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PLEASE CONSULT NEXT VOLUME FOR 1965

PROF. MASON'S REPORT
ON ECON. WORKS OF BANK

HARVARD UNIVERSITY

Copy in Harvard
Univ

EDWARD S. MASON
Lamont University Professor

210 LITTAUER CENTER
CAMBRIDGE 38, MASSACHUSETTS

December 16, 1964



TO: George Woods
Geoffrey Wilson

FROM: Edward Mason

SUBJECT: SOME THOUGHTS ON THE ECONOMIC WORK OF THE BANK

As compared with government departments and other international agencies the IBRD is staffed with well-qualified economists. There are, it is true, few economists in the Bank who would be considered top flight members of the profession. On the other hand, I have not come across many who clearly do not qualify. Most Bank economists are competent in applied economics which is their primary concern. There are, nevertheless, substantial opportunities for upgrading the general level of economic personnel and there is a need for arrangements to overcome certain unfortunate consequences of the way the economic work of the Bank is organized. This paper is mainly an elaboration of the following propositions:

1. The Bank is not getting top quality candidates from leading graduate schools in the United States. Recruiting younger personnel elsewhere in the world may be somewhat easier. The Bank finds considerable difficulty in recruiting senior economists anywhere.
2. Economists in the Bank for the most part quickly lose contact with and standing in the profession.
3. For many economists in the Bank, career opportunities are unnecessarily narrow. There should be more movement among departments both in the interests of the Bank and of the individual.
4. Communication among economists in the Bank is not all it should be. Many people have complained to me that they do not know what is going on elsewhere of interest to them and relevant to their work.

5. The organization of the Bank is such that a special effort is required to focus the proper degree of attention on various central problems of development.
6. The Bank is rather badly understaffed with economists, particularly in the light of emerging tasks and responsibilities.
7. The mission of the Economic Department is still not effectively defined.

1. Enquiry of colleagues from a number of leading graduate schools in the United States has convinced me that top grade students rarely think of a career in the Bank. Partly this is a question of compensation and I have the impression that, even with recent salary increases, the Bank is no more than competitive with alternative employment opportunities in the United States. The situation may be different in Europe and, particularly, in other parts of the world.

In the main, however, it is because the Bank, as a place for economists to work, is relatively unknown. There are few outstanding professional economists in the Bank whose names are known to the outside world. Observation suggests that Bank economists rather rapidly lose contact with the profession. This is in marked contrast with the reputation of the Fund and the experience of its economists.

It may be said that what the Bank needs is not people of first rate analytical competence and strong professional interests but, rather, men with a distinct bent towards operations and capable of undertaking tasks that are not strictly professional in character. This is only partly true. There are many posts in the Bank where analytic capacity and strong professional interests are the sine qua non and anyone in an economic position in the Bank should have received the benefit of good professional training and should have some interest in keeping up with professional thought insofar as it is relevant to his work.

The Junior Professional Program represents a considerable advance in meeting the Bank's personnel needs, and I am impressed with the quality of the people thus far selected. The problem will be to hold their allegiance. To do this, and to recruit more successfully to economic positions at all levels, attention needs to be given to various measures designed to make the Bank a more interesting place for economists to work.

2. As suggested above, economists in the Bank tend rather quickly to lose contact with their profession. Very few publish the results of their research or reflection and although, so far as I am aware, the Bank does not frown on publication it offers no serious encouragement either. No opportunity, such as the IMF Staff Papers, is

offered and it is interesting that the recently established Bank periodical is issued from the Public Relations Department. This lack of publication is a loss to the outside world, particularly to the less developed countries since the Bank has a wealth of material and experience relating to economic development that could fruitfully be distilled. But it is also a loss to the Bank since publication is one of the best ways of maintaining the professional contacts of its economists. As things stand now it is rare, in formulating the program for a conference on, say economic development, that one thinks of Bank economists as possible contributors.

I do not want to make too much of this question of publication since there are other ways of establishing and maintaining professional contacts. It is also difficult to judge what effect lack of opportunity of publication has on recruitment. I have discussed this with a number of the junior professional staff and find that the majority are not much interested in establishing a professional reputation through publication. But there are some who are and I suspect that the aura of anonymity which invests an economist when he chooses a Bank career repels a number of young economists in whom the Bank would be definitely interested.

It would help to maintain professional contacts if the Bank followed the practice of granting every eight or ten years on a selective basis, sabbatical leaves to be used to pursue research interests or in attending refresher courses in universities. This has been done in one or two cases with beneficial results and further use of the practice has been urged in the Lejeune Report. Such leaves should be considered to be rewards for merit; they should not be available as a matter of course after X years of employment; a number of, perhaps, two to four per year might be appropriate.

It would be useful to have in the Bank at any one time one or two first rate academic economists working on broad problems of mutual concern to the Bank and themselves. The work of TOD and the Economic Department in particular generates problems amenable to such a procedure but it is quite possible that there are problems common to the countries embraced by an Area Department that might benefit by an extended visit from a distinguished outsider. The establishment of such a practice would, I suspect, not only facilitate recruitment but would make the life of economists in the Bank more interesting.

Some years ago a seminar open to Bank economists was established to which outside speakers were invited. Opinions on the success of this enterprise differ but a substantial number have told me that they derived considerable benefit. After a period of inactivity it is now being revived. It represents one way--though not perfectly effective--of maintaining contact with economic thinking outside the Bank. It might be advisable to administer the Seminar by a Committee composed of Economic

Advisers and chaired by the Director of the Economic Department.

3. A fair number of economists in the Bank find their work narrow and stultifying. Part of the reason, I suspect, is that there is too little movement among the various departments of the Bank. An economist considering a career in the Bank should be able, if he chooses, to look forward to periods of time spent in TOD, one or more Area Departments, the Economic Department, and EDI. Not everyone is adapted to this variety of work but those who are, and choose to take advantage of the opportunity, would find, I suspect, a career in the Bank more satisfying, and, in the end, the Bank would benefit from this experience.

The Management of the Bank has in recent years attempted with some success, to facilitate movement among departments but I have the impression that most of the personnel shifts are from the Economic Department to others and among the Area Departments. Movement between Area Departments and TOD seems to be rare and economists tend to move from but not to the Economic Department. Satisfactory career development would require at times an overriding of the priorities established by heads of departments in favor of a larger objective. Such career development would probably have to be the responsibility of someone in top management.

4. As the Bank has grown larger the effectiveness of its communications system, at least as it affects economists has not kept pace. This has been the subject of comment in a number of administrative reports but, so far as I can determine, no great steps forward have been taken. Departmental staff meetings could obviously contribute much to a better understanding of what the central concerns of the Bank really are, but I have the impression that they are usually rather perfunctory. A key figure in the communication system so far as economists are concerned is the Economic Adviser and it seems to me that someone with the authority to perform this role should be continuously in residence in a department. All economic reports go to the office of the Economic Adviser but there is a divergence of view on how effectively relevant documents are called to the attention of economic desk officers. In order that this be done properly the Economic Adviser must be familiar in detail with the contents and if his office is not properly staffed to give him this information it should be so staffed.

Presumably the main function of the Economic Adviser is the maintaining of the standards of the economic work of his department. In addition to participating in the layout of studies, and discussing and criticizing the results, he has--or should have--the obligation of keeping the economists of his department in touch not only with relevant material in the Bank but with thought outside the Bank bearing on these studies.

This requires an amount of reading and an attendance of staff meetings incompatible with other responsibilities of the Economic Adviser

unless his office is staffed adequately to assist him. I assume that if an Economic Adviser typically spends three months in the field, the functions of this Office cannot be effectively performed without two advisers, one of whom is in constant attendance. Complaints of a tendency of Advisers to convert themselves into desk officers are of long standing in the Bank. It may be desirable in the case of one or two countries in which the Bank has a large interest to place responsibility in the hands of someone of the status of Economic Adviser. But in this case provision should be made for carrying out the Washington responsibilities of the Office in some other way. This is not always done.

The status of the Economic Adviser and his relation to other economists in a department also leaves something to be desired. The title of Assistant Director would provide no more than adequate recognition of the importance of the role played by the Economic Adviser. Thought might also be given to the administrative relationship of the Adviser to the professional work of economists in his Department. As the Bank moves from exclusive concern with project lending toward an interest in the developmental policies and practices of aid-receiving countries it becomes increasingly important that country analysis be of high quality. This implies a closer relationship between the Economic Adviser and the economists in his Department than is now customary.

The Staff Economic Committee should play a central role in the Bank's communications system so far as economists are concerned as well as serving as the principal agency for maintaining consistency in Bank policy among countries and areas and the standard of economic reports. It does not perform these functions adequately at the present time. Attendance by Economic Advisers is frequently sparse, papers of little consequence are often considered, and the discussion of significant issues is sometimes not adequately prepared for. At the same time the consideration of development problems in India prior to the formation of the present mission indicates the function this committee could perform if properly organized. At a time when the Bank is increasingly immersed in questions of developmental policy, partly by reason of its participation in consortia and consultative groups, the Staff Economic Committee should be the principal forum for consideration of and recommendation concerning Bank action on these matters. This will require substantial advance preparation both by the Chairman and by the members of the Committee. I suggest that the SEC meet as a whole less frequently and only when questions of substantial significance are at issue. The criticism and approval of less important documents might be delegated to subcommittees.

5. The economic work of the Bank is so organized as to make it difficult to concentrate on certain problems of economic development that should be in the center of the Bank's interest. The economists in TOD are primarily concerned with the economic aspects of the appraisal of particular projects and are hardly in a position to compare this project with

various possible alternatives or to probe at all deeply into the implications of the project for a country's development. Economists in the Area Departments are apt to take a rather aggregative approach to their analysis of the economies of their regions and rarely penetrate very far into the mysteries of sectoral development. While it is true that every three years or so a country of interest to the Bank is visited by a Survey Team commanding the services of sectoral experts these visits are relatively short in duration and the resulting reports rarely penetrate deeply. There are, of course, exceptions including the recent intensive Report on the Development Program of Mexico. It is, however, not much of an exaggeration to say that between the analysis of particular projects on the one hand and a survey of data relevant to the debt servicing capacity of a country on the other, some of the central problems of development get neglected.

In the meantime, Bank operations are moving away from exclusive concern with the feasibility of particular projects and the debt servicing capacity of countries. The establishment of IDA carried with it the strong implication that if a country is incapable of servicing additional debt the Bank has an obligation to find out why this is so and to assist the country in overcoming its difficulties. To overcome difficulties frequently means changing policies and institutions and the Bank may find itself in the position of using what leverage it has to bring these changes about. To assist effectively in the overcoming of difficulties and to use leverage wisely may require a deeper understanding of the development process than is usually evident in Bank reports.

Recent activities foreshadow further developments in this area. The so-called "End-Use Studies" in which the Economic Department is cast in a leading role imply a post hoc evaluation of the relation between particular projects and a country's development process. The justification for the replenishment of IDA funds seems to require an examination of the relation between external assistance and a country's "self-help" measures not frequently undertaken by the Bank. The current study of Indian development practices and policies, which makes a heavy draft on Economic Department personnel, is an attempt to penetrate deeper than most economic surveys have succeeded in penetrating and this type of study may be necessary in other countries if the Bank is to fulfill its consortium responsibilities. The establishment of consultative groups tends to place the Bank in the position of expert adviser to other providers of development financing and such advice to be effective requires a careful assessment of development priorities.

The Bank is currently not very well staffed to undertake such studies. Its present staff of economists is more than fully engaged and the present division of responsibilities makes it difficult to organize this type of work except on an ad hoc basis.

6. There are a number of vacant positions for economists in various departments of the Bank and some of the difficulties of finding suitable candidates have been touched on above.* But even if all these positions were filled, the Bank would still be rather badly understaffed in the light of the changes that need to be made to make the Bank more attractive to economists and to improve the economic work of the Bank and in the light of an increasing set of responsibilities. It has been suggested above that occasional opportunities should be provided for sabbatical leaves; that economists in the Bank should be encouraged to maintain contacts with their profession through publication, attendance at professional meetings and in other ways; that the office of Economic Adviser should be recognized as having certain time-consuming responsibilities of communication and maintenance of standards that are not always now effectively exercised; that the work of the Staff Economic Committee should be taken seriously; that, as a part of a career program, there should be substantially more movement of personnel than at present among departments.

All this plus the rapidly growing work load of the Bank in the economic field argues for more staff. Even if all presently vacant posts were filled, I would argue the need for at least 15-20 additional professionally competent economists, apart from the staff of the Economic Adviser to the President.

7. The mission of the Economic Department is still not fully defined and the Department does not occupy a position of high prestige in the Bank. There are those who regard it primarily as a training ground for recruits to other departments and as a storehouse of personnel to be made available for ad hoc assignments. It does and should perform these tasks but it should also be something more than this. There are, it is true, certain specific and important jobs that the Department has traditionally performed including commodity studies, assembly of data on debt servicing capacity, project analysis and investment criteria. Its preparatory work, moreover, for the UNCTAD Conference was outstanding. Apart from these, however, it is my impression that most of the Economic Staff is engaged in ad hoc assignments or is away on foreign missions. The Department, I believe, should have a continuing work program recognized elsewhere in the Bank and when this program requires assistance from personnel in other departments the Economic Department should have the same type of claim on this personnel as other departments have on Economic.

*As of December 10, 1964, there were 34 unfilled posts for economists on the Bank staff, including a number of new posts created for the Office of the Economic Adviser to the President. Formal offers have been made to six economists against these 34 vacancies.

I have a good impression of the professional competence of the Economic staff and, despite assertions in other parts of the Bank, I have not been conscious of a particularly low level of morale. The members of the Department should have opportunities comparable to economists elsewhere in the Bank of serving on foreign missions but, assuming a serious work plan is underway, the Department should enjoy the same protection as other departments from wholesale co-optation of its personnel. As long as the economic work of the Bank is divided as it is now among TOD, the Area Departments, EDI, and the Office of the Economic Adviser to the President, all of which are oriented toward particular areas of Bank operations, there exists an obvious need for an instrumentality capable of promoting consistency of Bank policy toward different countries and areas, and of contributing functional-, rather than area-, expertise to analyses of the development process. The lending operations of the Bank are unlikely to contribute significantly to development unless the borrowing countries can mobilize their own resources and put them to effective use. This raises questions of fiscal policy, of types and rates of industrialization, price and other policies of public corporations, international comparison of performance, investment criteria, etc., in which the Bank, as well as other aid-providing entities, must inevitably be interested.

As I see it the primary role of the Economic Department could be the provision of functional expertise in these various fields of developmental activity. This would mean the building up of the fiscal, industrial and other units of the Economic Department that now exist in embryo. A danger, however, that confronts all research organizations not tied effectively into policy making and operation is of becoming a fifth wheel. This is a particular danger in the Bank where there are so many economic wheels each turning on its own axis. The answer may lie in building the Staff Economic Committee into what it should be, the chief instrument of policy formulation and recommendation in the field of economic policy. The Economic Department should provide the Chairman and the Secretariate for the Committee and the Secretariat has an important role to fill in the analysis of policy alternatives.

So much has been said about the necessary first step of finding a Director for the Department that there is no need to press the matter here. If I am correct in suggesting the proper mission for the Department it follows, I think, that the Director will inevitably have to work closely with the top management of the Bank since the questions relevant to this mission are very much the concern of top management. If this is to come about, the relation between the Economic Adviser to the President and the Economic Department needs to be clarified.

The above discussion implies various specific recommendations which may be summarized as follows:

The Bank should introduce the practice of granting leaves of absence of six to twelve months duration to staff members for the purpose of pursuing research of mutual interest to them and the Bank and for the purpose of professional refreshment. These leaves of absence should be granted on a selective basis and be regarded as merit awards.

The Bank would benefit from more publication by members of the staff. This would assist in recruiting economists who are interested in maintaining professional contacts. Publication is also a useful device for disseminating some of the results of the Bank's vast experience in the field of development.

It would be useful if at any one time one or more distinguished outside economists were at work on problems of mutual interest to them and the Bank. This work should normally be done at the Bank and the economists in question should be available for consultation by staff members. There are a number of issues in the range of interests of TOD and the Economic Department adapted to such research and there may also be opportunities of using outsiders in the Area Departments as well.

An effective program of career development for economists in the Bank should provide a substantially greater opportunity for movement among departments than exists at present. Such a program implies a substantial accretion to the economic staff and some measure of intervention from the top in departmental assignment of personnel.

One device for maintaining professional contacts is a seminar or discussion group with outside speakers, open to all Bank economists, and holding regularly scheduled meetings.

All the preceding recommendations are directed towards the objectives of maintaining professional contacts, making the Bank a more interesting place for economists to work, and thus assisting the recruitment of able personnel. There is also the problem of improving communications within the Bank and upgrading the standard of reports. Here two agencies of critical importance are the office of Departmental Economic Adviser and the Staff Economic Committee.

The office of the Departmental Economic Adviser should be sufficiently well staffed to permit the analysis and dissemination of relevant material from both inside and outside the Bank to economists in the department, to permit the regular attendance of Economic Advisers at meetings of the Staff Economic Committee, and in other ways to contribute to the performance of what should be regarded as the central function of the Economic Adviser, i.e., the maintenance of the professional standards

of work in his department. Consideration might well be given to a higher status for the Economic Adviser and to a different administrative relationship between the Adviser and economists in his Area.

The Staff Economic Committee as organized at present occasionally falls short of performing adequately the central role of assuring consistency in Bank policy, of critical appraisal, and dissemination of information for which it was designed. It is suggested that there be fewer meetings, limited to a consideration of significant issues with more adequate preparation for discussion of these issues on the basis of Secretariat Staff work, and a delegation of less important papers to sub-committees for review.

Improving the economic work of the Bank in ways suggested above will require a substantial addition to the economic staff. This increase should not be less than 15-20 people.

Finally, the Economic Department as presently constituted lacks an adequately defined mission. A proper conception of its mission may be in a deeper probing of the developmental process that to some extent falls between the typical project appraisal of TOD and the typical country analysis of Area Departments. The increasing concern of the Bank of the developmental results of its lending activities, and with ways and means of using its leverage to improve policies and practices in borrowing countries, will require research activities not normally undertaken in TOD or the Area Departments. If this is not to constitute "Ivory-Tower" research, the functional expertise of the Department must be related to policy formulation, in part through a revitalized Staff Economic Committee.

Conduct

Files

December 14, 1964

Huguette Angel H. A.

Information to be supplied to the Statistics Division by the
Finance Division Data Processing Section.

In addition to the information listed in paragraph 4(A) of Mr. Rutland's memorandum to Files (November 17, 1964), Mr. Schaech verbally promised Mrs. Slappey of the Statistics Division to provide, beginning December 31, 1964, the following data:

1. Sales by interest rate (in addition to currency, maturity and loan).
2. Cash receipts for previous six months of principal and charges by interest rate (in addition to currency and loan).
3. New cards giving payments due to the Bank by interest rate, maturity and loan.

cc: Messrs. Gray
Metherate
Rutland
Schaech
Goor

CSlappey/ra CS

Condy

MEMORANDUM

December 4, 1964

TO: Mr. Jesse Black
Machine Tabulation Branch
Bureau of Labor Statistics

FROM: Charles G. Geor *CGG*

SUBJECT: Check listing of IBRD loan cards

We would like to have BIS do two tabulations of IBRD loan cards (output from 7070 program #4011) as follows:

1. Sort the cards on col. 19 to obtain the following:
 - a. Zero's in col. 19
 - b. Non-zero in col. 19
2. Set aside group 1a above. These cards are not to be processed
3. Sort group 1b above on col. 10 to obtain the following:
 - a. 1 in col. 10 (transactions cards)
 - b. 2 in col. 10 (payments cards)
4. Process group 3a above as follows:
 - a. Sort on cols. 7-4 (debt number) and cols. 3-1 (country borrower)
 - b. List each card in 8-word format with intermediate control on cols. 1-3 and minor control on cols. 4-7 to give minor and intermediate totals for cols. 21-30 (disbursed), 31-40 (undisbursed) and 41-50 (principal paid). Make only 1 copy, double-spaced.
5. Process group 3b above as follows:
 - a. Sort in preparation for listing on:

<u>Col. no.</u>	<u>Item</u>
<u>17-15</u> →	currency of payment
19	category
<u>7-4</u> →	debt number
<u>3-1</u> →	country borrower

Mr. Jesse Black

- 2 -

December 4, 1964

5. (Cont.)

- b. List each card in 8-word format with intermediate control on cols. 1-3 and minor control on cols. 4-7 to give minor and intermediate totals for cols. 31-40 (principal paid). Make only 1 copy, double-spaced.

Please call Mrs. Empe (181-2306) when the two listings are ready.

cc: Mr. Fitzgerald
Mr. Hillard

CSlappy/ra CS

Mr. Michael L. Lejeune

October 1, 1964

W.M. Gilmartin

Our Need for Economists

In line with your memo of July 17, which I think is a realistic basis for assessing our requirements for economists, I have worked out a scheme of economic mission requirements during the next few years. It is of course quite mechanical but I'm sure you had in mind enough flexibility in the scheduling of missions, especially the tri-annual "depth" missions, to take account of changes in governments, changes in policies, timing of development plans, etc.

The assumptions are that for each of the active member countries (excluding Burma, Indonesia, Vietnam, Laos) we would have a depth mission every three years 1/ and the intervening missions every year. On the former, we would have one economic adviser (A), one economist (E) and, say, four sector specialists (S) for each mission. For the intervening missions I have allowed for only one economist, but I will add some comments on this later.

The result, as far as the active countries are concerned would be something like the following:

	1964	1965	1966	1967	1968	1969	1970
<u>Division "C"</u>							
Malaysia	E	A E 4S	E	E	A E 4S	E	E
Ceylon	E	E	A E 4S	E	E	A E 4S	E
<u>Division "B"</u>							
Philippines		E	A E 4S	E	E	A E 4S	E
Thailand	A 2E 3S	E	E	A E 4S	E	E	A E 4S

1/ Except Japan where no depth missions are assumed necessary.

(Contd)

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
<u>Division "A"</u>							
Taiwan <u>1/</u>	E	E	E	A E 4S	E	E	A E 4S
Korea	E	A E 4S	E	E	A E 4S	E	E
Japan	E	E	E	E	E	E	E
Total:	1A 7E 3S	2A 7E 8S	2A 7E 8S	2A 7E 8S	2A 7E 8S	2A 7E 8S	2A 7E 8S

1/ It is assumed that the first "depth" mission to Taiwan could be deferred until 1967.

On the basis of the above tabulation and assuming that each economic adviser would have one mission a year and that each economist would have two missions a year, the minimum requirement would be two economic advisers and four economists. This is, of course, only the mechanical result of this tabulation and in practice would not be adequate for several reasons. It implies a high degree of flexibility in scheduling missions so that the two trips of each economist per year could be properly spaced to allow the necessary intervals for report writing, other division chores, and preparation for the next mission (to say nothing of family and leave consideration). It makes no allowance for keeping tabs on the inactive countries. It also leaves very little fat to meet the sort of contingencies you indicated. The only leeway is the assumption of a mission in each active country every year. This may be too ambitious but it is a reasonable objective if it can be managed.

For these reasons, and another reason which I will indicate below, I would suggest the need for at least two economists in each division and, if possible, another economist to work for the economic advisers and be available for miscellaneous assignments as well as missions from time to time. This would mean at least six and preferably seven economists in the department in addition to the economic advisers.

The reason, other than those mentioned above, for having two or three more economists than the minimum indicated by the tabulation arises from my views about the so-called "depth" missions, and the intervening "up-dating"

missions. I am all for a tri-annual "depth" mission as you suggest but I have reservations about the extent to which we can rely on such missions to meet our need for a real understanding of the development problems and needs of a particular country. In the first place, it is seldom practical for such a mission to spend more than 6 or 8 weeks in a country and this is not enough time for a group of mainly newcomers to understand an economy in depth. Secondly, these missions do not usually rate a high priority in the allocation of Bank sector specialists, except in special cases like India and Brazil. Thirdly, reliance on outside consultants for sector assignments is an uncertain and often unrewarding business.

The point of this is not to disparage a tri-annual effort to study each economy in some detail. Rather it is to suggest that the intervening missions should be, whenever possible, something more than up-dating exercises. I feel they should be regarded as complementary to the "depth" missions and part of a continuous, cumulative process to increase our knowledge and sharpen our judgments about the economies with which we are concerned. Hence, I would suggest that the intervening missions need not necessarily be confined to one economist but, as circumstances indicate (and allow), might well include one, two or three additional economic and/or sector types.

This plea for more beef on the intervening missions cannot be pushed very far, I realize, because we will be doing well to obtain sector specialists for two "depth" missions a year, let alone for additional missions. This is only another reason for more economic capacity within the department, and for building up the sector experience of the economists.

My line of argument would imply, I think, a real need for more than seven economists in the department. However, as a practical matter in present circumstances we could probably consider ourselves fortunate indeed if we were to have six or seven fairly good economists on the department staff.

WMGilmartin:cn
IBRD

Concept

I N C O M I N G W I R E

DATE OF
WIRE: **SEPTEMBER 22, 1964** **1142 PM**

LOG NO.: **WU 6**

TO: **INTBAFRAD**

FROM: **SEATTLE WASH**

TEXT:

R O U T I N G

ACTION COPY: **TECHNICAL OPERATIONS**

INFORMATION
COPY:

DECODED BY:

ARRIVED BENJAMIN FRANKLIN HOTEL SEATTLE

VOGEL AND WHITE

FAMILY NOTIFICATIONS BEING MADE

DUPLICATE

NA

INTERNATIONAL INFORMATION

UNITED STATES

UNITED STATES

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COMMUNICATIONS

UNITED STATES

UNITED STATES

Encl. 1

Mr. Harold N. Graves, Jr.

September 21, 1964

Charles G. Goer

Statistics Div., Economic Department
Supplier data in the United States

Attached is a table showing IBRD disbursements in the United States during the second quarter of 1964. Also shown is the number of suppliers in each state.

This table was prepared from vouchers with value dates from April 1, 1964 through June 30, 1964. No allowance has been made for refunds.

Attachments

LEairall:mts

TOTAL IBRD DISBURSEMENTS TO SUPPLIERS IN THE UNITED STATES BY STATE /1

SECOND QUARTER, 1964

(In dollars)

Page 1

State	Amount	Number of suppliers
<u>Grand total</u>	<u>23,005,515</u>	<u>/2</u>
Alabama	-	-
Alaska	-	-
Arizona	-	-
Arkansas	-	-
California	1,546,415	17
Colorado	120,924	10
Connecticut	10,783	3
Delaware	15,496	1
District of Columbia	1,888	1
Florida	34,969	3
Georgia	-	-
Hawaii	-	-
Idaho	-	-
<u>Illinois</u>	<u>1,796,293</u>	<u>/2</u>
Chicago	1,563,751	14
Peoria	158,092	3
Other	74,450	7
Indiana	119,231	4
Iowa	51,517	4
Kansas	-	-
Kentucky	-	-
Louisiana	100,224	1
Maine	-	-
Maryland	669,224	3
Massachusetts	36,498	4
Michigan	20,963	2
Minnesota	114,229	6
Mississippi	-	-
Missouri	209,354	5
Montana	-	-
Nebraska	21,309	1
Nevada	99,025	1
New Hampshire	-	-
New Jersey	215,933	14
New Mexico	-	-
<u>New York</u>	<u>4,674,844</u>	<u>/2</u>
New York City	4,673,495	70
Other	1,349	2

See footnotes at end of table.

TOTAL IBRD DISBURSEMENTS TO SUPPLIERS IN THE UNITED STATES BY STATE /1 (CONT.)

SECOND QUARTER, 1964

(In dollars)

State	Amount	Page 2 Number of suppliers
North Carolina	1,070	1
North Dakota	-	-
Ohio	698,451	16
Oklahoma	-	-
Oregon	2,795	1
Pennsylvania	420,501	12
Rhode Island	323	1
South Carolina	-	-
South Dakota	-	-
Tennessee	-	-
Texas	201,367	4
Utah	4,138	1
Vermont	-	-
Virginia	-	-
Washington	52,600	1
Wisconsin	600,957	11
Wyoming	-	-
Unclassified		
Engineering, consultant and construction services /3	4,151,641	
No suppliers listed /3	1,179,925	
IBRD interest (interest and service charges, U. S. currency)	5,832,628	

/1 Usually the state in which is located the headquarters of the supplier.

/2 No total shown as number was determined as the unduplicated supplier in each state or city but same supplier may appear in more than one state or city.

/3 Origin of goods or services, U.S.A. No address given.

Statistics Division
IBRD-Economic Department
September 21, 1964

enclosed

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL FINANCE CORPORATION

SecM64-222

FROM: The Acting Secretary

September 16, 1964

PRICES AND YIELDS OF SELECTED EXTERNAL
GOVERNMENT BONDS IN VARIOUS MARKETS

There is attached for information the monthly table of prices and yields of selected external government bonds in various markets for recent months. This table brings up to date the table circulated on August 25, 1964 (SecM64-208) and is a supplement to the annual table circulated on January 21, 1964 (SecM64-18).

Distribution:

Bank and IFC
Executive Directors and Alternates
President
Vice Presidents
Department Heads
Assistant Department Heads
Division Chiefs

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS

GENERAL NOTE: Included in this table are bonds of foreign governments and international organizations traded in Amsterdam, Brussels, Frankfurt, London, Milan, New York, Stockholm, Toronto and Zurich. In general bonds selected are long-term, actively traded issues which are obligations of the national government or guaranteed by it or of the international organization, and on which regular contractual service payments are being made at present. In a few cases, bonds of political subdivisions or bonds on which service may be resumed shortly were included in order to give representation to that country. If more than one bond of a country or organization is outstanding in any market, only one of these is selected for that market.

Prices shown are the high and low sale prices of the year and either the sale price or average of bid and ask prices on the last trading day of the month. In London quotations include interest accrued. In all other markets quotations are ex-interest except when service is suspended.

As regards the U.S. Interest Equalization Tax, prices quoted pertain to such bonds as would not be affected by the legislation as it is now proposed.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS

Monthly issue

1962-1964: high and low prices; recent months: price and yield at end of month

Page 1

Issue	AUSTRALIA 5%, 1958-1978 at 101½ from Nov.1, '68 declining thereafter New York		AUSTRALIA 5½%, 1960-1980 at 100 from Jan.1, '77 London		AUSTRALIA 4½%, 1960-1975 at 100 from Apr.1, '70 Zurich		AUSTRALIA 4%, 1955-1970 at 101 to Nov. 1, '64 declining thereafter Toronto		AUSTRIA /1 5%, 1958-1973 at 101 from Dec.1, '68 declining thereafter New York		AUSTRIA /2 4½%, 1930/54-1980 at 103 London	
Market	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1962	102 1/2	94 1/8	101 1/2	89 1/4	107.25	102.50	n.r.a.	n.r.a.	103 3/4	97 3/8	91	87
1963	102 1/2	100	101 3/4	96 1/4	107.75	103.75	n.r.a.	n.r.a.	104 1/2	101 1/4	96	88 1/2
1964	103 3/4	101	97 7/8	94 1/2	106.25	101.00	n.r.a.	n.r.a.	103 1/2	102 1/2	97 1/2	95 1/2
End of:	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call
July 1963	100 1/4	4.97 -	100 7/8	5.96	104.75	3.99 3.69	93	5.17	102 1/4	5.84 6.23	94 1/2	5.15
August	101	4.90 -	100 3/4	5.51	107	3.75 3.31	92	5.36	102	5.88 6.33	94 1/2	5.18
September	100 3/4	4.93 -	101 1/4	5.51	106.38	3.81 3.40	92	5.37	102	5.88 6.34	95 1/2	5.12
October	100 1/2	4.98 -	100 3/8	5.64	104.50	4.00 3.71	93	5.21	102 1/2	5.82 6.23	95 1/2	5.17
November	101 7/8	4.82 4.79	97 1/4	5.77	105.25	3.92 3.57	93	5.22	102 3/4	5.79 6.18	94 1/2	5.29
December	101 1/2	4.86 4.93	96 3/4	5.82	105.00	3.94 3.60	93	5.23	102 15/16	5.76 6.15	95 1/2	5.24
January 1964	101 3/4	4.83 4.87	96 1/2	5.89	104.75	3.97 3.63	93	5.24	101 3/4	5.92 6.44	95 1/2	5.07
February	103	4.71 4.57	96 3/4	5.91	104	4.05 3.76	93	5.26	103	5.76 6.16	96 1/2	5.01
March	102	4.81 4.80	97 3/4	5.86	102.50	4.21 4.03	93 3/4	5.13	103 1/16	5.75 6.15	96 1/2	5.05
April	102 1/4	4.78 4.74	97 1/8	5.96	105.75	3.85 3.42	93 3/4	5.14	102 5/8	5.81 6.27	96 1/2	5.08
May	103 3/4	4.64 4.36	94 3/4	6.02	105	3.93 3.54	94	5.11	102 3/4	5.80 6.25	97 1/2	5.03
June	103	4.71 4.54	95 1/2	5.95	101.25	4.35 4.25	94 1/4	5.07	102 3/4	5.80 6.27	97 1/2	5.07
July	101 1/2	4.85 4.92	94 1/8	6.14	105	3.92 3.52	93 3/4	5.18	102	5.90 6.52	95 1/2	5.08
August	102 3/4	4.73 4.61	94 7/8	6.11	103.50	4.04 3.80	94	5.15	103 1/2	5.70 6.11	95 1/2	5.11
Issue	AUSTRIA /2 4½%, 1930/54-1980 at 103 Zurich		AUSTRIA /2 4½%, 1930/54-1980 at 103 Amsterdam		BELGIUM 5½%, 1957-1972 at 101½ from Mar.1, '68 declining thereafter New York		BELGIUM 4%, 1936-1970 at 100 London		BELGIUM 3½%, 1937-1985 at 100 Zurich		BELGIUM 3 3/4%, 1954-1984 at 100 from Aug. 1, '65 Amsterdam	
Market	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1962	103.50	101	n.r.a.	n.r.a.	104 1/4	98 7/8	101 1/2	99 1/4	101.50	99	n.r.a.	n.r.a.
1963	103.75	102	n.r.a.	n.r.a.	105 3/4	100	101 7/8	99	103.25	99	n.r.a.	n.r.a.
1964	-	103	n.r.a.	n.r.a.	104	103 1/4	102 3/4	99 1/4	100.50	98	n.r.a.	n.r.a.
End of:	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call
July 1963	103	4.37 4.37	98 1/2	4.75	101 3/8	5.31 -	101 1/2	3.92	102.50	3.34 neg.	95 7/16	4.08
August	103	4.37 4.37	99 1/2	4.66	101 1/4	5.33 -	101 1/2	3.97	101.25	3.42 neg.	95 1/4	4.09
September	103.50	4.33 3.70	99 3/4	4.65	102	5.22 5.30	101 1/2	4.03	99.50	3.53 -	95	4.11
October	103.50	4.33 3.62	100	4.62	102 3/8	5.16 5.19	102	4.00	100.00	3.50 3.50	90 3/4	4.44
November	103.50	4.33 3.52	100	4.62	103 3/8	5.02 4.93	102	3.73	99.75	3.52 -	90 7/8	4.43
December	104.00	4.29 2.41	99	4.72	103 3/8	5.02 4.93	102	3.78	99.75	3.52 -	89 3/4	4.52
January 1964	103.13	4.35 4.04	99 1/2	4.67	103 3/8	5.02 4.91	102	3.83	100.00	3.50 3.50	86 1/4	4.81
February	103.13	4.35 3.95	99 1/2	4.67	104	4.92 4.74	102	3.88	99.50	3.53 -	89 1/2	4.54
March	103	4.37 4.37	92 1/2	5.32	104	4.91 4.72	102	3.94	99.13	3.56 -	89 3/4	4.53
April	103	4.37 4.37	92 1/2	5.32	102	5.20 5.28	102	4.00	98.38	3.61 -	89 7/8	4.52
May	103	4.37 4.37	93 1/2	5.23	103 1/2	4.98 4.83	99 1/4	4.19	98.50	3.60 -	88 3/4	4.61
June	103	4.37 4.37	93 7/8	5.20	103 1/4	5.01 4.90	100	4.12	99.75	3.52 -	87 1/4	4.74
July	103	4.37 4.35	93 7/8	5.20	103 1/4	5.01 4.89	100 9/16	4.08	100.13	3.49 2.33	85	4.94
August	103.25	4.35 3.60	93	5.28	102	5.19 5.26	101	4.06	99	3.57 -	85 1/4	4.92

See footnotes at end of table.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS (CONT.)

Monthly issue

1962-1964: high and low prices; recent months: price and yield at end of month

Page 2

Issue	BOLIVIA 1-3%, 1922-1958/93		BRAZIL Plan A 3 3/8%, 1927/44-1979		CANADA 2 3/4%, 1949-1974 at 101 1/2 to Sept. 1, '65 declining thereafter		CEYLON 4%, 1954-1975		CHILE /6 1 1/2 -3%, 1948-1993		CHILE /6 1 1/2 -3%, 1909/48-1993	
Callable	at 100 /3		at 100 /3		at 101 1/2 to Sept. 1, '65 declining thereafter		at 100 from Mar.16, '73		at 100 /3		at 100 /3	
Market	New York		New York		New York		London		New York		London	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1962	17	11	8 1/4	69	85 3/8	82 1/8	65 1/4	51 1/2	43 1/2	34 1/2	43	34
1963	n.r.a.	n.r.a.	99	78	88 1/8	82	72 1/2	57	47 3/4	40 1/8	51	41 1/4
1964	n.r.a.	n.r.a.	88	70	86	85	70	66	45 3/4	43 3/8	53 1/2	42 1/2
End of:	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.
July 1963	11 3/4	7 1/4	94	3.88	88	4.11	70 7/8	8.15	46 1/2	7.48	45 1/4	7.75
August	11 3/8	7 1/4	91 1/4	4.12	86	4.37	70	8.03	47 3/4	7.31	47 1/2	7.41
September	11 3/8	7 1/4	89 1/16	4.33	87	4.25	70	8.08	46 1/2	7.51	49 1/2	7.17
October	11 3/4	7 1/4	93	3.97	84 3/4	4.55	70	8.16	45 3/8	7.68	49 1/2	7.21
November	11 1/8	7 1/4	88 3/4	4.37	85	4.53	70	8.24	45 1/2	7.66	49 1/2	7.25
December	11 1/8	7 1/4	88 11/16	4.38	84 3/4	4.57	70 3/4	8.19	44 3/4	7.79	51 1/2	7.01
January 1964	10 1/4	7 1/4	87	4.54	85 1/4	4.52	70	8.40	44 1/8	7.89	51 1/2	6.85
February	10 3/4	7 1/4	87 1/2	4.50	85 1/4	4.53	66 1/4	8.84	44	7.92	51 1/2	6.87
March	9 3/4	7 1/4	89 3/4	4.29	85 7/8	4.46	66 1/4	8.89	44 1/2	7.84	49 1/2	7.20
April	9 3/4	7 1/4	88	4.46	85 1/2	4.52	67	8.85	43 3/8	8.04	47 1/2	7.54
May	13	7 1/4	84 5/8	4.80	85	4.60	67	8.94	44	7.94	47 1/2	7.58
June	16	7 1/4	71 1/2	6.31	85 9/16	4.54	68	8.85	44 1/2	7.86	44 1/2	8.11
July	16	7 1/4	73 3/8	6.09	86	4.49	67	9.13	44 1/8	7.93	44 1/2	7.91
August	n.r.a.	7 1/4	74 1/8	6.01	85 3/4	4.54	66	9.06	46	7.64	41 1/4	8.53

Issue	CHILE /6 1 1/2 -3%, 1930/48-1993		COLOMBIA 3%, 1940-1970		COLOMBIA-Agr.Mtge.Bank 3%, 1929/42-1972		CONGO/13 5 1/2%, 1958-1973 at 101 1/2 from Apr.1, '68 declining thereafter		COSTA RICA /6 1 1/2 -3%, 1953-1972		COSTA RICA /6 /8 1 1/2 -3%, 1911/56-1978	
Callable	at 100 /3		at 100		at 100 /3		at 101 1/2 from Apr.1, '68 declining thereafter		at 100		at 100	
Market	Zurich		New York		London		New York		New York		London	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1962	53.50	47.50	80 7/8	73 1/8	75	58	50	36 1/2	71	51 1/2	102 1/2	75
1963	56	51.25	93 1/4	79 3/8	80	64 1/2	50	36	71	63 1/4	120	95 1/2
1964	54.75	49.00	92 1/8	87 1/2	86	76	52 7/8	35 1/8	68	66	120	98
End of:	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.
July 1963	52.38	6.68	87 1/2	5.10	67 1/2	8.21	42 1/4	77	69 1/4	7.71	112	7.05
August	55.75	6.29	90	4.68	73	7.24	46 1/2	77	70 1/2	7.44	115	6.85
September	56	6.26	89	4.88	77	6.60	41 1/2	77	69	7.84	114	6.98
October	53.75	6.53	89 3/4	4.76	82	5.57	45	77	67	8.27	115	6.96
November	53.90	6.57	90	4.73	80	5.97	41 3/4	77	67	8.32	115	7.02
December	51.75	6.79	88 3/4	4.98	80	6.04	41 1/2	77	67 1/2	8.25	115	7.08
January 1964	54.50	6.45	89 1/8	4.93	80	6.10	39 1/2	77	70 3/4	7.64	105	7.73
February	52.88	6.65	88 13/16	5.02	80	6.17	36	77	70 1/8	7.81	102	8.08
March	50.25	7.00	90 1/8	4.78	85	5.40	51 3/4	77	70 1/8	7.85	100	8.35
April	49.75	7.07	90 5/8	4.71	85	5.21	48 3/4	77	67 1/2	8.43	105	7.92
May	49.88	7.06	90 1/4	4.80	80	6.12	45 1/2	77	69 3/4	8.01	107	7.80
June	49.50	7.11	91 1/8	4.65	80	6.19	42 7/16	77	69 5/8	8.08	107 1/2	7.81
July	50.00	7.06	91 3/4	4.55	80	6.27	41 3/16	77	69 5/8	8.12	107 1/2	7.63
August	50.00	7.06	91	4.72	80	6.34	38 1/2	77	69 5/8	8.17	107 1/2	7.69

See footnotes at end of table.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS (CONT.)

Monthly issue

1962-1964: high and low prices; recent months: price and yield at end of month

Page 3

Issue	CYPRUS 3½, 1950-1971		DENMARK 5½, 1959-1974		DENMARK 3½, 1946-1972		DENMARK 4½, 1959-1974		DENMARK 4½, 1930-1968		DENMARK 4½, 1947-1967	
Callable	at 100 from Sept.1,'69		at 101 from Feb.1,'69 declining thereafter		at 100 from Feb.1,'62		at 100 from Jul.31,'69		at 100		at 100	
Market	London		New York		London		Zurich		Amsterdam		Stockholm	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1962	76	71	105	96 1/2	85	83	107	100.75	n.r.a.	n.r.a.	96 1/2	93 1/2
1963	85 1/4	74	105	99	85 1/8	83 1/2	107.25	103.50	n.r.a.	n.r.a.	95	95
1964	85 3/8	83	105	101 1/4	85	83 1/4	105	100.50	n.r.a.	n.r.a.	95	93 1/2
End of:	Price	Yield to mat.	Price	Yield to mat.	to call	Price	Yield to mat.	Price	Yield to mat.	to call	Price	Yield to mat.
July 1963	80 1/2	6.96	101	5.38	5.50	84	6.22	104.75	3.96	3.61	98 9/16	4.34
August	79 1/2	6.88	102 9/16	5.18	5.13	84	5.99	105.50	3.88	3.46	98 9/16	4.35
September	79 1/2	6.96	102 13/16	5.15	5.07	84 1/4	6.02	105.25	3.90	3.50	98 9/16	4.35
October	81	6.76	103	5.12	5.02	84	6.14	104.25	4.01	3.67	98 9/16	4.36
November	85	6.10	103 1/4	5.09	4.95	85	6.03	104.50	3.98	3.61	98 9/16	4.37
December	85	6.18	103	5.13	5.00	85	6.11	104.50	3.98	3.60	98 9/16	4.37
January 1964	84 1/2	6.08	102 1/8	5.23	5.20	85	6.19	104.13	4.01	3.66	98 9/16	4.38
February	84 1/2	6.11	103 3/4	5.02	4.82	85	5.95	103	4.14	3.88	98 5/8	4.37
March	84 1/2	6.17	101 3/4	5.27	5.27	85	6.02	102	4.26	4.08	98 9/16	4.40
April	84 7/16	6.28	103 1/8	5.09	4.94	85	6.10	104	4.02	3.65	98 9/16	4.40
May	84 1/2	6.35	103 1/4	5.07	4.91	85	6.18	105	3.90	3.44	98 9/16	4.41
June	84 1/2	6.44	102 3/4	5.13	5.02	85	6.26	101.25	4.35	4.22	98 1/2	4.44
July	82 1/2	6.64	104	4.97	4.71	84 3/4	6.39	103.25	4.10	3.78	98 1/2	4.45
August	82 1/2	6.67	104 1/2	4.90	4.57	85	6.09	104.25	3.98	3.55	98 1/2	4.46
1962	58	50	87	64		87	83	105 3/4	97 5/8		106	100
1963	86	54	92 3/4	86		87	86	106	99		104.50	99.75
1964	90	81	91 1/2	90		87 1/2	86 1/4	103 1/2	102 1/2		103	97.50
End of:	Price	Yield to mat.	Price	Yield to mat.	to call	Price	Yield to mat.	Price	Yield to mat.	to call	Price	Yield to mat.
July 1963	80	7.32	89	4.68		87	4.40	101 1/4	5.35	-	102.50	3.97
August	80	7.39	90 1/2	4.51		90	4.09	97 3/4	5.77	-	104.50	3.74
September	85	7.02	90	4.58		86 1/4	4.56	104 7/16	4.99	5.16	102.75	3.94
October	85	7.05	90 1/2	4.52		90	4.16	103 1/4	5.13	-	101	4.13
November	85	7.09	90	4.59		90	4.19	103	5.15	-	100.75	4.16
December	85	7.13	88 1/2	4.77		90	4.23	103	5.15	-	101.25	4.10
January 1964	83	7.11	90	4.60		90	4.10	102 3/4	5.17	-	100.50	4.19
February	83	7.16	90	4.60		90	4.13	102 1/8	5.24	-	100.25	4.22
March	83	7.20	90	4.61		87	4.52	102 5/8	5.18	-	98	4.49
April	83	7.23	90	4.62		90	4.20	104	5.02	-	102.75	3.92
May	85	7.12	90	4.62		87	4.60	101 1/2	5.31	-	100.25	4.22
June	87	6.99	90	4.63		87 1/2	4.57	101 1/2	5.31	-	99.00	4.37
July	87	6.83	91 1/2	4.46		87 1/4	4.46	102	5.25	-	99.25	4.34
August	87	6.87	91 1/2	4.46		87 1/2	4.47	103	5.13	-	100	4.25

See footnotes at end of table.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS (CONT.)
 1962-1964: high and low prices; recent months: price and yield at end of month

Issue	EUROPEAN INVESTMENT BANK 5%, 1962-1977			FINLAND 5%, 1961-1976			FRANCE-Credit Foncier de France 5%, 1959-1979			GERMANY 5 1/2%, 1924/53-1969			GERMANY 5%, 1924/53-1969			Page 4	
Callable	-			at 100 from Sept.15,'71			at 100 from Dec.15,'69			at 100 <u>3</u>			at 100 <u>3</u>				
Market	Milan			Zurich			New York			New York			London			Zurich	
1962	High	Low		High	Low		High	Low		High	Low		High	Low			
1963	n.r.a.	n.r.a.		97	92.50		106 3/4	100 1/4		109 1/8	101 3/4		102 1/16	95 5/8			
1964	n.r.a.	n.r.a.		101.75	97.75		107 1/4	101		107 3/4	104 1/4		105 1/2	101 1/2			
	n.r.a.	n.r.a.		102.50	98		105 7/8	103 5/8		107 1/2	105 1/4		104 1/2	102 3/8			
End of:	Price	Yield to mat.		Price	Yield to mat.	to call	Price	Yield to mat.	to call	Price	Yield to mat.		Price	Yield to mat.			
July 1963	93.10	5.74		100	5.00	5.00	102 3/4	5.25	4.99	108 3/4	3.91		103 1/2	4.62	106		
August	94.70	5.57		100	5.00	5.00	101 7/8	5.33	5.15	105	4.56		103 1/2	4.69	106.50		
September	93.10	5.75		100	5.00	5.00	103 13/16	5.15	4.78	105	4.55		103 1/2	4.77	104.75		
October	92.60	5.81		101	4.89	4.85	104 3/4	5.06	4.60	105	4.54		103	4.47	106.75		
November	92.50	5.82		101	4.89	4.84	103 5/16	5.19	4.86	108 1/2	3.88		103	4.54	107		
December	92.65	5.81		101.75	4.81	4.72	105 3/16	5.04	4.49	108 1/2	3.86		103	4.62	108		
January 1964	92.60	5.82		101.75	4.81	4.72	105 3/16	5.02	4.48	108 5/8	3.81		104	4.49	108.25		
February	92	5.89		101	4.89	4.84	105 1/4	5.01	4.45	105 1/8	4.46		105	4.37	107		
March	89.50	6.20		101	4.89	4.84	103 15/16	5.13	4.70	105 3/8	4.40		106	4.25	106		
April	88.05	6.38		101.25	4.86	4.80	104 13/16	5.05	4.52	108 5/8	3.75		103	4.42	106.50		
May	88.05	6.39		101.25	4.86	4.79	105 1/16	5.03	4.45	105 1/4	4.40		103	4.50	106.13		
June	88.05	6.40		101.38	4.85	4.77	104 9/16	5.07	4.54	108 9/16	3.71		103	4.58	105.63		
July	87.25	6.51		101	4.89	4.83	104 7/8	5.04	4.46	109	3.60		104	4.45	106		
August	87.25	6.51		101.50	4.83	4.75	105 3/8	4.99	4.34	106 3/4	4.02		104	4.54	105.25		
Issue	GREECE 10 7%, 1924-1964			ICELAND 6%, 1962-1988			INTER-AMERICAN DEVEL. BANK 4 1/2%, 1962-1982			IBRD 4 1/2%, 1962-1982			IBRD 5%, 1959-1969			IBRD 3 1/2%, 1954-1969 (new)	
Callable	at 100 from May 1,'36			at 100 from Dec.31,'83			at 102 1/2 from Dec.15,'72 declining thereafter			at 101 1/2 from Jul.15,'73 declining thereafter			at 100 from May 6,'64			at 100 3/4 to May 31,'66 at 100 thereafter	
Market	New York			London			New York			Amsterdam			Brussels			Toronto	
1962	High	Low		High	Low		High	Low		High	Low		High	Low		End of year	
1963	40	24		97 1/2	95		100 1/8	100		n.r.a.	n.r.a.		n.r.a.	n.r.a.		Bid	Ask
1964	n.r.a.	n.r.a.		100 1/4	93 3/4		101	99 1/2		n.r.a.	n.r.a.		n.r.a.	n.r.a.		89 1/2	91 1/2
				101 1/4	97 1/2		97 1/4	97 1/4		n.r.a.	n.r.a.		n.r.a.	n.r.a.		-	-
																n.r.a.	n.r.a.
End of:	Price	Current yield		Price	Yield to mat.		Price	Yield to mat.	to call	Price	Yield to mat.	to call	Price	Yield to mat.	to call	Price	Yield to mat.
July 1963	38 5/8	7.10		97	6.77	99.88	4.27	-	-	99	4.58	-	100.10	4.98	4.86	91 1/2	5.20
August	38 7/16	7.10		97 1/2	6.79	99.66	4.28	-	-	100 3/4	4.48	-	99.60	5.09	-	92	5.13
September	38 11/16	7.10		98 1/2	6.76	99 1/2	4.29	-	-	100 3/4	4.44	-	99.80	5.04	-	93	4.93
October	38	7.10		98 1/4	6.83	98.66	4.35	-	-	97 3/8	4.71	-	99.80	5.04	-	93	4.95
November	34 15/16	7.10		98 1/2	6.86	98.66	4.35	-	-	97 3/4	4.68	-	97.50	5.54	-	93	4.97
December	37.63	7.10		98	6.67	98.66	4.35	-	-	95 3/4	4.85	-	97.60	5.52	-	93	4.99
January 1964	30 3/4	8.46		98	6.71	98.66	4.35	-	-	95	4.91	-	96.30	5.83	-	93	5.01
February	30 3/4	8.46		98 1/2	6.71	98.90	4.31	-	-	95 1/8	4.90	-	96.20	5.86	-	93 1/2	4.92
March	30 1/2	8.52		98 1/2	6.76	99.80	4.27	-	-	95 1/4	4.89	-	96	5.92	-	93 1/2	4.94
April	31 1/2	8.25	100		6.68	98		-	-	95	4.92	-	95.10	6.16	-	93 1/2	4.96
May	33	7.87	100		6.73	98		-	-	95	4.92	-	96.40	5.85	-	94	4.87
June	33	7.87	98.50		6.62	98		-	-	94 3/4	4.94	-	96.00	5.96	-	93 1/2	5.01
July	33 1/2	7.76	99 1/2		6.59	98		-	-	86 1/2	5.71	-	96.10	5.95	-	93 3/4	4.97
August	n.r.a.	n.r.a.	99 1/2		6.62	98.13	4.41	-	-	87 1/2	5.62	-	97.20	5.69	-	93	5.18

See footnotes at end of table.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS (CONT.)
 1962-1964: high and low prices; recent months: price and yield at end of month

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Issue	IBRD 5%, 1959-1974 (new)		IBRD 5%, 1959-1982		IBRD 5%, 1961-1976		IBRD 5%, 1960-1985 (new) at 102½ from Feb.15,'70 declining thereafter		IBRD 4%, 1961-1979		ITALY-So. Italy Devel. Fund 5%, 1959-1974 at 101½ from May 1,'69 declining thereafter	
Callable	at 100 from Apr.1,'70		at 100 from Aug.15,'77		at 100 from Jul.1,'66		New York		Zurich		New York	
Market	Frankfurt		London		Milan		New York		Zurich		New York	
	High	Low	High	Low	High	Low	End of year		High	Low	High	Low
	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	Bid	Ask	n.r.a.	n.r.a.	n.r.a.	n.r.a.
1962	n.r.a.	n.r.a.	96 3/4	86 1/2	n.r.a.	n.r.a.	106 1/4	107 1/4	105.25	100.25	102 3/4	99 1/8
1963	n.r.a.	n.r.a.	99 5/8	91 3/4	n.r.a.	n.r.a.	-	-	104.75	100.25	103 3/8	97
1964	n.r.a.	n.r.a.	96	92 1/8	n.r.a.	n.r.a.	-	-	101.50	97	98	97 3/4
End of:	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call
July 1963	99 3/4	5.03 -	99 1/2	5.04	93.40	5.73	106 3/4	4.51 4.15	102	3.83 3.70	98 3/4	5.65 -
August	99 3/4	5.03 -	97 5/8	5.22	93.70	5.70	107 1/2	4.45 4.02	101.75	3.85 3.74	97 1/2	5.82 -
September	99 3/4	5.03 -	98 3/4	5.15	93	5.78	107	4.49 4.12	101.50	3.87 3.77	98 1/2	5.69 -
October	99 3/4	5.03 -	98 3/4	5.19	92.90	5.80	107	4.49 4.08	100.25	3.98 3.96	98 1/2	5.69 -
November	99 3/4	5.03 -	96 1/4	5.44	92.50	5.85	107	4.49 4.08	101.50	3.87 3.77	98 1/2	5.69 -
December	99 3/4	5.03 -	95 5/8	5.54	92.50	5.85	106 1/2	4.52 4.15	101.38	3.88 3.78	98 1/2	5.69 -
January 1964	99 3/4	5.03 -	93 1/8	5.60	92.50	5.86	106 1/2	4.52 4.11	100.50	3.96 3.92	98 5/8	5.68 -
February	99 3/4	5.03 -	92 1/2	5.68	92.50	5.86	106 3/4	4.50 4.09	99.75	4.02 -	98 1/2	5.69 -
March	99 3/4	5.03 -	92 3/4	5.70	90	6.18	106 3/10	4.53 4.16	99.75	4.02 -	98	5.76 -
April	100 1/8	4.98 4.98	93 1/4	5.69	93	5.81	106 8/10	4.49 4.06	99.75	4.02 -	95 3/8	6.13 -
May	100 1/8	4.98 4.98	93	5.75	89	6.31	105 9/10	4.56 4.22	101.25	3.89 3.79	94	6.32 -
June	100 1/4	4.97 4.95	92 5/8	5.83	89	6.31	105 9/10	4.56 4.21	97.25	4.25 -	93	6.47 -
July	100 1/4	4.97 4.95	90 1/2	5.86	89	6.33	105 3/8	4.59 4.30	100	4.00 4.00	93 1/2	6.41 -
August	100 1/4	4.97 4.95	91 7/8	5.75	89	6.33	105	4.62 4.37	99.25	4.07 -	96	6.05 -
Issue	ITALY-Cassa per il Mezzo. 4%, 1961-1974		JAMAICA 6%, 1958-1982		JAPAN 5%, 1959-1974 at 101½ from Jan.15,'69 declining thereafter		JAPAN 6%, 1924/52-1969		MALAYSIA 7 1/4 3%, 1949-1976		NETHERLANDS-Amsterdam 5%, 1958-1973 at 101½ from Mar.1,'68 declining thereafter	
Callable	at 100 from Apr.15,'71		at 100 from Feb.15,'77		New York		London		London		New York	
Market	Zurich		London		New York		London		London		New York	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1962	105.50	100.50	87 3/8	80 1/4	98 3/8	92 1/2	102 5/8	97 3/4	74 3/8	71 1/2	106	99 1/2
1963	105	98.75	91	84 1/2	101 5/8	99 1/8	103 1/4	98 1/4	78	73 1/2	105 1/2	100
1964	100	94	91 1/4	88 1/2	102 1/2	99 1/2	101 3/4	99	75 1/4	72 5/8	105 1/2	102 3/4
End of:	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call	Price	Yield to mat. to call
July 1963	102.25	4.24 4.15	89	7.08	99 1/4	5.60 -	100 3/4	5.92	78 1/2	5.41	100 1/4	5.21 -
August	102.88	4.16 4.06	89	7.10	100	5.50 -	101	6.13	78 1/2	5.46	101	5.12 -
September	100.75	4.41 4.37	90 7/8	6.96	98 3/4	5.66 -	101	6.07	78 1/2	5.50	101 1/4	5.08 -
October	99.50	4.56 -	89	7.22	99 1/4	5.60 -	101	6.18	75 1/2	5.76	102 1/2	4.91 4.90
November	99.50	4.56 -	91	7.06	100 3/4	5.40 -	101	6.29	73 1/2	6.07	103 1/8	4.83 4.75
December	99.88	4.51 -	91	7.11	101 3/8	5.32 -	101 1/2	6.29	73 1/2	6.12	103	4.84 4.78
January 1964	99.25	4.59 -	89	7.09	101 3/4	5.27 5.35	101 1/2	5.75	73 1/2	6.17	103 1/4	4.80 4.70
February	97.75	4.78 -	89	7.12	101 7/8	5.26 5.33	101	5.96	73 1/2	6.23	104 1/8	4.71 4.45
March	96	5.01 -	89	7.18	99 1/2	5.57 -	101 1/4	6.02	73 1/2	6.28	104 1/2	4.63 4.34
April	98.50	4.69 -	89	7.23	99 1/2	5.57 -	99 1/2	6.54	73 7/16	6.36	104 1/2	4.62 4.31
May	97.50	4.82 -	89	7.29	101	5.37 -	99 1/4	6.73	72 1/2	6.30	104 1/2	4.62 4.30
June	94.50	5.22 -	90 3/8	7.20	100 1/4	5.46 -	99 3/4	6.74	74 1/2	6.08	103 1/8	4.80 4.69
July	94.63	5.21 -	88 3/4	7.14	101	5.36 -	100 1/2	5.96	74 1/2	6.14	103 3/16	4.79 4.66
August	95	5.16 -	89	7.14	101 7/8	5.25 5.30	101	5.96	74 1/2	6.19	103 5/8	4.73 4.52

See footnotes at end of table.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS (CONT.)

1962-1964: high and low prices; recent months: price and yield at end of month

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Issue	NEW ZEALAND 5½%, 1958-1970 at 100% from Dec.1, '68 declining thereafter		NEW ZEALAND 3½%, 1954-1984 at 100 from Sept.16, '81		NIGERIA 3%, 1949-1977 at 100 from Jun.15, '75		NORWAY 5½%, 1958-1973 at 101½ from Oct.1, '68 declining thereafter		NORWAY 4½%, 1951-1966 at 100 from Dec.15, '61		NORWAY 3%, 1938-1971 at 100	
Market	New York		London		London		New York		London		Zurich	
1962	High 105 1/4	Low 98 1/2	High 78 1/8	Low 66	High 67 1/4	Low 63 1/4	High 102 7/8	Low 97	High 96 13/16	Low 94 1/4	High 98.50	Low 96
1963	105 1/4	99 7/8	79 5/8	73 1/8	69	65 1/2	103 1/2	99	99 1/2	94 1/4	98.50	96.50
1964	104 1/2	102	76	72	69	67 1/2	102	101	99 1/4	97 3/4	98	94.50
End of:	Price	Yield to mat. to call	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat. to call	Price	Yield to mat.	Price	Yield to mat.
July 1963	102	5.17 5.15	78	5.35	66 1/2	7.00	100 1/2	5.19 -	96	5.73	98.50	3.21
August	102 5/16	5.12 5.08	78 7/8	5.16	66 1/2	6.86	99	5.38 -	96 1/2	5.71	98.50	3.22
September	102 3/8	5.10 5.11	79 1/4	5.14	67 1/2	6.77	101	5.13 -	99 1/4	4.92	99.25	3.11
October	103	5.00 4.91	77 3/4	5.31	67 1/2	6.83	101 3/4	5.03 5.11	99	5.15	98.25	3.26
November	104 1/2	4.74 4.57	76	5.51	67 1/2	6.88	101 3/4	5.03 5.11	98	4.96	97.75	3.34
December	104 1/2	4.73 4.56	76 1/2	5.50	68 1/4	6.61	102	4.99 5.05	98 1/2	4.86	97.75	3.35
January 1964	104 1/8	4.78 4.62	75 1/2	5.63	68 1/2	6.63	101 3/4	5.02 5.11	99	4.82	97.50	3.39
February	104	4.80 4.64	73	5.75	68	6.75	101	5.12 -	99	4.96	97.63	3.37
March	103 1/2	4.88 4.75	73	5.78	67 1/2	6.88	100 3/4	5.15 -	98 3/4	5.23	96.50	3.56
April	101	5.32 5.35	72	5.92	68 1/2	6.79	102 3/8	4.95 4.95	98 3/4	5.11	95.25	3.77
May	103	4.96 4.85	73	5.85	67 3/4	6.75	102 1/16	4.97 5.03	98	5.08	96.25	3.61
June	102 1/4	5.07 5.03	72	5.99	67 1/2	6.83	101 3/4	5.01 5.17	98	5.19	95.50	3.74
July	103 3/4	4.81 4.64	73	5.92	68 1/2	6.73	101 3/4	5.01 5.17	98 5/8	5.10	95.25	3.79
August	103 5/8	4.82 4.65	71	6.00	68 1/2	6.79	101	5.11 -	99	5.12	95.25	3.80

Issue	NORWAY 4½%, 1955-1975 at 100 from Jun.1, '65		NORWAY-City of Oslo 5½%, 1959-1975 at 102 from Jan.2, '71		NORWAY-City of Trondheim 5½%, 1958-1976 at 100 from Aug.1, '68		PANAMA 4.8%, 1958-1993 at 105 from Apr.1, '68 declining thereafter		PERU 3%, 1952-1997 at 100		PERU 7½% 3%, 1928/53-2007 at 100	
Market	Amsterdam		Frankfurt		Stockholm		New York		New York		London	
1962	High n.r.a.	Low n.r.a.	High n.r.a.	Low n.r.a.	High 99 1/2	Low 93	High n.r.a.	Low n.r.a.	High 47 5/8	Low 34 1/2	High 64	Low 52 1/2
1963	n.r.a.	n.r.a.	n.r.a.	n.r.a.	95 1/2	95 1/2	n.r.a.	n.r.a.	52	42 1/8	75 1/2	59
1964	n.r.a.	n.r.a.	n.r.a.	n.r.e.	95	94	n.r.a.	n.r.a.	54	50 1/4	73	67 1/2
End of:	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat. to call	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.
July 1963	97 7/8	4.48	98 1/2	5.68	97	5.83 -	101	4.74	51	6.68	75 1/2	7.50
August	98 3/8	4.43	98 1/2	5.68	95	6.06 -	101	4.74	51 3/16	6.56	74 1/2	7.63
September	97 1/2	4.53	99 1/4	5.59	94	6.18 -	101	4.74	50 1/2	6.76	75 1/2	7.58
October	95	4.82	99 7/8	5.52	95	6.07 -	101	4.74	51 1/2	6.64	73 1/2	7.56
November	95 1/8	4.81	99 7/8	5.52	95 1/2	6.01 -	101	4.74	50 5/8	6.75	72	7.75
December	95 1/8	4.81	99 3/4	5.54	95 1/2	6.02 -	101	4.74	50 1/4	6.81	70 1/2	7.96
January 1964	94 1/2	4.89	99	5.62	94	6.20 -	97	4.99	51 9/16	6.64	73 1/2	7.70
February	94 1/2	4.89	97 7/8	5.77	94	6.20 -	96	5.06	51 9/16	6.65	72 1/2	7.84
March	94 5/8	4.88	100	5.50	94	6.20 -	96	5.06	52	6.59	72 1/2	7.89
April	96 1/4	4.69	100 3/4	5.41	94	6.21 -	97	5.00	51 5/16	6.68	70 1/2	7.87
May	95 3/4	4.75	100 1/4	5.47	94	6.21 -	98	4.93	51	6.73	70 1/2	7.92
June	92 7/8	5.11	101 1/2	5.31	94 1/2	6.16 -	98	4.93	52 1/8	6.59	70	8.02
July	92	5.23	99 7/8	5.52	95	6.09 -	98	4.93	52 5/8	6.56	69 1/2	8.12
August	93 1/4	5.07	100 7/8	5.39	95	6.10 -	n.r.a.	n.r.a.	54 1/2	6.32	72 1/2	7.86

See footnotes at end of table.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS (CONT.)

Monthly issue

1962-1964: high and low prices; recent months: price and yield at end of month

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Issue	SIERRA LEONE 3½, 1950-1970		SOUTH AFRICA 5½, 1958-1968 (Dec.)		SOUTH AFRICA 5½, 1959-1976		SOUTH AFRICA 4½, 1952-1970		SOUTH AFRICA 4½, 1955-1975 at 101 from Jul.1, '65 declining thereafter		SWEDEN 3 3/4%, 1954-1969 (May) at 100 from May 1, '64	
Callable	at 100 from Aug.1, '68		at 100 /3		at 100 from Jul.1, '74		at 100 from Sept.15, '64		at 101 from Jul.1, '65 declining thereafter		at 100 from May 1, '64	
Market	London		New York		London		Zurich		Amsterdam		Zurich	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1962	71	63 1/2	99	93 1/2	94	82 3/4	91	80.50	n.r.a.	n.r.a.	103.50	99.25
1963	77 1/2	67	100 1/4	97 3/4	99 13/16	94 1/2	94.25	88	n.r.a.	n.r.a.	102.75	98.50
1964	76 1/2	70	100	99	97 3/8	94 3/8	95.00	90.50	n.r.a.	n.r.a.	100.25	96.75
End of:	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to call
July 1963	68 1/2	9.82	99 1/2	5.60	97 7/8	5.78	90	5.72	88 7/8	5.27	100.38	3.67
August	74 3/4	8.46	98 5/8	5.81	98	5.82	91.13	5.53	89	5.26	100	3.75
September	75 1/4	8.46	97 3/4	6.02	99 1/8	5.75	91.63	5.46	89	5.27	100.50	3.65
October	77	8.17	97 3/4	6.02	99	5.82	91	5.59	89 1/4	5.24	98.88	3.98
November	76 1/2	8.41	97 7/8	6.00	99	5.88	91.13	5.58	89 1/4	5.25	99.13	3.93
December	74 1/2	8.66	99 1/4	5.68	96	5.96	91.13	5.59	89 1/4	5.26	99.50	3.85
January 1964	74 1/2	8.79	99	5.74	96	6.01	91	5.64	89 1/16	5.29	99.25	3.91
February	71 1/2	9.69	99 1/2	5.62	96	6.07	91.25	5.61	90 1/4	5.15	98	4.18
March	71 1/2	9.77	99 1/2	5.62	96	6.13	90.75	5.72	91 3/8	5.01	99.25	3.92
April	71 1/2	9.92	99 5/8	5.59	97	6.06	91.25	5.64	91 3/8	5.02	98.25	4.14
May	74 1/2	9.28	99 5/8	5.59	97	6.13	94.75	4.98	91 7/16	5.02	99.50	3.86
June	76 1/2	8.91	99 3/4	5.56	94 5/8	6.14	93.50	5.23	90 7/8	5.09	98.00	4.21
July	77 1/2	8.34	99 7/8	5.53	94 7/8	6.17	94.38	5.07	88 3/4	5.38	99	3.98
August	77 1/2	8.49	99 3/4	5.56	95	6.21	94	5.16	89 5/8	5.27	99.50	3.87

Issue	TANGANYIKA 5 3/4%, 1957-1982		TRINIDAD 4½, 1954-1976		UGANDA 4 3/4%, 1955-1973		URUGUAY-Readj. /6 3 3/4 -4 1/8%, 1937-1979		URUGUAY 3½, 1891-1999		YUGOSLAVIA-Serbs, Croats and Slovenes /12 7%, 1922-1962	
Callable	at 100 from Mar.1, '78		at 100 from May 15, '73		at 100 from Jul.15, '68		at 100 /3		at 100		at 100	
Market	London		London		London		New York		London		New York	
	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
1962	73	57	73 3/4	70	69 1/4	59 1/2	91	81	61 1/2	46	25 1/2	20 1/8
1963	80	63 3/4	79	73	80 1/2	65 1/2	91 1/2	81 1/2	61	51 3/4	31 1/4	24 5/8
1964	76 3/8	65	82	78	76 1/16	67	91 1/2	83	59	47 1/2	35 1/2	31 1/8
End of:	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Current yield
July 1963	71	9.40	76 1/2	6.88	73	8.92	87 3/4	5.27	57	6.77	26 5/8	7/12
August	79 5/8	7.86	78 1/2	6.67	78 1/2	8.02	83	5.79	54 1/2	7.00	26 1/2	7/12
September	77 1/2	8.19	78 1/2	6.73	80	7.85	87 1/8	5.36	55 1/2	6.97	31 9/16	7/12
October	77 1/2	8.26	77 1/2	6.68	78 1/2	8.21	83	5.80	55 1/2	6.96	32 9/16	7/12
November	76	8.42	77 1/2	6.71	79 1/2	8.12	84	5.70	54 3/4	6.98	32 9/16	7/12
December	76 1/2	8.53	77 1/2	6.77	76	8.45	83	5.81	55	6.99	32 9/16	7/12
January 1964	66	9.70	77 1/2	6.83	72 1/2	9.27	86	5.49	58 1/4	6.64	33	7/12
February	65 1/4	9.93	77 1/2	6.89	69 1/2	9.90	89 3/4	5.10	54	7.10	31 1/2	7/12
March	67 1/2	9.66	79 7/8	6.61	69 1/2	10.02	89 1/4	5.16	53	7.26	32 1/2	7/12
April	69 1/2	9.43	79 1/4	6.51	72 1/2	9.52	86 1/2	5.45	52 1/2	7.36	39	7/12
May	71	9.28	79 1/2	6.51	72 1/2	9.63	86 7/8	5.42	50 1/2	7.56	35	7/12
June	69 1/2	9.59	80 3/8	6.44	70 1/2	9.72	88 1/2	5.25	50	7.69	35 1/4	7/12
July	72 1/4	9.26	82 1/2	6.22	75 1/2	8.78	88 1/16	5.30	57 3/4	6.72	34	7/12
August	70 1/2	9.16	82 1/2	6.27	75 1/2	8.89	88	5.31	52	7.36	34	7/12

See footnotes at end of table.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS (CONT.)

Monthly issue

1962-1964: high and low prices; recent months: price and yield at end of month

Page 8

Issue	ARGENTINA		CANADA-Saskatchewan Province		EUROPEAN INVESTMENT BANK		JAPAN-City of Osaka		FED.OF RHODESIA & NYASALAND		JAMAICA		
Callable	6½, 1961-1973		4½, 1960-1975		4½, 1961-1981		6½, 1962-1977 at 10½		5 3/4%, 1958-1973		5½, 1959-1974		
	at 100 from July 1, '67		at 100 from May 15, '70		at 101½ in 1971-1975		in '68 and ½ less each year		at 101½ in 1968;101 in 1970;		at 101½ from March 1969		
Market	Frankfurt		Zurich		Amsterdam		Frankfurt		100½ in 1971 and 100 in 1972		declining thereafter		
									New York		New York		
1962	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	
1963	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	79 1/2	71 1/2	93	86 1/2	
1964	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	91	73	95 1/2	92 3/8	
	n.r.a.	n.r.a.	106.25	102.	n.r.a.	n.r.a.	n.r.a.	n.r.a.	83	75	99 1/4	93 1/2	
End of:	Price	Yield to mat.	Price	Yield to mat.	Yield to call	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.	Price	Yield to mat.
July 1963	77 1/4	10.20	106.25	3.85	3.44	100 1/4	4.48	100 7/8	6.22	78 1/4	9.17	93	6.68
August	81 3/4	9.38	106	3.87	3.48	100 5/8	4.45	101 3/8	6.04	81	8.70	94	6.55
September	80 1/2	9.63	105.25	3.94	3.60	99 3/4	4.52	101 1/2	5.99	78 3/4	9.13	94 1/4	6.52
October	80	9.74	104.50	4.02	3.71	97 5/16	4.73	101 3/4	5.90	75 1/2	9.77	93 7/8	6.58
November	78 1/2	10.05	104.75	3.99	3.66	96 1/4	4.82	101 1/2	5.92	78 1/8	9.38	94	6.57
December	78 7/8	10.00	104.50	4.01	3.70	95	4.93	100 3/4	6.23	81 1/2	8.68	94 1/4	6.53
January 1964	79 3/8	9.92	104.75	3.98	3.64	94 1/2	4.97	101 7/8	5.81	83	8.45	94 1/4	6.54
February	80	9.82	103	4.17	3.95	95 5/8	4.88	101 1/8	6.07	79	9.19	94 5/8	6.49
March	79 7/8	9.87	105.25	3.92	3.53	95	4.93	102 1/2	5.53	81	8.85	95 1/4	6.40
April	80	9.87	103.50	4.11	3.84	95	4.93	103 5/8	5.07	81	8.85	95 1/2	6.37
May	81	9.72	103.75	4.08	3.79	94 1/4	5.00	103 1/4	5.18	80 1/2	9.07	97 1/4	6.13
June	81 1/4	9.67	102.00	4.27	4.11	91	5.31	101 1/4	5.97	78 1/4	9.43	97	6.17
July	81 1/4	9.69	104.00	4.05	3.72	89	5.50	102	5.63	75	10.12	96 7/8	6.19
August	80 5/8	9.84	105.25	3.90	3.42	91	5.31	102 5/8	5.32	74 7/8	10.19	99	5.89

See footnotes at end of table.

PRICES AND YIELDS OF SELECTED EXTERNAL BONDS IN VARIOUS MARKETS (CONT.)

Page 9

neg. Negative yield
 n.q. No quotation
 n.r.a. Not readily available in Washington

- /1 Principal and interest are repayable in U.S. dollars or Deutsche marks at the fixed rate of \$1.00 = DM 4.20. Yields are adjusted to take account of the current official rate of exchange of \$1.00 = DM 4.00.
- /2 Bonds are redeemable at maturity at 103% of par.
- /3 Callable for sinking fund only.
- /4 Settlement offer of 1958 provided for exchange into new bonds at the rate of 110% of old par with interest on new bonds at 2% for the year 1962/63 and 3% thereafter. Unpaid coupons due November 1, 1932 to May 1, 1937 were to be paid from November 1, 1957 to May 1, 1962 at rates increasing from 1 to 2%. Cumulative sinking fund of 1/2% in 1962-1966 and 1% thereafter. Interest was paid regularly under the plan through May 1, 1960 but was suspended until November 1962 when the November 1935 coupon was paid. One coupon was paid in 1963 and Bolivia has announced the payment of two coupons in 1964.
- /5 If the sinking fund on these bonds continues at the present rate, total retirement of the issue will be effected several years before the contractual final maturity. However, the yields shown are computed to the contractual final maturity.
- /6 Under the Settlement Plan interest was payable at gradually increasing rates, starting at the lower rate shown here and increasing to the higher rate.
- /7 Interest paid regularly to October 1, 1960. Interest due April and October 1961 paid in December 1961. No interest paid since that date.
- /8 Past-due coupons are being paid currently and bonds are traded with past-due coupons attached. These past-due payments are taken into account in computing yields. Bonds are redeemable at £ 174 but quotations are in percentage of old par value of £ 100.
- /9 Quotations are in terms of the "London dollar" (£ 1 = \$5.00). Prices are shown as quoted. Yields are adjusted to take account of the official rate of exchange of £ 1 = \$2.80.

/10 On April 3, 1963, Greece announced an offer which provides inter alia that on assented bonds interest will be paid semi-annually at 2.35% p.a. in 1963, increasing to 3% p.a. in 1966 and 1967. Sinking fund of 1/2% p.a. of bonds outstanding at January 1, 1963. Greek Government has the right to extend the offer after 1967.

/11 Bonds are redeemable at £ 174 but quotations are in percentage of old par value of £ 100.

/12 In August 1964 Yugoslavia announced an offer to dollar bondholders to pay interest on assented bonds at 2% on July 1, 1965, 2 1/2% on July 1, 1966 and 3% on July 1, 1967. In addition, the Yugoslav Government will pay arrears of interest on coupons originally payable in 1944-1959 of .0051% p.a. beginning July 1, 1965. No provision was made for sinking fund, but Yugoslavia intends to present a settlement not later than April 1, 1967.

/13 Originally issued by Belgian Congo, now Congo (Leopoldville).

/14 Originally issued by the Federation of Malaya.

IBRD-Economic Department
 September 15, 1964

INTERNATIONAL BANK
RECONSTRUCTION AND DEVELOPMENT

10-16

Mr. Wilson

~~Mr. Cavanaugh,~~

Mr. Larsen's memo is dated September 16. This was the first we heard of his need.

After we received a favorable recommendation from the Administration Department, I notified Mr. Larsen on September 25 that four temporary positions were approved.

I understand that three persons have been hired. Personnel is in the process of selecting the fourth.

F R Poore

Org - Ec.
Sept

OFFICE MEMORANDUM

TO: Mr. Geoffrey Wilson *et*

DATE: September 16, 1964

FROM: Harold Larsen *HL*SUBJECT: Temporary Staff, Foreign Debt Section, Statistics Division--Economic Department

You will recall that on September 1st I spoke to you of the work-load of the Foreign Debt Section in relation to its present staff, particularly as the temporary summer appointments which had been authorized for that Section were terminating. You said that we could proceed to replace the departing temporary summer appointees with others whose appointments would also be temporary, and that you would review the Section's permanent staff requirements after fuller consideration had been given to the likely work-load in the future, with special reference to the division of labor between DAC and ourselves.

We now have several candidates lined up, but I am told that they cannot be further processed because no record exists of the authority for their appointment. I am accordingly sending Mr. Cavanaugh a copy of this memorandum with a request that he authorize these temporary appointments in accordance with the procedure specified in your memorandum "Establishment of New Positions", dated July 29, 1963.

*Mr. Cavanaugh**What's happened -
or happening - about this?**GMW*

cc: Mr. Cavanaugh
Mr. Avramovic
Mr. Goodman
Mr. Goor
Mrs. Grafton

HLarsen:ea

Mr. R.W. Cavanaugh

September 16, 1964

Harold Larsen *HL*

Temporary Staff, Foreign Debt Section, Statistics Division--Economic
Department

I attach a copy of a memorandum to Mr. Geoffrey Wilson which is, I think, self-explanatory. I presume that initially the proposed temporary appointments would be for three months, although an extension may become necessary if the permanent staff requirements of that Section have not been determined and authorized within that period.

Attachment

cc: Mr. Goodman
M^r. Avramovic
Mr. Goor
Mrs. Grafton

HLarsen:ea

Econ dist

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INCOMING WIRE

DATE OF
WIRE: SEPTEMBER 4, 1964 1040

LOG NO.: WU 9

TO: LARSEN INTBAFRAD

FROM: PARIS

ROUTING	
ACTION COPY:	MR. LARSEN
INFORMATION COPY:	
DECODED BY:	

TEXT:

WE ARRIVED SAFELY

BADRI

FAMILY NOTIFICATION BEING MADE

AB

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Econ dept
INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: INTBAFRAD
PARIS

DATE: SEPTEMBER 2, 1964

WJ
CLASS OF
SERVICE: IT

COUNTRY: PARIS

TEXT:
Cable No.:

479 FOR CURRAN YOUR 415 CORRECT EXCEPT FLIGHT IS TWA 802 ARRIVING
9:55 PM

LARSEN

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME H. Larsen

DEPT. Economic

SIGNATURE *Harold Larsen*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

HLarsen:ea

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

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INTERNATIONAL DEVELOPMENT
ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO:

INTERNATIONAL
FINANCE

COUNTRY:

PARIS

TEXT:

Cable No.:

DATE:

SEPTEMBER 2, 1964

CLASS OF
SERVICE

IT

WJ

FOR CHURCH YOUR AIR CORRESPONDENT IS TWO SIX ARRIVING

2:55 PM

LARSSEN

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME

H. Larsen

DEPT.

Economic

SIGNATURE

(Signature of individual authorized to approve)

Hansen:

ORIGINAL (File Copy)

(IMPORTANT: See Secretariat Guide for preparing form)

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For Use by Archive Division

Checked for Dispatch:

econ dept

INCOMING WIRE

DATE OF WIRE: AUGUST 10, 1964 1030
LOG NO.: RC 19
TO: INTBAFRAD
FROM: PALMA MALLORCA

ROUTING	
ACTION COPY:	MR. AVRAMOVIC'S OFFICE
INFORMATION COPY:	
DECODED BY:	

TEXT:

EXPECT ARRIVE WASHINGTON TUESDAY EVENING AUGUST 11

AVRAMOVIC

AB

1961 NOV 21 10 42 AM
GENERAL FILES
COMMUNICATIONS
UNITED STATES

Dr. Harold Larsen

May 25, 1964

Charles G. Goor

Statistics Div., Economic Department

Debt data for the Fund

1. I propose to hold exploratory conversations with Mr. Hicks to find out what it is that the Fund is after. My impression is that the Fund does not know now what is needed nor what is involved in the way of data collection and processing. However, I feel that they will want a more complete view of the debt situation in each country than we are now getting, more along the lines of our draft proposal of May 1, 1964.
2. This contact on the part of Mr. Hicks would appear to offer us an opportunity of getting the cooperation of the Fund in the extension of debt reporting, if that is necessary. This assistance in data collection might make worthwhile the added burden of undertaking work for the Fund since it might involve a net gain to us.
3. I myself see no difficulty in making any or all of the present debt data available to the Fund provided we retain control over, or set restrictions on, publication by the Fund. However, if the Fund requires more or different kinds of work in this field it might increase our workload beyond our capacity. This would have to be considered very carefully.
4. As far as I can determine, the Balance of Payments Division is not associated with this inquiry. However, negotiations on debt data could be used ultimately to tie the work of the Balance of Payments Division of the Fund in with and facilitate possible expansion of our work into a capital flows exercise. This step may have to be handled separately since Mr. Hicks has no jurisdiction over balance of payments data.
5. I would be glad, of course, to get any comments, suggestions or reactions before I give Mr. Hicks any reaction.

cc: Mr. Avramovic

CGGoor/ra

Mr. Charles Goor

May 19, 1964

Dragoslav Avramovic

Charts - Revision of the Existing Coverage

1. You will recall that I have asked you several times in the past for a proposal regarding what charts and statistical series the Department should be issuing in the future. The present coverage was set up a long time ago, and it is badly out-dated. Certain series and charts are prepared and circulated, although interest in them is almost nil; on the other hand, there is a great need for other series and charts which are not being circulated.

2. I should like to settle this issue early next month. There will be a meeting in the Conference Room of the Economic Department at 10:00 A.M. on June 8th to discuss all the relevant aspects. In addition to the members of the staff of the Department to which this note has been circulated, I am also asking Mr. Fowler, Assistant Secretary of the Bank, to attend. Mr. Fowler has recently been reviewing the circulation of routine documents to the Board and he has some views on what should be retained and what should be dropped.

3. In order to have an orderly and useful discussion, I suggest that you prepare and circulate, not later than June 3, the following:

- (a) A complete set of statistical series and charts (recent issue) now circulated to the Board;
- (b) A complete set of statistical series and charts (recent issue) now circulated to the Officers and the staff, additional to those under (a) above;
- (c) A paper setting forth what other statistical series are being kept in a routine fashion although they are not circulated;
- (d) Your proposal on what should be retained and what should be dropped from (a), (b) and (c);
- (e) A list of suggested new statistical series and charts which should be set up. I have been talking to you about this frequently over the last six months, and I have also listed some of the series I suggest be introduced. I am referring to charts of industrial production in the developing countries, GNP growth trends, rates of investment, export price indices, terms of trade, export values, import values, indebtedness and debt service, other possible financial indicators. At present we have none of these, although our main interest is focussed on the developing countries.

May 19, 1964

- (f) Some of the series mentioned under (e) have recently been plotted on charts in connection with the Economic Department's latest studies. I suggest you either reproduce these charts or set them up in the Conference Room on June 3, so that the participants in the discussion may see them.

h. If you have any questions with respect to these suggestions, please do not hesitate to ask.

cc: Mr. Donald Fowler
Dr. Harold Larsen
Mr. Bohr
Miss Crompton
Mr. Holland
Mr. Husain
Mr. Lowenstein
Mr. Maccone
Mr. Maiss
Mr. Please
Mr. Shivan
Mr. Walstedt
Miss White

Economic

Files

May 18, 1964

Charles G. Geor
Statistics Div., Economic Department
Debt data for the Fund

1. I received a call from Mr. Earl Hicks of the Fund, Director of the Statistics Bureau. He stated that Mr. Southard, Deputy Managing Director of the Fund, has expressed interest in the debt burden of each country and has asked him to obtain these debt data.
2. Mr. Hicks stated that since the Bank's Statistics Division collects these data, he has no desire to set up a duplicating system for the collection or processing of these data. He was, therefore, inquiring as to any possible relationship that the Fund could have with the Bank in this connection. A major question is "what access would the Fund have to the data on a regular basis?" In this connection it would be desirable to discuss any arrangements that could be made to regularize and expedite the co-operation.
3. He also raised the question as to whether the Bank would wish to extend reporting to countries not yet reporting. If we did, would we wish the Fund to obtain these data and send it to us for processing?
4. I pointed out to him that the Fund at present seems to have access to the data via the Bank's country economic reports, through the area departments of the Bank or our occasional reports to the Executive Directors. However, Mr. Hicks felt that these channels were not satisfactory and suggested consideration of a more regular and perhaps more formal basis for the transmittal of debt data.
5. I told Mr. Hicks that I would take a preliminary sounding and would be prepared to discuss the matter with him in more detail very soon.

CGGeor/ra

cc: Mr. Avramovic
Dr. Larsen

Econ. Dept.
X alpha

May 5, 1964

Mr. William F. Butler
Vice President
Chase Manhattan Bank
1 Manhattan Plaza
New York, New York

Dear Bill,

I should like to come to New York to see you and to discuss with you a few topics in which I would appreciate your help.

We are now in the process of strengthening our Economic Department, and I was wondering whether you could suggest several names of people you think might be interested. I do not have to tell you what sort of people we are looking for: anybody who meets your standard would meet ours. Their narrow specialization does not matter. I am particularly anxious to get people with good analytical minds and analytical work experience either in major U.S. companies, brokerage firms, banks or government (people like those I have met in your Association of Business Economists). An acquaintance with modern methods of economic analysis would come in very handy, and so would the knowledge of how to use efficiently the computer. But most important is clear-mindedness. With us, these economists would have to work on a wide range of subjects: country economic analyses, macro-problems of savings and investment, sectoral analyses, specific industry analyses, techniques of project appraisal, international trade in general and analyses of particular commodities, fiscal policy, international indebtedness, etc. We would always try to accommodate particular wishes, but the person should be able to turn his mind to whatever economic subject may come up. Traveling abroad would be involved, on the average, three months per year.

Secondly, you will remember our conversations several years ago about the desirability of exchanging research personnel, either for a specific period or for work on a particular research project. I should now like to revive this idea. I will tell you what matters we are likely to handle over the next year or so, and you can then decide whether you would be interested. If we can arrive at some arrangement, I would then like to try the same system with other large private organizations in this country and in Europe. And since we are also thinking of bringing to the Department, on a temporary basis, people from the developing countries - from their planning offices, finance ministries, central banks,

development finance institutions - a continuing exchange of experience and the establishment of useful contacts may result in benefit for everybody. We are also considering attracting, again on a temporary basis, people from the universities. While this cannot be realized overnight - there is always a danger of confusion - I think that we should be able to get people from widely differing backgrounds - but with the same professional interests - to work intensively on particular research projects, in which they are interested or in which they already have had some experience.

The above are the two main topics on which I should like your opinion. In addition, I am greatly interested in your current views regarding the business scene in the U.S. and abroad. I have carefully followed your statements over the last year or so. I have the impression that the U.S. economy is experiencing one of the strongest booms in its history and that the present situation is very solid - in terms of relationships among factor rewards and costs, prices and interest rates. I also have the impression that several European countries may be resuming past expansion, e.g. Germany, and that the upward phase of the primary product price cycle, in which we are now, may last for several years.

I should also like to talk to you regarding the position of particular developing countries. What do you hear from your people in Brazil? And what about India?

Several weeks ago I wrote a paper entitled "The Commodity Problem", which will be submitted to the U. N. Trade and Development Conference. It drew heavily on your article on the same subject, published in Foreign Affairs two years ago.

I was very pleased to read that John Deaver has been promoted to Vice-President. Has his assignment been changed, or is he still in charge of your international economic research?

In January I saw Willard Thorp in Paris. He asked me to convey to you his best greetings. He seems to be enjoying himself as Chairman of DAC.

Would you write to me, or call me up, regarding what day you would be free, this month if possible? I may be away for a week beginning May 20. Of course, if you could come to Washington, I would be only too happy. I would arrange a Seminar of our professional economists, and you could give a talk in the afternoon on whatever subject you wish. In the morning we could easily cover the whole of the agenda I suggested in this letter.

With best personal regards,

Sincerely yours,

Dragoslav Avramovic

Avr:cf

econ. dept?

Heads of Departments

March 31, 1964

Dragoslav Avramovic

Request for personnel for missions

The Economic Department is frequently requested to supply members for missions. To enable us to meet these requests to the maximum extent possible, I would appreciate it if you could let me know of your plans for such requests, even if tentative, by April 15; and if you could let me have in the future a forecast of your requests quarterly.


Avr:cnm

International Bank for Reconstruction and Development

International Finance Corporation

International Development Association

ADMINISTRATIVE CIRCULAR

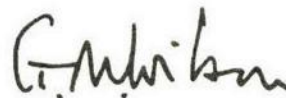
March 26, 1964

Staff Appointments: Economic Department

Mr. Dragoslav Avramovic, who continues in charge of the Department, is given the rank of Assistant Director.

Mr. Avramovic will be assisted by Mr. Harold Larsen, Economic Adviser, who joined the Department last month on his return from a resident assignment in Thailand.

These changes take effect immediately.



Geoffrey M. Wilson
Vice President

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: DRAGOSLAV AVRAMOVIC
INTBAFRAD
BANK FLAT
LONDON

DATE: ~~21~~ JANUARY 24, 1964

CLASS OF LT
SERVICE:

WNR

COUNTRY: ENGLAND

TEXT:
Cable No.:

8 REUR 9 AND 10 HAYES AIMS TO PRODUCE DRAFT BY THIRTY FIRST STOP
COMPUTATIONS ON HUSAIN MODEL INDIA PLAN FOR COMPLETION FIRST WEEK
FEBRUARY STOP WORK STARTS ON COLOMBIA TWENTY SEVENTH STOP TALBAR
SUGGESTS SEE TAUB COMMA ASSISTANT TO GOVERNOR BANK ISRAEL COMMA
THROUGH HIM GOVERNOR HOROWITZ STOP GOLAN COMMA FOREIGN EXCHANGE
DIVISION COMMA TREASURY STOP KOCHAV COMMA DIRECTOR PLANNING AUTHORITY
PRIME MINISTER OFFICE.

BOHR

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Kenneth Bohr

DEPT. Economic

SIGNATURE *Kenneth Bohr*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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NAME Kennedy Bort.

MESSAGE AUTHORIZED BY:

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PRIME MINISTER OFFICE

DIVISION COMMUNICATIONS STOP KOSOVA COMMUNICATIONS DIRECTOR ESTABLISHING AUTHORITY
THROUGH HIM COORDINATE ECONOMIC STOP GOVERN COMMUNICATIONS FOREIGN EXCHANGE
SUCCEEDS SEE LAW COMMUNICATIONS ASSISTANT TO COORDINATE BANK ISRAEL COMM
REVENUE STOP WORK STARTS ON COLOMBIA JANUARY SEVENTH STOP LUTBAN
COMPUTATIONS ON HANVIN MODEL INDIV FROM FOR COMPLETION FIRST WEEK

Cable No:

TEXT:

COUNTRY:

ENGLAND

LONDON

BANK LUAL

INFLATION

TO:

DEPARTMENTAL ADMINISTRATION

SERVICE:

CLASS OF TL

DATE: 24 JANUARY 1964

OUTGOING WIRE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

CORPORATION

INTERNATIONAL FINANCE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

To: Management, Directors and Assistant Date: April 15, 1963
Directors of Departments and
Economic Advisers

From: Dragoslav Avramovic

Subject: Selected Studies and Memoranda Prepared by the Economic Staff -
First Quarter 1963

Attached is the first quarterly report on studies and memoranda produced in the Economic Staff during the first quarter of 1963 and given circulation outside the Department. For explanations regarding the coverage of this report please see the memoranda of April 16 and July 13, 1962 accompanying the earlier reports.

Attachment

COMMODITIES

1. Informal Briefing Memoranda for Missions and Area Departments.
 - a. Recent developments in the iron ore trade affecting India, February 12, 1963. For the Indian Mission.
 - b. Terms of trade of Latin American and selected Latin American products, March 8, 1963. For Mr. F. Illanes.
 - c. Questionnaire Completed for Extra Long Staple Cotton, English, French, Italian, German and Spanish.
 - d. Sugar - Jamaica, January 8, 1963. For the Jamaican Mission.
 - e. Tomatoes - Mexico, January 14, 1963. For the Mexican Mission.
 - f. Stocks and export earnings of Indian Jute Goods, February 12, 1963. For the Indian Mission.
 - g. Indian Exports of Cotton Fabrics, February 14, 1963. For the Indian Mission.
 - h. Rice Exports U.A.R., January 11, 1963. For U.A.R. Mission.
 - i. Comments of FAO Commodity Projections for 1970, January 30, 1963, letter to L. Goreux, FAO, Rome.
 - j. Jordan's position in the World Market for Phosphate Rock, March 20, 1963.
 - k. Note on the Santa Inez Steel Project (Philippines), March 31, 1963, first draft.
 - l. Recent Prices for Ammonium Sulphate and Urea, February 6, 1963. For TOD.
2. Some observations on U.S. consumption trends of aluminum, March 25, 1963, first draft.

INTERNATIONAL CAPITAL FLOWS, CREDITWORTHINESS, ETC.

1. Turkey - Terms of Future IDA Credits, March 11, 1963. For SLC.
2. Draft Statement on Terms of Aid, for DAC Meeting, March 22, 1963. For Mr. Wilson.
3. Draft Statement on Aid Tying, for DAC Meeting, March 22, 1963. For Mr. Wilson.

4. Hypothetical Debt Service Projections, March 28, 1963. For Mr. Wilson.
5. Pakistan-Macro-economic Projections, January 25, 1963. For the Area Department.
6. Importance of Suppliers' Credits in the Debt and Debt Service Liabilities of Underdeveloped Countries, February 19, 1963. For DAC Working Party on Terms of Aid.
7. Method of combining size and terms of an assistance effort in a simple measure, February 25, 1963. For DAC Working Party on Terms of Aid.
8. Draft Interim Report of the DAC Working Party on Terms of Aid, February 21, 1963. For Mr. Curran, Paris Office, cc: Messrs. Wilson and Demuth.
9. Note on Import Requirements, February 11, 1963. For Mr. Moses Abramovitz, OECD.
10. Imports and Economic Growth, January 1963. For SEC.
11. The Outlook for Middle East Oil, 1960-65, January 11, 1963, Confidential Report EC-113. For SLC.
12. Country Notes for Berne Union: Argentina, Brazil, Chile, Ghana, Iran, China (Taiwan), Turkey, Venezuela, January 16, 1963. For Mr. John Duncan Miller, Paris Office.
13. Economic Assistance through Surplus Food Donations, February 20, 1963. For Mr. Kamarck.
14. External Public Assistance to the Private Sector in Underdeveloped Countries, March 25, 1963. For Messrs. Hoffman, Cavanaugh, Cope, de Wilde, Sadove, Rivkin, Kamarck, Demuth, Diamond, Nurick, Broches and Mrs. Boskey.
15. Growth, Savings, Resources Gap and Standard of Living Data, January 2, 1963. For Mr. Alter.
16. GNP data for whole world, January 7, 1963. For Mr. T. Noone.
17. Statistics on GNP and Savings Data, February 19, 1963. For Mr. A. A. Khosropur.
18. Capital Flows to Latin America, March 26, 1963. For Mr. Alter.

PUBLIC FINANCE AND FINANCIAL INSTITUTIONS

1. Literature on export taxes, January 28, 1963. For Professor Rothwell (Dartmouth College, New Hampshire).
2. Some major questions of tax policy, memo to Mr. Shoaib, February 7, 1963.
3. Preliminary outline of a paper on taxation of internal transactions, March 29, 1963.
4. Information on Public Budget Transactions and Procedures - some suggestions with respect to the Collection of Such Information and its Presentation in IBRD Economic Reports, February 28, 1963. For Economic Advisers and EDI.
5. On Estimating the Opportunity Cost of Capital - Annex - Estimating the Opportunity Cost of Capital on the Basis of Market Rates of Interest - Two Illustrative Cases: Japan and Pakistan, January 3, 1963. For SEC members.
6. The Economic Justification of Projects for Public Lending Institutions in the Philippines, February 25, 1963. Sent to the Philippines, Far East Department, TOD, IFC, DSD, EDI.
7. Bankability of Education Projects, March 1963. For Education Division,

INVESTMENT CRITERIA

1. EDI Project Appraisal Course, Port of Ashdod, February 1963.
2. EDI Project Appraisal Course, Banco Agropecario, Peru, February 1963.
3. EDI Project Appraisal Course, The Guadalupe Hydroelectric Project (Medellin II), January 17, 1963.
4. EDI Project Appraisal Course, The Yanhee Multipurpose Project Thailand (up-dating only), January 17, 1963.
5. EDI Project Appraisal Course, Third Chao Phya Irrigation Project, February 6, 1963.

7. EDI Project Appraisal Course, The Kawasaki Steel Mill Project, January 16, 1963.
8. Seminar on Industrial Programming (Report on Seminar), March 29, 1963. For WH, TOD, DSD.
9. Adequacy of the Philippine Educational System, A Sectoral Appraisal, February 1963.
10. Estimating Costs and Benefits in Non-Revenue Projects, March 1963.
11. A Note on the Economic Evaluation of Multipurpose Projects, March 11, 1963.
12. Ecuador Second Natural Highway Project; notes on Annex: Assessment of economic benefits, March 19, 1963. For TOD.
13. The Market for Steel in Argentina, January 3, 1963. For Working Party; Annex 3 to above document (Basic Assumptions for Steel Demand Projections), January 20, 1963. For Working Party.

STATISTICS - Periodic Reports, Series and Special Activities

1. Charts of Interest Rates, Share Prices and Industrial Production in Selected Countries (Monthly, for general distribution, including E.D.'s).

December issue ----- January 8, 1963
January issue ----- February 7, 1963
February issue ----- March 7, 1963
2. Prices and Yields of Selected External Government Bonds in Various Markets (Annual and monthly; for general distribution, including E.D.'s).

December issue ----- January 15, 1963
January issue ----- February 11, 1963
February issue ----- March 12, 1963
3. Selected IBRD Bond Prices and Yields for by-weekly Secretary's "Report to the Executive Directors on Bank and IDA Operations."
4. Selected IBRD Bond Yields for monthly IMF "International Financial Statistics."
5. Charts on Selected Latin American Exchange Rates (Monthly on weekly basis for Western Hemisphere Department).

6. Monthly Chart on U.S. Consumer Price Index (for Bank and Fund Personnel).
7. Prices of about 55 shares of companies involved in IBRD loans (monthly, for TOD, Industry Division).
8. Bank Loans Classified by Purpose and Area (quarterly). For limited distribution (January 22, 1963).
9. External Public Debt Estimated Service and Principal Amounts - Ceylon, East Africa Common Services Organization, Federation of Rhodesia and Nyasaland, Kenya, Malaya, Netherlands, Nigeria, Norway, Pakistan, Tanganyika, Trinidad and Tobago, Uganda, United Kingdom - EC-115 (Restricted), March 25, 1963. For Board and general Bank distribution.
10. Summary of Foreign Bonds Publicly-Issued in Canada, Germany, Italy, Netherlands, Sweden, Switzerland, United Kingdom and the United States (summary tables for general distribution, including E.D.'s description of issues, for more limited distribution).

Summary table (1962) ----- February 21, 1963
Description of issues
(second half 1962) ----- February 21, 1963
11. Projections of individual U.S. Export-Import Bank loans on computer and summaries by categories and areas (semi-annually) for U.S. Export-Import Bank. February and March 1963.
12. Forms A, AA, B, C and D - Procedure for reporting on external debt for Latin America (joint with IDB) in English and Spanish and the rest of the world (IBRD only) in English. Distributed to borrower countries for reporting.

PERSONNEL ON DETAIL

Mr. Shiva K. Govil - South Asia and Middle East Department (U.A.R. Mission); for entire period.

Mr. Sylvain Plasschaert - Western Hemisphere (Mexican Mission); since January 21, 1963.

Mr. Jan de Weille - African Department (Ethiopian Mission); since March 18, 1963.

PERSONNEL ATTENDING MEETINGS

Mr. Bertil Walstedt participated in Seminar on Industrial Programming, Sao Paulo, Brazil; March 4 - 15, 1963.

Mr. Frank Lowenstein attended the 25th annual meeting of the National Cotton Council of America held in El Paso, Texas; February 27 - 29, 1963. He has been conducting Extra Long Staple Cotton study throughout parts of Europe, Near East and Far East since March 20, 1963.

Miss Flora White attended the sixth session of the FAO Cocoa Study Group, Port of Spain, Trinidad; March 25-30, 1963.

Mr. Shamsher Singh attended Hard Fibers Conference; March 4 - 8, 1963.

Mr. Hans Wyss is attending the U.N. Conference on second session of group of experts on planning for economic development, New York, since March 25, 1963.

ADMINISTRATIVE CIRCULAR

February 21, 1963

Staff Assignment

With effect from March 31, Mr. John C. de Wilde will be relieved, at his own request, of the duties which he has so long and so ably performed as Acting Director of the Economic Staff.

I attach great importance to the role of the Economic Staff within the Bank, and Management is urgently seeking a new Director. In the interim, Mr. Dragoslav Avramovic will be in charge of the Department.

Mr. de Wilde will become a member of the Development Advisory Service, with his first assignment to initiate a survey of African agriculture. The survey will be designed to work out possible approaches to the development of African agriculture south of the Sahara which the Bank and IDA might follow in their financing operations. A preliminary inquiry will first be carried out in order to establish the feasibility and usefulness of a more detailed and extensive survey. This will be an undertaking of considerable importance in view of the dominant role of agriculture in the African economy.



George D. Woods
President

Economic Staff

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

To: Management, Directors and Assistant
Directors of Departments and
Economic Advisers

Date: January 17, 1963

From: John C. de Wilde

Subject: Work Accomplished by Economic Staff - Fourth Quarter 1962

Attached is the fourth quarterly report on studies and memoranda produced in the Economic Staff during the fourth quarter of 1962 and given circulation outside the Department. For explanations regarding the coverage of this report please see the memoranda of April 16 and July 13, 1962 accompanying the earlier reports.

In response to several requests I have received I am appending to this report a list of past publications of the Economic Staff which still may be considered relevant and useful.

Attachment

COMMODITIES

1. Informal Briefing Memoranda for Missions, Area Departments and Management.
 - a. Lead and Zinc Price Projections, October 2, 1962, 6 pp.; typed. For Mr. E.P. MacKenna.
 - b. Prospects for the price of rubber in the light of developments in recent years (Draft), November 2, 1962, 34 pp.; typed. For Far East Department.
 - c. Malayan Palm Oil, November 26, 1962, 13 pp. plus 5 tables; stencilled. For Malayan Mission.
 - d. Projections on Export Earnings from Jute, Cotton and their Manufactures, December 11, 1962, 10 pp. plus 8 tables; typed. For Pakistan Mission (Mr. McDiarmid).
 - e. Thailand - Cassava Situation, December 31, 1962, 3 pp.; typed. Mr. J.H. Lenfant (For Economic Report).

INTERNATIONAL CAPITAL FLOWS, CREDITWORTHINESS ETC.

1. An Estimate of Soft Loan Requirements for a Sample of Ten Countries, October 15, 1962, 15 pp.; typed. For Messrs. Wilson, Demuth.
2. Extrapolation of IBRD-IDA Commitment Rates, October 18, 1962, 5 pp. plus 2 tables; typed. For Mr. Wilson.
3. Subscriptions of IDA Part I Countries in Various International Institutions, October 29, 1962, 6 pp.; stencilled. For IDA Financial Policy Committee, President, Vice President, Department Heads.
4. U.S. Foreign Economic Assistance, October 31, 1962, 5 pp. plus 5 tables; stencilled. For Messrs. Black, Knapp, Wilson, Rist, Demuth, J.H. Adler, Area Department Heads and Economic Advisers.
5. GNP Estimates for IDA Members, November 8, 1962, 1 p. plus table; typed. For Mr. Cocke.
6. Soft Loan Considerations in Documents Submitted to the Board, November 9, 1962, 9 pp.; typed. For Messrs. Wilson, Demuth.
7. "Net Gap" to be financed on public account, gross external borrowing requirements and "soft loan requirements", November 13, 1962, 2 tables; typed. For Messrs. Wilson, Demuth.

8. Memorandum: "Offshore Procurement under the U.S. Foreign Aid Program", November 14, 1962, 2 pp. plus 2 tables; typed. For Mr. Eric Bachem, Director Kreditanstalt für Wiederaufbau. Copy to Mr. Cavanaugh.
9. The Need for an Increased "Soft Credit" Component in Development Aid (in collaboration with Development Services Department), December 17, 1962, 15 pp. plus 2 tables, 1 chart; stencilled. For members of IDA Financial Policy Committee, President, Vice President, Department Heads.

PUBLIC FINANCE AND FINANCIAL INSTITUTIONS

1. A Review of the Capital Market in India (final report), September 20, 1962, 124 pp. plus 37 tables; stencilled. For Executive Directors.
2. Documentation for Paper "Public Expenditures and Economic Development" (Santiago Conference), November 2, 1962, 31 pp.; November 8, 1962, 10 pp.; November 16, 1962, 7 pp.; typed. For Mr. J.H. Adler.
3. Memorandum on Revision of Paper "Public Expenditures and Economic Development" (Santiago Conference), December 20, 1962, 4 pp.; typed. For Mr. J.H. Adler.
4. Report about Conference on Fiscal Policy in Latin America (Santiago Conference), December 20, 1962, 18 pp.; stencilled. For Messrs. Knapp and Wilson, some Department Heads, Economic Advisers, etc.

INVESTMENT CRITERIA

1. Note on the Investment Criteria proposed by the Stanford Research Institute for the selection of industrial projects in Taiwan, October 17, 1962, 18 pp.; stencilled. For Far East Department, Economic Advisers, Stanford Research Institute.
2. Forecasting Steel Consumption in Low-Income Countries (Draft), November 26, 1962, 144 pp. (includes graphs), plus 54 tables and annexes; stencilled. For Economic Advisers.
3. On Estimating the Opportunity Cost of Capital, December 28, 1962, 63 pp.; stencilled. For Staff Economic Committee Members.
4. Draft Case Studies
 - a. Nigerian Railroad, December 1962, 60 pp.; typed. For EDI Project Appraisal Committee.
 - b. Trinidad and Tobago Power, December 1962, 60 pp.; typed. For EDI Project Appraisal Committee.

MISCELLANEOUS PAPERS AND MEMORANDA

1. Brief Report on FAO European Regional Conference and Agriculture Policies in the Common Market (Memorandum to Files), November 19, 1962, 4 pp. typed. For Messrs. Cope and Reid.
2. The Suez Canal - Projections of Traffic and Revenue - 1960-1970, November, 1962, 19 pp.; typed. For Messrs de Wilde and Hayes, Department of Operations-South Asia and Middle East.
3. Memorandum: "National Accounts of Pakistan", December 12, 1962, 2 pp.; typed. For Mr. R. Frost.
4. Research in the International Bank for Reconstruction and Development (Speech), December 29, 1962, 17 pp.; typed. For address to the American Economic Association at Pittsburgh, Pa. (Annual Meeting). Distributed to Management, Department Heads, Economic Advisers.

STATISTICS - Periodic Reports, Series and Special Activities

1. Charts of Interest Rates, Share Prices and Industrial Production in Selected Countries (Monthly, 14 pp.; for general distribution, including E.D.'s).

September 1962 issue ----- October 4, 1962
October 1962 issue ----- November 8, 1962
November 1962 issue ----- December 6, 1962
2. Prices and Yields of Selected External Government Bonds in Various Markets (Annual and Monthly; for general distribution, including E.D.'s)

September 1962 issue ----- October 8, 1962
October 1962 issue ----- November 9, 1962
November 1962 issue ----- December 12, 1962
3. Selected IBRD Bond Prices and Yields for by-weekly Secretary's "Report to the Executive Directors on Bank and IDA Operations".
4. Selected IBRD Bond Yields for monthly IMF "International Financial Statistics".
5. Charts on Selected Latin American Exchange Rates (Monthly on weekly basis for Western Hemisphere Department).
6. Monthly Chart on U.S. Consumer Price Index (for Bank and Fund Personnel).

7. Prices of about 55 shares of companies involved in IBRD loans (monthly, for TOD, Industry Division).
8. Bank Loans Classified by Purpose and Area (quarterly). For limited distribution (September 30, 1962).
9. External Public Debt Estimated Service and Principal Amounts - Burma, China, Denmark, Ecuador, Japan, Luxembourg, Peru, Philippines, South Africa, Sudan, Uruguay - EC 112 (Restricted), November 29, 1962, 14 pp.; stencilled. For Board and general Bank circulation.
10. Exchange of Information on International Indebtedness - Semi-annual consolidated report as of June 30, 1962. To 14 participating countries, OECD and limited Bank distribution. November 27, 1962.
11. Computer calculations of gross salaries from net salaries for staff with U.S. citizenship taking into account salary supplements, social security tax payments, Federal income tax payments and state income tax payments
 - a. Tables for the Bank using the program, October 26, 1962.
 - b. Calculations for the Fund using the program, October 30, 1962.
12. Primary Commodity Price Index for Low and Medium Income Primary Producers (draft paper for Staff Economic Committee), November 27, 1962, 11 pp. plus charts and statistical appendices; stencilled.

PERSONNEL ON DETAIL

- Mr. Dragoslav Avramovic - Far East Department (Heading group advising Philippine Government in implementing their five-year plan); for entire period.
- Mr. Kenneth Bohr - Far East Department (Philippine Survey Mission); for most of period.
- Mr. Jean Panel - Far East Department (Philippine Survey Mission); for most of period.
- Mr. A.J. Macone - Far East Department (Philippine Survey Mission); November 4 - December 27, 1962.
- Mr. R. Gulhati - Far East Department (mission to Malaya); for approx. half the period.
- Mr. S.K. Govil - South Asia and Middle East Department (U.A.R. Mission); for entire period.
- Mr. H. van der Tak - South Asia and Middle East Department (Pakistan Mission); for entire period.
- Mr. H. Wyss - African Department (Tunisian Mission); November 7 to present.
- Mr. J. Willems - African Department (Tunisian Mission); November 14 to present.
- Mr. M. Jordan - African Department (Kenya and Senegal Missions); for entire period.

PERSONNEL ATTENDING MEETINGS

- Mr. J. Willems represented the Bank at the FAO European Regional Conference in Rome and then proceeded to Brussels to gather information on the Agricultural Policies in the Common market; October 6-19, 1962.
- Mr. F. Lowenstein visited Europe to make contacts with regard to Extra-Long Staple Cotton Study; October 22 - November 14, 1962.
- Mr. M. van der Mel attended Conference on Fiscal Policy in Latin America, Santiago de Chile; December 5-14, 1962.
- Mr. S. Singh attended Jute Conference, Bangkok, Thailand; December 7-18, 1962. He worked on jute and cotton in India; December 27 to present.

Commodity Reports

General

- | | | |
|--|--------------|---------------------|
| 1. History of Commodity Agreements | July 1959 | Unclassified EC 74b |
| 2. U.S. Non-Commercial Exports of Surplus Agricultural Commodities | May 10, 1962 | Unrestricted |

Coffee

- | | | |
|---|---------------|---------------------|
| 3. The Financing of Coffee in Producing Countries | Apr. 12, 1961 | Restricted EC 94 |
| 4. The Coffee Problem | Apr. 8, 1958 | Unclassified EC 61c |
| 5. International Coffee Agreement 1962 | Oct. 11, 1962 | |

Fibres and Textiles

- | | | |
|--|---------------|---------------------|
| 6. Wool, Trends and Prospects | Aug. 30, 1962 | Unclassified EC 109 |
| 7. The Prospects for Extra Long Staple Cotton | May 9, 1958 | Confidential EC 63a |
| 8. The Prospects for Cotton | May 13, 1958 | Restricted EC 62a |
| 9. International Cotton Textile Agreement | Aug. 3, 1961 | |
| 10. The International Cotton Textile Arrangement | Feb. 27, 1962 | |

Grains

- | | | |
|--|---------------|--------------------|
| 11. Tentative Estimate of Prospects for International Rice Trade in the Far East | July 25, 1960 | Confidential Draft |
| 12. Wheat | Aug. 6, 1958 | |
| 13. U.S. Wheat Exports under Special Programs | Sept. 7, 1961 | |
| 14. The Rice Situation and Prospects | Aug. 13, 1962 | |

Rubber

- | | | |
|---|----------------|---------------------|
| 15. The Prospects for Rubber | Sept. 11, 1959 | Unclassified EC 77b |
| 16. Present Position of and Outlook for Rubber: a review and assessment of the views expressed at the Sixteenth Meeting of the International Rubber Study Group | July 18, 1962 | |

Oils and Fats

- | | | | | |
|-----|--|----------------|--------------|--------|
| 17. | Past Trends and Future Prospects for Oils and Fats | Nov. 5, 1959 | Unclassified | EC 81b |
| 18. | Edible Vegetable Oil Market in W. Europe | Feb. 26, 1962 | | |
| 19. | Notes on the Oils and Fats Situation in M. China and in the Soviet Union | April 17, 1962 | | |
| 20. | Malayan Palm Oil | Nov. 26, 1962 | | |

Sugar

- | | | | | |
|-----|-----------------------------------|---------------|--|--|
| 21. | World Sugar Situation | Oct. 30, 1961 | | |
| 22. | The United States Sugar Situation | Aug. 6, 1962 | | |

Petroleum

- | | | | | |
|-----|--|---------------|--------------|--------|
| 23. | The Outlook for Venezuelan Oil Exports | July 30, 1962 | Confidential | EC 110 |
|-----|--|---------------|--------------|--------|

Metals

- | | | | | |
|-----|---|----------------|-----------------------|--------|
| 24. | Short-term Outlook for Copper | July 31, 1959 | Confidential | EC 76 |
| 25. | The Prospects for Aluminum | Sept. 14, 1959 | Unclassified | EC 78b |
| 26. | Forecasting Steel Consumption in Low Income Countries | Nov. 1962 | Confidential
Draft | |

Other

- | | | | | |
|-----|---|---------------|------------|--------|
| 27. | The Prospects for Pulp and Paper | July 25, 1961 | Restricted | EC 96a |
| 28. | Hides and Skins | June 10, 1959 | | |
| 29. | Future Prospects for Bananas | Aug. 10, 1961 | | |
| 30. | Prospects for Argentina's Meat Exports. In Particular Beef. | Jan. 9, 1962 | | |

International Capital Movements and Terms
of Assistance

31. Debt Service

Restricted Reports

	Debt data as of			
	June 30, 1959	December 31		
		1959	1960	1961
	Number of report			
Argentina	-	EC-86 /a	-	-
Australia	-	EC-86	EC-100 /b	-
Austria	-	EC-91	EC-99	-
Belgium	EC-84	EC-90	EC-99	EC-108
Brazil	-	EC-90	-	-
British Guiana	-	-	EC-99	-
Burma	-	EC-89	EC-100	EC-112
Ceylon	EC-84	EC-91	EC-99	-
Chile	EC-84	EC-90	EC-97	EC-108
China	-	-	EC-99	EC-112
Colombia	EC-84	EC-89 /c	EC-97	EC-108
Congo, Republic of	-	EC-90	EC-99	-
Costa Rica	EC-84	EC-86	EC-97	EC-106
Denmark	-	EC-91 /d	EC-100	EC-112
East Africa	-	EC-91	EC-100	-
Ecuador	-	EC-89	EC-99	EC-112
El Salvador	-	EC-86	EC-97	EC-106
Ethiopia	-	EC-86	EC-95	EC-106
Fed. of Rhodesia & Nyasaland	EC-84	EC-91	EC-100	-
Finland	-	EC-86	EC-95	EC-108
France	-	EC-91	EC-100	EC-108
Guatemala	EC-85	EC-91	-	EC-108
Honduras	EC-84	EC-90	EC-97	EC-106
Iceland	EC-85	EC-86	EC-99	EC-106
India	-	EC-86	EC-100	-
Iran	EC-84 /e	EC-86 /f	EC-100	-
Israel	-	EC-91	EC-100	-
Italy	EC-85	EC-89	EC-100	-
Japan	EC-85	EC-90	EC-95	EC-112
Lebanon	-	EC-89	EC-100	-
Luxembourg	-	EC-90	EC-100	EC-112
Malaya	-	EC-89	EC-99	-
Mexico	-	EC-90	EC-100	EC-108
New Zealand	-	-	-	EC-108
Nicaragua	EC-84	EC-86	EC-95	EC-106

See footnotes at end of table.

Debt Service cont'd.

	Debt data as of			
	June 30,			
	1959	1959	1960	1961
	Number of report			
Nigeria	EC-85	-	EC-99	-
Norway	EC-85	EC-89	EC-100	-
Panama	EC-85	EC-90	EC-97	EC-108
Paraguay	-	EC-90	EC-95	EC-106
Pakistan	-	EC-86	EC-100 /h	-
Peru	-	EC-91	EC-100	EC-112/j
Philippines	-	EC-85	EC-99 /i	EC-112
Portugal	-	-	-	EC-106
Ruanda-Urundi	-	EC-90	EC-100	-
South Africa	-	EC-91	EC-97	EC-112
Spain	-	EC-86	EC-99	-
Sudan	-	EC-85	EC-95	EC-112
Thailand	-	EC-86	EC-95	EC-106
Trinidad and Tobago	-	-	EC-99	-
Turkey	-	-	EC-95	-
United Kingdom	EC-84	EC-89	EC-95	-
Uruguay	-	EC-89	EC-100	EC-112
Venezuela	-	-	EC-97	EC-106
Yugoslavia	-	EC-89	EC-97	-

- a/ Data as of April 30, 1960.
b/ Debt outstanding as of June 30, 1961.
c/ Revised in Sec. M60-215/1 dated December 9, 1960.
d/ Revised in Sec. M61-17 dated January 25, 1961.
e/ Data as of September 22, 1959.
f/ Data as of March 20, 1960.
g/ Debt outstanding as of September 22, 1961.
h/ Debt outstanding as of June 30, 1961.
i/ Debt outstanding as of May 31, 1961.
j/ Debt outstanding as of June 30, 1962.

- 11 -

International Capital Movements and Terms cont'd.
of Assistance

Terms of Assistance

- | | | | | |
|-----|--|--------------|--------------|--------|
| 32. | Share of Project Costs Financed by IDA | July 6, 1962 | Confidential | EC 107 |
|-----|--|--------------|--------------|--------|

Foreign Aid

- | | | | | |
|-----|--|---------------|--------------|---------|
| 33. | External Public Assistance for Development Available from National and Regional Sources. | Feb. 9, 1962 | Unclassified | EC 101a |
| 34. | U.S. Loans Repayable in Local Currencies | Aug. 31, 1959 | Restricted | EC 80 |
| 35. | International Economic Assistance to Underdeveloped Countries in 1960 | Feb. 7, 1962 | | |

Capital Movements

- | | | | | |
|-----|--|---------------|--------------------|--------|
| 36. | International Movements of Private Long-Term Capital | Aug. 7, 1961 | Restricted | EC 98a |
| 37. | Future Public Capital Flows and IBRD/IDA Operations | June 23, 1961 | Confidential Draft | |

National Accounts

- | | | | | |
|-----|---|----------------|--------------------|--|
| 38. | Asia; National Accounts | April 1961 | | |
| 39. | Latin America; National Accounts | April 1961 | | |
| 40. | Per Capita GNP - Estimates for 45 IDA Part II Countries | March 31, 1961 | Confidential Draft | |
| 41. | International Comparisons of Income Distribution | Aug. 5, 1960 | Draft | |
| 42. | Suggested Estimates of Per Capita Incomes | May 27, 1959 | Confidential Draft | |

Financial Institutions

- | | | | | |
|------|---|----------------|--------------|--------|
| 43. | A Review of the Capital Market in India | Sept. 20, 1962 | Unclassified | EC 111 |
| 44. | Financial Aspects of Social Security in Latin America | Apr. 16, 1962 | Unclassified | EC 105 |
| 45. | A Review of the Capital Market in Mexico | Jan. 31, 1962 | Restricted | EC 104 |
| 46.. | A Review of the Capital Market in Australia | Dec. 16, 1960 | Confidential | TA 9 |

Financial Institutions cont'd.

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|-----|--|--------------|------------|-------|
| 47. | A Review of the Capital Market in Colombia | May 11, 1961 | Restricted | TA 10 |
|-----|--|--------------|------------|-------|

Public Finance

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|-----|--|---------------|---|--------|
| 48. | Taxable Capacity in Developing Countries | Feb. 7, 1962 | Unclassified | EC 103 |
| 49. | Tax Incentives for Private Industrial Investment in Less Developed Countries | Jan. 30, 1962 | Unclassified | EC 102 |
| 50. | Financing of Public Investment in Underdeveloped Countries. Part I and Part II. | Sept. 1960 | Part I Unclassified
Part II Confidential | EC 88a |
| 51. | Forecasting of financial resources for public investment: an analysis and appraisal of the forecasts of the Bank's general survey missions. | July 6, 1959 | Confidential | EC 73 |
| 52. | Fiscal Burden and Pattern of Current Revenue in Various Countries | Feb. 21, 1958 | Unclassified | EC 60 |
| 53. | Description of the Institutional Framework of Public Expenditures and Revenues in the Newly Independent Countries of French Africa, South of Sahara. | Feb. 15, 1962 | Confidential Draft | |

Miscellaneous Reports

- | | | | | |
|-----|---|---------------|--------------|--------|
| 54. | Ocean Transport of Liquefied Natural Gas | March, 1961 | Confidential | EC 92a |
| 55. | Statistical Material Relating to Behavior of Imports During Economic Development | Aug. 1960 | | |
| 56. | Economic Growth in the OEEC Countries 1955-65, and its Impact on International Trade | Aug. 25, 1960 | Draft | |
| 57. | Effect of Development of Textile Manufacturing Capacity in Underdeveloped Countries on Consumption of and Trade in Textiles | July 25, 1960 | Draft | |

Miscellaneous Reports cont'd.

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|-----|---|---------------|-------|
| 58. | International Lending and the Growth
of Competing Industries Abroad | July 24, 1959 | Draft |
| 59. | Relationship between Income and
Import Growth - Indian Import Pro-
jections | July 20, 1960 | |
| 60. | GATT Committee III on Expansion of
Trade | Nov. 24, 1961 | |

Note:

For numbered reports call Archives Division Ext. 2451.
For all others call Economic Staff Ext. 2285.

Some of the above are out of print and therefore only
circulating copies will be available.

By Economic Staff

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

To: Management, Director and Assistant
Directors of Departments and Economic
Advisers

Date: October 5, 1962

From: John C. de Wilde

Subject: Work Accomplished by Economic Staff - Third Quarter 1962

Attached is the third quarterly report on studies and memoranda produced in the Economic Staff during the third quarter of 1962 and given circulation outside the Department. For explanations regarding the coverage of this report please see the memoranda of April 16 and July 13, 1962 accompanying the earlier reports.

COMMODITIES

1. Commodity Notes (general Bank circulation).

Commodity Note No. 36. Current Coffee Situation and Preparations for Negotiations of Long-term Coffee Agreement, July 18, 1962, 10 pp.; stencilled.

Commodity Note No. 37. The United States Sugar Situation, August 6, 1962, 8 pp. plus 3 tables; stencilled.

Commodity Note No. 38. The Rice Situation and Prospects, August 13, 1962, 10 pp.; stencilled.

2. Other Studies

The Outlook for Venezuelan Oil Exports - EC 110 (Confidential final), July 30, 1962, 23 pp. plus 8 tables; stencilled. For SIC and Economic Advisers.

Wool Trends and Prospects - EC 109, August 30, 1962, 74 pp.; stencilled. For Board and general bank circulation.

Address on Prospects for Wool to the Annual Meeting of the Northern Textile Association, September 20, 1962, 7 pp.; stencilled.

3. Informal Briefing Memoranda for Missions, Area Departments and Management.

a. Coffee Study, July 31, 1962, 3 pp.; typed. For Sir William Iliff and Mr. J. Burke Knapp; cc: Messrs. Moussa, Schmidt and Demuth.

b. Report on Coffee Conference at UN, July 27, 1962, 2 pp.; typed. For Sir William Iliff and Mr. J. Burke Knapp.

c. Summary of Probable Effect on Coffee Prices of Proposed Long-term Coffee Agreement, September 6, 1962, 7 pp.; typed. For Western Hemisphere Department.

d. Corned Beef Markets, September 19, 1962, 1 p.; typed. For Agriculture Division of T.O.D.

e. Pattern of World Production of Iron Ore and Bauxite in Recent Years, July 2, 1962, 3 pp.; typed. For Africa Department.

f. U.N. Meeting on Compensatory Financing, August 21, 1962, 2 pp.; typed. For Mr. J. Burke Knapp.

INTERNATIONAL CAPITAL FLOWS, CREDITWORTHINESS ETC.

1. Federation of Nigeria National Development Plan, 1962-1968 (Comments), July 27, 1962, 28 pp. plus 14 tables; typed. For Africa Department.
2. U.S. Economic Assistance to Honduras, August 18, 1962, 5 pp.; typed. For Western Hemisphere Department.
3. a. U.S. Balance of Payments in the post-war period ending 1946. Showing public and private capital flows, August 22, 1962, 1 table, manuscript. For Mr. J. Burke Knapp.
b. Eximbank, IBRD, IFC and IDA Operations, August 22, 1962, 1 table, manuscript. For Mr. J. Burke Knapp.
4. Memorandum on Meeting of UN Committee of Experts on Planning of Economic Development, August 24, 1962, 11 pp.; stencilled. For Mr. J. Burke Knapp, Mr. Demuth and Economic Advisers.
5. Figures on G.N.P., Population and Capital Requirements, August 27, 1962, 2 pp. plus 2 tables; typed. For Mr. J. Burke Knapp.
6. Subscription Schedules of IDA Part I Countries in Various International Institutions, September 6, 1962, 5 pp.; stencilled. For Working Party on IDA Subscriptions.
7. Comparative Indicators on "Upper-Income Countries" Borrowing IBRD Funds, September 7, 1962, 4 pp. plus 3 tables and 1 chart; typed. For Mr. Cope.
8. Memorandum on Comparative Figures on Debt Service Ratios, September 14, 1962, 1 p. typed plus 1 chart handwritten. For Mr. J. Burke Knapp.
9. Terms and Conditions of Current U.S. Foreign Lending, September 18, 1962, 2 pp.; typed. For Mr. J. Burke Knapp.
10. Comments on Fund draft study "Financial Aspects of Economic Development", September 20, 1962, 4 pp.; typed. For Mr. Graeme S. Dorrance, IMF.
11. The Case for an Expanded IDA (uncompleted draft of study), September 28, 1962, 20 pp. stencilled. For Messrs. Knapp, Wilson, Demuth and Department Directors.

PUBLIC FINANCE AND FINANCIAL INSTITUTIONS

1. Some comments on Mr. Mitra's paper entitled "Economic Growth and the Domestic Rate of Savings", July 3, 1962, 4 pp.; typed.
For Mr. Adler; Mr. Mitra.
2. The Share of Project Costs Finance by IDA (confidential final), July 6, 1962, 84 pp.; stencilled. For general Bank distribution.
3. Memorandum relating to Mission Report on Colombia, Annex II (Domestic Financing of Public Investment), July 13, 1962, 2 pp.; typed. For Western Hemisphere Department.

WORKING PAPERS ETC.

Working papers in preparation of Mr. Adler's paper on "Public Expenditures and Economic Development", Santiago Conference.

1. Provisional Outline of Paper, September 19, 1962, 3 pp.; typed.
2. Pricing of Public Services, September 19, 1962, 3 pp.; typed.
3. The Problem of Adequate Pricing of Road Services, September 19, 1962, 5 pp.; typed.
4. The Role of Social Security Institutions, September 19, 1962, 6 pp.; typed.
5. Local Finances in Latin America, September 19, 1962, 4 pp.; typed.
6. Notes on Road Financing in:
 - a. Argentina)
 - b. Brazil)
 - c. Chile)
 - d. Colombia) September 19, 1962, 16 pp.; typed.
 - e. Mexico)
 - f. Peru)
 - g. Venezuela)
7. Availability and usefulness of statistical materials on public expenditures in L.A. countries, September 19, 1962, 5 pp.; typed.
8. Progress towards a functional and economic classification (of budget data) in L.A., September 19, 1962, 3 pp.; typed.

9. General government consumption expenditures in relation to GNP, September 19, 1962, 6 pp.; typed.
10. Fixed capital formation by government, September 19, 1962, 3 pp.; typed.
11. Economic development, size and pattern of public expenditures, September 19, 1962, 7 pp.; typed.
12. Defense, September 19, 1962, 7 pp.; typed.
13. Education, September 19, 1962, 17 pp.; typed.
14. General administration, September 19, 1962, 8 pp.; typed.
15. A note on public outlays for education in L.A., September 19, 1962, 5 pp.; typed.

INVESTMENT CRITERIA

Note on the Investment Criteria and Screening Procedure proposed by Stanford Research Institute for selection of industrial projects and long-term planning of industrial development in Taiwan, August 31, 1962, 23 pp.; typed. For Far East Department.

MISCELLANEOUS STUDIES AND MEMORANDA

1. Tables on Somalia and Br. Somaliland, July, 1962, 8 tables; typed. For Mr. Rist.
2. Memorandum on Outline of Mr. Black's Annual Meeting Speech, July 25, 1962, 3 pp.; typed. For Mr. Croome.
3. Memorandum on Draft Speech of Mr. Black, September 11, 1962, 3 pp.; typed. For Mr. Graves.

STATISTICS - Periodic Reports or Series

1. Charts of Interest Rates, Share Prices and Industrial Production in Selected Countries (Monthly, 14 pp.; for general distribution, including E.D.'s)

June 1962 issue -----	July 6, 1962
July 1962 issue -----	August 2, 1962
August 1962 issue -----	September 6, 1962
2. Prices and Yields of Selected External Government Bonds in Various Markets (Annual and Monthly; for general distribution, including E.D.'s)

June 1962 issue -----	July 10, 1962
July 1962 issue -----	August 14, 1962
August 1962 issue -----	September 11, 1962

3. Selected IBRD Bond Prices and Yields for bi-weekly Secretary's "Report to the Executive Directors on Bank and IDA Operations".
4. Selected IBRD Bond Yields for monthly IMF "International Financial Statistics".
5. Charts on Selected Latin American Exchange Rates (Monthly on weekly basis for Western Hemisphere Department).
6. Monthly Chart on U.S. Consumer Price Index (for Bank and Fund Personnel).
7. Prices of about 55 shares of companies involved in IBRD loans (monthly, for T.O.D., Industry Division).
8. Bank Loans Classified by Purpose and Area (quarterly). For limited distribution (July 11, 1962).
9. External public debt: Estimated services and principal amounts - 10 countries, August 29, 1962. Restricted to Bank distribution and few outside organizations.
10. Summary of Foreign Bonds Publicly-Issued in Canada, Germany, Netherlands, Sweden, Switzerland, United Kingdom and the United States (summary tables for general distribution, including E.D.'s; description of issues, for more limited distribution)

Summary table (1st half 1962)	---	September 12, 1962
Description of issues (1st half 1962)	---	August 23, 1962

11. Projections of individual U.S. Export-Import Bank loans on computer and summaries by categories and areas (semi-annually) for U.S. Export-Import Bank. September 14, 1962.
12. External Public Debt Estimated Service and Principal Amounts - Belgium, Chile, Colombia, Finland, France, Guatemala, Mexico, New Zealand, Nigeria, Panama - EC 108 (Restricted), August 29, 1962, 13 pp.; stencilled. For Board and general Bank circulation.

PERSONNEL ON DETAIL

Mr. Dragoslav Avramovic - Far East Department (Heading group advising Philippine Government in implementing their five-year plan); for most of period.

Mr. Ravi Gulhati - Far East Department (Work on Philippine Survey Mission and mission to Malaya); for entire period.

Mr. Kenneth Bohr - Western Hemisphere Department (Guri Dam Project);
1 month.

Mr. Hermanus van der Tak - Western Hemisphere Department (Guri Dam Project);
3 weeks.

South Asia and Middle East Department
(Pakistan Mission); from August 24 to present.

Mr. Michael Jordan - African Department (Kenya Survey Mission);
entire period.

Mr. Sylvain Plasschaert - South Asia and Middle East Department
(Indian Mission) 2 weeks.

PERSONNEL ATTENDING MEETINGS

Mr. Frank Lowenstein - Attendance at U.N. Coffee Conference in New York, July 8 - August 21.

Mr. J.P. Hayes - Attendance at the Conference on the Problems of Economic Development held in Cairo, July 9-20.

Mr. Hans Wyss - Attendance at the meeting of U.N. Committee of Experts on Planning of Economic Development held in Geneva, August 3-11.

Mr. Sylvain Plasschaert - Attendance at EDI Course on Corporate Finance, August 12-25.

Mr. John C. de Wilde - Attendance at the Congress of the International Economic Association held in Vienna from August 31 to September 7.

Mr. Antonio Macone - Attendance, as observer, at the conference of the Working Group on Compensatory Financing organized by the U.N. Commission on Commodity Trade, in New York, September 5-14.

Orig. E. Dept

OFFICE MEMORANDUM

TO: Mr. Geoffrey M. Wilson

DATE: October 3, 1962

FROM: John C. de Wilde *JCW*SUBJECT: Work of the Economic Staff

In analyzing the role of the Economic Staff I start out, from a few, perhaps self-evident, propositions:

1. The Economic Staff is the Research Department of the Bank. While the research is primarily economic in nature, the economic must generally be examined in a social and political context and economic research must therefore go beyond the purely economic.
2. The Bank is not interested in research per se, but only as a means of helping to plan and improve its own operations. It must accordingly not try to duplicate research carried on in academic and other research institutions, but seek to apply and adapt such research to the operational needs of the Bank. In addition it must itself carry research on problems faced by the Bank which is not being done elsewhere.
3. The activities of the Bank to which research must be more or less directly related are (a) the lending operations and (b) the technical assistance activities, particularly those pertaining to advice on development programming and project analysis. For example, the criteria which the Bank devises and applies in screening the development program of a member country for the Bank's own operational requirements should obviously be the same as those used in advising a country on the drawing up of a development program. Similarly, if research finds some ways and means of improving Bank assessment of projects, the same conclusions can probably be applied in advising countries on project appraisal.
4. One should not, of course, claim too much for research. It should not claim ability to find perfect answers to problems that have been baffling the Bank and development economists for a long time. About all it can hope to do is to find in particular cases somewhat better answers; and it may often develop that after considerable research, it is necessary to conclude that the past approach to a question, however imperfect, cannot be improved upon. Policies emerging from a series of ad hoc decisions and resting on pragmatic experience may on occasion be better than those derived from research particularly when judgment born of long experience must supplement and modify the conclusions of "quantitative" research.

October 3, 1962

Certain activities of the Economic Staff are traditional and non-controversial. Certain things must be done which transcend the geographic limits of area departments or fall outside the immediate competence of TOD. These include the work on supply, demand and prices of internationally traded primary commodities which still largely determine the export earnings of our "clients"; the central recording of external debt and the projection of service on such debt; and the rendering of certain statistical services, routine and other, as well as the periodic reporting of some statistical data. Some of these generally accepted activities of the Economic Staff might usefully be expanded or supplemented in the future; and I shall revert to this later in this memorandum. The basic question, however, is to define what else the Economic Staff should do, and most of this memorandum will concentrate on this question.

It is my contention that the Economic Staff is the department in the Bank which should be primarily responsible for analyzing the Bank's experience. We claim with considerable justification that the Bank has accumulated vast experience in the field of development, but, as I have said in my memorandum of August 30, 1962 to Mr. Knapp, "This experience has really never been recorded so that it and the lessons which can be drawn from it can be made available to new members of the Bank staff, the EDI and its trainees and government officials abroad." Moreover, there is the constant danger that an operating institution like the Bank becomes so preoccupied with its day-to-day business that little or no attention is devoted to an appraisal of the record, of policies and practices to see how effectively these have contributed to the objective of the Bank. This institution needs a group that is somewhat divorced from day-to-day operations and is capable of looking at what the Bank is doing with a view to developing suggestions for constructive changes in the Bank's policies and practices.

I realize that this type of what I would call "operational research" can be most effectively carried out only if (1) the Economic Staff has the full collaboration of the operating departments, and (2) there is a fuller exchange of personnel between the Economic Staff and the operating departments. As to the second point, the Economic Staff has always detailed staff to the operating departments for various assignments and usually has about 5-6 professionals on such detail. I have always tried to meet requests for such personnel even at the expense of curtailing the immediate work of the Staff because I wanted my people to acquire practical operational experience. But both Leonard Rist and I have emphasized again and again that this should not be a one-way street, that suitable people with long operational experience should spend a year or so with the Economic Staff in order to permit them to take stock, to reflect on their own experience of the Bank's operations and draw conclusions from it. A shortage of experienced personnel in the operating departments and, presumably, the low priority rating of the Economic Staff's requirements have so far prevented the establishment of this two-way traffic. Unless a really determined effort is made to start it, the factors working against it will always prevail. The addition of people with operating experience to the Economic Staff will strengthen that element of judgment which is needed in research if it is to be really practical and operational.

Ask for Summary

?
Such as?
I have one further general comment on this type of operational research. Performance of such research depends on the improvement of the Economic Staff's direct relations with the management. Hitherto the Economic Staff's relations with the rest of the Bank have been almost wholly lateral. We "service" other departments with commodity and market analyses, statistical information, debt service data, comments on papers and problems etc. (for a list of the jobs done by ES, see our last two quarterly reports of which you have previously received copies). Research on operational problems and policies should, however, mostly be done at the request of management. Actually, it is relatively rare that we receive requests for work from management, and for the most part such requests have been for information rather than for analysis. Such operational research as we have undertaken has been almost wholly on our own initiative. In other words, I do not think there has been an adequate realization of the capacity (and the need to strengthen that capacity) of the Economic Staff to contribute analyses helpful to the formulation and revision of the Bank's policies and plans. Research should not determine policies but should be used as the "handmaiden" of planning.

I shall now specify more concretely the areas of research in which the Economic Staff can be (and, to varying degrees, already is) active:

1. International Capital Movements and Related Questions of Loan Terms and Creditworthiness

The Economic Staff is constantly attempting to keep track of and analyze the magnitude, sources, destinations and terms of the international capital flow to the less developed countries and to relate this flow as it has developed in the past to the probable requirements of the future. The quality of the information on total capital flow and its components still leaves much to be desired, and we expect to work toward an improvement of the data in cooperation with the OECD, the UN, the IMF and the IADB.

On one part of this capital flow - that affecting external public indebtedness we, of course, rely on the information we ourselves collect through regular reports from the debtor countries in which the Bank operates and from a group of creditor countries under the so-called Exchange of Information Plan. The latter information is of limited usefulness because of its limited coverage and insufficient detail. The other information which covers all debt transactions individually and therefore runs into thousands of items is laborious to record and process but provides us the means for projecting debt service. We should be doing more work to analyze this information. I want, for example, to bring out an annual report on changes in external public indebtedness - changes in amount, terms and sources of borrowing both for the less developed countries as a whole and for individual countries. Such data, compared with that for earlier years, would show us more clearly whether on the whole the terms of borrowing are moving in the right direction. To do this, however, still requires considerable preliminary work to rectify errors in our debt information for earlier years and to get prompter and more reliable information from some of our debtor countries.

? | The work on international capital movements is, among other things, essential to the assessment of creditworthiness (or "IDA-worthiness"). We must be able to extrapolate past capital flows, i.e., to see how the demand for external capital will develop in order to appraise the magnitude of the debt service problem and arrive at some judgment of the appropriate combination of conventional lending on the one hand and "soft" loans and grants on the other. The recent and still uncompleted exercise on IDA replenishment done by the Economic Staff is an illustration of this.

YHS | For years we have talked in the Bank about "creditworthiness". We all have some notion about the factors (including some non-economic factors) affecting creditworthiness or the ability to service debt, but the notions are rather nebulous. After many years of operations we ought to review the creditworthiness criteria we have used and endeavor to give a little more precision and content to such criteria. We shall, of course, never develop a formula for the quantitative measurement of debt servicing capacity, but we should be able to give country economists in the Bank somewhat better guidance in formulating judgments in this field. Some-time ago I started some work on this, but it had to be interrupted to do a related study designed to assess the consistency of the decisions made so far to extend IDA credits to various countries (This exercise, incidentally, was also interrupted because the man in charge of it transferred to the State Department; it will be continued and finished when Mr. Hayes and his staff finish the current work relating to IDA replenishment).

capital formation | The reference to the study on IDA decisions illustrates one point I would like to make - that the Economic Staff is the only department in the Bank that is able to do comparative analysis covering more countries than those included in any one area department. As an institution with world-wide operations we should be concerned to insure that the standards we apply in assessing creditworthiness, economic performance etc. are reasonably consistent. One way, incidentally, in which some degree of consistency and uniformity of standards of economic appraisal is achieved is through the deliberations of the Staff Economic Committee.

2. Public Finance and Financial Institutions

Activities in this field should be planned as a service both to economists in the area departments and to those doing technical assistance work abroad. We have continued on a limited scale the studies on capital markets initiated by the special unit formerly headed by Dr. Antonio Basch. The latest one in this series - the one on India - is shortly coming off the press. We probably shall do occasional others in the future and could, if requested, participate in detailed technical assistance studies of capital market mechanisms such as that being carried on now in Chile. On the whole, however, it might be more useful to concentrate on a comparative analysis of the operations and efficacy of various types of institutional arrangements - e.g., those used to mobilize small savings.

October 3, 1962

An example of this type of institutional research is the study we did on social insurance in Latin America which was intended primarily to call the attention of the country economists to the increasingly prominent role which social insurance institutions play in the mobilization of savings and their direction toward various types of investment activity.

Currently our major effort in this field is focused on a series of tax studies of which the first, "Taxable Capacity in Developing Countries", has already appeared. (One might also mention another, related report on "Tax Incentives for Private Industrial Investment in Less Developed Countries" which we put out earlier this year). This study, which will be followed by others analyzing problems in various types of taxation, are designed to give our country economists and also those who work as economic advisers abroad a better grasp of the practical as well as the policy aspects of taxation. In the Bank we rightly put much stress on domestic resources mobilization, but very few of our economists are capable of analyzing the structure of taxation and different types of taxation for the purpose of reaching supported conclusions about the tax effort and pointing out major deficiencies in taxation. In the studies we are now attempting we try to draw upon the experience of various countries with different types of taxation.

X | The study with the most direct operational implications we have undertaken in this field is that on "The Share of Project Costs Financed by IDA". I regret that this study has attracted so little attention since it is a very provocative analysis of a subject that will be of key importance as and when we do more financing of local expenditures.

3. Investment Criteria

In this field our studies cover or should cover (a) project analysis and related problems, (b) manpower and education problems, and (c) investment programming problems, particularly those relating to industrial development. I shall touch on each of these briefly.

In my memorandum of August 30, 1962 to Mr. Knapp transmitting the draft paper "The Evaluation of Agricultural Projects" I have set forth the reasons for my conviction that work in this field would be extremely fruitful. In my opinion, the Management's decision on the proposals in this memorandum are fundamental to the future role of the Economic Staff and my continued association with it. Quite apart from the potential usefulness of this work to the Bank itself, I think the transmission of knowledge and experience of proper methods of project preparation and evaluation is vital to the underdeveloped countries. The Bank has long held that one of the major bottlenecks to the expansion of external financing of development is the shortage of adequately prepared and presented projects. I think we should make a major effort to prepare material which will help to widen this bottleneck. While the draft paper to which I have referred addresses itself only to the economic and financial aspects of project appraisal, this work might usefully be supplemented at a later date by analyzing and drawing conclusions from the Bank's experience with the organizational aspects of various types of projects.

In addition there are certain unresolved and difficult problems of project appraisal which merit study. Among these is the cost of capital, on which we expect shortly to circulate a paper, and the rate of exchange at which certain project costs and benefits are assessed. The way in which these problems are solved significantly affect in many cases the rate of return on projects. Let me reiterate again, however, that no one can guarantee to produce a wholly satisfactory and acceptable answer to these problems.

In education and manpower we long ago set a member of the Economic Staff to work on this problem in anticipation of the financing activity in this field. Unfortunately the person assigned to this task failed to produce and is being released. We have now taken on a new staff member with considerable background in the manpower field. We should be able to back up TOD's work in education by research on selected problems; and we hope indeed to work out such a program with TOD. This is still largely a virgin field in which considerable work will need to be done - e.g., on various determinants of "demand" for education, the growth rates for different types of professions and vocations in relation to national income, the budget implications of expansion in educational facilities etc. I can send you a survey of the various possibilities for work in this field which was recently done in the Economic Staff.

X In investment programming, we have from time to time made various contributions. We have contributed people to survey missions, reviewed survey mission findings, and assisted area departments in reviewing investment programs (e.g., recently, the Nigerian investment program). There is one aspect of investment programming that in our opinion will need particular attention - namely, programming in industry. Analysis of survey mission reports and investment programs reveal that almost invariably the recommendations on programs are weakest in the industrial sector. We need to find out much more about the patterns or structures of industrial development which are suitable for countries at various stages of development and with various natural endowments. To devise the right kind of industrial development is of crucial importance to virtually every underdeveloped country. We have developed some ideas for research in this field and to carry out some of our plans I hope to be able to add to the several competent people already on our staff who are capable of doing this type of work. Meanwhile we have been doing some work of this kind. One of our staff, for example, has recently finished a study on "Forecasting Steel Consumption in Low Income Countries" which deals with one important factor affecting the development of the steel industry in underdeveloped countries and works out methods of analysis which have rather wide applications and have already been employed by staff members of TOD. The same staff member has also prepared a trenchant critique of criteria for industrial development recommended by the Stanford Research Institute to the government of Taiwan.

4. Commodities and Patterns of International Trade

I do not need to review here the regular work on individual primary commodities. In this connection the Economic Staff should, of course, watch the development of the terms of trade of the less developed countries and of efforts to stabilize or improve commodity export earnings through compensatory financing, commodity stabilization schemes etc. Similarly, we should keep track of the impact of the Common Market in Europe and other regional economic groupings on the trade and balance of payments of the developing countries.

5. Statistics

Here too little need be said. Perhaps the other departments in the Bank might be made more aware of the services the Economic Staff can offer in the field of statistical analysis. I might also mention that the Economic Staff will shortly "unveil" a raw materials price index of its own which is expected to give us a more accurate and up-to-date picture of the prices at which the low and medium countries with which we deal export their primary commodities. Finally, it should be pointed out that the Economic Staff should generally be the department in the Bank which collaborates with other international agencies in the much-needed improvement of statistics on national accounts, capital flows etc., which are so basic to a proper diagnosis of economic problems, past trends and planning.

Hitherto I have not mentioned the special role which the Economic Staff plays in the work of the Staff Economic Committee. Although the work of this committee does not usually come to the attention of the management, it is - and I think all the economic advisers would confirm this - indispensable in maintaining and improving standards of economic reporting and analysis in the Bank. While the Economic Staff as such has no review function, members of the Staff participate in the SEC discussions and contribute much to the discussion. Because the economic advisers are preoccupied with other matters, country economic reports often receive only cursory attention in departments other than the originating department. They are, however, very carefully read in the Economic Staff and this is reflected in the SEC discussion.

The indications I have given both of the actual and potential tasks of the Economic Staff seem to me to argue strongly that the management should give adequate attention to the direction and role of the staff. The average quality of the staff compares well with that of other departments and its morale is surprisingly high considering the fact that its personnel has very little contact with the management and receives on the whole not much recognition. The role of the Economic Staff in the Bank needs urgent attention. At the same time it should be realized that its potential cannot be realized unless the long outstanding problem of the direction of the department is resolved. The planning and direction of the department's work has seriously suffered as the result of the failure to appoint a new director and the simultaneous detail of one or more of its senior staff members to other departments.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

To: Management, Directors and Assistant Date: July 13, 1962
Directors of Departments and Economic
Advisers

From: John C. de Wilde

Subject: Work Accomplished by Economic Staff - Second Quarter 1962

Attached is the second quarterly report on studies and memoranda produced in the Economic Staff during the second quarter of 1962 either at the request of other departments or in its own initiative and given circulation outside the Economic Staff. As explained in my memorandum of April 16, 1962 accompanying the report for the first quarter of the year, this report is not a complete record of the work of the Economic Staff. I have not attached this time a sample weekly Progress Report of the Statistics Division to show the wide range of services this Division performs for other departments in the Bank.

COMMODITIES

1. Commodity Note (general Bank circulation).

Supplement to Commodity Note No. 34. Notes on the Oils and Fats Situation in Mainland China and the Soviet Union, April 17, 1962, 9 pp.; stencilled.

2. Other Studies.

U.S. Non-Commercial Exports of Surplus Agricultural Commodities, May 10, 1962, 22 pp.; stencilled. For Department Heads and Economic Advisers.

3. Informal Briefing Memoranda for Missions, Area Departments and Management.

- a. Extra-Long Staple Cotton, April 24, 1962, 5 pp.; typewritten. For Sir William Iliff and Area Departments concerned.
- b. Statistical Appendix to The Coffee Problem Revisited, May 10, 1962, 34 pp.; stencilled. For seminars in Brazil attended by Mr. Avramovic.
- c. Pakistan Textile Industry (Comments on PICIC study), April 9, 1962, 4 pp.; stencilled. For South Asia and Middle East Department and IFC.
- d. Outlook for Manganese Ore Exports from India, April 3, 1962, 7 pp.; typewritten. For Mission to India.
- e. Recent Developments in Pulp and Paper - Comments on Pulp and Paper Sections of Draft Report on Finland's Current Position and Economic Prospects, June 14, 1962, 2 pp.; typewritten. For European Department.
- f. Comments on Draft Chapter on Minerals for the Economic Report on Peru, May 4, 1962, 1 p.; typewritten. For Western Hemisphere Department.
- g. Selected Bibliography of Recent Studies by the Economic Staff, May 31, 1962, 3 pp.; typewritten. For Mr. Omar S. Elmandjra.
- h. Letter-Results of International Rubber Study Group Meeting, June 22, 1962, 3 pp.; typewritten. For Far East Department.
- i. Export Projections for Bananas, April 10, 1962, 2 pp.; typewritten. For Colombian Mission.

- j. Comments on Oil Crops for Draft Mission Report, June 13, 1962, 1 p.; typewritten. For Kenya Mission.
- k. Report on the Fifth Session of the FAO Cocoa Study Group; Montreux - May 22-28, 1962, June 27, 1962, 5 pp.; typewritten. For Economic Advisers.
- l. Report on the International Association of Seed Crushers' Congress, Cannes - June 5-8, 1962, June 28, 1962, 2 pp.; typewritten. For Economic Advisers.
- m. Market for Phosphate Fertilizer in Low-Income Areas, May 25, 1962, 7 pp. plus tables; typewritten. For IFC.
- n. Notes on Heavy Fuel Oil Prices in Finland, May 21, 1962, 13 pp.; typewritten. For European Department.
- o. The Outlook for Venezuela's Petroleum Exports 1961-65, (draft), June 30, 1962, 35 pp.; typewritten. For Western Hemisphere Department.
- p. The Coffee Problem and the Bank, April 5, 1962, 9 pp.; stencilled. For Sir William Iliff and Area Departments concerned.
- q. The Coffee Problem - Progress Report No. 1, April 24, 1962, 3 pp.; stencilled. For Sir William Iliff and Area Departments concerned.
- r. The Coffee Problem - Progress Report No. 2, May 25, 1962, 5 pp.; stencilled. For Sir William Iliff and Area Departments concerned.
- s. The Coffee Problem - Progress Report No. 3, June 18, 1962, 3 pp.; stencilled. For Sir William Iliff, Mr. Knapp and Area Departments concerned.

INTERNATIONAL CAPITAL FLOWS, CREDITWORTHINESS ETC.

- 1. IDA Subscription of EEC Group, April 3, 1962, 7 pp.; stencilled. For Working Party on IDA Subscriptions.
- 2. Statistical information for Mr. Rott. April 29, 1962, 4 pp.; typewritten.
- 3. GNP Projections, May 3, 1962, 3 pp.; typewritten. For Mr. Goreux, FAO.
- 4. Finance of Rupee Costs of Indus Basin Works, June 1, 1962, 11 pp.; typewritten. For South Asia & Middle East Department.

5. U.S. Balance of Payments, 1962, June 12, 1962, 16 pp.; typewritten. For Mr. Knapp.
6. Capital Movements, May 22, 1962, 4 pp.; typewritten. For African Department.
7. IBRD/IDA Loans, May 23, 1962, 1 p.; typewritten. For African Department.
8. International Economic Assistance to Underdeveloped Countries in 1960, April 25, 1962, 13 pp.; typewritten. For OECD for comments.

PUBLIC FINANCE AND FINANCIAL INSTITUTIONS

1. The Share of Project Costs Financed by IDA (confidential draft), April 13, 1962, 84 pp.; For Economic Advisers.
2. Financial Aspects of Social Security in Latin America (EC-105), April 16, 1962, 96 pp.; For general distribution.
3. A Review of the Capital Market in India (confidential draft), May 8, 1962, 171 pp.; stencilled. For Economic Advisers.

INVESTMENT CRITERIA

1. Notes on the Economic Appraisal of Educational Projects (draft), May 2, 1962, 3 pp.; typewritten. For TOD.
2. Information Requested Relating to Steel Mills in Low-Income Countries, May 11, 1962, 18 pp.; typewritten. For Far East Department.
3. Capital Costs of Steel Plants, May 24, 1962, 7 pp.; typewritten. For Far East Department.
4. Seminar on Investment Criteria for EDI French Course - Outline (May 28), 4 pp.; Introductory Note (June 25), 15 pp.; typewritten.
5. Estimated Population: Total, and in Selected School-Going Age-Groups in Latin America (Period 1958-1975), June 15, 1962, 2 pp. typewritten. For the Task Force on Education Alliance for Progress.
6. Memorandum on Colombia Mission Report: Annex A (Public Investment in Transportation) and Annex C (Public Investment in Telecommunications), June 27, 1962, 5 pp.; typewritten. For Western Hemisphere Department.
7. Comments on Port of Bombay Expansion and Improvement Project, June 18, 1962, 2 pp.; typewritten. For South Asia and Middle East Department.

MISCELLANEOUS STUDIES AND MEMORANDA

1. Annual Meeting of the Berne Union, May 23-26, 1962, June 4, 1962, 7 pp.; stencilled. For Management, Department Heads and Economic Advisers.
2. The Commodity Meetings in Rome on Compensatory Financing, June 18, 1962, 6 pp.; stencilled. For Management, Department Heads and Economic Advisers.
3. Some Aspects of the Proposed Development Insurance Fund (D.I.F.), April 12, 1962, 12 pp.; typewritten.) Prepared
) for
4. Feasibility of Development Insurance Fund for Single Commodities, April 17, 1962, 7 pp.; typewritten.) Bank
) observers
) at UN/FAO
) commodity
5. Export Forecasts in Bank Economic Reports, April 25, 1962, 19 pp.; typewritten.) con-
) ferences
6. Brazil - Rates of Growth During the 1950's (revised), April 18, 1962, 26 pp.; typewritten. For Western Hemisphere.

STATISTICS - Periodic Reports or Series

1. Charts of Interest Rates, Share Prices and Industrial Production in Selected Countries (Monthly, 14 pp.; for general distribution, including E.Ds.)

March 1962 issue ---- April 6, 1962
April 1962 issue ---- May 10, 1962
May 1962 issue ---- June 8, 1962
2. Prices and Yields of Selected External Government Bonds in Various Markets (Annual and Monthly; for general distribution, including E.Ds.)

March 1962 issue ---- April 10, 1962
April 1962 issue ---- May 14, 1962
May 1962 issue ---- June 12, 1962
3. Selected IBRD Bond Prices and Yields for bi-weekly Secretary's "Report to the Executive Directors on Bank and IDA Operations".
4. Selected IBRD Bond Yields for monthly IMF "International Financial Statistics".
5. Charts on Selected Latin American Exchange Rates (monthly on weekly basis for Western Hemisphere Department).

6. Monthly Chart on U.S. Consumer Price Index (for Bank and Fund Personnel).
7. Prices of about 55 shares of companies involved in IBRD loans (monthly, for T.O.D., Industry Division).
8. Bank Loans Classified by Purpose and Area (quarterly). For limited distribution.
9. Exchange of Information on International Indebtedness
Semi-annual consolidated report as of December 31, 1961. To 14 participating countries, OECD and limited Bank distribution. May 25, 1962.

Semi-annual detailed report as of December 31, 1961. Distributed to Bank Management only. June 29, 1962.
10. External Public Debt Estimated Service and Principal Amounts - Costa Rica, El Salvador, Ethiopia, Honduras, Iceland, Nicaragua, Paraguay, Portugal, Thailand, Venezuela (EC-106), May 15, 1962, 13 pp.; For Board and Economic Advisers.

PERSONNEL ON DETAIL

Mr. Dragoslav Avramovic - Far East Department (Philippine Survey Mission); for most of period.

Mr. Ravi Gulhati - Far East Department (Philippine Survey Mission); virtually entire period.

Mr. Kenneth Bohr - European Department (Spanish Survey Mission); April

Western Hemisphere Department (Venezuelan Mission); June.

Mr. Hermanus van der Tak - Western Hemisphere Department (Venezuelan Mission); June.

Mr. Michael Jordan - African Department (Kenya Survey Mission); entire period.

Mr. Jan Willems - European and Australian Department (New Zealand Mission); entire period.

Mr. Sylvain Plasschaert - South Asia and Middle East Department (Indian Mission) entire period.

PERSONNEL ATTENDING MEETINGS

- Mr. John C. de Wilde - Attendance at the Joint Session of the UN
and Commission on International Commodity Trade
Mr. Antonio Macone and the FAO Committee on Commodity Problems,
Rome (May 7-14).
- Mr. John C. de Wilde - Attendance at the Annual General Meeting
of the Berne Union, Aix-en-Provence (May
23-28).
- Mr. Frank Lowenstein - Attendance, as observer, at the International
Cotton Advisory Committee, Washington (May
14-18).
- Mr. Dragoslav Avramovic - Attendance at seminars on the world coffee
problem sponsored by the Brazilian Coffee
Institute (May 14-20).
- Miss Flora White - Attendance, as observer, at the FAO Cocoa Study
Group Meeting, Montreux (May 22-28).
- Attendance, as observer-delegate, at the Meeting
of the International Association of Seed Crushers,
Cannes (June 4-8).
- Mr. Antonio Macone - Attendance, as observer, at the Meeting of the
International Rubber Study Group, Washington
D.C. (May 28).
- Mr. J. P. Hayes - Attendance at the UN Meeting of Experts on Long-
Term Economic Projects, New York (June 18-29).

Mr. G. M. Wilson (Through: Mr. A. Stevenson)

May 7, 1962

O. J. McDiarmid

Attached Paper: Request for Comments on Economic Staff Paper
"The Share of Project Costs Financed by IDA"

I am sending copies of the summary and conclusions of the Economic Staff paper on IDA financing to the divisions, in accordance with John de Wilde's request. As I mentioned in the staff meeting on Friday, the line I took at the SEC discussion was that the "matching ability ratio" might be useful as a general guide for IDA project financing but that it could not be applied rigorously. This seemed to be generally agreed. I will be glad to put together any further comments the Department may have.

Attachment.

cc: Messrs. Brakel
Goodman
Mason
Kennedy

O.J. McDiarmid:ke

Org. Economic

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

To: Management, Directors and Assistant
Directors of Departments and Economic
Advisers

Date: April 26, 1962

From: John C. de Wilde

Subject: Work Accomplished by Economic Staff - First Quarter 1962

Attached is a list of studies and memoranda produced in the Economic Staff during the first quarter of 1962 either at the request of other departments or on its own initiative and given circulation outside the Economic Staff.

This list is by no means a complete record of the work of the Economic Staff. For instance, it might be noted that:

1. A considerable amount of time was devoted to planning and giving a 6-weeks' course of lectures to junior trainees.
2. Country economic reports are carefully reviewed by various divisions of the Economic Staff so that the latter can effectively contribute to a discussion of these reports in the Staff Economic Committee; and minutes of the SEC discussions are prepared for SLC distribution.
3. Most of the work of the Statistics Division is not covered, since it does not take the form of reports and memoranda. To give some idea of the wide range of services performed by this division, a sample weekly progress report of its work has been included as Annex A.
4. A considerable part of the work of the Staff is accomplished through informal consultations with other personnel in the Bank. This ranges, for example, from consultations on commodity problems to discussions on methods of analyzing particular economic problems. Contributions have been made in this way to the Chilean Investment Survey Mission and the Philippine Survey Mission.
5. Work involved in attendance at various meetings including international commodity conferences, meetings of the Berne Union etc., and the preparation of briefings for such meetings is not mentioned.
6. A number of the professional members of the Economic Staff are always on detail to other departments for performance of specific assignments. (See Annex B).

7. An unusually large number of studies have been started and will be completed later this year. Since some research is always experimental in nature, not all of it will bear fruit in the form of completed studies.

Any comment on this report will be appreciated.

COMMODITIES

1. Commodity Notes (general Bank circulation).
 - a. No. 33. Prospects for Argentina's Meat Exports, in Particular Beef. Jan. 9, 1962, 16 pp.; stencilled.
 - b. No. 34. Edible Vegetable Oil Market in Western Europe. Feb. 26, 1962, 23 pp.; stencilled.
 - c. No. 35. The International Cotton Textile Arrangement. Feb. 27, 1962, 6 pp. plus tables; stencilled.
2. Other Studies.
 - a. Resume of Salient Points and Findings of a Review of Trends in, and Outlook for, Lead and Zinc. March 12, 1962, 30 pp. and tables; typewritten. Prepared for IFC.
 - b. The Probable Market for Concentrated Superphosphate Fertilizer in Low Income Countries. March 6, 1962, 5 pp.; typewritten (based on longer draft study). For IFC.
3. Informal Briefing Memoranda for Missions and Area Departments.
 - a. Tea - India. Jan. 9, 1962, 1 p.; typewritten.) For
 - b. Oilseeds - India. Feb. 21, 1962, 3 pp.; typewritten.) Mission
 - c. Prospects for Iron Ore Exports from India. March 28, 1962, 5 pp.; typewritten.) to
 - d. Jute and Cotton Textiles. Feb. 21, 1962 (3 pp.) and Feb. 23, 1962 (1 p.); typewritten.) India
 - e. Butter - New Zealand. Jan. 29, 1962, 5 pp.; typewritten. For Mission to New Zealand.
 - f. Projections of Coffee and Cotton Exports and Prices for Colombia. March 22, 1962, 1 p.; typewritten. For Mission to Colombia.
 - g. International Coffee Agreement. Jan. 16, 1962, 4 pp. plus tables; typewritten. For Mr. Knapp and Area Departments concerned.
 - h. Comments on Commodity Projections for Plantation at Metahara, Ethiopia. Feb. 26, 1962, 2 pp.; typewritten. For South Asia and Middle East Department.

- i. Sources of Iron Ore Close to West Pakistan, other than India. March 21, 1962, 3 pp.; typewritten. For South Asia and Middle East Department,

INTERNATIONAL CAPITAL FLOWS, CREDITWORTHINESS ETC.

1. External Public Assistance for Development Available from National and Regional Sources (EC-101a). Feb. 9, 1962, 63 pp.; stencilled. For general distribution.
2. International Economic Assistance to Underdeveloped Countries in 1960. Feb. 7, 1962, 7 pp.; stencilled. For Economic Advisers.
3. Comparative IDA-Worthiness of Yugoslavia, Portugal and Spain. Jan. 9, 1962, 9 pp.; typewritten. For Mr. Knapp and Department Directors concerned.
4. Foreign Aid as Percentage of GNP, 1958-60. Feb. 12, 1962, 4 pp.; typewritten. Sent to Mr. Knapp and various Department Directors. (Also supplementary memorandum of Feb. 23, replying to comments from Mr. Knapp).
5. A Systematic Basis for Assessing IDA Subscriptions of Part I Countries. March 15, 1962, 12 pp.; photostat. For Working Party on IDA Subscriptions.
6. Alternative Schedules for IDA Subscriptions of Part I Countries. March 22, 1962, 4 pp.; stencilled. For Working Party on IDA Subscriptions.
7. U.S. Foreign Aid. March 19, 1962, 4 pp.; typewritten. To Mr. Knapp.

PUBLIC FINANCE AND FINANCIAL INSTITUTIONS

1. Tax Incentives for Private Industrial Investment in Less Developed Countries (EC-102). Jan. 30, 1962, 82 pp., plus survey of literature, 5 pp., plus summary and conclusions, 5 pp.; stencilled. For general distribution.
2. Taxable Capacity in Developing Countries (EC-103). Feb. 7, 1962, 59 pp. plus summary and conclusions, 4 pp.; stencilled. For general distribution.
3. A Review of the Capital Market in Mexico (EC-104). Jan. 31, 1962, 67 pp. plus statistical appendix of 15 tables; stencilled. For Bank and E.Ds.
4. Opportunity Cost of Capital in Japan. Feb. 23, 1962, 12 pp.; typewritten. For Far East Department and T.O.D.

MISCELLANEOUS STUDIES AND MEMORANDA

1. Comments on Draft UN Report on Economic and Social Consequences of Disarmament. Feb. 6, 1962, 3 pp.; typewritten. For Development Services Department.
2. Meeting of the Union of International Credit Insurance (Berne Union), January 29-30, 1962. Feb. 8, 1962, 4 pp.; stencilled. For Management and Department Heads.
3. Progress toward European Common Market. Feb. 19, 1962, 12 pp.; stencilled. For Management, Department Heads and Economic Advisers.
4. Notes for Mr. Rist's statement at the ECA. Feb. 15, 1962, 8 pp. plus statistics.
5. Comments on IMF paper, "The Impact of Inflation on the Composition of Private Domestic Investment." Feb. 28, 1962, 3 pp.; typewritten. For IMF Research Department.
6. Brazil - Rates of Growth during the 1950's. March 30, 1962 (preliminary draft), 18 pp.; typewritten. For Western Hemisphere Department.

STATISTICS - Periodic Reports or Series

1. Charts of Interest Rates, Share Prices and Industrial Production in Selected Countries (Monthly, 14 pp.; for general distribution, including E.Ds.)

December 1961	---	Jan. 5, 1962
January 1962	---	Feb. 8, 1962
February 1962	---	March 8, 1962
2. Prices and Yields of Selected External Government Bonds in Various Markets (Annual and Monthly; for general distribution, including E.Ds.)

Annual issue	---	January 15, 1962
February 1962	---	February 12, 1962
March 1962	---	March 9, 1962
3. Selected IBRD Bond Prices and Yields for bi-weekly Secretary's "Report to the Executive Directors on Bank and IDA Operations".

4. Selected IBRD Bond Yields for monthly IMF "International Financial Statistics".
5. Charts on Selected Latin American Exchange Rates (weekly for Western Hemisphere Department).
6. Monthly Chart on U.S. Consumer Price Index (for Bank and Fund Personnel).
7. Summary of Foreign Bonds Publicly-Issued in Canada, Germany, Netherlands, Sweden, Switzerland, United Kingdom and the United States (summary tables for general distribution, including E.Ds.; description of issues, for more limited distribution).

Summary table (1961) --- March 13, 1962

Description of issues

(2nd half, 1961) --- March 16, 1962
8. Prices of about 55 shares of companies involved in IBRD loans (monthly, for T.O.D., Industry Division).
9. Bank Loans Classified by Purpose and Area (quarterly). For limited distribution.

OFFICE MEMORANDUM

TO: Mr. John C. de Wilde

DATE: April 23, 1962

FROM: Charles G. Goor

SUBJECT: Progress Report of Statistics Division for the week ended April 19, 1962

Work

Requested by

Status

A. FINANCIAL

- | | | |
|--|------------------|-------------|
| 1. One set of calculations on rate of return | Bell (IFC) | Completed |
| 2. <u>Venezuela</u> - Posting, coding and preparation of debt tables | WH/IDB | Completed |
| 3. <u>Thailand</u> - Posting, coding and debt table preparation as of 12/31/61; also, preparation of table showing debt contracted for specific projects | Lenfant (FE) | Completed |
| 4. Data for operational report to E.D.'s | E.D.'s | Completed |
| 5. Four sets of compound interest calculation on rates of return | Gillen (IFC) | Completed |
| 6. <u>Colombia</u> - Amortization schedule on proposed IBRD loan | Perez (WH) | Completed |
| 7. <u>Ethiopia</u> - | | |
| a. Amortization schedule for proposed IBRD loan | Burney (Africa) | Completed |
| b. Data for chart on IBRD net investments and commitments | Burney (Africa) | Completed |
| c. Debt tables as of December 31, 1961 | Burney (Africa) | Completed |
| 8. <u>Israel</u> - Review of debt tables as of 12/31/60 | Jeffries (SA-ME) | Completed |
| 9. <u>Honduras</u> - Posting, coding and preparation of debt tables | W.H. | In progress |
| 10. <u>Brazil</u> - Table of amortization and interest on external public debt | IDB | In progress |
| 11. <u>Mexico</u> - Coding of historical data | WH | In progress |
| 12. <u>Argentina</u> - Reconciliation of service projection of IBRD and Banco Central | Weiner (WH) | On hand |
| 13. Exchange Plan semi-annual report | ES | In progress |
| 14. <u>Brazil</u> - Posting debt record cards | WH | In progress |
| 15. Revising debt forms | ES/IDB | In progress |
| 16. <u>Latin America</u> - External debt contracted in 1961 | IDB | In progress |

<u>Work</u>	<u>Requested by</u>	<u>Status</u>
A. <u>FINANCIAL</u> (Cont.)		
17. Preparing procedures for mechanical processing of debt information	Statistics	In progress
B. <u>TRADE</u>		
18. Calculating amount of dry cargo and petroleum products handled at New Zealand ports and checking related tables	Lowdon (TO)	Completed
19. <u>Iran</u> - Petroleum trade by country of destination; 1959	Huang (ES)	Completed
20. <u>Selected countries</u> - Exports of manufactured goods in selected years	de Wilde (ES)	On hand
C. <u>OTHER</u>		
21. <u>Brazil</u> - Growth rates of industrial output	Wyss (ES)	Completed
22. Distribution of aluminum consumption by end uses; selected countries	Macone (ES)	Completed
23. Correlation and regression analysis of rubber consumption with selected variables	Macone (ES)	In progress
24. <u>Colombia</u> - Prices of selected commodities and goods in major trading partner countries	Weigel (Colombian Mission)	In progress
25. <u>Rubber</u> - Analysis of the relationship between production and price	Macone (ES)	In progress
26. Correlation and regression analysis of lead and zinc with selected variables	Macone (ES)	In progress
27. <u>India</u> - Correlation and regression analysis of aluminum and copper consumption with selected variables	Macone (ES)	In progress
28. Correlation and regression analysis of fertilizer consumption with selected variables	Panel (ES)	In progress
29. Correlation and regression analysis between wool consumption and selected variables, for selected countries	Lowenstein (ES)	In progress
30. Correlation of aluminum vs. index of industrial production; selected countries	Huang (ES)	In progress
31. Measures of fluctuations in external earnings of underdeveloped countries	Avramovic (ES)	In progress
32. <u>Colombia</u> - Calculation of school enrollment, projection to 1970	Ballantine (Colombian Mission)	In progress

<u>Work</u>	<u>Requested by</u>	<u>Status</u>
C. <u>OTHER (Cont.)</u>		
33. <u>Philippines</u> - Review of population estimates by age and sex as of July 1, 1960 based on new household survey data in 1959 and 1960	Avramovic (ES)	In progress
34. Prices of various commodities	Ryshpan (TO)	On hand
35. Preparation of primary commodities price index for less-developed countries	ES	In progress
D. <u>CHARTING</u>		
36. <u>New Zealand</u> - Country charts (3 pages)	Myhrer (EA)	In progress
37. Sketches on commodity price indexes	Goor (ES)	In progress
38. <u>India</u> - One chart on Koyna hydro project	MacLennan (TO)	On hand
39. <u>Ethiopia</u> - SLC chart	Burney (Africa)	In progress
E. <u>CONTINUING</u>		
40. Preparation and maintenance of statistical cards. Transmittal and processing of debt information schedules in connection with debt statistical cards.		
41. Chart books - data compilation, maintenance and new charts.		
42. Maintenance of selected data for IFC.		
43. Maintenance of supplier vouchers on IBRD disbursements.		

Annex B

Personnel on Detail

Mr. Dragoslav Avramovic - Far East Department (Philippine Survey Mission);
virtually entire period.

Mr. Ravi Gulhati - Far East Department (Philippine Survey Mission);
entire period.

Mr. Kenneth Bohr - Europe-Africa Department (Spanish Survey Mission);
most of period.

Mr. Michael Jordan - Europe-Africa Department (Kenya Survey Mission);
entire period.

Mr. J. P. Hayes - Europe-Africa Department; for meetings of ECA in
Addis Ababa; eight weeks (this includes preparation time).

Mr. Claus Ruser - Far East Department (Ceylon Mission); one month.

Mr. Jan Willems - Europe-Africa Department (New Zealand Mission);
two months.

Mr. Sylvain Plasschaert - South Asia and Middle East Department (India Mission);
month of March.

Gen Files ^{*Economic Staff*}

Sir William Iliff
Mr. J. Burke Knapp
John C. de Wilde

August 5, 1961

Direction of Economic Staff in my absence

With your agreement Mr. Philip Hayes will be in charge of
the Economic Staff during my absence at the Merrill Center from
August 7 to 17.

Org. Economic Staff
CONFIDENTIAL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
OFFICE MEMORANDUM

To: Staff Economic Committee
From: M.H.R. Jordan
Subject: Country Economic Reports

Date: January 10, 1961

DECLASSIFIED

SEP 0 2011

WBG ARCHIVES

1. The Staff Economic Committee met on Friday, December 2, 1960 for a discussion of future work on country economic analysis in the Bank. The need for such a discussion had been felt for quite some time by several economic advisors. More recently Mr. Thompson had written a short paper expressing reservations on the contents of the present reports, the relevance or adequacy of some of the subject matter and the time spent on their preparation.

The Audience to which the Reports are addressed

2. It was emphasized in the discussion that reporting by economists served different purposes depending on the topics to be covered and the audience they were addressing.

3. The management or the area department in some cases simply requires the answer to one or two precise economic questions. No rules can be suggested to make this particular work more adequate and professionally competent. This strictly depends on the case concerned. It is therefore not a proper subject for a discussion in general terms.

4. On the other hand, the "economic reports" which are discussed at department, SEC or SLC level are usually meant for the information and guidance initially of the Management and ultimately of the Board of Directors. The following points should then be kept in mind:

a) the report will be read not only by the Directors but also in member countries, presumably with particular interest in the creditor countries;

b) the borrowing country will be particularly interested in its contents and an objective analysis of its position and frequently will also look to the country report for advice;

c) in many cases the report will not only be meant to assist in reaching a decision on lending which is being considered at that time, but should be looked upon even more as a possible guide for future operations;

d) while the economists should be mindful of this broad audience, they should not address themselves to the public at large as, for instance, do the survey reports.

Types of Reports

5. It has become traditional to produce two types of reports. The basic report is supposed to give a general description of the country's economy in order to serve as background and reference in the future. It is used for countries when first becoming a borrower or to give a fresh description after a long period of Bank-borrower relationship. Their length should remain reasonable for practical reading.

6. More frequent operations usually require updating or so-called "current development" reports. The length of these reports too often exceeds the prescribed 20 pages maximum. Their main purpose is to bring to the readers' attention the new problems of economic policy and development which may have arisen, since long range prospects and behavior patterns are always the most important to the Bank and short-term events are of significance only to the extent that they have implications for the future development of the country including its ability to weather crises.

7. Members of the Committee felt that this sharp distinction between background and updating reports, while useful, should not obscure the increasingly frequent cases where somewhat different studies were required - e.g. the recent report on Malaya's development problems. The important things in this respect were:

a) to fit the report to the needs and not to limit oneself to standard formulas;

b) to keep the length to practical dimensions (20 pages still looks like a reasonable limit), with appendices on special subjects when they are necessary (see also under Committee Recommendations).

Scope of Reporting

8. Although "background" reports are expected to contain more descriptive material, such as social structure, political and economic history and resource base, than other reports, the type of subjects to be covered by any economic report is still adequately defined by operational memorandum No. 16 of 1953, i.e.:

a) whether a country needs and can effectively employ a loan;

b) the extent to which the Bank can lend without undue risk;

c) the investment fields in a particular country in which Bank financing could make the greatest contribution to the economy;

d) whether the policies followed by the government of the country concerned are making a reasonable contribution to development, and whether action along certain lines by a borrowing country would make it safe for the Bank to lend, or to lend more.

9. The relative emphasis of these various points may vary from case to case and this list does not represent a set order of importance.

10. In particular, economic reporting will be influenced by the extension of the spheres of operations of the Bank and of IDA, by the prospect of greater advisory duties and by the possibility of the Bank playing an increasing role in suggesting the allocation of international assistance among countries.

11. In relation to the widening horizons of the Bank, the Committee discussed the need at intervals of say, three to five years for more extensive analyses of particular countries' positions in the general process of economic growth. In particular, this kind of appraisal would be centered on such critical features as the accumulation of savings, rates of investment, the allocation of resources, including sector investment priorities and the absorption of the labor force into productive employment. A fundamental analysis of these key variables should be used to highlight prospects for the countries' over-all growth, and, where applicable, its capacity to make this growth self-sustaining and the need for measures designed to achieve this goal. The Committee acknowledged that in many cases adequate data for these purposes was not available, but it was felt that the Bank economists might suggest improvement of many of the existing statistical series and that by pointed on-the-spot investigation analyses need not depend entirely on them.

Defects to be corrected

12. It is difficult to define the material which is relevant to any economic report. This can only be decided in relation to the mission's purpose; whether creditworthiness, growth prospects, choice of a sector for IBRD or IDA investment development problems and policies or some combination of these points. Too often, most of the material brought back by the mission, whether relevant or not - details of public finance, for example - is somehow inserted in the report, so detracting from its usefulness, and, indeed, from its readability.

13. The gathering of material takes much of the mission's effort in the field, and some economists may have a tendency to wait until they return home to draw their conclusions. A mission, it was generally felt, should reach its conclusions in the field, report on them briefly upon its return and then set about justifying them in a report. This, in a way, supports the use of a "summary and conclusions" which sometimes seem to add length to a short report. The mission should normally be expected to spell out its preliminary findings in these one or two pages.

14. It would be unfortunate if a mission which set out to fulfill a specific task should abstain from recording findings or opinions which may assist in formulating future IBRD or IDA relations with a member country. These may not necessarily be recorded in the operational "economic report" of the mission. They would be worth recording in some form however - if necessary in a secondary report for SEC and SLC consideration

only. It is essential that the economist in the field should be encouraged to use his imagination as freely as possible.

15. Another danger arises if the author limits himself too narrowly. He may, for instance, consider his report as an addendum to a previous report. This may save space, but in practice the reader will expect each report to be self-contained.

16. It was suggested once more that the uncritical use of debt-service ratios should be avoided since although, this formula expresses a generally interesting relationship, its relevance must almost always be qualified to fit particular characteristics of the case.

Committee Recommendations

(i) Special emphasis should be placed on the preparation for economic missions, in gathering data and formulating questions, before going into the field;

(ii) Economic advisors should feel responsible for consulting with country economists in defining their focus of analysis before missions and, if and when possible, consult further while the mission is in the field;

(iii) Whenever possible, missions should not be limited by time in the field, should arrive at their main conclusions while still there and should express them in operational terms before writing the full economic report;

(iv) The economic advisors should feel responsible for consulting with the country economist at the time of writing the reports and help them focus and condense their findings;

(v) In order to emphasize more directly the analytical character of the reporting of the key current issues in a country, additional documentation should more often be put into technical appendices;

(vi) Continuity and standardization of the statistical series given being important, a program for a minimum set of tables for use in the reports should be drawn up.

cc: Staff Loan Committee

Staff Economic Committee: Messrs. Rist, Hoffman, Adler, Alter, Avramovic, Gilmartin, Kamarck, Larsen, Sadove and Weigel.

In Attendance: Messrs. Edelman, Thompson.

Admin - Eca Dept

Mr. Rist

November 21, 1958

M. M. Mendels

Your Recent Statistics - SecM58-195
dated November 20, 1958

Please refer to Economic Staff table of November 18, 1958 entitled
"Cost of Recent Bond Issues in the United States by Foreign Borrowers
(Excluding Canada) in 1958".

This table was circulated as SecM58-195 on November 20, 1958 (see
attachment) with the statement that similar tables would be made
available semi-annually.

Mr. Black has instructed that such tables should be made available
and distributed quarterly.

Attachment

M. M. M.

cc-Mr. Doucet

Weeded

This file is to be weeded every year in accordance with the memorandum dated August 7, 1962, filed "Records Disposal - Archives Division". After weeding, this notice is to be inserted in the file at the end of the weeded material.

Org-Econ. Staff.

Mr. Dragoslav Avramovic

September 24, 1958

W. M. Gilmartin

Research Projects in the Economic Staff

With reference to your memorandum of September 18, my only comment on the very useful work program of the Economic Staff is to suggest a couple of points for particular consideration in projects #3 and #4.

On the former it would be helpful if attention could be given to the factors which have made for relative success in some countries in increasing the proportion of revenue from direct taxation and relative failure in other countries to accomplish much in this direction. Implications of this problem for private, as well as public, saving and investment might be considered.

On the latter it would be very useful if the private industrial sector, including small-scale private industry, could be given more than the usual cursory treatment.

WMGilmartin:cvb

C O P Y

Messrs. Adler, Alter, de Wilde, Gilmartin,
Hoffman, Kamarck, Larsen, Lipkowitz
Dragoslav Avramovic

September 18, 1958

Research Projects in the Economic Staff

Please find attached a list of Economic Staff research projects now under way or scheduled to be undertaken in the near future. We would appreciate any comments or suggestions at your earliest convenience.

Abk Sept 21

710

SEP 17 1958

Research Projects in the Economic Staff
(Excluding Commodity Projections)

<u>Project</u>	<u>Description</u>	<u>Status</u>
1. International Capital Flows in 1956-58	Review of public and private long-term capital movements during 1956-58 and analysis of determining factors. Review of changes in public debt outstanding of borrowing countries and of their service payments. Wherever possible and convenient, the analysis should put the years 1956-1958 into a longer-term postwar perspective. Special emphasis on the behavior of various components of international capital flows (direct investment, public long-term, medium-term credits, etc.) and on the changes in the debt position of major debtor countries and causes of these changes.	To be undertaken towards the end of 1958; target completion date June 1959.
2. Postwar Movements in Interest Rates on Foreign Lending	Review of postwar changes, with separate analysis of rates on public and private lending (including medium-term credits). Comparison of postwar and prewar rates. Analysis of factors determining rates on foreign lending (in particular, relationship to domestic credit conditions in capital exporting countries).	Project tentative; exploratory work to be undertaken in October 1958. Completion date to be determined later.
3. Source of Financing Aggregate and Public Investment in Less Developed Countries	Comparative study of patterns of finance of investment (linking with Project 1 as concerns the role of capital inflow). What can be said about the causes and consequences of different patterns? Particular attention to be paid to the place of public investment and its financing (current budget surplus, market issues, central bank borrowing, foreign borrowing).	Project underway (with interruptions) since March 1958; completion date to be determined later.

- | | | |
|--|--|--|
| 4. Factors Determining Sectorial Distribution of Aggregate and Public Investment in Less Developed Countries | Is it possible to distinguish significant regularities in patterns of investment expenditure by purposes? Can the patterns be analyzed: (a) by causes? (b) by efficiency? I.e., if feasible, the analysis may cover the implications of investment patterns for capital-output ratios and for rates of income growth. | To be undertaken in October 1958; completion date to be determined later. |
| 5. Investment Programming Problems in Sparsely Populated Countries with Low Ratio of Resources to Population | Analysis, in connection with Project 4, of problems of investment programming to be encountered by the Bank's Survey Mission to Libya. Similarity with investment and growth problems experienced by Missions to Jordan and Somaliland. | To be undertaken in October 1958; completion date January 1959. |
| 6. Terms of Trade, Rates of Investment and Rates of Income Growth in Less Developed Countries in 1956-1957 | Appraisal of the impact of deterioration of terms of trade of primary producing countries on their investment outlay and rate of income growth. How widespread was deceleration in growth? How decisive was the impact of changes in terms of trade? How seriously was investment outlay affected? What was the process of adjustment in the affected countries? In addition, if possible, what are the growth prospects over the medium-term under alternative assumptions regarding future terms of trade and future capital inflow? | Project under way since June 1958; tentative completion date before the end of 1958. |
| 7. The Implications of Agricultural Surplus Disposal Program for Economic Growth of Less Developed Countries | Appraisal of likely magnitude of agricultural surpluses in the U.S. and of surplus sales. The impact of surplus sales on (a) flow of resources available for investment in receiving countries; (b) agricultural development in receiving countries; (c) international trade position of countries exporting products included in the surplus disposal program. | Undertaken in September 1958; completion date January 1959. |
| 8. History and Experience of International Commodity Agreements | Analysis of international commodity stabilization schemes in the inter-war period and since the end of the war. Underlying principles, methods of operations, advantages and disadvantages. The results of operations and conditions under which these results have been achieved. | Undertaken in September 1958; completion date to be determined later. |

FILE COPY

Mr. John G. Beevor

August 5, 1958

Leonard B. Rist

Card index.-

As you will remember, the Foreign Investment Division has started a repertory of foreign branches and subsidiaries of American enterprises. The work is well advanced although not complete and would require constant updating.

For several months time has been lacking to continue this work and it will not be possible to carry it any further since the Foreign Investment Division is going to be reorganized after Mr. de Beaufort's departure. His members will continue their former work in the field of foreign indebtedness, foreign investment and foreign financial markets in the Statistics Division and in the General Studies Division, but they will not be able to carry any further the work mentioned in the first paragraph.

The filing cards, numbering several thousands, are at your disposal.

Mr. Davidson Sommers

July 29, 1958

J. Burke Knapp

The Budget -- Economic Staff

I suggest that you, Mr. Howell and I get together to talk further about the budget for the Economic Staff.

I reviewed this subject with Leonard Rist last week, without stating any conclusions to him at that time. My present thinking is as follows insofar as the professional staff is concerned:

OFFICE OF THE DIRECTOR

<u>Director</u>	Rist, Leonard B.
<u>Assistant Director</u>	Prasad, P.S. Narayan
<u>Economic Adviser</u>	Baranyai, Leopold

No change recommended here, but I would see no reason to replace Baranyai upon his retirement next year.

GENERAL STUDIES DIVISION

<u>Chief</u>	Avramovic, Dragoslav
<u>Commodity Group</u>	Nehmer, Stanley
	Willems, Jan
	Maccone, Antonio
	White, Flora
	Vacancy (existing)
	Vacancy (new junior)

Rist recently asked for two new positions to be created for commodities work, and one was allowed. I think he needs a further man for commodities work but that this position could be covered out of one of the existing vacancies.

<u>Economic Growth and Public</u>	van der Mel, Marinus
<u>Finance Groups</u>	Lutolf, Franz
	Hayes, John P.
	Cheek, Bruce M.
	Gulhati, Ravi
	Vacancy (existing)

I have allocated one existing vacancy to these two groups, which are closely allied.

STATISTICS DIVISION

Chief

Goor, Charles G.

Assistant Chief

Kaitz, Hyman

Kaitz is resigning and needs to be replaced (but see below).

FOREIGN INVESTMENTS DIVISION

Chief

de Beaufort, C.

Economists

Butcher, Leslie G.

Rao, Badri

Huang, Andrew C.

If Chang accepts the proposal that he succeed de Beaufort, this group would remain unchanged. If Chang declines, Rist proposes assigning Butcher to the job of Assistant Chief in the Statistics Division, and transferring Badri Rao and Huang to the General Studies Division. This would probably necessitate adding another senior position in the General Studies Division, but there would still be a net saving of one position.

- - - - -

The foregoing set of proposals would eliminate one existing vacancy in the present budget for the Economic Staff and would call for the elimination of a further position upon Baranyai's retirement. A third position would be eliminated if the Foreign Investments Division were redistributed.

c.c. Mr. Howell

JBKnapp/er

Mr. John G. Beevor

May 8, 1958

Leonard B. Rist

Index Clauses

I would like to refer to your letter of May 6 to Mr. Darton requesting him for information on the system of indexation. For some time now we have been collecting information on this subject. The available literature is quite scarce. But articles in the September 1957 issue of Statistiques & Etudes Financieres and in the Ecla Bulletin, Volume X, No. 2, published in October 1957, contain useful information. Mr. Fieandt, Governor of the Bank of Finland, wrote about Finland's experience in his Bank's monthly bulletin of September 1957. In addition, Mr. Darton has been good enough to supply us with information about index bonds in France.

All of this material which is presently being held in Mr. deBeaufort's office, is of course entirely at your disposal.

In applying the index clause to operations in underdeveloped countries you may encounter some special problems. In particular it might be difficult to find in some of these countries an index of the right type which will be sufficiently reliable.


CdeB:kd

CC: Mr. Darton, Paris office

International Bank for Reconstruction and Development
International Finance Corporation

ADMINISTRATIVE CIRCULAR

December 31, 1957

STAFF ASSIGNMENTS

Mr. P. S. N. Prasad has been appointed Assistant Director, Economic Staff, to become effective January 1, 1958.

Mr. Prasad joined the Bank in September 1957 as an Economic Adviser on the Economic Staff. Prior to joining the Bank he served as Executive Director for India in the International Monetary Fund. He had previously served as Economic Adviser, Director of the Balance of Payments Division and Director of Monetary Research of the Reserve Bank of India, and participated as adviser to several of the Government of India delegations to the Commonwealth and Colombo Plan Conferences.

Mr. Prasad has been a Professor of Economics at several universities and colleges in India and served as head of the Economics Department at Jaipur College.

He has degrees in Economics from Andhra University and Benares Hindu University.

Mr. G. M. Alter has been appointed Assistant Economic Adviser, Department of Operations - Western Hemisphere, to become effective January 1, 1958.

Mr. Alter joined the Bank in April 1951 and since April 1955 has been Assistant to the Director of the Economic Staff. Before joining the Bank, Mr. Alter served as an Economist in the Federal Reserve Board. He also served in the U.S. Department of Commerce and Bureau of the Budget. He has a Ph.D. in Economics from Harvard University.



William F. Howell
Director of Administration

International Bank for Reconstruction and Development
International Finance Corporation

ADMINISTRATIVE CIRCULAR

February 25, 1957

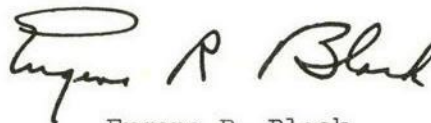
It is with deep regret that we learned of the death on Friday of Professor Kyriakos Varvaressos.

Professor Varvaressos served as one of the first Executive Directors of the Bank from 1946 to 1948. He joined the Bank as consultant to the Director of the Economic Department in November 1948, and since 1952 has served as economic adviser on the Economic Staff.

He served his country as Ambassador at Large for Economic Affairs to the United States and the United Kingdom in 1943 and represented Greece at all Inter-Allied economic conferences, committees, and organizations. He took an active part in the preparatory work and discussions for the establishment of the Fund and the Bank and was his country's representative at the Bretton Woods Conference in 1944.

Professor Varvaressos was graduated from the University of Athens and did graduate work at Munich and Berlin Universities. He held an honorary degree of Doctor of the University of Bonn.

His sudden death will be deeply felt by all members of the Bank's staff. Our sympathy is extended to Mrs. Varvaressos and to his family in their loss.



Eugene R. Black

Administrative Circular

March 18, 1955

Staff Assignments

Effective March 21, 1955, Mr. John Adler will transfer from the Economic Staff to the Economic Development Institute. He will be located temporarily in room 1015.

Upon the completion of his present work assignment, Mr. William Diamond will transfer from the Department of Operations--Asia and Middle East to the Economic Development Institute.

Mr. Gerald Alter will assume the duties of Mr. Adler as Assistant to the Director, Economic Staff, effective March 21, 1955.



Francis R. Poore
Acting Director of Administration

Economic
staff

Mr. Goor

February 18, 1955

Jentry Holmes

Transfer of supplier file.

The file of supplier vouchers is being transferred to your office today. As the file now stands it includes vouchers on disbursements to suppliers since August 1, 1953. These vouchers are filed in the following manner: in the U.S. by state and non U.S. by country.

As agreed in our conversation earlier this week, we would like to have this file set up by suppliers in each state in the U.S. and we would like to have a quarterly report on disbursements by state in the U.S. and by country outside the U.S.

As of this date, the supplier vouchers will be sent to you from the Treasurers Department.

JSH:esp

Orig
Economic Staff

Mr. L. B. Scribner

April 15, 1954

A. F. Johnston

Statistical Section, Economic Staff

As indicated in the attached memoranda you are to make a review of the workload of the Statistical Section to see whether the required additional positions should be authorized.

You know that for some time I have felt that someone should take a look at the work of this section. Specifically, I think your review should include answers to the following questions:

- A. Does Mr. Rist screen the requests for statistical services?
- B. Are these requests screened by the head of the department in which they originate?
- C. Who determines priority of work assignments in cases of conflicting requests?
- D. Is there any review to determine whether the work requested should be done or whether it would be more economical to have it performed outside of the Bank?

The initial step of this review should, of course, be a discussion with Mr. Rist.

Attachment

Arg. Eco Staff
Gx

Messrs. Cross, Gregh, Hoar, Knapp

August 6, 1953

Leonard B. Rist ✓

Work Program of Economic Staff

Please find herewith tentative work program of my staff which I intend to submit to Mr. Garner at the end of next week. It has been established in consultation with your Economic Advisers.

I would appreciate your personal comments or suggestions on it before August 13.

1 encl.

~~Mr. Cope~~

~~Mr. Rosen~~

Any comments?

Mr. Hoar

No D2 is the problem
which I would suggest
should have priority given
to it.

Gx

MR

August 5, 1953

TENTATIVE RESEARCH PROGRAM OF ECONOMIC STAFF

This is a list of the major research projects which the General Studies Section of the Economic Staff should undertake in the next few months. There are also included some of the assignments now underway.

A. - World Economic Trends that may affect Bank Policy or Bank Operations:

Long Term Studies

1. Survey of Economic Progress in Underdeveloped Countries -

This study, which has already been initiated, is attempting to assemble and analyze the available information relating to the rate of economic progress in underdeveloped countries and areas. This information is being correlated with data on the rate of savings and investment. The material already collected is leading to some interesting results on capital requirements for economic development and raises some important questions as to the factors responsible for savings rates in different countries. This project should provide useful material for an Annual Report.

2. Population -

The present status of research on population in relation to the problem of economic development will be examined, including the treatment of population in the Bank's general survey reports. The preliminary survey may lead to a program of more detailed study on the population problem and its relation to Bank policy; it will also serve as background for participation in the forthcoming Population Conference sponsored by the U.N.

3. Statistics of International Movements of Long-Term Public Capital -

A report covering the period 1946-1950 has been completed and will be distributed soon. Material covering the year 1951 is now being collected. This might become a continuing activity.

Short Term Assignments or Continuing Activities

4. Implications of the present trend to use U.S. surpluses for making loans in kind -

Brief memorandum being prepared.

5. Reporting on U.S. foreign aid program -

A continuing activity.

6. Current Economic Position of the U.S. -

A continuing review to take the form mainly of reference notes about published material for use by Economic advisers.

B. - Lessons to be drawn from Past Bank Activities:

1. Lessons of Survey Mission Reports -

A study entitled "Common Problems of Economic Development" has already been prepared in draft form. The general propositions stated in this draft will be examined on the basis of the findings contained in the survey mission reports. A series of memos will be prepared, each of which will cover one or more of the problems cited in the draft, e.g.:

- (a) Deficiencies in the existing use of resources
- (b) Industrialization and economic development
- (c) Special problems of agricultural development
- (d) Non-economic aspects of development.

2. Investment Programming -

A summary and appraisal of the investment program aspects (size, composition, financing, etc.) of the first four general survey reports was prepared some time ago. This report will be expanded to cover all of the survey reports issued to date. This project is of interest to the Technical Assistance and Liaison Staff and should serve as a useful background paper for future survey missions.

C. - Basic Policy Problems Related mainly to Technical Assistance and Advisory Functions of the Bank:

1. Definition of balanced investment in relation to a pattern of balanced economic growth. This problem will be considered from the analytical side and will also be examined on the basis of available information on the composition of investment in several countries.

2. Taxation: Its impact on Development:

This problem will be broken down into a series of separate studies; some will be quite broad in coverage and others will be of some immediate operational significance. The specific reports to be prepared under this heading might include:

- (a) development-objectives of tax policy;
- (b) analysis of tax structure (both forms of taxes and rates) to determine how a tax program may best contribute to higher levels of savings in both the government and private sector of the economy;
- (c) effects of tax exemption schemes on investment. This will include a consideration of accelerated depreciation and similar devices;
- (d) the assignment of tax revenues as a basis for credit (external or internal) or as an administrative device for channelling government receipts into specific fields of investment or

into investment in general. The potentialities of assigned revenues will be examined on the basis of actual experience with such devices.

These studies will be undertaken after consultation with IMF specialists.

3. Development financing corporations -

Investigate whether general lessons can be drawn from their experience to date (possibly for Annual Report).

4. Methods of Mobilizing Private Savings in Underdeveloped Countries -

The growing body of literature on this subject will be examined to determine whether it would be useful for us to undertake further research on particular aspects of this problem.

D. - Basic Policy Problems Related mainly to Loan Operations:

1. Indirect Benefits of Industrial Projects -

This study will attempt to deal with indirect benefits in a more precise manner than has been done before. In this respect, it should provide a useful supplement to the paper prepared by a working party of the Economic Staff Committee on "Criteria for the Appraisal of Industrial Projects". It will seek to analyze the nature of these benefits, the conditions under which they occur, and will attempt to develop a method for evaluating the relative importance of the benefits arising from different projects.

2. A Critical Review of Broad Assumptions underlying Creditworthiness Appraisals -

This project could be undertaken by the Economic Staff Committee on the basis of preliminary papers prepared by the Economic Staff for the purpose.

*Admin. Operation
gene
Econ. Dept.*

Mr. William A.B. Iliff

January 30, 1953

Leonard B. Rist

Adviser in the Economic Staff.-

You have indicated to me that a suggestion was recently made to the effect that a new adviser be appointed in the Economic Staff and you have asked me what kind of qualifications would be required and what type of work would be assigned to the adviser if such a job were created.

As to the qualifications, I think the man in question should have a very solid academic training in economics. The slant in the training and interests of the adviser should preferably be in international trade and production economics rather than money and banking; while the latter field is important of course, it is not as dominant in the Bank as in the Fund.

It is also important that an adviser should have some practical experience either as a government or central bank official, or as an adviser to a government or government office. Similarly, some experience in international problems is preferable to purely domestic experience. In this respect there would be no particular preference as between areas but since most of our work implies a comparison of conditions in various countries, familiarity with either Europe or underdeveloped areas would be valuable.

The very listing of the experience requirements makes it apparent that this would not be suitable for a young man. I should think that 35 would be about the minimum age which should be considered. Some personality considerations are not without relevance; it is clear for instance that adaptability to conditions - psychological and material - in the United States is a prerequisite. Still more essential is an aptitude to accept discussion of one's own ideas and adapt in an organization where teamwork is the rule.

As to the work program, the functions of an adviser are too flexible to be precisely defined. While an adviser ought to be available for consultation on any subject on which his competence is considered useful, he also is given a standing assignment consisting of a long- or medium-term research project. Finally he would be considered available for special missions, such as our general survey missions.

The consultations mentioned occur in the course of our daily work and are totally informal. The advice of competent economists is sought not only by members of the Economic Staff but members of the management and operational departments. The Public Relations department in the course of its speech- or article-writing activities relies heavily on individual members of the Economic Staff, including the advisers.

As to the type of studies which would be entrusted to an adviser, they would be determined in agreement with him and his preferences and suggestions would of course be taken into account. Generally speaking, they ought to be related to the operations of the Bank. Some subjects which we

have before us and have not yet been tackled are for instance:

- To what extent should the Bank finance non-directly productive facilities such as waterworks, sewers system, housing, etc. ?
- The extent to which the indirect broad economic benefits from a project justify the financing of a non self liquidating enterprise ?
- The local financing of development. (role of development banks - the possibility of mobilizing local capital)
- The broad trends of the raw material markets as they affect international trade and the balance of payment of our member countries.
- The basic conditions for economic development such as rate of savings, relation between investment and production on the one hand and balance of payment on the other.
- Fiscal problems and policies as related to private or public investments.

Moreover, there clearly is a dearth of economists familiar with development problems. In advising member countries on development programs the Bank has always felt that it was preferable to rely on its own staff as much as possible. Someone familiar with the Bank policies and problems and with thorough economic training and experience could play a useful role as a member of survey missions or in other advisory functions in our member countries.

OFFICE MEMORANDUM

TO: Mr. W. F. Howell

DATE: August 26, 1952.

FROM: John H. Adler *ma*

SUBJECT: Re-Organization

1. The following staff members of the present Economic Department have been informed by Mr. Rist or by myself about their new assignments:

Messrs. Alter, Bohr, Weiner, Dalla Chiesa, deBeaufort, Lynch, Huang,
Goor, Lombard (trainee),
Miss Oldham, Mrs. Paulson.

2. Prior to his departure, Mr. Rist instructed me to ask Mr. deVries to inform the members of the Economic Resources staff about their future assignments. The following persons belong to that group:

Messrs. Craig-Martin, Groenveld, Perkins, Kruithof, Finsaas, Roushdy (trainee),
Misses White, Beltranena.

3. The following professional staff members have not been officially informed about their reassignments. In some instances, they were told about their new positions informally; in others, their lack of information is genuine:

Messrs. Stevenson, Williams, Ross, Rao, Broendum, ~~Kamarck~~, King, Collier,
~~Bere~~, Larsen, Terfs, Parker, Trancart, Waterston, Haralz, ~~Pajunen~~,
Basch, Bochenski, Antoine, Wang, deWilde, Gilmartin, Tolley, Clark,
~~Polit~~, Varvaressos, Sagne and Videla (trainees),

Mrs. Ryshpan, Wilhelm,
Misses Zafiriou, Sokobin, Friedman.

4. It is my understanding that the management will inform Messrs. Rosenstein-Rodan, Varvaressos and Basch of their reassignments.

cc: Mr. Dep

Org. Economics Dept.

October 10, 1951

Dear Jean:

Dr. Rodan has gone over your paper and has asked me to raise some questions. I assume that you have in your possession a copy of your report so that the references that follow will be clear to you.

1. On page vii, where you discuss the balance of payments of North America and Western Europe, Dr. Rodan questions your statements as applied to the year 1951. He questions, for example, whether the European countries this year are able to increase the volume of their exports considerably more than the volume of their imports. Furthermore, he questions whether it is correct to say that in 1951 the situation of the United States is characterized by the appearance of a small deficit on current account with primary producing countries. Please review the whole middle paragraph on page vii. If you feel that it is still correct, prepare a brief statement of your reasoning. If you feel that it requires revision, please make the necessary changes. I suspect that you may want to distinguish in practically every sentence in this paragraph between the situation prevailing in 1950 and the situation prevailing in 1951.
2. On page 8 of the text where you discuss the wool price situation, Dr. Rodan appears to agree with your conclusion contained in the last two sentences of the first paragraph. He wants you to review the sentences, however, merely for the sake of reassurance.
3. On page 9 in the last paragraph you point out that import prices on manufactures from Japan can be assumed to vary in close relation to U.S. prices. In line with the conversation that we had with Basch, Dr. Rodan wonders whether this is the proper assumption. I told him that I had discussed this matter with you before and that Basch had stated that the price of Japanese manufactures were at the same general competitive level as British prices, but that this does not mean that Japanese prices fluctuate in close relation to British prices. Dr. Rodan was, however, not satisfied. It is his impression that Japanese prices fluctuated in 1950 in accordance with the sterling pattern rather than the U.S. pattern. Please reassure him on this or make the necessary changes.

4. One of the columns of the table on page 43a is entitled "Increase in Foreign Profits." This is not a very apt title. It might be preferable to substitute "Increase of Profits in Foreign Enterprises." However, even this title is not really suitable since the figures in this column refer both to the paying and the receiving countries. Can you suggest a better substitute?
5. Please check pages 45 and 46 in line with your reappraisal of page vii of the summary. I have noted one ambiguity in this discussion - who provides the increased volume of world trade. When you speak of the expansion of exports of Western Europe enabling it to make good the price loss and to increase "the amount of its external resources in 1951," you imply that this development constitutes a real offset to the price loss. This may be true from a strictly balance of payments point of view, but it is certainly not true from the point of view of "availabilities." I suggest that you revise the end of the first paragraph on page 46.

Sincerely yours,

Gerald Alter

Mr. Jean C. Antoine
c/o Mr. Joel Gordon
United Nations Secretariat
United Nations Building
New York, New York

P.S. Please send us your exact address and telephone number at the U.N.

ga.
GAlter/mb

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date _____

TO-		Name	Room No.
1		Research Files	
2		Gen. Files	209
3			
4			

FOR-			
	Action		Initialing
	Approval		Preparing Reply
	Comment		Previous Papers
	Filing		Noting and Returning
	Full Report		Recommendation
	Information		Signature

REMARKS

FROM-

FILE COPY

Org. Economic Dept.

Dr. E. de Vries
Dr. P.N. Rosenstein-Rodan

September 21, 1951

M.F. Perkins

May I have your permission to visit Boston and New York late next week in order to obtain information on wool and jute in conjunction with studies being pursued on these commodities. Arrangements have been tentatively made for me to see a number of importers and manufacturers in the wool, burlap and jute industries. I propose to leave Wednesday or Thursday (September 26 or 27), at your convenience, and return at the end of the week.

MFP:mrif

FILE COPY

Oz Econ Dept.

Confidential

August 27, 1951

My dear Paul,

In reply to an inquiry from the U.N. Dick Demuth just wrote to them that the week from September 17th to September 21st would be the best time for a meeting of the James Angel's Committee of Experts with the Bank and Fund.

Accordingly, you have better stop over to meet them on your way back from Saranac. I understand that Chudson is writing to you on the same subject.

I hope you will have had time to enjoy the restful coolness of the Northern lakes and that Margaret and you are feeling well and lazy.

Yours ever,

L. Rort

P.S. - In talking to Swann, I think it would be wise ~~not~~ to mention to him any specific job or opening but keep the conversation in very general, non committal terms.

Dr. Paul N. Rosenstein-Rodan
Calumet Camp
Saranac Inn, P.O.
Saranac Inn, New York

Administrative Circular

June 14, 1951

Economic Department--Changes in Assignment

Mr. Georges de Fleurieu, Chief, Latin America North Section, who has been with the Bank since December 13, 1946, has resigned effective June 15, 1951. Mr. de Fleurieu will resume his former position in the French Treasury as Counselor of the "Cour des Comptes."

Effective June 16, 1951, Mr. Harold W. Larsen will be promoted to the position of Chief, Latin America Division.

On the same date, Mr. Albert Waterston will be promoted to the position of Chief, Latin America-North Section.

Designations of Central America and South America for the sections of the Latin America Division have been changed to Latin America-North and Latin America-South, respectively.


William V. Howell

Acting Director of Administration

Copied Release Circular - Admin

02 - Econ. Dept

OFFICE MEMORANDUM

TO: Mr. Robert L. Garner

DATE: April 11, 1951

FROM: Leonard B. Rist */ L.R.*

SUBJECT: Staffing of the Economic Department.-

It has become increasingly clear over the last few months that the staff of the Economic Department would be called upon more and more to

- (a) investigate and follow up the economic position and prospects of our member countries ;
- (b) provide advice to the Bank's staff on economic and financial subjects ; and in addition, as a contribution to the technical assistance provided by the Bank,
- (c) assist in general survey missions ;
- (d) provide advice to our member countries on economic and financial subjects.

Furthermore, general problems such as economic developments in the United States as they affect our operations, problems of programming and development, functional commodity studies will have to be carried on regularly ; they have been undertaken but often had to be abandoned due to the pressure of more operational priorities.

Most of the present staff members who are at or above the \$8,000 level are well prepared for this kind of work. They are, however, not numerous enough to carry the load now imposed upon them and face all the new tasks which have been outlined above. While the Director is gratified to hear that their advice is more and more appreciated, he shudders at the thought that a breakdown of the Department operations may be brought about by home leaves, illnesses, prolonged missions, or loans of staff members to member governments, including the United States (Knapp, Lipkowitz). In addition, a number of very good staff members will have to be replaced from time to time due to normal turnover of staff, as exemplified by Wishart, Urquidi, Andersen, Marrama, de Fleurieu, Robinson. This points to the need for: (1) flexibility of assignments, (2) expansion.

(1) Flexibility of assignments: it is obvious that if the present staff were complete, part of our difficulties should be overcome. We have at present seven vacancies and intend of course to fill them as quickly as possible. This will, however, not solve the problem of having mature, experienced and authoritative men who can take over the responsibility of well defined ad hoc assignments, such as the development program

for Chile, general survey or similar long-term missions, a comparative study of the methods by which local capital can be raised on various markets, etc. These are full-time jobs for a prolonged period. The ideal formula would be to create a team in each of those cases without disturbing the rest of the organization. While some of the members of such teams could be drawn from Areas or General Studies groups, what is required most of all is that a few top people be available unhampered by routine hierarchical duties to head such teams. A great deal of flexibility is therefore necessary.

I would suggest that, besides filling the present vacancies at the Division and Section Chief levels, and besides appointing a Division Chief for Europe (a job not budgeted for at present), three jobs of Chief economists be opened in the Advisory staff, involving salaries ranging from \$10,000 to 15,000. The Advisory staff would thus provide a pool of experts available for special assignments.

In specific cases, in view of the high level of qualifications we are looking for, it might be advisable to appoint, instead of a Chief economist, a Consultant or Adviser to the Director. These cases would be taken up with the management as and when they occur.

(2) Expansion: this plan of course requires some expansion, not only in the higher brackets as aforesaid, but in the medium grades in order to facilitate the additional work in the Areas group and in the General Studies group. I would therefore suggest that in addition to filling the present vacancies, we hire three more Economists at the \$8,000/11,000 level, to be assigned from time to time according to the pressure of work. They should provide first rate assistance for the teams which have been described higher.

Finally, while the trainees may turn out to be useful elements and satisfactory permanent members of the staff, we have to hire a few more juniors to whom we could give the kind of training which is now bearing its fruits in young men like Stevenson, Gilmartin, Pajunen, Haralz. We have from time to time met brilliant young men who showed promises to develop in this way, without being able to hire them. It is therefore suggested that we be authorized to take on 2 to 4 more juniors as the occasion arises. They would be assigned according to the need at the time.

April 11, 1951

ECONOMIC DEPARTMENT
PROFESSIONAL STAFF

<u>Salary</u>	<u>Present Positions</u> ^{a/}		<u>To be added</u>	<u>Total</u>
	<u>Filled</u>	<u>Vacant</u> ^{b/}		
Director and Consultant's Office	3	-	-	3
\$10-15,000	8	3	3	14
8-10,000	11	3	3	17
6- 8,000	9	1	-	10
4- 6,000	12	-	2/4	14/16
Under 4,000	4	-	-	4
	47	7	8/10	62/64

a/ Including all present positions plus Division Chief for Europe which has been foreseen but not budgeted for.

b/ Including de Fleurieu and Robinson.

*International Bank for Reconstruction and Development***Administrative Circular**

January 22, 1951


Economic Department - Changes in Assignment

The North Atlantic Treaty Council has requested the continued services of Mr. J. Burke Knapp, Assistant Economic Director, and the Bank has consequently extended Mr. Knapp's leave of absence through September 30, 1951.

Effective immediately, Mr. Martin M. Rosen will assume the position of Assistant to the Economic Director and will act for the Director in his absence, or as requested, at meetings and in conferences both within and outside the Bank.

The Central Statistical and Foreign Investment Services are transferred, effective immediately, to the General Economic Studies Division. Mr. E. Harrison Clark will also transfer as of this date to the General Economic Studies Division as Chief of the Statistical and Foreign Investment Section.

Also effective immediately, Mr. Alexander Stevenson will be Chief of the European Section and will assume the regular duties of that position.


William F. Howell
Acting Director of Administration

OFFICE MEMORANDUM

TO: Dr. Antonin Basch

FROM: A. Ordoobadi *A.O.*

SUBJECT: Visit to Financial Institutions of New York City,
October 24-27, 1950.

DATE: November 7, 1950

VS

October 24th. The Marketing Department - IBRD

The afternoon was spent in the New York Office, where the functions of the Marketing Department were discussed by Messrs. Mudge and Peck. Mr. Peck conducted the discussion on the various loan operations that IBRD has undertaken to date. In addition, Mr. Peck discussed the general security market problems and the different methods of distributing securities. He further explained the favorable and unfavorable features of the following methods of distributing securities:

Competitive Bidding
Direct Sale to Investors
Negotiated Sale to Underwriters
Formation of Selling Group.

October 25th. The Chase National Bank

I visited the Chase National Bank where Mr. Reeves, one of the Vice Presidents, introduced me to Messrs. Burke and Taylor. Mr. Burke discussed the functions of the Bond Department, and Mr. Taylor gave a talk on the Municipal Bonds.

During lunch Mr. Reeves discussed the money market situation. He explained the recent steps taken by the Federal Reserve to control credits. In addition to the steps taken since August, the Federal Reserve has threatened to increase the banks reserve requirements. As a result of this threat the Chase National Bank has kept a certain amount of dollars on a "standby" basis. In the afternoon Mr. Burke talked on the security market problems and the different divisions of the Bond Department were visited.

October 26th. The Chase National Bank

I visited the Research and the Foreign Departments. In the Research Department, the import and exchange regulations of principal countries were discussed. In the Foreign Department, I met Messrs. Major and Kimberland. Both have been in the Middle and Far East for sometime and are quite familiar with these regions. Mr. Kimberland explained the functions of the Foreign Department.

The afternoon was spent in the Credit Department. Here the varied functions of the Department were discussed. The Domestic Division of the Foreign Department handles all credit matters with respect to individuals,

banks and business enterprises located in the United States and Canada. This division is divided into different sections: Credit Analysis Section, Statement Analysis Section, General Credit Section, Bank Section, and Files Sections.

Credit Analysis Section. The duties of "Credit Analysts" and "Credit Alternates" of this section are the following:

Interpretive analysis of financial statements;

To make credit investigation on accounts and prospective accounts;

Answer credit inquiries;

Summarize loan agreements, and

Make checkings to see that the borrowers are complying with the provisions set forth in agreements.

The latter function is some sort of "End-Use Supervision".

Statement Analysis Section. This section is responsible for the setting up of financial statements year by year.

The General Credit Section. This section is divided into: Investigation Section and the Correspondence Section. The former makes credit investigations on individuals and business enterprises who are not customers of the Chase National Bank. The latter answers the credit inquiries on individuals and business enterprises.

The Banks Section. This section is responsible for the maintenance of the information in the credit folders.

The Foreign Division of the Credit Department handles all credit matters with respect to individuals, business enterprises, and banks located in foreign countries. The broad functions of the Foreign Division and the Domestic Division and their methods of operation are quite similar.

October 27th. New York Curb Exchange - Federal Reserve Bank of N.Y.

During the morning the New York Curb Exchange was visited. Messrs. F.A. Truslow and Sheehan explained the functions of a modern security market. Their talk included a visit to the Trading Floor where it was possible to view the actual execution of orders. Although some of the brokers were complaining of inadequate business, there seemed to be enough business to observe how the orders are actually transacted.

In the afternoon a tour of the Federal Reserve Bank of New York was conducted.

The visits to the IBRD Marketing Department, the Chase National Bank, and the New York Curb Exchange were highly instructive. The visit to the Marketing Department was helpful in disclosing the functions of this Department. The visits to other financial institutions gave me the opportunity to see the security business in actual operation. I also valued my brief observation in the Credit and the Foreign Departments of the Chase National Bank.

A.Ordoobadi/mm

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

TO: Mr. R. L. Garner

DATE: October 18, 1950

FROM: J. Burke Knapp

SUBJECT: Wider Distribution by the Bank of Economic Information

The following memorandum repeats the proposals which I made to you orally the other day regarding how the Bank might do a more effective job in securing wider distribution of the valuable fund of economic information which is in its possession. These proposals are guided by two basic considerations:

(a) that the Bank can perform a very worthwhile public service by disseminating more information, and

(b) that the prestige of the Bank, and its general public relations, would be served thereby.

Briefly my proposals are:

(1) that the Bank issue for public distribution once or twice a month a publication containing notes on current developments around the world in the fields of international investment and economic development, consisting of brief reports prepared in the Bank on progress in these fields in particular countries, plus clippings from newspapers and other sources. In comparison with Sections II and III of the Bank's present white bulletin, I would suggest that this publication concentrate its subject matter on material of direct interest to the Bank's functions - i.e. international investment and economic development - and try to provide a more systematic and comprehensive coverage of developments in these fields (the remaining parts of the present bulletin should, of course, remain as an internal Bank service).

(2) that supplements to this regular publication be issued from time to time as the material is provided through the Bank's regular work, in the form of factual and descriptive reports on the economies of the Bank's member countries. For obvious reasons such reports would have to stop short of expressing critical judgments, of venturing predictions or of deriving substantive conclusions. Nonetheless, as we work over the problems of our member countries we acquire a body of knowledge about their economic structure, institutions and current conditions which would be very difficult to duplicate elsewhere and which would provide valuable informational and research material to a great many outside people.

*yellow file
copy in Research
Studies*

(3) that the Bank should include in its annual report a survey of significant trends and developments during the year under review in the fields of international investment and economic development. This third proposal is not really very closely linked to the first two except to the extent that activity under the first two headings would help to accumulate material which would be helpful in preparing the annual review.

The clientele for the publication proposed above, together with its periodic supplements, would include our member governments (in the case of the United States Government I am sure a large number of agencies and offices would be very interested), other international agencies, universities and research institutions of all kinds, banks and investment institutions, and probably a considerable range of business institutions and organizations.

Nothing is gained without effort and expense, but I believe that we have arrived at the point where such a project could be carried out in a creditable way without imposing a much greater burden of research and collection of material than we should be undertaking anyway for our own sake.

There are, of course, a lot of details which would have to be worked out on this project but, as you have suggested, it would be wise to get a general judgment on the value of such an enterprise before attempting further refinement of the proposals. I am therefore distributing copies of this memorandum as indicated below.

cc - Messrs. Rist
Parker
Mendels
Hoar
Demuth
Graves
Riley
Sommers

Arg. Economic Dept.

Mr. William F. Howell

October 10, 1950

J. Burke Knapp

After our conversation of yesterday and upon further consideration of the question, it has seemed to me desirable to authorize Mr. Lipkowitz to engage in a research project for the Economic Commission for Latin America on the understanding that this work will be done wholly in his spare time and that he will not allow it to conflict in any way with his Bank duties.

His work will be part of a general research project in which the Bank has a substantial interest, and we also feel it in our interest to cultivate good relations with ECLA. Furthermore, I do not envisage any way in which Mr. Lipkowitz' work on this project, which is concerned with an analysis of Latin American foreign trade, could prove embarrassing to the Bank.

The main problem is to assure that Mr. Lipkowitz' work on this project does not conflict with his Bank duties or diminish his effectiveness in the Bank's work. I have reviewed this matter thoroughly with Mr. Lipkowitz and he has assured me that he will conscientiously observe this principle, also he will carry out this work without calling upon any other members of the Bank's staff for research assistance or stenographic help.

cc - Messrs. Rodan
Lipkowitz

JBKnapp:dbs

*X Economic Comm.
for Latin America*

MEMORANDUM

October 3, 1950

TO: Mr. Donald D. Fowler
FROM: Charles G. Geor
SUBJECT: Trade Tabulation Project - Possible Special Project

The trade tabulations as now produced are in millions of dollars with one decimal place, but the decimal point is not shown. The decimal point is not shown because the machines at the B.L.S. Tabulation Branch do not have type bars with decimal points as standard equipment.

It has now become more than ever desirable to show a decimal point in each of the eight columns on the final tabulation. This can be achieved by installing removable type bars with decimal points at a one-time cost of approximately \$120.

The Fund has asked the Bank and the U.N. to consider sharing this one-time expenditure. Discussions will take place shortly with the U.N. to determine the extent of their participation in this special cost and as soon as that is settled I will be in a position to advise you of the amount that we should consider spending for this purpose. As a preliminary figure, I suggested that we think in terms of \$40.

I am sending you this memorandum to acquaint you with the situation but not to request any allocation of funds as yet.

CGGeor:kes

Economic Dept

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FOR THE PRESS

Press Release No. 206

FOR IMMEDIATE RELEASE

August 23, 1950

The International Bank for Reconstruction and Development announced today the appointment of Egbert de Vries as chief of the Economic Resources Division of the Bank's Economic Department. Dr. de Vries, who since March 1947, has been Professor of Tropical Agriculture at the University of Wageningen, in the Netherlands, and advisor to the Netherlands Ministry of Overseas Affairs, joined the Bank's staff on August 14.

As chief of the Economic Resources Division, Dr. de Vries will supervise preparation of studies and reports on particular sectors of the economies of member countries, such as agriculture, transportation and communication, fuel and power, etc., as well as studies on trends and developments in world production, consumption, and markets for leading commodities.

From 1924 until 1941 Dr. de Vries was in the service of the Government of the Netherlands East Indies. From 1937 to 1941, he headed the Division for General Economic Affairs in the Department of Economic Affairs. In 1941 he was appointed Professor of Agricultural Economics and Dean of the Agricultural Faculty at the University of Batavia in Indonesia, a post he kept until returning to the Netherlands in 1946.

He has also been a special advisor to the Netherlands and Netherlands East Indies Governments on economic development projects, a member of the National Economic Planning Board in the Netherlands, Chairman of the Netherlands National Committee for Technical Assistance and delegate to a number of international conferences (FAO, ITO, etc.). He is the author of two books and many articles on economic development.

Dr. de Vries, who was born in the Netherlands in 1901, holds a Masters degree and a Doctorate in tropical economics from the University of Wageningen.

Copy filed - Press

FILE COPY

Econ. Dept.

Mr. Burke Knapp

June 22, 1950

Maurice F. Perkins

Report on Inspection Trip of the United States Cotton Belt

This trip was conducted by Mr. E.D. White, Assistant to the Secretary of Agriculture for Cotton, and Mr. F.H. Whitaker, Cotton Specialist for Europe, O.F.A.R., Department of Agriculture. A considerable number of delegates to the Ninth Plenary Session of the International Cotton Advisory Committee were included in the tour. Arrangements for inspection of textile, weaving and dyeing plants and cotton exchanges were made largely by the National Cotton Council.

Visits in North and South Carolina were confined to two mills and Clemson College. The textile mill (Alice Manufacturing Company) was engaged in manufacturing one gray cloth construction. The operations were completely integrated from the opening of the cotton bales through the carding and spinning processes to the weaving of the gray cloth. The dyeing and finishing plant (Southern Bleaching and Print Works) was engaged in processing gray cloth on a commission basis. The processes of bleaching, sanforizing, dyeing and printing were performed here. Clemson College provides a four year course leading to the B.Sc. degree in textile engineering. The plant contains equipment for the carding, spinning, weaving, knitting, dyeing and printing of cotton, rayon and nylon. A complete inspection was made of the equipment in these three institutions.

At Knoxville, Tennessee a tour was made of the Norris Dam and surrounding facilities. Though this had nothing to do with cotton T.V.A. personnel concerned with agriculture in the Tennessee Valley conducted the party on a tour of a large dairy farm to demonstrate the drainage and soil rehabilitation phases of the T.V.A. in an area which had been badly eroded.

At Memphis, the world's largest spot cotton market, a tour was made of the Exchange and a number of sellers warehouses and showrooms where cotton was being classed for staple and grade prior to sale. Visits to the Federal Compress Company and a cottonseed and soybean oil crushing plant were made.

The inspection of the Mississippi-Yazoo cotton area of the Delta region included inspections of the Hopson Planting Company (4,000 acres 100 percent mechanized) the King and Anderson Plantation, the U.S. Cotton Ginning and Testing Laboratories, Stoneville, Miss., the Mississippi State Agricultural Experiment Station, the Stoneville Pedigree Seed Company, the Delta and Pineland Company and the Staple Cotton Cooperative Association, Greenville, Miss. This area is admirably suited to the mechanization of cotton being constituted of low, flat land. With the growing scarcity of negro labor and high wages experienced during and since the war, mechanization in most phases of cotton production had been instituted to a fairly considerable degree. Equipment dealing with such methods was demonstrated and inspected as well as related ginning problems. Apart from the problem of high labor costs and mechanization, this area is wrestling with the question of the alternative use of high cost land which could not be planted to cotton under the acreage restriction programme.

To: Mr. B. Knapp

- 2 -

At New Orleans an extensive tour was made of the port and warehouse facilities for handling cotton including the New Orleans Cotton Exchange and the Southern Regional Research laboratories.

All in all this tour provided the writer with an excellent opportunity to survey the problems and methods of cotton production and processing in the South. The tour was well planned and the leaders were men of experience in their field and particularly with regard to cotton production in the Delta area. At each place considerable opportunity was provided to meet leading men engaged in the industry and a number of valuable contacts were made.

OFFICE MEMORANDUM

TO: Mr. William L. Ayers

DATE: June 8, 1950

FROM: Marie-Louise Cathala *MLC*

SUBJECT: Visit of Bank economists to the Bank.-

In confirmation of the telephone conversation I had with your office today, I am giving you here below the names of the various bank economists who plan to visit the Bank on June 13th at 10.15 a.m.

Messrs. Beckhart (The Chase National Bank)
Bernard (Credit Lyonnais)
Brower (Amsterdamsche Bank)
Crick (Midland Bank)
Dacey (Lloyds Bank)
Gerbi (Banca Commerciale Italiana)
Germain-Martin (B.N.C.I.)
Holder (Bank of New South Wales)
Lindow (Irving Trust Cy)
Merry (Union Bank of Australia)
Murray (Bankers Trust Cy)
Renooy (Nederlandsche Handelsmaats.)
Simmons (Guarantee Trust Cy)
Thunholm (Svenska Handelsbanken)

4 dom - 14

As you know, all of them attended the Conference of Commercial Bank economists in Atlantic City, from May 31st to June 11th 1950.

FILE COPY

25 Mai 1950

Mon cher ami,

Je vous envoie copie ci-jointe de la lettre que j'ai remise à mon adjoint et ami, M. Burke Knapp.

Je me permets de le recommander tout particulièrement à votre bon accueil. M. Knapp sera à Londres à partir du 28 Juin jusqu'au 4 Juillet et téléphonera dès son arrivée pour prendre rendez-vous. Je vous remercie à l'avance de l'accueil que vous voudrez bien lui réserver.

J'aimerais également que vous lui fassiez rencontrer Festy, au cas où celui-ci serait toujours candidat à un poste à la Banque. Il est possible en effet que dans un avenir proche nous puissions lui offrir une situation qui pourrait répondre à ses aptitudes et qualifications. Il y a deux ans, Guindey paraissait d'accord pour appuyer sa candidature, mais j'aimerais avoir votre opinion personnelle. Si vous pouviez voir la question avec Knapp, ce serait de beaucoup le mieux.

Puis-je aussi profiter de l'occasion pour vous remercier des notes si intéressantes que vous m'envoyez fidèlement ? J'ai pris la paresseuse habitude de ne pas en accuser réception, mais laissez-moi vous dire à quel point je les apprécie et combien elles me sont utiles.

J'espère vivement vous voir en Septembre lorsque j'irai à Paris pour la réunion des Gouverneurs. En attendant, croyez, mon cher ami, à mes sentiments bien fidèles et bien sincères.

Léonard Rist,
Directeur des Etudes Economiques

Monsieur René Sergent
Attaché Financier
Ambassade de France
4, Carlton Gardens
L o n d r e s SW 1

FILE COPY

24 Mai 1950

Mon cher ami,

M. Burke Knapp, le porteur de cette lettre, est "Assistant Director" du service économique de la Banque Internationale, c'est-à-dire qu'il est à la fois mon principal adjoint et mon substitut. C'est en outre un excellent ami. Sa brillante carrière au Federal Reserve Board et au Département d'Etat l'a amené à s'occuper de près des affaires économiques et financières de l'Europe et à y jouer un rôle important. Il sera de passage à Londres, en route pour Bâle où il assistera à la réunion annuelle de la Banque des Réglements Internationaux.

Je suis convaincu que vous trouverez plaisir et intérêt à le rencontrer et vous serai personnellement reconnaissant de tout ce que vous pourrez lui dire sur la situation de notre pays et sur son point de vue dans les affaires du monde.

Je vous remercie à l'avance de l'accueil que vous voudrez bien lui réserver, et vous prie de croire, mon cher ami, à mes sentiments bien fidèles et les meilleurs.

Léonard Rist,
Directeur des Etudes Economiques

Monsieur René Sergent
Ambassade de France
Londres

FILE COPY

Dir. Economie Sept

24 Mai 1950

Monsieur le Gouverneur,

Je vous envoie ci-joint copie de la lettre ✓
que j'ai remise à mon adjoint et ami, M. Burke Knapp.

Je me permets de le recommander tout
particulièrement à votre bon accueil. Je crois
d'ailleurs que vous avez déjà eu l'occasion de le
rencontrer, car il a joué un rôle important dans
les diverses délégations américaines qui ont eu
à traiter des affaires françaises.

Mr. Knapp sera à Paris les 7, 8 et 9 Juin
et téléphonera dès son arrivée pour prendre rendez-
vous.

Je vous remercie vivement à l'avance
et vous prie de croire, Monsieur le Gouverneur, à
mes sentiments respectueux et très fidèles.

Léonard Rist,
Directeur des Etudes Economiques

Monsieur Wilfrid Baumgartner
Gouverneur
Banque de France
P a r i s

FILE COPY

23 Mai 1950

Monsieur le Gouverneur,

M. Burke Knapp, le porteur de cette lettre, est "Assistant Director" du service économique de la Banque Internationale, c'est-à-dire qu'il est à la fois mon principal adjoint et mon substitut. C'est en outre un excellent ami. Sa brillante carrière au Federal Reserve Board et au Département d'Etat l'a amené à s'occuper de près des affaires économiques et financières de l'Europe et à y jouer un rôle important. Il sera de passage à Paris, en route pour Bâle où il assistera à la réunion annuelle de la Banque des Réglements Internationaux.

Je suis convaincu que vous trouverez plaisir et intérêt à le rencontrer et vous serai personnellement reconnaissant de tout ce que vous pourrez lui dire sur la situation de notre pays et sur son point de vue dans les affaires du monde.

Je vous remercie à l'avance de l'accueil que vous voudrez bien lui réserver et vous prie de croire, Monsieur le Gouverneur, à mes sentiments respectueux et très fidèles.

Léonard Rist,
Directeur des Etudes Economiques

Monsieur Wilfrid Baumgartner
Gouverneur
Banque de France
P a r i s

FILE COPY

Org. Economie
Rept.

24 Mai 1950

Mon cher Papa,

Je t'envoie ci-joint copie de la lettre
que j'ai remise à mon adjoint et ami, M. Burke Knapp.

Je ne permets de le recommander tout
particulièrement à ton bon accueil. Je ne pense pas
que, bien qu'il ait joué un rôle important dans les
diverses délégations américaines qui ont eu à traiter
des affaires françaises, tu aies déjà eu l'occasion
de le rencontrer et je serais heureux que tu puisses
le recevoir.

M. Knapp sera à Paris les 7, 8 et 9 Juin
et téléphonera dès son arrivée pour prendre rendez-
vous.

Je te remercie vivement à l'avance.

Très affectueusement,

Léonard

Monsieur Charles Rist
18 bis, rue du Parc de Clagny
Versailles, Seine & Oise

FILE COPY

23 Mai 1950

Mon cher Papa,

M. Burke Knapp, le porteur de cette lettre, est "Assistant Director" du service économique de la Banque Internationale, c'est-à-dire qu'il est à la fois mon principal adjoint et mon substitut. C'est en outre un excellent ami. Sa brillante carrière au Federal Reserve Board et au Département d'Etat l'a amené à s'occuper de près des affaires économiques et financières de l'Europe et à y jouer un rôle important. Il sera de passage à Paris, en route pour Bâle où il assistera à la réunion annuelle de la Banque des Réglements Internationaux.

Je suis convaincu que tu trouveras plaisir et intérêt à le rencontrer et te serai personnellement reconnaissant de tout ce que tu pourras lui dire sur la situation de notre pays et sur son point de vue dans les affaires du monde.

Je te remercie à l'avance de l'accueil que tu voudras bien lui réserver.

Très affectueusement,

Léonard

Monsieur Charles Rist
Banque Ottomane
Rue Meyerbeer, Paris

FILE COPY

*By Economie
Left*

23 Mai 1950

Cher Monsieur et ami,

M. Burke Knapp, le porteur de cette lettre, est "Assistant Director" du service économique de la Banque Internationale, c'est-à-dire qu'il est à la fois mon principal adjoint et mon substitut. C'est en outre un excellent ami. Sa brillante carrière au Federal Reserve Board et au Département d'Etat l'a amené à s'occuper de près des affaires économiques et financières de l'Europe, et à y jouer un rôle important. Il sera de passage à Paris, en route pour Bâle où il assistera à la réunion annuelle de la Banque des Règlements Internationaux.

Je suis convaincu que vous trouverez plaisir et intérêt à le rencontrer et vous serai personnellement reconnaissant de tout ce que vous pourrez lui dire sur la situation de notre pays et sur son point de vue dans les affaires du monde.

Je vous remercie à l'avance de l'accueil que vous voudrez bien lui réserver et vous prie de croire, cher Monsieur et ami, à mes sentiments respectueux et très fidèles.

Léonard Rist,
Directeur des Etudes Economiques

Monsieur Jean Monnet
Comité du Plan
18, rue de Martignac
P A R I S

File Copy

24 Mai 1950

Cher Monsieur et ami,

Je vous envoie ci-joint copie de la lettre que j'ai remise à mon adjoint et ami, M. Burke Knapp.

Je me permets de le recommander tout particulièrement à votre bon accueil. Je crois d'ailleurs que vous avez déjà eu l'occasion de le rencontrer, car il a joué un rôle important dans les diverses délégations américaines qui ont eu à traiter des affaires françaises.

M. Knapp sera à Paris les 7, 8 et 9 Juin et téléphonera dès son arrivée pour prendre rendez-vous.

Je vous remercie vivement à l'avance et vous prie de croire, cher Monsieur et ami, à mes sentiments respectueux et très fidèles.

Léonard Rist,
Directeur des Etudes Economiques

Monsieur Jean Monnet
Comité du Plan
18, rue de Martignac
P a r i s

FILE COPY

*Dir. Economique
Dpt.*

23 Mai 1950

Cher Monsieur et ami,

Je vous envoie ci-joint copie de la lettre
que j'ai remise à mon adjoint et ami, M. Burke Knapp. ✓

Je me permets de le recommander tout
particulièrement à votre bon accueil. Je crois
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Léonard Rist,
Directeur des Etudes Economiques

Monsieur Emmanuel Monick
Président
Banque de Paris et des Pays Bas
Rue d'Antin
Paris

FILE COPY

23 Mai 1960

Cher Monsieur et ami,

M. Burke Knapp, le porteur de cette lettre, est "Assistant Director" du service économique de la Banque Internationale, c'est-à-dire qu'il est à la fois mon principal adjoint et mon substitut. C'est en outre un excellent ami. Sa brillante carrière au Federal Reserve Board et au Département d'Etat l'a amené à s'occuper de près des affaires économiques et financières de l'Europe et à y jouer un rôle important. Il sera de passage à Paris, en route pour Bâle où il assistera à la réunion annuelle de la Banque des Réglements Internationaux.

Je suis convaincu que vous trouverez plaisir et intérêt à le rencontrer et vous serai personnellement reconnaissant de tout ce que vous pourrez lui dire sur la situation de notre pays et sur son point de vue dans les affaires du monde.

Je vous remercie à l'avance de l'accueil que vous voudrez bien lui réserver et vous prie de croire, cher Monsieur et ami, à mes sentiments respectueux et très fidèles.

Léonard Rist,
Directeur des Etudes Economiques

Monsieur Emmanuel Monick
Président
Banque de Paris et des Pays Bas
P a r i s

Org - Economic Dept.

Mr. J. Burke Knapp, Asst. Director, Economic
Dept.
D. Crena de Iongh, Treasurer

March 24, 1950

I have been giving some thought to your question about whom you should approach in Holland to get suggestions as to an economist for your Department.

Of course, Liefstinck, the Minister of Finance, who is himself an economist, would be a very good source, just as would Dr. Holtrop of the Netherlands Bank. His colleague at the bank, Mr. Posthuma, is still teaching so he may be a very good source too. I think Professor Verreyen Stuart, who is now the principal managing director of the Amsterdamsche Bank would be a very good source for you, also Mr. Albarda of the Netherlands Trading Society might give you good advice, especially as to economists who are acquainted with the Far East. The best man to approach at the University of Amsterdam would be Professor Keesing, while I think that the best man to get in touch with at the Rotterdamsche Handels Hoogeschool would be Professor F. de Vries. (There is another de Vries, W. C. de Vries, who is, however, a professor of law.) A man who I think might give you very good advice too is Professor Dr. P. Kuin who is now in the service of Unilever and who may be found in either their London or Rotterdam office - he divides his time between the two. He has taught, has been in Government service and is now working for Unilever. I think very highly of him and believe he would be worthwhile seeing.

I hope the above will be of some service to you. Should you want any further information, please let me know.

March 20, 1950

Questions for Discussion on
Economic Department Organization

1. The establishment of a single position of "Assistant Economic Director" in the Office of the Economic Director.
2. As a corollary to 1, the elimination of the Area Divisions and Chief of Advisory Staff Divisions level on organization chart.
3. The position of Assistant to the Economic Director (E. Harrison Clark).
 - (a) Location on Organization Chart
 - (b) Title - Assistant to the Economic Director v. Executive Assistant?
 - (c) Foreign Investment to General Studies Division?
4. Integration of work of "Consultant to Director" (Varvaressos) to remainder of Department.

Could he be made head of General Economic Studies Division?

5. Question of additional personnel for Economic Resources Staff to supplement work of Minerals and Transportation specialists?
6. Question of number of juniors in each division and ratio to higher level personnel?
7. Question of number of economists to be added for general mission work?

OFFICE MEMORANDUM

TO: Mr. C. G. Parker

DATE: March 6, 1950

FROM: Donald D. Fowler *DDF*

SUBJECT: Economic Department - Organization

Attached is the preliminary Organization Chart and Organization Bulletin for the Economic Department prepared by Mr. Knapp on or about February 20. Also attached are my comments on the proposed organization written after a meeting with Messrs. Rist and Knapp on February 20.

Following this meeting Mr. Poore and myself discussed the Economic Department situation with Mr. Garner who indicated (a) that within a six month period from the date of Mr. Knapp's appointment there should only be one Assistant Director of the Department, and (b) that except for some additional personnel available for technical assistance missions, the original decision to maintain the department at approximately 60 staff members should be maintained.

On February 27, I had another meeting with Mr. Knapp emphasizing the above general requirements. As a result he has informed me that he is giving serious consideration to reducing the number of geographical divisions from six to three. The three geographical divisions would be as follows: Europe and Africa, Latin America, Middle and Far East. It is his intention to make Mr. Basch head of the Middle and Far East Division and appoint two additional high-level economists to the remaining two divisions. I think also he will show only one Assistant Economic Director in the Office of the Director and otherwise will follow the general organization scheme set forth in the Organization Chart prepared by this division which is also attached.

I would appreciate your review of and comments on the attached material.

March 6, 1950

Messrs. Black and Garner

Mr. J. Burke Knapp

C O N F I D E N T I A L

Organization and Staffing Requirements
of the Economic Department

In accordance with our discussions before I came to the Bank, I have been devoting special attention since my arrival here to the internal organization problem of the Economic Department and to its staffing requirements. I feel that I have now had sufficient experience here to arrive at certain definite conclusions on these matters, which are presented in the following memorandum with its attachments.

The first attachment is a draft statement on the organization, operations and functions of the Economic Department which might be used for the purposes of the Administrative Manual. The second attachment is a chart setting forth my recommendations with respect to the internal organization of the Department and its staffing requirements.

My main conclusions are:

(1) On the whole the functions and responsibilities of the Economic Department seem fairly well defined, but there is need for clarification of the role of our "functional economists" (e.g., those specializing in agriculture, transportation, etc.) vis-a-vis the Area Divisions in the Economic Department on the one hand and the engineering group in the Loan Department on the other.

(2) In order to discharge these functions and responsibilities, there should be a somewhat revised organizational structure in the Economic Department, the main features of which are (a) a regrouping of the area economists in a smaller number of divisions, and (b) bringing the non-area economists under the general heading of "Advisory Staff".

(3) Finally, these functions and responsibilities can be adequately discharged at the present time only with substantial additions to the professional staff in the Department, especially at senior levels.

Further comments on these points are presented below.

.....

1. Functions

Your attention is called to two functions of the Economic Department which may not in the past have received adequate emphasis: (a) economic studies for

purposes of advice to member countries on their economic development problems, and (b) studies on particular sectors of the economies of foreign countries.

The first is a function which is coming increasingly to the fore in connection with various Bank advisory missions, e.g. Colombia, Turkey, Guatemala, and perhaps Chile. I am sure there will be increasing activities of this kind and I believe that the Bank ought to be equipped to make a larger contribution to this work from its own staff rather than from outside consultants.

The second is a function which requires definition in relation to the work of the engineering group on project analysis. To take the field of agricultural economics as an example, I believe that our agricultural economists should be charged with making surveys of the agricultural sectors of foreign economies designed to establish the relation of the proposed project to the country's general agricultural development problems and program. Such studies would create a framework within which the technical and engineering analysis of the project could be more intelligently considered. Studies of this kind would also make an important contribution to the broader studies of the area economists, whether prepared in connection with loan applications or for other purposes. In the attached papers, I have sought to establish procedures which would assure this coordination.

2. Organizational Pattern

The proposed organizational structure for the Economic Department is closely related to the staffing requirements. In general it is my feeling that the Economic Department should have a greater number of senior people and a smaller number of organizational units. Among other things, the revised plan of organization would prove much more adaptable to prolonged absences of key people on missions or on leave; in particular it would give better assurance that there would be at all times adequate supervision over the work of intermediate and junior members of the economic staff.

You will note that I have retained two Assistant Economic Directors with each having primary responsibility for directing the work of one of the major branches of the Department. On grounds of administrative principles alone, there would seem to me ample justification for such an arrangement, and the need for two persons at this level is increased by the likelihood that foreign missions will from time to time require the extended absence of top personnel in the Department.

3. Personnel Requirements

I realize that the additional positions indicated on the chart add up to a substantial increase in the personnel of the Economic Department. I have considered this question very carefully and have trimmed my suggestions to the minimum which seems to me indicated at the present time. I have not tried to anticipate future needs arising from a major expansion of the Bank's activities.

In your consideration of these proposals I would urge that you bear in mind two factors:

(a) The very large amount of time required for foreign mission work. While this burden will fall principally upon the area economists, members of the Advisory Staff may become increasingly involved. Even members of the General Economic Studies Staff will probably be required from time to time for mission work - e.g., the Chief and the senior economist of this Staff might well serve as heads of economic advisory missions.

(b) The time-consuming character of economic research and analysis which cannot be done effectively by people who are switched rapidly from one job to another to meet current operational requirements. My experience so far has impressed upon me the very heavy pressure of work upon our present economic staff, and their inability to find time for preparing studies in anticipation of future needs.

Two further comments on the specific personnel recommendations which I have indicated on the chart:

(a) For the positions of Chief of the Europe and Africa Division, the Latin America Division, and the Economic Resources Staff, I would have in mind getting people who are really outstanding in their respective fields. The first position, however, I suggest leaving open for the time being on the expectation that a year hence, as ERP comes closer to its end, we would have a better chance of getting the right man.

(b) In recruiting the Chief of the Economic Resources Staff, I would like to emphasize experience in agricultural economics in view of the dominant importance of this subject in much of the Bank's work. The three additions to this group at the intermediate level would be: (1) another man in agricultural economics, preferably with knowledge of tropical agriculture; (2) a general fuel and power man to work with Mr. Lipkowitz; and (3) a man in general industrial economics, emphasizing knowledge of international trade in capital goods, to work with Mr. Wubnig.

cc: Messrs. Parker ✓
Rist

3/7/50

Mr. Parker,

These are attachments
for the memo dated 3/6/50
addressed to Messrs. Black
and Garner which was sent
to you this morning.

Mrs. Seal

ECONOMIC DEPARTMENT
ORGANIZATION AND OPERATION

ORGANIZATION

A. Office of Economic Director

(1) The Economic Director is the administrative head of, and is responsible for the operations of, the Economic Department.

(2) There are two Assistant Economic Directors. The first has general responsibility under the Director for administration of the Department, and is assigned particular responsibility for planning and supervising the activities of the Area Divisions; the second is assigned particular responsibility for planning and supervising the work of the Advisory Staff.

(3) The Consultant to the Director is responsible for preparing studies and giving advice on general economic and financial problems.

(4) The Executive Assistant to the Director handles administrative matters for the Department, assists in scheduling and reviewing economic studies, and prepares special reports for the Director as required.

(5) The Central Statistical Section maintains statistical records and prepares statistical reports for the Economic Department, and for other Offices and Departments of the Bank as required.

(6) The Foreign Investment Records Unit prepares studies of the external debt position of foreign countries, and other reports on the structure of international investment.

B. Area Divisions

There are three Area Divisions covering, respectively, Europe and Africa,

Latin America, and Asia. The Chief of each Division reports to the first Assistant Economic Director.

Each Area Division is responsible for preparing, with assistance from members of the Advisory Staff in specialized fields, studies and reports on the economic and financial structure, conditions, and prospects of countries in its area, for use in: (1) appraising the general economic justification of loan applications received or anticipated by the Bank, including the creditworthiness of the prospective borrowing country; (2) assessing the consequences of and prospects for loans made by the Bank; (3) giving advice to member countries, upon request, with respect to their economic development problems; and (4) keeping informed with regard to significant developments in other countries in the area.

Members of the Area Divisions represent the Department on loan working parties and serve on Bank missions as required.

C. Advisory Staff

The Advisory Staff consists of an Economic Resources Staff and a General Economic Studies Staff; the Chiefs of each report to the second Assistant Economic Director.

The principal functions of the Economic Resources Staff are (1) to prepare, in consultation with the appropriate Area Division, studies and reports on particular sectors of the economies of foreign countries (e.g. agriculture, transportation and communication, fuel and power, etc.); (2) to prepare studies on trends and developments in world production, consumption, and markets for particular commodities and services; and (3) to provide personnel for Bank missions and give advice and guidance, as required, to loan working parties.

The principal functions of the General Economic Studies Staff are (1) to prepare analytic studies of economic problems for use in formulating the Bank's economic policies or in advising member countries on their economic development problems; (2) to prepare studies of general trends and developments in international trade and finance, and in the United States economy, which are likely to have important consequences for the Bank's operations; and (3) to provide personnel for Bank missions.

OPERATION

A. Studies for Use in Appraising Loan Applications

The Economic Department is informed by the Loan Director whenever it appears that a loan application will be coming up for consideration by the Bank. The first Assistant Economic Director assigns to the appropriate Area Division, and establishes priority for, the preparation of the necessary economic studies. The area economist who is assigned this responsibility is designated as the Department representative on the loan working party; an assistant is designated as his alternate and appropriate members of the Advisory Staff collaborate in the preparation of studies and in the presentation before the loan working party.

The necessary studies involve examination of the economic and financial structure, conditions, and prospects of the prospective borrowing country with a view to: (1) appraising the country's creditworthiness; (2) assessing the general economic justification for undertaking new investment in the sector of the economy concerned; (3) establishing the priority of the proposed investment within the framework of the country's over-all investment program and requirements; and (4) appraising the capacity of the country concerned to make the required supplementary allocation from its domestic resources without

undesirable economic consequences. In the preparation of such studies the Area Division is responsible for obtaining from members of the Advisory Staff the requisite information, advice and guidance, including in particular any necessary supporting studies by members of the Economic Resources Staff regarding particular sectors of the economy of the country concerned, and regarding world markets for particular commodities having special significance for that country.

Upon approval of such studies and reports by the Economic Director, they are submitted through the loan working party as supporting papers for the recommendations of the Loan Director to the Staff Loan Committee with respect to the loan application.

B. Studies for Purposes of Loan Administration

The Economic Director and the Loan Director determine when reports are to be prepared with respect to outstanding loans. The first Assistant Director assigns to the appropriate Area Division, and establishes priority for, the preparation of the necessary economic studies. The area economist who is assigned this responsibility is designated as the Department representative on the loan working party. The necessary studies involve a review of the current and prospective economic position of the country concerned with a view to appraising the contribution which the loan has made to the country's economy and evaluating the prospects for regular servicing of the loan. The economist assigned responsibility for this work obtains the requisite information, advice, and guidance from members of the Advisory Staff.

Upon approval of such studies and reports by the Economic Director, they are submitted through the loan working party as supporting papers for the report of the Loan Director to the Staff Loan Committee with respect to the outstanding loan.

C. Studies for Purposes of Advising Member Countries on Economic Development Problems

When requests are received by the Bank from member countries for general economic surveys, or other forms of advice or assistance with respect to their general economic development problems, the Economic Department prepares such studies and reports as may be required to provide guidance and background for a Bank mission dealing with the subject, or to provide the assistance directly if no need for a mission arises. The first Assistant Economic Director assigns, and establishes priority for, the preparation of such studies, either by the appropriate Area Division or by the Advisory Staff. Upon approval of such studies by the Economic Director, they are furnished through the Staff Office to the chief of the Bank's mission which is to deal with the subject; or, if no mission is required, they are submitted to the Management for transmission to the requesting country.

D. Other Country Studies

The Economic Department initiates such other country studies as appear desirable and feasible, including studies of economic conditions and developments in non-member countries which may have a significant influence on conditions in member countries.

E. Studies of Trends in International Trade and Finance

In response to requests from other Offices and Departments, or at its own initiative, the Economic Department through its Advisory Staff conducts studies of trends and developments in general international trade and finance, in the production, consumption, and markets for particular commodities and services, and in the United States economy, which are likely to have important consequences

for the Bank's operations. The second Assistant Economic Director assigns to the appropriate Advisory Staff, and establishes priority for, the preparation of such studies. Upon approval of such studies by the Economic Director, they are distributed to interested Offices and Departments.

F. Analytic Studies of Economic Problems

In response to requests from other Offices and Departments, or at its own initiative, the Economic Department through its General Economic Studies Staff prepares analyses of economic problems which are significant in the discharge of the Bank's functions. The second Assistant Economic Director establishes priority for such studies. Upon approval of such studies by the Economic Director, they are distributed to interested Offices and Departments.

ECONOMIC DEPARTMENT

ORGANIZATION AND OPERATION

ORGANIZATION

A. Office of Economic Director

(1) The Economic Director is the administrative head of, and is responsible for the operations of, the Economic Department.

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(3) The Consultant to the Director is responsible for preparing studies and giving advice on general economic and financial problems.

(4) The Executive Assistant to the Director handles administrative matters for the Department, assists in scheduling and reviewing economic reports and prepares special reports for the Director as required.

(5) The Central Statistical Section maintains statistical records and prepares statistical reports for the Economic Department, and for other
× Departments and Offices of the Bank as may be required.

(6) The Foreign Investment Records Section prepares studies of the external debt position of foreign countries, and other reports on the structure of international investment.

B. Area Operating Divisions

There are six Area Operating Divisions:

(1) Europe; (2) South America; (3) Central America; (4) Far East; (5) Middle East; (6) Africa. The Chief of each Division reports to the First Assistant Economic Director. The principal functions of the Area Operating Divisions are (1) to prepare studies of the economic structure, and reports on general economic conditions and prospects, in member countries for use in appraising the economic and financial justification of loan applications received or expected to be received by the Bank; (2) to prepare periodic reports, as required, on general economic conditions and prospects of member countries to which the Bank has made loans, including an assessment of the contribution which the loan has made to the country's economy; (3) to prepare studies of the economic structure and of economic conditions and prospects in member countries for use in giving such countries, upon request, advice and counsel with respect to their economic development problems; (4) to prepare studies and reports, as necessary, on other countries in the area; (5) to obtain from the Advisory Staff, as required, information, advice and guidance in the preparation of above studies and reports; (6) to represent the Department on loan working parties and provide personnel for Bank missions.

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C. Advisory Staff

The Advisory Staff consists of an Economic Resources Staff and a General Economic Studies Staff, the Chiefs of which report to the second Assistant Economic Director.

The principal functions of the Economic Resources Staff are (1) to prepare, in consultation with appropriate Area Operating Division, studies and reports on specific sectors of the economies of foreign countries (e.g. agriculture, minerals, transportation and communication, fuel and power, etc.);

(2) to prepare studies on trends and developments in world production, consumption, and markets for specific commodities and services; (3) to provide personnel for Bank missions and give advice and guidance, as required, to loan working parties.

The principal functions of the General Economic Studies Staff are (1) to prepare analytic studies of economic problems for use in formulating the Bank's economic policies or in advising member countries on their economic development problems; (2) to prepare studies of general trends and developments in international trade and finance, and in the United States economy, which are likely to have important consequences for the Bank's operations; (3) to provide personnel for Bank missions.

OPERATION

A. Studies for Use in Appraising Loan Applications

The Economic Department is informed by the Loan Director whenever it appears that a loan application will be coming up for consideration by the Bank. The first Assistant Economic Director assigns to the appropriate Area Operating Division, and establishes priority for, the preparation of the necessary economic studies. The area economist who is assigned this responsibility is designated as the Department representative on the loan working party; an assistant is designated as his alternate and members of the Advisory Staff collaborate in the presentation before the loan working party as required.

The necessary studies will ordinarily include a general examination of the economic structure of the prospective borrowing country with a view to determining the general economic justification and suitability of the proposed

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investment project; a review of the investment program and requirements of the country concerned with a view to assessing the priority of the proposed investment and the capacity of the country concerned to make the required contribution from its domestic resources; and an assessment of the capacity of the country concerned to service a loan from the Bank. In the preparation of such studies the Area Operating Division is responsible for obtaining from the Advisory Staff, as required, information, advice and guidance, including in particular any necessary supporting studies by the Economic Resources Staff on specific sectors of the economy of the country concerned and on world markets for specific commodities having special significance for that country.

Upon approval of such studies and reports by the Economic Director, they are submitted to the loan working party for use in developing the recommendations of the Loan Director to the Staff Loan Committee with respect to the loan application.

B. Studies for Purposes of Loan Administration

The Economic Department is informed by the Loan Director whenever periodic reports are to be prepared with respect to outstanding loans. The first Assistant Director assigns to the appropriate Area Operating Division, and establishes priority for, the preparation of the necessary economic studies. The area economist who is assigned this responsibility is designated as the Department representative on the loan ~~administration~~ working party. The necessary studies will ordinarily include a review of the current economic position of the country concerned; an assessment of the contribution which the loan has made to the country's economy; and an evaluation of the prospects for regular servicing of the loan. The economist assigned general responsibility

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for this work obtains information, advice, and guidance as necessary from the Advisory Staff.

Upon approval of such studies and reports by the Economic Director, they are submitted to the loan ~~administration~~ working party for use in developing the report of the Loan Director to the Staff Loan Committee with respect to ^{outstanding} ~~the status of the loans~~.

C. Studies for Purposes of Advising Member Countries on Economic Development Problems

When requests are received from member countries for general economic surveys or other forms of advice or assistance with respect to their general economic development problems, the Staff Office requests from the Economic Department such studies and reports as may be required to provide this assistance or to provide background for such Bank missions dealing with the subject. The first Assistant Economic Director assigns, and establishes priority for, the preparation of such studies, either by the appropriate Area Operating Division or by the Advisory Staff. Upon approval of such studies by the Economic Director, they are given to the Staff Office for transmission to the requesting country, or to the chief of the Bank's mission which is to deal with the subject.

D. Other Country Studies

The Economic Department initiates, as appears desirable and feasible, other country studies including studies of the economic structure and condition of non-member countries which have a significant economic influence on conditions in member countries.

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E. Studies of Trends in International Trade and Finance

In response to requests from other Offices and Departments, or at its own initiative, the Advisory Staff of the Economic Department conducts studies of trends and developments in general international trade and finance, in the production, consumption, and markets for specific commodities and services, and in the United States economy, which are likely to have important consequences for the Bank's operations. The second Assistant Economic Director assigns to the appropriate Advisory Staff, and establishes priority for, the preparation of such general studies. Upon approval of such studies by the Economic Director, they are distributed to interested Offices and Departments.

F. Analytic Studies of Economic Problems

In response to requests from other Offices and Departments, or at its own initiative, the Advisory Staff of the Economic Department conducts studies analyzing economic problems which are significant in the discharge of the Bank's functions. The second Assistant Economic Director establishes priority for such studies. Upon approval of such studies by the Economic Director, they are distributed to interested Offices and Departments.

*Org. - Eco. Dept.
1950
Knapp's file*

OFFICE MEMORANDUM

TO: Files

DATE: February 21, 1950

FROM: Donald D. Fowler

SUBJECT: Economic Department Organization

On February 20, Mr. Knapp prepared and submitted to this Division a revised Organization Chart and proposed Organization Bulletin defining and describing the internal organization and operation of the Economic Department. This material was submitted as an initial draft to be used as a basis for further discussion. On the same day I discussed the proposal with Messrs Rist, Knapp and E. Harrison Clark.

Mr. Knapp's proposal was based in part on a draft Organization Bulletin prepared by the Organization and Planning Division which was submitted to the Economic Department on January 9, 1950. On the basis of this draft the following suggestions were made:

1. That the term "division" be used to apply to the geographical divisions and to the International Trade and Investments and Commodities Units. It was our feeling that the term "division" was consistent with the secondary breakdown nomenclature used for all other departments of the Bank and that the term tended to give "status" to the head of the unit.
2. It was suggested that the number of geographical divisions be reduced from the current 5 to 4 by combining the Central American and South American Divisions. By so doing we believed that the number of staff could be held to a minimum with greater flexibility as to assignments. It would result also in having at least one major staff member at headquarters when other members of the staff were on missions in the field.
3. We also pointed out the difficulty which arises as a result of having two Assistant Directors.

At the meeting on February 20 with Messrs. Rist, Knapp and Clark the following points were discussed:

1. Staffing - As of February 1, the Economic Department had a total of 74 personnel. According to Mr. Knapp's proposal, 14 additional economist will be added to the Department either to fill existing vacancies or new positions. If this were done, approximately 8 additional secretarial and clerical personnel would be required, which would bring the total staff of the Department to approximately 96 persons. In my discussions

with the representatives of the Economic Department I pointed out that it was my understanding of management's view that the department should be reduced in size to approximately 60 persons. It was assumed that this would be done by the reduction of junior and middle grade economists and by the substitution in a number of cases of additional top grade economists. This procedure, it was felt, would result in greater flexibility of assignment and provide for the strengthening of the department generally.

2. Assistant Director Position - According to the revised chart prepared by the Economic Department, there would be two assistant directors. The first would be second in responsibility to the Economic Director and would be specifically responsible for the area divisions. The second assistant director would be responsible for the advisory staff which includes the Economic Resources and General Economic Studies Divisions. It was pointed out in our discussions that management was of the opinion that the second Assistant Economic Director position would not be continued beyond six months from the date of Mr. Knapp's appointment to the Bank and that if Mr. Rosenstein-Rodan continued with the Bank, his title would be changed to reflect his present position as head of the advisory staff.
3. Central Services - Mr. Harrison Clark has currently been responsible for handling the administrative requirements of the department and for the review and distribution of economic reports. Under the suggested arrangement it is contemplated that he would perform the above functions and, in addition, would supervise the Central Statistical Unit and the Foreign Investment Records. It is believed that Mr. Clark, as a part of the Director's office, would function best in this capacity with the more limited responsibilities and that the statistical and investment services would more probably belong as a part of the advisory staff. The advisory staff is responsible for servicing the area divisions of the department as well as other requirements of the Bank. The same is true with regard to the statistical and investment services.
4. Area Divisions - Mr. Knapp's proposal provides for 6 area divisions rather than the 5 which were previously established or the 4 which were suggested by us. In establishing separate Central American and South American Divisions, Mr. Knapp suggests one additional top level economist. It is my feeling that such additional economist should operate as the head of the Latin American Division (combining South and Central America) with Messrs. Larsen and deFleurieu as his second level assistants. In this way with variations in the work load, greater flexibility of assignment will obtain and the

Bank will be assured of having at headquarters a top level economist acquainted with the entire area of Latin America. With regard to the suggestion that the present Middle East and Africa Division be divided into two divisions, it seems the main problem is one of appropriate staffing. If Mr. Welk should resign from the Bank, it seems quite obvious that the Middle East and African areas would compose one geographical division. This should result in the requirement for less personnel than the additional 3 which Mr. Knapp is requesting. If fact, if Mr. Welk or a replacement was put in charge of a Middle East--Africa Division, it would seem possible to reduce the request for additional personnel from 3 to 1. The arrangement to split the division into two parts is one merely of convenience in terms of the existing personnel situation.

5. Economic Resources - The Economic Resources Division as proposed by Mr. Knapp has gone through the complete cycle from Economic Resources to Economic Technology to Commodities and Services and back to Economic Resources. At the present time the division is responsible for special economic studies which cut across geographical and political lines in the fields of agriculture, minerals, transportation and communications. Mr. Knapp suggests a chief economist to head up this division who would be primarily an agricultural economist and who would tend to strengthen the division in so far as agricultural studies are concerned. In view of the rather precise areas in which the present incumbents operate, there may be some question (a) as to the need for a chief of the division, and (b) an additional economist on the agricultural side. In this respect it should be noted that the Engineering Staff also has an agricultural specialist as well as an agricultural engineer dealing with end use supervision problems. Mr. Knapp also suggests an additional economist to deal with fuel and power. It was pointed out that fuel and minerals problems had heretofore been combined in Mr. Lipkowitz and that market analyses and power supply problems were within the general jurisdiction of the engineering staff. As a result there was considerable doubt as to whether this position should be added. Mr. Knapp agreed to have a conference with Messrs. Craig-Martin, Lipkowitz and Wubnig to determine how they believed the work should be divided among them. It was not clear from our discussions as to the need for a middle grade economist and research assistant in this division.
6. General Economic Studies - This division at the moment is virtually without personnel and Mr. Svend Andersen is leaving the Bank as of the middle of March. As a result it should be possible at this time to determine rather precisely the

responsibilities which the Economic Department should carry with respect to general economic studies and general trends which it has been performing up to this time. Since the Bank is likely to be engaging to a great extent in the general technical assistance field, it is contemplated that there should be at least one top level economist and one middle grade economist who could be available to make studies for and accompany technical assistance missions sponsored by the Bank. Mr. Knapp is of the belief that the Bank will be requested by member countries for general economic surveys or other forms of advice and assistance with respect to their general economic development problems. Such requests, he feels, would normally be delegated to the Economic Department and within the Department to the General Economic Studies Division. This additional function may require the full time or at least part time service of one economist. It is not clear from the statement prepared as to the relative responsibilities of the Consultant to the Director (Mr. K. Varvaressos) and the General Economic Studies Division with regard to the preparation of analytical studies of economic problems for use in formulating the Bank's economic policies. This question should be investigated further. All in all it seems that the general economic studies group should develop slowly and on a less ambitious basis (6 positions) than that proposed by Mr. Knapp. This proposal can be dealt with quite objectively since there are no existing personnel filling these vacancies.

7. Organization Chart - It was pointed out that the language of the Organization Chart should be considerably briefed since it is designed to give at a glance the general organization of the department and the general jurisdiction of each subordinate unit. This Mr. Knapp agreed to do.
8. Loan Administration - The revised chart and organization statement generally incorporate the conception which has been formulated concerning loan administration or follow up. It is clear that the economic studies required for this phase of loan operations would be prepared by the appropriate area divisions. It is not clear however to whom the reports should be forwarded. It was my view expressed to Messrs. Rist and Knapp that both the creditworthiness reports and the loan administration reports prepared in the Economic Department should be submitted to the Loan Director who in turn would make them available to the loan working parties for study. It was also generally agreed that the creditworthiness reports should be submitted by the Loan Director to the Staff Loan Committee as supporting material for his recommendation on a loan.

9. Relations With Engineering Staff - In general there does not seem to be a serious conflict between the work of the Economic Resources Division and that of the Engineering Staff. The former is responsible for general economic studies covering a sector of a country's economy or general trends with respect to world production, consumption and markets for specific commodities and services. The Engineering Staff will analyze the business aspects of specific proposed projects for which loans are requested.

OFFICE OF THE DIRECTOR
 Leonard B. Rist-Economic Director
 J. Burke Knapp-Asst. Econ. Director
 Plan, direct and coordinate all
 activities of the Department

CONSULTANT TO DIRECTOR
 K. Varvaressos, Consultant
 R. Zafiriou
 Prepare policy studies and
 act as adviser to Director

J. Burke Knapp
 Asst. Econ. Director

E. Harrison Clark-Executive
 Asst. to the Director
 C.G. Goor-Chief,
 Central Statistical Section
 1 Junior**
 J.J. Lynch-Foreign Investment
 Records Unit
 1 Junior**

Paul Rosenstein-Rodan
 Asst. Econ. Director

*Chief
 have important
 than 3 more people*

AREA DIVISIONS		
Europe and Africa	Latin America	Asia
-----, Chief	-----, Chief	A. Basch, Chief
M.W. Rosen, Chief, European Section	H.W. Larsen, Chief, S. American Section	-----, Chief, Far Eastern Section
W.G. Welk, Chief, African Section	G. deFleurieu, Chief, C. American Section	-----, Chief, Middle Eastern Section
Robinson Ross Stevenson	Torfs Waterston	Bochenski Gilmartin
3 Juniors**	3 Juniors**	3 Juniors**

1. Prepare economic studies for use in appraising loan applications.
2. Prepare economic reports in connection with loan administration.
3. Prepare economic studies for purposes of advice to member countries on their economic development problems.
4. Provide personnel for Bank missions, and Department's representatives on loan working parties.

(-----): New positions to be recruited.
 * Not to be filled at this time.
 ** Below \$6,000.

ADVISORY STAFF	
Economic Resources	General Economic Studies
-----, Chief	Vacancy, Chief
P.F. Craig-Martin, Adviser on Agricultural Economics	-----
S. Lipkowitz, Adviser on Mineral and Power Economics	-----
A. Wubnig, Adviser on Transporta- tion & Industrial Economics	-----
Perkins	Andersen
-----	Marram
-----	Vacancy
3 Juniors**	1 Junior**

1. Prepare studies on particular sectors of the economies of foreign countries.
 2. Prepare reports on trends in world commodity markets.
 3. Provide personnel for Bank missions, and advice to loan working parties.
1. Prepare analytic studies of significant economic problems.
 2. Prepare studies of general trends and developments in international trade and finance.
 3. Provide personnel for Bank missions.

*1 or 2
 with - Commission*

Reduce
working chart.

Office of the Director
Leonard B. Rist-Economic Director
J. Burke Knapp-Asst. Econ. Director
Paul Rosenstein-Rodan-Asst. Econ. Director
Plan, direct, and coordinate all activities of the Department

Consultant to Director
K. Varvaressos, Consultant
Prepare policy studies and act as adviser to Director

M. Harrison Clark-Executive Asst. to the Director
C.G. Geor-Chief, Central Statistical Section
J. Lynch-Foreign Investment Records Section

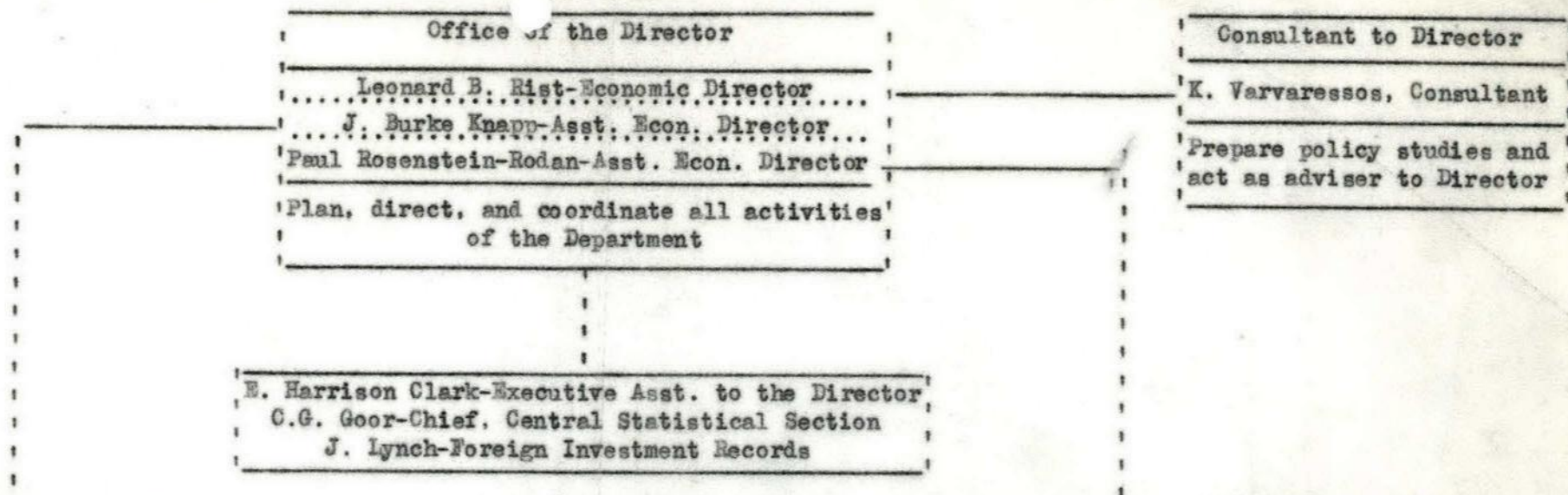
Area Operating Divisions						
Europe	S. America	C. America	Far East	Middle East	Africa	
M.M. Rosen	H.W. Larsen	G. deFleurieu	A. Basch	J.W.G. Welk		
Chief	Chief	Chief	Chief	Chief	Chief	Chief

1. Prepare studies of the economic structure, and reports on general economic conditions and prospects, in member countries for use in appraising the economic and financial justification of loan applications received or expected to be received by the Bank.
2. Prepare periodic reports, as required, on general economic conditions and prospects of member countries to which the Bank has made loans, including an assessment of the contribution which the loan has made to the country's economy.
3. Prepare studies of the economic structure and of economic conditions and prospects in member countries for use in giving such countries, upon request, advice and counsel with respect to their economic development problems.
4. Prepare studies and reports, as necessary, on other countries in the area.
5. Obtain from the Advisory Staff, as required, information, advice and guidance in the preparation of above studies and reports.
6. Represent the Department on loan working parties and provide personnel for Bank missions.

Advisory Staff	
Economic Resources	General Economic Studies
-----*, Chief	Vacancy*, Chief
(1A)	
P.F. Craig-Martin, Agriculture	
S. Lipkowitz, Minerals	Vacancy **
A. Wubnig, Transportation and Communication	Vacancy ** (Andersen)
-----*, Fuel and Power	-----**
-----**	-----***
1. Prepare, in consultation with appropriate area operating division, studies and reports on specific sectors of the economies of foreign countries.	1. Prepare analytic studies of economic problems for use in formulating the Bank's economic policies or in advising member countries on their development problems.
2. Prepare studies on trends and developments in world production, consumption, and markets for specific commodities and services.	2. Prepare studies of general trends and developments in international trade and finance, and in the United States economy, which are likely to have important consequences for the Bank's operations.
3. Provide personnel for Bank missions and give advice and guidance, as required, to loan working parties.	3. Provide personnel for Bank missions.

Vacancies and new positions (-----) to be recruited:

- * Senior Economist (\$9000 and up)
- ** Middle-grade Economist
- *** Research Assistant



Operating Divisions						
Europe	S. America	C. America	Far East	Middle East	Africa	
N.M. Rosen	H.W. Larsen	G. deFleurieu	A. Basch	-----*	W.G. Well	
Chief	Chief	Chief	Chief	Chief	Chief	
-----*			-----*	-----**	-----**	
<div>1. Prepare studies of the economic structure, and reports on general economic conditions and prospects, in member countries for use in appraising loan applications received or expected to be received by the Bank.</div> <div>2. Prepare periodic reports, as required, on general economic conditions and prospects of member countries to which the Bank has made loans, including an assessment of the contribution which the loan has made to the country's economy.</div> <div>3. Prepare studies and reports, as necessary, on other countries in the area.</div> <div>4. Obtain from the Advisory Staff, as required, information, advice and guidance in the preparation of above studies and reports.</div> <div>5. Provide personnel for loan working parties and Bank missions.</div>						

Vacancies and new positions (-----) to be recruited:

- * Senior Economist (\$9000 and up)
- ** Middle-grade Economist
- *** Research Assistant

Advisory Staff	
General Economic Studies	Economic Resources
Vacancy*, Chief	-----*, Chief
-----*	
Vacancy **	P.F. Craig-Martin, Agriculture
Vacancy ** (Andersen)	S. Lipkowitz, Minerals
-----***	A. Wabnig, Transportation and Communication
<ol style="list-style-type: none"> 1. Prepare analytic studies of economic problems which are significant in the discharge of the Bank's functions. 2. Prepare studies of general trends and developments in international trade and finance, and in the United States economy, which are likely to have important consequences for the Bank's operations. 3. Provide personnel for Bank missions. 	<ol style="list-style-type: none"> 1. Prepare, in consultation with appropriate area operating division, studies and reports on specific sectors of the economies of foreign countries. 2. Prepare studies on trends and developments in world production, consumption, and markets for specific commodities and services. 3. Provide personnel for Bank missions and give advice and guidance, as required, to loan working parties.

Draft.

Administrative Manual

Organization Chart

Chart No. 4

Office of the Director
Leonard B. Rist - Economic Dir.
J. Burke Knapp - Asst. Economic Dir.
E. Harrison Clark - Asst. to the Director
1. Plan, direct and coordinate all activities of the Economic Dept.
2. Handle department administration.

Consultant to Director
K. Varvaressos
Make policy studies and act as advisor to Director.

Assistant Director
P.N. Rosenstein - Rodan
General direction, coordination and supervision of the work of the Special Studies Divisions.

Assistant Director
J. Burke Knapp
General direction, coordination and supervision of work of Geographical Divisions.

International Trade & Investments
A. Pasch *
1. Study, report and advise on international trade, monetary and price conditions, external debt service, foreign and domestic investment positions and other financial and economic subjects as required.
2. Maintain liaison with other organizations.
3. Provide personnel for loan missions.

Commodities & Services
P.F. Craig - Martin - Ag.
S. Lipson - Mining
A. Kubrig - Transport
1. Study, report and advise on current developments and market prospects for agricultural and mineral commodities.
2. Study report and advise on transport services, power supply and transmission, communications and related equipment and facilities.
3. Maintain liaison with other organizations.
4. Provide personnel for loan missions.

Statistics
C.G. Goor
1. Make statistical studies and prepare reports for department and bank use.
2. Develop and maintain proper statistical standards and maintain liaison with other statistical organizations.

Europe
M.M. Rosen *
1. Prepare comprehensive reports on the economies and creditworthiness of member countries for use in appraising loan applications.
2. Prepare periodic reports, as required, on the economies of countries to which the Bank has made loans.
3. Follow economic, financial and political conditions in other non-borrowing member countries.
4. Provide personnel for loan working parties and Bank missions.
5. Maintain liaison with other organizations.

Africa & Middle East
W.G. Wells *
1. Prepare comprehensive reports on the economies and creditworthiness of member countries for use in appraising loan applications.
2. Prepare periodic reports, as required, on the economies of countries to which the Bank has made loans.
3. Follow economic, financial and political conditions in other non-borrowing member countries.
4. Provide personnel for loan working parties and Bank missions.
5. Maintain liaison with other organizations.

Far East
A. Pasch *
1. Prepare comprehensive reports on the economies and creditworthiness of member countries for use in appraising loan applications.
2. Prepare periodic reports, as required, on the economies of countries to which the Bank has made loans.
3. Follow economic, financial and political conditions in other non-borrowing member countries.
4. Provide personnel for loan working parties and Bank missions.
5. Maintain liaison with other organizations.

South America
H.W. Larsen
1. Prepare comprehensive reports on the economies and creditworthiness of member countries for use in appraising loan applications.
2. Prepare periodic reports, as required, on the economies of countries to which the Bank has made loans.
3. Follow economic, financial and political conditions in other non-borrowing member countries.
4. Provide personnel for loan working parties and Bank missions.
5. Maintain liaison with other organizations.

Central America
G. de Fleuryen
1. Prepare comprehensive reports on the economies and creditworthiness of member countries for use in appraising loan applications.
2. Prepare periodic reports, as required, on the economies of countries to which the Bank has made loans.
3. Follow economic, financial and political conditions in other non-borrowing member countries.
4. Provide personnel for loan working parties and Bank missions.
5. Maintain liaison with other organizations.

* Chief Economist

Leonard B. Rist, Economic Director.



Mr. Leonard B. Rist

January 9, 1950

Donald D. Fowler

Economic Department Organization

Following are comments regarding the organization and operations of the Economic Department to be read in connection with the attached drafts for Organization Bulletins 4 and 4-1.

1. Use of the term 'division' - In order to describe any clear-cut organizational division of work and delegation of authority with a proper probability of comprehension, it is necessary to employ some specific though generally used term for the organization units involved. It may be mentioned that in our experience it has been true that whether or not some such specific organizational term is employed in official documents, it will in fact be generally used. In this instance, the term 'division' appears to be the most appropriate.
2. In order to distinguish between the 'geographical divisions' which make studies with a country or area as a frame of reference and the units which make special purpose studies of international trade, foreign and domestic investment, commodities, etc., it has seemed appropriate to designate this latter group as the "Special Studies Divisions." The individual divisions of this group have been designated the International Trade and Investment Division, the Commodities and Services Division and the Statistics Division in order to indicate more specifically the nature and scope of the studies performed. While you may agree with this general intent, you may not agree on the specific division titles which have been offered and you may wish to suggest others.
3. It also seems appropriate to discuss whether it might not be advantageous to consolidate the Central and South American Divisions into one Latin American Division. The two divisions encompass one logical geographical unit and one lingual unit, with Brazil the only important exception. The countries involved have similar economic problems for the most part and development seems to be along similar lines. It is known that personnel in the separate units is limited, and on occasions where missions may reduce the staff an unsatisfactory depletion may occur. Consolidation should allow greater flexibility in the utilization of personnel and might make possible the appointment of a senior economist to head the combined unit. This would improve the present administrative system of authority by providing a chief economist as the head of each of the geographical divisions.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

TO: Mr. C. G. Parker

DATE: January 9, 1950

FROM: Donald D. Fowler *DF*

SUBJECT: Economic Department Organization

Attached are draft Organization Bulletins and Chart for the Economic Department, which have been prepared by Mr. Scribner in cooperation with Harrison Clark. Copies are now in the hands of Messrs. Knapp and Clark. Also attached is a draft memorandum to Mr. Rist which Mr. Clark also has.

When you have had an opportunity to review Mr. Scribner and I would like to discuss them with you.

cc: Mr. Poore

Dec 27, 1949

ECONOMIC DEPARTMENT

Bulletin No. 4
Draft

GENERAL RESPONSIBILITY AND AUTHORITY

The Economic Director is the administrative head of the Economic Department and reports directly to the Vice President.

He is responsible for the development and application of Bank policy pertaining to economic, financial and statistical studies, after consultation with other interested departments for programming and supervising the preparation of all economic studies required for determination of loan policy and for decision on loan requests, ^{and} for providing advice and guidance with respect to Bank economic policies, ~~and for the preparation of special periodic and continuing studies on international trade, foreign investment and other related subjects.~~ He is a member of the Staff Loan Committee.

Within the scope of his delegation, the Economic Director has complete authority except as circumstances indicate clearance of proposed actions with the Vice President to be desirable.

PRINCIPAL FUNCTIONS OF ECONOMIC DEPARTMENT

The principal functions of the Economic Department are to:

- (1) Develop and apply all Bank policies pertaining to economic, financial and statistical studies.
- (2) Make overall economic studies and prepare comprehensive reports on the broad economic aspects of particular loan applications with the purpose of evaluating the creditworthiness of the country involved, ^{as one requirement of loan negotiation.}
- (3) Make special and continuing studies of economic and financial trends, commodities and resources, international trade, investments and other matters useful in the operation of the Bank.
- (4) ^{In connection with loan administration} Prepare periodic reports, ~~when required~~, on the economy of borrowing countries to appraise the effects of loans made by the Bank.

- (5) Prepare and maintain up-to-date documentation and preliminary analysis on non-borrowing countries, as required, including political, economic financial and general background information.
- (6) Maintain liaison with other organizations on economic subjects through conferences or otherwise.
- (7) Perform statistical work.
- (8) Provide personnel as required for Bank missions originated by the Economic or other departments.

R. L. Garner
Vice President

Economic Department
ORGANIZATION AND OPERATION

*Blue = concept of only 2 Divisions
and utilizing loan administration*

ORGANIZATION

A. Office of the Economic Director

- (1) The Economic Director is the Administrative head of, and is responsible for the operations of, the Economic Department. The Assistant Economic Director is second in responsibility to the Director, and is also responsible for planning and supervising the activities of the Geographical Divisions.
- (2) The Economic Consultant reports to the Economic Director and is responsible for preparing studies and giving advice on general Economic and financial problems.
- (3) The Assistant to the Economic Director handles administrative matters for the Department, schedules and reviews economic reports, and prepares reports on policy matters for the Economic Director.

B. Operating Divisions

There are two ~~groups of~~ operating divisions, the Geographical Divisions and the Special Studies Divisions. Each is under the direction of an Assistant Economic Director who reports to the Economic Director and is responsible for planning and supervising the activities of the divisions under his supervision.

C. Geographical Divisions

There are ^{units} five Geographical Divisions: (1) European, (2) Africa and Middle East, (3) Far East, (4) South American, and (5) the Central American ^{unit} Division. The head of each Division reports to the Assistant Economic Director. The principal functions of the Geographical Divisions are (1) preparation of comprehensive

So. Am. and Central Am. units may be consolidated

reports on the broad economic aspects of particular loan applications with the essential underlying purpose of determining the creditworthiness of the country involved, (2) preparation of periodic reports appraising the current economic positions of countries to which loans have been made and assessing the national and international effects of such loans, (3) the maintenance of current economic, financial and political information on other non-borrowing member countries as required in order that management questions about such countries may be answered, (4) the provision of personnel for loan working parties and Bank missions, and (5) liaison with other organizations.

as one requirement of loan negotiations,

as an aspect of loan administration,

D. Special Studies Divisions

There are three ^{units} Special Studies Divisions: (1) International Trade and Investments, (2) Commodities and Services and (3) the Statistics Division. The head of each ^{unit} division reports to the Assistant Economic Director. The principal functions of the respective ^{units} divisions are as follows:

- (1) The International Trade and Investments ^{unit} Division makes studies, prepares reports and gives advise with respect to international trade, balance of payments, monetary and price conditions, external debt service and foreign and domestic investment positions, and such other economic and financial subjects as may be required for Bank purposes. Personnel is provided as required for Bank missions and liaison is maintained with appropriate organizations.
- (2) The Commodities and Services ^{unit} Division makes studies, prepares reports and gives advice with respect to (a) market prospects for agricultural and mineral commodities important in determining the creditworthiness of member countries and current developments

in specific commodity markets, (b) the economic factors of national, regional or international application in connection with land, sea and air transport services, power supply and transmission, communications services, and related equipment and terminal facilities. ~~The division provides personnel~~ ^{personnel is made available} as required for Bank missions and ~~maintains~~ ^{is maintained} liaison with appropriate organizations.

- (3) The Statistics Division makes statistical studies and prepares statistical reports for the Economic Department and other departments and offices of the Bank as may be required and is responsible for developing and maintaining proper statistical standards.

OPERATION

A. Preparation of Country Studies

- (1) At the time a loan application becomes active, the Loan Director so informs the Economic Department. The Assistant Economic Director establishes priority, initiates a study and assigns to the appropriate ~~Geographical Division~~ ^{unit} the preparation of a comprehensive report which evaluates the creditworthiness of the country involved with particular reference to its capacity to repay loans. The economist assigned the study is designated the Department representative on the loan working party and an assistant is designated his alternate. The economist, as necessary, requests the preparation of reports by the Special Studies Divisions of the Economic Department and utilizes information available from appropriate outside organizations, will normally be a member of any fact-finding mission to the country, and will at all times keep his alternate informed of significant actions and developments. Upon approval of a report by the Economic Director, it is submitted to the Loan Department for use by the loan officer and the loan working

party in evaluating a loan application.

- (2) The Economic Director and the Loan Director determine when and if, periodic reports should be prepared on the current economic positions of countries to which loans have been made to evaluate the internal and external economic effects of such loans. The Assistant Economic Director establishes priority and assigns the study to the appropriate ^{unit} Geographical Division. Upon approval of a report by the Economic Director it is submitted to the Loan Department for use in ^{loan administration} ~~determining the status of the~~ loan.
- (3) As it appears desirable and feasible, the Economic Director will initiate the preparation and maintenance of current economic, financial and political information on non-borrowing member countries so that answers to management questions may be available. Reports are approved by the Economic Director and forwarded to interested persons.

B. Preparation of Special Economic, Financial and Statistical Studies.

Loan Officers, economists assigned country studies, and other offices and departments of the Bank may require special economic, financial and statistical studies in arriving at recommendations concerning loan applications or for other current purposes. Requests are made to the Assistant Economic Director, head of the Special Studies Divisions, who establishes priorities and assigns studies to the appropriate specialists in the International Trade and Investments, Commodities and Services, or the Statistical ^{unit} Divisions. As it appears desirable and feasible, the Economic Director will initiate the preparation of special studies and reports in the absence of specific requests. Upon approval of a report by the Economic Director, or by the Assistant Economic Director.

if for the internal use of the department, it is submitted to the requesting person and other interested offices or departments.

C. Preparation of Long-Trend and Economic Policy Studies

For the purpose of assisting in the development of Bank economic policy, broad economic and financial appraisals and reports on long-trend prospects are made by the Economic Department as requested by other offices or departments or as initiated by the Economic Director. The Economic Director establishes the scope, priority and completion date and assigns the study to the Economic Consultant or the Special Studies Divisions as appropriate. Upon approval of the report by the Economic Director, it is forwarded to the person requesting the study and distribution is made to other interested persons.

D. Advisory Assistance

The Economic Consultant, the specialists of the Special Studies Divisions and the Economists with continuing responsibility for specific countries consult with and advise the Economic Director as requested with respect to their specialties.

Leonard B. Rist
Economic Director

Economic Dep.

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

FOR THE PRESS

FOR RELEASE MONDAY A.M. PAPERS

Press Release No. 160

December 5, 1949

The International Bank for Reconstruction and Development announced today the appointment of J. Burke Knapp as Assistant Director of its Economic Department. Mr. Knapp, who since June, 1948, has been director of the Office of Financial and Development Policy, United States Department of State, will report to the Bank on December 12.

In addition to being second in responsibility to Leonard B. Rist, Director of the Bank's Economic Department, Mr. Knapp will also be in charge of economic studies on countries from which the Bank has received loan requests and those to which loans have been made.

Mr. Knapp was engaged in international banking activity with Brown Harriman and Company, Ltd., in London and on the European continent from 1936 to 1940. He was economist with the International Section, Division of Research and Statistics, of the Board of Governors of the Federal Reserve Bank from 1940 to 1944. The next year he served as assistant adviser on German Economic Affairs, Division of Liberated Areas, Department of State. In 1945-46 he was special assistant to the Chairman of the Board of Governors of the Federal Reserve System, and he then spent two years as Assistant Director of the Division of Research and Statistics, Board of Governors, Federal Reserve System.

Born in Portland, Oregon, in 1913, Mr. Knapp was graduated from Stanford University, and also studied at Oxford University, England.

*Copy filed
Press Release*

Administrative Circular

International Bank for Reconstruction and Development

December 2, 1949

Appointment of Assistant Economic Director

Announcement is made of the appointment of Mr. J. Burke Knapp as Assistant Director of the Economic Department. He will assume his duties with the Bank on December 12, 1949. As Assistant Economic Director, Mr. Knapp is second in responsibility in the Department and acts for the Economic Director in his absence. He will also particularly direct and supervise the activities of the geographical divisions which are responsible for economic studies and reports on countries for which loan applications are being considered and to which loans have been made. Dr. Paul Rosenstein-Rodan, Assistant Director, will continue to supervise the General Studies Divisions.

Born in Portland, Oregon in 1913, Mr. Knapp was graduated from Stanford University and also studied at Oxford University, England. He was engaged in international banking activity with Brown Harriman and Company, Ltd. in London and on the Continent from 1936 to 1940. Mr. Knapp was an economist with the International Section, Division of Research and Statistics of the Board of Governors of the Federal Reserve System from 1940 to 1944. The next year he served as Assistant Adviser on German Economic Affairs, Division of Liberated Areas, Department of State. In 1945-46 he was Special Assistant to the Chairman of the Board of Governors of the Federal Reserve System and he then spent two years as Assistant Director of the Division of Research and Statistics, Board of Governors, Federal Reserve System. Since June 1948, Mr. Knapp has been Director of the Office of Financial and Development Policy, United States Department of State.



R. L. Garner,
Vice President

*Copy filed Admin
Circular*

OFFICE MEMORANDUM

TO: Dr. Antonin Basch

DATE: November 8, 1949

FROM: C. G. Goor *CGG*

SUBJECT: Filling of Statistical Clerk Vacancy

a

There is at present a statistical clerk vacancy in the Statistics Section. This position was filled full time almost continuously to the end of August 1949 by either Miss Rijos or Miss Swerdloff and the incumbent was assigned to the financial work of the Section. Thus, with Mrs. Paulson, there were until recently two people engaged in the financial work. Now the financial assignments are handled by Mrs. Paulson with help furnished when needed by other members of the Section.

Lately there has been a continuous series of requests on a short time schedule for data on new debt studies and revisions of previously prepared debt studies. Therefore it is essential that a person with some background in the subject be obtained to fill this vacancy and that this person be assigned to work full time in the financial work of the Section. This is necessary to:

- (a) Obtain more effective work in this specialized field due to familiarity with the subject matter and the specific jobs;
- (b) Build up and maintain currently the basic data necessary for the quick production of data for debt studies and related activities as required;
- (c) Permit more rapid production to meet the tighter time schedules.

PERSONAL

OFFICE MEMORANDUM

OCT 14 REC'D

TO: Mr. Black and Mr. Garner

DATE: October 14, 1949

FROM: L. B. Rist

LR Economic Dept.

SUBJECT:

DECLASSIFIED

SEP 02 2011

WBG ARCHIVES

Reference our talk on Saturday October 8, there is attached
a short note outlining the various points agreed.

I am taking immediate action on these points.

Attachment

Conversation with Messrs Eugene R. Black and Robert L. Garner

October 8th, 1949

1. The general set up and the functions of the department as outlined in the memorandum of September 22, 1949 is approved. The "areas" should attempt to follow more countries than the active ones.
2. The reduction in staff which has already taken place is to continue, the target being to bring it down by roughly 20%.
3. The most urgent action to be undertaken is the hiring of an assistant director who would be suitable to replace the director in the latter's absence, and must of course be acceptable to the President and the Vice President.
4. Mr. Rist has authority to hire in addition up to 4 first rate economists to fill the most dangerous gaps. To the extent this refers to the Areas divisions, it would be preferable to wait until the new assistant director has been hired. As concerns the general studies, one economist must be hired without delay.

Economic Staff
SEP 9 REC'D

OFFICE MEMORANDUM

TO: Mr. Eugene R. Black

Personal
DECLASSIFIED

DATE: September 9, 1949

FROM: Leonard B. Rist *L.R.*

SEP 02 2011

WBG ARCHIVES

SUBJECT: Economic Department - Points raised by Dr. Basch.-

You asked for my comments on the attached note by Dr. Basch.

- Functions and Organization of the Economic Department :

Dr. Basch is correct in stating that frequent changes in the organization of the Department have had an unsettling effect on the work of the Department. These changes took place, however, in the period when the whole Bank was endeavoring to adjust its functions as between the various departments and when certain major functions and responsibilities were being transferred back and forth between the Loan Department and this Department. It was necessary to rebuild our area divisions in a short time to cope with this work. Nevertheless, the organization of the Department has remained pretty well unchanged since August 1948 and it has always been my aim to avoid unnecessary changes and transfers of personnel.

- Delegation of Authority :

I agree with Dr. Basch that, wherever possible, authority should be delegated. At the same time, if the work of the Department is to be directed to the important issues for the Bank, it is necessary for central control to be maintained over work programmes and priorities. Similarly, the finished work of all units of the Department is centrally reviewed before it is issued as an Economic Department study. Apart from the above, complete authority is delegated to all division and section chiefs within the sphere of their own units.

- Personnel of General Studies Division :

The facts listed by Dr. Basch in respect of the personnel of his division are, of course, correct. I am endeavoring to replace both Mr. Urquidi and Mr. Merlin with other economists of similar standing. It may be that the personnel of the Division will be further reduced as the Staff Office (Mr. Demuth) is anxious to have Mr. King transferred to it and I may require to use Mr. Andersen as a replacement for Mr. Wishart who is leaving. This will in fact mean that an entirely new group must be assembled.

- Development Areas Division :

I am well aware of Dr. Basch's desire to head the Development Areas Division. I have assisted him in this ambition to a certain extent by giving him responsibility for the Far Eastern Section and, with Mr. Gilmartin's able assistance, he has been our economist representing this Department on the Indian Loan Mission and working party. The position as head of the Development Areas Division is a very important one and requires to be filled by an economist of practically Assistant Director status. Although Dr. Basch is a valuable member of this staff, I do not consider that he has all the abilities required to take on this assignment.

OFFICE MEMORANDUM

AUG 15 REC'D

TO: Mr. Eugene R. Black

DATE: August 12, 1949

FROM: A. Basch

A. Basch

SUBJECT:

As you requested, I am attaching a note summarizing various points which I mentioned during my talk with you last week.

OFFICE MEMORANDUM

TO:

DATE:

FROM:

SUBJECT:

1. The work of the Economic Department has been unfavorably affected by frequent changes in its organization. It is necessary for the members of the Department to know the role and function of the Department in the Bank, its relation to other Departments and the scope of the work expected of the Department.

The work within the Department itself would gain if the principle of delegation of authority were used more widely. This would also help to build a greater sense of responsibility among the members of the Department.

2. I am directly responsible for the General Studies Division. This group consisted of three senior economists, Messrs. Urquidi, Merlin, and Andersen. Urquidi has returned to Mexico, Merlin is leaving in September for the University of Buffalo(has salary has not been raised over a period of two years). Neither of these two has been replaced.

In January the Foreign Investment Section was added to the General Studies Division. It had three economists, Messrs. Dickens, J.Lynch, and Villechaise. Dickens returned to the U.S.Treasury, Villechaise was transferred to the Legal Department. There remains only Mr. Lynch , who is doing the foreign debt studies. Work on private foreign investment in various countries had to be stopped because there is nobody who could continue the series which had been started. Since June Mr. King has been added for half-time work.

OFFICE MEMORANDUM

TO:

DATE:

FROM:

SUBJECT:

Because of these substantial reductions in personnell the work and function of the General Studies Division will change automatically and its contribution to the Bank's work will be much smaller. In connection with this development I should like to repeat that it was not my choice to be in charge of the General Studies Division. My preference has been an area division, especially the Development countries, because I feel that I could be more useful in this type of work in view of my varied experience. Since my return from India I have started to work on Far Eastern countries ,which gives me great satisfaction.

At present the Far Eastern Section has been working mainly on India and the Philippines. Preliminary studies of Pakistan and Thailand are being prepared at the request of the Loan Department. I should like to mention that I have in this section only one economist with some experience, Mr. Gilmartin.

July 11, 1949

MEMORANDUM

TO: Dr. Antonin Basch

FROM: Charles G. Goor *CGG*

SUBJECT: Meeting with Mr. Hicks and Mr. Wiers.

I attended a meeting with Messrs. Hicks (Fund) and Mr. Wiers (U.N.) on Thursday, July 7, in Mr. Hicks' office. We met to discuss the proposed formation of a Committee on Economic Statistics.

For some time, Mr. Hicks has urged Mr. Leonard of the U.N. to organize a Committee on Economic Statistics which would be primarily concerned with technical problems. Mr. Leonard agreed with this suggestion and promised action on the proposal. In fact, Mr. Hicks told me that he discussed the proposed Committee and its work rather thoroughly in conversations with Mr. Leonard in Geneva last April.

Mr. Wiers, representing Mr. Leonard, called on Mr. Hicks to discuss the agenda for the first meeting of this Committee, which was tentatively set for July 15. Mr. Wiers had set up several provisional items dealing with cooperation among the specialized agencies and coordination of their statistical activities. Mr. Hicks objected to this agenda and to the idea of a meeting on this subject on such short notice. I agreed with Mr. Hicks and urged that before any meeting is convened a blueprint should be worked out and circulated setting forth the organization, purposes, operation, functions and responsibilities of the Committee. I stressed the fact that the Committee should devote its time primarily to methodological and technical questions. Mr. Hicks confirmed this principal and he stated that he thought he had made it clear to Mr. Leonard in his earlier conversations. He also suggested that the Committee might operate in the form of sub-committees on special subjects so that each agency would concern itself only with problems in which it was interested. He also urged that most of the work of these specialized sub-committees should be carried out by correspondence and if an organizational meeting was necessary that it should be held early in September after circulation of the basic documents concerned with the setting up of the Committee.

Mr. Wiers noted all of these comments and suggestions and said he would report back to Mr. Leonard. As soon as possible, he stated, they would let us know whether these suggestions were acceptable and what the future of the proposed Committee would be.

Mr. Orvis A. Schmidt
Mr. David W. Sayser
Georges deFleurieu and Harold Larsen
Joint Bank-IMF Luncheons

June 13, 1949

We wonder whether you would agree with the attached
suggestion?

cc -- Dr. Rodan

HLarsen/cod

x IMF

x Loan Dept.

Dr. P. N. Rosenstein-Rodan

June 13, 1949

Georges deFleurieu and Harold Larsen

Joint Bank-IMF Luncheons

Joint Bank-IMF luncheons are being held every second Monday in the Bank Lunch Room, those attending being staff members working in the Latin American field. Customary attendance is four from the Bank (two from Loan and two from Economic) and four from IMF (two from Operations and two from Research).

So far the IMF representatives have paid for their own lunches. We would submit, however, for consideration whether it would not be proper for them to be regarded as official Bank guests, since the rather informal luncheon provides an excellent liaison method. If you concur, we could take the matter up with Administration.

cc -- Mr. Schmidt
Mr. Smyser

HLarsen/eod

x IMF

x Loan Dept

Statistics

June 1, 1949

MEMORANDUM

TO: Dr. Antonin Basch

FROM: James J. Lynch and Charles G. Goor *CLG J.J.L.*

SUBJECT: Meeting on preliminary records for external debt of all countries.

On Monday, May 23, a meeting was held in Mr. Gardner's office at which were present Miss Gumbart and Mr. Gardner of the Fund and Dr. Basch, Mr. Lynch and Mr. Goor of the Bank. We had asked for this meeting in order to discuss the progress with respect to the set-up and maintenance of permanent card records of external debt in relation to the agreement between the Fund and the Bank on a joint project to establish such records.

Although the Fund had committed itself about a year ago to the establishment of card records on inter-governmental debt, it has not up to now actually done so. The Bank, on the other hand, has completed a substantial part of its commitment on the establishment of cards for private loans or credits. As both private and inter-governmental debt information are essential for the quick calculation of the external debt burden of a country and as the Fund, due to pressure of other work, has not been able to furnish detailed inter-governmental debt data, it became necessary for this Division to work on both segments of the project.

At the meeting, a number of questions were raised with respect to the coverage of the debt studies already completed by the Bank, principal among these was the distribution of ownership of the private debt and the affect upon external payments estimates for the country. Mr. Lynch stated that data on ownership other than the proportion owned in the United States on dollar debt were very sketchy. It was pointed out that data on external short term debt were not readily available and should in all probability be developed by the Fund in view of their needs in following short term capital movements and the affects on currencies.

Another important question was the extent to which we had obtained data on direct investment particularly with respect to individual firms. Mr. Lynch stated that we had been reasonably successful in obtaining preliminary data for a number of countries and for a few large firms separately. Mr. Gardner, in pursuing this subject, implied that it would be highly desirable to assemble these data in the same manner as the private bond and inter-governmental loan information. Mr. Gardner also asked Dr. Basch to arrange, if possible, for the transmission to his office of all debt and direct investment studies.

Memo to Dr. Basch

June 1, 1949

On the matter of the Bank continuing the assembly of data on both segments of the original debt card project, it seemed to be tacitly understood that this should be done. Mr. Gardner seemed to understand that that was our intent and he appeared to raise no objection to it. With respect to the Bank's needs on short term credits, he stated that we should work with Miss Gumbart who would pursue the subject more vigorously after she had finished her work on the balance of payments yearbook.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

April 13, 1949

To: All members of Economic Department
From: L. B. Rist
Subject: Attached Fund memorandum "Superfluous Words"

The attached memorandum was circulated by Mr. Fisher to the members of the Research Department of the Fund. The memorandum contains very good advice, which we should all follow. Accordingly, I am sending a copy to all members of this Department for their information and guidance.

Attachment

April 5, 1949

MEMORANDUM

TO: All members of Research Department

FROM: Allan G. B. Fisher

SUBJECT: Superfluous words.

After two years of editing Fund papers, certain general reflections inevitably come to mind, and it may be useful to call them to the attention of the authors. No one need feel insulted by any of the observations which follow. I have a quite unbounded admiration for the highly successful persistence with which non-English-speaking (or more important, non-English-writing) members of the staff have wrestled with the complexities of the English language. The progress which some of them have made in these two years has been much greater than anyone could reasonably have expected or hoped. I have sometimes secretly regretted that their style is almost inevitably influenced by constant reading of American newspapers, though that sentiment may perhaps be discounted as an uncharitable expression of sinful English pride. Certainly the non-English-writing members of the staff can always comfort themselves with the reflection that some of their English-writing colleagues are still far from perfection. Certain aspects of my own style have often, quite justifiably, been subjected to acid criticism of one kind or another. Some of my "corrections" probably "reflect" (to use one of the Fund jargon terms which I hope may become less popular) my individual quirks much more than any rational regard for the refinements of English style. I have much appreciated the general spirit of fortitude with which my corrections have always been received, and regretted that the chronic shortage of time usually has made it impossible to explain why they have been made.

I believe, however, that sufficient experience has now been gained to make possible some further substantial improvements in our average quality. This would make the lives of Board members happier, justify pride of authorship, and--though this is less important--diminish the editorial consumption of pencils.

Fund papers can scarcely ever make any pretence to elegance. Their subject matter seldom lends itself to that sort of thing. Even if it did, time is never adequate to permit the careful polishing and repolishing which is believed to be the habit of most elegant authors. Clarity and brevity are the two cardinal virtues which we should respect. The length of Fund papers has frequently been a matter for comment. Sometimes the comment is unfair. It may be annoying to be told that a paper is too long and at the same time

to be reproached for having omitted some detail which the reader claims is significant or important. It is, however, surprising to find how much can be done to attain brevity merely by deleting superfluous words. Two heads are usually better than one, but two words are nearly always worse than one, if one can convey the meaning adequately.

Many of the examples which come to mind are quite trifling, but the cumulative effect may be considerable. It is not necessary to write "Prices have remained at high levels." "Prices have remained high" would be quite sufficient. "The volume of production of oil is expected to increase" says no more than "Oil production is expected to increase." "Is due to the fact that" can nearly always be replaced by "because," and "for the purpose of financing" by "to finance." If something "results in a reduction of the money supply," it just "reduces the money supply." Instead of saying "It is estimated by the Ministry of Finance that," why not be content with "The Ministry of Finance estimates that"? And it is seldom necessary to say "In the year 1948." It is also usually unnecessary to say "It is worthwhile to recall, etc."; if it were not worthwhile recalling it, the point should not find a place in a Fund paper. We need not say, "as has been explained, or mentioned, earlier," for none of our papers should be so long as to make reminders necessary.

Some of the verbosity which still survives in our papers expresses, no doubt, a commendable spirit of caution. We do not wish to be too precise in our forecasts; events may prove us wrong, and it is always prudent to maintain a backdoor escape, to be used if later our words are quoted against us. We are inclined, therefore, to say "On the scanty evidence at present available, it would appear that during the coming year exports are not likely, etc." Such caution is quite intelligible, but we should not have given any hostages to fortune if instead we had written "During the coming year exports are not likely, etc." or, if we want to be particularly careful, "During the coming year exports seem unlikely, etc."

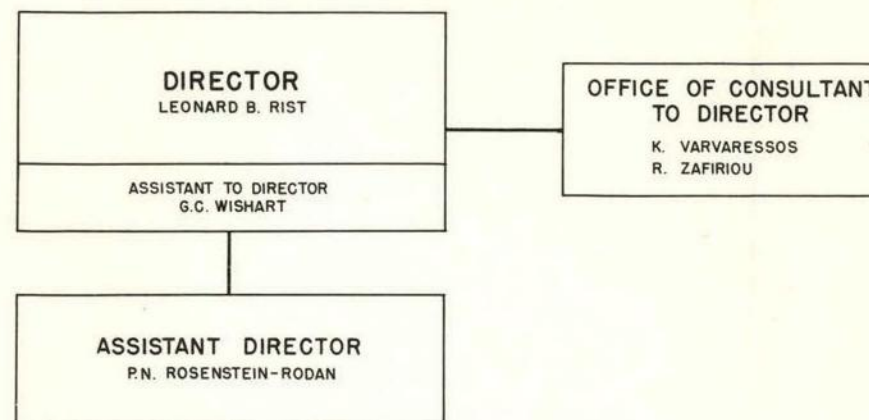
The listing of all the words or phrases which, without being superfluous, annoy me a little may properly be postponed. But one must be mentioned. I am sometimes told that "A complete breakdown of the trade of X," or of something else, is difficult, or even impossible. I hope it is, but would it not be better to avoid derisive comment by talking instead about "a detailed classification"?

It might be an interesting exercise to calculate the amount of time consumed in the Fund by writing or reading superfluous words, and to compare the results of the calculation with the difficulties we all have in getting enough annual leave. I believe the conclusion of this enquiry might have a sobering effect upon us.

Org. - Economic Dept

JANUARY 24, 1949

ECONOMIC DEPARTMENT



AREA DIVISION I		AREA DIVISION II				ECONOMIC TECHNOLOGY DIVISION					GENERAL DIVISION	
M. ROSEN — ACTING CHIEF ECONOMIST		CHIEF ECONOMIST				CHIEF ECONOMIST					A. BASCH — CHIEF ECONOMIST	
U.K. FRANCE BENELUX SWITZERLAND ITALY	SCANDINAVIA CENTRAL EUROPE EASTERN EUROPE GREECE TURKEY	CENTRAL AMERICA	SOUTH AMERICA	ASIA (Excluding NEAR EAST)	AFRICA NEAR EAST	AGRICUL- TURE	MINERALS	INDUSTRY AND PUBLIC UTILITIES	TRANS. AND COMMUNI- CATIONS	MAN- POWER AND LABOR	GENERAL STUDIES	STATISTICS
A. STEVENSON	E. H. CLARK	G. DE FLEURIEU	H. LARSEN	J. S. GOULD CHIEF ECONOMIST	W. WELK CHIEF ECONOMIST	P.J. CRAIG- MARTIN	S. LIPKOWITZ	E.W. REMBERT	A. WUBNIG	M. ROSS	V. URQUIDI	C. GOOR
	H.W. ROBINSON	A. WATERSTON	V. MARRAMA J. TORFS	W. GILMARTIN	F. BOCHENSKI B. KING	J.T. LUND	M. VERHULST	A. SPOTTS- WOOD			S. ANDERSEN J. LYNCH S. MERLIN	
N. ANDRITSAKIS	C. RYSPAN G. D. TIBBITS	R. WIGHT J. BARGHAHN P. PAJUNEN	N.B. PARKER	B. RAO	J.H. COLLIER	M. PERKINS		J. DE MARCILLY J. GRAUMAN	A.C. HUANG H.E. TOLLEY	M. HEMMEN- DINGER	J. VILLECHAISE	L. OLDHAM
H. BROWN			C. SOKOBIN	J. COATES	C. WANG	F. WHITE	C. KATZ		G. WERRING			

D I R E C T O R

A S S I S T A N T D I R E C T O R

AREA DIVISION I

The area covered by this Division is Europe.

The duties of the Division are:

(a) Information

- (i) To follow economic, financial and political developments in countries in divisional area.
- (ii) To be ready to give all current information on these countries.
- (iii) To call attention to significant developments in these countries.
- (iv) To maintain up-to-date country information records.
- (v) To maintain liaison with other divisions of Department, with Loan Department, Files, and IMF.

(b) Reports

- (i) To prepare, in final form, comprehensive economic reports on the economies of borrowing countries for use in appraising loan applications.
- (ii) To prepare periodic reports on the economies of countries to which the Bank has made loans.
- (iii) To prepare special economic reports on economic problems affecting the areas assigned to the Division and such other general economic studies as required.

(c) Missions

- (i) To provide personnel as required for Bank Missions.
- (ii) To assist in briefing missions and provide background information.

AREA DIVISION II

The area covered by this Division is Central and South America, Asia, ~~including~~ the Near East, and Africa.

The duties of the Division are:

(a) Information

- (i) To follow economic, financial and political developments in countries in divisional area.
- (ii) To be ready to give all current information on these countries.
- (iii) To call attention to significant developments in these countries.
- (iv) To maintain up-to-date country information records.
- (v) To maintain liaison with other divisions of Department, with Loan Department, Files, and IMF.

(b) Reports

- (i) To prepare, in final form, comprehensive economic reports on the economies of borrowing countries for use in appraising loan applications.
- (ii) To prepare periodic reports on the economies of countries to which the Bank has made loans.
- (iii) To prepare special economic reports on economic problems affecting the areas assigned to the Division and such other general economic studies as required.

(c) Missions

- (i) To provide personnel as required for Bank Missions.
- (ii) To assist in briefing missions and provide background information.

ECONOMIC TECHNOLOGY DIVISION

The duties of the Division are:

- (a) To follow developments and inform the Bank on trends in the fields of agriculture, minerals and fuels, industries, public utilities, transportation and communications and manpower.
- (b) Make special studies and reports on the same subjects.
- (c) To develop within the scope of the subject matter of the Division, a program of cooperative economic research with other organizations.
- (d) To provide personnel for liaison with other organizations and for attachment to Bank missions as required.
- (e) To supply expert advice and assistance both within and outside the Department on matters coming within the scope of the Division's functions, in the form of reports or otherwise.

GENERAL DIVISION

The duties of the Division are:

- (a) To make studies, prepare reports and give advice with respect to international trade, balance of payments, monetary problems, gold movements and other financial problems under consideration in the Department or other departments of the Bank.
- (b) To make suggestions as to scope and content of economic and financial studies made in the Department and carry them out where they do not fall within the field of activity of the other divisions.
- (c) To perform statistical studies as required, establish a schedule of priorities for statistical and charting work required by Economic and Loan Departments and ensure that proper statistical standards are maintained and service requirements met.

The Foreign Investments Section is included in support of the Division and is responsible for:

- (a) Studying, analyzing and reporting on the foreign investment position, including both private and public indebtedness, of member countries.
- (b) Studying conditions under which foreign investment operates and could be fostered.

File

January 13, 1949

MEMORANDUM

TO: Dr. Antonin Basch
FROM: Charles G. Goor *ChG*
SUBJECT: Preparation of statistical cards.

Originally, work was started on the statistical card file with the intention of preparing cards only for the data worked up in the normal office assignments. This was to insure the preservation in uniform and established format of all data accumulated for regular and special jobs including work done for the country groups. It was anticipated that over a period of many years, this file would grow and become increasingly useful. This modest approach was decided on because of the limited resources at our command and the determination to fit this project into our work program with a minimum of disruption.

However, from the start considerable interest was shown in this project by some of the country people. After some discussion with Mr. Stevenson and Mr. deFleurieu, cards were started for several series covering the countries under their jurisdiction. All work on this project has been on an experimental and trial basis thus far.

I have discussed this project at some length with Messrs. Rosen, Stevenson, Clark, Larsen, deFleurieu, Gould and Welk and have obtained agreement as to the desirability of this undertaking and assurances of cooperation in carrying it out. The statistical cards would be prepared in accordance with the following principals:

1. The Statistics Section will establish and maintain the standards for preparation of the cards. This will insure uniformity.
2. The cards will be prepared basically by the Statistics Section. In general the card will be filed until request is made for the latest data at which time it will be brought up to date. The group requesting that the series be established will be responsible for sources, notes and the assembly of the requisite data.
3. If current maintenance at frequent intervals is desired, it will be the responsibility of the requesting group to obtain the current data and post the card up to date. This process will spread the burden of current maintenance.
4. Priority will be given to the preparation of cards covering the countries to which loans have already been granted.

5. The cards will be filed with the Statistics Section and will therefore be available for use by any staff member of the Bank.

It must be stressed that this is a very long-term project and that it may take a long time before a really substantial number of cards have been prepared since I do not propose to interrupt other operations but will fit this job in.

I would appreciate an early decision as to the future of this project.

Erg - Economic Dept.

OFFICE MEMORANDUM

November 2, 1948

To: All Staff Members
From: Director, Economic Department
Subject: Mail and Cables

Your attention is drawn again to the procedure for handling incoming and outgoing mail and cables which has been established for the Department and which was set out in Departmental Circular of February 25, 1948.

Please see that the instructions for handling mail and cables are strictly observed. I wish to place special emphasis on the fact that all outgoing mail is to be routed to the Office of the Director prior to despatch.

Attached for your ready reference is a revised version of the circular of February 25. Certain minor changes have been made to bring it up to date.

A. Rist

Director, Economic Department

✓
x Comm. Mail

November 2, 1948

To: All Staff Members of the Economic Department
From: Director, Economic Department
Subject: Mail and Cables

The following procedure will be observed for handling departmental mail:

Incoming Mail

All incoming mail (other than purely personal mail which is routed direct to the addressee) is sent by the Correspondence and General Files Section, Archives Division, either to the Office of the Director or, in the case of periodicals, publications, circulars, and other informational documents, to the Research Files, Archives Division. When the contents of this mail indicate that it should be brought to the attention of a staff member, it will be passed to that staff member in due course.

In cases where staff members receive mail which has been addressed to them personally, but, in fact, refers to the work of the Department, staff members are requested to pass this mail promptly to either the Office of the Director or the Research Files, as appropriate, to allow the mail to be registered "in."

Outgoing Mail

- (1) The following are authorized to sign outgoing mail:
 - (a) Mail involving policy matters: The Director
The Assistant Director
 - (b) Mail on routine matters: Division Chiefs
Section Chiefs
- (2) All mail, when signed, will be routed to the Office of the Director, unsealed, before despatch, to allow it to be registered "out".
- (3) Two copies for retention by the Office of the Director should accompany all outgoing mail.

Cables

- (1) The following are authorized to sign official cables from this Department:
 - (a) Policy Cables: The Director
The Assistant Director
 - (b) Routine Cables: The Director
The Assistant Director
Mr. G. C. Wishart, Assistant to the Director
- (2) The same procedure as in (2) and (3) above should also be followed in the case of cables.

Econ Dept

Mr. C. C. Hamilton

October 21, 1948

Robert F. Skillings

Relation of Research Files to Economic Department.

In my conversation with Mr. Rist yesterday, the following points emerged:

1. The Research Files should be as active as possible in supplying the Economic Department with material needed in its work.
2. The Files should aim at a service which closes whatever gaps there are between the material gathered by the various economists and the material in the Joint Library.
3. Much can be done by effective liaison with Bank missions. Research Files can consult with the personnel of the mission before its departure with the view of canvassing the material already available in the Bank on the country in question, ascertaining that the mission establishes a flow, to Research Files of whatever material is missing, and to enable the Research Files to maintain a check on incoming material to insure completeness and where gaps exist, to investigate and correct.
4. The Economic Department will endeavor to keep the Research Files as completely informed as possible of the current activities and to that end will supply the Section Chief with an exhaustive table of work now in progress.
5. The Economic Department agrees that Research Files is the logical place to receive and to distribute material submitted by Governments in compliance with loan agreements, and should also be the central registering point for any other informational material received from Governments.

RFS:rms

Econ Dept.

FILE COPY

Mr. Robert L. Garner

October 11, 1948

Leonard B. Rist

Work of the Economic Department.-

For the purpose of my own Department, a summary of the work undertaken in connection with the various loan applications has been prepared.

I thought it might be of interest to you and am enclosing a copy of it.

1 attach.

lbr/mlc

Administrative Circular

International Bank for Reconstruction and Development

August 23, 1948

Interdepartmental Transfers

Announcement is made of the following transfers from the Loan Department to the Economic Department, effective August 9, 1948:

Mr. William Welk

Mr. Victor Urquidi

Chauncey G. Parker

Chauncey G. Parker
Director of Administration

*Copy filed
adm. Circular
Loan Dept*

Aug - Economic Dept
August 31, 1948

L. B. Rist

Role of the Economic Department in Supplying Information to the Bank

1. On its reorganization, the Economic Department takes over fully the duties of servicing the Bank with the economic information gathered by the Department in the course of its daily work.

These duties imply a two-fold responsibility:

(a) The appropriate division or section of the Economic Department must always be ready to answer questions submitted to it by any interested staff member of the Bank, on all matters coming within its field of activities.

(b) As well as being available for consultation on matters within their scope, the divisions and sections of the Department have the responsibility of drawing the attention of other members of the Bank staff to significant developments which it is considered may be of interest to them in their work.

2. To carry out the above, the following procedure will be followed by divisions and sections of the Economic Department:

(a) Annotated clippings or notes on significant developments will be forwarded, if possible, by noon each day to the Office of the Director to inform the Director of items of special importance. These items will be routed on to the President, Vice-President, Loan Director, etc., as appropriate, by the Office of the Director.

(b) Division and section heads will ensure that, as far as possible, comprehensive liaison is maintained between their divisions and sections and the staff members of other departments of the Bank on all matters of mutual interest. The divisions and sections of the Economic Department will draw to the attention of these staff members items of economic information which are of interest to them in their work.

(c) Notes on items of special Bank-wide interest will be forwarded to reach the Office of the Director by Wednesday of each week. These items of general interest will be reprinted in the weekly Information Bulletin. When submitted, they should be specially marked "Information Bulletin" and the source indicated. A good preparation for this particular service will be provided by the weekly departmental staff meetings at which each division and section head is expected to talk briefly on items of special interest coming within his area or field.

3. It will be realized by all staff members that the value of the procedure outlined above is merely to make channelling uniform, but that the service which the Economic Department can give in this field of general information depends entirely upon their own initiative, imagination, and efficiency.

12

Org - Economic Dept

All Division and Section Heads, Economic Dept.

August 20, 1948

P. N. Rosenstein-Rodan

for Jw

Role of the Economic Department in Supplying Information to the Bank

The following is a draft copy of a proposed departmental circular.

Before this is issued, it is desired to discuss this matter at the next staff meeting to be held on Wednesday, August 25, 1948.

Will you kindly consider the draft and be ready to give your views on the procedure outlined at that meeting.

.....

1. On its reorganization, the Economic Department takes over fully the duties of servicing the Bank with the economic information gathered by the Department in the course of its daily work.

These duties imply a two-fold responsibility:

(a) The appropriate division or section of the Economic Department must always be ready to answer questions submitted to it by any interested staff member of the Bank, on all matters coming within its field of activities.

(b) As well as being available for consultation on matters within their scope, the divisions and sections of the Department have the responsibility of drawing the attention of other members of the Bank staff to significant developments which it is considered may be of interest to them in their work.

2. To carry out the above, the following procedure will be followed by divisions and sections of the Economic Department:

No. (a) Annotated clippings or notes on significant developments will be forwarded as soon as possible each day to the Office of the Director to inform the Director of items of special importance. These items will be routed on to the President, Vice-President, etc., as appropriate, by the Office of the Director.

(b) Division and section heads will ensure that comprehensive liaison is maintained between their divisions and sections and the staff members of other departments of the Bank on all matters of mutual interest. The divisions and sections of the Economic Department will draw to the attention of these staff members items of economic information which, it is considered, will be of interest to them in their work.

- (c) Clippings, or notes on items of special Bank-wide interest will be forwarded to reach the Office of the Director by Tuesday of each week. These items of general interest will be reprinted in the weekly Information Bulletin. When submitted, they should be specially marked "Information Bulletin" and the source indicated.

Copies to:

S. Andersen
E. H. Clark
P. Craig-Martin ✓
C. Goor
J. Gould
E. Larsen
S. Lipkowitz
P. Dickens
V. Marrama
E. W. Rembert
W. Welk
A. Wubnig

FILE COPY

org

Mr. Edward M. Bernstein

August 9, 1948

L. B. Rist

Reorganization of Economic Department

I have just completed a reorganization of the divisional structure of this department and I am sending you for your information and that of your staff three copies of the following:

- A. Organizational chart of the Economic Department
- B. Statement of divisional duties.

Enc. (6)

CCWishart:ang

FILE COPY

organization

Mr. W. A. B. Iliff

August 9, 1948

L. B. Rist

Reorganization - Economic Department

I am sending you herewith for the use of staff members of your department twenty-five copies of the new organizational chart for this department and twenty-five of the chart of duties for the various divisions in the department.

It might be useful for the relevant loan officers in your department, when they are appointed, to make contact with the chiefs of our area sections. Mr. Clark is filling Mr. Stevenson's position, and Mr. Larsen is filling Mr. deFleurieu's position during their absence.

Enc. (25 of each of the above)

GCWishart:amg

Administrative Circular

International Bank for Reconstruction and Development

Economic Dept.
August 5, 1948

Interdepartmental Transfers

In consequence of the recent reassignment of functions between the Loan and Economic Departments, announcement is made of the following transfers effective August 9, 1948.

From the Loan Department to the Economic Department

Mr. Felix Bochenski	Mr. Herbert W. Robinson
Mr. Vincent Checchi	Mr. Robert F. Skillings
Mr. John H. Collier	Mr. Augustin D. Spottswood
Mr. Sidney D. Merlin	Mr. Jacques Torfs
Mr. Royce A. Wight	

From the Economic Department to the Loan Department

Mr. Wiebe Glastra

Chauncey G. Parker

Chauncey G. Parker
Director of Administration

*Copy filed - Adm. Circular
Loan Dept*

Mr. Joseph Rucinski

July 6, 1948

William G. Welk

Suggested Organization for the Economic Department

As you requested, I am putting to paper, for the purpose of further discussion, the ideas which I suggested at our meeting this morning. To furnish the Loan Department with the services which it needs to discharge its operational responsibilities with a maximum of effectiveness and dispatch, it seems to me that the Economic Department might be organized along such lines as the following:

The Department might consist of three main branches:

1. a General Studies Branch,
2. a Technical Studies Branch,
3. an Area Studies Branch.

The General Studies Branch would include a small group of highly qualified economists who would engage in the study of such general problems as the Bank may be faced with from time to time and the management might wish the staff to explore. This would include all problems of general policy excepting specific matters of loan policy which would be reserved for study by the Loan Policy Division in the Loan Department.

The Technical Studies Branch would be divided into an appropriate number of Technical Divisions much along the lines of the present organization; namely, agriculture, minerals and fuels, industry, transport, etc. It would prepare studies of a specialized technical nature and provide advice on technical problems. Questions requiring engineering skills of a high order would, as heretofore, be referred to outside engineering advisors.

FILE COPY

Page 2

The Area Studies Branch would have two main responsibilities: -

- a) to keep currently informed on important developments in all countries in which the Bank is or is likely to become interested and to prepare current analyses of such developments, and
- b) to prepare general country studies, economic appraisals and reports on individual loan applications, and periodic follow-up reports on the economies of countries to which loans have already been granted.

To perform these functions properly the Area Studies Branch would, it seems, need to be broken down into a number of Area Divisions, each staffed with an adequate number of area specialists who should be able to follow and to interpret current events satisfactorily and to prepare the general and special studies required of them.

To insure a rapid flow of information to the Loan Department and, generally, effective collaboration between the two Departments, close personal contact between the loan officers and the appropriate officers in the Economic Department (both Area and Technical) would have to be maintained at all times.

FILE COPY

Mr. H. C. A. Woolley

June 22, 1948

G. C. Wishart

Liaison with Foreign Missions

Reference: Your note with copy of memo from Mr. Balany and
comments of the Secretary

I raised this question at our weekly staff meeting of division and section chiefs who were interested in Mr. Balany's proposal.

In discussion, however, they confirmed that, as far as possible, the various technical economists try to maintain their own informal liaison with members of the various missions whom they know. This is most advantageous to them, since it enables them to discuss questions of mutual interest with other technicians who are members of these missions and are working in their own fields.

The suggestion that a liaison officer should be appointed to coordinate such exchange of information has the great disadvantage, from our point of view, that it is never so satisfactory for information to be obtained through a third party than for the economist working in a particular field to liaise directly with his opposite number.

Accordingly, it is felt that the proposal goes too far and would not really accomplish very much. Any help that your division could give, however, in introducing the economists of this department to interesting contacts in these missions would be most helpful. Subsequently, our economists would keep in touch with these contacts.

The point made by the Secretary in regard to the position of the Executive Directors is, of course, most important, and any contacts which our economists may have at the moment with members of foreign missions are purely informal and of a personal nature.



GCWishart:jmg

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May 24, 1948

Mr. Howard E. Tolley

G. C. Wishart

Economic Department Position Evaluation Survey

Following on our discussion today, here are some general notes regarding how the position evaluation forms for the professional and technical staff members in this department should be compiled:

1. I attach a list showing the number of position description forms which I consider will have to be prepared or revised for this department's use at Committee "A" meetings. We have discussed a departmental numbering code to be used on these descriptions, which should enable us to complete quickly additional job descriptions.
2. The first job is to prepare skeleton descriptions for each level of staff member in the department. As these skeleton descriptions are completed by you, we shall confer together and have them agreed between ourselves and Mr. Lefoux, who is in charge of the survey. You will then take each of the skeleton descriptions to the various staff members affected by them and add to the descriptions such extra items necessary to make them "personalized" descriptions fitting the staff member and his particular job.
3. In framing the position description forms for the various levels of staff members, I suggest that you bear in mind the following points:

A. Senior Economists - Area Divisions

The point to bring out in this description is that the senior economists must have very good all-round knowledge of economics. These senior economists, under the supervision of a chief economist, will be responsible for the framing of country economic reports to be used in connection with loan applications. They will be members of joint Loan-Economic Department missions to visit countries for the purpose of writing these economic reports. They will sit in at staff Loan Committee meetings to defend the conclusions reached in their economic reports. They will also be members of joint Loan-Economic Department sub-committees set up to consider specific loan applications.

The economists in the area divisions will perform similar work but at a slightly lower level, having the senior economists and the chief economist to guide them.

B. Senior Economist - Foreign Investments Division

This job should be described as at present set up.

C. Senior Economists - Economic Technology Sections

These jobs should be described as at present set up.

D. Senior Economist - Country Analysis and Statistics

This job should be described as at present set up.

E. Economists - Economic Technology Divisions

No change in these jobs, except that each job description must be fitted to the

X
Bessamel
Pos. Eval.

Mr. Howard E. Tolley

FILE COPY

May 24, 1946

individual's duties and responsibilities in his section.

Att.

cc: Mr. William P. Howell
Mr. Jean LaTour

CCWishart:eng

Org. Economic Dept.

FILE COPY

Mr. Chauncey G. Parker

29 April, 1948

Leonard B. Rist

Organization of the Economic Department

You will remember that I promised the staff members of this Department, at the meeting you attended, to reproduce for their information, the organizational chart displayed.

This has now been done and I am sending you two copies for your information. It is appreciated that this chart may not be final but it should serve as a useful guide to staff members of this Department and also to staff members of the Loan Department who desire to contact my staff direct in regard to the subjects they deal with.

I have sent a supply of copies to the Loan Department and, also, copies to Mr. Fowler.

Attach. 2

GCW/js

Org. & combined left

FILE COPY

Mr. Edward M. Bernstein

April 5, 1948

Leonard B. Rist

Following our previous conversations and in view of the impending widening of my department's responsibilities to include country studies as well as general economic studies, I am advising my staff that they should make it a rule to consult with your staff currently on matters (and documents) of interest to both.

In order to facilitate these personal contacts, I would be grateful to you if you could let me have at your earliest convenience a schedule showing the present organization of your department, including the names of the persons assigned to specific jobs or desks.

I shall let you have mine as soon as my reorganization is completed. It will, of course, contain some empty slots but will serve as a guide.

Thank you.

lbr/mlc

MRB

STRICTLY CONFIDENTIAL
DECLASSIFIED

By. Economic Report
March 11, 1948

SEP 02 2011

ECONOMIC (RESEARCH) AND LOAN DEPARTMENTS

WBG ARCHIVES

- A. - The President has repeatedly pointed out that three major fields have to be covered by the two Departments :
- (1) "the collection and preparation of information necessary for the Bank's operation";
 - (2) "Loan operations and policy, which is properly the field of the Loan Department and involves loan negotiations, techniques of loans, including determination of timing, amount and terms ; this implies knowledge-ability of the applicant countries";
 - (3) "Economic policy, which is properly the field of the Economic (Research) Department. It includes determination of basic economic objectives which are the pursuit of the Bank in the long and short run, as well as studies of the national or international policies which may lead to economic stabilization."
- B. - Under the present organization, the functions under (1) i.e. information, are divided as follows : the Economic (Research) Department has functional study groups, and the Loan Department geographical study groups.

Loan policy questions are handled by the Loan Department.

As to economic policy, there has existed for the past year in the Economic (Research) Department a staff of 9 economists called "Economic policy studies" group, and working directly under the control of the Department head, which has been handling the problems outlined in (3) above.

- C. - In the light of past experience, it appears clearly that functional and geographic information and analysis are so closely related that, in the interest of efficiency and economy of operations, they should be combined within the same organization. Such an organization could possibly be established independently of any existing department or be made a part of any department.

This particular problem of amalgamation is the issue involved in the reorganization discussed during the past four months. The Loan Director's memorandum of March 10th provides no solution for this particular problem and tends to restrict consultations with other Departments of the Bank to the operations of the staff "Loan Committee" and "Loan policy Committee."

- D. - In addition, even more important is the fact that the Loan Director's memorandum raises an entirely new issue, namely the amalgamation of Economic and Loan policy within the Loan Department. This would deprive the Research Department of its main function.

A. R. R.

Mr. Leonard B. Rist

28th January 1948

Paul D. Dickens

PPD

Conversation with Mr. Sommers, January 27, 1948

Further conversation with Mr. Sommers served to clear up the misunderstanding of our program that apparently resulted from our first talk last week.

Mr. Sommers is still rather favorable to sending a letter to all member governments asking for copies of their constitutions and laws and decrees affecting foreign capital. With respect to the current program of work relating to foreign investments, he agreed to co-operate in any way possible.

Mr. Sommers called my attention to an outline of "Information to be Furnished by Applicants for a Loan" which was prepared last September by the Loan Department with the co-operation of the Legal and Research Departments and also to the request for current information during the life of the loans made of countries to whom loans have been granted. I am obtaining copies of each of these documents and hope to find out how much they have been used and what information has been received as a result. The outline, which is quite detailed, covers part but not all of the data I consider desirable to obtain from loan applicants and borrowers.

c.c.: Dr. J. S. Gould ✓

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

TO-		Name	Room No.
1		Dr. Joseph S. Gould	310
2			
3			
4			

FOR-

	Action		Initialing
	Approval		Preparing Reply
	Comment		Previous Papers
	Filing		Noting and Returning
	Full Report		Recommendation
	Information		Signature

REMARKS

In accordance with your request,
I attach my outline of the functions
of the Foreign Investments Division
in quintuplicate.

Date—19/1/48 From— Paul D. Dickens

Functions of the Foreign Investments Division

The functions of the Foreign Investments Division relate, broadly speaking, (1) to ascertaining the facts of foreign investments throughout the world, and the related capital movements, (2) to determining and analyzing the factors which affect foreign investments, (3) to formulating recommendations regarding foreign investments as they affect the Bank's policies and (4) to assisting the operating departments of the Bank by furnishing data and analyses as needed.

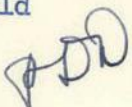
In more detail, the work of the Division covers the following fields:

- I. The facts of foreign investments
 - A. By investor and investee countries
 - B. By types of investments and investors
 - C. Capital movements
 - D. Results of investments
 - E. Historical development of investments
- II. The factors affecting foreign investments
 - A. Relating especially to investments in securities
 1. Organization and condition of the principal capital markets of the world.
 2. Defaults on internationally held issues (causes, history, settlements, etc.)
 - B. Relating especially to direct investments
 1. Legal conditions under which established and operated
 2. Political factors, such as nationalization trends
 3. Social factors, such as excessive nationalism
 4. Resource factors (availability of materials, labor and capital)
 - C. Intergovernmental loans
 - D. General international financial factors, particularly as they relate to long-term investments
 1. Balance of payments
 2. Exchange rates
 3. Foreign exchange controls
 4. Public finance
 5. Gold and foreign exchange reserves
- III. Other services.
 - A. Analyses of conditions affecting the market for the Bank's and foreign obligations

OFFICE MEMORANDUM

TO: Dr. Joseph S. Gould

DATE: 9th January, 1948

FROM: Paul D. Dickens 

SUBJECT:

At Mr. Rist's request, I talked to Mr. Hoar of the Loan Department on the type of work this Division might do to assist them in their work. After a short conversation I agreed to present an outline of the work that seemed desirable and to discuss it with him and his staff at a later date. The attached draft outline is my suggestion for later discussion with him. Any suggestions you may have will be appreciated. It should be borne in mind, of course, that the inclusion of an item in the outline is not a guarantee that data on that subject will be forthcoming upon request.

There are certain aspects of the foreign investment problem that will be of interest to the Bank and upon which work should probably be done. They are not included in the outline because it was prepared for a special purpose. Such items are: (a) Study of the long-term capital markets; (b) Study of capital movements; (c) Studies of the balance of payments problems raised by foreign investments.

Attachment.

General Outline of Research re.
Foreign Investments

- A. Foreign investments - magnitude of
- I. By investor and investee countries
 - II. By types of investment
 - a. type of asset (or liability)
 1. short-term
 2. long-term
 - (a) portfolio (securities)
 - (b) direct
 - (c) miscellaneous
 - b. type of owner
 1. individual
 2. corporation or other association
 3. government
 - c. type of issuer and class of issue
 1. corporation (or branch)
 2. government
 3. other
 - III. Historical development
 - IV. Investment income, paid and received, by types.
(This section ~~will~~ lead to judgments as to creditor-debtor status.)
- B. Foreign investments in securities
- I. Factors affecting international transfer
 - II. Factors affecting remittance of or receipt of income
 - III. Record of outstanding foreign obligations
 - a. by issues, showing interest rate, amortization schedule, currencies payable, call dates
 - b. relation to total debts
 - IV. Actual or potential burden on balance of payments
 - a. interest
 - b. amortization
 - V. Data relating to defaults
 - a. date of default (by issues)
 - b. causes of default
 - c. in case of partial defaults (by issues)
 1. extent of default
 2. conditions of payment
 - d. settlements and adjustment of defaults
 1. date of settlement
 2. negotiated or unilateral action
 3. analysis of provisions
 4. extent accepted by bondholders
- C. Foreign direct investments
- I. Legal factors affecting, including their administration,
 - a. right of foreigners to establish businesses or interests in businesses, including practices re. concessions.
 - b. effect of labour and other social legislation
 - c. effect of foreign exchange controls
 - d. effect of tax measures
 - e. conditions of competition
 1. government corporations
 2. cartels and other business associations

*mining +
natural
resources
laws*

General Outline of Research re
Foreign Investments

C. Foreign direct investments (continued)

II. Political factors

- a. nationalization of industry
- b. public sentiment toward foreign investments

III. Resource factors (in co-operation with other divisions)

- a. availability of natural resources, semi-manufactures and equipment
- b. availability of labour - skilled and unskilled
- c. availability of capital - fixed and current - for local participation

IV. Actual or potential burden on balance of payments

D. Miscellaneous investments (probably covered in A, B and C)

(Sections B and C lead to judgments as to conditions conducive to private foreign investment - foreign investment codes - and evaluations of adverse effects on the amount of foreign investment to be expected.)

MD

*Reg. Research
Dept.*

FILE COPY

Messers Hamilton and Fowler

February 2, 1948

Martin M. Rosen

The attached draft is somewhat rewritten from the original version but does not involve any substantial changes. Such changes as have been made are primarily matters of wording and attempts to simplify the statement originally drafted. In accordance with the suggested Loan Department changes there can be read in each place for "economic" the words "economic and financial."

Att. - ② Hamilton
- ① Fowler

MMRosen;rke

*X Reg.
10 and 7*

Research Dept

Loan Officers and Chiefs of Divisions

30th December, 1947

C. C. Hamilton

A meeting will be held in Mr. Pineo's room tomorrow, Wednesday, 31st December, at 10:30 A. M. to continue the discussion on the division of work between the Loan and Research Departments.

I attach a brief memorandum covering some of the points which emerged from the previous discussion. Will you please keep this memorandum as confidential within the Department for the time being?

CCH mcv

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WBG ARCHIVES

COLLABORATION BETWEEN LOAN AND RESEARCH DEPARTMENTS

1. The only two possibilities from the administrative point of view seem to be either -

- (a) the Loan Department should have sufficient personnel on the divisions to do all the studies relating to countries and loan applications and thus be an operational unit complete with "supplies", or
- (b) that the members of the Research Department should work directly on such studies for the Loan Department with the same direct responsibility to the Loan Department Chiefs of Divisions as though they were in fact in the department.

2. If the second alternative is chosen the following points must be borne in mind:

- (a) The administration of the Research Department must be sufficiently flexible to allow members of the Department to work directly for the interested Chief of Division of the Loan Department.
- (b) Even the collection of statistics and their presentation and interpretation are matters in which our Divisions are interested. In the presentation of statistics a great deal depends on the method of selection and appraisal and our Chiefs of Divisions would not be content to rely blindly in this matter on the Research Department.
- (c) There should be as many contacts as possible between the Loan Department and the Research Department, but all requests for work on a country must go through the Chief of Division into which that country falls.

- (d) It is essential that there should be no doubt in anyone's mind that the responsibility for the examination of a loan application, the preparation of the report and recommendations and for the negotiation of the loan rests entirely with the Loan Department. All contributions by other departments, such as the Research Department or the Legal Department, must go in the first instance to the Loan Officer or Chief of Division concerned and never, for instance, directly to the Staff Loan Committee.

It is essential that no one should be under the illusion that the old arrangement of a "working party" with a divided responsibility for examining a loan application and writing studies on it has been revised. That method was found to be cumbersome, ineffective, and full of administrative difficulties.

3. The effect of the change on the Research Department would be that -

- (a) so far as its work for the Loan Department is concerned, it would become purely a service department, which, while contributing everything that it could from its own initiative and originality, would nevertheless be fundamentally doing the work it was asked to do in the way it was asked to do it, and
- (b) as regards work on world trends and world developments, it should develop a very high degree of expertise and its men engaged on this work should be world experts (on certain aspects at least of world economy) just as the men in the Loan Department Divisions will be country experts.

4. If the collaboration between the two Departments is to follow the proposed lines it should be remembered that -

- (a) The staff of the Research Department depend primarily for the success or failure of their own careers on pleasing the Head of that Department: this is the administrative weakness in saying that they must please the Loan Department.
- (b) Apart from the question whether a man can serve two masters, it is doubtful whether it is reasonable to ask the Director and senior officers of the Research Department to agree to their staff working directly for the Loan Department without their having the right of editorship and screening of the work done.

5. In view of the very considerable doubts which still remain as to how the proposed change will work in practice, it is important that nothing should be crystalized in organizational form (e.g., by the setting up of geographical divisions in the Research Department) until we have had some practical experience of the new arrangements.

Loan Department
GCH now
22nd December, 1947

Research Sept

Mr. C. C. Hamilton

December 5, 1947

C. H. Davies

The Loan-Research Problem.

In the course of last night's discussion, it was strikingly clear that each speaker was making two allied assumptions, but these assumptions were never explicitly recognized or questioned. These assumptions are:

(a) That somewhere across the complex of activities involved in handling actual or potential loan applications, a sharp line must be drawn. Everything on one side of the line must be under the Loan Director, everything on the other side under the Research Director.

(b) That the gap thus created then needs to be bridged by a variety of expedients ranging from the inculcation of the right spirit of cooperation to the creation of formal committees and working parties.

Everyone recognized the problems created by drawing this line, and everyone had different ideas as to where the line should be drawn. Yet, no one asked the obvious question as to why a line should be drawn at all. Because the handling of loan problems has hitherto been split between two departments, it was taken for granted that this must always be the case.

In my view, the root of the problem is that this should not be taken for granted. It seems to me that the difficulty in drawing the line and the admission of the problems it raises point clearly to the obvious solution, i.e., that all activities involved in processing a loan application should be in the hands of one department.

The Loan-Research Problem.

The persons with operational responsibility must be able to direct the Research they require to be done, instead of channeling requests to another department of equal status. They must command rather than request research, and when it is done, they must be able to criticize, question, and call for revision in a way that no devices for promoting cooperation can possibly secure as between members of two equal departments.

It would be absurd if Secretary of State Marshall, instead of being briefed for a conference by the relevant "desks" of his own department, had to make application for such briefing to another departmental head of equal status.

The present Loan-Research boundary, drawn between studies relating to particular applications (actual or potential) and those relating to several such applications (since a 'functional' study on, e.g. World Oil Supplies, is of this nature) is artificial. There is no obvious reason why the former category should fall under the Loan Director and the latter under another Director. All studies relating to the processing of loan applications (and 90% of the research needed in the Bank falls under this heading) should be under the Loan Director.

The remaining 10% of research should be of the nature of very high level appraisal of the world economic situation. It should be the responsibility of an Economic Adviser to the President, who would need perhaps two or three research assistants. This Adviser should be of the first rank (someone of the caliber of the late Lord Keynes would be the ideal). He might be asked by the President to comment on reports on loan applications after they had passed the Staff

Mr. C. C. Hamilton

Page 3.

The Loan-Research Problem

Loan Committee stage.

CHD:dh

Research Sept

DEMARCATION BETWEEN LOAN AND RESEARCH

When it is difficult to know exactly where to draw a line, the solution is often that it should not be drawn at all.

The problem of separating the functions of Loan and Research Departments is that of drawing a line between the more and the less academic aspects of the processing of a loan application. There is no logical principle on which such a line can be drawn sharply between:

- (a) Negotiation and study
- (b) Senior and junior study.

The most high-level negotiator must himself do some academic study, even though much is done for him by others.

It is of fundamental importance that such a negotiator should be in a position to direct the research he requires to be done for him, instead of channeling a request to another Department of equal status. When the research is done, he must be able to go over it with those who have done it, freely criticizing the work, asking questions and calling for revision. This is not possible with junior workers not subject to his authority, and no amount of devices for securing full and informal cooperation between two departments can make it possible. He may also require such assistants to sit with him at conferences to supplement their briefs impromptu.

It would be absurd if Secretary of State Marshall, instead of being of being briefed for a conference by the relevant "desks" of his own department, had to make application for such briefing to another departmental head of equal status.

The present Loan-Research boundary, drawn between studies relating to particular applications (actual or potential) and those relating to several such applications (since a 'functional' study on, e.g. World Oil Supplies, is of this nature), is artificial. There is no obvious reason why the former

category should fall under the Loan Director and the latter under another Director. All studies relating to the processing of loan applications (and 90% of the research needed in the Bank falls under this heading) should be under the Loan Director.

The remaining 10% of research should be of the nature of very high level appraisal of the world economic situation. It should be the responsibility of an Economic Adviser to the President, who would need perhaps two or three research assistants. This Adviser should be of the first rank (someone of the caliber of the late Lord Keynes would be the ideal). He might be asked by the President to comment on reports on loan applications after they had passed the Staff Loan Committee stage.


Apart from the problems raised above, an attempt to make the Loan Department a body of senior negotiators would place it under the constant necessity of recruiting such negotiators in a ready made condition, since there would be no juniors to train up.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

29 October 1947

FROM: Director, Research Department
TO: ALL MEMBERS OF THE RESEARCH DEPARTMENT
SUBJECT: Acting Assistant Director

Dr. Rosenstein-Rodan has been designated as
Acting Assistant Director of the Research Department,
effective today, 29 October 1947.


Director
Research Department

Copies to:

Offices and Departments for information

FILE COPY

Research Dept

Mr. R. L. Garner.

October 24, 1947.

Walter Hill.

Division of Work between the Loan and the Research Departments.

The accompanying second version of the Note on the division of work between the Loan and Research Departments incorporates the amendments suggested during the discussions at the meeting on October 16. In particular, it takes account more explicitly of Mr. Rist's point that the Research Department should be in a position to make suggestions. Please let me know if you approve the amended version. (The amended parts are marked in pencil).

FILE COPY

Research Dept

Mr. R. L. Garner.

23rd October, 1947.

Walter Hill.

Division of Work between the Loan and the Research Departments.

The division of work between the Loan and Research Departments is based on two accepted facts:

First, the Loan Department is responsible for the development of loan policy and procedure and for dealing with individual loan applications;

Secondly, the Loan Department is organised on a geographical basis and the Research Department on a functional one.

(a) THE DIVISION OF WORK

In the discharge of its responsibilities - these require the best information and judgment that can be had - the Loan Department is dependent on the active co-operation of the Research Department. The studies of the two departments - Loan and Research - are organised on a complementary basis, the first on a geographical one and the other on a functional one. This division of functions should be reflected in the division of work between the two departments.

The geographical divisions of the Loan Department - there are seven of these - are small groups that, collectively, should be experts on the countries and regions assigned to them. They should be in a position, at any moment of time, to report accurately on the present state of affairs in any one country; they should be sufficiently familiar with their countries and regions to be able to discern long-term trends; and they should be informed of world-wide tendencies to be able to see the/

October 23, 1947.

FILE COPY

to see the problems of their own countries and regions in the right perspective. At present these are aims rather than accomplished facts, but they are aims that should be achieved as much as and as quickly as possible.

The co-operation of the divisions of the Research Department is essential if these aims are to be achieved; it is invited under these headings:

(1) The Technical Units grouped in the Economic Resources Division.

If these units could advise the Loan Department authoritatively on the technical subjects within their competence, the latter would be greatly strengthened in the discharge of its responsibilities. This advice should take two forms:

First, the units of the Economic Resources Division would prepare studies of raw materials and industrial products entering international trade in substantial volume. These studies would take the form of basic reports, brought up-to-date at regular intervals. They would contain a brief description of the nature and relative importance of individual primary products and industrial products, of the sources of supply and the location of consumption, together with an analysis of past, present and expected conditions of supply, demand and prices. These studies - and especially the forward-looking sections - are essential to the formulation of loan policy and to the intelligent appraisal of loan applications. For example, applications from countries that depend largely on exports of primary products for their income of foreign exchange cannot be properly appraised without expert advice on the prospect of these commodities. Again, a request for the financing of new industrial capacity that depends for the sale of part of its output on exports cannot/

exports cannot be appraised without expert advice on the trend of demand, on the productive capacity of other countries and on the supply price. Examples could be multiplied.

Secondly, - and in addition to the regular studies - the units of the Economic Resources Division should be available for the preparation of specific studies as well as for consultation and advice on matters within their competence, whenever the need arises. This need arises in the preparation of country studies, in connection with loan applications, as well as after the granting of loans. For example, such specific studies would concern a country's mineral or agricultural resources, its industrial capacity and its man-power.

Under both these headings, the Loan Department would invite suggestions from the Research Department as to the studies which would be most useful.

(11) The Economic Studies Division

This division should be in a position to assist the Loan Department (a) by studying regularly specified long-term trends and (b) by preparing special economic and financial reports as and when required. Under the first heading comes a continuous study of the evolution of world economic affairs, with special reference to the changing pattern of international trade, to the course of business activity, and of commodity prices. Examples of the second are the analysis of "the dollar shortage", the appraisal of the Paris Report now in progress, and the economic interdependence of Central and Western Europe and Latin America. The initiative of the Research Department in suggesting studies/

suggesting studies which would be most useful as a background to loan policy would be of particular assistance to the Loan Department.

(iii) The Foreign Reporting Service.

The Foreign Reporting Service, as at present envisaged, would reinforce the resources of the geographical divisions of the Loan Department, by organising, through its correspondents in the field, a regular flow of information on the economic and financial evolution of foreign countries.

Members of the Loan Department, of course, will themselves have to pay visits to their countries to gain first-hand knowledge of local conditions, to undertake special fact-finding studies on the occasion of loan applications, to be available during negotiations, to advise foreign countries on the Bank's loan policy, and to consult with authorities in borrowing countries after the granting of loans. They will also maintain contact by correspondence with the authorities in borrowing countries.

(iv) A Statistical Service.

In the course of its work, the Loan Department is in need of assistance in the compilation of statistics and in the preparation of charts. Since the creation of a statistical section within the Loan Department - equipped with calculating machines and other tools - would involve unnecessary duplication, it would wish to be able to call upon the statistical group of the Research Department for this type of work.

(b) THE VOLUME OF WORK INVOLVED

The work that the Loan Department is inviting the Research Department to carry out in order to enable it to discharge its responsibilities as efficiently as possible thus falls into (a) regular studies, (b) specific studies and/

studies and consultation and (c) statistics and charts.

(i) Regular Work. The Loan Department is fully conscious of the magnitude of the work involved in its suggestions and of the fact that time will be needed to complete the basic studies. Since these cannot all be started simultaneously, the Department will furnish an initial list, with priorities.

(ii) Specific Studies and Consultation. In contrast to regular studies that can be planned ahead, it is not possible at present to estimate the volume of this work and, consequently, the time required to do it. Within a few months, however, this difficulty should be overcome, that is the Research Department should soon have a fairly definite idea of the requests likely to arise under this heading, though these will vary, of course, with the volume of business of the Loan Department.

(iii) Statistics and Charts. Under this heading too, experience will reveal the amount of work involved.

All in all, the volume of work under these headings will probably occupy a substantial proportion of the present capacity of the Research Department.

(c) METHOD OF CO-OPERATION

In order to ensure smooth and efficient co-operation between the Loan and Research Departments on the lines suggested, it will be necessary to define how it is to be made effective. There is a need (a) for avoiding confusion by the establishment of a method of routing the flow of enquiries from the Loan to the Research Department and (b) for ensuring that members of the Loan Department/

the Loan Department who initiate enquiries will, without delay, establish close contact with members of the Research Department who deal with them. The following procedure has been agreed:

(a) The initial list of regular studies, with priorities, will be passed on to the Research Director or his representative by an Assistant Loan Director. Details concerning contents and delivery dates will then be settled by representatives from the two departments.

(b) All invitations for the preparation of additional regular studies and of special studies will be checked and approved by an Assistant Loan Director before being passed on to the Research Director or his representative by a designated person in the Loan Department (Mr. C.H. Davies). As soon as an invitation has been passed on to the Research Department, arrangements will be made for discussion between those who need the studies and those who prepare them.

(c) So far as normal consultation is concerned, members of the Loan Department may go direct to the respective experts in the Research Department; similarly, members of the Research Department who need expert advice on countries or papers relating to countries will have direct access to heads of geographical divisions.

(d) As regards the services of the Statistical Unit, the urgent requirements of the Loan Department will be given the same degree of priority as the urgent work of the Research Department.

(e) Mr. Davies of the Loan Department will co-ordinate and pass to the Research Department (Dr. Basch) all requests for studies. He will also be responsible for passing to the Research Department (Dr. Gould) all requests for statistical services, other than those requiring less than half an hour's work/

23rd October 1947.

an hour's work which will be accepted by the Statistical Unit direct from members of the Loan Department.

(f) The periodical meetings of the Loan and Research Directors under the presidency of Mr. Garner will continue to provide an opportunity for an exchange of information and of views.

(g) The resources of the Research Department will be used as fully as possible: Chiefs of Divisions of the Loan Department will not only ask for studies to be made, but will discuss loan applications with the appointed representative of the Research Department (Dr. Basch) and will seek suggestions from him as to studies which the Research Department might make.

(d) ADVANTAGES OF PROPOSED ARRANGEMENTS

These arrangements have a number of important advantages and will be in the interests of the Bank as a whole.

(a) A division of work based on the distribution of the function of the two departments will result in the most efficient utilisation of the technical competence of each. It will, therefore, provide the basis for effective co-operation.

(b) The substitution of a definite plan of co-operation for a trickle of enquiries of unpredictable volume, will enable the Research Department to plan ahead its work for the Loan Department.

(c) The arrangement envisaged will enable the Research Department greatly to assist the Loan Department in the discharge of its responsibilities.

~~c.c. Mr. P. G. C.~~
~~Mr. A. L. S.~~
~~Mr. H. G. R.~~
~~Mr. Hamilton.~~

Mr. R. L. Garner.

14th October, 1947.

Walter Hill.

Proposed Division of Work between the Loan and the Research Departments.

The proposed division of work between the Loan and Research Departments is based on two accepted facts:

First, the Loan Department is responsible for the development of loan policy and procedure and for dealing with individual loan applications;

Secondly, the Loan Department is organised on a geographical basis and the Research Department on a functional one.

(a) THE DIVISION OF WORK

In the discharge of its responsibilities - these require the best information and judgment that can be had - the Loan Department is dependent on the active co-operation of the Research Department. The studies of the two departments - Loan and Research - are organised on a complementary basis, the first on a geographical one and the other on a functional one. This division of functions should be reflected in the division of work between the two departments.

The geographical divisions of the Loan Department - there are seven of these - are small groups that, collectively, should be experts on the countries and regions assigned to them. They should be in a position, at any moment of time, to report accurately on the present state of affairs in any one country; they should be sufficiently familiar with their countries and regions to be able to discern long-term trends; and they should be informed of world-wide tendencies to be able to see the/

October 14th, 1947.

to see the problems of their own countries and regions in the right perspective. At present these are aims rather than accomplished facts, but they are aims that should be achieved as much as and as quickly as possible.

The co-operation of the divisions of the Research Department is essential if these aims are to be achieved; it is invited under these headings:

(i) The Technical Units grouped in the Economic Resources Division.

If these units could advise the Loan Department authoritatively on the technical subjects within their competence, the latter would be greatly strengthened in the discharge of its responsibilities. This advice should take two forms:

First, the units of the Economic Resources Division would prepare studies of raw materials and industrial products entering international trade in substantial volume. These studies would take the form of basic reports, brought up-to-date at regular intervals. They would contain a brief description of the nature and relative importance of individual primary products and industrial products, of the sources of supply and the location of consumption, together with an analysis of past, present and expected conditions of supply, demand and prices. These studies - and especially the forward-looking sections - are essential to the formulation of loan policy and to the intelligent appraisal of loan applications. For example, applications from countries that depend largely on exports of primary products for their income of foreign exchange cannot be properly appraised without expert advice on the prospect of these commodities. Again, a request for the financing of new industrial capacity that depends for the sale of part of its output on

October 14, 1947.

exports cannot be appraised without expert advice on the trend of demand, on the productive capacity of other countries and on the supply price. Examples could be multiplied.

Secondly - and in addition to these regular studies - the units of the Economic Resources Division should be available for the preparation of specific studies as well as for consultation and advice on matters within their competence, whenever the need arises. This need arises in the preparation of country studies, in connection with loan applications, as well as after the granting of loans. For example, such specific studies would concern a country's mineral or agricultural resources, its industrial capacity and its man-power.

(ii) The Economic Studies Division.

This division should be in a position to assist the Loan Department ^(a) by studying regularly specified long-term economic trends and (b) by preparing special economic and financial reports as and when required. Under the first heading comes a continuous study of the evolution of world economic affairs, with special reference to the changing pattern of international trade, to the course of business activity, and of commodity prices. Examples of the second are the analysis of "the dollar shortage", the appraisal of the Paris Report now in progress, and the economic interdependence of Central and Western Europe and Latin America.

(iii) The Foreign Reporting Service/

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(iii) The Foreign Reporting Service.

The Foreign Reporting Service, as at present envisaged, would reinforce the resources of the geographical divisions of the Loan Department, by organising, through its correspondents in the field, a regular flow of information on the economic and financial evolution of foreign countries.

Members of the Loan Department, of course, will themselves have to pay visits to their countries to gain first-hand knowledge of local conditions, to undertake special fact-finding studies on the occasion of loan applications, to be available during negotiations, to advise foreign countries on the Bank's loan policy, and to consult with authorities in borrowing countries after the granting of loans. They will also maintain contact by correspondence with the authorities in borrowing countries.

In point of organisation, this Service would seem to cut across the geographical-functional set-up at the Head Office in Washington. The Service should be regarded as an experiment and, consequently, it should be subject to change and adaptation in accordance with needs.

(iv) A Statistical Service.

In the course of its work, the Loan Department is in need of assistance in the compilation of statistics and in the preparation of charts. Since the creation of a statistical section within the Loan Department - equipped with calculating machines and other tools - would involve unnecessary duplication, it would wish to be able to call upon the statistical group of the Research Department for this type of work.

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(b) THE VOLUME OF WORK INVOLVED

The work that the Loan Department is inviting the Research Department to carry out in order to enable it to discharge its responsibilities as efficiently as possible thus falls into (a) regular studies, (b) specific studies and consultation and (c) statistics and charts.

(i) Regular Work. The Loan Department is fully conscious of the magnitude of the work involved in its suggestions and of the fact that time will be needed to complete the basic studies. Since these cannot all be started simultaneously, the Department will furnish an initial list, with priorities. Once priorities, contents and dates are settled, the Research Department should be able to plan the work ahead in the light of its capacity and of other claims upon its resources.

(ii) Specific Studies and Consultation. In contrast to regular studies that can be planned ahead, it is not possible at present to estimate the volume of this work and, consequently, the time required to do it. Within a few months, however, this difficulty should be overcome, that is the Research Department should soon have a fairly definite idea of the demands likely to arise under this heading, though these will vary, of course, with the volume of business of the Loan Department.

(iii) Statistics and Charts. Under this heading too, experience will reveal the amount of work involved.

All in all, the volume of work under these headings will probably occupy a substantial proportion of the present capacity of the Research Department.

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(c) METHOD OF CO-OPERATION

In order to ensure smooth and efficient co-operation between the Loan and Research departments on the lines suggested, it will be necessary to define how it is to be made effective. There is a need (a) for avoiding confusion by the establishment of a method of routing the flow of enquiries from the Loan to the Research Department and (b) for ensuring that members of the Loan Department who initiate enquiries will, without delay, establish close contact with members of the Research Department who deal with them. The following procedure might be considered:

(a) The initial list of regular studies, with priorities, would be passed on to the Research Director or his representative by an Assistant Loan Director. Details concerning contents and delivery dates would then be settled by a small group of representatives from the two departments.

(b) All invitations for the preparation of additional regular studies and of special studies should be vetted by an Assistant Loan Director before being passed on to the Research Director or his representative by the Liaison Officer of the Loan Department (Mr.C.H.Davies). As soon as an invitation has been passed on to the Research Department, arrangements would be made for discussion between those who need the studies and those who prepare them.

(c) So far as normal consultation is concerned, members of the Loan Department should be able to go direct to the respective experts in the Research Department; similarly, members of the Research Department who need expert advice on countries or papers relating to countries would have direct access to heads of geographical divisions.

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(d) Similarly, members of the Loan Department should have direct access to the services of the Statistical Unit in order to avoid delay, and their urgent requirements should be given the same degree of priority as the urgent work of the Research Department.

(e) Mr. C.H. Davies, Liaison Officer of the Loan Department, would be available at all times to settle with his opposite number in the Research Department any problems that may arise.

(f) The periodical meetings of the Loan and Research Directors under the presidency of Mr. Garner already provide an opportunity for an exchange of information and of views.

(d) ADVANTAGES OF PROPOSED ARRANGEMENT

The proposed arrangement would have a number of important advantages and would be in the interests of the Bank as a whole.

(a) A division of work based on the distribution of the function of the two departments would lead to a more efficient utilisation of the technical competence of each. It would, therefore, provide the basis for effective co-operation.

(b) The substitution of a definite plan of co-operation for a trickle of enquiries of unpredictable volume, would enable the Research Department to plan ahead its work for the Loan Department.

(c) The arrangement envisaged would enable the Research Department greatly to assist the Loan Department in the discharge of its responsibilities.

c.c. Mr. Pineo.
Mr. Rist.
Mr. Hoar.
Mr. Hamilton.

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Research Dept.

Chiefs of Divisions

October 10, 1947

C. H. Hamilton

Liaison with the Research Department

Reference is made to Mr. Hear's memorandum of July 24, 1947, addressed to Chiefs of Divisions, the second paragraph of which read as follows:

"It may often happen, however, that we possess information which has not been embodied in such a study or report. In order that the Research Department may have the benefit of such information, they have nominated for each loan application a 'contact man' who will keep in touch with the Division concerned. Chiefs of Divisions should see that these 'contact men' are kept informed as to what information we have on our files, and that they have access to such information".

We are now informed by Mr. Rist that the duties of these "contact men", a list of whom was given with the above memorandum, have been taken over by Dr. Antonin Rasch, and you are therefore asked to give Dr. Rasch the same facilities of access to our informational material as have hitherto been extended to these "contact men".

CHD:dh

CC: Dr. Antonin Rasch

Research Dept.

OFFICE MEMORANDUM

TO: Messrs Pineo, Hoar, Hill

CCP ASGH WH

DATE: September 25, 1947

FROM: Leonard B. Rist

SUBJECT: Loan applications.-

This is to confirm to you that Dr. Antonin Basch has been asked by me to act as liaison agent with your Department on all matters concerning loan applications.

This substitutes for the list of names included in my note to Mr. Pineo dated July 18th 1947.

In order to facilitate his task, I should be grateful if you would send to Dr. Basch the list of the persons of your Department in charge of the various loan applications.

L. B. Rist

ack - Oct. 10 '47

SUGGESTED RELATIONSHIP BETWEEN THE LOAN DEPARTMENT AND THE
RESEARCH DEPARTMENT OF THE LBRD

The Subcommittee, appointed by Mr. Hill to make recommendations relative to the studies which the Loan Department will request from the Research Department, suggests that, as a general rule, the Loan Department should undertake studies specifically relating to member and other countries and to loan policy. The Research Department should undertake studies of a functional nature and those which involve world or regional analysis.

The activities of the Loan Department require that the several Divisions become intimately familiar with the conditions, existing or potential, in the countries which are assigned to them. This knowledge is of great importance if Divisions are to prepare accurate information and recommendations relative to loan applications; the Subcommittee considers, therefore, that country studies must be made by them.

The several Divisions, however, cannot, because of lack of time and staff, undertake studies of a more general nature. Such studies are indispensable to an intelligent analysis of an individual country's problems and potential. Because of the absence of such studies, the preparation of reports on loan applications now requires a longer time than would otherwise be the case. It is suggested, therefore, that the Research Department be asked to prepare the following studies:

1. Raw Material and Industrial Product Studies.

A study should be made of each major raw material and industrial product. These studies should include:

- a. A technical and historical review of production.
- b. An analysis of demand, markets and prices.

c. A review of distribution.

This should include all information available concerning international allocations, internal and external government controls, and the flow of trade between producers and the consuming markets.

d. A forecast for the future.

This should include an analysis of factors likely to modify demand and supply, prices, etc. Moreover, there should be an attempt to assess trends over a period of several years ahead.

The above studies should be kept up-to-date constantly. The Loan Department should be able, at any time, to call upon the Research Department experts in order to receive commodity information during the preparation of country studies and during the process of considering loan applications.

After there has been a determination as to what raw materials and industrial products are to be studied, the general approach to these studies should be determined by a Loan Department-Research Department conference.

2. Other Studies.

The Subcommittee considers that most of the resources of the Research Department will be ^{employed} enjoyed for a substantial period of time, if it undertakes the above-mentioned studies. However, as the need arises and as time permits, other studies of a general nature may be requested, such as a study of debt defaults of member nations, and a review of the world shipping situation, including earnings of principal maritime powers, etc.

In addition to the above studies, it is recommended that a joint Loan-Research Statistical and Graphic Presentation Division be established which will be available to the Loan Department for routine statistical work. The Subcommittee hopes that the Chiefs of Divisions in the Loan Department may be able to approach this service division directly with requests for work of a purely mechanical nature.

October 1, 1947

CONFIDENTIAL

Secretary's Memorandum No. 271

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WBG ARCHIVES

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

August 28, 1947

FROM: The Secretary

Work Program of Loan and Research Departments

At the request of the President, there is circulated herewith for the information of the Executive Directors a program showing the major work projects which were in progress in the Loan and Research Departments as of August 22, 1947.

The order in which the projects are listed does not indicate the priority being given to them.

Distribution:

Executive Directors and Alternates
President
Vice President
General Counsel
Secretary
Treasurer
Loan Director
Research Director
Director of Marketing
Director of Public Relations
Director of Administration
Assistant to the Vice President

VKK
Sec-941

SUMMARY REPORT OF WORK IN PROGRESS

(as of August 22, 1947)

I. LOAN DEPARTMENT

A. WESTERN EUROPEAN DIVISION

(Denmark, France, Italy, Spain, Portugal, United Kingdom)

F. D. Stephens, Chief
L. Svoboda
J. H. Alter
R. F. Skillings

1. Denmark - A loan of \$40 million has just been granted to Denmark. Continuing contact will be maintained with respect to economic developments in this country.

2. France - The study of statistical material and information is continuing, both in relation to the loan already granted and in anticipation of an application for a further loan in the near future. Mr. Hill and Mr. Mason have been visiting France and Mr. Mason will remain there for the present.

3. Italy - The collection of material and preparation of basic studies is proceeding. Representatives of the Italian Government have stated that an application for a loan is in preparation. Plans are under way for sending a fact-finding mission to Italy.

4. United Kingdom, Portugal and Spain - Information is being collected on these three countries.

B. NORTHWESTERN EUROPEAN DIVISION

(Belgium, Luxembourg, Netherlands, Norway, Sweden, Finland, Iceland)

J. Rucinski, Chief
G. S. Mason
A. Waterston
J. Boudeville

1. Netherlands - A loan agreement for \$195 million was signed on August 7. Contact is being maintained with the Netherlands' representatives and studies are continuing on the general economic conditions of the country.

2. Luxembourg - Discussions and negotiations on the loan application have reached an advanced stage.

3. Belgium - Collection of material and the making of basic studies are well advanced.

4. Norway, Sweden, Iceland and Finland - Material is being assembled and basic studies have started.

C. CENTRAL EUROPEAN DIVISION

(Czechoslovakia, Austria, Hungary, Germany, Switzerland)

F. Selleslags, Chief
R. Genty
A. Spottswood
S. D. Merlin
J. R. Hill

1. Czechoslovakia - Material submitted in connection with the Czechoslovak application for a loan is being examined and checked. The Bank has been advised of a change in the Czech imports plan which seems likely to result in a change in the amount of the loan applied for. Further information on this point has been requested.

2. Germany - In view of the special importance of coal, there has been collaboration with the Research Department on the subject of coal production in the Ruhr. The

Loan Department has been considering possible loan procedure in the event that the Bank might be asked to finance a program for expansion of Ruhr coal production.

Three members of the Polish Mission (including a coal engineer) took advantage of the opportunity on their way home to pay a short visit to the Ruhr to endeavor to make an appraisal of the coal production situation there.

3. Austria and Switzerland - Material is being collected and basic studies are being made.

D. EASTERN EUROPEAN DIVISION

(Poland, Yugoslavia, Albania, Greece, Turkey, Bulgaria Roumania, U.S.S.R.)

W. G. Welk, Chief
H. W. Robinson
W. Diamond
C. Ryshpan
J. Fabian-Fajans

1. Poland - A fact-finding mission consisting of two members of the Loan Department, one of the Research Department, and a coal engineer have paid a six weeks' visit to Poland in order to study the general situation there and to make a first-hand report on the practicability of a loan to that country. The mission has now returned and is preparing a report which will be added to the other material already prepared on the Polish application.

2. Greece and Turkey - Information on the economy of these countries has been assembled and considerable progress has been made in studying it.

E. LATIN AMERICAN DIVISION

(I - Cuba, Dominican Republic, Haiti, Nicaragua, Guatemala, Honduras, Costa Rica, Salvador, Panama, Venezuela, Colombia, Ecuador)

(II - Mexico, Brazil, Uruguay, Argentina, Chile, Paraguay, Bolivia, Peru)

M. Elliott, Chief

G. H. Clee

E. Lynch

J. Corbett

J. Torfs

L. Hughes

S. Biddle

J. Barghahn

N. B. Parker

1. Brazil - Two members of the staff have just returned from Brazil, where they have been engaged in exploratory discussions and in the collection of information.

2. Chile - A preliminary staff report on Chile was completed some time ago and studies are being maintained of current conditions in that country.

3. Mexico - In addition to the application from the Mexican Government, approaches have been made by various persons claiming official sponsorship, who request financing for a number of projects. These are being investigated.

4. Colombia, Venezuela and Peru - Background studies of these countries are being made, the studies on Venezuela being the most advanced.

5. Other Countries - The collection of statistical and economic information on the remaining countries is proceeding.

F. ASIATIC-AFRICAN DIVISION

(Egypt, Ethiopia, India, Iran, Iraq, Syria, Lebanon, Philippines, China, Korea, Japan)

S. Consolo
L. Butcher
N. Andritsakis

1. Iran - A schedule of the basic information which the Bank would require in order to study Iran's application for a loan is in the final stages of preparation.

2. Iraq - The Iraq Minister of Finance paid a visit to the Bank in May and indicated the intention of his Government to apply for a loan. A preliminary study of that country's economy has therefore been made, based on the information at present available.

3. China - Basic studies are in preparation in consultation with the Research Department covering China's geography, population and politics, the economic and financial conditions in that country, and its railroads and ports.

II. RESEARCH DEPARTMENT

A. ECONOMIC RESOURCES AND MARKETS STAFF - Joseph S. Gould, Chief

(1) AGRICULTURE DIVISION

P. F. Craig-Martin, Chief
J. T. Lund
M. F. Perkins
Mrs. N. Courtenay

1. Studies are in progress on the agricultural commodity requirements of European countries considering the "Marshall Plan." The paper includes a summary statement

showing the degree of self-sufficiency and import requirements in quantity and value. Annexes cover requirements of grains, rice, potatoes, sugar, other foodstuffs, cotton and tobacco.

2. A study is being made of the foreign trade in, and markets for, Dutch agricultural products.

3. Studies are projected on:

(a) World production, consumption and trade in coffee, cotton and rice.

(b) Agricultural resources of the Belgian Congo and their prospects for development and the economic relations of Belgium with the Belgian Congo with reference to agricultural commodities.

(c) Germany in relation to European and world trade in agricultural commodities.

(2) INDUSTRIES DIVISION

E. W. Rembert, Chief
Jean de Marcilly
A. Huang

1. An analysis of domestic production and requirements for industrial products of the "Marshall Plan" countries is in progress, including an appraisal of the United States supply availabilities, a determination of the dollar value of the requirements, and a critical review of unusual requirements put forward by the European countries involved. The principal products considered are wool,

cotton, hides and leather, rubber, wood products, steel, ores for ferro alloys, industrial chemicals and fertilizers

2. An analysis is being made of the iron and steel industry of the Benelux Union with special reference to the proposed addition of new rolling mill equipment in Luxembourg. An analysis of the entire European iron and steel industry is planned.

(3) MINERALS AND FUELS DIVISION

S. Lipkowitz, Chief
H. W. Straley
G. D. Tibbits
C. Wang
Miss C. Katz

1. The following studies are in preparation:

(a) An analysis of requirements and import needs of "Marshall Plan" countries for petroleum, coal, copper, lead and zinc.

(b) A supplement to the European coal study, bringing the study up to date.

(c) A brief review of the world silver situation.

(d) An analysis of the mineral resources of the Belgian Congo.

2. A study of the European petroleum situation is projected.

(4) FINANCIAL MARKETS DIVISION

J. J. Lynch, Chief
W. Gilmartin

1. A study is being made of the record of all foreign currency bonds of all countries, with priority given to the study of the bonds of countries who are present or potential loan applicants.

2. A further study is planned of the record of international investment, with particular emphasis on equity and direct investment.

(5) POPULATION AND MANPOWER DIVISION

M. Ross, Chief
Miss M. Knebelman
Miss C. Saposs

1. Estimates are being prepared of manpower requirements needed to satisfy projected increases in output called for by reconstruction plans of the "Marshall Plan" countries.

2. A study is in progress of the total European manpower situation, with a detailed analysis of the French manpower position and prospects and their impact on French economic reconstruction.

3. The following studies are in prospect:

(a) A study of the Polish manpower situation.

(b) A survey of the Ruhr coal mining labor force, and suggested measures to attain pre-war levels of man-shift productivity.

(c) A survey of the Netherlands manpower situation.

(6) TRANSPORTATION AND COMMUNICATION DIVISION

A. Wubnig, Chief
B. Rao

1. A study is in progress of the needs of "Marshall Plan" countries for merchant vessels, railway rolling stock and automotive equipment, and estimates of ocean freights paid by these countries.

2. A survey and appraisal of European ports as outlets and inlets for transit traffic is being made.

3. An evaluation of the inland waterway situation in Europe is projected.

(7) STATISTICAL AND CHARTING DIVISION

C. Goor, Chief
B. King
J. Villechaise
Miss Oldham
Mrs. Curcio
Miss S. Ford

1. Chart books are maintained showing movements of current prices of major commodities together with back price data, yields of government bonds on key financial markets, and other key economic and financial data.

2. Routine activities are carried on currently, such as calculation of amortization tables, collection and tabulation of statistical data and preparation of special charts and other graphic presentations.

(8) ECONOMIC POLICY STUDIES STAFF

Svend Andersen
Antonin Basch
E. Harrison Clark
Georges de Fleurieu
Wiebe Glastra
Alexander Stevenson

1. A reference file is being built up including the main documents pertaining to the Marshall Plan, calendar of events, and memoranda summarizing developments in Europe and in the United States.

2. A further analysis of the American balance of payments is in progress, including data on the situation prewar, during the war, in 1945, 1946, and estimates for 1947.

3. An analysis of post-war international grants and credits, from the United States and elsewhere, is being prepared.

4. A study is in preparation on the impact on the world demand for dollars arising from the necessity to pay dollars for purchases elsewhere than in U. S., from the settlement of balances on payments agreements, and from sterling convertibility.

5. An analysis of the amount of gold and dollars available outside the United States, by country and area, is in progress. Estimates are being made of the amounts actually available to the respective governments and of the amounts hoarded.

6. Studies are being made of the "Marshall Plan" countries' requirements for specific critical products based upon (a) U. S. export figures for these products pre-war and in 1945 and 1946, and estimates for 1947; and (b) the "Marshall Plan" countries' imports from Canada, Argentina, and other Western Hemisphere areas.

7. A study is in progress of the total balance of payments deficit and the dollar deficit for "Marshall Plan" Europe.

8. The extent of revival of intra-European trade, particularly between "Marshall Plan" countries is being studied.

9. An analysis is being made of the internal finance of countries participating in the "Marshall Plan," to examine the extent to which financial instability affects their production and trade.

10. The reconstruction programs of various countries of the world are being compiled, and relevant information in connection with these plans accumulated, in preparation for an integrated examination of the reconstruction proposals.

Chiefs of Divisions

July 26, 1947

A. S. C. Hear

Liaison with the Research Department

It is important that we should give the Research Department the benefit of any information we may acquire in the course of study of loan applications which would be of value to them. To this end, we shall naturally make available to Research any special studies or reports produced in this Department.

It may often happen, however, that we possess information which has not been embodied in such a study or report. In order that the Research Department may have the benefit of such information, they have nominated for each loan application a "contact man" who will keep in touch with the Division concerned. Chiefs of Divisions should see that these "contact men" are kept informed as to what information we have on our files, and that they have access to such information.

A list of the authorized Research Department "contact men" is attached.

Attachment: 1

WHE
RIGHT

AUTHORIZED RESEARCH DEPARTMENT "CONTACT MEN"

<u>Application</u>	<u>Research Department</u>
France	Messrs. Rosen
Holland	Clark
Luxembourg	Stevenson
Chile	de Fleurieu
Mexico	de Fleurieu
Brazil	Andersen
Czechoslovakia	Glastra
Poland	Glastra
Denmark	Clark

July 24, 1947.

OFFICE MEMORANDUM

TO: Mr. M. M. Mendels

DATE: August 21, 1947

FROM: E. M. Walton *Emw / gm*SUBJECT: Reference the note passed to me in Executive Directors' meeting yesterday.

1. The study requested by Bob Bryce on national restrictions on capital movements was, with your concurrence, left with the Research Department.

2. It was first requested of us in November - December when the Research Department was scarcely more equipped to do such a study than we were. Now that the modest Research Department has reached its relatively gargantuan proportions, I suggest that Department is the proper source of such a study.

3. In spite of your request to Mr. Rist, he did not advise me of any assignment of someone to work on the study, but I recall his advising me that he had the study in hand. I assumed that, in view of the expanded role of the Department, he took over.

4. Do you wish me to follow up? I would suggest that we keep clear, on pain of treading on the toes of Research.

Review of Secretariat Functions, - copies are attached.

5.

*EMW
Spoke LBR
who is not keen
on it - suggests
it be forgotten.
If RBB should
bring it up, LBR
will handle.
M. M. MENDELS
Secretary
READ*

*AUG 21 1947
Thanks →*

OFFICE MEMORANDUM

TO: Chiefs of Divisions

FROM: A. S. G. Hoar FDS JA RJS

SUBJECT: Liaison with the Research Department

DATE: July 24, 1947

It is important that we should give the Research Department the benefit of any information we may acquire in the course of study of loan applications which would be of value to them. To this end, we shall naturally make available to Research any special studies or reports produced in this Department.

It may often happen, however, that we possess information which has not been embodied in such a study or report. In order that the Research Department may have the benefit of such information, they have nominated for each loan application a "contact man" who will keep in touch with the Division concerned. Chiefs of Divisions should see that these "contact men" are kept informed as to what information we have on our files, and that they have access to such information.

A list of the authorized Research Department "contact men" is attached.

Attachment: 1



AUTHORIZED RESEARCH DEPARTMENT "CONTACT MEN"

<u>Application</u>	<u>Research Department</u>
France	Messrs. X Rosen
Holland	Clark
Luxembourg	Stevenson
Chile	de Fleurieu
Mexico	de Fleurieu
Brazil	Andersen
Czechoslovakia	Glastra
Poland	Glastra
Denmark	X Clark

July 24, 1947.

OFFICE MEMORANDUM

TO: Mr. Charles C. Pineo

DATE: July 22, 1947

FROM: Leonard B. Rist

SUBJECT: Liaison between Loan and Research Departments

I am completely in agreement with the procedure for liaison between the Loan and Research Departments in connection with loan applications as outlined in the second paragraph of your memorandum of 21st July. Our interest is, of course, in background studies which may be too detailed for general circulation to the Staff Loan Committee and not in preliminary drafts which should not, I quite agree, be circulated.

I am instructing the contact men, whose names were indicated in my note of 18th July, to follow the procedure indicated by you. I feel that the machinery for Liaison thus established will work quite satisfactorily for both Departments but I am, of course, ready to discuss it with you any time at your convenience if you feel such a discussion to be beneficial.

/ Rist

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July 22, 1947

Martin M. Rosen

Research and Loan Departments Meeting

The meeting of Wednesday, July 16, was continued on Thursday, July 17, at 2:15 P.M., in the office of Mr. Garner. In addition to Mr. Garner there were present Mr. Demuth, Mr. Pineo and Mr. Hamilton of the Loan Department, Mr. Rist, Mr. Rosen and Mr. Gould of the Research Department, and Mr. Hoar for part of the meeting.

Mr. Hoar announced that he had received a cable from Mr. Burland indicating that the report on Poland would be made when the party returned from the trip. Burland did not wish to make any sort of detailed report by cable, apparently because of a difference of opinion expressed by various sources from whom information had been obtained.

Mr. Garner raised the question of whether the Polish party might stop off in the Ruhr on the way back to get a quick appraisal of factors affecting coal production. Mr. Hoar thought that Welk might be called back to report on Poland, leaving the rest of the party to go to the Ruhr for a week or so, adding that he was not sure whether it would be necessary to add another economist to the group. Mr. Rist indicated that Basch was available since he was already in Europe. Mr. Demuth questioned the advisability of sending a party and emphasized that the group should be kept small. After discussion, it was agreed that Burland, Lipkowitz and Hebley would stop off in the Ruhr and that Hill might meet the party in Europe and join them. Mr. Garner said that he would ask Mr. McCloy to get a clearance from Under-Secretary Lovett for the trip.

In connection with countries that are not immediate potential loan applicants, Mr. Garner said that he felt it might be wise for the Loan Department country desks to build up files of potential experts on these countries who could be called in quickly to give an appraisal of the situation. He added that, in connection with a possible Chinese application, he would like to meet with Dr. Gould before Friday evening. On the matter of the panel of experts, Mr. Pineo said that Clee was presently in New York building up such a panel particularly in connection with the Peruvian request and also for general use. Mr. Garner said that a Mr. Carroll Bennett had been referred to him in connection with possibility of private financing for Mexico and that Ed Lynch should talk to him on his suggestions.

In discussing the functions of his own office Mr. Hamilton commented that he made summaries of studies, including those prepared by the Research Department, for use of the Loan Department. Mr. Rist asked whether the Research summaries were not adequate and Mr. Hamilton indicated

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that summaries of the Research Department were those for old studies which did not contain a summary and of other materials received by the Loan Department. Mr. Garner said that this brought up a matter of possibility of summaries of material for use of the entire Bank and that this was a topic to be considered separately. Mr. Hamilton said that he had issued a directive to the Loan Department, instructing the chiefs of divisions to ask for studies in writing and to keep in touch with the Research Department, drawing a period of preparation.

Mr. Rist reported on the work being undertaken by the Research Department on the Marshall Plan in accordance with Mr. McGloy's instructions at the meeting of the Executive Directors. There was a discussion about the Loan Department country experts' functions in connection with the Marshall Plan and Mr. Garner said that the study should be a joint product, but that at the present stage it would be necessary for the Research Department to do the major part of the work and to have responsibility for its coordination. He indicated that the interest of the Loan Department was to examine how it might affect future loan applications. Mr. Pineo said that he had instructed Mr. Selleslags to keep in close touch with Mr. Rosen on the Marshall Study and to attempt to work out a basis for mutual studies by the Departments. Mr. Garner went on to say that since the Ruhr Study was very much a matter of a potential loan application, the major responsibility was primarily a concern of the Loan Department with the assistance of the Research Department. Mr. Garner discussed briefly the importance of financial stability as a factor in economic reconstruction and asked the Research Department to think of this study and to prepare some material on it.

Mr. Rist raised the question of meetings of the Staff Loan Committee. Mr. Pineo indicated that there would be several meetings in the near future particularly in connection with the Netherlands application. Mr. Rist asked whether more complete memoranda and materials might be made available on the loan studies in addition to the short memo prepared for the Staff Loan Committee. Mr. Garner agreed that the interest of the Research Department in this material was greater than that of other representatives on the Staff Loan Committee and that these basic papers should be made available. Mr. Pineo suggested the appointment of a liaison man on each loan.

Mr. Rist reported on the studies being made on the individual loan applications. On the Netherlands application, Mr. Garner said there probably was enough information for a loan at this time of about \$200 million as a first advance, but that further studies would be needed before any total amount could be determined. He said that the Iranian loan request was not at all pressing.

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It was agreed to hold the Loan/Research meetings at regular intervals, every other Thursday, with the next meeting set for 2:30 P.M. on Thursday, July 31. Mr. Garner asked that the Research Department report on activities, be prepared to indicate functions of the divisions with the names of the people involved so that he could become more familiar with the work being done by all of the people in the Research Department.

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Mr. Leonard B. Rist,
Director of Research Department.

21st July, 1947

C. C. Pineo, Loan Director

LIAISON BETWEEN LOAN AND RESEARCH DEPARTMENTS

I have received your memorandum of the 18th July with regard to Liaison between our Departments. You will remember that I suggested in the meeting held on July 17 that you should discuss with me the machinery of this Liaison. I shall be glad to do this at any time, but as the reference in your memorandum to receiving working papers and draft memoranda prepared in this Department is not clear to me, I should like to make it clear what my suggestion was.

I wish to make sure that the Research Department has the benefit of any information which we may receive in connection with the examination and study of loan applications and, indeed, of any information which is in the possession of the Loan Department. To this end, we shall send you anything which seems to be of special interest to the Research Department; your contact men will also be able to ascertain what other information is in our files and we shall be glad to make any of that information available to authorized members of your staff, on request. This does not mean, of course, the establishment of a routine whereby all our working papers and memoranda would be submitted in draft form to your Department.

CCP CCH mow

OFFICE MEMORANDUM

TO: Mr. Charles C. Pineo
 FROM: Leonard B. Rist
 SUBJECT: Liaison between Loan and Research Department.-

DATE: July 18, 1947

As suggested by you yesterday, I have designated the following economists of my Department to contact the chiefs of your divisions in charge of the various loan applications as follows :

Application	Chief Division Loan Department (or acting)	Research Department
	Messrs.	Messrs.
France	Stephens	Rosen
Holland	Rucinski	Clark
Luxembourg	Rucinski	Stevenson
Chile	Clee	de Fleurieu
Mexico	Clee	de Fleurieu
Brazil	Clee	Andersen
Czechoslovakia	Selleslags	Glastra
Poland	Robinson	Glastra
Denmark	Stephens	Clark

They will serve as channel to receive working papers and draft memoranda developed by your Divisions in the study of the loan applications.

*This is subject to discussion / Rist
 As I told Rist at yesterday's meeting.
 Effect to be given to this memo only
 after we have a clear understanding
 of procedure*

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July 16, 1947

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Martin M. Rosen

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Research Department - Loan Department Meeting.

In a memorandum dated July 11, 1947 addressed to Mr. Pineo and to Mr. Rist, Mr. Garner called for a meeting for joint discussion of the Loan and Research programs to be held at 2:30 P.M. on Wednesday, July 16. He also requested each department to prepare a written list of "(a) work now in process, and (b) work contemplated to be started in the next 60 days."

At the meeting there were present Messrs. Garner, Demuth, Pineo, Hoar, Hamilton, Rist, Gould and Rosen.

The meeting opened with Mr. Pineo giving a brief outline of the organization of the Loan Department. This contains two assistant Loan Directors, Hill, handling Western Europe and Hoar, handling Latin America and the other areas (Western Europe, Africa, Asia). In addition, there are four Loan officers as follows: Stephens, handling the Danish, Luxembourg, Netherlands and presumably Belgium negotiations; Burland, handling Poland and the Ruhr; Penton to take over French negotiations when he arrives and Elliott to take Latin American negotiations, including Brazil and presumably Mexico, Peru, Chile and Colombia. The Loan Department otherwise consists of six geographical divisions: Western Europe, Northwestern Europe, Central Europe, Eastern Europe, Asia-Africa and Latin America. Presumably Latin America will be divided into two divisions after Elliott's return from Brazil.

Mr. Hoar reported on the present activities of each of these divisions beginning with the Western European. He pointed out that, after announcement of the Marshall Plan, each of the participating countries was considered as an active country and that the appropriate background studies were being begun on these countries. In this connection Mr. Rist pointed out that a Research Department study on U. K. had just been completed, giving an excellent picture of economic conditions in the U. K. There was a limited discussion as to the division of responsibility of studies in connection with the Marshall Plan and Mr. Garner requested that this discussion be put off until this discussion could be talked about as a whole. In connection with the request for studies, Mr. Hamilton stated that the Loan Department was preparing a master list of the studies required with priorities applicable for presentation to the Research Department. Mr. Garner added that these requests should be discussed by the two departments and that the Research Department ought to challenge the priorities if they felt them questionable.

There was a brief analysis by Mr. Hoar of the factors complicating the Netherlands loan application in that repayment of the \$200 million short-term Export-Import Bank loan was due in 1948 - 1949. Discussions

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have been held with Export-Import Bank to extend this loan, excluding the share of it taken over by commercial banks, with XM saying that the longest extension possible would be five years and that satisfaction as to liquidation of Dutch dollar securities would be required. On the Luxembourg loan application, Mr. Hoar said that arrangements now seemed under way to finance external purchases of rolling mill equipment for Arbed and that this would meet the objections raised in the Board to financing internal expenditure. This would be done through Arbed turning over its dollars to the pool and borrowing from the Bank. The amount of the loan would thus be raised to about \$20 million instead of about \$10 million.

The issue of responsibility for the Ruhr study and for the Marshall Plan study arose again in the case of the report of progress for the Central European division where Mr. Hoar indicated that the Loan Department was making a study of the present German economic situation and the possible progress to expand Ruhr coal production. Mr. Rist pointed out that both of these studies had been well undertaken by the Research Department. Further discussion of this matter was also put off until this whole problem would be taken up later on in the meeting. Mr. Garner, however, indicated that Mr. McCloy desires a definite proposal to give to the Clay group when they arrive here on the Ruhr indicating the specific conditions which must be satisfied if the Bank is to be able to make a loan for increased coal production.

In connection with the specific countries studies being undertaken by the Loan Department, Mr. Demuth asked whether the studies might not be made available to other organizations such as the F.A.O., adding that Mr. Davies of the Loan Department had indicated in a F.A.O. meeting the day before that the Loan Department was not making specific country studies. Mr. Hamilton and Mr. Hoar said that the confidential character of such studies would prevent their being distributed to the F.A.O., but Mr. Garner asked Mr. Demuth to prepare a proposed procedure for distribution of information to other agencies, such procedure to be the subject of a separate meeting.

Inasmuch as Mr. Garner had another meeting at 4:00 o'clock, it was not possible to continue on the report on the Loan Department functions and the meeting was adjourned until 2:15 P.M., Thursday, July 17. Before adjournment, Mr. Rist presented Mr. Garner and Mr. Pineo with copies of the Research Department report on its activities present and to be undertaken.

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OFFICE MEMORANDUM

TO: Mr. Pineo
Mr. Rist

FROM: R. L. Garner

SUBJECT: Meeting - Loan-Research

DATE: July 11, 1947

I wish to have a meeting for joint discussion of the Loan and Research programs next week. I suggest 2:30 on Wednesday, the 16th. If this is not satisfactory, please notify my secretary and suggest another time.

I think it would be helpful if each department has a written list of - (a) work now in process, and (b) work contemplated to be started over, say, the next 60 days. I believe that this will assist in clarifying the activities of both departments and of assuring the maximum of coordination.

It is understood that each of you will bring such members of your staffs as you desire.



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June 18, 1947

The Files

Martin M. Rosen

Research Department - Loan Department Meeting.

Mr. Garner called a meeting at 3:30 P.M. Tuesday, June 17, so that the Research Department and the Loan Department could each report on their progress in fulfilling their respective functions and to bring up any problems affecting the two departments. In addition to Mr. Garner, there were present for the Loan Department, Mr. Pineo, Mr. Hoar and Mr. Hamilton; for the Research Department, Mr. Hill, Mr. Gould and Mr. Rosen. Mr. Hoar was required to leave at about 4:00 P.M. in order to meet with representatives of the Netherlands and Mr. Hill left at about 4:45 for a press conference with Mr. Hugh ~~Baker~~ of the New York Times arranged by Mr. Dudley.

The meeting began with Mr. Hoar giving a progress report of the status of the various loan applications being processed by the Loan Department as follows:

Denmark - In final negotiation stage but at a temporary standstill due to differences of opinion on the contract and awaiting assurances on the status of the short-term indebtedness to the U.K.

Luxemburg - The financing required is for the internal budget in an amount of about \$8 million of which \$2 million ^{will} be made available in the form of Belgian francs. The implications of such a loan are to be discussed with the Fund and referred to the Financial Policy Committee of the Board. There was extensive discussion at this meeting on the propriety of such a loan.

Netherlands - Loan of \$50 million desired immediately for which securities would be pledged. Legal opinion on this was to be furnished by Mr. McLain at once. Otherwise it was reported that the studies were incomplete and that it was difficult to obtain necessary information.

Mexico - Action is not expected nor desired before the fall. This, like all other Latin-American applications, is tied up with the general Latin-American policy.

Brazil - Same as other Latin-American loans except Hoar feels exception might be made.

Chile - Tied up with general Latin-American policy, especially policy in relation to status of private issues in default.

Mr. Garner explained that possibility of bring the Pan American Union into the matter had been suggested by Lopez-Herrarte and that Mr. Machado thought it was a practical idea.

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Mr. Pineo reported that the Loan Department section of the Annual Report would be ready next week in final form and that, unlike drafts being prepared by other Departments, it would not require any revision by the Secretary's Office. Mr. Garner noted that the report was basically a report to the public and not to the Board and that therefore no section could be written independently from the others. Mr. Pineo brought up the questions and answers prepared by Mr. Dudley and sent to the Loan Department for reply. He suggested that a Loan and Legal representative meet to draft replies to be approved by Pineo and McLain. Mr. Garner said the Legal Department was swamped with work in connection with the bond issue and they might not have anyone available. Mr. Hill offered any assistance the Research Department could furnish. Mr. Pineo suggested that before Mr. Hill and Mr. Mason left for France they might go over some portions of the French Loan Contract which would require revision if a second tranche would be granted. Mr. Garner felt it would be better not to bring up this subject at the present time.

Before giving a brief progress report on the status of major Research Department projects, Mr. Hill suggested that it would be very useful to the Research Department to receive copies of all country studies made by the Loan Department. Mr. Hill summarized the position of the "European Economy" study with reference to the food supply, labor supply, and fuel supply aspects in particular. He mentioned the completion of the dollar bond study and its separation into two separately bound parts. The Ruhr coal study was completed and ready to be presented the next day.

Mr. Garner suggested that it might be of assistance to the Research Department and would certainly be of help to him if, a few days before each of these meetings, a list of proposed Research projects were to be circulated so that they could be discussed at the meeting. He added that this was not to prevent studies being undertaken if the delay before another meeting was scheduled was a large one.

Mr. Garner referred to the studies on the Netherlands Indies, the shipping survey, and the European coal situation⁵⁻¹¹ and pointed out that it was impossible to read and properly assimilate the vast amount of material presented. He suggested that, when a major study is completed, a meeting might be scheduled for the interested people such as Loan Department representatives, Vice President and the President, if he desires, in which the specialist who had prepared the study could give an oral synopsis of it and answer such questions as arose. In addition, it was agreed that short synopses, limited to only a few pages, would be forwarded to the Vice President and other ranking management officials in place of the detailed and lengthy studies which would be sent to the people operating in the particular field and requiring detailed information.

In connection with requests from the Loan Department, it was also agreed that all such requests from the Loan Department would be centralized and presented in writing through the Office of the Loan Director in order to prevent individual members of the Loan Department requesting unnecessary studies or placing too high a priority upon any individual request. This was not meant

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to debar informal requests for information over the telephone or in person when such requests could be handled very quickly. It was in connection with the requests for studies on the Iran textile industry and on the Middle East oil situation that this procedure was decided. Mr. Pineo indicated that there was no urgency whatsoever for these requests.

Mr. Gould summarized the projects now being undertaken by the Economic Resources and Markets Staff and Mr. Rosen summarized the findings in connection with the study on other potential lending sources.

In connection with the coffee study, Mr. Garner suggested that Mr. Gould or whoever was making the study might contact officials of General Foods, who he named, for information. Mr. Garner indicated that it was very much to be desired in connection with all such studies to make industrial contacts and to secure information from the industries themselves.

Mr. Garner mentioned that a timber specialist had been to see him and he asked whether the Loan Department was maintaining a roster of technical specialists who could be called upon if necessary. Mr. Pineo replied that he felt that this would be a function of the engineer when he was employed.

The meeting adjourned at about 5:30 P.M.

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Distribution:
Mr. Hill -1
Mr. Rist -1
Mr. Rosen -2

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MMRosen:rke

Research Dept

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

OFFICE MEMORANDUM

TO: Staff of Research Department

DATE: January 28, 1947

FROM: L. B. Rist

SUBJECT: Operating Procedures Within the Research Department

In view of the recent increase in the staff of the Research Department and the impossibility of personally speaking with members of the staff as frequently as I would like or as is desirable, I wish at this time to review and call to your attention various regulations with respect to operating procedures within the Department, and to request that they be carefully observed:

- I. (A) No communication to a recipient outside of the Research Department, whether addressed outside the Bank or to another Department within the Bank, is to be dispatched without prior clearance from the Research Director or Assistant Research Director, except in the following instances:
- (1) Communications pertaining to the ordering of documents, such as prepared by Mr. Gilmartin.
 - (2) Informal exchange of working papers.
- (B) Clearance per the above shall take the following form:
- (1) Memoranda
 - (a) Memoranda prepared for signature of Research Director or Assistant Research Director. These shall be forwarded for signature together with yellow file copy showing typed name and inked initials (to indicate approval) of writer, which will appear at lower left-hand corner of the sheet. The Research Director or Assistant Research Director will sign the original, initial the yellow file copy, and return the papers to the writer to be dispatched.
 - (i) Two copies of such memoranda are required for the files of the Research Director or Assistant Research Director.
 - (b) Memoranda for signature of originator. As in (a) above, these will be forwarded with yellow file copy initialed by the writer, but with original signed by the writer. The yellow copy will then be signed by the Research Director or Assistant Research Director to indicate approval, and all copies will be returned to the writer.
 - (2) Letters. All communications to addresses outside of the Bank, which are not of a personal nature unless otherwise specified, are to be prepared for the signature of the Research Director.

The Assistant Research Director will sign in his stead if the Research Director is not available. Correspondence in connection with the French loan should be prepared for the signature of the Assistant Research Director.

- (3) Cables. The regulations above pertaining to memoranda will likewise govern in the case of cables.
- II. In accordance with the wish expressed by the American Executive Director all requests for the transmission of information by U. S. Government agencies are to be addressed to Mr. Joseph S. Gould, Chief of the Economic Staff, who is working out an arrangement with Mr. Collado and Mr. Hooker to facilitate the procurement of information from other agencies. This is not meant to bar personal contacts between members of the staff and individuals in other agencies personally known to them.
- III. The Department is reminded that all letters and cables received by staff members which are not of a personal nature are to be sent to Central Files (Miss Odell) for registration and return in accordance with Administrative Memorandum No. 4.
- IV. All memoranda or reports prepared in the Department should have typed on the first sheet, or cover sheet as the case may be, "Research Department", the initials of the responsible author, and the date.
- V. Wherever possible, distribution and the date of distribution should be shown directly on all papers prepared in the Department. In the case of letter, of course, distribution will be shown only on the internal copies. In all other instances a record of distribution and the date thereof should be kept.
- VI. All requests for secretarial help, space, office equipment, etc., should be channeled through Miss Friedman, who is the responsible administrative assistant.
- VII. Changes of address or telephone number should be promptly reported to Miss Friedman.
- VIII. Memoranda with respect to payment of travel or other expenses incurred on business of the Bank should be addressed to Mr. McCorkle, but routed (1) Miss Friedman, (2) Mr. McCorkle.
- IX. Annual leave is to be requested and approved prior to its being taken. A brief memorandum should be addressed by the individual to his superior, who will note his approval thereon and forward to the Research Director. All other absence is to be promptly reported to the office of the Research Director.
- X. Authorized overtime should be reported to Miss Friedman.
- XI. Papers or documents which are routed to several individuals should be promptly forwarded to the next person. If the first-named individual finds that he cannot read the material at once, he should cross off his name and add it at the bottom so as not to hold up circulation.

- XIII. Working Party Meetings. The office of the Research Director is to be informed immediately of all scheduled loan meetings which are to be held with members of other Departments or with representatives of the borrower. Information as to the date, the time, the place, and the persons to be present is desired. The Research Director and Assistant Research Director will then be informed accordingly.
- XIII. Progress Reports. The Chief of the Economic Staff and each of the Team Heads (or their assistants) should file with the Research Director at the close of business on Thursdays a progress report setting forth in the shortest possible manner the problems under review, the progress made in the interim period, and any points of particular interest which they feel the Research Director might like to bring to the attention of the other Department Heads or the Board of Executive Directors.
- XIV. Master Files. Team Heads are reminded that they are responsible for keeping an up-to-date, orderly and indexed Master File on loan applications. The file should consist of two main sections. The first section will include a complete record of all meetings, current information memoranda and correspondence; the second will contain all the pertinent documentation. The Master File should be placed in the Research Director's office each night in order that he may have it available at any time.
- XV. The staff are also reminded that adequate precautions should be taken to safeguard the confidential nature of working papers. A check should be made each evening to ensure that confidential material is not left lying on desks and that file cabinets are locked.

Research Dept

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 6, D. C.

November 29, 1946.

Research Dept. Records. No. 1.

Memorandum

To : Mr. L. Rist. *ok. I.R*
Mr. W. Gilmartin.

From : Mr. Walter Hill.

Subject : Records of the Research Department.

The Fund is in process of constituting a Reference Library that ~~will~~ also be available to the Bank. This Reference Library will not necessarily contain all the records required by the Research Department, and there are a number of records that the Research Department may like to have physically at hand.

Without prejudice to the ultimate physical distribution of records between the Fund's Reference Library and the Research Department's records, the documents that the latter will require may be grouped under these headings:

1. INTERNATIONAL RECORDS.

- (a) Inter-governmental Organisations. The Research Department should have rapid access to the documents issued by inter-governmental organisations, such as United Nations, International Labour Organisation, etc. A list of these organisations might be made, and a list of documents issued might be obtained for selection. An attempt should also be made to obtain copies of important documents published in the past, by the League of Nations and the B.I.S., for example.
- (b) Other International Organisations. A list of those organisations concerned with economic affairs should be obtained, together with a list of their publications (past and present) for selection. There is a large number of such organisations, such as the Royal Institute of International Affairs in London and the Institute of Pacific Affairs.

/2. NATIONAL RECORDS

2. NATIONAL RECORDS.-

These, again, may be considered under two headings: Official and private.

- (a) (i) Regular Official Publications: All the major countries have adopted the practice of publishing annual statistical yearbooks and monthly returns of foreign trade. These are essential to the Research Department, wherever they may be physically housed. Many Governments publish additional annual or monthly bulletins, such as the Survey of Current Business by the Department of Commerce and the Statistical Digest by the Cabinet Offices in Britain. Lists of these should be obtained for selection.
- (a) (ii) Occasional Publications: Governments also publish important reports and documents, as the occasion arises, concerned with the findings of committees or statements of policy. As it may be necessary to obtain these documents as soon as possible after publication, it might be advisable to devise a method or methods that will enable the Research Department to be informed of such publications without delay.
- (b) (i) Regular Private Publications: These, of course, are legion and require careful selection. They range from publications of Universities and Research Institutes, to magazines such as "Business Week" and "The Economist", and newspapers. For some countries, bulletins published by banks are among the most useful sources of information.
- (b) (ii) Occasional Private Publications: These include not merely books, but the results of special research usually published under the auspices of Universities and Research Institutes. It may be useful to have the views of the members of the staff of the Research Department about the books that they wish to have available, and methods might be devised for the Department to be kept informed of new publications.
- (b) (iii) Reference Books: A list might be made of relevant reference books, dictionaries, etc. that may be required and, where there exists a choice, of the most efficient in each case.

CONCLUSION While the physical distribution of records remains to be considered, the following steps might be taken now:

(1) Members of the staff might be invited to comment on this note; they might be asked which of the documents and other publications they would like to have physically available within the Research Department.

(2) Lists of publications might be prepared systematically under each heading.

/ (3) These lists

- (3) These lists might be compared with documents available in the Library of the Fund and in other easily accessible libraries in Washington that are prepared to lend their records to the Research Department of the Bank.
- (4) Publications on the list that are not available to the Research Department from the Fund or other libraries, and those that, in the view of Members of the staff, should be physically housed in the Research Department might then be ordered.
- (5) An efficient system of circulating incoming documents among members of the staff of the Research Department might be devised.

W. Hill

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October 29, 1946

AUG 16 2021

WBG ARCHIVES

Memorandum

to: Mr. Camille Gutt and Mr. Eugene Mayer

from: Mr. Edward M. Bernstein and Mr. Leonard B. Rist

Re: Relations between the Research Departments of the Fund and the Bank.-

We beg to inform you that in order to develop cooperation between our two Departments to the fullest possible extent, we have agreed to act on following lines:

1. The two Research Departments will extend all possible help to each other.
2. Public documents will be made available by one Department to the other as often as required.
3. Other data, including staff memoranda, economic or financial documents submitted to the Bank in connection with loan applications, or to the Fund in the course of its normal operations, and information concerning foreign lending and monetary prospects, will be made available reciprocally. However, such documents will be carefully marked "Confidential" and will be for the exclusive use of the departments' heads or their immediate assistants. They will be kept under lock and key and will not be communicated outside the department unless express release has been granted.
4. On special subjects of common interest, e.g. the study of balance of payments past or prospective, working groups will be set up in common whenever necessary.
5. It is understood that the assistance to be extended by each Department to the other shall, in no case, involve taking a part or giving advice on policy issues.

Copies to:

MM Basch
Rosen
Torfs
Lynch
Boudeville
Anderson
Wang
Hughes

WBG ARCHIVES

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Com. Dept.

Econ Dept.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 6, D. C.

October 22nd, 1946.

From
J. Torfs

to

Mr. Rist
Directeur des Recherches

ELABORATION OF A PROJECT OF
STATISTIC DOCUMENTATION

1^o Aim of this documentation: To establish a complete filing system, with references and comments of the principal economic, monetary and financial facts.

Although this service should work continuously and collect the documentation of all the countries on the world, one of its important uses would be the preparation of statistics and datas before the study of a specific loan application. This service should therefore have advance informations on the applications submitted by countries to the International Bank.

2^o Contents of these statistics.

1) Raw materials.

- a) By country (1930 to 1950) with justifications of estimations, in value and weight.
 - A) Production and Consumption.
 - B) Local utilisation, percentage for each destination.
 - C) Exports.
 - D) Destination of exports in percentage.
 - E) Imports.
 - F) Prices of imports in percentage.
- b) For all countries.

- A) World prices (1935 to 1950).
- B) Potential resources compared to production for 1946, 1956 and 1966.
- C) Number of workers or farmers employed.
- D) Wages of various categories of workers.

2) Manufactured products: same statistics.

3) Electric power per country.

- a) Steam.
 - A) Oil in kilowatts (1935 to 1950).
 - B) Coal in kilowatts (1935 to 1950).
- b) Hydro electric in kilowatts.

4) Finances by country.

- a) Public and private debts internal, ~~actual in~~ present and expected.
- b) Public and private debts external, present and expected.
- c) Foreign investments.
- d) Bank rates and reserve bank rates (1927 to 1946).

5) Index numbers per country.

- a) Production (1927 to 1950).
- b) Cost of living (1927 to 1950).
- c) Salaries (1927 to 1950).
- d) Monetary circulation (1927 to 1950).

6) Monetary problems by country.

- a) Exchange reserves including gold and silver from 1935 to 1950.
- b) Total circulation (1935 to 1950) including the mine deposits.
- c) Exchange rates (1927 to 1946) with explanations.

7) Population by country.

- a) Total figures.

- b) Industrial, agricultural, Business (1935 to 1946).
- c) Employment (1927 to 1946).

8) Balance of payments (1935 to 1950) in United States dollars with all details for all items amounting to more than 2% on the total balance.

9) Economic maps.

3a Personnel.

One statistician and one typist.

Equipment: one calculating machine (for multiplying and dividing).

The statistics will be typed on cardboard sheets having the dimensions of business letters. Four copies will be made for filing data:

- 1) By country;
- 2) By object;
- 3) Reserve for the file comprising the study of the loan;
- 4) For transmission to the monetary Fund.

4a Basic documents to be obtained: -

- 1) Economic intelligence service of the League of Nation.
 - a) Monthly bulletin of statistics; back issues as far as 1935.
 - b) Statistic book of the League of Nation; latest issue.
 - c) Europe's trade.
 - d) Money and banking.
- 2) National Geographic Society: all maps issued.
- 3) Contour's maps of all countries: scale: 1/2000.000.

J. Torfs.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Mr. Duffett TO *1124*
Name Room No.

1

2

3

REMARKS

Date

From

7 Oct

Mr. Hannell.

Mr. Moffet

Here is the memo
re Risto's organization
I mentioned to you.
Would like your comments
& would you please
pencil in correct
grade entrance salaries
Skinner

October 3rd, 1946

Memorandum

to : Mr. Harold D. Smith

from : Mr. Leonard B. Rist

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PxP
ay

Re : Organization of Research Department.-

1. It would seem that after the Governors meeting the Bank will have a number of loan applications on hand. Some building up of the Research Department should therefore take place without delay.
2. For the purpose of clarity, the Department can best be divided into two major parts :
 - a) investigation on individual applications : investigation teams consisting of one experienced head, possibly one assistant and two or three juniors, would be in charge. One or two teams are necessary at the outset, their number increasing slowly if needs arises.
 - b) liaison with other international organizations + market and investment studies : there we shall need at least one important person with two or three assistants at various levels, and one market and investments man who would set up a small team of his own.
3. At a later stage, the Bank will have to consider hiring fieldworkers and consultants, on a more or less temporary basis. A few persons have already been contacted who might assist us in this connection.
4. The grades would be about as follows, subject to adjustment especially in the light of U.N.O. experience :

Grade A : between 10 and 12,000 : the two assistant directors

Grade B : between 8 and 10,000 : the team heads, market study man and possibly an alternate liaison man.

Grade C...

Grade C : between 6 and 8.000 : assistants to the
grade B people

Grade D : between 3.500 and 6.000 : juniors

Secretarial and administrative assistant staff : 1.750 to 3.000.

5. The suggested time table would be as follows :

1st stage	Grade A	1
	B	2
to be	C	1 or 2
completed	D	4 to 6
by November 1st		<hr/>
		8 to 11
2nd stage	Grade A	2
	B	3 to 4
to be	C	2 to 3
completed	D	6 to 8
by January or		<hr/>
February 1st		13 to 17

6. Attached are :

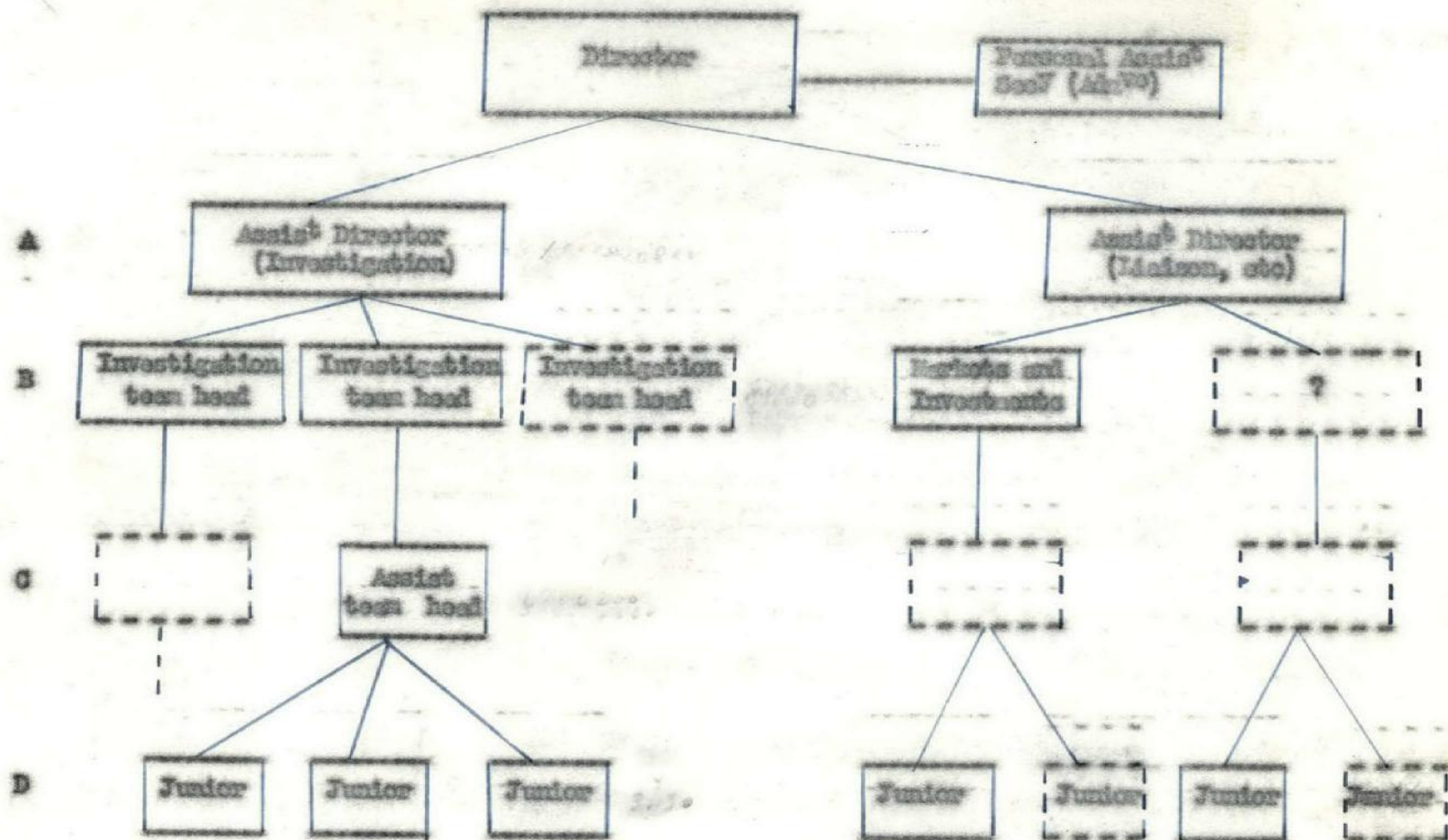
a) a table showing in tentative form the possible
set up of the department;

b) two lists of names, one for immediate consideration,
the second for consideration in the near future.

c) a list of possible consultants.

RESEARCH

DEPT



FIRM PROPOSALS

Grade	Name	Nationality	Age	Present occupation	Date when available	Proposed salary
A	HILL Walter	British	42	Senior assistant editor The Economist	1st Nov. if asked	appointed

B	CHRISTELLON	British	35	Assistant to British Treasury representative (now 8,000)	almost any date	9,000
	DEMBITS Lewis	American	35	Chief Division F.R. Research (now over 9,000)	to be discussed with Mr. Knapp	8,500

C	TORRES Jacques	Belgian	26	Belgian Supply Mission (7,500)	any time	6,000

D	BOUDVILLE Jacques	French	26	French civil service	1st Nov.	appointed
	WANG Chin-Su	Chinese	27	Student - Yale University	any time	3,600

OTHER POSSIBILITIES (in alphabetic order)

Grade	Name	Nationality	Age	Present occupation	Date when available	Possible salary
A	KINDELCHER	American	35/38 (?)	State Dept	within 3-6 months	?
	SMITHIES Arthur	American	36/41 (?)	Beam of the Budget (10,000)	?	?
	WIGNY Pierre	Belgian	42 (?)	Belgian Christian Party (Economic adviser)	?	?

B	BONWELL Allen	American	34	U.N.R.R.A. (8,900)	any	8,500
	CORRETT Jack	American	32	International Bank	3 months	?
	GLASTRA	Dutch	35	Private industry after civil service	?	?
	COLLSMITH	American	38/40 (?)	C.F.A. Sundry Govt. officer now 10,000	almost any	8,500
	LAZER Mirko	Yugoslav	?	former Rockefeller fellow - to be contacted by us		
	LYNCH James G.	American	37	ex U.N.R.R.A. (8,100)	?	8,000
	MORRIS FIELDS	American	47	Dept of Commerce C.I.T. (Intern'l Investments) (8,500)	?	8,000
	PAIS	Norwegian	?	to be contacted in London		
	POSHIAK	American	33 (?)	State Dept (soon P 7)	?	?
	RUCINSKI Joseph	Pole	39	I.T.T. (6,000 soon 12,000)	soon	9,900 (?)
	WILLIAMS Kenneth	American	36/40	F.R.A.	?	about 7,000
	WHITE Ivan	American	36/40	Foreign Service	?	?

Grade	Name	Nationality	Age	Present occupation	Date when available	Possible salary
C	ANDERSEN Sven	Dane	31	National Bank	rapidly	7.000
	de FLAURIEN Georges	French	31	French Budget control	?	?
	KILSTEIN	Dane	30 (?)	to be contacted by Hill		
	ROSEN Martin	American	30 (?)	Formerly Treasury, just out of Am. Control Austria	?	6.500

D	COURAU Andre	Belgian	?	University	rapidly	?
	DELCOURT Paul	French	26	French Planning Office	?	?
	HUGHES Miss Laura	American	33	Institute of Interamer. Affairs (5.150)	rapidly	?
	?	Norwegian	26	Harvard	recommended by Norwegian Governor	

LIST OF POSSIBLE COOPERATORS

Professor Sydney RACER - Rutgers University, New Brunswick, N.J.

Professor P.H. ROBERTSON-SMITH - University College - University
of London

Mr. Radoje NIKOLICH -

Professor REIER (Far East and Investments) University of Chicago

Professor Rollo DENNIS - Williams College, Mass.

Mr. Max GARR, former important industrialist in Austria
