\$90,643,896
Deduct—Amount equivalent to commissions appropriated to Special Reserve—NOTE E	14,747,349	16,728,564
Gross Income Less Reserve Deduction	\$63,880,870	\$73,915,332
Expenses		
Administrative expenses:		
Personal services	\$ 4,131,105	\$ 4,098,912
Contributions to staff benefits	426,766	625,963
Fees and compensation	598,234	533,572
Representation	69,078	87,091
Travel	1,003,303	1,075,548
Supplies and material	63,820	73,005
Rents and utility services	636,620	595,498
Communication services	198,238	189,422
Furniture and equipment	92,916	95,126
Books and library services	74,996	74,509
Printing	102,527	82,307
Insurance	30,079	27,151
Other expenses	8,363	9,245
Total Administrative Expenses	\$ 7,436,045	\$ 7,567,349
Interest on bonds	26,547,315	29,561,802
Bond issuance and other financial expenses—NOTE D	1,311,879	848,572
Gross Expenses	\$35,295,239	\$37,977,723
Net Income—Appropriated to Supplemental Reserve against losses on loans and guarantees—NOTE F	\$28,585,631	\$35,937,609

Statement of Currencies Held by the Bank

JUNE 30, 1957—See Note A of Notes to Financial Statements, Appendix G

Member Currencies	Unit of currency	Amount expressed in member currency (Restricted)	Rate of Exchange	Total expressed in United States dollars
Member				
Afghanistan	Afghani	30,228,391	\$ = 16.80	\$ 1,799,309
Argentina	Peso	485,811,000	\$ = 18.00	26,989,500
Australia	Pound	111,589	\$ = 0.4464	249,960
Austria	Schilling	10,618,426	\$ = 26.00	408,401
Belgium	Franc	5,894,440	\$ = 50.00	117,889
Bolivia	Boliviano	2,249,308	\$ = 190.00	11,839
Brazil	Cruzeiro	497,157,296	\$ = 18.50	26,873,367
Burma	Kyat	79,366	\$ = 4.7619	16,667
Canada	Dollar	154,496	\$ = 1.10	140,451
Ceylon	Rupee	22,245	\$ = 4.7619	4,672
Chile	Peso	687,078,417	\$ = 110.00	6,246,167
China	Yuan	21,480,529	\$ = 20.00	1,074,027
Colombia	Peso	12,010,611	\$ = 1.949981	6,159,348
Costa Rica	Colon	1,976,969	\$ = 5.615	352,087
Cuba	Peso	51,668	\$ = 1.00	51,668
Denmark	Krone	3,254,667	\$ = 6.90714	471,203
Dominican Republic	Peso	902	\$ = 1.00	902
Ecuador	Sucre	16,772,641	\$ = 15.00	1,118,176
Egypt	Pound	13,127	\$ = 0.34824	37,694
El Salvador	Colon	419,132	\$ = 2.50	167,653
Ethiopia	Dollar	1,246,011	\$ = 2.48447	501,519
Finland	Markka	1,568,640,147	\$ = 230.00	6,820,175
France	Franc	950,445,368	\$ = 349.60	2,718,665
Germany	Deutsche Mark	98	\$ = 4.20	23
Greece	Drachma	22,400,000	\$ = 5.00	4,480,000
Guatemala	Quetzal	337,486	\$ = 1.00	337,486
Haiti	Gourde	39,781	\$ = 5.00	7,956
Honduras	Lempira	338,138	\$ = 2.00	169,069
Iceland	Krona	2,810,737	\$ = 16.2857	172,589
India	Rupee	2,734,967	\$ = 4.7619	574,343
Indonesia	Rupiah	2,151,631	\$ = 11.40	188,740
Iran	Rial	482,126	\$ = 75.75	6,365
Iraq	Dinar	3,570	\$ = 0.3571	9,996
Israel	Pound	982,618	\$ = 1.80	545,899
Italy	Lira	153,069,669	\$ = 350.00	437,342
Japan	Yen	128,227,814	\$ = 360.00	356,188
Jordan	Dinar	2,380	\$ = 0.3571	6,663
Korea	Hwan	1,123,240,360	\$ = 500.00	2,246,481
Lebanon	Pound	1,523,667	\$ = 2.19148	695,269
Luxembourg	Franc	5,758,000	\$ = 50.00	115,160
Mexico	Peso	78,244,209	\$ = 12.50	6,259,537
Netherlands	Guilder	774,350	\$ = 3.80	203,776
Nicaragua	Cordoba	3,617,403	\$ = 7.00	516,772
Norway	Krone	2,119,010	\$ = 7.14286	296,661
Pakistan	Rupee	374,001	\$ = 4.7619	78,540
Panama	Balboa	2,774	\$ = 1.00	2,774
Paraguay	Guarani	12,100,200	\$ = 60.00	201,670
Peru	Sol	1,209,829	\$ = 6.50	186,128
Philippines	Peso	2,371,716	\$ = 2.00	1,185,858
Sweden	Krona	65,122,763	\$ = 5.17321	12,588,463
Syria	Pound	17,989	\$ = 2.19148	8,208
Thailand	Baht	86,997	\$ = 12.50	6,960
Turkey	Lira	464,078	\$ = 2.80	165,742
Union of South Africa	Pound	98,708	\$ = 0.3571	276,383
United Kingdom	Pound	122,391	\$ = 0.3571	342,695
United States	Dollar		\$ =	298,981
Uruguay	Peso	2,792,929	\$ = 1.519	1,838,603
Venezuela	Bolivar	523,400	\$ = 3.35	156,239
Viet-Nam	Piastre	78,732,500	\$ = 35.00	2,249,500
Yugoslavia	Dinar	2,137,264,775	\$ = 300.00	7,124,216
Restricted Currency (NOTE B)				\$126,668,614
Unrestricted Currency (Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Norway, Sweden, Union of South Africa, United Kingdom and United States)				16,763,600
Non-Member Currency (Switzerland)				\$143,432,214
Total				1,729,928
				\$145,162,142

Statement of Subscriptions to Capital Stock and Voting Power

JUNE 30, 1957

EXPRESSED IN UNITED STATES CURRENCY (*in thousands*)

See Note A of Notes to Financial Statements, Appendix G

Member	Subscriptions			Amounts Paid in				Subject to call to meet obligations of Bank (Note G)	Voting Power	
	Shares	Amount (Note F)	Percent of total	In United States dollars	In currency of member other than United States dollars (Note B)	In non- interest- bearing, non-ne- gotiable demand notes (Note B)	Number of votes		Percent of total	
Afghanistan	100	\$ 10,000	.11	\$ 200	\$ 1,800	\$ —	\$ 8,000	350	.33	
Argentina	1,500	150,000	1.62	3,000	27,000	—	120,000	1,750	1.63	
Australia	2,000	200,000	2.16	4,000	2,600	33,400	160,000	2,250	2.09	
Austria	500	50,000	.54	1,000	2,488	6,512	40,000	750	.70	
Belgium	2,250	225,000	2.43	4,500	12,264	28,236	180,000	2,500	2.32	
Bolivia	70	7,000	.08	140	13	1,247	5,600	320	.30	
Brazil	1,500	150,000	1.62	3,000	27,000	—	120,000	1,750	1.63	
Burma	150	15,000	.16	300	52	2,648	12,000	400	.37	
Canada	3,250	325,000	3.51	6,500	53,201	5,299	260,000	3,500	3.25	
Ceylon	150	15,000	.16	300	44	2,656	12,000	400	.37	
Chile	350	35,000	.38	700	6,300	—	28,000	600	.56	
China*	6,000	600,000	6.47	9,420	1,080	106,920	480,000	6,250	5.80	
Colombia	350	35,000	.38	700	6,300	—	28,000	600	.56	
Costa Rica	20	2,000	.02	40	360	—	1,600	270	.25	
Cuba	350	35,000	.38	700	63	6,237	28,000	600	.56	
Denmark	680	68,000	.73	1,360	4,107	8,133	54,400	930	.86	
Dominican Republic	40	4,000	.04	80	4	716	3,200	290	.27	
Ecuador	64	6,400	.07	128	1,152	—	5,120	314	.29	
Egypt	533	53,300	.57	1,066	96	9,498	42,640	783	.73	
El Salvador	10	1,000	.01	20	180	—	800	260	.24	
Ethiopia	30	3,000	.03	60	540	—	2,400	280	.26	
Finland	380	38,000	.41	760	6,840	—	30,400	630	.59	
France	5,250	525,000	5.66	10,500	32,801	61,699	420,000	5,500	5.11	
Germany	3,300	330,000	3.56	6,600	32,422	26,978	264,000	3,550	3.30	
Greece	250	25,000	.27	500	4,500	—	20,000	500	.46	
Guatemala	20	2,000	.02	40	360	—	1,600	270	.25	
Haiti	20	2,000	.02	40	20	340	1,600	270	.25	
Honduras	10	1,000	.01	20	180	—	800	260	.24	
Iceland	10	1,000	.01	20	180	—	800	260	.24	
India	4,000	400,000	4.32	8,000	722	71,278	320,000	4,250	3.94	
Indonesia	1,100	110,000	1.19	2,200	198	19,602	88,000	1,350	1.25	
Iran†	336	33,600	.36	672	86	2,538	26,880	586	.54	
Iraq	60	6,000	.06	120	31	1,049	4,800	310	.29	
Israel	75	7,500	.08	150	548	802	6,000	325	.30	
Italy	1,800	180,000	1.94	3,600	15,257	17,143	144,000	2,050	1.90	
Japan	2,500	250,000	2.70	5,000	4,061	40,939	200,000	2,750	2.55	
Jordan	30	3,000	.03	60	15	525	2,400	280	.26	
Korea	125	12,500	.14	250	2,250	—	10,000	375	.35	
Lebanon	45	4,500	.05	90	810	—	3,600	295	.27	
Luxembourg	100	10,000	.11	200	118	1,682	8,000	350	.33	
Mexico	650	65,000	.70	1,300	11,700	—	52,000	900	.84	
Netherlands	2,750	275,000	2.97	5,500	16,079	33,421	220,000	3,000	2.79	
Nicaragua	30	3,000	.03	60	540	—	2,400	280	.26	
Norway	500	50,000	.54	1,000	1,350	7,650	40,000	750	.70	
Pakistan	1,000	100,000	1.08	2,000	180	17,820	80,000	1,250	1.16	
Panama	2	200	†	4	36	—	160	252	.23	
Paraguay	14	1,400	.01	28	252	—	1,120	264	.25	
Peru	175	17,500	.19	350	262	2,888	14,000	425	.39	
Philippines	150	15,000	.16	300	1,200	1,500	12,000	400	.37	
Sweden	1,000	100,000	1.08	2,000	18,000	—	80,000	1,250	1.16	
Syria	65	6,500	.07	130	44	1,126	5,200	315	.29	
Thailand	125	12,500	.14	250	72	2,178	10,000	375	.35	
Turkey	430	43,000	.46	860	363	7,377	34,400	680	.63	
Union of South Africa	1,000	100,000	1.08	2,000	6,060	11,940	80,000	1,250	1.16	
United Kingdom	13,000	1,300,000	14.03	26,000	54,030	179,970	1,040,000	13,250	12.30	
United States	31,750	3,175,000	34.26	635,000	—	—	2,540,000	32,000	29.72	
Uruguay	105	10,500	.11	210	1,890	—	8,400	355	.33	
Venezuela	105	10,500	.11	210	1,890	—	8,400	355	.33	
Viet-Nam	125	12,500	.14	250	2,250	—	10,000	375	.35	
Yugoslavia	400	40,000	.43	800	7,200	—	32,000	650	.60	
Totals	92,684	\$9,268,400	100%	\$754,288	\$371,441	\$721,947	\$7,414,720	107,684	100%	

* Payment of US\$2,580,000 past due.

† Payment of the equivalent of \$3,424,021 due as a result of revaluation of Iranian currency.

‡ Less than .005 per cent.

Funded Debt of the Bank

JUNE 30, 1957

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

Payable in	Issue and maturity	Principal outstanding	Annual sinking fund requirement ¹
United States Dollars	2% Serial Bonds of 1950, due 1958-62	\$ 50,000,000	None
	3½% Two Year Bonds of 1956, due 1958	75,000,000	None
	2½% Five Year Bonds of 1954, due 1959	50,000,000	None
	3½% Fifteen Year Bonds of 1954, due 1969	95,334,000	1958 \$ 3,334,000 1959-66 \$ 4,000,000 1967-68 \$ 5,000,000
	3½% Nineteen Year Bonds of 1952, due 1971	58,000,000	1958-66 \$ 2,000,000 1967-70 \$ 2,500,000
	3% Twenty-Five Year Bonds of 1947, due 1972	149,296,000	1958 \$ 2,296,000 1959-62 \$ 3,000,000 1963-67 \$ 4,500,000 1968-72 \$ 7,500,000
	3¾% Twenty-Three Year Bonds of 1952, due 1975	49,833,000	1958 \$ 833,000 1959-74 \$ 1,500,000
	3% Twenty-Five Year Bonds of 1951, due 1976	50,000,000	1963 \$ 1,000,000 1964-75 \$ 2,000,000
	4½% Twenty Year Bonds of 1957, due 1977	68,923,000 ²	1967-76 \$ 5,000,000
	4¼% Twenty-One Year Bonds of 1957, due 1978	86,339,000 ³	1967-71 \$ 4,000,000 1972-77 \$ 5,000,000
	3¼% Thirty Year Bonds of 1951, due 1981	100,000,000	1966-67 \$ 2,000,000 1968-73 \$ 3,000,000 1974-80 \$ 4,000,000
	Sub-Total	<u>\$ 832,725,000</u>	
Canadian Dollars	3¼% Ten Year Bonds of 1955, due 1965 (Can\$14,596,000)	\$ 13,269,090	1958 Can\$ 96,000 1959-64 Can\$500,000
	3½% Fifteen Year Bonds of 1954, due 1969 (Can\$25,000,000)	22,727,273	1959-65 Can\$800,000 1966-68 Can\$900,000
	Sub-Total	<u>\$ 35,996,363</u>	
Netherlands Guilders	3½% Fifteen Year Bonds of 1954, due 1969 (f40,000,000)	\$ 10,526,316	1960-69 f4,000,000
	3½% Twenty Year Bonds of 1955, due 1975 (f40,000,000)	10,526,316	1961-74 f2,640,000 1975 f3,040,000
	Sub-Total	<u>\$ 21,052,632</u>	
Pounds Sterling	3½% Twenty Year Stock of 1951, due 1971 (£4,796,761)	\$ 13,430,931	1958-71 £166,700
	3½% Twenty Year Stock of 1954, due 1974 (£5,000,000)	14,000,000	1960-74 £166,700
	Sub-Total	<u>\$ 27,430,931</u>	
Swiss Francs	3¾% Swiss Franc Loan of 1957, due 1960-65 (Sw fr 200,000,000)	\$ 46,538,685	None
	3½% Ten Year Bonds of 1952, due 1962 (Sw fr 50,000,000)	11,634,673	None
	3½% Twelve Year Bonds of 1951, due 1963 (Sw fr 50,000,000)	11,634,671	None
	3½% Fifteen Year Bonds of 1953, due 1968 (Sw fr 50,000,000)	11,634,671	None
	3½% Fifteen Year Bonds of 1953 (Nov. Issue), due 1968 (Sw fr 50,000,000)	11,634,671	None
	3½% Eighteen Year Bonds of 1954, due 1972 (Sw fr 50,000,000)	11,634,671	None
	3½% Twenty Year Bonds of 1955, due 1976 (Sw fr 50,000,000)	11,634,671	1965-74 Sw fr 4,000,000 1975-76 Sw fr 5,000,000
	Sub-Total	<u>\$ 116,346,713</u>	
	Gross Total	<u>\$1,033,551,639⁴</u>	

¹ Each issue, except the 2% Serial Bonds of 1950 and the 3½% Two Year Bonds of 1956, is subject to redemption prior to maturity at the option of the Bank at the prices and upon the conditions stated in the respective bonds. The amounts shown as annual sinking fund requirements are the principal amounts of bonds to be purchased or redeemed to meet each year's requirement, except that in the cases of the 3½% Twenty Year Stock of 1951 and of 1954 the amount shown is the amount of funds to be provided annually for purchase or redemption. The amounts are shown after deduction of sinking fund requirements met as of the date of this statement.

The following table shows the aggregate principal amount of the maturities, sinking fund and redemption requirements each year for the five years following the date of this statement:

Period	Amount
July 1, 1957 to June 30, 1958	\$ 11,387,033
July 1, 1958 to June 30, 1959	95,778,578
July 1, 1959 to June 30, 1960	79,905,025
July 1, 1960 to June 30, 1961	31,424,417
July 1, 1961 to June 30, 1962	32,119,154
Total	\$250,614,207

² The Bank has entered into agreements to sell additional bonds of this issue in an aggregate principal amount of \$30,150,000 and delivery of these bonds will be made and payment therefor will be received by the Bank at various dates to and including October 1, 1959. Also in connection with this issue the Bank will, through 1966, as a purchase fund, use its best efforts to purchase these bonds in the open market or by acceptance of tenders at prices up to and including 100% of the principal amount plus accrued interest. The purchase fund will be at an annual rate of \$5,000,000 principal amount of bonds after all bonds, including those sold for delayed delivery, are issued and proportionately less before then. The purchase fund is cumulative on a month-to-month basis only within each calendar year.

³ The Bank has entered into agreements to sell additional bonds of this issue in an aggregate principal amount of \$13,661,000. Delivery of such bonds will be made and payment therefor will be received by the Bank at various dates to and including February 1, 1960.

⁴ On July 11, 1957, the Bank borrowed U.S.\$100 million at 4¼% per annum repayable \$40 million in 1958 and \$30 million each in 1959 and 1960.

Summary Statement of Loans

JUNE 30, 1957

EXPRESSED IN UNITED STATES CURRENCY—See Notes A, C and H of Notes to Financial Statements, Appendix G

Members in whose territories loans have been made ¹	Effective loans held by Bank			
	Disbursed portion	Undisbursed portion ²	Total ³	Loans not yet effective ⁴
Australia	\$ 226,200,420	\$ 57,840,552	\$ 284,040,972	\$ —
Austria	40,587,153	11,810,847	52,398,000	—
Belgium	74,934,677	—	74,934,677	4,800,000
Brazil	151,087,606	4,002,466	155,090,072	—
Burma	2,318,689	17,031,311	19,350,000	—
Ceylon	7,194,151	11,915,849	19,110,000	—
Chile	25,119,711	20,145,745	45,265,456	—
Colombia	62,534,073	29,683,927	92,218,000	—
Costa Rica	422,764	2,211,236	2,634,000	—
Denmark	35,751,000	—	35,751,000	—
Ecuador	3,789,034	9,513,966	13,303,000	—
El Salvador	18,330,197	4,021,803	22,352,000	—
Ethiopia	7,474,335	412,665	7,887,000	15,000,000
Finland	37,247,278	14,836,191	52,083,469	—
France	235,078,567	—	235,078,567	—
Guatemala	9,289,964	8,334,036	17,624,000	—
Haiti	44,137	2,142,863	2,187,000	—
Honduras	793,555	2,534,445	3,328,000	—
Iceland	5,552,800	—	5,552,800	—
India	87,188,796	81,239,810	168,428,606	29,800,000
Iran	21,000,000	49,000,000	70,000,000	—
Italy	71,098,653	75,461,347	146,560,000	9,063,000
Japan	45,998,893	21,021,914	67,020,807	—
Lebanon	261,689	26,738,311	27,000,000	—
Luxembourg	7,471,000	—	7,471,000	—
Mexico	115,072,081	7,672,415	122,744,496	—
Netherlands	64,871,485	10,000,000	74,871,485	—
Nicaragua	8,195,822	10,426,178	18,622,000	—
Norway	50,792,722	22,191,278	72,984,000	—
Pakistan	40,807,481	24,669,077	65,476,558	—
Panama	1,370,496	3,409,930	4,780,426	—
Paraguay	2,916,589	974,411	3,891,000	—
Peru	23,489,847	11,848,681	35,338,528	—
South Africa	82,426,438	11,565,386	93,991,824	—
Thailand	28,895,175	6,780,825	35,676,000	—
Turkey	52,701,073	6,403,927	59,105,000	—
United Kingdom	53,845,394	64,980,259	118,825,653	—
Uruguay	33,660,135	23,710,865	57,371,000	—
Yugoslavia	54,038,444	1,194,556	55,233,000	—
Totals	\$1,789,852,324	\$655,727,072	\$2,445,579,396	\$58,663,000
Less Exchange Adjustment			8,248,378	
			<u>\$2,437,331,018</u>	

¹ Loans are made (a) to the member or (b) to a political subdivision or a public or a private enterprise in the territories of the member with the member's guarantee.

² This does not include \$14,709,839 of effective loans which the Bank has agreed to sell. Of the undisbursed balance, the Bank has entered into irrevocable commitments to disburse \$8,982,155.

³ Original principal amount of loans signed . . . \$3,107,966,464

DEDUCT:

(a) Cancellations and refundings	\$ 82,832,449	
(b) Principal repayments to the Bank	190,716,487	
(c) Loans sold or agreed to be sold of which \$14,709,839 has not yet been disbursed	330,175,132	
(d) Loans not yet effective	58,663,000	662,387,068
		<u>\$2,445,579,396</u>

DEDUCT: Exchange adjustment 8,248,378
Effective loans held by Bank \$2,437,331,018

⁴ Agreements providing for these loans have been signed, but the loans do not become effective and disbursements thereunder do not start until the borrower and guarantor, if any, take certain action and furnish certain documents to the Bank. The Bank has agreed to sell \$2,882,000 of loans not yet effective and thus the total of both effective and non-effective loans sold or agreed to be sold is the equivalent of \$333,057,132.

Summary of Currencies Repayable on Effective Loans Held by Bank

Currency	Amount
Australian Pounds	\$ 2,340,339
Austrian Schillings	2,136,735
Belgian Francs	12,612,398
Canadian Dollars	89,729,990
Danish Kroner	3,715,991
Deutsche Marks	33,109,057
French Francs	32,880,929
Italian Lire	15,207,651
Japanese Yen	3,703,904
Mexican Pesos	5,340,809
Netherlands Guilders	36,411,696
Norwegian Kroner	1,066,289
Pounds Sterling	80,647,893
South African Pounds	6,303,926
Swedish Kronor	5,830,719
Swiss Francs	112,705,759
United States Dollars	1,344,326,431
Venezuelan Bolivares	1,728,761
Yugoslav Dinars	53,047
Disbursed portion of effective loans held by Bank	<u>\$1,789,852,324</u>
ADD: Undisbursed portion of effective loans held by Bank	655,727,072
	<u>\$2,445,579,396</u>
DEDUCT: Exchange adjustment	8,248,378
Effective loans held by Bank	<u>\$2,437,331,018</u>

Notes to Financial Statements

JUNE 30, 1957

NOTE A

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

(i) In the cases of 48 members, at the par values as specified in the "Schedule of Par Values", published by the International Monetary Fund; and

(ii) In the cases of the remaining 12 members (Afghanistan, Canada, China, France, Greece, Indonesia, Italy, Korea, Peru, Thailand, Uruguay and Viet-Nam), the par values of whose currencies are not so specified, at the rates used by such members in making payments of capital subscriptions to the Bank.

(iii) In the case of Swiss francs, a non-member currency, at the rate of 4.2975 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 of the several members, and the notes issued by them in substitution for any part of such currencies as permitted under the provisions of Article V, Section 12, 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.

Under Article II, Section 9, each member is required, if the par value of its currency is reduced or if the foreign exchange value of its currency depreciates to a significant extent in its territories, to maintain the value of the Bank's holdings of its 18% currency, including the principal amount of any notes substituted therefor, and the Bank is required, if the par value of a member's currency is increased, to return to the member the increase in the

value of such 18% currency held by the Bank. The equivalent of \$3,428,623 is due from 2 members in order to maintain the value of their currencies as required under Article II, Section 9.

NOTE C

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	\$437,277,515
Accrued Interest, Commitment and Service Charges	4,346,419
Accrued Loan Commissions	1,156,747
Total.	<u>\$442,780,681</u>

NOTE D

As at June 30, 1957 the Bank changed its method of accounting for bond issue costs. Previously these costs were charged to expense as incurred; under the new method they are charged to expense over the life of the respective bond issues and, accordingly, unamortized bond issue costs of \$11,230,524 were recorded in the accounts as of that date. Of this amount, \$8,221,446 represents an adjustment for costs incurred through June 30, 1956 and was added directly to the Supplemental Reserve, while the difference of \$3,009,078 represents an adjustment to expenses for the year ended June 30, 1957. The following table shows for each past fiscal year the Bank's income as previously reported and the Bank's income restated to give effect to the new method of accounting:

<i>Fiscal year</i>	<i>Income as previously reported</i>	<i>Income as restated</i>
1945-46	\$ (125,159)	\$ (125,159)
1946-47	(938,647)	(877,843)
1947-48	4,094,652	5,258,782
1948-49	10,610,247	10,531,437
1949-50	13,698,398	12,951,468
1950-51	15,156,947	16,111,566
1951-52	15,872,883	18,117,241
1952-53	18,485,411	20,566,228
1953-54	20,308,403	23,215,709
1954-55	24,679,487	24,882,286
1955-56	29,153,278	28,585,631
1956-57	32,928,531	35,937,609

Notes to Financial Statements (*continued*)

NOTE E

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.

<i>Period</i>	<i>Amount</i>
July 1, 1957 to June 30, 1958	\$ 1,284,000
July 1, 1958 to June 30, 1959	1,113,000
July 1, 1959 to June 30, 1960	1,000,000
July 1, 1960 to June 30, 1961	7,285,000
July 1, 1961 to June 30, 1962	4,715,000
Thereafter	7,195,000
Total	\$22,592,000

NOTE F

Pursuant to action of the Board of Governors and Executive Directors the net income of the Bank has been allocated to a Supplemental 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

In terms of United States dollars of the weight and fineness in effect on July 1, 1944.

GENERAL

As of June 30, 1957, the Board of Governors had approved the applications for membership from the following countries:

<i>Country</i>	<i>Subscription</i>	<i>Date to Accept</i>
Ghana	\$ 15 million	October 15, 1957
Ireland	\$ 30 million	December 31, 1957
Saudi Arabia	\$ 10 million	November 29, 1957
Sudan	\$ 10 million	September 30, 1957

NOTE G

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

In addition the Board of Governors had approved an application from Haiti for an increase of \$5.5 million in its share subscription. Haiti has until September 30, 1957 to complete necessary action.

NOTE H

The Bank has sold under its guarantee \$69,003,844 of loans of which amount \$46,411,844 has been retired. The following table sets forth the maturities of the guaranteed obligations outstanding:

Additional applications had also been received from Paraguay (subscription increase) and Libya, Malaya, Morocco and Tunisia but, at June 30, 1957, the amounts of shares had in each case not yet been determined.

Opinion of Independent Auditor

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

August 6, 1957

To
INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C.

In our opinion, the accompanying financial statements and related notes present fairly, in terms of United States currency, the financial position of International Bank for Reconstruction and Development at June 30, 1957, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change, which we approve, described in Note D. 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.

PRICE WATERHOUSE & CO.

FINANCIAL STATEMENTS COVERED BY THE FOREGOING OPINION

	<i>Appendix</i>
Balance Sheet	A
Comparative Statement of Income and Expenses	B
Statement of Currencies Held by the Bank	C
Statement of Subscriptions to Capital Stock and Voting Power	D
Funded Debt of the Bank	E
Summary Statement of Loans	F
Notes to Financial Statements	G

APPENDIX I

Administrative Budget

FOR THE FISCAL YEAR ENDING JUNE 30, 1958

There is outlined below the Administrative Budget for the fiscal year ending June 30, 1958, 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, 1956, and 1957.

	<i>Actual Expenses</i>		<i>Budget</i>	
	<i>1956</i>	<i>1957</i>	<i>1958</i>	
BOARD OF GOVERNORS	\$ 348,756	\$ 197,138	\$ 200,000	
EXECUTIVE DIRECTORS	387,476	599,356	480,000	
STAFF				
Personal Services	3,581,070	3,579,400	3,901,800	
Staff Benefits	392,760	410,972	460,500	
Travel	595,036	710,362	705,000	
Consultants	237,434	284,619	240,000	
Representation	49,405	66,347	63,000	5,370,300
	4,855,705	5,051,700		
OTHER ADMINISTRATIVE EXPENSES				
Fees & Compensation	126,062	70,628	76,000	
Supplies & Materials	59,899	68,231	68,000	
Rents & Maintenance	630,165	586,019	633,000	
Communications	184,712	186,341	186,000	
Furniture & Equipment	75,647	87,237	70,000	
Printing	85,457	75,029	65,500	
Books & Library Service	74,159	73,356	87,000	
Insurance	28,728	26,808	49,500	
Other	8,363	9,245	10,000	1,245,000
	1,273,192	1,182,894		
CONTINGENCY	—	—	100,000	
Total	\$6,865,129	\$7,031,088	\$7,395,300	
SERVICES TO MEMBER COUNTRIES				
General Survey Missions	131,449	43,331	200,000	
Resident Representatives	93,534	114,558	91,100	
Economic Development Institute	71,258	93,827	115,400	
Training Programs	11,502	42,943	50,500	
Indus Basin Discussions	196,918	157,969	45,000	
Other Advisory Services	66,255	83,633	53,500	
Total	570,916	536,261	555,500	
Grand Total	\$7,436,045	\$7,567,349	\$7,950,800	

Governors and Alternates

JUNE 30, 1957

<i>Member Government</i>	<i>Governor</i>	<i>Alternate</i>
Afghanistan	Abdul Malik	Abdul Karim Hakimi
Argentina	Eduardo Laurencena	Adolfo Vicchi
Australia	Sir Arthur Fadden	Sir Roland Wilson
Austria	Reinhard Kamitz	Wilhelm Teufenstein
Belgium	Henri Liebaert	Jean Van Nieuwenhuyse
Bolivia	Miguel Gisbert	Fernando Pou Munt
Brazil	Jose Maria Alkmim	Eurico de Aguiar Salles
Burma	Boh Khin Maung Gale	U Kyaw Nyun
Canada	Donald Methuen Fleming	A. F. W. Plumptre
Ceylon	Stanley de Zoysa	R. S. S. Gunewardene
Chile		Felipe Herrera
China	Peh-Yuan Hsu	Tse-kai Chang
Colombia	Carlos Mario Londono	Eduardo Arias Robledo
Costa Rica	Angel Coronas	Mario Fernandez
Cuba		Joaquin E. Meyer
Denmark	Svend Nielsen	Hakon Jespersen
Dominican Republic	Arturo Despradel	Oscar G. Ginebra Henriquez
Ecuador	Luis Ernesto Borja	Guillermo Perez-Chiriboga
Egypt	Ahmed Zaki Saad	Albert Mansour
El Salvador	Carlos J. Canessa	Luis Escalante-Arce
Ethiopia	Makonnen Habte Wold	George Peters Rea
Finland	Klaus Waris	Ralf Torngren
France	Minister of Finance	Pierre Mendes-France
Germany	Ludwig Erhard	Fritz Schaeffer
Greece	Demetrios Chelmis	Ioannis Paraskevopoulos
Guatemala	Edgar Alvarado Pinetta	Mario Asturias-Arevalo
Haiti	Andre Mangones	Silvere Pilie
Honduras	Jorge Bueso Arias	Guillermo Lopez Rodezno
Iceland	Petur Benediktsson	Vilhjalmur Thor
India	T. T. Krishnamachari	H. M. Patel
Indonesia	Jusuf Wibisono	Loekman Hakim
Iran	Ali Asghar Nasser	Djalaleddin Aghili
Iraq	Sayid Khalil Kenna	Mudhaffer Hussien Jamil
Israel	David Horowitz	Martin Rosenbluth
Italy	Donato Menichella	Giorgio Cigliana-Piazza
Japan	Hayato Ikeda	Masamichi Yamagiwa
Jordan	Hamad Farhan	Yacoub Iwais
Korea	Chin Hyung Kim	Byung Kyu Chun
Lebanon	Andre Tueni	Raja Himadeh
Luxembourg	Pierre Werner	Rene Franck
Mexico	Antonio Carrillo Flores	Jose Hernandez Delgado
Netherlands	H. J. Hofstra	A. M. de Jong
Nicaragua	Guillermo Sevilla-Sacasa	Enrique Delgado
Norway	Arne Skaug	Carsten Nielsen
Pakistan	Syed Amjad Ali	M. A. Mozaffar
Panama	Ricardo M. Arias Espinosa	Heraclio Barletta B.
Paraguay	Osvaldo Chaves	Federico Mandelburger
Peru	Fernando Berckemeyer	Emilio Foley
Philippines	Miguel Cuaderno Sr.	Eduardo Z. Romualdez
Sweden	N. G. Lange	A. Lundgren
Syria	Husni A. Sawwaf	Sadek Ayoubi
Thailand	Serm Vinichayakul	Puey Ungphakorn
Turkey	Hasan Polatkan	Sait Naci Ergin
Union of South Africa	Jozua Francois Naude	M. H. de Kock
United Kingdom	Peter Thorneycroft	Sir Leslie Rowan
United States	George M. Humphrey	C. Douglas Dillon
Uruguay	Nilo Berchesi	Roberto Ferber
Venezuela	Jose Joaquin Gonzalez-Gorron dona, Jr.	Alejandro J. Huizi-Aguiar
Viet-Nam	Tran Huu Phuong	Vu Quoc Thuc
Yugoslavia	Avdo Humo	Vojin Guzina

Executive Directors and Alternates and their Voting Power

JUNE 30, 1957

<i>Directors</i>	<i>Alternates</i>		<i>Total Votes</i>
APPOINTED		<i>Casting the Votes of</i>	
	John S. Hooker	United States	32,000
G. F. Thorold	David B. Pitblado	United Kingdom	13,250
Kan Lee		China	6,250
Rene Larre	Jean-Maxime Leveque	France	5,500
V. Narahari Rao	P. J. J. Pinto	India	4,250
ELECTED			
Thomas Basyn (Belgium)	Max Thurn (Austria)	Austria, Belgium, Korea, Luxembourg, Turkey	4,655
Soetikno Slamet (Indonesia)	Carlo Gragnani (Italy)	Afghanistan, Greece, Indonesia, Italy	4,250
Mohammad Shoaib (Pakistan)	Ali Akbar Khosropur (Iran)	Egypt, Ethiopia, Iran, Iraq, Jordan, Lebanon, Pakistan, Syria	4,099
P. Liefstinck (Netherlands)	J. Smole (Yugoslavia)	Israel, Netherlands, Yugoslavia	3,945
Takeshi Watanabe (Japan)	U Thet Tun (Burma)	Burma, Ceylon, Japan, Thailand	3,925
B. B. Callaghan (Australia)	B. E. Fleming (Australia)	Australia, Union of South Africa, Viet-Nam	3,875
Luis Machado (Cuba)	Jorge A. Montealegre (Nicaragua)	Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Venezuela	3,850
Sven Viig (Norway)	Bjorn Tryggvason (Iceland)	Denmark, Finland, Iceland, Norway, Sweden	3,820
Jorge Mejia-Palacio (Colombia)		Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Philippines	3,624
Otto Donner (Germany)	Karl-Heinz Drechsler (Germany)	Germany	3,550
Louis Rasminsky (Canada)	Alan B. Hockin (Canada)	Canada	3,500
Victor A. Pane (Paraguay)		Argentina, Bolivia, Chile, Paraguay, Uruguay	3,289

In addition to the Executive Directors and Alternates shown in the foregoing list, the following also served as Executive Director or Alternate after November 1, 1956, the effective date of the Sixth Regular Election:

<i>Executive Directors</i>	<i>End of Period of Service</i>
Andrew N. Overby (United States)	February 28, 1957
Viscount Harcourt (United Kingdom)	January 31, 1957
Maurice Perouse (France)	March 31, 1957
L. H. E. Bury (Australia)	February 19, 1957
<i>Alternate Executive Directors</i>	<i>End of Period of Service</i>
Andre van Campenhout (Belgium)	January 4, 1957
A. Tasic (Yugoslavia)	December 15, 1956
B. B. Callaghan (Australia)	March 8, 1957
Torfinn Oftedal (Norway)	February 14, 1957
J. H. Warren (Canada)	March 15, 1957

Principal Officers of the Bank

EUGENE R. BLACK.....*President*
W. A. B. ILIFF.....*Vice President*
J. BURKE KNAPP.....*Vice President*
DAVIDSON SOMMERS.....*Vice President
and General Counsel*

LEONARD B. RIST

Director, Economic Staff

RICHARD H. DEMUTH

Director, Technical Assistance and Liaison Staff

S. R. COPE

Director of Operations—Europe, Africa and Australasia

JOSEPH RUCINSKI

Director of Operations—South Asia and Middle East

ORVIS A. SCHMIDT

Director of Operations—Western Hemisphere

MARTIN M. ROSEN

Director of Operations—Far East

SIMON ALDEWERELD

Director of Technical Operations

GEORGE L. MARTIN

Director of Marketing

HENRY W. RILEY

Treasurer

M. M. MENDELS

Secretary

A. BROCHES

Director, Legal Department

WILLIAM F. HOWELL

Director of Administration

HAROLD N. GRAVES, JR.

Director of Information

MICHAEL L. HOFFMAN

Director, Economic Development Institute

Statement of Loans—June 30, 1957

Excluding Loans Fully Repaid, Refunded or Cancelled

EXPRESSED IN UNITED STATES DOLLARS

(For Summary Statement—See Appendix F)

Purpose, borrower and guarantor ¹	Fiscal year made	Maturities	Interest rate (including commission)	Original principal amount	Partial cancellations	Effective loans sold or agreed to be sold ³		Principal repayments to Bank	Effective loans held by Bank	
						Total sales	Portion matured ⁴			
AUSTRALIA										
Equipment for Development	1951	1955-1975	4¼%	\$ 100,000,000	\$ —	\$ 10,464,028	\$ 6,171,000	\$ 242,000	\$ 89,293,972	
Equipment for Development	1953	1957-1972	4¾%	50,000,000	—	5,946,000	1,060,000	1,000	44,053,000	
Equipment for Development	1954	1957-1969	4¾%	54,000,000	—	6,636,000	1,607,000	—	47,364,000	
Equipment for Development	1955	1958-1970	4¾%	54,500,000	—	10,400,000	—	—	44,100,000	
Airlines	1957	1964-1966	4¾%	9,230,000	—	—	—	—	9,230,000	
Equipment for Development	1957	1959-1972	4¾%	50,000,000	—	—	—	—	50,000,000	
TOTAL				317,730,000	—	33,446,028	8,838,000	243,000	284,040,972	
AUSTRIA (guarantor)										
Power— <i>Verbundgesellschaft, Draukraftwerke</i>	1955	1959-1979	4¾%	12,000,000	—	—	—	—	12,000,000	
Power— <i>Verbundgesellschaft, Draukraftwerke</i>	1957	1959-1976	5%	10,000,000	—	182,000	—	—	9,818,000	
Power— <i>Vorarlberger Illwerke</i>	1955	1960-1979	4¾%	10,000,000	—	153,000	—	—	9,847,000	
Power— <i>Verbundgesellschaft, Donaukraftwerke</i>	1957	1960-1981	5%	21,000,000	—	267,000	—	—	20,733,000	
TOTAL				53,000,000	—	602,000	—	—	52,398,000	
BELGIUM										
Industry & Power	1949	1953-1969	4¼%	16,000,000	—	16,000,000	4,500,000	—	—	
Belgian Congo Development	1952	1957-1976	4½%	30,000,000	—	8,696,000	750,000	—	21,304,000	
Water Transport	1955	1965-1969	4¾%	20,000,000	—	—	—	—	20,000,000	
BELGIUM (guarantor)										
Equipment for Development— <i>Belgian Congo</i>	1952	1957-1976	4½%	40,000,000	—	6,369,234	999,911	89	33,630,677	
Ports and Roads— <i>Ruanda-Urundi</i>	1957	1961-1977	5¾%	4,800,000 ²	—	Note ³	—	—	—	
TOTAL				110,800,000	—	31,065,234	6,249,911	89	74,934,677	
BRAZIL										
Railways	1952	1955-1967	4¾%	12,500,000	—	—	—	1,671,000	10,829,000	
Roads	1953	1954-1959	4¼%	3,000,000	—	—	—	1,800,000	1,200,000	
Railways	1954	1959-1969	4¾%	12,500,000	—	—	—	—	12,500,000	
BRAZIL (guarantor)										
Power & Communications— <i>Brazilian Traction</i>	1949	1953-1974	4½%	75,000,000	—	4,028,411	2,409,817	1,590,183	69,381,406	
Power— <i>Brazilian Traction</i>	1951	1955-1976	4¼%	15,000,000	—	—	—	400,000	14,600,000	
Power— <i>Brazilian Traction</i>	1954	1955-1974	4¾%	18,790,000	—	—	—	2,000,000	16,790,000	
Power— <i>Sao Francisco Hidro Elet. Co.</i>	1950	1954-1975	4¼%	15,000,000	—	—	—	1,463,334	13,536,666	
Power— <i>CEARG & CEMIG</i>	1954	1957-1973	5%	7,300,000	—	1,047,000	139,000	—	6,253,000	
Power— <i>Usinas Elétricas Paranapanema</i>	1954	1958-1974	5%	10,000,000	—	—	—	—	10,000,000	
TOTAL				169,090,000	—	5,075,411	2,548,817	8,924,517	155,090,072	

BURMA										
Railways	1956	1959-1971	4¾%	\$ 5,350,000	\$ —	\$ —	\$ —	\$ —	\$ 5,350,000	
BURMA (guarantor)										
Ports—Rangoon Port Commissioners	1956	1960-1976	4¾%	14,000,000	—	—	—	—	14,000,000	
TOTAL				19,350,000	—	—	—	—	19,350,000	
CEYLON										
Power	1955	1959-1979	4¾%	19,110,000	—	—	—	—	19,110,000	
CHILE (guarantor)										
Power—Fomento & Endesa	1948	1953-1968	4½%	13,500,000	—	256,000	—	2,822,000	10,422,000	
Power—Fomento & Endesa	1957	1960-1976	5%	15,000,000	—	298,000	—	—	14,702,000	
Agriculture—Fomento	1952	1955-1961	4⅞%	1,300,000	445,544	633,000	340,000	80,000	141,456	
Industry—Fomento & Papeles y Cartones	1954	1958-1970	5%	20,000,000	—	—	—	—	20,000,000	
TOTAL				49,800,000	445,544	1,187,000	340,000	2,902,000	45,265,456	
COLOMBIA										
Roads	1951	1954-1961	3⅞%	16,500,000	—	800,000	800,000	5,733,000	9,967,000	
Railways	1953	1957-1978	4¾%	25,000,000	—	—	—	—	25,000,000	
Roads	1954	1956-1963	4¾%	14,350,000	—	—	—	2,297,000	12,053,000	
Roads	1956	1959-1971	4¾%	16,500,000	—	—	—	—	16,500,000	
COLOMBIA (guarantor)										
Agriculture—Caja de Crédito	1955	1957-1961	4¼%	5,000,000	—	3,000,000	500,000	—	2,000,000	
Power—CHIDRAL	1951	1954-1970	4%	3,530,000	—	148,000	148,000	398,000	2,984,000	
Power—CHIDRAL	1955	1959-1975	4¾%	4,500,000	—	—	—	—	4,500,000	
Power—Caldas Hidro-Elec. Co.	1951	1952-1971	4%	2,600,000	—	194,000	194,000	311,000	2,095,000	
Power—Hidroeléctrica del Río Lebrija	1952	1954-1972	4½%	2,400,000	—	84,800	84,800	230,200	2,085,000	
Railways—Ferrocarriles Nacionales	1955	1958-1980	4¾%	15,900,000	—	866,000	—	—	15,034,000	
TOTAL				106,280,000	—	5,092,800	1,726,800	8,969,200	92,218,000	
COSTA RICA (guarantor)										
Agriculture & Industry—Banco Central	1957	1958-1963	4¾%	3,000,000	—	366,000	—	—	2,634,000	
DENMARK										
Reconstruction	1948	1953-1972	4¼%	40,000,000	—	3,650,000	2,257,000	599,000	35,751,000	
ECUADOR (guarantor)										
Roads—Com. Ejec. Vialidad (Guayas)	1954	1958-1964	4⅞%	8,500,000	—	—	—	—	8,500,000	
Power—Empresa Eléctrica Quito, S.A.	1956	1959-1976	4¾%	5,000,000	—	197,000	—	—	4,803,000	
TOTAL				13,500,000	—	197,000	—	—	13,303,000	
EL SALVADOR										
Road	1955	1959-1966	4½%	11,100,000	—	250,000	—	—	10,850,000	
EL SALVADOR (guarantor)										
Power—Comisión del Río Lempa	1950	1954-1975	4¼%	12,545,000	—	1,000,000	702,000	43,000	11,502,000	
TOTAL				23,645,000	—	1,250,000	702,000	43,000	22,352,000	

Statement of Loans—June 30, 1957 (continued)

Purpose, borrower and guarantor ¹	Fiscal year made	Maturities	Interest rate (including commission)	Original principal amount	Partial cancellations	Effective loans sold or agreed to be sold ³		Principal repayments to Bank	Effective loans held by Bank
						Total sales	Portion matured ⁴		
ETHIOPIA									
Roads	1951	1956-1971	4%	\$ 5,000,000	\$ —	\$ —	\$ —	\$ 361,000	\$ 4,639,000
Industry	1951	1956-1971	4%	2,000,000	—	—	—	144,000	1,856,000
Communications	1951	1956-1971	4%	1,500,000	—	—	—	108,000	1,392,000
Roads	1957	1961-1977	5½%	15,000,000 ²	—	Note ³	—	—	—
		TOTAL		23,500,000	—	—	—	613,000	7,887,000
FINLAND (guarantor)									
Power and Industry—Bank of Finland	1950	1953-1964	4%	12,500,000	—	1,559,010	1,559,010	2,939,990	8,001,000
Power, Industry & Agriculture—Bank of Finland	1952	1955-1970	4¾%	20,000,000	—	—	—	3,494,000	16,506,000
Industry—Bank of Finland	1953	1955-1970	4¾%	3,479,464	—	—	—	334,995	3,144,469
Power and Industry—Bank of Finland	1955	1958-1970	4¾%	12,000,000	—	2,288,000	—	—	9,712,000
Power—Mortgage Bank of Finland Oy	1956	1959-1976	4¾%	15,000,000	—	280,000	—	—	14,720,000
		TOTAL		62,979,464	—	4,127,010	1,559,010	6,768,985	52,083,469
FRANCE (guarantor)									
Reconstruction—Crédit National	1947	1952-1977	4¼%	250,000,000	—	30,342,000	15,050,000	38,000	219,620,000
Railways—Overseas Railways Administration	1954	1956-1966	4½%	7,500,000	408,433	909,000	609,000	—	6,182,567
Power—Électricité et Gaz d'Algérie	1956	1957-1975	4¾%	10,000,000	—	724,000	165,000	—	9,276,000
		TOTAL		267,500,000	408,433	31,975,000	15,824,000	38,000	235,078,567
GUATEMALA									
Roads	1956	1959-1970	4¾%	18,200,000	—	576,000	—	—	17,624,000
HAITI									
Roads	1956	1959-1967	4½%	2,600,000	—	413,000	—	—	2,187,000
HONDURAS									
Roads	1956	1957-1964	4½%	4,200,000	—	872,000	—	—	3,328,000
ICELAND									
Power	1951	1956-1973	4¾%	2,450,000	—	—	—	145,600	2,304,400
Agriculture	1952	1956-1973	4½%	1,008,000	—	—	—	39,200	968,800
Industry	1953	1954-1969	4¾%	854,000	—	—	—	126,000	728,000
ICELAND (guarantor)									
Agriculture—Iceland Bank of Development	1954	1958-1975	5%	1,350,000	—	—	—	—	1,350,000
Communications—Iceland Bank of Development	1954	1954-1966	4¾%	252,000	—	—	—	50,400	201,600
		TOTAL		5,914,000	—	—	—	361,200	5,552,800
INDIA									
Railways	1950	1950-1964	4%	34,000,000	1,200,000	12,436,536	7,288,489	6,218,358	14,145,106
Power	1950	1955-1970	4%	18,500,000	1,779,500	4,042,000	1,105,000	1,011,000	11,667,500
Multi-Business Project	1952	1956-1977	4½%	10,500,000	0,000,000	—	—	285,000	10,215,000

INDIA (guarantor)

Industry—Indian Iron & Steel Company	1953	1959–1967	4¾%	\$ 31,500,000	\$ 1,480,000	\$ 700,000	\$ —	\$ —	\$ 29,320,000
Industry—Indian Iron & Steel Company	1957	1960–1967	5%	20,000,000 ²	—	Note ³	—	—	—
Power—Tata Group of Power Companies	1955	1958–1974	4¾%	16,200,000	—	1,364,000	—	—	14,836,000
Power—Tata Group of Power Companies	1957	1960–1975	5¾%	9,800,000 ²	—	—	—	—	—
Industry—I.C.I.C.I.	1955	1960–1969	4¾%	10,000,000	—	—	—	—	10,000,000
Industry—The Tata Iron and Steel Co., Ltd.	1956	1959–1971	4¾%	75,000,000	—	2,355,000	—	—	72,645,000
Airlines—Air India International Corp.	1957	1965–1966	5½%	5,600,000	—	—	—	—	5,600,000
TOTAL				240,100,000	13,459,500	20,897,536	8,393,489	7,514,358	168,428,606

IRAN

Equipment for Development	1957	1959–1962	5%	75,000,000	—	5,000,000	—	—	70,000,000
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ITALY (guarantor)

Equipment for Development	1952	1956–1976	4½%	10,000,000	—	251,000	151,000	154,000	9,595,000
Equipment for Development	1954	1958–1978	5%	10,000,000	—	—	—	—	10,000,000
Power, Agriculture & Industry	1955	1958–1975	4¾%	70,000,000	1,600,000	6,000,000	—	—	62,400,000
Power, Agriculture & Industry	1957	1959–1976	5%	74,628,000 ²	—	1,000,000	—	—	64,565,000
TOTAL				164,628,000	1,600,000	7,251,000	151,000	154,000	146,560,000

JAPAN (guarantor)

Power—Japan Development Bank	1954	1957–1973	5%	21,500,000	—	3,244,288	409,000	—	18,255,712
Power—Japan Development Bank	1954	1957–1973	5%	11,200,000	510,000	1,578,294	213,000	—	9,111,706
Power—Japan Development Bank	1954	1957–1973	5%	7,500,000	1,043,611	1,071,000	143,000	—	5,385,389
Industry—Japan Development Bank	1956	1958–1970	4¾%	5,300,000	100,000	791,000	—	—	4,409,000
Industry—Japan Development Bank	1956	1958–1971	4¾%	8,100,000	213,000	1,076,000	—	—	6,811,000
Industry—Japan Development Bank	1957	1960–1971	5%	20,000,000	—	1,252,000	—	—	18,748,000
Agriculture—Land Development Corporation	1957	1959–1971	5%	4,300,000	—	—	—	—	4,300,000
TOTAL				77,900,000	1,866,611	9,012,582	765,000	—	67,020,807

LEBANON (guarantor)

Power & Agriculture—Litani River Authority	1956	1961–1980	4¾%	27,000,000	—	—	—	—	27,000,000
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LUXEMBOURG

Industry & Railroads	1948	1949–1972	4¼%	12,000,000	238,017	2,904,000	2,172,000	1,386,983	7,471,000
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MEXICO (guarantor)

Power—Financiera & Comisión	1949	1953–1973	4½%	24,100,000	—	3,968,300	1,570,300	2,227,700	17,904,000
Power—Financiera & Comisión	1952	1955–1977	4½%	29,700,000	—	2,868,000	590,000	706,000	26,126,000
Power—Mexlight	1950	1953–1975	4½%	26,000,000	—	2,307,000	1,017,000	2,031,000	21,662,000
Industry—Bank Consortium & Financiera	1951	1952–1957	3½%	10,000,000	9,472,112	—	—	499,392	28,496
Railway—Ferrocaril del Pacifico	1955	1959–1969	4¾%	61,000,000	—	3,976,000	—	—	57,024,000
TOTAL				150,800,000	9,472,112	13,119,300	3,177,300	5,464,092	122,744,496

NETHERLANDS

Reconstruction	1948	1954–1972	4¼%	191,044,212	—	25,845,000	10,602,000	103,307,212	61,892,000
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NETHERLANDS (guarantor)

Industry—Herstelbank	1950	1952–1964	4%	15,000,000	7,548,015	3,609,411	3,298,411	863,089	2,979,485
Industry—Herstelbank	1957	1959–1962	5¾%	15,000,000	—	5,000,000	—	—	10,000,000
TOTAL				221,044,212	7,548,015	34,454,411	13,900,411	104,170,301	74,871,485

Statement of Loans—June 30, 1957 (continued)

Purpose, borrower and guarantor ¹	Fiscal year made	Maturities	Interest rate (including commission)	Original principal amount	Partial cancellations	Effective loans sold or agreed to be sold ³		Principal repayments to Bank	Effective loans held by Bank	
						Total sales	Portion matured ⁴			
NICARAGUA										
Roads	1951	1954-1961	4½%	\$3,500,000	\$ —	\$ 29,000	\$ 29,000	\$1,213,000	\$ 2,258,000	
Agriculture	1952	1954-1962	4¾%	550,000	3,006	29,000	29,000	152,994	365,000	
Roads	1954	1957-1963	4¾%	3,500,000	—	—	—	214,000	3,286,000	
Power	1954	1955-1963	4¾%	450,000	—	—	—	106,000	344,000	
NICARAGUA (guarantor)										
Agriculture—Banco Nacional de Nicaragua	1951	1954-1958	4%	1,200,000	6,879	29,000	29,000	914,121	250,000	
Power—Emp. Nal. Luz y Fuerza	1956	1958-1975	4¾%	7,100,000	—	724,000	—	—	6,376,000	
Power—Emp. Nal. Luz y Fuerza	1957	1959-1971	4¾%	1,600,000	—	101,000	—	—	1,499,000	
Power—Instituto de Fomento Nacional	1956	1958-1975	4¾%	400,000	—	—	—	—	400,000	
Agriculture—Instituto de Fomento Nacional	1956	1957-1967	4¼%	1,500,000	—	735,000	—	—	765,000	
Ports—Autoridad Portuaria de Corinto	1956	1959-1976	4¾%	3,200,000	—	121,000	—	—	3,079,000	
TOTAL				23,000,000	9,885	1,768,000	87,000	2,600,115	18,622,000	
NORWAY										
Equipment for Development.	1954	1957-1974	4¾%	25,000,000	—	2,016,000	—	—	22,984,000	
Equipment for Development.	1955	1960-1975	4¾%	25,000,000	—	—	—	—	25,000,000	
Power	1956	1961-1976	4¾%	25,000,000	—	—	—	—	25,000,000	
TOTAL				75,000,000	—	2,016,000	—	—	72,984,000	
PAKISTAN										
Railways	1952	1954-1967	4¾%	27,200,000	—	935,600	735,600	4,191,400	22,073,000	
Agriculture	1952	1954-1959	4½%	3,250,000	—	997,000	997,000	802,000	1,451,000	
PAKISTAN (guarantor)										
Transport—Sui Gas Transmission Co.	1954	1956-1974	4¾%	14,000,000	—	1,806,000	487,200	—	12,194,000	
Power—Karachi Electric Supply Corp.	1955	1957-1970	4¾%	13,800,000	—	2,049,600	—	—	11,750,400	
Industry—Karnaphuli Paper Mills, Ltd.	1956	1956-1970	4¾%	4,200,000	—	775,000	209,000	—	3,425,000	
Ports—Trustees of the Port of Karachi	1956	1960-1980	4¾%	14,800,000	—	216,842	—	—	14,583,158	
TOTAL				77,250,000	—	6,780,042	2,428,800	4,993,400	65,476,558	
PANAMA										
Roads	1956	1959-1964	4¼%	5,900,000	—	1,700,000	—	—	4,200,000	
PANAMA (guarantor)										
Agriculture—Instituto de Fomento Económico	1954	1955-1960	4¾%	1,200,000	542,574	—	—	279,000	378,426	
Agriculture—Instituto de Fomento Económico	1954	1955-1961	4¾%	290,000	—	—	—	88,000	202,000	
TOTAL				7,390,000	542,574	1,700,000	—	367,000	4,780,426	
PARAGUAY										
Agriculture & Transport	1952	1954-1960	4¾%	5,000,000	—	100,000	100,000	1,009,000	3,891,000	

PERU									
Ports	1952	1954-1967	4½%	\$ 2,500,000	\$ 89,472	\$ 805,000	\$ 356,000	\$ 155,000	\$ 1,450,528
Agriculture	1953	1954-1959	4½%	1,300,000	—	439,250	319,250	353,750	507,000
Agriculture	1954	1956-1961	4¼%	1,700,000	—	392,000	192,000	89,000	1,219,000
Agriculture	1955	1959-1980	4¾%	18,000,000	—	496,000	—	—	17,504,000
Roads	1956	1958-1964	4¼%	5,000,000	—	683,000	—	—	4,317,000
PERU (guarantor)									
Agriculture— <i>Banco de Fomento Agropecuario</i>	1955	1957-1963	4¼%	5,000,000	—	748,000	—	—	4,252,000
Agriculture— <i>Banco de Fomento Agropecuario</i>	1957	1959-1965	5½%	5,000,000	—	1,101,000	—	—	3,899,000
Industry— <i>Cemento Pacasmayo</i>	1955	1958-1970	4¾%	2,500,000	—	310,000	—	—	2,190,000
TOTAL				41,000,000	89,472	4,974,250	867,250	597,750	35,338,528
SOUTH AFRICA									
Transport	1951	1956-1965	3¾%	20,000,000	—	1,867,000	1,867,000	1,133,000	17,000,000
Transport	1954	1955-1963	4¾%	30,000,000	—	14,850,020	6,568,000	492,000	14,657,980
Transport	1956	1958-1966	4½%	25,200,000	—	—	—	—	25,200,000
SOUTH AFRICA (guarantor)									
Power— <i>Electricity Supply Commission</i>	1951	1954-1970	4%	30,000,000	—	6,796,560	4,626,560	16,596	23,186,844
Power— <i>Electricity Supply Commission</i>	1954	1955-1963	4¾%	30,000,000	—	16,053,000	6,024,000	—	13,947,000
TOTAL				135,200,000	—	39,566,580	19,085,560	1,641,596	93,991,824
THAILAND									
Railways	1951	1954-1966	3¾%	3,000,000	—	189,000	189,000	516,000	2,295,000
Agriculture	1951	1956-1971	4%	18,000,000	—	796,000	—	1,300,000	15,904,000
Ports	1951	1954-1966	3¾%	4,400,000	—	275,000	275,000	759,000	3,366,000
THAILAND (guarantor)									
Railways— <i>State Railway of Thailand</i>	1956	1958-1970	4¾%	12,000,000	—	1,105,000	—	—	10,895,000
Ports— <i>Port Authority of Thailand</i>	1957	1958-1971	4¾%	3,400,000	—	184,000	—	—	3,216,000
TOTAL				40,800,000	—	2,549,000	464,000	2,575,000	35,676,000
TURKEY									
Agriculture	1951	1954-1968	3¾%	3,900,000	—	144,000	144,000	577,000	3,179,000
Ports	1951	1956-1975	4¼%	12,500,000	—	—	—	617,000	11,883,000
Ports	1954	1956-1975	4¾%	3,800,000	—	—	—	176,000	3,624,000
Multi-Purpose Project	1952	1957-1977	4¾%	25,200,000	2,356,000	—	—	—	22,844,000
TURKEY (guarantor)									
Industry— <i>Industrial Development Bank</i>	1951	1957-1965	3¾%	9,000,000	221,617	—	—	203,383	8,575,000
Industry— <i>Industrial Development Bank</i>	1954	1958-1968	4¾%	9,000,000	—	—	—	—	9,000,000
TOTAL				63,400,000	2,577,617	144,000	144,000	1,573,383	59,105,000
UNITED KINGDOM (guarantor)									
Power— <i>Southern Rhodesia</i>	1952	1956-1977	4¾%	28,000,000	—	5,567,000	1,257,000	76,000	22,357,000
Railways— <i>Northern Rhodesia</i>	1953	1956-1972	4¾%	14,000,000	—	3,004,347	873,000	—	10,995,653
Railways— <i>East Africa High Commission</i>	1955	1958-1974	4¾%	24,000,000	—	7,973,000	—	—	16,027,000
Power— <i>Federal Power Board, Rhodesia and Nyasaland</i>	1956	1963-1981	5%	80,000,000	—	10,554,000	—	—	69,446,000
TOTAL				146,000,000	—	27,098,347	2,130,000	76,000	118,825,653

Statement of Loans—June 30, 1957 (*continued*)

Purpose, borrower and guarantor ¹	Fiscal year made	Maturities	Interest rate (including commission)	Original principal amount	Partial cancellations	Effective loans sold or agreed to be sold ³		Principal repayments to Bank	Effective loans held by Bank	
						Total sales	Portion matured ⁴			
URUGUAY (guarantor)										
Power & Communications—U.T.E.	1951	1955–1974	4¼%	\$ 33,000,000	\$ —	\$ 2,150,000	\$ 300,000	\$ 3,825,000	\$ 27,025,000	
Power—U.T.E.	1956	1958–1975	4¾%	5,500,000	—	654,000	—	—	4,846,000	
Power—U.T.E.	1957	1961–1981	5%	25,500,000	—	—	—	—	25,500,000	
TOTAL				64,000,000	—	2,804,000	300,000	3,825,000	57,371,000	
YUGOSLAVIA										
Power, Agriculture, Industry & Transport	1952	1955–1976	4½%	28,000,000	—	—	—	1,982,000	26,018,000	
Power, Agriculture, Industry & Transport	1953	1956–1978	4⅞%	30,000,000	—	—	—	785,000	29,215,000	
TOTAL				58,000,000	—	—	—	2,767,000	55,233,000	
SUB TOTALS				\$3,014,710,676	\$ 38,257,780	\$302,033,531	\$ 94,211,348	\$170,176,969	\$2,445,579,396	
14 Loans Fully Repaid, Refunded or Cancelled				93,255,788	44,574,669	28,141,601	28,141,601	20,539,518	—	
GRAND TOTALS				\$3,107,966,464	\$ 82,832,449	\$330,175,132	\$122,352,949	\$190,716,487	\$2,445,579,396	
LESS EXCHANGE ADJUSTMENT									8,248,378	
									\$2,437,331,018	

NOTES:

¹ Loans made (a) to the member or (b) to a political subdivision or a public or private enterprise in the territories of the member with the member's guarantee.

² Agreements providing for these loans have been signed, but the loans do not become effective and disbursements thereunder do not start until the borrower and guarantor, if any, take certain action and furnish certain documents to the Bank. In the case of the loan to Cassa per il Mezzogiorno (Italy) made in fiscal year 1957, only \$9,063,000 has not yet been made effective.

³ The Bank has entered into agreements to sell the below listed portions of loans which are not yet effective:

Borrower (and guarantor)	Principal Amount Agreed to be Sold
Ethiopia, 1957	\$1,491,000
Indian Iron & Steel Co. (India), 1957	1,032,000
Ruanda-Urundi (Belgium), 1957	359,000
	\$2,882,000

The total of both effective and non-effective loans sold or agreed to be sold is the equivalent of \$333,057,132.

⁴ This includes amounts which, according to information available to the Bank, have been prepaid prior to maturity.

