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Press Release Issued In Rome - Not for Distribution

Mr. Black in Italy, April 27-28, 1950

The President of the International Bank for Reconstruction and Development, Mr. Eugene E. Black, has been in Rome during the last few days. He has visited the President of the Republic Einaudi and has met the Prime Minister De Gasperi, the Minister of Finance and other members of the Government.

In his meeting with the Prime Minister De Gasperi, Mr. Black referred to the statement made last September in the 14th Annual Report to the Board of Governors of the Bank about preliminary studies of a possibility of a loan connected with the Italian Government's plan of developing the South of Italy.

The Bank followed with particular attention the last development in this situation, and has taken note of the bill submitted at present to Parliament for the creation of an autonomous Cassa which will have to realize a ten years extraordinary programme of 1000 milliard lire.

Mr. Black thinks that this is one of the most important steps in the Italian economic history, and believes that the organism proposed is well conceived and may become an instrument adequate for the fulfillment of this end. He announced that the Bank, having made a preliminary examination, proposes to initiate with the Cassa, when it is formed, talks about collaboration on the basis of development loans, which may also be of a continuous character.

During his stay in Rome, Mr. Eugene R. Black, President of the International Bank for Reconstruction and Development had an exchange of views with the Minister of Foreign Trade, Mr. Lombardo, on the future activity of the Bank, especially in view of the tasks which the Bank will have to assume after the end of the Marshall Plan.

The fact has been particularly stressed that once the reconstruction phase has been completed, the exports of European countries are bound to increase and to substitute in part the present exports of the United States.

In consequence there will be a further strengthening of the tendency to use as means of payments for these exports currencies other than dollars, and notably the 18 per cent. quota subscribed in local currencies by the member States of the Bank.

Concomitantly with the analogous agreements of Great Britain, Belgium, Canada, Denmark and France, the Ministers of Finance and of Foreign Trade were glad to announce to Mr. Black that Italy also agrees to a gradual utilization by the International Bank of the 18 per cent. quota subscribed by Italy for operations which in each case will be agreed upon by the International Bank and the Italian financial authorities.