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Script of Broadcast Made by Mr. Eugene R. Black, President
International Bank for Reconstruction and Development
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QUEEN:

It is three years this week that the International Bank for Reconstruction and Development -- sometimes called the World Bank -- began operations. Here in Washington some 400 persons of about 20 different nationalities today are conducting a venture in international banking which in nature and scope is without previous historic parallel.

Forty-eight nations have banded together to guide international investment into projects for promoting and maintaining a higher world economic level. In general, the Bank's function is to stimulate the flow of private financing to those areas where it is most needed. Where private investment is not yet ready to enter certain fields, the Bank itself makes loans, or guarantees private loans.

The standards set by the World Bank represent a new step in international finance. For one thing, any loan it makes must clearly help raise the productive level of the country making the request.

Before it makes a loan, the Bank sends groups of experts to study the needs and potentialities of the country concerned. Frequently it helps advise a nation on the means of improving its means of production, or its economic stability.

The loan, moreover, is made for the purchase of specific production goods. Finally, it is the Bank again which checks the purchases made to make certain that they are used as intended.

The loans made by the Bank as well as its system of studies and checks have resulted in placing international finance on a sounder basis than ever before - a basis beneficial to the borrower as well as to the general development of world economy.

For the past two and one-quarter years, the Bank has been under the presidency of an American, John J. McCloy -- recently named U. S. High Commissioner for Germany. Tomorrow, a newly elected president takes office, to work with the Bank's fourteen Executive Directors. He does so at a time when the World Bank is being called upon to play an important role in the United Nations' program for world technical and financial assistance.

The man is Eugene R. Black, for the past two years the United States' executive director with the Bank and for 30 years one of this country's leading financial experts.

Mr. Black is with us in the VOICE OF AMERICA studios today to answer some questions about the Bank's operations and its future plans.

Mr. Black, we've heard a good deal lately about economic reconstruction. What has the Bank been doing in this whole field?

BLACK: It has been doing some pretty tangible things. As far as the reconstruction phase of the Bank's operations goes we have made loans to the European area totalling more than half a billion dollars. These loans were made for the purchase of specific goods which the borrowers needed to get the wheels of production going -- and to contribute to the reconstruction of Europe as a whole. Goods such as industrial and agricultural machinery; transportation equipment, locomotives and airplanes for instance; and, in some cases, basic raw materials. To be specific, the Bank has made a loan to France -- 250 million dollars; to the Netherlands -- 195 million; to Denmark -- 40 million; to Luxembourg -- 12 million; to four Dutch shipping companies -- another 12 million; and, recently to Belgium -- 16 million. That makes a total of five hundred and twenty-five million dollars.

QUEEN: This seems to cover the reconstruction phase pretty well. What about the word development in the Bank's title?

BLACK: The development phase of the Bank's work is now under way. The word "development" means just what it says -- that is, taking the necessary measures to develop the great untapped resources and the productive facilities of the lesser developed areas of the world. In this the Bank cannot, of course, do the whole job. It can help -- and it has already done so. We have to date made "development" loans for various purposes in Latin America. We have loaned sixteen million dollars to Chile for developing that country's hydroelectric power and for bringing into Chile modern agricultural machinery to improve its yield of one of the most important commodities in the world -- food. We have loaned \$34,100,000 to Mexico for electric power development there. And we have loaned seventy-five million dollars to the Brazilian Traction, Light and Power Company to expand its power facilities and telephone installations in Brazil. Aside from these loans actually made, the Bank has more business on its books right now in the form of discussions of future development loans -- more business now than at any time in its three-year history.

QUEEN: Well, President Truman's program for technical assistance seems to be nearing the action stage. Your remarks seem to indicate that the Bank has had a technical assistance program of its own for some time.

BLACK: That is true. One thing the Bank always does before making a loan is to examine pretty carefully the whole economy of the borrowing country as well as the specific project. This often involves technical assistance. We've been doing this for a couple of years. The Bank welcomes the initiative of President Truman in asking that this type of thing be synchronized with similar activities by the United States and other governments, the United Nations and other international bodies, and private organizations. As for the Bank's part -- this will probably be primarily the financing of part of the capital needed for over-all development programs. You can see that an adequate program of technical assistance would greatly facilitate the Bank in finding sound investment projects. The Bank already has sent various types of field missions to some 25 member countries in Latin America, Europe, the Middle and Far East -- and many more are in prospect.

QUEEN: Now what are some of the areas and projects to which you are giving your attention at this time?

BLACK: Well, if you look at a map, they really put a belt around the globe. Let's start with the Middle East and Africa.

We are studying projects in such countries as Morocco in North Africa, Egypt, and Turkey -- primarily irrigation projects, but also industrial and port developments. Then, pass on farther east. The great sub-continent of India has applied for loans in connection with transportation, agricultural and power projects. Of course all projects take time -- time and study -- to bring to the practical investment stage. Another very large development area is the Latin American continent. I don't know -- but I would guess that hardly a month passes without a Bank mission of some kind working in Latin America. Remember that the Bank cannot by itself do even the major part of this development job. We are trailblazers for private capital, which must carry the main load. But we can also act as a sort of permanent balance wheel for international investment generally -- by setting standards fair to lender and borrower alike. I feel that we are engaged in helping develop the last frontier left in the world -- the frontier of the under-developed areas.