

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Craig, Martin Paul F. - Articles and Speeches (1952)
Folder ID: 1651518
Fonds: Records of Office of External Affairs (WB IBRD/IDA EXT)

Digitized: December 19, 2013

To cite materials from this archival folder, please follow the following format:
[Descriptive name of item], [Folder Title], Folder ID [Folder ID], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.



THE WORLD BANK
Washington, D.C.

© 2012 International Bank for Reconstruction and Development / International Development Association or
The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED

CRAIG - MARTIN, PAUL F. - ARTICLES and SPEECHES (1952)



The World Bank Group
Archives



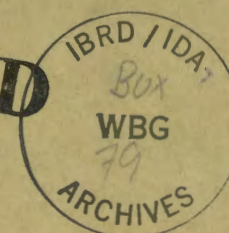
1651518

A1992-007 Other #: 6

212051B

Craig, Martin Paul F. - Articles and Speeches (1952) - 1v

DECLASSIFIED
WBG Archives

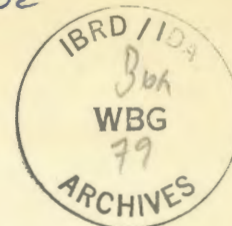




CRAIG-MARTIN

11/18/52 - 50c
1/27/53 - 50c

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT



FOR THE INFORMATION OF THE PRESS

STATEMENT BY THE REPRESENTATIVE OF THE INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT, PAUL F. CRAIG-MARTIN AT THE
16th MEETING OF THE COUNCIL OF THE FOOD AND AGRICULTURE OR-
GANIZATION OF THE UNITED NATIONS

ROME, ITALY, NOVEMBER 19, 1952.

Mr. Chairman:

One year ago, at the 13th Meeting of the Council, the International Bank's representative made a statement reviewing loans for the promotion of agriculture, forestry and fisheries that had been granted by the Bank during the first five and a half years of its activity. The interest that has been shown in that statement has prompted us to provide you with a review of our operations in these fields during the past 12 months.

You have before you two lists of our loans. Appendix A groups the loans into the broad categories of agriculture, industry, power, transport, etc. Appendix B subdivides loans made directly and explicitly for agriculture and forestry. Since the bare statistics conceal some interesting features of loans we have made, I should like to spend a little time in bringing them to your attention.

Taking the sum of development loans made by the Bank through October 31, 1952, about 15% have been classified as made directly for improvement of agriculture or forestry; during the past 12 months the proportion was 17%. These figures, by themselves, are not impressive. I should like to stress, however, that the figures obtained by this calculation have no particular significance, for some very simple reasons.

No single sector of an economy should be considered in isolation and the rapidity of a country's development will be increased if investment takes account

of the interdependence of agriculture, industry, power, transport, etc. Development investment should be balanced. The Bank has had to concentrate its lending on electric power and transportation projects largely because agriculture and industry in underdeveloped countries could not expand without these services. For example, the joint Bank/FAO mission to Chile concluded that about half the investment in road development and one-third the investment in railroad development in that country should be considered as part of an investment program for development of agriculture.

It is because of the need for balanced development that we have organized general survey missions for our member countries. When a general survey mission has made a comprehensive study of the economy of the country to which it has been sent, the government has been in a position to base a concrete program of long term development on the recommendations formulated by the mission. This assists the Bank's policy of consulting with governments on the whole of their development investment and not only on the part which the Bank may finance.

Our member countries have shown an increasing interest in and appreciation of the services thus provided. Altogether, we have organized nine general survey missions, including those for Jamaica and Nicaragua during the past year. We are at present organizing a similar mission for British Guiana while others are under discussion. We expect FAO staff members or consultants nominated by FAO to act as members of these missions just as they have so often done in the past.

These various missions have been able, in many cases, to recommend investment programs and indicate interdependent elements and priorities. Governments have been enabled to examine their sources of funds, improve allocations of financial resources and determine the projects which might be most fruitfully considered for IBRD or other external financing. Colombia and Turkey are notable examples where, following survey missions, projects have been developed and Bank loans

have been granted. In other cases government representatives at the 7th Annual Meeting of the Board of Governors indicated that projects were being prepared for submission.

Since within the field of agriculture itself balanced development is needed, special missions have been organized to review the agricultural sector in Uruguay and Chile. These missions have been joint IBRD/FAO undertakings working in close collaboration with officials and experts of the countries concerned. Our recent joint mission to Chile has just presented its report, which includes a comprehensive investment program for agricultural, forestry and fisheries development. In the case of Chile, the Bank was able to finance an irrigation project during the course of the work of the agricultural mission, in anticipation of the publication of the formal findings of the mission.

We are continuously exploring new methods by which our services can be utilized to the advantage of all our members. We are at present discussing with the countries concerned, in conjunction with the UN, the organization of Technical Research Institutes in Ceylon and Pakistan and exploring possibilities elsewhere. At these Institutes new products and new processes will be tested, as well as improved techniques for existing industries; they will disseminate technical information and train technicians; and they will advise on the preparation and submission of projects.

It is important to remember that IBRD loans are not the only source of funds for investment in agriculture. The Bank's loans essentially cover only the foreign exchange component of development investment. The size of this component conditions to a large extent the size of each individual Bank loan but very rarely, as I pointed out earlier, the extent of the total investment in the project. Electric power and transportation projects require considerable foreign exchange in their financing whereas many of the most fruitful possibilities for direct development

of agriculture depend almost entirely on local currency investments. In some cases, our missions have been able to indicate ways in which much needed local resources can be mobilized or expanded. In addition, staff members or consultants lent to a number of countries have given advice and assistance on this problem, notably in Colombia, El Salvador and Ethiopia. In other cases, the Bank has indirectly contributed to local resources through the use of counterpart funds from Bank loans. In Colombia, for instance, the local currency proceeds from the sale of farm machinery obtained under a Bank loan of US \$5 million were re-invested in the purchase of more farm machinery, and the Government provided the foreign exchange for that purpose. Thus, at least twice as much machinery as could be bought with the original funds was in fact put on the land.

Some of the indirect benefits to agriculture of loans made by the Bank can be readily appreciated from a brief review of loans made during the past 12 months,

1. Australia (US \$ 50 million). About one-third of this loan is for agriculture and land settlement, and will be spent mainly on farm machinery and equipment. The rest of the loan will be spent largely on the improvement of transport, increasing electric power capacity and on extending basic industries and will indirectly benefit agriculture.

2. Finland (US \$ 20 million). Only 5% is for land clearance and drainage equipment for agriculture. However, nearly half of the loan is for the expansion of woodworking industries and the remainder is for increased power for these and other industries.

3. Iceland (US \$ 1.9 million). These loans are for the import of building materials for farm structures and land reclamation equipment and for the construction of an ammonium nitrate fertilizer plant, all directly contributing to agricultural development.

4. Pakistan (US \$ 30.5 million). Of the total of two loans 11% is for equipment

for an agricultural machinery organization designed to reclaim and prepare for cultivation 140,000 acres of waste land per year. The remainder is for rehabilitation, improvement and modernization of railway facilities; through improved equipment and operation, the transport of agricultural products in both West Pakistan and East Bengal should be facilitated.

5. Paraguay (US \$ 5 million). This loan is a direct contribution to a three year program for the expansion of agricultural production; with it farm tools, farm machinery, insecticides, veterinary supplies and fertilizers will be imported.

6. Peru (US \$ 3.8 million). One-third of the total of two loans is for the equipment of farm machinery pools operated by SCIPA. The remainder is for the improvement of the Port of Callao through the provision of general cargo handling, bulk grain discharging and bulk grain storage facilities.

7. Turkey (US \$ 25.2 million). This is a loan for the joint development of power, irrigation and flood control. More than half can be directly attributed to the agricultural aspects while the remainder will provide power for expanding processing facilities, mainly for agricultural products.

8. Brazil (US \$ 37.5 million). One loan is entirely for the improvement of railway facilities with the usual bearing on the marketing of agricultural products. The other is for electric power development.

9. Colombia (US \$ 27.4 million). These loans for the improvement of railway facilities and electric power assist the marketing and processing of agricultural products.

10. Mexico and Southern Rhodesia (US \$ 57.7 million). These loans are all for electric power development. Considerable benefit to agriculture will be derived not only from the additional power but also from the extension of distribution systems over several hundred kilometers of rural lines.

From this brief review it must be obvious that a very large part of the US \$ 266 million in loans made by the IBRD during the past year assists agricultural development. No exact computation of the proportion is, I believe, either desirable or even possible. In any case, I trust that this brief statement will serve to indicate the importance which the Bank attaches to the development of agriculture.

We expect that with the aid of survey missions, special missions, consultants, other techniques and the cooperation of FAO the pace of our lending will increase.

APPENDIX A

STATEMENT OF LOANS THROUGH OCTOBER 31, 1952 (Expressed in million US Dollars)

	<u>Agriculture For- estry & Fisheries</u>	<u>Industry</u>	<u>Communi- cations & Trans- port</u>	<u>Electric Power</u>	<u>Mining</u>	<u>Develop- ment Im- pact</u>	<u>Postwar Recon- struction</u>	<u>Total</u>
<u>Through October 31, 1951</u>								
Australia	44.0	6.5	20.0	27.0	2.5	-	-	100.0
Belgium	-	10.3	-	5.7	-	-	-	16.0
Belgian Congo	-	-	-	-	-	70.0	-	70.0
Brazil	-	-	22.1	82.9	-	-	-	105.0
Chile	3.8	-	-	13.5	-	-	-	17.3
Colombia	5.0	-	16.5	6.1	-	-	-	27.6
Denmark	-	-	-	-	-	-	40.0	40.0
El Salvador	-	-	-	12.5	-	-	-	12.5
Ethiopia	-	2.0	6.5	-	-	-	-	8.5
Finland	2.1	10.5	-	2.0	-	-	-	14.6
France	-	-	-	-	-	-	250.0	250.0
Iceland	-	-	-	2.5	-	-	-	2.5
India	7.5	-	32.8	18.5	-	-	-	58.8
Iraq	12.8	-	-	-	-	-	-	12.8
Italy	-	-	-	-	-	10.0	-	10.0
Luxembourg	-	7.3	4.5	-	-	-	-	11.8
Mexico	-	0.5	-	50.1	-	-	-	50.6
Netherlands	-	8.0	12.0	-	-	-	195.0	215.0
Nicaragua	1.8	-	3.5	-	-	-	-	5.3
Thailand	18.0	-	7.4	-	-	-	-	25.4
Turkey	3.9	9.0	12.5	-	-	-	-	25.4
Union of S. Africa	-	-	20.0	30.0	-	-	-	50.0
Uruguay	-	-	6.6	26.4	-	-	-	33.0
Yugoslavia	3.8	15.6 ^{b/}	1.0	3.1	7.2	-	-	30.7
Total	<u>102.7</u>	<u>69.7</u>	<u>165.4</u>	<u>280.3</u>	<u>9.7</u>	<u>80.0</u>	<u>485.0</u>	<u>1192.8</u>

Nov. 1, 1951 to Oct. 31, 1952

Australia	17.0	12.0	9.0	4.0	8.0	-	-	50.0
Brazil	-	-	12.5	25.0	-	-	-	37.5
Colombia	-	-	25.0	2.4	-	-	-	27.4
Finland	1.0	9.5	-	9.5	-	-	-	20.0
Iceland	1.0	0.9	-	-	-	-	-	1.9
Mexico	-	-	-	29.7	-	-	-	29.7
Netherlands	-	-	7.0	-	-	-	-	7.0
Pakistan	3.3	-	27.2	-	-	-	-	30.5
Paraguay	5.0	-	-	-	-	-	-	5.0
Peru	1.3	-	2.5	-	-	-	-	3.8
Southern Rhodesia	-	-	-	28.0	-	-	-	28.0
Turkey	13.4	-	-	11.8	-	-	-	25.2
Total	<u>42.0</u>	<u>22.4</u>	<u>83.2</u>	<u>110.4</u>	<u>8.0</u>	<u>-</u>	<u>-</u>	<u>266.0</u>
Grand Total: through Oct. 31, 1952	<u>144.7</u>	<u>92.1</u>	<u>248.6</u>	<u>390.7</u>	<u>17.7</u>	<u>80.0</u>	<u>485.0</u>	<u>1458.8^{a/}</u>

a/ Obligations of borrowers sold by the Bank and included in the total amount US \$ 59 million.

b/ A substantial part of this is for "forest products utilization" which falls in the FAO field.

APPENDIX B

STATEMENTS OF LOANS FOR DIRECT AGRICULTURAL & FORESTRY DEVELOPMENT
THROUGH OCTOBER 31, 1952
 (Expressed in million US dollars)

	<u>Farm Mach- inery and Requisites</u>	<u>Irrigation and Flood Control</u>	<u>Land Im- provement</u>	<u>Storage Facilities</u>	<u>Forestry</u>	<u>Total</u>
<u>Through October 31, 1951</u>						
Australia	29.0	10.0	5.0	-	-	44.0
Chile	2.5	1.3	-	-	-	3.8
Colombia	5.0	-	-	-	-	5.0
Finland	-	-	-	-	2.1	2.1
India	-	-	7.5	-	-	7.5
Iraq	-	12.8	-	-	-	12.8
Nicaragua	1.2	-	-	0.6	-	1.8
Thailand	-	18.0	-	-	-	18.0
Turkey	-	-	-	3.9	-	3.9
Yugoslavia	1.1	-	-	-	2.7	3.8
Total	<u>38.8</u>	<u>42.1</u>	<u>12.5</u>	<u>4.5</u>	<u>4.8</u>	<u>102.7</u>
<u>Nov. 1, 1951 to Oct. 31, 1952</u>						
Australia	10.0	-	7.0	-	-	17.0
Finland	-	-	1.0	-	-	1.0
Iceland	-	-	1.0	-	-	1.0
Pakistan	-	-	3.3 ^{a/}	-	-	3.3
Paraguay	3.2 ^{b/}	-	1.8	-	-	5.0
Peru	1.3	-	-	-	-	1.3
Turkey	-	13.4	-	-	-	13.4
Total	<u>14.5</u>	<u>13.4</u>	<u>14.1</u>	<u>-</u>	<u>-</u>	<u>42.0</u>
Grand Total: Through October 31, 1952	<u>53.3</u>	<u>55.5</u>	<u>26.6</u>	<u>4.5</u>	<u>4.8</u>	<u>144.7</u>

a/ Including farm mechanization equipment.

b/ Includes farm tools, insecticides, veterinary supplies and fertilizers.