Summary of Oral History Transcript

Crena de Jongh, Daniel

Interview conducted by Professor Robert W. Oliver, Brookings Institution, on 1961-08-01

In 1942, when the idea of both the Bank and Fund was examined in the Treasury in London, Crena de Jongh was there with the Netherlands Indies Government-in-exile. At that time, regular meetings with various governments in exile took place at the Treasury in London and the Dutch were members of that group. Hearing for the first time about the International Monetary Fund was in 1943, when a request from the American Treasury was received asking for a delegate to be sent to Washington, for discussions in addressing the financial difficulties sure to arise after the war. Crena de Jongh was sent and, according to him, there was little talk of the Bank then.

Lord Keynes was one of the permanent members of that group already very interested in setting up an international bank, at the same time still struggling with the idea of how it should be financed. This, however, was very much in the mind of the American Government. Crena de Jongh covers briefly the Bretton Woods Conference in 1944 limiting himself to discussing the International Bank-as the Bank was referred to--, its capitalization, borrowing ability, and bond issues.

Crena de Jongh discusses the Savannah Conference [March '46], Harry D. White the American Representative [then special advisor to U.S. Secretary of Treasury, Morgenthau], and the idea of the Fund in its present form as being his differing from that of Lord Keynes'. The controversial issue of executive directors, the difference in their functions within both the Bank and Fund in accordance with their organizational difference, and the ramifications of that. Crena de
Iongh mentions serving as Bank/Fund alternate executive director during most of Eugene Meyer's presidency (June'46-Nov'46), as Bank treasurer in December '46, and as Bank/Fund executive director at the end of his career [Jan'53-Sept'55]. The reasons behind the decision taken for the Bank president to be an American, the initial staffing and set-up of the Bank as the International Bank for Reconstruction and Development and, stresses the importance of reconstruction over development at that time.

Crena de Iongh addresses the importance of end-use supervision elaborating on the Bank's first loan to France, and the difficulties encountered at the beginning in setting up basic loan conditions which became later "The general loan rules." He discusses in detail Bank finances: portfolio sales, bonds, Bank guarantees, and the opening up of several new money markets outside the U.S. He elaborates on the advantages of end-use supervision and project approach, and the treasurer's role in enhancing these advantages. The question of loan discussions and the effect, or lack thereof, of same nationality staff handling them.

Crena de Iongh talks briefly of the period between the resignation of President Meyer in December '46 and the election of McCloy as second president in March'47 referred to as the 'interregnum'. The conditions under which McCloy accepted the presidency, the Black/McCloy management team, the agreement signed with the U.N. freeing the Bank from interference in its business. The coal loan to Poland and the disagreement of the U.S. Government, and the role of the secretary of the Bank and the Board's voting power.

Crena de Iongh talks of the policy of recruiting Bank staff, the difficulties in recruiting international staff, the drawbacks of nationality-based recruitment, and country representation. The administration department formed under McCloy, initially with a predominant American business culture, and the difficulties this presented in an international environment before it eventually
adapted. In this context, Crena de Iongh opines on Robert L. Garner's [Vice President to McCloy] overall role in setting up the internal administration of the Bank, namely the pension fund, home leave, spouse travel, and drawing up job descriptions and job evaluations.

He talks of the advantage of the trainee system and the Bank's evolving role from lender to becoming a center of studies on development, and the importance of the newer Economic Development Institute. Again on staffing matters, he discusses salary structure and promotion at the Bank. He mentions the advantages to discontinuing the practice of special assistants to the presidents after Eugene Meyer's departure, and the decision taken to adopt English as the official language at the Bank and its effects on negotiating loan agreements.

Crena de Iongh praises Eugene Black's persistent policies and various efforts in getting money for the Bank, cites the advantages of staff speaking the language of the country when on mission, and the Bank facilitating the teaching of foreign languages for that purpose. He concludes on a personal note with the following: "I am very, very pleased that at the end of my career I have had that long contact with an organization which really worked along principles I fully endorse, and that makes me thankful."