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THE WORLD BANK  
Washington, D.C.

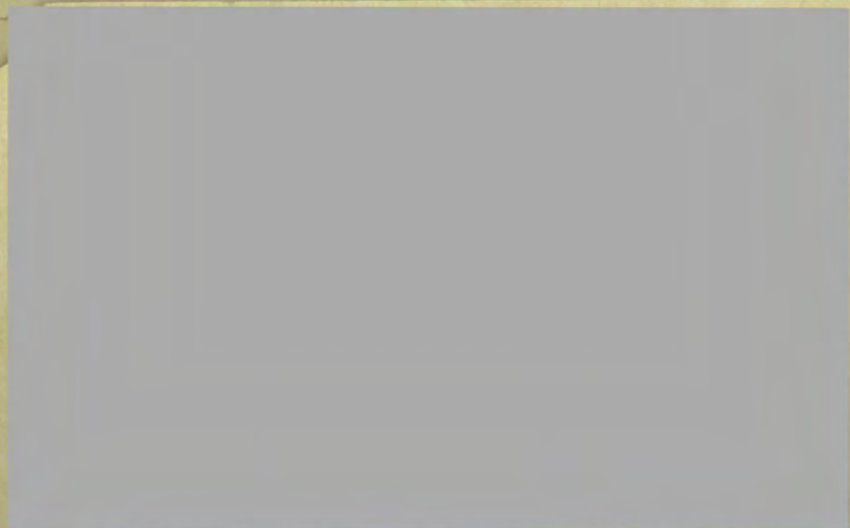
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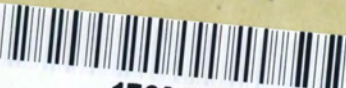
President Eugene Black correspondence

02

M-W



The World Bank Group  
**Archives**



**1769157**

A1992-041 Other #: 1 **209321B**

Records of President Eugene R. Black - Correspondence - Correspondence - Volume 2  
(M-W)

**DECLASSIFIED  
WITH RESTRICTIONS  
WBG Archives**



*Alpha Riddleberger J.W.*

February 28, 1962

Dear Mr. Riddleberger:

In accordance with the request made by the Development Assistance Committee at its meeting in Tokyo last July that the Bank undertake a study of possible multilateral investment insurance systems, I take pleasure in transmitting to you, with this letter, a copy of a report entitled "Multilateral Investment Insurance," prepared by the staff of the Bank. Additional copies are on their way to you under separate cover. I hope that the members of the Development Assistance Committee will find the study useful.

Because of the widespread interest in the subject of the report, we believe it should be made generally available to the public, and we intend to announce its publication on March 5, 1962.

Sincerely yours,

(Signed) Eugene R. Black

Eugene R. Black

Enclosure

The Honorable  
James W. Riddleberger  
Chairman, Development  
Assistance Committee  
2 Rue de la Faisanderie  
Paris 16, France

SEBoskey:ml



*Bredthomone*

UNIVERSITY OF HARTFORD *ERTB*



FEB 5 REC'D

**DECLASSIFIED**

NORTH HOUSE

200 Bloomfield Avenue, West Hartford 17, Connecticut

Date: *08/06/2010, VA*

February 2, 1962

Mr. E. R. Black, President  
International Bank for Reconstruction & Development  
1818 H Street, N.W.  
Washington 25, D.C.

*Confidential*

*Sir Wm Bluff  
Mr. Hoff  
Mr. Wilson  
Please  
return  
a the  
ERTB*

Dear Gene:

Anne Carolyn and I were fascinated and delighted to hear from Sue about your manor house in the hills of Brooklyn. We shall come and see you.

The Ebtehaj business of course has me worried and I am sure it has also troubled you, personally and from the standpoint of conditions in the Iranian governmental hierarchy, and thence to the question of the Bank's interests.

I have a letter from Walter Binger, whom you may remember we sent out to Iran. I attach a photocopy.

I wonder if you could have someone at the Bank let me know whether you people have anything concrete in the way of information that would give me some background against which to consider any further action that I might take, if indeed I can think of anything. A telephone call would do. I wrote to the Prime Minister in November and had the equivocal reply that you will see in the copy of his letter that I also enclose.

Whether the following notion has any merit depends in part on what the Bank may have already done in the matter, of which I have no knowledge. However, in turning the problem over in my head and wondering if there was anything I could do, I thought to ask whether you might like to have me take a trip to Iran for you or use me in any other way.

Any part that I would play might be incidental, and the scheme might work if a Bank officer with the proper flair went out. Knowing the Iranians as I do, to try to deal with the substance of the accusations against Ebtehaj would be to get into a "mare's nest". The case against Ebtehaj will not likely be decided on its merits but according to complicated and subtle motives and the momentary political status of his opponents, the Shah's desire to close Ebtehaj's mouth and the strength of his competitors' desire to put an end to his banking career. Almost certainly the motives will not be what they may ostensibly appear.

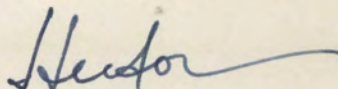
If the Bank were considering a way to do something about this, I would suggest a discreet levantine action of your own. The more intriguing



your arrangements and the less revealed your intentions, the greater the probable impact of any action on the fertile minds of the Iranians. The Bank can at least let it be known, with all the necessary reserve, and certainly without saying anything very clearly, that it was thinking of taking a special look at "conditions", leaving it for everyone to surmise what might be intended or done or not done.

If it were only in the wind that the Bank was thinking of reappraising its position vis a vis Iran, this might have a considerable effect, even if no mission materialized. But this gambit requires getting the idea delicately into the wind, and it shouldn't be all bluff.

Yours as always,



Hector Prud'homme

HP:pbh



WALTER D. BINGER

CONSULTING ENGINEER

1 EAST 42ND STREET

NEW YORK 17, N. Y.

MURRAY HILL 7-0182

January 26, 1962

Dear Hector:

You forgot the enclosures with your letter.

We were at dinner at Harold's and Mary's the day before yesterday evening and he had told me that he just received some information about Ebtehaj from you so I expected that it will be coming to me soon. They left on a two-month cruise yesterday.

Mina Power had lunch with us yesterday. She is sailing today. She dined with a Persian last week who was formerly in the government service. He told her the following:

At one time Ebtehaj had received a bill from Lilienthal & Klapp for \$500,000. He had disapproved the bill and notified the comptroller under no circumstances to pay it. About a month later upon receipt of another bill he added the \$500,000 in his own handwriting and it was paid. He was asked to explain this by the investigating committee and he refused. According to Mina's informant, that is why he is in jail. That is all I know about it. Of course it is quite normal to pass a construction bill a month after you had turned it down because of changed circumstances and this is so easy to explain that I doubt the whole story. Mina's informant said a payoff to Ebtehaj was suspected. I don't think he would take a nickel.

I was glad to have seen Richard and shall look forward to meeting him again and introducing him to Bronson.

Sincerely,

*W.D.B.*

Mr. Hector Prud'homme  
University of Hartford  
200 W. Bloomfield Avenue  
W. Hartford 17, Conn.

P.S. Please note correct address.



*Le Premier Ministre*

Tehran, December 13, 1961

Dear Mr. Prud'homme,

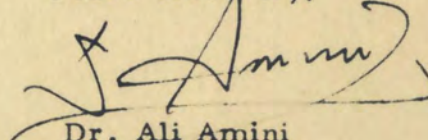
Thank you for your letter of November 17.

I am sorry to learn that the arrest of Mr. Ebtehaj has been misinterpreted abroad. As I have explicitly stated to the press, I have full confidence in honesty and integrity of Mr. Ebtehaj. However, during the course of making certain investigations regarding some waste and extravagance in the expenses of the Plan Organization related to the period when Mr. Ebtehaj was in charge, the juridical authorities, by the virtue of our code of law which entitles the judges to make separate and independent investigations to prevent any collusion or combination, arrested Mr. Ebtehaj which, under the circumstances, was no reflection on his honesty.

You can rest assured that there is no cause for concern and that he will be released as soon as the legal formalities are completed. No doubt you can write him to his regular address as no restrictions have been imposed upon him.

With many thanks for your continued interest in the matters related to Iran.

Yours sincerely,



Dr. Ali Amini  
Prime Minister

Mr. H. Prud'homme  
Director of Resources  
University of Hartford  
200 Bloomfield Ave. West Hartford 17  
Connecticut - U.S.A.



FEB 23 REC'D

TELEPHONE  
WHITEHALL 4843  
TELEGRAMS  
% HELLENIST (PICCY)

THE ATHENÆUM  
PALL MALL S.W.1

Please  
in private  
encls

Feb. 6<sup>th</sup> 1961.

Dear Sir,

About four years ago I ventured to send you an article of mine entitled 'The Money Muddle', which you not only acknowledged but very kindly commented upon.

Several people have urged me to write another book on the subject, & in view of the encouraging reception of 'War Finance & its Consequences' which I wrote twenty five years ago & was published by Faber & Faber, I have undertaken to do so.

The Minutes of Evidence of the Radcliffe Committee have provided me with additional matter for criticism. The disturbing influence of the recent gold racket has confirmed the opinion I held even before the Bretton Woods Conference that all the world's gold reserves should be concentrated in one place, so that the senseless peregrinations of the metal & the temptations to gamble in it should at last be ended. After all it can only effect interim settlements. The establishment of the International Monetary Fund & the International Bank have made the change easier to accomplish, while their record to date should create the requisite confidence. They should together become the central banking establishment & clearing house for the world. In view of your heavy responsibilities, I have felt considerable hesitation in troubling you again, but I desire certain information which I prefer to obtain from the source, & I thought



perhaps you could be good enough to have me furnished with it by one of your staff. Briefly, the following are the main points. Am I right in assuming that the functions respectively of the Fund & the Bank are analogous to those of the Issue Department & Banking Department of the Bank of England? I am rather puzzled by the fact that loans in certain cases are granted by the Fund & in others by the Bank. Are the first restricted to national balances of payments & the second to industrial development? Am I right in assuming that the loans in both cases are made in the form of credits, never in the transfer of gold? Lastly, how many nations now participate in membership? I can see no reason why international settlements should not be entirely effected by credits, reproducing on a more extensive scale something like the Sterling bill, which was so generally acceptable in the heyday of the British Empire & still is within the Commonwealth. In the course of my eighty-two years of life I have witnessed many changes that had seemed quite impracticable.

With the highest consideration

I remain, dear Sir,

Yours very faithfully

F. Fairer Smith.



Alpha Smith F.F.

MAR 24 1961

Mr. F. Fairer Smith  
The Athenaeum  
Pall Mall  
London, S.W.1  
England.

Dear Mr. Fairer Smith,

This is to acknowledge the receipt of your letter of February 6, 1961, which I have read with interest.

With regard to your questions about the functions of the Fund and the Bank the following comments may be helpful.

The Fund, in connection with its purposes (which include the promotion of international currency stability and the progressive elimination of exchange restrictions), makes available short-term loans to help its member countries overcome temporary balance of payments difficulties. The general magnitude of financial help that a member can normally obtain from the Fund (i.e. the amount to which it can utilize its drawing rights on the Fund) is dependent upon its quota (subscription) in the Fund, of which a large part is paid up in the member's own currency. The actual amount is determined after consideration of the member's circumstances, and its likely ability, with the help of Fund resources, to overcome its problems within a short period of time. When a member draws on the Fund, it purchases the currencies of other members with its own currency, thus correspondingly increasing the Fund's holdings of the purchasing member's currency. Repayments of drawings generally take place within a period of three to five years.

As follows from these remarks, the Fund lends specific currencies to its members, not gold. It has received considerable amounts of gold on account of (a) subscriptions (which are payable partly in gold) and (b) repayments of drawings (these have taken place partly in gold). On the other hand the Fund's holdings of gold have decreased due to (c) a sale of \$600 million worth of gold to the United States in 1957 (in order to obtain more dollars) and (d) gold sales to the equivalent of \$800 million to the United States in various years in exchange for U.S. Treasury bills (in order to obtain more income for the Fund).



Contrary to the Fund, the Bank concentrates on the making of medium- and long-term loans. The loans must be for productive purposes and, except in special circumstances, must be to finance the foreign exchange requirements of specific projects of reconstruction and development. It follows from this that the Bank's lending is not aimed exclusively at the promotion of industrial development, but rather of development generally. In fact, most of the Bank's development loans have been for basic facilities such as power, transportation, heavy industry and irrigation and land reclamation, which are prerequisites for increased productivity in wide sectors of the borrowing countries' economies.

The majority of disbursements on Bank loans have been in U.S. dollars, but an increasing proportion has been in other currencies, such as Pounds sterling, Deutsche marks, Swiss francs, French francs, Netherlands guilders etc. Disbursements are made and repayments are due in specific currencies, not in gold.

As you will see from these comments, there is not such analogy between the functions of the Fund and the Bank and those of the Issue Department and Banking Department of the Bank of England respectively. I would suggest avoiding this analogy altogether.

You also asked a question about the size of our membership. At the moment we have 66 members; in addition there are a number of applicants for membership.

May I end, Mr. Smith, by wishing you the best of success in undertaking the task of writing another book on complex monetary issues.

Yours sincerely,

(Signed) Eugene R. Black

Eugene R. Black

LERist:MvanderMel:em  
March 20, 1961

cc: Mr. de Wilde, Mr. Avramovic, Economic Staff



Mr. Rist:-  
THE ATHENAEUM  
Pall Mall S.W.1

Please  
prepare  
reply  
to me  
soon

Dear Sir,

About four years ago I ventured to send you an article of mine entitled "The Money Muddle", which you not only acknowledged but very kindly commented upon. Several people have urged me to write another book on the subject, and in view of the encouraging reception of "War Finance and Its Consequences" which I wrote twenty-five years ago and was published by Faber & Faber, I have undertaken to do so.

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In view of your heavy responsibilities, I have felt considerable hesitation in troubling you again, but I desire certain information which I prefer to obtain from the source, and I thought perhaps you would be good enough to have me furnished with it by one of your staff. Briefly, the following are the main points. Am I right in assuming that the functions respectively of the Fund and the Bank are analogous to those of the Issue Department and Banking Department of the Bank of England?



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In the course of my eighty-two years of life I have witnessed many changes that had seemed quite impracticable.

With the highest consideration

I remain, dear Sir,

Yours very faithfully

F. Fairer Smith



RUMBOUGH COMPANY

445 PARK AVENUE  
NEW YORK 22, N.Y.

PLAZA 1-5370

March 23, 1961

*alpha  
Rumbough 5*

MAR 24 REC'D

*7 les  
3/31/61*

Mr. Eugene R. Black  
President  
International Bank for Reconstruction & Development  
1818 H Street, N. W.  
Washington 25, D. C.

Dear Mr. Black:

Many thanks for speaking with Mr. Garner about the Trinidad Flour Mills, Ltd., project.

As I mentioned to you, my associates, when they saw Mr. Garner, had been terribly disturbed about the possibility of Canada's objecting. Of course, it would have been put on the basis of economic feasibility; but, in truth, would be because they were going to lose a substantial market. Not knowing of the various pressures within IFC which might inadvertently affect our project, I thought it important that I call you.

I am delighted to say that my present understanding is that the only question remaining is the one of economic feasibility. I feel this is a hurdle easily crossed, as for the past seven months we have been answering and satisfying all questions presented to us by the working level of the IFC; and, in addition, our partners have conducted their own investigations, to supplement our independent expert's reports.

Our partners are:

The West German flour millers, the Heinrich Auer Company, Cologne, Germany (suppliers of 50% of West Germany's requirements);

Garvey Grain Company, Wichita, Kansas (the largest grain storers in the world); and





Copy furnished to

MAR 24 REC'D

RUMBROUGH COMPANY

445 PARK AVENUE

NEW YORK 22, N.Y.

PLAZA 1-8370

March 23, 1961

File  
3131/61

Mr. Eugene R. Black  
President  
International Bank for Reconstruction & Development  
1818 H Street, N. W.  
Washington 25, D. C.

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requirements);

Garvey Grain Company, Wichita, Kansas (the largest grain  
storers in the world); and

MAR 24 PM 2:09 1961





Mr. Eugene R. Black--2

March 23, 1961

Our local West Indies importer-distributors (the largest in their respective islands)

DaCosta and Company, Barbados  
Alstons, Ltd., Port of Spain  
Gordon Grant (Bank of Trinidad), Ltd., Port of Spain

I have gone into some detail in this letter only so that you will know that it was with full knowledge of what I was doing that I thought it important to call you. Having been in Washington for many years, I recognized the dangers of going over the administrator's head. I felt it was an emergency worth the risk. I am most appreciative of your taking the trouble to telephone Mr. Garner from Florida.

Appreciatively,

*Stan Rumbough*

Stanley M. Rumbough, Jr.

SMR:jp



Alpha Massachusetts  
Mass. Mutual Life Ins. Co.

March 8, 1961

Dear Mr. Kalmbach:

I am writing to let you know that circumstances have prevented me from going ahead, at this point of time, with the arrangements for a meeting here in Washington of representatives of the larger New England insurance companies. We have found it impossible at this season of the year to fix a date for a meeting that would suit insurance company representatives of an appropriate level.

I have not, however, abandoned the idea and I should like to feel free to approach you again with a proposal some time in the Fall of 1961.

Sincerely yours,

(Signed) Eugene R. Black

Eugene R. Black

Mr. Island J. Kalmbach  
President  
Massachusetts Mutual Life Insurance Co.  
1295 State Street  
Springfield 1, Massachusetts

WABI:liff:eb:cm1



Alpha Massachusetts  
John Hancock Mutual  
Life Ins. Co

March 8, 1961

Dear Payson:

I am writing to let you know that circumstances have prevented me from going ahead, at this point of time, with the arrangements for a meeting here in Washington of representatives of the larger New England insurance companies. We have found it impossible at this season of the year to fix a date for a meeting that would suit insurance company representatives of an appropriate level.

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Sincerely yours,

(Signed) Eugene R. Black

Eugene R. Black

Mr. H. S. Payson Rowe  
Financial Vice President  
John Hancock Mutual Life Insurance Company  
200 Berkeley Street  
Boston 17, Massachusetts

WABI:liff:eb:cm1



Alpha Massachusetts  
New England Mutual Life Ins  
Co.

March 8, 1961

Dear O.K.

I am writing to let you know that circumstances have prevented me from going ahead, at this point of time, with the arrangements for a meeting here in Washington of representatives of the larger New England insurance companies. We have found it impossible at this season of the year to fix a date for a meeting that would suit insurance company representatives of an appropriate level.

I have not, however, abandoned the idea and I should like to feel free to approach you again with a proposal some time in the Fall of 1961.

Sincerely yours,  
(Signed) Eugene R. Black

Eugene R. Black

Mr. O. Kelley Anderson  
President  
New England Mutual Life Insurance Company  
501 Boylston Street  
Boston 17, Massachusetts

WABI7iff:eb:cm1



*alpha*  
*Massachusetts*  
*State Mutual Life Ass.*

March 8, 1961

Dear Mr. Wilson:

I am writing to let you know that circumstances have prevented me from going ahead, at this point of time, with the arrangements for a meeting here in Washington of representatives of the larger New England insurance companies. We have found it impossible at this season of the year to fix a date for a meeting that would suit insurance company representatives of an appropriate level.

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Sincerely yours,

(Signed) Eugene R. Black

Eugene R. Black

Mr. Richard Wilson  
Vice President  
State Mutual Life Assurance  
Company of America  
440 Lincoln Street  
Worcester 5, Massachusetts

WABIjiff:eb:cm1



*alpha England*

THE STANDARD BANK OF SOUTH AFRICA LIMITED.  
10, CLEMENTS LANE, LOMBARD STREET, LONDON, E.C. 4.

FEB 2 REC'D

27th January, 1961

*Files  
2/16/61*

*2*

*not concerned*

Dear Gene,

I was very glad to get your letter of the 17th January and I hope it means that your health is restored. When I wrote you in November I did not know what a bad time you have been having or I should have hesitated to write you. I had a similar operation in October but happily all has gone well with me.

If I may take up the points raised in your letter, short-term capital movements are pretty free - in fact, I regard with some apprehension the masses of hot money that are floating around. On the other hand, I quite agree that international long-term capital movements are still far from free in most European countries. If they were free, the volume of investment money attracted to the U.S.A. might well offset the American flow of investment in Europe and to that extent relieve some of the present strain on the U.S. balance of payments. It seems questionable, however, whether the European authorities will be willing to allow complete freedom for all capital movements until they have accumulated more ample gold or foreign exchange reserves. Certainly, the British authorities show little sign of willingness to allow freedom for transfers of resident sterling capital.

I do not follow the connexion with interest differentials. These are at the mercy of short-term political-economic forces and are likely to vary according to the domestic policies of different governments. There does not seem to me to be any possibility of establishing "true equilibrium interest differentials" on a permanent basis, nor do they seem to me to have any bearing on the long-term question of a gold revaluation.

That question does not, to my mind, turn on any weakness of the dollar but on the general shortage of gold in relation to the value of world trade. This is a common problem for all currencies and I don't think it can be solved by any gimmicks like changes of

/Bank.....



Bank rate or more liberal lending by the I.M.F. There are a good many proposals floating about both here and in the U.S.A. which aim at turning the I.M.F. into a central credit-creating organisation. I do not imagine that these proposals will come to much as they would involve the I.M.F. in giving a gold guarantee to all its deposits. I gather, however, that there are some discussions going on between the Central Banks on these proposals and it may prove that their exploration may lead to the question of a revaluation of gold being taken up by the I.M.F. which is the most appropriate organisation to take a lead on the subject.

*With my very best wishes,*

Yours sincerely,

*Frederick A. Miles*

Mr. Eugene R. Black,  
International Bank for Reconstruction and Development,  
WASHINGTON. 25. D.C.



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the most appropriate organization to take a lead on the subject.

Yours sincerely,  
*John G. White*

Mr. Eugene R. Black,  
International Bank for Reconstruction and Development,  
WASHINGTON, 25, D.C.

RECEIVED  
BANK MAIL ROOM  
1961 FEB -2 PM 3: 52



*Prud'homme*

October 26, 1960

Dear Hector:

Thank you very much for sending me the two books containing Shaw's Criticisms and his essays on Shakespeare. I am delighted to have them as I have never been able to find them before.

I am now back at work and feeling alright, but expect to take things fairly easy for the next few months. I have been forbidden by the doctors to go out of the country for several months, so hope to see you sometime during the fall.

Best regards,

Sincerely yours,

*W. Gene*

Mr. Hector Prud'homme  
Canton Center, Connecticut

ERB:cml





Admiralty House  
Whitehall, S.W. 1

September 17, 1960.

*Dear Mr Black*

The signature of the Indus Waters Treaty and of the Agreement about financial contributions to the Indus Waters Scheme is about to take place in Karachi. The successful outcome of these long and complex negotiations has called for statesmanship and co-operation from various sides, but no one can doubt that the task would have been even more difficult, perhaps impossible, without the part played by the International Bank, and the determination and authority which you and Mr. Iliff have brought to the Bank's role in this matter. On behalf of the United Kingdom Government I would like to express our appreciation of what the Bank has done.

*Yours sincerely  
Herb Morrison*

Mr. Eugene R. Black



*Prud'homme*

March 16, 1960

Dear Hector:

Thank you for your nice letter. I am having the technical report and the area department's report to the Board on the Dez Project sent to you. You need not return them.

I owe you two apologies. First, for not having answered your invitation to pay you a visit in December. We couldn't come, but I should have at least advised you. I also apologize for not having thanked you for the socks. I got them, like them very much and wear them constantly.

It is nice of you to want us to come up this spring but whether I could make your commencement address and receive a degree would depend entirely on the timing. We are leaving on April 26th for a six week trip to Africa and we won't get back until about the 10th of June. I am getting degrees from Yale and Princeton on June 13 and 14, so I suppose that it would be difficult to work out a suitable time. However, let me know.

Everybody misses you in the Bank but I am delighted to hear that you are having a good time in your job.

Best regards.

*15/ Gene*

Mr. Hector Prud'homme  
Canton Center, Connecticut



Bred's hormone

UNIVERSITY OF HARTFORD

200 BLOOMFIELD AVENUE

WEST HARTFORD 17, CONNECTICUT

Monday Mar 27 '60

Dear Gene,

Thanks for your letter of March 16<sup>th</sup>.

A person shouldn't get more than two degrees a year. I therefore propose that we postpone your gracing our Commencement until you come upon a leave year, and let us hope it may be next year.

I got the reports on the Dez, for which many thanks.

Tell Sue that Anne Carolyn is deep in flowering shrub planting plans and hopes you will come and see it all in due course.

The very best to you for now and the trip to Africa.

Come and spend the night with us before your Gale degree.

Hector



MAR 7 REC'D

Canton Center, Conn.  
March 2 1960

Dear Gene,

Please  
do  
this I had a nice telegram signed by you about the loan to Iran for the Jer. Thank you and the Bank for remembering me. If you had no objection I wish you would ask Connie or someone in my old department to send me the Technical Report and the Area Dept's report to the Board on that project. If you wanted them back I shall read them and return them.

Well I've been at this job just over four months and it's all rather confused and confusing. It must be something like the earliest days of the Bank, at least as I imagine it, when the Bank wasn't quite sure in which direction to go or how.

Arne Carolyn took a plane yesterday morning for Tallahassee, to spend a week with her friends the Perkins' in Thomasville. I am therefore holding down the fort with detailed instructions about feeding the cat and watering the plants. The house has bloomed since your visit in 1958. The filthy old garage (I'm the one who made the messes in it) has blossomed into a beautiful living room full of Persian things. That project was completed last fall. Then a couple of weeks ago we started on the new bathroom and other rearrangements upstairs.

I wrote you once before - I think it was December about you and Sue paying us a visit. Will you



come up this spring? I know how you love the convocations and speeches, but would you make our commencement address? I shall not importune you with this, because what AC and I really want is a free, relaxed, and personal visit from you. I am sure that the University would, however, be charmed, and you could have your fifteenth degree.

I miss the Bank and all that excitement. But you can't have everything. AC is perfectly happy. This is what she has been yearning for, for fifteen years. Tell Sue that enough roses have been ordered to plant her (Sue's) new place. Any progress in that line?

Remember me to my friends at the Bank, and with my very best to Sue and yourself  
as always.

Hector

I didn't contribute so substantially to the Bank's consideration of the Der project, but I'm interested that you did it. Sissy also. And now you have IDA. I am sure you're having an exciting time and also that you are exhausted. Come to Canton Center. Ⓜ.

PS #2 You never said whether you got the socks.



Alpha-McPherson RJ

Mr. Eugene R. Black

November 6, 1959

S. Aldewereld

Mr. McPherson's statement about a new process of "electronic frequencies which can precipitate the individual minerals almost pure out of seawater and at a low cost" seems to us to be too good to be true.

I suggest that you sign the attached letter.

Attachednts

(Signed) Eugene R. Black



November 23, 1959

Dear Mr. McPherson:

Thank you very much for your letter of October 24 which I have read with great interest.

In reply to your query regarding our possible interest in helping you set up seawater purifying plants, I regret that it is not within the Bank's policy to finance projects which have not yet been commercially proven.

Sincerely yours,

(Signed) Eugene R. Black

Eugene R. Black

Mr. Robert J. McPherson  
2614 Teresita Street  
San Diego 4, California

11/9/59



OCT 29 REC'D

2644 Teresita Street  
San Diego 4, Calif.  
October 24th, 1959  
Phone AT 4 5116

Mr. Eugene R. Black  
2325 S Street, N. W.  
Washington D. C.

*Mr. Albrecht*  
*Any Comments?*  
*ERS*

Dear Mr. Black:

The story in the current Newsweek about you was so interesting and then when I saw your home address I felt I had to write to you. You see I was born in Georgetown, 1671 31st St., and our family home was Evermay, 28th and R, just a few blocks away and the Bernard T. Janney school was named after my grandfather. I was the only member of the family with Granddad when he died in 1917.

However that is neither here nor there: However I was the father of the first legislation ever introduced into Congress, 1948, calling for federal funds for seawater conversion research and now the first such plant using an atomic reactor will be located in San Diego! The first such bill was HR 3123 introduced in the House by former Congressman Clinton D. Mc Kinnon (San Diego) and it was matched in the Senate by SB 1300 by the still active Sen. Joseph O'Mahoney of Wyoming. Before then few people gave much thought to fresh water from the ocean and now Seawater conversion is a household word!

However since then we have developed an utterly new process of electronic frequencies which can precipitate the individual minerals almost pure out of seawater and at a low cost. The value of the minerals so removed can make the fresh water almost a free by-product.

A week ago I sent an air mail letter to Premier Ben Gurion of Israel telling him of this process and that we would be happy to help set up a plant in his country which we all know can use the water. The minerals which could thus be removed from the sea could provide whole new industries for Israel while at the same time the abundance of water could make every inch of his country bloom like a rose. This is no gimmick for I have seen the water thus treated precipitate these minerals in layers in their own natural colors. They never go back into solution.

Would your organization be interested in helping us to set up such a plant not only in Israel but anywhere else? With the exploding population of the world and the vast increase in the per capita use of water, dropping water tables, there is no subject of more importance, I repeat, NONE, than that of getting more fresh water. With every other process the resulting sludge, filled with valuable minerals is dumped back in the ocean. Scripps Institute of Oceanography at La Jolla tells us that in a cubic mile of seawater, in addition to the \$500,000,000 in gold and some thirty other minerals the value of the MAGNESIUM is no less than \$3,000,000,000 (Billions).

Respectfully yours,

*Robert J. M. Pherson*

*Ack Nov 23*



*Prud'homme*

October 29, 1959

Dear Hector:

I just wanted to write a personal letter to you to tell you how grateful I am for the very valuable contribution you made to the Bank during your stay with us and I also wanted you to know how much I appreciated the support that you constantly gave me.

I am going to miss you very much, both in a business and personal capacity, as I value our friendship very much. I want you to know that you have my very best wishes for a successful and happy career in your new venture.

Best wishes,

Very sincerely yours,

*15/gene*

Mr. Hector Prud'homme  
Canton Center, Connecticut

ERB:cm1



Alpha - Rockefeller N.A.



OCT 29 REC'D

STATE OF NEW YORK  
EXECUTIVE CHAMBER  
ALBANY

NELSON A. ROCKEFELLER  
GOVERNOR

Files  
11/5/59

October 26, 1959

Dear Gene:

Your thoughtful note means more  
to me than I can say.

(handwritten)

It was wonderful to see you, and  
I hope our paths cross again soon.

With warm regards,

Sincerely,

A handwritten signature in blue ink, appearing to read "Nelson".

Mr. Eugene Black  
International Bank for  
Reconstruction and Development  
Washington 25, D. C.





# Record Removal Notice

<b>File Title</b> Records of President Eugene R. Black - Correspondence - Correspondence - Volume 2 (M-W)	<b>Barcode No.</b>  1769157
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<b>Document Date</b> Aug 28, 1959	<b>Document Type</b> Letter
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**Correspondents / Participants**  
To : Eugene Black  
From : Donovan Allen

**Subject / Title**  
Scholarship Award

**Exception No(s).**  
 1    2    3    4    5    6    7    8    9    10 A-C    10 D    Prerogative to Restrict

**Reason for Removal**  
Personal Information

**Additional Comments**

The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.

<b>Withdrawn by</b> Vlada Alekankina	<b>Date</b> Aug 6, 2010
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Alpha - Moses. R.  
✓ X W.H.O.

June 10, 1959

The Honorable Robert Moses -  
Chairman  
New York State Power Authority  
10 Columbus Circle  
New York 19, New York

Dear Mr. Moses:

I was glad to receive your letter of June 4, and was interested in your exchange of correspondence with the World Health Organization and with Mr. Hammarskjold.

You are, of course, entirely right that an essential prerequisite for a water supply project like that for Calcutta is a thorough survey by a competent engineering firm. As you point out, although such studies are likely to be expensive, any attempt to cut corners in this respect is foolish economy. I do not read the correspondence you sent me as indicating that any different view is held by either WHO or the Secretary General.

Our experience indicates that in some instances - and I think the Calcutta water supply project may be a case in point - a short preliminary reconnaissance by a small group of experts serves a useful purpose in outlining the kind of engineering studies which are needed and in forming the basis upon which a request for aid in financing the studies can be made to such agencies as the ICA and the U.N. Special Fund. For example, the Bank is organizing a study of the power needs of Argentina with a view to the formulation of a national power program. The study itself will be undertaken by a consortium of engineering firms, aided by a few Bank staff members. The foreign exchange costs alone are estimated at about \$250,000. Before deciding to go ahead with this project, we sent a senior officer of the Bank, with two assistants, to Buenos Aires for preliminary discussions with the government and with the power companies there. This preliminary mission served to convince the government of the advisability of going ahead with the survey before embarking on



The Honorable Robert Moses

- 2 -

June 10, 1959

expensive investment projects and the report of the mission formed the basis upon which we formulated the present survey project and succeeded in getting Paul Hoffman, Managing Director of the U.N. Special Fund, to agree to finance the foreign exchange costs.

I am as impatient as you with the waste and inefficiency which characterize some of our foreign aid activities, but in this particular instance I am not convinced that WHO is acting unreasonably.

Sincerely yours,

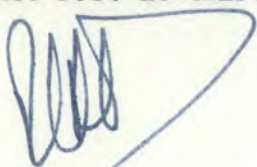
(Signed) Eugene R. Black

Eugene R. Black



ERB:RHDemuth:tf



<b>ROUTING SLIP</b>		Date <b>June 16, 1959</b>	
NAME		ROOM NO.	
<del>Mr. Black</del>		<del>1024</del>	
<i>Files</i>			
	Action		Note and File
	Appropriate Disposition		Note and Return
	Approval		Prepare Reply
	Comment		Per Our Conversation
	Full Report		Recommendation
	Information		Signature
	Initial		To Handle
<p>REMARKS</p> <p style="text-align: center; margin-top: 20px;">I agree with Mr. Moses that he has "made even more comment than is called for." Shouldn't we just let the correspondence rest at this?</p> <div style="text-align: center; margin-top: 10px;">  </div>			
<p>From <b>Richard H. Demuth</b></p>			



POWER AUTHORITY OF THE STATE OF NEW YORK  
THE COLISEUM TOWER-10 COLUMBUS CIRCLE  
NEW YORK 19, N. Y.  
TELEPHONE COLUMBUS 5-6510

Alpha Moses R.  
WHD  
JUN 16 REC'D

TRUSTEES  
ROBERT MOSES  
CHAIRMAN  
WILLIAM WILSON  
VICE CHAIRMAN  
CHARLES POLETTI  
A. THORNE HILLS  
FINLA G. CRAWFORD



WILLIAM S. CHAPIN  
GENERAL MANAGER  
AND CHIEF ENGINEER  
THOMAS F. MOORE, JR.  
GENERAL COUNSEL  
ASA GEORGE  
ASSISTANT  
CHIEF ENGINEER  
E. V. STALCUP  
DIRECTOR OF  
POWER UTILIZATION

June 15, 1959

Mr. Eugene R. Black  
Office of the President  
International Bank for Reconstruction and  
Development  
Washington 25, D. C.

*Mr. Demuth -  
Do you  
want to  
try again?  
EWS*

Dear Mr. Black:

I have your letter of June 10th and remain unpersuaded.

It seems to me that little can be accomplished by the task force proposed, especially in view of the fact that the compensation is drastically limited to a very small amount and even travel expenses are held down to a point where nobody but a philanthropist or someone looking for publicity and a boost in his reputation could afford to go on such an expedition. I had the compensation and travel business looked up and it is simply preposterous.

Therefore assuming that a preliminary report by a group of three has any sense in this context, it would seem to me that those in charge would want to make something like adequate payment for services and not ask people to work either for nothing or, what would inevitably be the case, at a loss, and with poor accommodations on the way.

In any event, I feel that I have made even more comment than is called for, in view of the fact that I have no possible personal interest in the matter and cannot accept such an assignment.

Cordially,

Chairman

R.M:MP



JUN 16 1959

POWER AUTHORITY OF THE STATE OF NEW YORK

THE COLISEUM TOWER-10 COLUMBUS CIRCLE

NEW YORK 19, N. Y.

TELEPHONE COLUMBUS 2-6510

WILLIAM S. CHAPIN  
GENERAL MANAGER  
AND CHIEF ENGINEER

THOMAS F. MOORE JR.  
GENERAL COUNSEL

ASA GEORGE  
ASSISTANT  
CHIEF ENGINEER

E. V. STALCUP  
DIRECTOR OF  
POWER UTILIZATION



TRUSTEES

ROBERT MOSES  
CHAIRMAN  
WILLIAM WILSON  
VICE CHAIRMAN  
CHARLES ROLETT  
A. THORNE HILLS  
PHILA. G. CRAWFORD

June 15, 1959

Mr. Eugene R. Black  
Office of the President  
International Bank for Reconstruction and  
Development  
Washington 25, D. C.

Dear Mr. Black:

I have your letter of June 10th, and remain unpersuaded.

It seems to me that little can be accomplished by the task force proposed, especially in view of the fact that the compensation is drastically limited to a very small amount and even travel expenses are held down to a point where nobody but a philanthropist or someone looking for publicity and a boost in his reputation could afford to do on such an expedition. I had the compensation and travel business looked up and it is simply preposterous.

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In any event, I feel that I have made even more comment than is called for, in view of the fact that I have no possible personal interest in the matter and cannot accept such an assignment.

Cordially,

1959 JUN 16 AM 11:04

BANK MAIL ROOM

RECEIVED

RM:MP



POWER AUTHORITY OF THE STATE OF NEW YORK  
THE COLISEUM TOWER-10 COLUMBUS CIRCLE  
NEW YORK 19, N. Y.  
TELEPHONE COLUMBUS 5-6510

JUN 5 REC'D

TRUSTEES

ROBERT MOSES  
CHAIRMAN  
WILLIAM WILSON  
VICE CHAIRMAN  
CHARLES POLETTI  
A. THORNE HILLS  
FINLA G. CRAWFORD

**DECLASSIFIED**

Date: 08/06/2010, VA



June 4, 1959

WILLIAM S. CHAPIN  
GENERAL MANAGER  
AND CHIEF ENGINEER

THOMAS F. MOORE, JR.  
GENERAL COUNSEL

ASA GEORGE  
ASSISTANT  
CHIEF ENGINEER

E. V. STALCUP  
DIRECTOR OF  
POWER UTILIZATION

PERSONAL

Mr. Eugene R. Black, President  
International Bank for Reconstruction  
and Development  
1818 H Street, N. W.  
Washington 25, D. C.

Dear Mr. Black:

You may possibly remember our meeting some time ago. In any event, I am presuming on a rather brief acquaintance to send you some correspondence with the World Health Organization. Let me hasten to add that I have no object in mind except to emphasize what seems to me to be the fact that much of our foreign aid under the various existing agencies is wasted. I did not solicit the letter from the W.H.O., have little desire to go to India in the face of many other more urgent, interesting and productive possibilities at home and certainly shall not pursue the matter further.

In view of many first hand contacts with these problems, I thought you might like to glance through the correspondence. You will see that Mr. Hammarskjold simply repeated the old clichés and did not answer the fundamental question.

On the basis of experience with financing and major construction, I am sure you will agree that unless an adequate preliminary survey by thoroughly competent engineers is made of a problem like the water supply of Calcutta, nothing can come out of the visit of a team of three experts, diagnosticians, or whatever you may call them. Assuming this to be a \$100,000,000 project -- and this is a figure based on information from one of our big engineering concerns which established a wood pulp plant near Calcutta --

*Mr. DeMuth - what  
can we do to  
satisfy Mr. Moses?  
ERB*

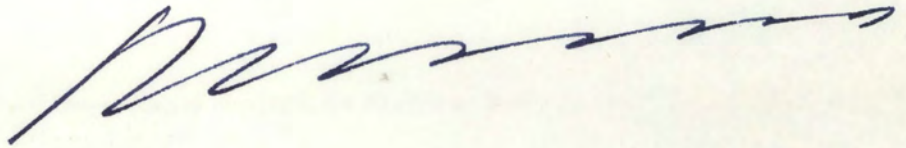


Mr. Eugene R. Black, President

June 4, 1959

no persuasive preliminary engineering study could be made for less than about \$300,000. and actually it should be closer to 1% under our rule of thumb procedure here.

Cordially,



Chairman

RM:HT:M

Attachments.

*Ack June 10*



Alpha Palmer C.F

June 9, 1959

Dear Chuck:

*not 25*  
Please accept my thanks for  
your thoughtfulness in sending me the  
clipping from the Atlanta Constitution.

I am always glad to hear from you.

Best regards,

Sincerely yours,

*151 Gene*

Mr. C. F. Palmer  
Palmer Building  
Atlanta, Georgia

ERB:cml



C. F. PALMER  
PALMER BUILDING  
ATLANTA, GEORGIA

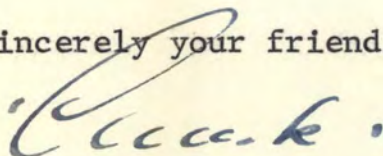
May 25, 1959

Dear Gene:

Using the old cliché, the enclosed clipping shows "You are better than I thought you were, but then I knew you were."

My only wish is that your father were still here to share the pride we all have in what you are accomplishing.

Sincerely your friend,



C. F. Palmer

Honorable Eugene R. Black  
2325 S Street, N. W.  
Washington, D. C.

Enclosure

*Ack June 9*



★ ★ ★ ★ ★

## EUGENE BLACK HAILED IN LONDON TIMES

LONDON, May 23 (AP)—Globe-trotting World Bank President Eugene Black, a native of Atlanta, was hailed in the London Times Saturday as "one of the phenomena of the postwar world."

He was ranked by the times alongside U.N. Secretary General Dag Hammarskjold as the most outstanding members of a new race of "international servants."

"Not the least of Mr. Black's accomplishments is that he combines being an idealist with reminding people that what he is running is a bank," said the influential British newspaper.

★ ★ ★ ★ ★



Alph<sup>a</sup> Rowan Leslie  
Rt Black

December 22, 1958

Dear Leslie:

Please accept my apology for not having answered your nice letter of November 7th before this but unfortunately I have been away from Washington a good deal of the time and hence the delay.

Looking back over the last eleven years of my connection with the World Bank I don't believe there is any question but what one of the finest relationships that I have had has been with you. I greatly appreciate the support which you unflinchingly gave me and value very highly the friendship which we formed during these years. I shall miss you very much and I am sure the Treasury will find it difficult to replace you. I want to wish you all manner of success and happiness in your new undertaking and I certainly plan to keep in touch with you.

Please give my best regards to Judy and with best wishes for you and your family for a Merry Christmas, I am

Very sincerely yours,

*Gene*

Sir Leslie Rowan  
16 The Vale  
Chelsea  
London, S.W. 3  
England





NOV 20 REC'D

Treasury Chambers,  
Great George Street,  
London, S.W.1

Nov. 7.

Dear Anne.

This is my last day in the Treasury. After 28 years it will be quite a break. But I want on this day just to let you and Sue know how much joy & I have valued the great friendship and kindness you have both always shown to us. We shall hope it will continue and you will know that a most warm welcome will always

Ack Dec 22



to your dear Roman.

All good wishes for the  
future -

Yours.

Henry Roman

NOV 20 9 29 AM 1958

GENERAL FILES  
CORRESPONDENCE

RECEIVED



Alpha - Marquand. Hilary

**DECLASSIFIED**

Date: 8/06/2010, VA

CONFIDENTIAL

November 28, 1958

Dear Mr. Marquand:

I must apologise for the long delay in replying to your letter of September 10. This arrived just as I was about to leave Washington for the Annual Meeting of our Board of Governors in New Delhi and I had no opportunity to answer it then. In the pile of correspondence which accumulated while I was away, I have only just now got around to it.

Thank you for sending me copies of your interesting articles.

With regard to your last paragraph, I feel I ought to be quite frank and say that I could not hold out much hope in present circumstances of being able to offer you a full time appointment in the Bank in any capacity or status which would be likely to be attractive to you. It is our policy to give the younger people in the Bank service the inducement to accept the Bank as a career and, as far as possible, we adopt the practice of promoting from within. However, I am gratified to hear of your interest and, in the event that anything suitable might turn up some time in the future, I shall certainly bear this interest of yours in mind.

With kind regards,

Sincerely yours,

(Signed) Eugene R. Black

Eugene R. Black

The Rt. Hon. Hilary A. Marquand, M.A.D.Sc. M.P.  
House of Commons  
London, S.W.1  
ENGLAND.

WAB Iliff/eb



## SOVIET LOAN TO EGYPT

### TO THE EDITOR OF THE TIMES

Sir,—It is possible that Russia has committed a short-term political gaffe in backing what must be an Egyptian and unilateral settlement of the Nile waters, against the interests of 30,000,000 or so other backward or subject and clearly riparian persons up the valleys and around lake systems. It is more than probable that the Russian financial terms, in addition to being harsh, are not in themselves adequate even for the first stage (*vide* Sino-Russian aid and confusion of development plans and 40 per cent. depreciation of exchange rates in a few months).

It is certain that the Aswan proposal is hydrologically outrageous, making a maximum storage in the area of almost highest evaporation. It is politically damnable in carrying within it the threat of Egyptian-Sudanese conflict. Its ramifications, in its effect on canal tolls, Egyptian balance of payments, &c., must be, to say the least, unfortunate. The whole project carries within it various seeds of economic and political annihilation. But is it enough for the West to stand idly by, water these seeds and watch Egypt and the whole Nile valley encompass its destruction? Surely it is not. For Russia Nasser is as expendable as Nagy. The game to check is not so much Cairo's as the Kremlin's. Surely, with the financial resources and control of the head waters in Lakes Tana and Victoria, the anti-Soviet Powers have the master hand?

In your paper of to-day Sir Harold MacMichael suggests a Western counter-move in the Sudan. With great respect I suggest that this might merely help the Russian game and the Egyptian controlled Sudanese opposition. Before we move to it as a last resort, are there not other possibilities of wider international action?

Up to now Egypt and other riparian States have rejected an international conference in the hopes of reaching various local agreements. These clearly now have little future. Further, there is now a clear need for the 1929 Agreement to be reviewed. It was made for the Sudan and the Sudan has abrogated it. Why then should we still remain the defender of a pact against the interests of our East

needed for all the riparian States. Let it be devised under a U.N.O. chairman.

The second need is for a plan and an international or political authority for the whole valley to ensure proper water conservation and usage. Many such exist, including the latest from Khartoum so excellently described in your columns.

The third need is for finance. Once already the World Bank has shown its willingness. Since 1955 at least two major international finance organizations have been added to the Western armoury. Let them be employed.

This would entail some surrender of sovereignty for Egypt, as for others. It might also mean half or three-quarters of a dam. But half a dam is better than none, and that at the moment must be her expectation. She should now be shown the whole.

Yours faithfully,

HUGH FRASER.

House of Commons, Oct. 1958

Times London  
30 Oct 58



Alpha Woods George

NOV 6 REC'D



~~THE FIRST BOSTON CORPORATION~~

GEORGE D. WOODS  
CHAIRMAN OF THE BOARD

15 BROAD STREET  
NEW YORK 5, N. Y.  
DIGBY 4-1515

November 5, 1958

Dear Gene:

I clipped the enclosure from the LONDON TIMES of October 30, and send it to you not only because I think it a sound and dispassionate viewpoint but also because it suggests the employment of the World Bank.

Regards.

Sincerely,

A handwritten signature in blue ink, appearing to be "George D. Woods", written over the word "Sincerely,".

Mr. Eugene R. Black  
International Bank for  
Reconstruction and Development  
1818 H Street, N. W.  
Washington 25, D. C.



**DECLASSIFIED**

Date: 03/06/2010, VA SEP 12 REC'D

HOUSE OF COMMONS  
LONDON, S.W.1.

CONFIDENTIAL.

10th. September 1958.

*Dear Mr. Black,*

In the early part of ~~this~~ year I had an opportunity to visit East Africa. Since my return I have written various articles about the problems of these territories. I have asked the editor of the "Times Colonies Review" to send to you direct a copy of his latest issue which contains my article on Uganda. (Another article - on the project for a University of East Africa - appeared in the last number of the same Review.) Now I am sending you herewith copies of other articles which have appeared in The Times; New Commonwealth; Encounter; and the Manchester Guardian. I hope they may interest you.

Since we last corresponded my interest in the development of underdeveloped countries has if possible increased. I feel more than ever that I would like to be doing something positive and constructive rather than merely studying and commenting from the sidelines. I fully understand that, as you have explained in one of your letters to me, you cannot make use of a politician in the work of the Bank. If, however, the Bank's activities are likely to increase in the near future, or if other international agencies in the field are to expand, I would be most grateful if you would consider whether there might be room for me somewhere with a full-time appointment. I would leave politics without regret if a suitable opportunity offered.

*Yours sincerely,**Hilary A. Marquand*

Mr. Eugene Black,  
Bank for Reconstruction & Development,  
WASHINGTON, D.C.

*Ack Nov. 28*



Pruel'homme

JUN 19 REC'D Canton Center, Conn.

June 14 1958

Dear Gene,

July 2 - Mr. Black  
spoke to Mr. Pruel'homme  
on telephone. Said he  
did not think Mr. Pruel'homme  
should speak to Senator Munroe.

If Senator Munroe intends to inform himself as much as he can on development of under-developed countries, as background for legislation, and eventually policy and execution of further financing programs, I would like to talk to him and I think he would be interested.

What I have to say to him would be relatively brief and simple, and you might not agree with it, and neither might he, but it still would be an intelligent man's view of our practical problem with economic aid overseas.

1. Our technical assistance program (A. IV) is a missionary operation that is very long-term. It will bear fruit after it has continued for more than one generation. Its effect, or potential effect, is a function in part of what we do, how we do it, etc, etc.. But the controlling factor is the ability of the foreign nationals to absorb, to understand, to retain, and to want to use what we offer to teach. Our people tend to work on the principle that if you show foreigners how to do something better, the foreigners will



2/  
gratefully or eagerly adopt the new methods. It isn't necessarily so. The developed countries are those that can best use our "know-how". The underdeveloped people say they "want" the know-how, but, what underdeveloped people say they can do or use isn't necessarily what they can actually. The word "want" needs definition. The Iranians want an important port at Khorramshar, and they told Point IV they wanted advice on it, and the port specialist at Point IV quit in disgust after two years because he couldn't get to first base. The Iranians just don't want to do the things - and to keep doing them - that are necessary to run a fine port. But of course they "want" a fine port.

This is not to criticize Point IV. If they keep it for twenty to fifty years they will open the minds of more and more people, especially the younger generation, and they will have played an important part in helping the cultural and social change by which more and more people will know what it means to change their methods, and will want to do so. Thus they (the foreign people) will very gradually become able to use this "know-how" that we have been offering to people who are sometimes so ignorant that they are incapable of understanding what it's all about. Large classes of the population have no experience in "wanting" anything beyond tomorrow's needs; sometimes they haven't been allowed to want things any different from the



way they have always been. They can give you an awfully blank, dead-pan, response to what you are sure they must want. You don't kid them, but you can kid yourself.

Meanwhile, there is a human difficulty that crops up if you are going to be an advisor, teacher, leader, and general prodder for a number of years. This is that your trainees get fed up with you. They finally ask themselves "why are these Americans so all-fired anxious to change us?" They might not ask the question if they were a) themselves more keen to change, and b) they saw the Americans as the embodiment of all the things that are desirable to be.

So we have a situation where we (the U.S.) are trying to give something that underdeveloped people don't quite know how to take and use, and where these people tend to get irked by our preaching and ultimately by our prodding. Then comes Sputnik and they say "wait a minute! We thought these Americans were the great technicians of the world. But now it looks as though the Russians are perhaps as good as better. Let's look into what they have to offer."

When Averell Harriman was running the ECA office in Paris, in 1950, I told him what a German had asked me in the French Zone of Germany, where I was running a branch of



the ECA, with \$100 million to spend. The German asked why we didn't build one small hospital, or one trade-school with part of this money, instead of giving it all for wheat and tires, and consumer goods in general. He was grateful for the consumer goods and appreciated the need for them, but he suggested that most of the recipients didn't care and would not remember who was giving the goods. He thought it wise for the U.S. to leave one permanent structure behind, for people to look at in subsequent years, and by which they would be reminded of what the U.S. had done for Germany.

The ECA and Mr. Harniman had their eyes on the main job, which was the rehabilitation of Germany, and of course it was a great success. Time was on our side, the Germans made quick use of our aid, and their loyalties were by that time fairly clearly to us rather than to the Soviets. Still there is an element of realism in the suggestion of the German, and perhaps it has an application in the Near East today. The equivalent today would probably not be a monument like a building to be left behind, though that might come. In the first instance the question is one of establishing our prestige, or rather preserving it. Not just our prestige in the abstract, but always in relation to what the other side are also doing.

2. Which brings me to my second notion, which I consider as a second string to our bow of Pt. IV and not in lieu of Pt. IV. This is to go into there



countries once in a while and actually do something ourselves. Something that we do with real American know-how; that demonstrates what can be done through organization, efficiency, and drive; that makes an impact on the minds and feelings of the population; that is an expression of our friendliness; and that doesn't have in its ideological content any overtone of teaching or trying to make people be something different from what they are.

Iran "wants" a lot of things very badly. Say they want the port of Bandar-Shapur, which they have started on but which is all tied up by their inability to execute anything effectively, and which may now have to be given up because of insufficient funds. At some psychologically appropriate moment - say when the Shah visits the U.S. - the U.S. talks to him about all his problems, admonishes him about his budget, etc, etc, and then because we like the Shah and Eftehaj and others, and are disposed to help in the most practical way, we, the U.S., offer to build him his port. But we do it ourselves and in our own way, with no or the least administrative interference from the Iranian bureaucracy. We then organize the job the way the Sea Bees did during the war; we give a demonstration of what you can do if you know how, and we do it in a way that only the Americans really know how to do it, through a top notch construction firm. It is a show-piece of management and effectiveness. We do it quickly and turn it over to the Iranian Govt with appropriate ceremony, and then we get out.



There is a radical difference between this, and the attempts at investment by Pt. IV in its early days in Iran - from which Pt. IV withdrew or has tried to withdraw. Pt. IV put money into capital ventures - a saw mill in the Caspian region for example. The saw mill venture was enthusiastically launched three or four years ago, but the fatal mistake was to tie various Iranian ministries into it, with commissions, subcommissions, etc. The machinery lay for a long time in the dirt somewhere. I don't think it has yet been quite decided where to locate the mill.

In negotiating for freedom from government interference in this sort of thing you can be a damned sight tougher than anything I have seen the U.S. do thus far. The Iranians are fooling around with the Soviets on joint ventures for development of the Arax river on the Russian border, and for improvement of the port of Pahlevi on the Caspian. The Russians blandly make it a condition that the Iranians cannot bring any foreign advisers to the meetings, and that no non-Iranians are to be seen at the sites. This does not seem nearly so extraordinary to the Iranians as the diffidence and gentleness and desire to give away money and be nice of the Americans.

3. Finally I would mention the principle I discussed with you, that "management" is as important as money. The brain-work should be spent on how you get anything carried out, or rather on what method can be devised to improve the quality of execution, rather



than on how much money Iran or India "needs".  
It is possible that a study of the matter would lead  
to the conclusion, ~~as~~ in Iran for example, that  
very little can be done to improve the quality of  
execution in any given year or two, and that  
they - like all the rest of us - will only learn by  
doing. The idea behind this thought is only to  
advise our legislators not to expect that, if they  
make twice as much money available, they  
will get twice the results.

all the best,

Hester Precht



Municipal Bond  
Club of N.Y.

June 4, 1958

Dear Charlie:

Please accept my thanks for your very nice letter of yesterday and for telling me about my election as an honorary member of the Club. I am pleased and flattered and will be delighted to accept.

I regret that I won't be able to join you at your annual outing on June 13th, but I am leaving tomorrow for Europe and won't be back until later in the month.

With best regards,

Sincerely yours,

*Isi Gene*

Mr. Chas. E. Weigold  
President  
The Municipal Bond Club of New York  
40 Wall Street  
New York, N. Y.

cml



# THE MUNICIPAL BOND CLUB of NEW YORK

JUN 4 REC'D

## OFFICERS

*President*, CHARLES E. WEIGOLD  
Chas. E. Weigold & Co., Inc.  
40 Wall Street

*Vice President*, JOHN W. DE MILHAU  
The Chase Manhattan Bank  
18 Pine Street

*Secretary*, HENRY MILNER  
R. S. Dickson & Company, Inc.  
30 Broad Street

*Treasurer*, ROBERT R. KRUMM  
W. H. Morton & Co., Inc.  
20 Exchange Place



## BOARD OF GOVERNORS

JOHN W. DE MILHAU  
W. NEAL FULKERSON, JR.  
JAMES F. GILBERT  
ROBERT K. HALLORAN  
CHARLES F. KAVANAGH  
ROBERT R. KRUMM  
HENRY MILNER  
DANA B. SCUDDER  
CHARLES E. WEIGOLD  
H. GRADY WELLS, JR.

June 3, 1958

Honorable Eugene R. Black  
International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington 25, D. C.

Dear Gene,

I am very happy to inform you that the Board of Governors yesterday elected you an honorary member of the Club. That this is merited is beyond question, and your acceptance will be a great honor to us. I have appointed John Linen and Bill Morton as Chairmen of a committee to arrange formal notification ceremonies at a later date.

It is also my pleasure to invite you to be our guest at our annual outing to be held on Friday, June 13th, at the Westchester Country Club, Rye, New York. We hope you can make it as everybody will be looking forward to seeing you.

With best wishes, I am

Sincerely yours,

*Charlie*

Chas. E. Weigold,  
President

CEW:jb



JUN 4 1958

# THE MUNICIPAL BOND CLUB OF NEW YORK

## BOARD OF GOVERNORS

JOHN W. DE MILLIAN  
 W. NEAL TULLIKSON, JR.  
 JAMES F. GIBBY  
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 ROBERT J. KAVON  
 BEVLY BLANK  
 DAN A. GIBBY  
 CHARLES E. WISBOLD  
 H. GRAY WILLS, JR.



## OFFICERS

President: CHARLES E. WISBOLD  
 One E. Weyland & Co., Inc.  
 40 Wall Street  
 Vice President: JOHN W. DE MILLIAN  
 The Chase Manhattan Bank  
 15 Pine Street  
 Secretary: BEVLY BLANK  
 A. J. Linton & Company, Inc.  
 30 Broad Street  
 Treasurer: ROBERT E. KAVON  
 W. H. Moore & Co., Inc.  
 20 Exchange Place

June 3, 1958

Honorable Eugene R. Black  
 International Bank for Reconstruction and Development  
 1815 H Street, N.W.  
 Washington 25, D. C.

Dear Gene,

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 it as everybody will be looking forward to seeing you.

With best wishes, I am

Sincerely yours,

Charles E. Wisbold,  
 President

CORRESPONDENCE

JUN 4 11 25 AM 1958

GENERAL FILES

RECEIVED



Municipal Bond Club

# The Chase Manhattan Bank

New



York

EIGHTEEN PINE STREET  
NEW YORK 15, N. Y.

JOHN S. LINEN  
VICE PRESIDENT

AUG 1 REC'D

July 30, 1958

7 de  
9/16/58

Mr. Eugene R. Black, President,  
International Bank for Reconstruction & Development,  
1818 H Street, N.W.,  
Washington 25, D. C.

Dear Gene:

Plans have now been made for the formal notification to you of your election as an Honorary Member of The Municipal Bond Club of New York.

A cocktail party will be held at the Wall Street Club from 4:30 to 6:30 on Wednesday, September 10th, the time which we tentatively agreed upon. Following the cocktail party the Ex-Presidents of the Club are looking forward to entertaining you for dinner at the Links Club.

We are inviting as guests to the latter, George Martin and Bill Merritt, the present President of the Club. George, of course, is also invited to the cocktail party.

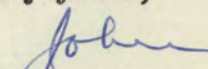
Not only the older members of the Club that you know, are looking forward to seeing you at the cocktail party, but this will provide an opportunity also for the younger members to greet you and, in many cases, meet you for the first time.

Sometime during the party a scroll will be presented to you with brief remarks probably by Charlie Weigold and Bill Merritt.

Bill Morton and I wanted you to know of the plans so that you may fit this into your busy schedule and we can assure you that your many friends are looking forward to seeing you at that time.

With best wishes,

Cordially yours,

  
John S. Linen

JSL:JT



The Chinese Manhattan Bank



AUG 1 Rec'd

July 30, 1938

JOHN S. LEWIS  
Vice President  
NEW YORK 20, N. Y.  
COLUMBIA FIRE INSURANCE

7  
1/10/38

Mr. Eugene R. Black, President,  
International Bank for Reconstruction & Development,  
1815 H Street, N.W.,  
Washington 25, D. C.

Dear Sir:

Plans have now been made for the formal notification to you  
of your election as an Honorary Member of The Municipal Bond Club of  
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you may fit this into your busy schedule and we can assure you that your  
many friends are looking forward to seeing you at that time.

With best wishes,

CORRESPONDENCE

JUL 31 4 15 PM 1938

RECEIVED  
GENERAL FILES

138-11



February 18, 1958

Dear Sidney:

Enclosed please find copy of  
a letter received from Mr. Menzies, Prime  
Minister of Australia, which I thought might  
be of interest to you. From what he says  
you must have gotten a gem in Seixas.

Best personal regards,

Very sincerely yours,

*1st Gene*

Mr. Sidney Weinberg  
Goldman, Sachs & Co.  
30 Pine Street  
New York 5, N.Y.

ERB:cml

*Enclosure*

*Ack 7/14  
Alpha-Goldman  
Sachs & Co*



February 18, 1958

Dear Mr. Prime Minister:

It was a great pleasure to hear from you and I will be delighted to see Victor Seixas whenever he gets in touch with me. From what you say of him he sounds like a very interesting young man. I am very close to the officials of Goldman, Sachs and have taken the liberty of sending the head of this firm a copy of your letter, as I am sure this will do Seixas no harm.

My wife and I often talk about you and certainly hope you pay us another visit sometime in the near future.

With best regards,

Very sincerely yours,

(Signed) Eugene R. Black

Eugene R. Black

The Rt. Hon. R. G. Menzies  
Prime Minister  
Canberra, Australia

ERB:cml





FEB 17 REC'D

PERSONAL

PRIME MINISTER,

CANBERRA.

11th February, 1958.

*My dear Eugene Black*

They tell me that before you became the head of the World Bank and financial Patron Saint of Australia, you were an eminent practitioner in the bond market. I am now writing to you on behalf of a beginner in that field.

Mr. Victor Seixas has been, for some years, a very prominent representative of the United States of America in Davis Cup competitions. He has played frequently in Australia where he is greatly admired for his skill, character and courage.

I have got to know him very well, being myself a keen patron of the game, and am on close and friendly terms with him. He is a somewhat uncommon person in the world of international athletic contests, for he adds to his skill as a player a great deal of educated ability, expresses himself with great point and clarity and is, incidentally, a first-rate after dinner speaker in any company. His personality is most attractive. He is always fit and keen.

At the last Davis Cup Dinner in Melbourne, he told me that he was going to be employed by Messrs. Goldman, Sachs and Company, National Bank Building, Philadelphia, Pa., in connection with some aspect or other of bond selling. I should imagine he ought to be very successful.

If Victor Seixas at some time seeks an opportunity of meeting you in Washington, I hope that you will spare him ten minutes. I think very well of him, as I have said, and a word of advice and encouragement from you would mean a great deal to him.



2.

With very kind regards to your wife and yourself,

Yours sincerely,

*Robert Menzies*

(R.G. MENZIES)

Eugene Black, Esq.

- - -



Smedley, Frederic C.

December 16, 1957

Dear Mr. Smedley:

Please accept my thanks for your letter  
of December 9th and the enclosed memorandum.

As I have been out of the city I have not  
yet had time to read it carefully, but will  
do so as soon as possible.

Sincerely yours,

(Signed) Eugene R. Black

Eugene R. Black

Mr. Frederic C. Smedley  
314 East 25th Street  
New York 10, N.Y.

cml



Smedley, Frederic C.

314 East 25th Street  
New York 10, N.Y.  
Dec. 9th, 1957

Mr. Eugene Black, President  
International Bank for Reconstruction  
and Development  
1818 H Street, N. W.  
Washington 25, D. C.

DEC 11 REC'D

Dear Mr. Black:

I note recent reports of the impatience of underdeveloped countries with requirements that the Bank necessarily must set upon loans to them. I hope it might find helpful the enclosed outline of reasoning designed to make such restrictions appear in a favorable light to those on whom they have to be imposed.

I also note reports that France is seeking substantial credits. It would appear that France will not be a good credit risk as long as she insists on maintaining her all-out effort to put down the Algerian revolution. I enclose a draft Resolution which I have submitted to various Delegations to the current UN Assembly session, including that of the United States, with regard to the situation in Algeria. It is based on the November 21, 1949 Assembly Resolution under which Libya became independent with UN guidance in setting up a government that has been stable ever since, has prevented any murder or pillaging of Italian and other colonies in Libya and has had good relations with Italy. I would urge that the Bank tell any French representative requesting financial accommodation from it that such cannot be granted unless and until France makes possible its future solvency by acceding to early independence for Algeria on a basis similar to that proposed in said draft Resolution. This would also be in line with the first principle of the Pacific Pact of September, 1954, a formal treaty among Australia, France, New Zealand, Pakistan, the Republic of the Philippines, Thailand, the United Kingdom and the United States of America, as follows:

"First, in accordance with the provisions of the United Nations Charter, they uphold the principle of equal rights and self-determination of peoples and they will earnestly strive by every peaceful means to promote self-government and to secure the independence of all countries whose people desire it and are able to undertake its responsibilities."

Since Algeria is a country most of whose people desire independence, and would be able to undertake the responsibilities thereof, particularly if it has UN guidance in so doing, it would seem that France's failure to apply this principle to Algeria violates its obligations under the Pact and results in its being unable to fulfill its proper share in implementing it, as well as the NATO and other obligations it has undertaken, or even maintain a sound economy and polity at home.

I also submit a draft Resolution looking toward achieving disarmament by reciprocally conditional legislation, recently sent to the delegations of Japan, India and Burma, which I maintain shows a way toward putting practically the whole world on a firm financial basis.

I would appreciate any comments, criticisms and suggestions you may care to make on any of the above and any cooperation you may feel you are in a position to give thereto.

Respectfully yours,

*Frederic C. Smedley*  
Frederic C. Smedley

adh. Dec. 16/57



814 East 57th Street  
New York 10, N.Y.  
Dec. 27th, 1957

Mr. Eugene Black, President  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington 25, D.C.

DEC 11 REC'D

Dear Mr. Black:

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I also submit a draft Resolution looking toward achieving disarmament by reciprocity. I have also recently sent to the delegations of Japan, India and Burma, which I maintain shows a way toward putting practically the whole world on a firm financial basis.

I would appreciate your criticisms and suggestions you may care to make on any of the above and any cooperation you may feel you are in a position to give thereto.

Respectfully yours,  
Frederic G. Shields

Frederic G. Shields



Outline of arguments which should be constantly reiterated by free world statesmen, USIA, etc. in public statements concerning economic development of underdeveloped regions.

--by Frederic C. Smedley  
314 East 25th Street  
New York 10, New York

Capitalist investment by its very nature strives for the success of the enterprise in which it is made. That is why loans are made subject to conditions designed to insure their soundness, based on the lender's experience with the type of enterprise in which it is investing and knowledge of what is needed for it to be soundly successful. Such conditions are designed to assist the borrower in meeting the terms of the loan, and as long as it does so it will maintain its complete freedom to benefit from the enterprise. When the loan is amortized, the enterprise will be owned by the borrower free and clear of any obligations. Thus, conditions set on the loan are not imposed to deprive the borrower of its independence, but to insure its success and the ultimate liquidation of the loan. The last thing the investor wants to do is to have to take over the enterprise because the loan is defaulted. The last thing the borrower should want to do is to expropriate the enterprise, thus ruining its international credit. The investor is primarily interested in remaining just that, and not becoming an operator and owner of enterprises in distant parts of the world or an international litigant seeking compensation for expropriated property from an insolvent government, which would necessitate a complete change in the character of the investor's operations.

Communist loans by their very nature strive for failure of the enterprise in which they are made. They seek to make the borrower completely dependent on the lender, in pursuance of the world-wide conspiracy for communist hegemony. They are likely to be withdrawn suddenly if it serves the purpose of the lender to take over the borrower for political reasons, and promised funds are likely not to be forthcoming even if the lender does not deliberately withhold them, because the lender itself is not sound economically, as shown by its recent repudiation of the interest on the forced-loan bonds held by its own people and by such drastic currency devaluations as that which deprived the Czechoslovakian people in 1953 and those of East Germany in 1957, among others, of major parts of their meager savings. This economic unsoundness is due to its over-investment of money, materials and manpower for military purposes instead of to improve its people's standard of living, which would give its economy a broad and sound base.

Any country which adopts measures insuring a soundly expanding economy can confidently expect needed capital investment from private as well as public capital in countries in a position to export it, together with sound guidance based on long and successful economic experience to insure soundness of the borrower's economy, and the sounder the borrowing economy is, the easier will be the terms of such loans and their amortization.

November 20, 1957  
(redraft of 11/28/57)



The General Assembly, having received from its Political Committee an inconclusive report with reference to the situation in Algeria,

Desiring to bring about a settlement of a situation menacing the peace and stability of the entire North African region,

Noting the constructive results that ensued from its Resolution of November 21, 1949 in connection with Libya, then a colonial territory in the same general region with a majority native African population and a minority European population in control of most of the political power and economic assets of the region,

Considering the great benefits in health, education and welfare which France has brought to Algeria during the more than a century in which it has administered the territory, thus rendering its people ready for self-government with justice to French and other non-Algerian citizens who may elect to retain such non-Algerian citizenship,

Recognizing that the French claim that Algeria is constitutionally an integral part of France has never been acquiesced in by a free expression of the will of the people of the region in which all have an equal right to register votes of equal weight,

Believing that it would promote the objectives of the United Nations and provide a further precedent to establish an orderly procedure for peaceful change in situations otherwise productive of the dangerous and destructive process of armed revolt, if France and the forces in revolt against France in Algeria would forthwith cease all hostile action against each other on the basis of the following,

#### RECOMMENDS,

1. That Algeria, comprising Oran, Algiers, Kabylie, Constantine and the Saharan region, shall be constituted an independent and sovereign State.

2. That this independence shall become effective as soon as possible and in any case not later than 1 January 1960.

3. That a Constitution for Algeria, providing a democratic republican form of government, shall be determined by representatives of the inhabitants of Oran, Algiers, Kabylie, Constantine and the Saharan region meeting and consulting together in a National Assembly.

4. That for the purposes of assisting the peoples of Algeria in the formulation of the Constitution and the establishment of an independent government, there shall be a United Nations Commissioner in Algeria, appointed by the General Assembly, and a Council to aid and advise him.

5. That the United Nations Commissioner, in consultation with the Council, shall submit to the Secretary-General an annual report and such other special reports as he may consider necessary. To these reports shall be added any memorandum or document that the United Nations Commissioner or a member of the Council may wish to bring to the attention of the United Nations.

6. That the Council shall consist of eleven members, namely:

(a) one representative nominated by the governments of each of the following countries: France, Morocco, Tunisia, Libya and Lebanon;

(b) one representative of the people of each of the five regions of Algeria and one representative of the minorities in Algeria.

7. That the United Nations Commissioner shall appoint the representatives mentioned in Paragraph 6 (b) after consulting with the representatives of the Governments mentioned in Paragraph 6 (a) and leading personalities and representatives of political parties and organizations in the territories concerned.



8. That, in the discharge of his functions, the United Nations Commissioner shall consult and be guided by the advice of the members of his Council, it being understood that he may call upon different members to advise him in respect of different regions or different subjects.

9. That the United Nations Commissioner may offer suggestions to the General Assembly, to the Economic and Social Council and to the Secretary-General as to the measures that the United Nations might adopt during the transitional period regarding the economic and social problems of Algeria.

10. That France, in co-operation with the United Nations Commissioner:

(a) initiate immediately all necessary steps for the transfer of power with all deliberate speed to a duly constituted independent Government;

(b) administer the territories for the purpose of assisting in the establishment of Algerian unity and independence, co-operate in the formation of governmental institutions and co-ordinate their activities to this end;

(c) make an annual report to the General Assembly on the steps taken to implement these recommendations.

11. That, upon its establishment as an independent State, Algeria shall be admitted to the United Nations in accordance with Article 4 of the Charter; and

With respect to the above provisions:

AUTHORIZES the Secretary-General, in accordance with established practices,

(a) to arrange for the payment of an appropriate remuneration to the United Nations Commissioner in Algeria;

(b) to reimburse the travelling and subsistence expenses of the members of the Council for Algeria; and

(c) to assign to the United Nations Commissioner in Algeria such staff and to provide such facilities as the Secretary-General may consider necessary to carry out the terms of the present Resolution.



The General Assembly,

Taking note of the apparently insuperable difficulties that prevent agreement among its members on reduction, limitation and control of armaments,

Believing that a possibly successful alternative method of solving this question so vital to the survival of civilization would be presented by a uniform law providing for complete disarmament, completely enforced, to be adopted conditionally by national legislatures, the condition to its effectiveness being its adoption by all legislatures, so that it would come into effect simultaneously and universally and be applicable to every individual and everywhere.

Realizing that such a drastic change would necessarily cause temporary losses of livelihood to persons engaged in preparation for armed conflict, either directly or through investments in enterprises in that field, whose welfare should be provided for while they find other employment for themselves and their capital,

RECOMMENDS that the Legal Branch of the Secretariat be instructed to draft a statute for introduction in any national legislature which would:

1. Except for (a) lightly-armed police and coast guard forces in proportion to population, area and coastline they police, for enforcement of domestic law, customs, fishery control and similar regulations, and (b) hunting rifles and ammunition which shall be stringently controlled according to need, prohibit all manufacture or possession of means of destroying human life, and provide for deposit of all nuclear materials not presently being used for peaceful purposes under international guard until such time as development of peaceful uses for atomic energy creates a need for such use under strict accounting procedures to insure against their diversion to destructive purposes.

2. Provide, by means of pensions and subsidies, for the support of all individuals who would lose their source of income, in whole or in part, on such legislation coming into effect, until they obtain other employment for themselves or their capital which yields equal or greater income than they averaged during the three years preceding such effectiveness, and for payment (a) of costs of converting facilities for production of means of destruction to production of other items where economical, and (b) of the value and cost of scrapping, less scrap value, of such means of production as cannot economically be so converted.

3. Provide for necessary enforcement by national and international authorities with power to prevent and penalize violations by individuals and to place under international guard or destroy items that would be contraband thereunder.

4. Become effective only after adoption by legislatures having aggregate universal jurisdiction, simultaneously.

Proposed principal sponsors: Burma, India and Japan.

Likely small and "neutralist" supporters toward a two-thirds majority:

Afghanistan, Albania, Austria, Bolivia, Bulgaria, Cambodia, Ceylon, Chile, Colombia, Costa Rica, Denmark, Ecuador, El Salvador, Ethiopia, Finland, Ghana, Guatemala, Haiti, Honduras, Iceland, Iran, Iraq, Ireland, Laos, Lebanon, Liberia, Libya, Luxembourg, Malaya, Morocco, Nepal, Nicaragua, Panama, Paraguay, Peru, Portugal, Romania, Sudan, Sweden, Thailand, Tunisia, Uruguay, Venezuela, Yemen, Yugoslavia,

totalling 48, requiring 7 more favorable votes or up to 11 abstentions, or a combination of favorable votes and abstentions between 7 and 10 to be picked up among medium and more armament-minded member nations.

--Frederic C. Smedley  
314 East 25th Street  
New York 10, New York

Telephone: MUrray Hill 4-1841.



Oct. 16, 1956

Mr. Todd of Senator Long's Office (Code 190, Extension 97) telephoned to request appointment for The Rt. Hon. Hilary A. Marquand, M.P. about whom Ambassador Aldrich wrote you (letter attached).  
Mr. Marquand will be in Washington Saturday, November 3rd, and Monday, November 5th.  
Appointment has been made for Monday, the 5th at 11:00 A.M.

M.L.



MARQUAND, A.

JUL 26 REC'D



EMBASSY OF THE UNITED STATES OF AMERICA  
LONDON

July 20, 1956

7  
11/14/56

Dear Gene:

I have been informed by The Rt. Hon. Hilary A. Marquand, M.P., that he is going to be in the United States during the month of October on a lecture tour. He expresses an interest in the development of under-developed countries and would like to discuss these matters with some of the experts at the World Bank. I have told him that I would write to you about his visit and I hope that you will be able to arrange to have someone talk to him when he gets in touch with your office.

Mr. Marquand is a Labour Member of Parliament who held various positions in the Labour Government including those of Minister of Pensions and Minister of Health. Before entering politics he was a professor of economics and industrial relations in several of the universities in this country.

Sincerely yours,

*W. H. H. H.*

Mr. Eugene Black,  
International Bank for Reconstruction  
and Development,  
1818 H Street, N.W.,  
Washington, D.C.



JUL 26 REC'D

EMBASSY OF THE UNITED STATES OF AMERICA  
LONDON

July 20, 1956



Dear Gene:

I have been informed by The Rt. Hon. Hilary A. Maudslayi, M.P., that he is going to be in the United States during the month of October on a lecture tour. He expresses an interest in the development of under-developed countries and would like to discuss these matters with some of the experts at the World Bank. I have told him that I would write to you about his visit and I hope that you will be able to arrange to have someone talk to him when he gets in touch with your office.

JUL 26 10 56 AM 1956

RECEIVED  
INTERNATIONAL BANK FOR  
CONSTRUCTION AND DEVELOPMENT

Mr. Maudslayi is a Labour Member of Parliament who held various positions in the Labour Government including those of Minister of Pensions and Minister of Health. Before entering politics he was a professor of economics and industrial relations in several of the universities in this country.

Sincerely yours,

Mr. Eugene Black  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C.



uk  
**DECLASSIFIED**

Date: 08/06/2010, VA

Personal

13th October, 1952.

Dear Gene,

It was very kind of you to send me a telegram on my appointment to Washington.

Of course I am very glad to be coming back, and I shall look forward to keeping in close touch with you and seeing you often.

With all good wishes,

James Sumner  
Rybak  
Roger Makin

Eugene Black Esq.,  
International Bank for Reconstruction  
and Development,  
Washington, D.C.





# Office Memorandum

*de Selliers*  
JUL 14 REC'D

TO : Mr. E. Black  
FROM : Ernest de Selliers  
SUBJECT :

DATE: July 11, 1952

You may be interested to read the attached excerpt from a speech made by Mr. Raymond Scheyven, member of the Belgian House of Representatives and a delegate to the Economic and Social Council.

This excerpt deals with the anti-cyclical role that some operations of the Bank might play. The last paragraph dealing with the effects on economic stability of the use by the Bank of the 18% subscribed by members in local currency might prove of particular interest.

Enclosure.

*Selliers*

*D. Beamanth*  
*bid you hear this*  
*N.Y. ? bid we answer it?*

*LST*  
*17/VI*

WAB:  
This whole debate was covered by Rodan. My understanding is that bid participation was limited to reading the Barle's agreed statement. As a matter of policy, we refrain, except under unusual provocation, from entering into debates with ECOSOC delegates.



from the de Beller - July 11  
excerpt from speech made by Mr. Raymond Scheyven

I shall begin by discussing the third part of the recommendations of the Angell group.

Since certain economic fluctuations are inevitable in contemporary economic life, and since their consequences are particularly acute in the under-developed countries, the report of the experts is quite justifiably devoted particularly to finding ways to protect those countries against those fluctuations. However ingenious the protective mechanisms that might be put into effect, it is certain that the most effective protection of the under-developed countries is the advancement of their economic development and the diversification of their economy; the experts' report recognizes that.

That is why the experts' recommendations concerning the International Bank deserve your very special attention on two counts. In the first place, the Bank can play an important role in accelerating the rhythm of economic development, and in the second place, according to the experts, it could contribute to a great extent in stabilizing the flux of international capital movements. These movements are normally the most inatable element of world economy.

Under its Articles of Agreement, the Bank has the mission of supplementing the lack of private capital, hence it is normal to ask it to increase its participation in case of depression. In order for it to do so profitably, it would be necessary, as the experts suggest, for the under-developed countries, with the Bank's cooperation, to set up carefully studied programs of public works and productive investment, classified according to their economic priority, so as to be able, in case of depression, to accelerate the execution of the projects without delay or dangerous improvisations. In short, the International Bank ought to promote the establishment, on an international basis, of anticyclical investment budgets, or emergency budgets, as is done with success in certain countries on a national scale.

It is difficult to evaluate the amount of additional resources that the Bank ought to have in order to play this role. It is even difficult to determine a priori the actual possibilities of useful action in this field. That is why it would be necessary to invite the International Bank to study the problem without delay.

This recommendation, which, all in all, boils down to asking the Bank to be more aware of the anticyclical role that it can play, is applicable both in periods of prosperity and in periods of inflation. Under such circumstances, the Bank ought to limit its loans to the currencies of the countries that do not have problems of balances of payments and by calling for the most extensive use possible of its members' subscriptions, avoid provoking "unrequited exports" for certain members, the effect of which may be to aggravate their inflation or their payments difficulties. Is it not illogical to see certain European countries which are at present struggling with the worst financial difficulties and are reduced to establishing severe restrictions destructive of international prosperity, to see them, at the request of the International Bank, devote a part of their inadequate production to foreign loans that ought to be the exclusive preserve of the countries that have a surplus? Therefore, on the occasion of this study of the relations between capital movements and international



economic stability, it is appropriate to draw the attention of the International Bank very particularly to the desirability of not utilizing the 18% of the subscribed capital of the deficit countries, since this utilization would aggravate an already existing disequilibrium in the international balance of payments.

Translated by G. Aubé  
French  
7/15/52



Wend

to from The Economist  
22 Ryder St

London SW,

April 15-52

Dear Gene,

Your very kind letter has  
been forwarded to me here &  
I can't tell you how delighted I  
was to receive it. It isn't only that  
you liked my talk at the Board  
Club - though that means alot.  
It is that you think the line of  
ideas is reasonable & should be  
followed up. I am more & more



convinced that it must be the  
 first line of attack on Communism  
 once the period of intensive  
 rearmament is passed. What  
 worries me most about the attitude  
 of such men as Amersin Brown &  
 some of the European socialists is  
 that they talk glibly of world aid  
 & world prosperity & keep to backward  
 areas & choose to ignore the fact  
 that the central figure in any such  
 plan must be the United States  
 for two simple reasons (1) a slump

in America drops everyone else down  
 & (2) only America is not genuinely  
 in the position to produce "Surplus  
 Capital." What is needed is  
 intensive discussion between all  
 men of liberal principle on both  
 sides of the Atlantic to see how  
 the free nations can aid each other  
 in realizing a world-plan of real  
 dimensions. There lies a possibility of  
 stability & progress. Otherwise we see  
 only the danger of instability & of  
 Communist expansion into the exposed  
 frontier lands.



But this was meant to be  
only a warm word of thanks.  
Perhaps we shall have the  
opportunity to talk more of these  
things when you come to England  
I hope so.

Yours very sincerely

Barbara Ward.





# Record Removal Notice

<b>File Title</b> Records of President Eugene R. Black - Correspondence - Correspondence - Volume 2 (M-W)	<b>Barcode No.</b>  1769157
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<b>Document Date</b> Apr 10, 1952	<b>Document Type</b> Letter
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**Correspondents / Participants**  
To : Eugene Black  
From : L. G. Melville

**Subject / Title**  
Discussions between the South Australian Government and the combined development agency of the US and the UK

**Exception No(s).**

1    2    3    4    5    6    7    8    9    10 A-C    10 D    Prerogative to Restrict

**Reason for Removal**  
Communications of Executive Directors' Offices  
Information Provided by Member Countries or Third parties in Confidence

**Additional Comments**

The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.

<b>Withdrawn by</b> Vlada Alekankina	<b>Date</b> Aug 6, 2010
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TREASURY CHAMBERS,  
Great George Street,  
L O N D O N, S.W.1.  
22nd August, 1951.

My dear Gene,

TELEPHONES FOR VENEZUELA

You will remember your talks with Sir Alexander Roger, when you were in London in May, about the possibility of the I.B.R.D. coming in with a loan for Telephone Extension in Venezuela. The matter is still very much alive, although it has not been easy for Roger to make effective progress. As a result, he is sending his son out to Venezuela to try and stir things up effectively. He will go via New York for a series of talks with, amongst others, A.T.T., who are being very helpful in all this affair, which is being handled by George Best; also Abrahams of the Standard oil of New Jersey, and Randolph Burgess.

Young Roger would very much like an opportunity of a talk with you when he is through in New York, and I have suggested that he should telephone a day or two after this letter reaches you, so as to fix an appointment, and I would also very much like him to see Iliff, if the latter is available.

I do not think it is worth my while recounting the story which Sir Alexander has just given me, since young Roger will have it more up to date, and can go into any points of detail which you might want to know. I have told him to bring you up to date on the constitutional

Mr. Eugene R. Black,  
International Bank.

/situation





situation in Venezuela i.e. the plans for calling a Congress; to justify the inclusion of telephones in a programme of development; and to say anything he can on the provision of local currency financing.

Both A.T.T. and Standard Oil know all about this, but I ought perhaps to repeat the warning, which I think you already have had, that I.F.T. should be kept right out of the picture.

Looking forward to seeing you very soon.

Yours ever,

*Ernest Newton*



*Petsche*

My dear President:

I am particularly touched by your so friendly letter of July 14th. It is a great comfort to me to think that my best friends abroad, and particularly you, are not tired of seeing me remain Finance Minister with such constancy. I ask myself sometimes if they would not like to see a new head. Your letter reassures me and gave me much pleasure.

I do not know if I should rejoice or not, to again find myself in this little enviable job. I, assuredly, have a reason to rejoice. It is the chance which will be given me, I hope, to welcome you to Paris in September. That will be for my wife and for me a great satisfaction, to be able to receive you as well as Mrs. Black.

Believe me, my dear President, etc. etc.

JBC



Ministère des Finances  
Le Ministre

République Française

Paris, le 23 juillet 1950

*M. Hoffmann*

Mon cher Président,

Je suis particulièrement sensible à votre si aimable lettre du 14 Juillet. C'est un grand soulagement pour moi de penser que mes meilleurs amis à l'étranger, et particulièrement vous-même, ne sont pas fatigués de me voir rester Ministre des Finances avec une telle constance. Je me demande parfois s'ils n'auraient pas envie de voir une nouvelle tête. Votre lettre me rassure et me fait très grand plaisir.

Je ne sais si je dois me réjouir ou non de me trouver encore dans ce poste peu enviable. J'ai, à coup sûr, une raison de me réjouir. C'est la chance qui me sera donnée, je l'espère, de vous accueillir à Paris au mois de Septembre. Ce sera pour ma femme et pour moi une très grande satisfaction de pouvoir vous recevoir ainsi que Mrs. Black.

Croyez-moi, mon cher Président, je vous prie, bien sincèrement à vous.

*M. Hoffmann*

Mr. Eugène R. Black  
Président de la Banque Internationale  
pour la Reconstruction et le  
Développement  
WASHINGTON 25 D.C.



RECEIVED  
INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

JUL 26 11 01 AM 1950





Rowe-Dutton  
APR 3 - 1950  
Currencies  
check

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

WASHINGTON 25, D. C.

March 31st, 1950.

MEMORANDUM TO: Mr. Eugene Black  
FROM: Sir Ernest Rowe-Dutton  
SUBJECT: Equity Financing

Your reception of my suggestions this morning encourages me to set down very briefly a few personal thoughts. For convenience I will speak of the Chase as being the source of the equity financing, and put what I have to say almost in headline form.

1. The Chase sets up an Edge Act subsidiary "Chase Overseas".
2. Chase Overseas may possibly (not necessarily) borrow from Exim.
3. The International Bank hears of the possibility of setting up a textile industry in "Ruritania".
4. It makes thorough investigation, and goes to Chase Overseas with a blue-print project for the whole thing which might include
  - (a) introduction of an American textile corporation willing to contribute know how and management in return for a percentage of the ordinary shares in "Ruritania Textiles"
  - (b) a further percentage of the ordinary shares to be subscribed locally
  - (c) the remainder of the ordinary capital to be put up in cash dollars by Chase Overseas
  - (d) the International Bank to provide a loan to "Ruritania Textiles" in the usual way - i.e. with a guarantee of the Ruritanian Government etc etc
5. Items (b) and (c) above should take care of local currency needs. Item (d) is intended to cover not only plant and machinery to be imported, but also the import of raw materials.
6. The financial link-up is to offer some (comparatively) cheap loan money from the International Bank, by the use of which the equity holders may hope to make substantial profits, for which there can, of course, be no guarantee. But if the enterprise is successful, the International Bank



Mr. Eugene Black .....2

holding of bonds should be saleable to private investors.

\* \* \* \* \*

7. This is largely thinking aloud, and has no authority behind it. I do not know nearly enough about U.S. conditions to do more than ask whether these suggestions are possibilities. I have even assumed that Congressional action would not be impossible, if a good case could be made either for some amendment of the Edge Act, or even to extend the scope of the Exim Bank.

8. It would be very helpful to thinking about these matters if the staff could make available a short note about the principles and working of the Edge Act.

*ERD*

Sir ER-D\*jw

Ernest Rowe-Dutton



OFFICE MEMORANDUM

*South Africa*

TO: Mr. Black

DATE: March 17, 1950

FROM: Mr. Luxford

MAR 20 RECD

SUBJECT: South African Situation

As I told you this morning the investment situation in South Africa regarding our bonds is as follows:

1. Eligibility: Commercial banks in South Africa are authorized by specific legislation to invest in our bonds. Insurance companies are not so authorized and it is doubtful whether this is a good time to press the subject in view of South Africa's exchange situation.
2. Lord Balfour: (a) On December 4, 1947, Lord Balfour reported that Dr. de Kock looked with favor on the proposal that South African Reserve Bank, Standard Bank and Barclays Bank should each purchase \$1 million of our next issue but that this would require approval of South African Finance Minister and the Chancellor of the Exchequer.  
  
(b) On September 24, 1948 Lord Balfour reported that the fundamental change in South Africa's exchange position made it impossible for them to invest in our securities.  
  
(c) International Financial Statistics (IMF) discloses that the present foreign exchange position of South Africa is materially worse than it was in September 1948.

Accordingly, I am very doubtful that any purpose would be served in trying to interest these banks in our bonds at this time.

The relevant supporting documents are annexed.

Ann.

AFL/GW



**DECLASSIFIED**

Date: 08/06/2010, VA



PERSONAL

Office of the President of  
the Council of Ministers,  
Bangkok, Thailand.

August 24, 1949.

Dear Mr. Black,

It is particularly gratifying to me to learn of your appointment as President of the World Bank and the occasion of the visit to the United States of His Serene Highness Prince Viwat is most appropriate for me to send you, through his kind intermediary, my personal message of warmest greetings and cordial congratulations upon your appointment to this eminent post and at the same time to introduce Prince Viwat to you.

I am sure you will be glad to know that His Serene Highness himself is my ministerial colleague having charge of the Ministry of Finance and, as the Thai Governor on the Boards of Governors of the IMF and IBRD, is proceeding to the United States to attend the September meeting of the Boards. His Serene Highness is further entrusted by His Majesty's Government with a mission to seek financial assistance and has accordingly the full confidence and authority of His Majesty's Government.

Mr. Eugene R. Black,  
President,  
International Bank for Reconstruction and Development,  
Washington, D.C.,  
U.S.A.



He will be in a position to explain to you the general economic situation of this country and its urgent needs for assistance in the matter of post-war rehabilitation and development. As I know that in you Thailand has a real friend, I am very happy to commend him personally to you and I have no doubt that your contact with him will be most useful and agreeable in every way, and I shall be very grateful to you for all necessary help and assistance you may kindly extend to him for the successful accomplishment of his mission.

I have asked His Serene Highness to bring to Mrs. Black and yourself some souvenirs from my wife and myself which I would ask you to accept with our earnest good wishes for your continued welfare and success.

Very sincerely yours,

Field-Marshal *P. Pibulsonggram*  
(P. Pibulsonggram)



Stevenson, A

AUG 1 REC'D



OFFICE OF THE GOVERNOR  
SPRINGFIELD

ADLAI E. STEVENSON  
GOVERNOR

July 29, 1949

Mr. Eugene R. Black, President  
International Bank for Reconstruction  
and Development  
Washington 25, D. C.

Dear Gene:

Many thanks for your letter. It was good to hear from you again and I hope you will let me know if you ever pass this way.

Sincerely yours,

*Adlai*

~~Governor~~





OFFICE OF THE GOVERNOR  
SPRINGFIELD

ACM & STEVENSON  
GOVERNOR

July 29, 1949

Mr. Eugene H. Black, President  
International Bank for Reconstruction  
and Development  
Washington 25, D. C.

Dear Sirs:

Many thanks for your letter. It was  
good to hear from you again and I hope you  
will let me know if you ever pass this way.

Sincerely yours,

GOVERNOR

AUG 1 11 42 AM 1949

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