WORLD BANK PROJECT

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Q: Well, sir, I wonder if you'd give your name and perhaps
tell a little bit about the circumstances which caused you
to become interested in the World Bank in the first place.

de Jongh: My name is Daniel Crena de Jongh, and my nationality
is of the Netherlands. When the idea of the International Bank
and the International Monetary Fund was examined in the
Treasury in London, I happened to be there with the Nether-
lands Indies Government-in-Exile in 1942. The first thing
we heard about the International Monetary Fund from the
U. S. was a request from the American Treasury which reached
us I think in April, 1943, to send somebody to Washington
to discuss the project of an international monetary fund.

The government sent me out there, and we had first
private meetings and then general meetings, but we did not
hear anything about the Bank yet, although we heard a lot
about the monetary fund.

Q: Even before these Washington meetings there had been meet-
ings going on in London, you were saying.

de Jongh: That's right. In London there were regular meetings
with various governments in exile in the Treasury of England
and the Dutch were also members of that group. The idea
was to try to find ways and means to regulate the financial
difficulties which were sure to arise after the war.
One of the permanent members of that group was Lord Keynes, and I know very well that he, at that time, was already very much interested in the setting up of an international bank. I heard later, when we were in Washington, there also was a group of people working on the Bank but the financial experts who came to Washington were not yet consulted on this point. But it was always very much in the mind of the American Government.

Q: So, even in 1943 you were aware of the fact that a bank plan was being discussed but you had not yet seen any drafts.

de Iongh: That's perfectly true. Lord Keynes at that time struggled very much with the idea of how the bank should be financed, and I remember that my friend, Dr. Beyen, and I often had discussions with Keynes to that effect. I also heard, although I myself was not on that trip, that when the British came over during the war, in '44, for the Bretton Woods Conference, Keynes had a draft with him on which there were discussions every day with the various representatives of the governments who were going to Bretton Woods.

Q: I wonder if you could tell a little bit about the Bretton Woods Conference itself.

de Iongh: Yes, Bretton Woods, of course, was a very interesting affair because, although all the time, at chaotic moments, various international plans were discussed and even implemented, it had never been done on such a big scale as was the case in Bretton Woods.
Now, of course, I'll limit myself here to the International Bank, and I may cite a few problems that would come up. One of them was the amount of money that could possibly be raised in relationship to the capital of the Bank. The original idea, if I'm well informed, of the United States, was that the amount should be three times the capital. This was considered to be very little by some of the foreign participants, and I remember that the Polish member said to me that he had been thinking of seven times the capital.

Of course, a great many of these people didn't realize how difficult it would be to get such amounts from the market and whether the market would look at the Bank as a going and safe concern. The Dutch delegation, studying the various quotas of a number of members, came to a very conservative and, in the opinion of some of our colleagues, a very disappointing conclusion, that one couldn't go further than three-quarters of the capital. Nevertheless, we discussed this matter with the British, and the British right away got very much interested. They cabled London and the result was that the British themselves thought that no more than 100 per cent of the capital could be taken up in the market.

That is exactly what happened. And so, I think, that was the best result to be had, because if it had been three times or seven times the impression in the market certainly would have been disastrous.

Q: How did the Dutch hit upon the figure of three-quarters at the time?

de Iongh: As you know, the capitalization of the Bank is such
that 20 per cent of the capital is paid in by the members
(2 per cent in gold and 18 per cent in their own currency),
while, for the remaining 80 per cent, they remain liable.
Thereby, these 80 per cent serve as a guarantee for the bondholders. Well, so what we did was just to look at names of the
participating members to form an opinion on the solvency
of such countries, or at least on the impression they would
make on the market as reliable guarantors.

Q: In other words, the Dutch felt that three-quarters of the
total capital subscriptions were subscriptions that the
Bank could really count on as backing for its bonds.

del ongh: Exactly, that's what it was.

However, in practice, the Dutch and the British proved
not conservative enough. I may tell as an anecdote that when
I later got into the service of the International Bank as its
treasurer and left the government service of the Netherlands
East Indies, a dinner was offered to me by the issuing house
of the Netherlands Indies government bonds at which they
invited a number of other big issuing houses. There was
present there Mr. Stanley of the firm of Morgan, Stanley, and
he said to me, when I told him that the maximum of debts
outstanding would be equal to the capital, that that was far
too much, and that in practice the public wouldn't buy more
bonds than the amount that corresponded with the American
and the Canadian guarantee. In fact, even that amount has not
been reached yet. I always think it rather amusing that we
considered ourselves so highly conservative; on the contrary,
we were far too optimistic. It has always remained a disappoint-
ment for me that even after the very successful operations
of the International Bank actually the market is only impressed
by the guarantees of the United States plus Canada and doesn't
seem to take into account the enormous value of the assets
of the Bank, which the Bank has, and doesn't take into account
either that up to the moment I'm speaking now, August, 1961,
there hasn't been a single failure in the loans the Bank
has made, neither on the repayment of capital nor the pay-
ment of interest.

Q: This remark that Mr. Stanley made was at a dinner in the
fall of 1946.

de Iongh: Yes. That was because I entered the service of the
Bank as treasurer on the first of December, 1946, so the
dinner must have been either in October or November.

A: And this was the first time, you recall, that anybody had
suggested that in practice the borrowing ability of the Bank
was even less than its capital subscriptions?

de Iongh: I don't quite get that.

Q: Well, this is the first time anybody had suggested that the
amount of bonds which the Bank could sell in New York was
really limited to the guarantee of the United States Govern-
ment and Canada.

de Iongh: That's right. I hadn't heard of it before, and so the
first thing I did was to go to Mr. Meyer, who was also very much astonished by what Mr. Stanley had said. But, as I can say now in 1961, Mr. Stanley is still right.

When I went to the meeting in Savannah -- where the Bank and Fund were founded -- one of the great controversies there was the question of the executive directors, whether the executive directors should be a body sitting permanently, would be in session permanently, all year round, or would consist of people, let's say, very high officials, of the various governments who would come to Washington, let's say, once every two months, which with the air connections would have been quite possible.

The fight was especially about the Fund, and I am saying now, in the light of history, that it would have been impossible for the Fund, where decisions have to be taken at very short notice, and which deal mostly with matters of policy, to have a board of directors which is not always around.

In the matter of the International Bank, I think it might have been possible that high officials of member governments would come over, let's say, once every two months, and make policy decisions and then go back; and it would even have had advantages, as these high officials would be intimately acquainted with the problems of their countries, while resident executive directors would have to get that information by wire or by frequent visits home.

As it turned out, in the Fund, the executive directors are far more concerned with all sorts of problems of daily management than in the Bank. And I may say here that I've always regretted very much that the relationship between the
Bank and the Fund was not more intimate. It is my own feeling that this is caused by the totally different position of the executive directors in the Bank and the Fund. The executive directors of the Bank are more to be compared with executive directors of a big company who deal with policy matters and, of course, one doesn't deal with such policy matters every day. Therefore, the position of the president of the Bank is rather different from the position of the general manager of the Fund.

Well, that's how it has gone. I rather regret that it has gone that way because, after all, the two institutions deal in principle with questions, although they are different, that have very much similarity. I still hope that this situation, which has I think already become much better, will still improve.

Q: How about at the staff level; was there in the early days considerable contact between the research staffs of the Fund and the Bank?

de Jongh: Yes, there always was, but to my mind not enough. When, at the end of my career -- I was an executive director of the Bank as well as of the Fund -- and the Fund built its new building, I proposed in the board that the Bank and the Fund would have a lunchroom, the same lunchroom, so that would facilitate people having lunch together and seeing a lot of each other, I was always sorry that this proposal was not accepted.

Q: What was the reaction to this proposal?
de Jongh: Well, I don't know. I couldn't press it too much because I had the impression that it would be a little bit too delicate, but it is a proof of my thesis that the intercourse between the two institutions could be much better. Still, I won't say that there are no contacts at all. On the contrary, I'm aware — and you're speaking about the research department — that especially the research people are quite close.

Q: But the managements of the two have been organized differently and therefore it has been difficult for the president of the Bank in particular to have a close relationship with the managing director of the Fund.

de Jongh: That's right. I think that's the case.

Q: You were talking about the Savannah Conference as a point where this became something of an issue. Is there any more you can say about the Savannah Conference in this connection?

de Jongh: I may say as I speak about this, that for the American representative, Harry White, this whole matter of permanent executive directors had become very important. Of course, the Fund in its present form was mostly the idea of White, while the clearing union was the form which Lord Keynes had preferred. Keynes lost out here, and I thought that a remark that Harry White made at the conference was very ill advised. Keynes defended the standpoint that the executive directors would only come from time to time at regular
intervals, and White said no, they have to be there every day because, he said, the Fund is a very important institution; it is not just "a mere clearing union." At that point, I got furious myself, but Lord Keynes remained very quiet, so the matter was dropped. It just shows how emotional that question was and how delicate the position of the executive directors was.

Anyway, certainly the fact that the executive directors were there all the time -- also in the Bank -- has not stood in the way of an excellent relationship between the management and the executive directors. But I personally would think that if the position of the Dutch Government, as well as of the British Government, that both positions should be combined, i.e. that the same executive directors of the fund would be the same as in the bank, would have been emulated by a number of other members. This would have helped very much and would also have prevented that some executive directors who only represented their countries in the Bank just didn't have enough to do being around all day.

Q: Well before there was even a president of the Bank, in other words, between the Savannah Conference and June of 1946, when Mr. Meyer became president, the executive directors, I take it, held meetings frequently to discuss what was to be done about getting the Bank organized. And you were an alternate executive director at that time. What sort of discussions did the executive directors
have? Did they feel at that time that they were going to be doing much the same sort of work in the Bank that they were doing in the Fund?

de Iongh: Well, I don't think that at that time that situation was so clear to all of them, and I personally don't remember very much about the discussions. I do remember Fund meetings which were presided over then by Mr. Gutt, but I really don't remember the dates of those. He was nominated fairly soon. But the difficulty was that once it was decided that the general manager of the Fund was to be a non-American that meant that the president of the Bank would be an American. Or rather, one may say it the other way around: it was considered to be wise that the president of the Bank would be an American because of the fact that at that moment the United States was the only country from which the money could come. The money would have to be raised in the country itself. And it was naturally the idea with which, I think, everybody agreed, that it would be better for the relations with that money market that the head of the International Bank would be an American. And I think that practice has shown that that was the right attitude to take. But while the American Government had wanted the head of the Bank to be an American, that didn't mean that they had someone available right away. So, it lasted a little time, and then there was a sort of interim solution that Mr. Meyer, a highly respected and capable banker, would become its head.

Mr. Meyer said right from the beginning that he wouldn't stay very long, because he wasn't so young. It may be all to
the good that things developed a little bit slowly. There is nothing worse for an international institution to have to start working before it has a good organization. I remember, for instance, in the UNRRA organisation, which had by its very nature to start working right away, the organisation suffered very much from haste and improvisation. For an institution that would last longer, it was certainly very necessary to put itself on its feet in a very sound manner. This, I think, Mr. Meyer tried to do and did.

But, also, another difficult point was how to get the people. The International Bank was a very new institution; it was a thing that had never existed before. And so, what they did was to get people who had had a certain experience in life in the financial field to come and work at the Bank, sometimes even temporarily. That was really the reason I came to the Bank. I think I said I was alternate executive director both for the Fund and the Bank. I've been a financial man, a banker, all my life; I had had experience in the Netherlands East Indies in exchange controls, and so that's why they called on me to be treasurer.

They called on my friend, Mr. Rist, who also was an alternate executive director to be the head of the research department. So, we gradually got together a team which was not working too badly. We had the great advantage of a man like Chester McLain, who was the first general counsel, a very able lawyer from New York. And I think it was also McLain who always warned one should be very, very careful in setting up precedents. The Bank, being an international organisation, made in that and other ways its own laws, and he was responsible for seeing to it that was an orderly procedure.
So reports that the Bank didn't work fast enough are to my mind unfounded. If the Bank had hastened into the field, as some people wanted it to do, I think it would have started by being mistrusted by the money market and it would have rushed to decisions which afterwards would have proved to be in the wrong.

Q: Didn't you tell me a little earlier of the analogy between the Bank and the staff operations in the League of Nations, which perhaps provides an interesting precedent.

de Iongh: That's right. Somebody told me -- I myself was a member of the financial committee of the League of Nations -- there that when Sir Eric Drummond, the first Secretary-General of the League of Nations, was asked to take on that position, he said, "I'll take it, if you give me six months to make an organization." That showed to my mind a great deal of wisdom, and also in the case of the Bank this was done. And I think the present organization still profits from that.

Q: So, in any event, six months was not too long a time for the Bank to take to simply acquire staff and begin to be prepared to make loans and to sell bonds.

de Iongh: Not at all. It was also lucky that the capital paid in by the United States served for a long time to finance the needs of the Bank so that the Bank had some time to organize the system in taking up money.

I may give an example of the situation which would have arisen if all the money had been there and wouldn't have had
to be taken up. I remember when I was still alternate executive director that I was present at the meeting when some executive directors wanted the treasurer to set up a system by which the ten billion dollars, which they thought they had, would be distributed over the members. They thought there was such a tremendous need for money that there would be a rush on the bank's assets and that it would be necessary to make certain quotas for everybody according to their needs. This would have been totally unrealistic because this is not a give-away operation; the Bank has to finance certain needs of the countries and the countries have to show what they are worth but they also have to show for what the money is necessary.

I don't remember now which applications came in but what we always joked about was that when an application came in in the beginning of the development stage, it was mostly for 500 million dollars. The next thing then was to ask: well, what do you want the 500 million dollars for, because if the Bank is to make a loan it wants to be sure that its money is used in the right way. In many cases one never heard any more about it, or the amount was lowered, and when it came to expressing any idea about the purpose for the loan, well, mostly, one didn't get much information about that.

I think I should first stress that the name of the Bank is the International Bank for Reconstruction and Development, that reconstruction came first, and it was easier to make a reconstruction loan than a development loan. The economic circumstances in every country have a history, and the loans asked for reconstruction were based on the economic history of the country. One found still the old organization though factories were in ruins, but once rebuilt they would work as they had done before. And so, when the first loan came about -- that was
the loan to France -- it really was mostly a loan for restocking
the country and rebuilding factories and bringing in new
machinery.

Q: I wonder if I could ask a quick question about this quota
concept. Did all the executive directors support the idea for
a while that the funds of the Bank should be allocated in some
sort of a geographic quota system?

de Iongh: Well, I think the idea really came mostly from South
American countries, and this was quite understandable because
the South American countries hadn't had direct losses from the
war and they were afraid -- and one can have a feeling for that --
that the amounts that would have to go into European recon-
struction loans would be so big that not enough money would
remain for the underdeveloped countries. And they also rea-
alyzed that much requests would come a little later, and then
when the requests came the money might be gone. But the reason
I quoted this discussion was especially to show that nobody
had much idea on how the money would be coming and how neces-
sary it was to create an atmosphere of trust and to create
a market.

Q: Do you recall how the American executive director felt about
the quota proposal?

de Iongh: Well, if I remember well -- of course, it digs into
my memory a little bit far -- I seem to remember that he was
rather sympathetic to the idea of South America.

Q: So that in any event probably until Mr. Stanley had made
his suggestion about the limitation on the ability of the Bank to borrow, if any, had really considered that the Bank had considerably less that 10 billion dollars available to lend.

dé Iongh: Yes. I think, though, that the discussions about the 10 billion dollars were rather after I had had my information from Mr. Stanley. But here, again, in its early form the work of the board of executive directors, which now runs like a clock, would be considered today rather chaotic. I think one only can learn from experience and that's how it's happened here.

Q: Would you like now to go on with the discussion that you were beginning a moment ago as to the importance of end-use supervision?

dé Iongh: That's right. While the request for the French loan may have come in during the management of Mr. Meyer, which I think, nevertheless the thing was only seriously taken up as soon as Mr. McCloy had arrived. Now, the dealing with the French loan was a very ticklish affair because everybody in the Bank, certainly on the staff level, realized that once you set an example, you are bound by it in a certain way for the future. We realized right from the beginning that it would be very difficult to have different basic conditions for different countries and that it would be even very difficult to have different interest rates for different countries.

Now, that sounded a little bit revolutionary because a banker would charge a higher interest rate for a greater risk, and certainly the risk of one country as compared to
another country would be very different. Nevertheless, there was right from the beginning a consensus of opinion that it would be very difficult to make a difference and that it would be too difficult a matter to say to one member -- after all, all members are equal -- we consider you a worse risk than another.

We had considerable difficulty, therefore, in the beginning with a country like France, which has always met its obligations, to make it clear to them that when perhaps we made, in their opinion, too stringent conditions in the loan agreement that was not so much on account of France but on account of the fact that if once we made things easy for France, all other borrowers would ask for the same conditions. I personally felt very, very strongly on this point. And I remember that my relations with Mr. Baumgartner who headed the French mission and who knew my standpoint were rather strained, which caused him to say to me one morning when we had breakfast together, "Vous avez une tête en bois. Non, vous avez une tête en plastique." I must confess that I've never forgotten this, especially the plastic!

But, nevertheless, although the French had to swallow things they might have thought rather unnecessary for them though supplemented by other conditions later, according to special circumstances proved to be a fairly good basis. And I remember that only a couple of months ago one of my former colleagues said to me that he had to go to Chile for discussions, and the Minister of Chile was very much shocked by certain articles of the agreement. And so, he had some difficulty with him until he remembered that one article the minister objected to was also in the agreement with the French.
So, he said to the Chileans, "Now, I can't see why you shouldn't sign this because the French have also signed the same sort of agreement on this point." And then he said right away all difficulties were removed because Chile thought that if France had signed it they could sign it, too. And he said he was perfectly sure that if that special article hadn't been in the French agreement, he would never have been able to put it through in Chile. And that's how we felt right from the beginning.

Among the basic things were e.g. end-use supervision, the negative pledge, and all other matters that became routine in the Bank's contracts, and later on were put in "The general loan rules."

There was another matter which, of course, had to be decided right at the start. In the Bretton Woods Conference the general idea was that the Bank should mainly act as a guarantor. There were some delegations who didn't think so and, I think, here again it was the British and the Dutch delegations who agreed that it would be bad policy for the Bank to act as a guarantor. The Bank's guarantee should be considered to have a value of 100 percent, and it would not be a very good thing for the Bank's credit if a bond of some small country with the guarantee of the Bank would be quoted in the market at a lower rate than bonds of a big country also guaranteed by the Bank. That would cast some shadow on the solvency of the Bank, and we all considered that it would therefore be much better, also for the general market, that all the bonds issued should be bonds of the Bank.
Besides, it would be the Bank's policy that it should prepare a market for the borrowing countries, and while right in the beginning the Bank started -- and that was only natural -- to try to sell out its portfolio, with its guarantee, some of its bonds it had from the borrowers, it very soon became clear that that really wasn't a good idea and since then portfolio sales were only made without the Banks guarantee thus establishing the debtor country's credit.

That has been the policy ever since and has worked very well. In many cases, the Bank has been able to place a considerable part of its loans with third parties, either right from the beginning or later on out of its portfolio.

Q: Just another question about this sale from the Bank's portfolio. Did it ever turn out in fact that when the Bank sold some of the bonds or securities out of its portfolio, it found that the market was different, depending on the particular country whose obligations were being sold by the Bank?

de Iongh: Well, if I remember well, after we stopped selling bonds with the Bank's guarantees, we sold the shorter maturities. So, it is rather difficult to give a straight answer. Of these bonds, there never was an open market because it was mostly banks who bought these portfolio bonds, and as the banks kept them in their own portfolio, they would never be quoted on the stock exchange. Do I make myself clear?

Q: So, there was never really a test of this proposition that
there might be a difference in the market's reception of obligations sold by the bank out of its portfolio depending on the particular country involved.

Just as a speculation about the future, I suppose the time might come where the Bank would have more or less exhausted its own ability to sell bonds in the market by virtue of the fact that its capital subscriptions were not going to be increased further, and it had sold all the bonds it reasonably could expect to sell, given the guarantee of the strong countries at least who are members, and at that time it might discover that it could obtain funds for more loans by selling paper out of its portfolio.

de Iongh: Well, in the case of bank-guaranteed bonds the situation would not really change, so such a transaction would be of no avail. Besides, it would be against the Bank's policy as explained before. Selling non-guaranteed bonds which, in fact, we did anyway would never produce a sufficient amount of money if the Bank's credit would run out. The remedy would be to increase its capital.

To continue my story I would like to point out that the Bank had to rely, in its initial period, on the American eighteen percent and on the American market, which for technical reasons might be too limited at a certain moment for the Bank. On the other hand, it soon appeared that many countries were getting into a better position than they were when the Bank started its work, and so there appeared several new sources in the world of money for the Bank. The Bank very soon started to make use of the untransferred part of their twenty percent
capital subscriptions which could be paid in local currencies only to be transferred with the members consent. At a time even when countries were not too strong they still wanted to show their sense of cooperation with the Bank. But also later, money markets in England, in Holland and in Belgium, in Switzerland, and lately in Germany were opened to the Bank, and so I think there is such a flexibility in the sources that it doesn't look as if the Bank is so much dependent on one market, where, of course, as I said, the technical situation, quite apart from the view of the solidarity of the Bank, might cause a certain difficulty.

As to the market I, myself, had also hoped that it might have been possible to make regular arrangements with, for instance, big insurance companies who have such enormous assets at their disposal. However, that seems to be a difficult thing, and I still hope that someday it may be possible that the Bank, which has a very special position in the money market which nobody else has -- it has to come regularly to the market -- could make special arrangements with big investors whereby, let us say, every six months it could get a certain amount from insurance companies or big funds. It might be able to come to a certain arrangement, but that seems in practice not very possible, at least in the United States.

Q: By a certain arrangement, you mean to bypass investment bankers altogether?

de Iongh: Well, in that case, for instance, you might say, well,
we come to the market and you take every time half of the issue that we offer to the market.

Q: Thereby obviating the necessity of paying a commission, in effect.

de Iongh: It would be cheaper and it would be also an assured source of money. But I don't think that the Bank has ever been in a position where it didn't have all the funds it needed.

Q: I wonder if we might go back to the French loan for a moment and talk about this end-use supervision. I think you were telling me earlier that some people in the Bank, or perhaps in the research department, felt that the Bank was paying a little bit too much attention to end-use supervision.

de Iongh: Yes, I'm glad to do that because that's a point on which I have rather a strong feeling. Some of my economic friends, said, and they of course have excellent reasons for that, that the whole project approach, which is the idea that the Bank should give its money for certain projects and the end-use supervision to see that the money is only used for that project, are really all rather senseless, because if you give money for a certain project that frees money in the totality of the economy which then can be used for purposes you wouldn't agree with. So, when you make a loan to the country you really make it to the whole mass of the economy of that country, and if you supervise a fraction of the expenditures
of the country, you're really doing a thing that doesn't make any sense.

Now, I would agree with my friends that in certain circumstances that may be true. If you make a loan to a big country with a complicated economy, it may make perhaps little sense. And I would also agree that in such cases, as for instance the French loan, where it came up first, when you finance, let's say, the importation of oil and gasoline for civilian purposes but you would refuse to have it used for military purposes, of course, the country in question would offer you proof of use for the civilian purposes, but which would, of course, free other possibilities for military purposes.

While I agree with this, I would say that the end-use supervision and the project approach have two definite advantages: in the first place, in supervising the spending of the money, one keeps in touch with the country very, very closely and sees how the administration goes, and one can make one's observations. In the second place, if you don't deal with a big country like France but with a small economy, the thesis of the economists to my mind is not true anymore, because if you give a loan to the country, it doesn't free on the other side assets of the country because they just don't have free assets, and if you don't give the loan, the project for which you gave it wouldn't be executed at all. The Bank has in its history many examples where the loan was not used well and where the Bank could therefore help the country in seeing to it that the money was used in the right way.

A very noticeable example was in the case of India, with the famous Kants Grass a loan, which was used for the clearance of Kants grass, which is wild sugar cane, in big
parts of the country. Well, the administration of the project was lacking very, very much, and we came to a point where we would have to say to the Indians: we are very sorry, but we are not going to give our money for a purpose that is really not achieved. In practice, Mr. Black had himself to go to Mr. Nehru and Mr. Nehru, when he heard of it, took the measures to see to it that things got on an even keel again. That's an example of the utility of the end-use supervision, because we could help the Indians here to spend the money on a project which really should be handled well, otherwise the money would have just been wasted and the purpose of the project wouldn't have been attained.

Q: But this issue was debated in the Bank's staff as early as the time of the French loan.

de Iongh: Surely, and as I said, in the case of the French loan it was not so easy to convince the opponents to end-use supervision and to the project approach, because in the case of France they had better arguments on their side than in the case of development loans. Still, also in France, it gave us an occasion to get in far more intimate touch with the French economy, and the same was also true for Holland and for Luxembourg and for Denmark; in each case, the treasurer's office set up a special organization in every country which was then later on liquidated and which, I think, helped very much to give the Bank an understanding of the economies and also of the various countries to understand the Bank's purposes.
Q: Just as a matter of curiosity, as far as personalities are concerned, do you suppose the fact that Mr. Rist was himself a Frenchman had any influence in his own particular arguments in that case?

de Iongh: Well, it may be that the logical French mind of Mr. Rist made him bring forth the arguments which, of course, had their value. On the other hand, I consider it excluded that Mr. Rist would have used these arguments in favor of the French because he is a Frenchman. I think one of the greatest achievements of the Bank has been that nationality as such played no role at all. Of course everybody brought with him the special virtues and faults of his own nationality, but that is a different thing. I haven't seen in any single instance any staff member who used this as an influence against his better judgment, against the purposes of the Bank just because he was of the debtors nationality. It has often been just the contrary, because as a member of a certain nation understands his country well, he could far more easily detect the mistakes they made. I have from time to time heard the argument that some country's complain that when a member of the staff belongs to the same nationality as the borrower such a member is far more critical of the country in question than a foreign member of the staff would be.

Q: Still, I suppose, the point in the case of the French loan was that the French Government officials involved felt that France was to some minor extent perhaps being humiliated a bit,
being treated as though it were untrustworthy and somewhat resented this. And conceivably, Mr. Rist being a Frenchman, was more inclined possibly than otherwise to support this point of view than to find logical arguments which supported the proposition that the Bank ought not to try and decide how the last lump of coal was going to be used.

de Iongh: I don't think so. I really don't think so. I know Rist very, very well, and I don't think he's that kind of a man. It's just his logical and theoretical mind that gave him these arguments, and it has been all along his position in many other loans, too.

Q: Do you recall whether Paul Rosenstein-Rodan was involved in this particular discussion, too?

de Iongh: Rosenstein-Rodan certainly took the economist's standpoint without any doubt. He thought my standpoint was very silly.

Q: Well, we're almost at the end of this tape, so rather than launch on a new subject, I wonder if there is anything else you'd care to say about end-use supervision as such?

de Iongh: Well, I don't think so. We made arrangements with the banks to handle the technical side of that; in the opening of the reimbursement credits, we made them give a declaration to us what the shipments had been, so that in that way we could guarantee the payment of the reimbursement credit, be-
cause we knew from the documents we would get from the banks that what we were paying for was all right and came into the purposes of the loan.

Q: Now, I wonder if we could say a little bit about the interregnum period. Perhaps you might just say a word about the reasons why Mr. Meyer resigned as president. You said earlier, I think, that he had only planned to stay for a short time.

dE Iongh: Yes, I said that when it was decided that an American should head the Bank and for various reasons I thought it was the right decision, evidently there was not a candidate available and so Mr. Meyer, as an old hand, was asked to take that position. And for him it was a sacrifice, and he said that he would do it only for a short while, about six months, and that's what he did. Nevertheless, when Mr. Meyer, which was his good right, said, well, now the time has come, as I have said before, still the situation wasn't changed very much. And so, when Mr. Meyer left there was not a candidate available right away.

Q: Does this suggest that he resigned very suddenly, without the American Government being prepared?

dE Iongh: No, he had told them before that he would go away in the beginning of the year. And so, when the beginning of the year came about, he said, well, now I'm going away.
Q: Why do you suppose they hadn't found a replacement for him so that there would be no gap?

de Iongh: Well, that I don't know. I just think that they thought, well, he's there, and we needn't to worry very much. But anyway, Mr. Meyer then thought — and I think he probably was right — well, if I stay on for another few months the situation won't change very much; it's better that they face the facts now.

Another thing was that the Vice President, Mr. Smith, died very soon after that. So, thus, there was no management whatsoever.

Now, that period has been criticised, to my mind, unjustly by some people, and I'm afraid I must say that the board of directors at that time was not really well organised to handle it. And it shows that a board never really is very good for running a business. On the other hand, I think the selections of Mr. Meyer for the personnel was such that during that time it had become a stable element, and only seven months after the Bank had started there was enough stability in the staff to run the business, although there was no President nor vice-President. I think it was very much to the credit of my old friend, Chester McLain, the general counsel, who in a very delicate situation, because he could not claim to be the boss of the staff, nevertheless was the man to whom everybody looked and who really kept the thing going.

Q: Can you tell anything about the circumstances of Mr. McCloy's
acceptance of the presidency?

de Iongh: Well, Mr. McCloy, I think, at that time was afraid that the board of executive directors might influence him too much in the daily management, but I think he got his assurances there. I also think the way Mr. McCloy saw it was right, and of course much depends on the personality. If you have as strong a personality as Mr. McCloy's, you really shouldn't have to worry very much.

I think you asked my opinion on the difference between the McCloy management and the Black management; I don't think that should be considered as two things too far apart. Of course, personality always counts, but still the McCloy-Black team worked very closely together, and as far as I know they saw eye to eye. So, I think when Mr. Black took over, it went very, very smoothly.

Q: Did Mr. McCloy have any concern about the outside influence of other organizations, like perhaps the United Nations?

de Iongh: Well, he certainly had. As you know, the United Nations is really younger than the International Bank, and so after the United Nations was set up, the question came up of the relation to the so-called specialised agencies. Now, undoubtedly the International Bank was a sort of a specialised agency of the United Nations, or should be. For that reason, a certain contract agreement was to be signed between the two, and Mr. McCloy feared that the United Nations, which by its
very nature as a political organisation, might interfere
with the work of the Bank which has to work on sound economic
principles and on the principle of good management; an organi-
ization also which has to get its money from the money market.
Too close relations with the United Nations, for instance, in
the case where the United Nations might force the Bank or
even try to induce the Bank to make certain loans which the
Bank thought were economically wrong, that would make a very
bad impression. And that was absolutely contrary to the
principles of the Bank.

So, in the time of Mr. McCloy an agreement was signed
with the United Nations. And if I remember well — you draw
very much on my memory — there was an article in it which
even forbids the United Nations to make even suggestions about
credits to the International Bank. It left the International
Bank absolutely free from interference from the United Nations.
On the other hand, the president of the International Bank
should make, I think, twice-yearly reports to the United
Nations and have some discussions. Nevertheless, it left the
Bank so free that in the Bank this agreement with the United
Nations was called the Declaration of Independence.

I think you are interested also in a matter that came up
during the management of Mr. McCloy. It was the loan to Poland.
This was at the time when there was a great shortage of coal
in Europe, and the Poles, having enormous quantities of coal,
wanted a loan from the Bank which, if I remember well, was about
twenty to twenty-five million dollars, for the purpose of
buying first-rate mining equipment. It would have to be re-
paid out of exports of Polish coal and it would have only a
very short run.
I personally thought that this might be a very good occasion in testing out the way the Poles run their economy; the amount was too small to do any harm and it might do a lot of good to Europe by increasing the amount of coal to be put at its disposal. And I don't think that Mr. McCloy saw this differently, but the American government evidently was against the whole transaction, and so nothing came of it. I still think it might have been an experiment that would have given us, especially through end-use supervision, contacts with the Poles and a better understanding. The Poles then were offended and they left the International Bank.

Q: Do you know in what way the American Government manifested its disagreement with the idea of making the loan to the Poles?

de Iongh: Well, I think they followed the normal course of telling their executive director to vote against it, and that, of course, was the end of it. One couldn't and even didn't want to argue with it. Now, I'm only saying this because that was my impression. I may be wrong there, although I don't...

Q: Do you know of any other occasions in the early days of the Bank when a member government indicated that it might vote against a particular loan?

de Iongh: Well, it has become gradually a habit in the Bank that the way member governments bring these things to the notice of the board and of the management is not through fighting in board meetings. These things are rather dealt with by
discussions, and I think that the secretary of the Bank plays a very useful role in discussing things with the executive directors, who have a great trust in him, telling him when something is brewing and enabling him to bring it to the attention of the president. And that I think has worked so well in the bank meetings that there have never been any difficulties, and if an executive director, or rather his country, doesn't like a certain loan because they have no political sympathy for the borrower, then the director, in the cases I have seen, had to agree that the International Bank is an international institution, that it has to look at a loan from the side of its economies, and then he may just absent himself from the board meetings or when present abstain from voting. In fact, the voting in the Bank always goes in a very informal way, so that it's not even necessary to say 'I vote against it', but one may ask to have it noted in the minutes if one abstains.

Q: Do you remember any specific occasions when this has happened?

de Iongh: Well, I really must think about it. I'm not quite sure whether in the Pakistani loan the Indian representative -- but I'm not quite sure of that; I really shouldn't give any definite statement about it.

Q: While we're talking about the board, I wonder if you'd repeat the amusing incident you told me earlier about Mr. McCloy's accusing the board of being chatterboxes.

de Iongh: Well, when Mr. McCloy's nomination was pending, the
papers mentioned that he hesitated to accept such a position for fear of difficulties with a board that had on some occasion shown itself to be just a "society of chatterboxes."
I remember that a friend of mine, my Belgian colleague, was a very reticent, a very quiet man, and a very able man, too -- he was called Basyn -- protested at being considered a chatterbox because he was always so quiet, which was very true, too.

Now, I think that the real reason that Mr. McCloy said that was that he was very much concerned about the relationship between the board and the management, which at that moment hadn't really crystallized well. I must say that once Mr. McCloy was there, there was never any difficulty.

Q: I wonder if we might talk a little bit about the policy of recruiting staff, about some of the problems the Bank has had.

de Iongh: Well, you can very well understand that the recruiting of personnel is a very difficult thing in a new organization. I have said already that in the beginning, under Mr. Meyer, one of course had to take only outsiders as there wasn't any staff, and besides, one had to rely on the experience of people in the financial field, although that was a different financial field from that of the International Bank.

Now, the selection of an international staff is a very, very difficult one. In the first place, it must be quite sure -- and I must say that I have not seen any examples to the contrary -- that the staff should be loyal to the organization. And while each will keep his specific national qualities and mistakes, nevertheless they should be international civil
servants. For the morale of the staff, it is exceedingly important that quality and ability are very much taken into account rather than nationality alone. And it is very disconcerting for any staff member who has qualifications, who will be the man to get the higher job, that somebody else is brought in just because he has a certain nationality. I have had very little contact with the United Nations, but I have a feeling, from what I hear, that in the United Nations the very fact that they take into account certain quotas of certain countries causes rather unpleasant effect in the staff, because they say, well, I can't get a higher position because I am of such-and-such a nationality and that precludes me from a higher position because that position belongs to a certain other nationality.

Now, in the Bank that has never been the case. Of course, one has had complaints. There are countries who thought they were not very well represented. In many cases, it was often very difficult to get a man for various reasons. There has been a time, for instance, when there were very few Frenchmen. The reason for that is that the French really, generally speaking, don't like to go out of their country for too long a time. In South America, where various republics complained also that there were not enough South Americans on the staff, it was very difficult for the Banks to get good people because in their own country they very often could get better positions. But, generally speaking, I think the equilibrium is not bad at all, and I have never in my whole experience in the Bank seen a case where somebody across the table said, well, of course, you say this or that because you belong to such-and
such a nationality.

I think as long as there is a strong management, the management should see to it that that's the policy that is followed in the future, also because especially in an organization which has to rely so much on good judgment and knowledge, it is very, very difficult to keep the value of the organization as it should be.

Now, when the Bank started growing and more and more people had to come in, a difficulty arose in that the administration department that really was formed under the time of Mr. McCloy was too much pointed to the American side. Of course, each country has its own way of handling personnel matters, and the American way of trying to pin everything down in administrative manuals and job evaluations and that kind of thing proved to be rather irritating to the non-American staff. I've seen also that American enterprises that work outside of the United States follow that policy -- well, that's of course their way of handling things -- but in an international institution one has to learn that other people may think differently and they don't understand these methods so readily. Besides such elaborate rules may be unavoidable in a very big organization which has a large turnover of the personnel but the non-American staff thought that the size of the E.S.R.D. did not warrant such rules and for an organization like the International Bank it is very necessary that the personnel is quite stable. I have noticed that people who come from abroad expect that when they come to the International Bank, that they'll make it a life career.

Well, I'm very glad to say that this situation has gradually changed very much, and that the administration department, of
course, gradually took in people of various other nationalities and also has learned better the way of thinking of the non-American staff members. I think that it's very gratifying and the proof that things are on an even keel is that the personnel of the International Bank is exceedingly stable. When I look at the little periodical called "Bank Notes", which I still have great pleasure in receiving, one sees in every issue a number of photos of people who have been with the Bank for ten years or for five years, and it shows that there is the stability which is so necessary to implement a stable policy. It is very gratifying in that it has been achieved. And it just shows that the International Bank is a flexible organisation and that it has become not only in its business, but also in its personnel policy a real international institution, which it should be by its very nature.

Q: Could you illustrate the point that this was less so in the beginning? You mentioned, for example, Mr. Meyer's habit of having special assistants, and Mr. Garner, I suppose...

de Iongh: Well, Mr. Meyer, who was only there, of course, for such a short time, relied heavily on special assistants, which is a system not used too much outside of the United States and which does not have a good effect on the regular department heads; you may say that because I've been one myself I may have felt that. But it creates a sort of an inner circle which is not to my taste the right way of doing things. But in the case of Mr. Meyer who started in the Bank with no personnel at all, it must have been rather tempting. I'm glad to say that under the presidency of neither Mr. McCloy
nor of Mr. Black that system was followed. They relied on
the department heads, on the regular organization, and every-
body had immediate access to both of these gentlemen.

Q: How about the question of the official language?

de Iongh: Well, in Bretton Woods, just like later in the
United Nations, it was thought there should be various
languages. And the decision was nearly taken that it would
be English, and if I remember well, French, Spanish and
Russian; maybe Chinese but I'm not quite sure about that.

However, then came a furious cable from Brazil saying
that they had heard that Spanish would be an official language,
and they wanted Portuguese to be official, too. As a result,
it was decided that that would be too much and so as not to
cause any difficulties, the decision was that only English
should be the official language. I think it has many ad-
vantages; most foreigners if they have only one foreign
language speak English quite well. Besides, I think that
many official documents look very different in a different
language. One can see also even in normal discussions how
the Latins have a different way of expressing themselves —
that in itself is not so difficult — but when you look at
a legal document, an English one looks very different from a
Latin document, also on account of the different legal systems.
I think it would have caused a lot of costs and expenses and
it would have made things difficult because you might have
had certain different expressions in one document as compared
to another, and you would start asking, now, what is the right
word. And so, I think there would be very few people in the
Bank who have any argument against it; at least I've never heard it.

Q: When the French were negotiating for the loan with the Bank, did they want to have their French loan agreement done in French?

de Iongh: I don't think so. If I remember well, the loan agreements -- well, there may have been official translations for French use -- the document with the Bank is only in English. Of course, the Bank has a certain versatility; it allows, for instance, from time to time, if the thing doesn't run out of hand, that a foreign governor at their general meetings would speak his own language. The French always do that, although they know English quite well and it's more a question of prestige. Sometimes a Spanish-speaking governor speaks his own language, but in reality that doesn't matter too much. The speech is then distributed in English, too.

But for the working language of the Bank, I think it would be disastrous if there were various languages which all would be official. I don't see any advantage in it.

Q: You were referring a moment ago to a time when Mr. Garner, I think it was, had job descriptions drawn up for the staff. Would you say a bit more about this? in relation to the recruiting?

de Iongh: Well, as I explained before these job descriptions and job evaluations are to my mind very often quite unnecessary. Of course, if one has an organization of twenty or thirty
thousand men, which besides is varying all the time, you have to pin down these things. However, in an organization like the International Bank, if people don't know what their work is, then they should be fired. These things can cause quite some unpleasantness though in my own feeling as soon as you get one of these quite voluminous documents ready -- and it describes what everybody's job is -- nobody looks at it anymore. As for the job evaluations, I found that the consultants, specialists in that field, which were brought in by Mr. Garner, really didn't add anything at all to the judgment of things. One can just do that offhand just as well. I agree, as I said, that you have to do that in very big organizations, but even now I don't think the bank is so big that you need all that stuff. But it is a system, I know, that is very normal in the United States, but I also know in American businesses abroad it causes the same resistance as all the non-Americans felt in the Bank at that time.

Q: What was Mr. Garner's overall role in setting up the administration, the internal administration, of the Bank?

de Jongh: Well, there was, of course, when he came very, very little of it because the organization was so small. And lots of technical things had to be done and I think he did very good work there. You have to have, of course, in any organization pension funds, and rules about vacations, and all that kind of thing, and so that was all done -- I think the pension fund is an excellent organization and was organized very, very well -- and it was Mr. Garner's task, with his men, to do that. And
I think they have done a very good job. You have to have things that people can rely upon. Now, for instance, for the non-Americans you have to make a different arrangement for what's called home leave. The Americans in the Bank are in their own country; the other people from time to time want to be for a considerable time in their original country. The danger is this that if you have people who live in the United States very long, they are absorbed by the United States — not that their nationality would change — but their special outlook on life, and that is so valuable an element in an international organization. You want an international distribution and you like to keep that, so therefore it's highly valuable that these people get to their own country from time to time and have contact with their own country. Therefore, the home leave organization is a very important thing; it's an important thing for the Bank, not only for the people themselves.

You have other things. The Bank people travel a great deal, and in some departments they travel enormously. Sometimes people are away from Washington for half of the year. Well, that shows that the Bank takes these personal things into account very much; so a ruling was made that if a man had been abroad three times, I think, then either the third time — or the fourth time, I'm not sure — he could take his wife on a mission at the expense of the Bank. Well, I think these things show that management is always taking care of the personal facts of life, and it makes a much better general feeling in the family also that the wife would know something about the work of the husband.
And I have always had the feeling that through all these things the general morale of the personnel in the Bank is a very high one.

Now, all these things have been started — they have been changed from time to time — by Mr. Garner, and I think in that way he did a very good job, and I think he himself also in the international field has changed and got to know a lot of things.

I would like to mention one thing which I don't think I've mentioned before, and that is the trainee system. The trainees that come as young men to the Bank for about nine months get to know the Bank very well. If they are well selected and they are able young people, when they come back to their country they know a lot about the Bank, and when, as it is to be hoped, they get into higher positions, and are in touch with the Bank, the cooperation with the Bank is right away good. And besides, and that's a very important thing, I think that the Bank, apart from lending money, has become more and more a center of studies of development. The question is not so much whether a country gets money but whether it spends the money well, and whether the country gets to use well the new equipment it gets through the loans of the Bank.

Well, that can only be done when development is something they understand in such a country. I remember, for instance, that once I went on one of my many missions to Ethiopia, where the Bank financed a road system. I insisted very much that the Bank should not just hire people to make beautiful roads for Ethiopia, because that's an easy thing to do, but should
teach the Ethiopians themselves to build the roads and also to maintain them, because in Ethiopia, a country with big mountains and mountain streams, the roads can be ruined soon if they are not well maintained.

So, the question is not so much to build for a country roads or electric plants or whatever you will, but to teach them to use these things in the interest of the country.

Now, if you have people in the country itself who understand these things, who know the way of thinking of the Bank, they can do more for their country than money can do. And that's why I think the trainee system, which has been working quite well from the beginning, as well as the newer Economic Development Institute, is so very, very important. And in that way the Bank has followed quite a firm policy and it's always a pleasure when abroad to meet these people. I always myself feel rather proud that right at the beginning of my function, I was in Paris and when asked to interview a number of prospective trainees I got a very high idea of a young man called Dommel, who then became a trainee of the Bank, and later on has risen to a very high position in the financial life of France.

Q: Would you like to say a bit about the salary structure of the Bank?

de Iongh: Well, it's understandable that the salary structure has always been a difficult point. Although I'm not so very well acquainted with it, a relationship which was thought necessary to the American standards for government salaries
hasn't been too easy. While it's understandable that local
government employees cannot always be too happy when inter-
national civil servants earn more than they do for the Inter-
national organizations where conditions are different, the main
thing is to build up a good staff.

Yet, I think that gradually these barriers have been
loosened a little bit, and I have a feeling that the policy is
definitely to get able people even at a price. In the Inter-
national Bank, an official has to go out in the world, has to
give advice, he should make a good impression and his advice
should be better than the judgment of the people who get the
advice. For that reason he should, firstly, be respected,
and then the question of how much he earns, though of course
quite important, is less important than the question of whether
you have a first-rate man or not.

Q: What about the question of promotion from within as com-
pared to hiring people to the higher staff levels from outside
the Bank?

de Iongh: Well, of course, in the beginning this was not
possible at all because you had to begin from scratch.
Gradually one could select the good people in the Bank. An
example of that was my own assistant, who came to the Bank at
the same time I did, Mr. Aldeworld, and who is now the head
of the Technical Operations Department, one of the highest
positions in the Bank. Well, he reached that through his
ability and through his experience and is appreciated by
everybody. If you can recruit a man from the ranks, so much
the better.
Nevertheless, I don't think that an institution like the Bank, which has to have its knowledge from so many parts of the world and in so many fields, can only rely on its internal recruitment. I think it shall always be necessary to keep the Bank as a lively institution to also attract people from outside. But, as I said, especially in the case of Europeans, they expect, once they come to the Bank, to stay there. They have had firm positions in their own country and they are, so to say, bought from other positions and, therefore, for them it's an enormous step. And if they wouldn't succeed, and would not be promoted, that would be a disaster, not only for the Bank for also for themselves. Therefore, in the recruitment of outsiders, one has to act with even more care.

Q: You mentioned Mr. Parker, who was the first director of the Administration Department. Was he aware of this necessity?

de Iongh: Well, I don't think he was very internationally minded.

Q: So, he tended to hire Americans mainly?

de Iongh: Well, I don't know as a matter of preference but rather as a matter of not being too well acquainted with these things. No, he certainly wouldn't do it as a matter of preference.

Q: Are there any other questions of staff and policy relationships, and so on, that you think we should talk about?
de Iongh: No, I don't think so. I really don't think so.

Q: Perhaps you would say something about the Bank's progress in obtaining currency other than dollars for its purposes?

de Iongh: Well, I've always admired the persistent policies of Mr. Black in getting money for the Bank, because it was his first duty to organize the American market for the Bank, in which he succeeded in very, very well. In some cases, the state laws had to be changed and the innumerable speeches that were made by him and by the general counsel and by other people were really quite essential. I often saw how little people knew about the International Bank.

Also, the formation of a consortium which has two leaders, Morgan, Stanley and the First National Corporation of Boston, has proved to be the right system.

But very soon Mr. Black, who saw these things much earlier than anybody else, realized that that situation wouldn't last forever and that you had to broaden the market. And he started by convincing a couple of countries -- I must say who were very, very reluctant because their situation was not so good at that point yet -- to release some part of their eighteen percent. The British were the first there, and the Dutch followed, and several others who really, at that time, were rather international borrowers than international lenders. But they still did it.

Then came the possibility of selling portfolio bonds out of the Bank's holdings, and also selling parts of new loans to be made.

Then came small issues in London, Amsterdam, in Brussels,
and later on in Switzerland. That was followed later by Germany. And so, the Bank, if I remember well, now has about half of its outstanding bonds in hands outside of the United States, and that's exactly as it should be. But that was not so easy to foresee at the moment, where the situation of these countries named was not good at all. And I think it's very much to the credit of Mr. Black that he had seen the necessity of the Bank getting its money from a great many sources. I remember how I myself once made a speech in Zurich for a big organization of industrialists and bankers, explaining to them the really very great advantages which the International Bank's bonds had.

So, if all that hadn't been done, now that the American market is, at present at least, not so favorable, and the balance of payments is not so favorable, the situation of the Bank would really be very, very different at present.

Q: What sort of leverage did Mr. Black use to get these countries to release their eighteen percent and to open their markets for Bank bonds?

de Jongh: Well, I think he just convinced them that once they were members of an international organization, like the International Bank, they should act in an international way. And Mr. Black has a great way of persuading people, and he has the good arguments, too. I remember very well that in the case of The Netherlands, they authorized a public issue to be made there just for the reasons that Mr. Black mentioned. I think you know the Netherlands got the second loan from the Inter-
national Bank, a very big amount, and got several loans after that. All these loans were repaid and now they are helping the Bank to finance its loans, and that's the way it should be.

Q: I wonder if you might say something about the language problems that the members of the staff run into when they visit countries and working parties.

d e Iongh: Well, I have found, not only on my own missions but also in the practice of life, how people appreciate when you speak their language. Although, as I said, I am glad that in the Bank itself the language is only English, yet when members of the staff get in contact with non-Americans or non-English people, they should have a knowledge of various languages which are internationally used. It's a great help.

I remember when I headed a mission to Germany, which soon after that became a member of the Bank, the fact that I myself and my colleagues on this mission, Hill and Furth, knew German helped to get to know lots of things which otherwise one wouldn't have heard. It also put people at ease. The Bank realized that very well. It has facilities for teaching foreign languages, and I think it should always keep in mind when somebody goes to a foreign country, that if possible he knows either a foreign language they speak well in that country, or, even better, the language of the country itself.

Q: How about the question of the Germans in particular? Was the language a help there in making the Germans feel that they
were being accepted back into the international community?

de Longh: Yes, I found that right after the war they felt --
which is of course understandable -- very shy, and when you
talked their own language that put you in a different relation,
and I think it was very helpful to the success of the mission.

I had the privilege of having been on a great many
missions, on which I went as far north as Iceland and as
far south as South Africa and as far east as India. Although
my life has been a very international one, I still have a
feeling that the international atmosphere of the International
Bank has taught me a lot. I'm very, very pleased that at the
end of my career I have had that long contact with an organi-
sation which really worked along principles I fully endorse,
and that makes me thankful. I think it also shows that maybe
it's better to get into such an organization at a somewhat
riper age because you can bring to it something you have
learned in other fields.
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