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A CONVERSATION WITH MUNIR BENJENK

WASHINGTON, D.C.

November 18, 1985

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CONVERSATIONS ABOUT GEORGE WOODS
AND THE WORLD BANK

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OLIVER: May we begin our conversation by my asking you to tell a bit about how you came to the Bank, your background, and some of the major positions you held in the Bank.

BENJENK: I was born and grew up in Istanbul, Turkey, where I lived until the age of 19. I was educated at an English school in Istanbul and then at Robert College, which was an American school in Istanbul, and then went to the University of London, England. I graduated from the London School of Economics.

OLIVER: I did graduate work there in 1954-55.

BENJENK: We missed each other by 6 years.

OLIVER: Marvelous place.

BENJENK: It is indeed. I was a student of Harold Laski, who was one of the great Labour party gurus of his period, and Lionel Robbins, who was a major economist in the post-war period, and even before.

I went on to do military service in the Turkish army. I was a Lieutenant during the Korean war and served in the Far East for a while, and then began my career proper. After my university years and before serving in the Army, I worked for two years for the British Broadcasting Corporation in England, but my real career began after

the military period. I moved to Paris and started a ten-year career with the OECD, as it is now called. It was then called the OEEC, Organization for European Economic Cooperation.

The ten years with OEEC took me away from Paris on at least two occasions. I served here in Washington as their representative, 1955-56, and then, subsequently, I served as the director of a technical assistance project on the island of Sardinia, southern Italy. We were teaching local farmers modern methods of agriculture, setting up cooperatives, and helping people to develop and market handicrafts. We were concentrating on adult education. We had quite a large international team there. At that time, the World Bank had a very large irrigation project. What we were doing was very small, and what they were doing was very ambitious, but the key to successful irrigation seemed to be to have the farmers use different techniques from what they were using before. We were doing teaching and educational work in an area close to the World Bank's irrigation project, so a number of senior officials from the World Bank came to the area where we were working. That is how I first got to know people from the World Bank.

OLIVER: May I interrupt to ask. Was your training somewhere along the way in agriculture as well as in economics and politics at LSE?

BENJENK: Not in the least bit. I didn't know a cow from a pig, but I had some very good advice. I was the manager of the project, and I had to deal with all sorts of matters from education to agriculture -- small industry, handicraft, mainly getting support from the

authorities in Rome and in Sardinia.

OLIVER: Was your project financed by the Italian government, OEEC or, . . . ?

BENJENK: It was a triangular operation. It was financed by the Italian government, by the OEEC, and by the autonomous government of Sardinia.

OLIVER: Before I interrupted you, you were saying that you had met some people from the World Bank who were involved in an irrigation project.

BENJENK: Yes. They came to visit on more than one occasion, and at one stage I met a gentleman who was the representative of the World Bank in Europe with an office in Paris. When I left Sardinia on promotion and went back to Paris to take a desk job at the OEEC in charge of technical cooperation in the less developed parts of Europe, he and I (his name was Johnny Miller) became friends. He began a campaign to induce me to join the World Bank, and, on one or two business trips to Washington, I did see people from the World Bank. To cut a long story short--it was a two-year process; in the end I did leave the OEEC in 1963. That is how I got into the World Bank.

OLIVER: When you got to the World Bank, what did you do?

BENJENK: Well, I was originally recruited as an executive responsible for monitoring the World Bank's technical assistance program. I was supposed to be an expert on technical assistance. It is in that guise that I came to the World Bank.

OLIVER: Which department was that? Was that Mr. Demuth's department?

BENJENK: Yes, it was Mr. Demuth's department. In fact it was Demuth who recruited me to the World Bank -- Mr. Demuth and Michael Hoffman

who was the co-director of that department. I came into a sort of middle-level senior position, not in the top ranks. I did that for about a year. This was a staff rather than a line position. Line technical assistance was handed by the people who were also doing the lending work of the Bank. They had both lending functions and technical assistance functions, but since technical assistance was something special and, in those days, had a separate budget as well, the department that I was with, which was called the Development Services Department, had a quality control and supervisory function. That is what I was called upon to do. That didn't last very long, because the head of the then Africa Department of the Bank was a Frenchman whom I had known in Paris.

OLIVER: Was that Leonard Rist?

BENJENK: No, it was Pierre Moussa.

OLIVER: Oh yes, of course.

BENJENK: . . . , who subsequently had a brilliant career in French banking and insurance, wanted to develop relations with a new member of the World Bank. That was Algeria which had just acquired independence. Algeria was a rather special kind of country for the World Bank in that you couldn't really function there except in French.

OLIVER: We are talking about 1960 or something like that.

BENJENK: We're talking about '64. So Moussa asked my department to release me to the Africa Department for a period of three or four months, during which I would be sent to Algeria to reconnoiter and find out what kind of business by the Bank was possible in Algeria.

They decided that political skills were perhaps more important than technical skills and wanted somebody who knew about the French-Algerian connection, could speak French, and could understand the motivation....

OLIVER: Had Algeria applied for membership?

BENJENK: Algeria applied for membership in 1963, and I went out there in early 1964. I was detached temporarily from one department to another.

The Algerian experience was absolutely fascinating. We found a modus vivendi. They began to trust us, and we began to do some business with them. It was difficult then and, I imagine, since, because their criteria are different from those of the bulk of the members of the Bank. In those days, the Bank was 100% private enterprise and Algeria was a socialist country, which was a bit of a paradox. Anyway, I went on this mission, and the Bank was rather pleased with this experience and decided to set up a resident mission in North Africa as a whole: Algeria, Tunisia, and Morocco. I was asked whether I would take that job, and this is when Mr. Woods begins to come into the story. Shall I go on?

OLIVER: Yes, by all means.

BENJENK: I had never met Mr. Woods. He came to the Bank in early '63, and I came three months later. Of course he was President of the Bank and very high up in the hierarchy. I was somewhere in the middle of the hierarchy. This decision to set up an office in North Africa, and my decision to accept the assignment, were communicated to the North African finance ministers who are the Governors of these countries for

the World Bank. They thought it was a very good idea, asked for my credentials, approved them, and I began packing. Nobody asked Mr. Woods whether he was in favor of this or not. This was probably due to the fact that Mr. Black would not have been consulted. He did not go into details when he was President of the Bank. Mr. Black concentrated on major policy and not on middle-level policy.

OLIVER: Who in the Bank had the idea of setting up an office in North Africa?

BENJENK: Mr. Moussa got it approved by the two vice presidents. We only had two in those days—Burke Knapp and Jeffrey Wilson. The two of them said, O.K.

OLIVER: Had they talked about where in North Africa an office might be located?

BENJENK: No. They wanted to avoid that at first. It could have been Tunis.

OLIVER: Was the fact that you were a Turkish national of some help in persuading them?

BENJENK: I think so. Of course the Algerians had seen me. They were the most difficult and they approved. I had been on one short assignment to Morocco, and Morocco and Tunisia approved. I think the choice would have fallen on Tunis, but it never happened. I was fully packed, and somebody put the paper before Mr. Woods for his signature. Mr. Woods said, "An office in North Africa? Absolute nonsense. Why should we have an office in North Africa? We hardly have any business there. Let's start doing business first before we

think of an office. And who is Mr. Benjenk? Nobody has ever heard of Mr. Benjenk. No. No office in North Africa."

OLIVER: He was conveying this to Mr. Knapp and Mr. Wilson?

BENJENK: Yes. It was conveyed to me that Mr. Woods was peeved because he hadn't been consulted but would change his mind. Well, he didn't change his mind. They tried again. At one time Mr. Moussa presented an argument to him which was probably the worse possible argument he could present, but it changed my life. He said to Mr. Woods, "You know, this is an ideal job for Mr. Benjenk. He isn't doing anything useful where he is now, and he'd be so good at it." Well one day. . .

OLIVER: How did you find out about it afterwards? Did Mr. Moussa tell you?

BENJENK: Well, I'll tell you. One day I was summoned into the office of Mr. Woods. I had never seen him before, and it is with some trepidation that one meets the supreme boss. I went in there. He said, "Sit down." I shall never forget his first words. He said, "Someone has had the damn fool idea of sending you to North Africa." I sort of gulped. He said, "It doesn't make any sort of sense at all. The only reason they can give me for this is that you are a good man and you're not doing anything useful at the moment. You should know that."

He said, "I was curious and asked for your file. I have seen your file and it is a good file. You have done very well at the OECD, and what you ought to do in this place is not work where you are working now; you ought to learn about the business of the Bank,

learn the trade. You must become a banker. You've got to start lending money. Forget about this technical assistance business. You've done all that. You have to do something else."

"What you should do is to take up a division in the Operations Department. You don't know anything about that, but you will learn. We'll give you some assistance. That is what you ought to do.

I said, "Yes." And he said, "Well, is there any geographical area which is of interest to you?" And now we come to Mr. Woods as he operated. I said, "Yes, well, North Africa." We were talking about North Africa, and I knew something about it, and it would be of great interest to me."

He took a black book. He looked, "Well, there is somebody doing that job now, but we can move him." So I said, "Thank you very much." "Well, you will be doing North Africa." Away I went. That must have been in October 1964. I went back to my boss, Mr. Demuth, and I went back to Mr. Moussa and told them about the conversation. They said, "Very good, very good, very interesting."

OLIVER: I should have thought they might have been ever so slightly annoyed at this.

BENJENK: Well, if they were, I don't think they would have voiced it. The World Bank, for a long time after that, was really a one-man show. No one argued publicly about the decisions of the President.

OLIVER: Of course not. But Mr. Demuth had been with the Bank for a long time. Under Mr. Black he must have had the opportunity to make

most of the decisions affecting his department.

BENJENK: Yes, but he was embarrassed himself, because he had replaced me in the meantime, knowing that I was going to go away.

Therefore, in one sense, I was being taken off his hands, which he would welcome. He wanted me to work for him, but, of course, there was somebody doing that job.

OLIVER: May I interrupt again. Mr. Moussa left the bank not too long after this.

BENJENK: That is part of the story. I expected from one day to the next to be called by the administration people saying, "As of day X you will move from where you are to the Africa Department and then take over this division. Nothing happened. Days passed. Weeks passed. I went to the Director of Administration and said, "Look, this was what I was told," and he said, "Well, Mr. Woods will let us know." About two months elapsed. I spent my days reading the newspaper. An iron curtain had descended upon this conversation. I even asked for a temporary job, because I didn't like just reading the newspaper. "Yes, go to Europe" I was told, "and recruit some people for our new Young Professionals Program."

When I came back in the new year, the beginning of January, two and a half months had elapsed. On my first day back, I met Mr. Woods in the elevator, and he said to me, "How do you like working on North Africa." I looked at him and said, "I'm not working on North Africa. I am doing absolutely nothing." He said "How come?" as he went white in the face. "Obviously the instructions

hadn't percolated downwards," I said. "All right," said he. I wasn't used then, but I got used later to seeing him when he was angry — the look in his face when he wanted to swear.

I went back to my office expecting another two months of unemployment, but this time it didn't happen. Within an hour, everything started moving and shaking. I was called by the new Director of the Africa Department. In the meantime, Mr. Moussa had left. While I was in Europe for a month recruiting people, he resigned and left. The new Director said, "Yes, I know about this, but we were not quite sure. Of course you will come; by the end of the month you will be here." So in the end I got that job — against the wishes of the establishment, but I got it. That's how I started my real career in the World Bank.

OLIVER: Was Mr. Lejeune at this time Director of Administration, or was that later?

BENJENK: Yes, he was Director of Administration, that's right. And the deputy was Mr. Goodman.

OLIVER: That is a marvelous story. What do you make of it all? There are so many questions. Was it a common practice for Mr. Woods to involve himself with personnel matters, or was this relatively unusual do you suppose?

BENJENK: I think it was unusual. This may sound conceited, but future years proved that it was not conceit. I think he liked me, and I liked him. Let me tell you my prejudices: I am an unabashed Woods' fan and was to the end of his days. Even after he left, I kept seeing

him on occasions, and we always had a good time together.

What conclusions do I draw from this event? I can't substantiate them, but I think they are true. I think this event confirmed in his mind a suspicion he had when he came: if he wanted things done, he had to push them through; he had to follow up his instructions. In a sense, that was one of the difficulties of the Woods' years: this and perhaps similar events made him feel that a number of people close to him could not be trusted, could not be trusted in the sense that they wouldn't do what he wanted.

I think he was wrong there. The events that upset him were the exceptions rather than the rule, but it made him take a tougher line towards his immediate deputies than would otherwise have been the case. He did, I think, from then on. Maybe I am overstating this particular example, but his way of running the Bank then became more and more one of testing particular individuals on whom he would rely for advice.

Occasionally, it had very embarrassing aspects, even to those who enjoyed his favor, like myself. We took trips together, one to Morocco which I remember very distinctly, and he came to the conclusion that I was the man in the Bank who knew the most about Morocco and whom the Moroccans trusted. We developed a rather embarrassing procedure whereby anything that came from Morocco to the President's office would be sent, not to the head of the Africa Department or the deputy head, but to me directly with a memo saying, "Prepare an answer." It took a lot of diplomacy and tact for me to

reconcile the Director of the Department, who was a marvelous man, to this procedure. I mean he would play it that way, but I wouldn't. I would go to the Director and say, "Look I received this from Mr. Woods; this is the way I intend to answer it." The man was really very gentlemanly, and he would say, "Well, I trust you."

OLIVER: Would you care to tell who he was?

BENJENK: Yes, he was an Egyptian, Mr. El Emery. He was Director of the Africa Department for some time. And then the African Department got split and he became Director of one of the components of the Africa Department. His deputy, John Williams, took this much less kindly; I had some trouble with him, although. . . .

OLIVER: I'm not totally clear about the organization of the Bank at that moment in history. Pierre Moussa was a Vice President?

BENJENK: He was a Director. There were only two Vice Presidents, Mr. Knapp and Sir Jeffrey Wilson. Then Mr. Woods created something called the President's Council and had six or seven people around him, but there were still only two Vice Presidents. Until the 1972 reorganization which Mr. McNamara did, there were very few Vice Presidents. I think there were only two. Maybe later there was a third for financing. After 1972, there were twelve Vice Presidents. Everybody else was a Department Director, and Moussa was out of the picture by then.

OLIVER: All right, but when Moussa was in the picture, he was Director of the Department that covered the whole of Africa as a continent?

BENJENK: That's correct. His successor also did at the beginning.

OLIVER: Can you say anything about the reasons why Mr. Moussa did leave?

BENJENK: No. I can't say anything. You would have to ask him.

OLIVER: Surely.

BENJENK: He went into a rather prestigious semi-private job as head of a major French insurance company and then into banking and became the head of Paris Paribas, a big bank.

OLIVER: When was it that Africa was changed so there was a Middle East and North Africa Department?

BENJENK: Well, that happened in 1967. I joined the Africa Department in early 1965. I had two years as the head of the North Africa Division, which was one of the five divisions in the Africa Department. That Department had a Director and a Deputy.

OLIVER: And five divisions within it.

BENJENK: Yes, that's right.

OLIVER: What were the other four besides North Africa, do you happen to recall?

BENJENK: I don't recall -- they were mostly Africa south of the Sahara. Mine was Arab -- North Africa. So I can't. . . .

OLIVER: Well, I interrupted you when you were talking about Mr. Woods' way of acting. You were saying that he came to trust a few people. Can you name the people he did have confidence in?

BENJENK: I think he trusted Mr. El Emery. He had great affection for him. I think he trusted Mr. Alderwereld, who was head of the Projects Department. I think he had quite a few frictions with Mr. Knapp, as

Mr. Knapp will no doubt tell you if you interview him.

OLIVER: I shall. What do you personally think was the reason for this hiatus of two months after he had said you would be division chief in the Africa Department and before it really happened?

BENJENK: I don't know. I have always assumed that there was a considerable amount of resistance to this move. Looking at it impartially, it was obviously a bit rough on the man who had that job and was doing a good job, as far as one could tell, to be told to move out into another job—at the same level but perhaps of lesser interest—to make place for a newcomer. Many people, I'm sure, tried to explain this to Mr. Woods, or tried to slow it down, and tried to make the point that the Director of the Africa Department was himself moving out of the Bank and that the new man should not be bound by this decision and should have a chance to meet me. He would have a million things to do, and he wouldn't concentrate on a minor appointment of this kind. I think the matter just fell between two stools. There was also the initial hostility of what I call the establishment.

OLIVER: What do you think of Woods' view that it was not the proper time to establish a separate office in North Africa itself?

BENJENK: I think it was absolutely right. North Africa is not a unit; it is three different countries, each with its separate problems. Locating the office would have been a problem. To do a good job, the representative would have had to travel continuously in the three countries. In those days, of course, the Bank was much more

centralized than nowadays, and I don't think a man ranging over three countries would have had sufficient latitude to make a difference in the relationship. Most decisions were still made in Washington and as a result of missions operating out of Washington visiting member countries. So I think his instinct was right.

OLIVER: I'm not familiar with the recent history of the Bank. Is it common practice now for there to be on-the-spot missions in many, many places in the world that are able to make many decisions free from Washington supervision, so to speak?

BENJENK: Much more now than before. Not in any way that could be called autonomous, but the people in the field have a great deal more to say about what goes into policy than they had before. There are some missions in the field—Indonesia comes to mind—where, if I may caricature, the head of the mission was almost a viceroy. He would negotiate with the government in the field, and his decisions would very rarely be countermanded by Washington. So there has been a change in development.

OLIVER: Well, let's come back to your own career now. We have you up to '65.

BENJENK: The two years between '65 and '67 brought a number of contacts with Mr. Woods. I, of course, continued to be the chief of the North Africa Division. I travelled a lot. It was a very exciting period. I like these countries, and Mr. Woods more and more considered me to be an expert in this area.

His method of making decisions on controversial points was

a very interesting one, and I was a witness during that period. He would often call in two or three people who he believed had opposite views. He would listen to the opposing views and then make a decision somewhere in the middle or somewhere inclined to one side or the other. He liked to hear opposing views; and like diplomacy, or the military, the World Bank had its Hawks and its Doves. The Hawks wanted to get the governments to agree to all sorts of conditions before making loans. The Doves would say, "Well, you can't really ask that of a sovereign government. You really have to soften your conditions." Obviously a government wanted no conditions at all to its loan. There was and is, I think, a constant debate in the Bank—in those days there certainly was a debate—between those who wanted the ideal conditions, unobtainable, and those who might cut corners just for the purpose of getting the loan done. The truth was usually somewhere in between.

One of the characteristics of Mr. Woods, and this is one of the major changes he caused, was that he took government protestations very seriously. If a Minister wrote to him and said, "Look, the Bank is asking us for impossible things; please intervene," he would look into it. If we were pushing a country too hard, he would say, "Hey, wait a minute: does that make sense?"

This technique of having opposing views brought before him allowed him to tone down some of the more exacting conditions which Bank staff wanted to impose on countries. It so happens that my natural instincts went to the dovish side. He would have somebody in, and

then he would have me in, and I would say, "Well, look, you can't ask the government to do that, it would be overthrown." He liked doing it this way, and in the end he would say "Let's do it Benjenk's way," or somewhere in between.

At the end of those two years, he decided to create a new department: Middle East and North Africa, and he appointed Mike Lejeune the head of that. He called me in the morning, I think it was probably May, 1967, and he said, "I have decided that you are going to be the Deputy Director of this new department. You have done very well in your job -- so congratulations."

The afternoon of the same day, we had to deal with a rather arrogant and unpleasant letter which had come from the finance minister of a country. An answer had to be given to it, so I was called in with another one of my colleagues, and he was asked, "How should we answer this letter?" He replied, "It is full of fire and brimstone, and should really be answered in a very strong way. This is no way of dealing with the World Bank, and he hasn't kept his promises." Woods said, "All right, thank you very much," and my colleague left.

I was in the room and Woods asked me what I thought. It so happened that I thought exactly the same way. I thought this was a completely unconscionable letter and approach and that we should read the riot act. Woods looked at me and said, "You know, this morning, I appointed you director of the new department." And I said, "Yes." And he said, "Do you want to keep that job?" I said, "yes." And he said,

"You have to remember one thing, . . ." I shall never forget his words, because I've used them to my younger colleagues, subsequently. He said, "We are not in the business of winning arguments with our member countries." He said, "We'll write a letter, make it reasonably firm but don't get into bandying words."

OLIVER: I understand. I've asked you off the tape about a certain story of the Bank's operations with Morocco. Perhaps you would comment on it as you see fit.

BENJENK: Well, I think there was an occasion when the Bank came to the conclusion that Morocco had violated a clause in a loan agreement. All of us, and I think this included Mr. Knapp, who was then the one Senior Vice President in the Bank (he didn't have that title, but he was obviously the Number Two man in the Bank and Chairman of the Loan Committee) and the Director of the Department, Mr. Lejeune, and all the Projects people had come to the conclusion that this was a clear violation of the Loan Agreement and that something should be done. The decision was taken to inform the government that we would suspend the loan.

The controversy which you mentioned to me occurred, if I remember it correctly, on a point of procedure, and I think you would be well advised to ask Mr. Knapp about that, because he was directly involved, and I only heard about it subsequently. The point of procedure which Woods raised on his return was that it is the President of the Bank who, under the Articles of Agreement of the Bank, presents loans to the Board and gets them approved. He is the

only one who can present a loan to the Board, or it is done in his name. He is reported to have taken a position that he alone can suspend a loan, and that the Loan Committee and its chairman would be advisory to him in making such a decision. Those I think were the grounds of his objection, not the issue of whether the loan should or should not have been suspended. I think the exact events as they happened you would learn from Mr Knapp.

OLIVER: I understand. Well, are there other illustrations of what we are talking about that come to mind, or simply other events that took place after '65 that we haven't talked about yet.

BENJENK: I think that to understand the Woods' period, you have to understand the man. His instincts were right 95 percent of the time. He was an instinctive man; he was a guts man. He would feel things that other people wouldn't feel. Therefore, he would not hesitate to overrule anybody, junior or senior, if he felt instinctively that something was wrong.

He also thought that the hierarchy of the Bank at various levels sometimes tended to be too arrogant and too supercilious in their treatment of the membership. I think he felt that (perhaps I am doing him an injustice) if anybody had to be brutal or rude with member countries, it should be the President. He was the only senior person who should do that. He frequently intervened to tell people, "Look, wait a minute, that is not the way to deal with our member countries."

He became more and more personal in his administration of the

Bank. He started to think about people as being good people and not good people, as people he would trust, and people he would not trust. Once he had decided that somebody did not have the right attitude in his approach to member countries or to a member country, it was very difficult to change his mind about that. A number of people in the Bank will tell you that subsequent careers suffered from that.

OLIVER: It was not so much a matter of personalities as it was a matter of Woods' conviction about relations with governments that were members of the Bank?

BENJENK: Yes. But whenever you talk about Mr. Woods, it is difficult to distinguish between personality and policy.

OLIVER: He did want people to respect his judgment and opinion, and he did go further than Mr. Black in delving down into the minutiae of the operations of the Bank?

BENJENK: Yes. Yes he did. And whenever he came to the conclusion that somebody wasn't on the same wave length (a) with him, and (b) with a country concerned, he would move them, sometimes quite ruthlessly.

OLIVER: Did Mr. McNamara have a similar way of looking at the Bank? Or did he delegate more and then stay out of it?

BENJENK: Mr. McNamara was much more systematic than Mr. Woods. His instincts were not as good as those of Mr. Woods, and he didn't trust his instincts as much. He created a system, and the system made it almost inevitable that Mr. McNamara, who had a tremendous capacity for work and for reading, would know all the important things that were going on in the Bank at every level. Mr. McNamara would not hesitate

to call someone down the line to get information, but he respected the hierarchical line much more than Woods did.

OLIVER: In the assessment that Woods made of the relations with a country and his interest in not unduly embarrassing a given government, did that same procedure carry over in his relations with Executive Directors who were physically present in Washington?

BENJENK: Not entirely. He could be quite rough on Executive Directors sometimes. There is a distinction with McNamara too. Mr. McNamara was a colder man than Woods. Woods was a very warm personality. Mr. McNamara very rarely showed his temper. I mean he was a very courteous man, and he showed that to the Executive Directors. He never lacked in courtesy. He could be quite precise and argue them out of a point because his intellect was what it was, but it was always done with courtesy, sometime frigid courtesy, but courtesy.

Woods had a warm personality, but he could get very angry, and when he did he showed it. He didn't suffer fools gladly, and if somebody had made a foolish comment, which government officials from time to time do make--most Board members are government officials, he would just tell them, practically in so many words, that they were talking nonsense. That didn't go down very well.

OLIVER: In other words, he was not always diplomatic in his choice of words.

BENJENK: That's right.

OLIVER: But if he seemed angry, did this carry over indefinitely, or was he a person who was temporarily angry

BENJENK: I think he did keep grudges occasionally. He was a real human being. His laughter, his jokes, his friendliness, and his anger were part of him. He didn't hide his emotions as often as perhaps he might have done.

He saw gaps in the organization of the Bank. He saw, for example, that lending for agriculture was negligible, that we hadn't gone into the educational field, and he made those changes. He launched us into the area of tourism, which, I think, was right-- again, against the wishes of the establishment who didn't want tourism, but he did. Of course they got rid of tourism 10 years later, but That was one of the major changes he made. I think, as I said before, he caused people to be more tactful in their relations with governments.

OLIVER: What were his personal relationships with the governments of North Africa?

BENJENK: With Morocco excellent, with Tunisia fair, with Algeria bad. I shall never forget a meeting with the Algerian delegation headed by a particularly abrasive gentleman when I was interpreting from the French to the English, and vice versa. The visiting delegate complaining to Mr. Woods was a minister of government saying, "Our relationship with the World Bank is not productive. You are not doing anything for Algeria, and the reason that you are not doing anything is because we are a socialist country, and you're prejudiced. Woods said, "What makes you think that? Can you substantiate that? I don't believe we have any prejudices. We apply the same rules for all

people." The Minister said, "Well, yes, you've done this, and you've done that," and then, for a few minutes, we got into substantive conversations. Mr. Woods told him there are certain things we cannot do, and the Minister interjected, "Of course you can't, because you are prejudiced against socialist countries." Woods looked at his watch and said, "Mr. Minister, you are repeating yourself," at which point I saw the Ambassador go white. The permanent Secretary of the Treasury had not understood. He did not speak English. So I thought, for a second, I am not going to translate it that way. Instead of saying, "You are repeating yourself," I said, "Mr. Minister, this is very similar to what you said a little earlier." Well, the conference didn't last much longer; it was a complete flop. It broke up, and I remember the Ambassador came to me and said, "If you hadn't translated it that way, we would have walked out of the room."

OLIVER: I take it that he understood English perfectly well.

BENJENK: That's why he went white.

OLIVER: Did Woods improve in this regard or was his choice of words sometimes undiplomatic during the entire five years?

BENJENK: It was sometimes undiplomatic. He addressed a meeting of forty-five African Finance Ministers during an Annual Meeting. The people were very keen on their dignity and status and protocol. This was the first meeting with African Ministers at which they could voice their views and complaints. They wanted to hear what they wanted to hear. After the complaint session, it was Woods' turn to answer. Instead of referring to them as "Their Excellencies" and so forth, he

said, "I've listened to what you guys have had to say. Now you listen to me." You can imagine the faces falling. What he said to them made a lot of sense, but they had forgotten that men could be "you guys." There was a lot of that, but notwithstanding, his presence made a very real difference to the Bank.

OLIVER: Largely, because his instincts were correct. When he did make a decision, it was more likely than not to be a correct decision.

BENJENK: I thought so then, and I think so now.

OLIVER: Yes. Would you finish your own career. You stayed with EMENA?

BENJENK: Yes, I was Deputy Director of MENA first, because it didn't have an E. A year later the remnants of the European Department joined Middle East and North Africa, so it became EMENA. That brought a great enlargement, because some major borrowers of the Bank were in Europe: Turkey, Yugoslavia, Spain and Portugal, all these borrowing countries, and Ireland, Iceland, Finland. This doubled the scope of the existing department. By 1970, Mr. El Emery had become the Director of the East Africa Department. The Africa Department had been split, first by removing North Africa and then into two parts—East Africa and West Africa. Mr. LeJeune was asked to take East Africa, and I moved up as a Director of EMENA. McNamara had by then arrived, and two years, two and one half years later, in '72, there was a reorganization in the Bank, and the geographic departments went from seven to five. That was a minor part of the reorganization. The major part was that all the technical departments were merged into the geographic departments, with a few exceptions. Each of the geographic

areas became in a sense self-sufficient technically--again with some exceptions.

The people who were chosen to head these merged departments became vice presidents, regional vice presidents they were called. I was one of the five people chosen to become a regional vice president. So I did that from 1972 - 1980, with an absence of eleven months when I took a sabbatical year in late '75. I went to Oxford. I resumed my duties as head of EMENA in '76 and stayed until '80. In '80, my colleague who was Vice President for External Relations rehired, and I was asked to replace him. I did that. I decided that was a good move, because that Vice Presidency reported directly to the President.

The '72 reorganization institutionalized what in fact had existed. The Chairman of the Loan Committee got the title of Senior Vice President; we only had one in the new organization. The five regional vice presidents (subsequently, they became six) reported to the President through the Senior Vice President, although the President always insisted on having a direct line to them as well. There were a number of vice presidents, including the Vice President of External Relations, who reported directly to the President.

I thought, well, my last years with the Bank should be in a direct supporting capacity to the President, and the change happened in McNamara's last year. It was a very interesting period that followed. Mr. Clausen came and decided to set up a Managing Committee for the Bank. He chose as members of his committee the seven vice presidents who reported directly to him. This included the two Senior Vice

Presidents, the General Counsel, the Vice President for Administration, the Secretary, the Vice President for Economic Research and myself. So that happened in '81. When I reached my '60th birthday last year, I decided to retire. There was a very favorable program for early retirement for senior officials at the Bank, and I didn't want to work full time any more, so that's what I did.

OLIVER: It was a very sensible decision. When was the title External Relations chosen?

BENJENK: It was Information and Public Affairs until 1972. In 1968, when McNamara came, Mr. Woods had chosen and had introduced to Mr. McNamara William Clark, who was a British journalist, as the new head of Information Department, working under Dick Demuth. In '73, Dick Demuth left the Bank, and William Clark was promoted to be Vice President of External Relations with a Director of Information and a Department Director for International Relations serving under him.

OLIVER: Well sir. This has been a fascinating interview. I am most grateful for your thoughtfulness, your wisdom and your gracious hospitality.