

Italy. On March 20, 1952, a loan of \$7 million was made to KLM Royal Dutch Air Line, to help finance a programme to replace part of its air fleet. Chase National Bank of New York City was a participant in this loan, which is guaranteed by the Netherlands Government. On October 11, 1951, the Bank loaned Yugoslavia the equivalent of \$28 million for a series of development projects; most of the proceeds of the loan were to be used for the expansion and modernization of existing facilities or for projects close to completion.

In Latin America, Bank loans were placed in Brazil, Chile, Colombia, Mexico, Nicaragua, Paraguay and Peru. In January 1951, the Bank increased by \$15 million its loan of January 1949 to the Brazilian Traction, Light and Power Company Limited. This was the second instalment of a \$90 million loan which the Brazilian Congress, in 1948, authorized the Minister of Finance to guarantee. On October 10, 1951, the Bank made a loan of \$1.3 million to the Corporacion de Fomento de la Produccion, a government agency, with the guarantee of the Government of Chile. The loan was intended to finance the foreign exchange cost of equipment and technical services necessary to determine the amount of underground water in the Rio Elqui Valley. On April 10, 1951, the Government of Colombia received a loan of \$16.5 million for highway construction and rehabilitation. On November 13, 1951, the Bank made a loan of \$2.4 million for electric power development in Colombia; this loan, guaranteed by the Government of Colombia, was made to the Central Hidroelectrica de Rio Liberija Ltda. The project involves the erection of a hydroelectric plant, the construction of transmission lines, and enlargement of the existing distribution system. When completed, the project is expected to relieve an acute power shortage in Bucaramanga, one of the expanding cities of Colombia and centre of the tobacco processing industry. On January 11, 1952, the Bank made a loan of \$29.7 million for electrical power development in Mexico. The joint borrowers were the Federal Electricity Commission and Nacional Financiera, the financing agency of the Mexican Government. Two hydroelectric plants, four steam electric stations, and increased distribution facilities are among the projects to be financed by this loan, which is guaranteed by the Mexican Government. Three loans were made during the period in Nicaragua. In June 1951, a loan of \$3.5 million was made for highway construction; at the same time a loan of \$1.2 million was made to the Banco Nacional de Nicaragua to finance the importation of agricultural machinery. On October 29, 1951, the Bank made a loan of \$550,000 to Nicaragua for the construction of a plant for drying and storing grain. On December 7, 1951 a loan of \$5 million was made to Paraguay. This loan was to be used to finance imports of farm machinery and supplies, as well as road building equipment. A loan of \$2.5 million to finance facilities for handling general cargo and the unloading and storage of bulk grain at the Port of Callao was made to Peru on January 23, 1952.

Bank Borrowing

The resources available to the Bank for lending purposes have come from: (1) the 2 per cent capital subscriptions in United States dollars or gold which all members contribute; (2) the 18 per cent