

**THE WORLD BANK GROUP ARCHIVES**

**ORAL HISTORY PROGRAM**

**Transcript of interview with**

**BERNADETTE SCHMITT**

**July 20, 1986  
New York City, New York**

**Interview by: Robert Oliver**

**[Begin Tape 1, Side A]**

**OLIVER:** July 20, 1986. This is Robert Oliver about to have a happy conversation with Bernadette Schmitt in New York City. I wonder if we could begin by your telling a bit about your background and how you got to know Mr. [George D.] Woods; eventually I'll ask you about how you came to the World Bank. Where were you born?

**SCHMITT:** In Grand Rapids, Michigan. I grew up in a family of nine children and went through high school and one year of college and then got a job. It was in the midst of the Depression, and I went to work for a candy company—Chici [phonetic] Candies—and worked as secretary and all-around clerk. It was a rather small office. That's where I got most of my experience. Some friends of mine were going to Texas for a while, and I went down with them and got a job there with the Department of Labor Statistics. Eventually I was transferred to the Philadelphia office. They had an office in Philadelphia, and while I was living in Philadelphia, I took a civil service examination. Later on, I was working for the Navy Department in Philadelphia for Captain Hoots [phonetic] who was the Supervisory Cost Inspector in an office there. I worked there for a couple of years, and at the end of 1942 I thought maybe I'd go back to Michigan.

Meanwhile I'd met other friends in Philadelphia and worked with them. They were all moving down to Washington. The war was hot. It was after Pearl Harbor, and they said to come on down. They had lined up a job for me there in the Pentagon. And I worked for—I guess he was a Major at the time—Major Tritopo [phonetic]. And then he was transferred to Washington, D.C., across the river from the Pentagon, and I decided I'd rather take my chances and be reassigned in the Pentagon. And that's how I landed with Mr. Woods. Eileen Shoemaker, who worked for Frank Denton who had recruited Mr. Woods to the Pentagon, was the chief clerk in our division—the Production Division—which was in the Army Service Forces under General [Brehon B.] Somervell.

Mr. Woods had needed a secretary. I guess his last secretary had resigned, and so she thought he and I would match up in personality and temperament. Anyway I started working for George Woods then.

**OLIVER:** This is the Mr. George Woods that you continued to work with after the war and through the years in the World Bank?

**SCHMITT:** Yes. George D. Woods. He was a major in the Army at the time, and before the end of the war he became Colonel Woods. As he always said, "A civilian in uniform."

**OLIVER:** You have mentioned the name Frank Denton. Would you say a word about him and his relation with Mr. Woods and what you can about how Mr. Woods happened to be recruited into that particular unit?

**SCHMITT:** Oh, I don't know, except that it was the Production Division and they had a lot to do with liaison with the War Production Board and getting materiel out to the

armed forces. There was a lot of coordination there. They were both bankers. Frank Denton was the son of a commercial banker in Arkansas, Kansas, and came to Washington or maybe to Pittsburgh first. But he used to be an auditor for the Treasury Department. He ended up in the Mellon Securities Corporation or helped to found it along with R. K. Mellon. Yes, I believe it was R. K. He was in that position, the head of Mellon Securities Corporation, at the time of the war and went down to get the war over with and do his bit. And then he was down there only a couple of months. I think he went down in early 1942, and by the end of that year he had recruited Mr. Woods from New York. He said, "Come on, George, we've got to get this war over with."

**OLIVER:** I take it they had known each other.

**SCHMITT:** They were very good friends—Betty and Frank and George and Louise. So they all moved down to Washington and spent those years there. The Dentons had two sons. And they kept their home in Pittsburgh. And anyway Frank Denton was a colonel when I went down there, and then he eventually ended up as a brigadier general before the war was over. They both were anxious to have the war ended and get home, back to their respective positions and their respective cities.

**OLIVER:** Well, how about you? First of all, before I ask you what you decided to do after the war, are there any incidents— anecdotes so to speak—about this period which come to your mind? About personalities or about the kind of work that was being done. Did you work late hours?

**SCHMITT:** Oh, yes, we worked six days a week. Usually until seven o'clock because there was a line of command, and we'd have to wait for General Somervell to go home, and Howard Bruce. He was a civilian in the Pentagon. I think he was the next in command. I think Somervell was head of Army Service Forces, and then it was Mr. Bruce and then—who was the next one?—Lucius Clay. Lucius D. Clay. He was a general. And as it got down to the next level, there was a General [H.C.] Minton. He was head of the Production Division, and I guess his assistant head of the department was Frank Denton. And then George was next in line under Denton.

After I got assigned to George Woods, we worked in adjoining offices. Denton's secretary, then Glenmar Blaugh—very nice gal, quite a character, wanted to go in the OSS [Office of Strategic Services], the predecessor of the CIA [Central Intelligence Agency]. She was going to go overseas, so he needed a new secretary. He told George he wanted me to work for him. That was the way that started. I went to work for him and finished the war there with Colonel Denton, then General Denton.

When the war was over, we all headed home. They both had asked me to go to work for them after the war, and I thought New York was more fascinating than Pittsburgh.

**OLIVER:** Quite right.

**SCHMITT:** But anyway, at the end of the war Mr. Denton went back to Pittsburgh, and Mr. Woods came back to New York. And by that time I decided I would come up to

New York to work in First Boston, and there was no problem about that. He paved the way, and I was taken on. And then soon after that in 1945—that was October 1945—he and Denton both left Washington almost immediately after the war. They both checked out of the Army as quickly as they could because they wanted to get on with their lives and settle again in their previous positions.

And then because of some conversations they'd had during the last year or so they were in Washington—the war was winding down and First Boston and Mellon Securities decided to merge. And I guess R. K. Mellon wanted Frank Denton to come on with the bank—the Mellon Bank—and give up the Mellon Securities, so Mellon Securities merged with First Boston. And then they brought a lot of commercial activity into First Boston. But that was in 1946. And then for a while we moved over to 2 Wall Street. We had been at 100 Broadway when I first started in 1945. And then Mr. Woods and a big segment of the Buying Department went over and took the Mellon Securities offices which were in 2 Wall Street at the time.

And we had a door put through from one building to the next so that people could walk through without going down to the street, because they were two separate buildings. We stayed there for about a year and then moved back to 100 Broadway, and I guess we found more space in the building, or whatever, and we found enough space to absorb everybody. And so we gave up the Mellon Securities offices.

**OLIVER:** When you say “we,” I take it you were by this time working for Mr. Woods in New York.

**SCHMITT:** Yes. Yes.

**OLIVER:** Did you start . . .

**SCHMITT:** He came as a Vice President, and I guess you'd have to refer to the annual reports. I'm not sure just which year it was he became Senior Vice President or Executive Vice President, whichever it was, and then by 1949 he was made Chairman of the Executive Committee. In 1951 when Mr. [Harry M.] Addinsell stepped down as Chairman, he became Chairman of the Board. And I should say Colonel [Allan M.] Pope had been President when we first came back in 1945. And then somewhere in those years he had stepped down, and Mr. [James] Coggeshall became President. And then Mr. Woods, following in 1951, became Chairman after Mr. Addinsell left.

**OLIVER:** That's Chairman of the Board?

**SCHMITT:** Chairman of the Board of First Boston Corporation.

**OLIVER:** Was he also Chief Executive Officer, or did that title even exist in those days?

**SCHMITT:** As I recollect, it didn't exist formally in those days. I've been aware of the CEO, Chief Executive Officer, designation of title as such only in the past 10 to 15 years, if that long, but it may have existed in an informal way. I may be wrong on all this.

**OLIVER:** May I infer that the fact that Frank Denton and George Woods worked closely with each other during the war may have had some effect on increasing the probability of the merger between Mellon Securities and First Boston? Did Mr. Woods have a major hand in that merger?

**SCHMITT:** Yes, I think so. They had their problems. R. K. Mellon had changes that he wanted to make in the Mellon Bank. He wanted Frank Denton to be there beside him. I think Frank Denton was always Vice Chairman of Mellon Bank from that time on, and R. K. was always the Chairman. I think he just wanted to have Frank Denton working more closely with him in the bank, and the Securities went to First Boston. That seemed to be a good merger.

**OLIVER:** I'm not totally clear about the relation between Mellon Bank and Mellon Securities. Was Mellon Securities a part of the Mellon Bank during or before the war, with offices in New York?

**SCHMITT:** I guess so. No, well, they had a branch in New York, but their main offices were in Pittsburgh. And I don't know too much of the previous background of Mellon Securities. You know, there was the banking law back in 1933. Was it 1933? And I don't know how that fits in, whether Mellon Securities was a separate, completely separate entity. It must have been. I don't know whether there was some legal reason for them to close that office.

**OLIVER:** Sure.

**SCHMITT:** Frank Denton's no longer around. He died the same year Mr. Woods did, as a matter of fact.

**OLIVER:** Well, let us move forward closer to the Woods years in the World Bank. What can you say about Woods' work for the World Bank as a consultant and visits to India and that sort of thing in the fifties?

**SCHMITT:** Well, only that he and Mr. Eugene Black had been good friends. I'm not sure whether Black—was he with Harris-Forbes, or Chase-Harris-Forbes?

**OLIVER:** It is my understanding that he worked in the Atlantic office of Harris Forbes at one point in the late twenties.

**SCHMITT:** Harris Forbes. Is that what it was? It was before I joined First Boston, so I was a bit hazy on just how he fitted into the Harris-Forbes/Chase-Harris-Forbes/First Boston picture.

**OLIVER:** It is my impression that Mr. Black and Mr. Woods did know each other in the late twenties, but how well they knew each other and whether they were close friends or not, I just don't know. And I take it you don't either.

**SCHMITT:** I don't really know, except I know they were friends and the Black name was—well, by 1949 he was with the World Bank, and I guess the relationship did go back to the late twenties.

**OLIVER:** In any event, First Boston together with Morgan Stanley was a major underwriter for World Bank bonds from the very beginning. So it would have been a very natural thing for Mr. Black, first as Executive Director of the Bank and then as President of the Bank, to be in close touch with a major officer of one of the major underwriting firms.

**SCHMITT:** Yes. And by reason of being underwriters and bankers in an important way, Mr. Woods was invited to the Annual Meetings of the World Bank, and got acquainted with a lot of the financial people, and then he was sent on two or three missions during the fifties by Mr. Black. He went over to help settle the Suez Canal matter, and he set up—or helped to establish or develop—the steel industry in India. And . . .

**OLIVER:** Do you happen to know whether or not he ever went to India solely for First Boston, wholly apart from being on missions for the World Bank?

**SCHMITT:** I don't think so. No, I don't recollect that he went on First Boston business specifically, but that goes pretty far back, and my memory may be hazy on that. I think his first major trips to India were on World Bank business in maybe 1952. He was recruited to go to India and talk to the Tatas, the Tata Steel and India Steel—excuse me, the ICICI [Industrial Credit and Investment Corporation of India] in India.

**OLIVER:** What can you say about Mr. Woods becoming President of the World Bank?

**SCHMITT:** Well . . .

**OLIVER:** What can you say about those events?

**SCHMITT:** Well, I guess it didn't surprise anybody really when Mr. Black stepped down to have him—I expect he put Mr. Woods' name in nomination for the job. And just the prior year his name had been put forward for the Agency for International Development. And that had moved along to a certain point, and then was sort of a red herring that was thrown out. And then the newspapers picked up the Dixon-Yates matter, and things got kind of hot. Mr. Woods wasn't embarrassed about Dixon-Yates because there was nothing to that. There was, you know, no indictments or anything. It was just a lot of fuss about nothing, but it was reported in the papers and in connection with the AID job it . . . There were too many anti-Woods things in the papers, and it was all political, but still he finally sent a message to the President, Mr. [John F.] Kennedy, and said he wanted to withdraw his name.

**OLIVER:** Well, so Mr. Woods accepted the job of President of the World Bank, and you came with him down to the Bank?

**SCHMITT:** Yes. Mr. Black's two secretaries stayed on. Mr. Black talked to Mr. Woods about that and Marie Linahan and Connie Ladue both stayed on. He had done some traveling with George Wishart and asked George Wishart to stay on, or come on with him as his personal assistant. The [International Monetary] Fund had that system of personal assistant to the head of the Fund and also the World Bank, so Mr. Wishart served for several years in that position. And he wanted to pick up his life in Europe, and so he was transferred to the Paris Office. Then he was succeeded by Rainer Steckhan. He was with Mr. Woods, and I think stayed on for a while with Mr. [Robert S.] McNamara as his personal assistant.

**OLIVER:** Can you say anything about the relation between Mr. Woods and Mr. Black after Mr. Woods became President?

**SCHMITT:** I think it was very good. Mr. Woods was a firm believer in consulting with somebody such as Mr. Black or anybody who would be able to help him in his job in the World Bank. Certainly Mr. Black had more background in the Bank than anyone he knew in the recent history, and so he consulted with him frequently. As far as I know, he telephoned or met with him either in New York or Washington. Mr. Black was a regular in Washington. And I think they had a very good relationship.

**OLIVER:** Mr. Black became sort of an adviser on overseas development issues to President [Lyndon B.] Johnson. This would have been 1965, 1966, that kind of period?

**SCHMITT:** Yes, but right from the start Mr. Woods—in my recollection he would consult regularly with Mr. Black because of his background.

**OLIVER:** Sure. And Mr. Black had consulted with Mr. Woods a fair amount during the time that Mr. Black was President.

**SCHMITT:** Probably insofar as he was the banker. I mean one of the bankers. First Boston, that is, and Morgan Stanley. There was a lot of consulting and business back and forth with the Bank and these two investment banking firms. So they consulted frequently on financial matters.

**OLIVER:** Some people have said that Mr. Black became annoyed when Mr. Woods decided to change the firm that did the travel services for the Bank away from American Express and to Thomas Cook. Were you aware of that?

**SCHMITT:** We didn't go to Thomas Cook.

**OLIVER:** Oh.

**SCHMITT:** No, we set up our own—they might have Thomas Cook now, and I think they went back to American Express. I'm not sure what happened after that, but I think the Monetary Fund had Thomas Cook, if I remember correctly. But, now, Mr. Woods wanted to set up the Bank's own travel section. And it worked quite well for a long time, and then I guess after Mr. Woods left and the Bank was expanding very, very rapidly. Mr. [William C.] Hauenstein and some other people had been in that division and had built up this department. They had their own travel people, and I suppose they went outside to American Express at times. Anybody on a trip could consult with American Express or other travel agencies while on the trip. But basically all the travel was handled in the Washington office of the World Bank. And then, you know, we didn't have the worldwide facilities that an American Express or Thomas Cook would have so . . . I may be wrong on a lot of this, too.

**OLIVER:** I'm just asking you for your recollections, in any event.

**SCHMITT:** Mr. Woods had gotten sort of disenchanted with American Express a couple of times when he was traveling and before he went to the World Bank, and I guess he felt they'd sort of failed him. And so he thought it was worth a try to set up our own travel agency. One of the things he did at one point was to, when the World Bank was in trouble financially for a while, cut down on first-class travel, which was sort of an accepted thing in the World Bank, I believe. But I know when I went out to Japan I traveled first class, and it was part of the whole operation.

And then I think it was after that—that was 1964—that the World Bank ran into some rough times with the IDA [International Development Association]. Replenishment and so forth.

There's always been a rivalry between the Fund and the World Bank—not at the top side, but personnel. And they'd compare notes. And the Fund does this, and the Bank does this. There were a lot of little jealousies about things such as traveling first class, which the Fund was allowed to do and the World Bank all of a sudden was not allowed to—except I guess top officials who would have to be ready for a meeting almost the minute they got to their destination. And I think they were still permitted to travel first class. But they had a lot of travel arrangements where if they went right on through, I think they could travel first class, but if they went second class or economy, then they could break the trip half way and go on. So it really was fair, but, you know, it was hard to get money—they were trying to get money from the U.S. Government. And it's hard for a U.S. congressman traveling economy to run into somebody from the World Bank sitting in first class when the World Bank was trying to get funds.

**OLIVER:** And in those days the World Bank was more dependent upon new funds for the IDA replenishment from the United States Government than the Fund was because the Fund was not increasing its quotas at the time.

**SCHMITT:** Yes, exactly.

**OLIVER:** Yes, I think that's a very significant point. I've also had the impression that Mr. Woods was mildly cross, at least when Mr. Black asked Mr. [Nathaniel] McKitterick to go on a mission to Asia with him at a time when McKitterick was supposed to have been a major speech writer as a consultant to Mr. Woods. Were you aware of any of that?

**SCHMITT:** Run that one past me again, because obviously I haven't heard this one.

**OLIVER:** Mr. McKitterick was a consultant to Mr. Woods.

**SCHMITT:** Yes.

**OLIVER:** As a speech writer.

**SCHMITT:** And Mr. Black . . .

**OLIVER:** And Mr. Black was asked by the Johnson Administration to do a major tour of Asia, and Mr. Black asked Mr. McKitterick to go with him on . . .

**SCHMITT:** Without consulting with Mr. Woods or . . .

**OLIVER:** Well, apparently there was some discussion between Mr. Black and Mr. Woods about releasing McKitterick to do this work, but it is my impression that while McKitterick was allowed to go, so to speak, it upset Mr. Woods that this happened.

**SCHMITT:** Oh.

**OLIVER:** It just doesn't ring any bell with you at all?

**SCHMITT:** Not really, because this was behind the scenes. Mr. Woods did an awful lot of work in person. Person-to-person meetings and on the telephone. I know they had a lot of listening devices in the World Bank at one time. And I don't know whether that system still goes, but I guess they have them in all the government offices. And Mr. Woods didn't really like that very much, and he told us to cool it. But it was a system that was accepted in the World Bank, and everybody else had their secretary's one ear to . . . and with this little button you push you can't tell it was anybody else on the phone. And Mr. Woods always liked to feel if he was on a phone call that it was a private conversation.

**OLIVER:** This wasn't for taping purposes like the [Richard M.] Nixon tapes in the White House later?

**SCHMITT:** Oh, no, no, no. No, as far as I know there were never any tapes in the World Bank.

**OLIVER:** It was just a matter . . .

**SCHMITT:** Maybe we should have had them. It would have saved you all this.

**OLIVER:** It was just a matter of maybe a secretary listening to an important conversation and maybe making a few notes about it?

**SCHMITT:** Yes, see, now some of the men depended on a secretary to listen in and write down their meetings. Mr. Woods had sort of total recall on everything, and he seldom needed a prop such as a secretary to confirm that he had made a date with such and such because he was very meticulous about telling us right away if he'd made an appointment, and then it would immediately go on the calendar. So he didn't feel it was necessary to have anyone monitoring his telephone calls. And that was just a personal reaction. He never had it in his previous work.

**OLIVER:** Didn't want it in this one?

**SCHMITT:** He didn't really want it. No.

**OLIVER:** Did he make any directives on this subject to other people in the Bank or was this pretty much . . .

**SCHMITT:** No, not really, but he made it known to us in our immediate offices, and I think maybe Mr. McNamara did later on. It seems to me somebody told me that he had stopped them from using these little bugs. I mean the—not bugs, but they are little . . .

**OLIVER:** Sort of extensions?

**SCHMITT:** A little button that you—the silent listener . . .

**OLIVER:** Sure. I understand.

**SCHMITT:** I don't know. It's a dangerous thing in a way, I feel, but if everybody gets accustomed to it and if they know it exists . . . Mr. Woods didn't know it existed at first—but anyway he didn't like it, and he made it known in our immediate office.

**OLIVER:** What would a typical day be like for Mr. Woods? Would he spend a large part of the day on the telephone, plus meetings?

**SCHMITT:** A large part of the day on the telephone and the meetings. He had the President's Council which met—I've forgotten how often.

**OLIVER:** I think almost every day at something like 9:30 in the morning.

**SCHMITT:** Yes, about 9:00 or 9:30 I guess it was. Yes. And then they'd come in ready for work, and he had just enough time to get his desk set up. Every night he took a bagful of homework home with him, and I guess during the interim of his getting home—what'd he leave?—about 6:00 or 6:30. I think he left fairly promptly because in Washington—see before we went to Washington he might work on into the evening until 7:00, 7:30 because there was nothing to do in between.

And yet in Washington I think there were probably more social activities insofar as he might have to stop for a drink someplace or stop for a reception someplace. And so his time was more pressed. But I think in that way he kept a pretty regular day. I think he came in at 9:00 and left pretty promptly around 6:00. As opposed to New York, he might come in early and leave as late as seven o'clock. I seldom made any dates before seven o'clock myself.

**OLIVER:** How about weekends?

**SCHMITT:** Weekends. You mean what? Washington or here or . . .

**OLIVER:** Either.

**SCHMITT:** Well, when I first came to work for First Boston we were on a 5 ½ day week. And so when—having been working in the Pentagon six days a week that seemed like a breeze. But then after a year or two, they cut down to Monday to Friday. I forget whether the Stock Exchange was ever open on Saturdays. I doubt it, but in any event, the office was open a half day on Saturdays. And in Washington and New York, we always had a duty person on the weekend, and if the wire room got a message through they had to call one of the secretaries to be sure somebody knew about the message. Usually it was some message from some far-off country. You know how a cablegram might be just a routine cablegram, but it very often would show up on a weekend and somebody had to know that it had come in. And very seldom any really pressing things came in over weekends. One of us was to be called. It could have been Miss Linahan, or myself, or Miss Ladue, or Mr. Wishart. Somebody, just so they had a record of it.

**OLIVER:** It is my impression that Mr. Woods kept his apartment in New York while he was President of the World Bank. Do you know whether or not he would come back to New York sometimes for weekends?

**SCHMITT:** Yes, and they always had their home available to them whenever. Yes, they would come up as often as they could or as often as necessary. Sometimes on personal matters. Sometimes to meet with the World Bank people in New York or to consult . . . if he had business at the United Nations, he would always use his apartment as his headquarters. And I can't tell you what frequency, but maybe as much as once a month.

**OLIVER:** Ah, but no more than that?

**SCHMITT:** It could have been. I just haven't gone over the records.

**OLIVER:** Sure. Did Mr. Woods, and Mrs. Woods of course, entertain a fair amount in Washington?

**SCHMITT:** Yes. Official entertainment, basically. Yes, and they had quite a social life. I've already sent the diaries that Miss Linahan was responsible for keeping—the

social diaries for Mrs. Woods—and kept very good records of those years. And you could get a better reading on that from those diaries.

**OLIVER:** Sure. Do you know whether there are particular people in the Bank that Mr. Woods relied heavily upon for consultation about Bank business? Obviously there were the members of the President's Council. Were there others beyond that?

**SCHMITT:** Well, Irving Friedman was part of the Council. No, the Council members were the main ones. Let's see, was Martin Rosen part of that too?

**OLIVER:** Occasionally, I am told. He was not an official member.

**SCHMITT:** Yes, because he was head of the IFC [International Finance Corporation].

**OLIVER:** He was in some sense above the other members of the Council.

**SCHMITT:** Yes, and he certainly consulted with heads of departments a lot and consulted with Pierre-Paul Schweitzer a lot and just ...

**OLIVER:** How about executive directors?

**SCHMITT:** Yes, he met with them regularly just as Mr. Black—Marie Linahan says Mr. Black did. But, yes, Mr. Woods continued that practice of meeting with them. If there was a particularly important loan coming up and they could discuss certain phases of the loan ahead of time to smooth the way to having things approved, answered a lot of questions ahead of time, and then it would come to the floor with the full Board.

**OLIVER:** I have been told by some that Mr. Woods' relations with some of the members of the Board became more controversial in the last two years of his term as President of the Bank. Were you ever aware of that?

**SCHMITT:** Do you know any specifics?

**OLIVER:** Well, there were more Board meetings, I take it, because there was more lending activity and more discussion of things like IDA. Because of IDA some of the directors felt that they had more authority or wanted to have more authority in the operations of the Bank than before and that on occasion Mr. Woods would answer questions or comments from directors in a rather abrupt way so that some of the directors and he seemed to have more controversy at official Board meetings in the last couple of years than had been true in the first two or three years of the administration. Were you aware of any change like this?

**SCHMITT:** Not a real change like that, but just knowing how personalities either mesh or don't mesh I think there are personality clashes very often that—and maybe Mr. Woods' problems with the World Bank and funding and things like that weighed more heavily on him. Maybe those things aggravated him, and maybe he was testier or seemingly more difficult to deal with. I don't know.

**OLIVER:** It clearly wasn't apparent to you.

**SCHMITT:** Not really, no. I mean it wasn't a big issue as far as I was concerned, but I didn't sit in on meetings. And Mr. Woods was never one to sit down and talk with me. I had free access to his desk and any papers and all that. He felt that—not because it was me—but a waste of time to sit down and brief a secretary when, if she has sense at all, she can read the papers on his desk and get anything that she needed. And he wasn't one to consult with a secretary, no. He would go over papers with Mr. Wishart, his personal assistant, and later Mr. Steckhan. They were a good liaison between himself and other members of the staff, and very often he communicated through him or set up meetings with special interests through his personal assistant.

**OLIVER:** What can you say about the subject of his serving five years—one term, so to speak, and then three additional months? Do you have any idea whether at any point he thought that he would like to serve a second term as President?

**SCHMITT:** No. No. I'm sure he didn't. Unless you've heard to the contrary. I had never gathered that at all. No, I feel he went down for a five-year period, and he felt that he had moved it in a direction that he thought should be taken and that another five years wouldn't move it that much more in any other direction. So I think he was ready to step down. He was then 66, so I don't think he saw himself serving another five years and going on into the seventies. He wanted Mr. McNamara to be his successor, and then the three months into 1968, as I recollect. I think it was pretty much decided by the end of September or the beginning of October—maybe as early as the time of the Annual Meeting in Rio in 1967—that Mr. McNamara would take the job. It had been cleared with Lyndon Johnson. I think Mr. Woods was ready to step down any time that all the things could be put in motion. Mr. McNamara understandably had some loose ends to tie up in the Pentagon, to make an orderly transition from the Pentagon to the World Bank, it took that extra time.

**OLIVER:** Sure.

**SCHMITT:** And I think that was the only reason that you might have gotten the impression he was going to try to stay on. No, I think he was satisfied that his phase in the World Bank was finished. And he actively sought somebody to take his place.

**OLIVER:** Do you know whether he actively considered people other than Mr. McNamara as his successor?

**SCHMITT:** Well, I'm sure he did, but I couldn't name one of them, really.

**OLIVER:** Sure.

**SCHMITT:** So much of that too was—I'm sure he probably consulted with Eugene Black at the time.

**OLIVER:** Well, I'm now about to ask you about trips. Could you say a word about the reason for the trips and how often Mr. Woods went on trips?

**SCHMITT:** Yes.

**OLIVER:** Just tell a little bit about the trips in general.

**SCHMITT:** Well, the trips were set very often with whole staff. If he was going to India, for instance, they'd have the staff like Mr. Peter Cargill or Mr. [Gregory] Votaw or members of the Bank staff who were following a particular issue in a particular country, and they might precede him to that particular country and set up meetings with the government officials. And I can't tell you exactly how often he went on trips. Sometimes he would take a briefer trip, and Mrs. Woods would not go along. As you've seen from her journals, those were the major trips that they made. And he made certain trips to give a speech, and they weren't the kinds of trips where Mrs. Woods—if she did indeed go with him—where she'd write a journal. But when she went on a trip of any length, she usually did write. She'd take his Dictet machine along and dictate into that. And now I can't get her to even do a little tape like yours.

**OLIVER:** Did you go on any trips?

**SCHMITT:** No, I never went on any trips except the two trips on World Bank Annual Meetings, and they were keenly interesting. Basically it was like being back at home because he tried to run the office and keep the day-to-day business going also within limits. But they were very interesting in both cases. I went to Japan in 1964. And I guess I had about one week more than the length of the meeting for vacation and went to Hong Kong and saw a little bit of Tokyo. And it was very interesting. And then to Rio in 1967. It was another work meeting.

**OLIVER:** Sure. I've been told, but I can't remember by whom, that not infrequently the Woods took their own bottled water with them on the trips.

**SCHMITT:** Probably.

**OLIVER:** It's not something that you ...

**SCHMITT:** No, I just wasn't really aware of the particulars of their luggage, but it doesn't surprise me because Mrs. Woods has always been an advocate of drinking Evian or any of the waters that are bottled in any country.

**OLIVER:** Well, before I ask you a little bit about your work as secretary for Mr. Woods after he left the Bank, let me just ask are there things that I should have asked you about the Woods' years in the Bank and I haven't? In other words, can you add to the record beyond what we've been talking about?

**SCHMITT:** I don't think so. They lived in the Sheraton Park Hotel all the while they were there. They had a beautiful apartment. Mrs. Woods always wanted to be

surrounded by nice things, and she went down to the storage rooms and fished around until she got all the furniture that she wanted in their apartment. It was all rental, and I guess you probably know that they have a cost-of-living allowance and so forth in the Bank and then another allowance for entertaining. And that was all one of the financial arrangements.

**OLIVER:** Sure.

**SCHMITT:** And Miss Linahan was very helpful in keeping all those records of how many people attended. It all had to be done very meticulously, and she helped Mrs. Woods on social activities along with Marjorie Billings, the lady whose funeral I attended a few years ago. She worked closely with Personnel and Staff Relations, and she helped Mrs. Woods. She was most helpful to Mrs. Woods on social events. And Mrs. Woods started a group. She felt that the ladies should get acquainted and get, you know, to help acclimate them to life in Washington. Wives of the various executives would get together regularly. Mrs. Woods was a very social person and loved getting things started.

**OLIVER:** I think she worked particularly hard at helping the wives of staff members and indeed executive directors from other countries . .

**SCHMITT:** Right, right.

**OLIVER:** . . feel at home in the Bank. Did she not?

**SCHMITT:** Yes. Yes, she did. She was very good at it, and Mr. [Bogomir] Chokel tells me the story about how she used to come to all the art exhibits. Being an artist, he's aware that she's very interested in coming to the art exhibits every year. And she kept very active. She had a nice relationship with most of the ladies in the Bank, and a lot of the wives of executive directors. She had lots of pictures. And she's kept up a relationship with so many of the wives of executive directors plus wives of ambassadors that were there in Washington during their stay.

**OLIVER:** Do you happen to remember offhand which wives on the staff she most often called upon for help?

**SCHMITT:** Do you know Mr. [Abdel Galeel] El Emary?

**OLIVER:** I know of him. I've never met him.

**SCHMITT:** She was rather close to Mrs. Shoaib, Mohamed Shoaib. I don't know all of them, but those two stand out. She advised them—Mrs. El Emary is from Egypt and Mrs. Shoaib from Pakistan. And she had special relationships with them, and I think to some degree with Mrs. [J. Burke] Knapp. Mrs. Knapp's interests lay in the theatre a lot. A lot of these people had been in Washington for years before the Woodses got there, so the old timers who were well established in Washington didn't need help as much as the newcomers and people from far away places who might need a little more help in getting

acquainted and so forth. She liked particularly helping people from other countries to get established and to make friends and be included.

**OLIVER:** Mr. Woods stepped down as President the end of March 1968.

**SCHMITT:** Yes.

**OLIVER:** And stayed in Washington a couple of months I guess.

**SCHMITT:** Yes.

**OLIVER:** And then came back to New York. And you came to New York, too, I think.

**SCHMITT:** I came back in June that year, yes. Because there was a certain amount of carryover, and we had to get an office established in New York. He didn't want to go back to the main office of First Boston, and he . . .

**OLIVER:** Where was the main office then?

**SCHMITT:** At 20 Exchange Place. We had just moved into that building in 1962 about six months before he left. Having been Chairman for a number of years, he didn't want to go back and be untapped. I mean he had a feeling that he was no longer management and a lot of the young fellows who had come in when he was Chairman—he didn't want to have them feel that they had to consult with him. And so he got Mr. [Emil] Pattberg to agree to set up an office uptown, and then we found this place in 277 Park. It was a sublease in a company called Callahan Mining. And that's an interesting thing there. When in the Pentagon, we used to work with a fellow by the name of Joe Hall. I think he was a lieutenant or something like that at the time. He was then President of Callahan Mining, and we hadn't seen him in all those years, but here he was our landlord all of a sudden. It brought back a friendship from many years ago.

But anyway we stayed there then, and he could carry on whatever activities he had. He took on the Rockefeller mission when they traveled to the Latin American countries in the late sixties—1969 I think it was. And then he'd joined the staff of International Executive Service Corps. Have you interviewed Frank Pace? Well, he was with that. A lot of these things were started by the Rockefellers, one or the other. Nelson Rockefeller started the New York State Urban Development Corporation, and he wanted Mr. Woods to be Chairman of that. And then they found Edward Loeb from Boston. Well, from Boston and Yale, I guess. And he was made President of that. Do you have much on that?

**OLIVER:** Well, I have the files. I have not talked to anybody in an oral history way about that.

**SCHMITT:** Yes. And then that sort of ran into troubles in the middle seventies, I guess right about the time Nelson Rockefeller was stepping down and the city was going through a financial crisis, they suddenly hit on let's go get UDC. So that sort of fell

apart, and there were hearings on it and everything. And I think Mr. Woods came out pretty clean on everything. It was a financial crisis, and the UDC seems to be alive and healthy today so—the city was having its financial crisis.

And then he had the Commission on Critical Choices, which Nelson Rockefeller started. And then he was on Commission on Horse Racing in New York State. The off track betting people versus the race tracks. Mr. Woods served on that committee, but I think a fellow by the name of Delafield chaired it. And I don't know if they ever—they had a report on it and everything, but I don't think—nothing changed. They still have the OTB [off track betting]. I think the Racing Commission felt that OTB was taking away from the race tracks too much and, and they probably did.

**OLIVER:** Did Mr. Woods maintain contact with people in the World Bank after he retired to New York?

**SCHMITT:** Yes, to a big degree. Mr. McNamara consulted with him some. Not a great deal. But some. And Mr. [Simon] Aldewereld and he were friends. Mr. Friedman. He, I think, purposefully stayed away from the Annual Meetings because he didn't want to be in the way. It's like you're finished with this, and you step in the background.

**OLIVER:** Did Mr. Black ever attend Annual Meetings after he stepped down as President that you remember?

**SCHMITT:** Maybe for a few years. I'm not sure. He used to show up. I don't know whether he attended the meetings particularly, but he would show up in Washington. I think there was a pretty good relationship before and during and after the World Bank years.

**OLIVER:** Did Mr. Woods ever go on any missions, so to speak, lead any missions for the World Bank after he stopped being President?

**SCHMITT:** Not really.

**OLIVER:** No.

**SCHMITT:** Then later, several years later, he got involved in the Foreign Bondholders Protective Council, and he brought that along as far as he could. But he wasn't really invited to Washington to serve on any big things in the World Bank after he left.

**OLIVER:** I think that he increased again his interest in the theater, did he not? In the years after he retired from the Bank, didn't he and Mrs . . .

**SCHMITT:** Yes, they are good theater goers. They always were. He was interested in the Repertory Theatre of Lincoln Center, which he had once been President of. He was there in the early days of that--on the Board of Lincoln Center. And then he was President specifically of the Repertory Theatre of Lincoln Center, and I think served on that even during the World Bank years.

And then Eugene Black, Jr., I think, got interested in that. He had a mild interest. I think in Mr. Votaw's paper there was something about his making a lot of money in the theater, and I doubt it. But anyway, he had backed a couple of plays in the thirties probably. The Four Horsemen and Sailor Beware.

**OLIVER:** Well, he maintained the office on Park Avenue that was leased for him specifically until 1983 was it?

**SCHMITT:** 1982.

**OLIVER:** 1982.

**SCHMITT:** Yes. We left that office partly because the whole company was moving uptown. We had a very nice space there, but I guess he felt by that time as long as the main company was moving uptown to its new building that it was probably the right thing. And also at the same time Chemical Bank was in the process of getting rid of all their outside tenants because they wanted to make that building their international headquarters, which it is now. And so our immediate landlord when we first started—Callahan Mining—had moved out. They had been subtenants of Witco, I believe, and then had released this 2,200 square feet of space to First Boston for Mr. Woods.

And so then Witco was our immediate landlord, and they were being asked to leave. They had to find new space at the same time we were moving into Park Avenue Plaza.

**OLIVER:** What is the address of Park Avenue Plaza?

**SCHMITT:** 55 East Fifty-Second.

**OLIVER:** Well, I think that brings us very nearly up to date. I think this has been a very interesting interview, and I appreciate it very much.

**SCHMITT:** I wish I could be more interesting but . . .

**OLIVER:** You're very interesting, and I think that your summary of the details will be very useful in the Archives of the Bank as well as your recollection of certain events in the Bank's history which are unlikely to turn up anywhere else.

**[End of Tape 1]**

**[End of Interview]**