

INTERVIEW WITH
Eugene R. Black

by

David Horrocks
Oral Historian

on

May 13, 1975

for

Dwight D. Eisenhower Library



GENERAL SERVICES ADMINISTRATION
NATIONAL ARCHIVES AND RECORDS SERVICE
DWIGHT D. EISENHOWER LIBRARY

Legal Agreement Pertaining to the Oral History Interview of Eugene R. Black.

In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms and conditions hereinafter set forth, I, Eugene R. Black (hereinafter referred to as the donor), do hereby give, donate, and convey to the United States of America all my rights, title, and interest in the tape recording and transcript of a personal interview conducted on May 13, 1975 and prepared for deposit in the Dwight D. Eisenhower Library. This assignment is subject to the following terms and conditions:

(1) The transcript shall be available for use by researchers as soon as it has been deposited in the Dwight D. Eisenhower Library.

(2) The tape recording shall not be available for use by researchers during the donor's lifetime. After the donor's death, access to the tape recording is to be for background use only, and researchers may not cite, paraphrase, or quote therefrom.

(3) The donor retains during the donor's lifetime all literary property rights in the material given to the United



States by the terms of this instrument. Thereafter the aforesaid literary property rights will pass to the United States Government. During the life of the donor, researchers may publish brief "fair use" quotations from the transcript (but not the tape recording) without the donor's express consent in each case.

(4) Copies of the open portions of the interview transcript, but not the tape recording, may be provided by the library upon request to researchers.

(5) At the discretion of the director of the Dwight D. Eisenhower Library, copies of the interview transcript, but not the tape recording, may be deposited in or loaned to other institutions. Upon death of donor, at the discretion of the director of the Dwight D. Eisenhower Library, copies of the tape recording may be deposited in or loaned to other institutions.



Eugene R. Blew
Donor

September 28, 1976
Date

James E. O'Neil
Acting Archivist of the United States
October 6, 1976
Date

This begins an interview with Mr. Eugene Black at his office in New York City. This is David Horrocks of the Eisenhower Library. May 13, 1975.

MR. HORROCKS: Mr. Black, as an introduction, could you briefly summarize your personal background?

MR. BLACK: You mean my background?

MR. HORROCKS: Yes, sir.

MR. BLACK: Well, I was, for a number of years, at the Chase National Bank in New York, Chase Manhattan Bank. And I left there to become the American director and member of the board of the World Bank representing the U.S. government. I was there for two years, and then became president of the World Bank. I was president of the World Bank for fifteen years. Since that time I came back to New York and have been on the committees and boards of different companies.

MR. HORROCKS: How were you chosen to be president of the World Bank?

MR. BLACK: Well, I was chosen by the members of the World Bank. The World Bank is an international organization, and the president of the bank is elected by the board of directors

which represent the various countries of the members of the bank. The United States owns about thirty percent of the stock so that its vote is very important in selecting the president of the bank. But the president of the bank is not appointed by the U.S. government or by the President of the United States as some people think is true. So I was elected president of the bank, and I served there for three five-year terms. My first term was when Mr. Eisenhower was President, and I had known President Eisenhower before he was President. I played golf with him on certain occasions, and I was asked by him to come over when he was the head of NATO to Paris, and I spent a couple of days in Paris with him. The reason he invited me to come over was to talk with me about the financial and economic situation of the countries that were members of NATO. He was naturally trying to get them to supply more troops and they frequently made excuses that they didn't have enough money to do it, and he wanted to know what kind of fix they really were in. So he asked me to give him the low-down on the financial situations these countries were in. He had lots of difficulty with the French government because at that time the French government



was changing every few months, and he found it very difficult to get a satisfactory answer. I suggested to him that there was a man in the French government by the name of Guinde who was a civil servant and he was in all the ministries of finance whenever they changed, and he was a man I found who could get things done. I suggested to President Eisenhower--General Eisenhower at that time--that he meet Mr. Guinde, which he did. He found Guinde was very useful to him in getting an answer and information on the French government.

HORROCKS: Were the European nations in good financial state to go through with the re-armament?

BLACK: Well, I think they were in pretty good shape at that time. He had difficulty finding out what the real story was. He wanted someone he thought knew the story to give it to him.

HORROCKS: In addition to the advice that he should see Mr. Guinde, what other advice did you give him as to the condition of some of these countries?

BLACK: I don't remember; that's been some time ago. He'd gotten in such a situation--he was in the difficulty of



dealing with the French government because of the shifting governments that they had at that time. I don't remember what I told him at that time; I've forgotten the condition they were in at that time. It was a long time ago.

HORROCKS: Do you know of any particular problems that Mr. Guinde was able to help solve?

BLACK: No.

HORROCKS: Although they don't specifically appoint you as president of the World Bank, was there any problem with your continuing for a second and third term under the new administration?

BLACK: Well, I don't know; I was re-elected, twice. No problem that I know of. Relations were very good with the American government. To answer the question, I was re-elected twice; I served three terms. Another experience I had with President Eisenhower that was very interesting--he asked me to lunch one day at the White House, alone, and he told me he understood that I was going to take a trip to the Middle East.



HORROCKS: This would have been 1953?

BLACK: Yes. This was my first trip. And on that trip I went to all the countries in the Middle East. He knew that I was going. And he said, "I can't ask you to do this because you're an international civil servant, but I would like to have you try to find out what might be done to solve the Arab-Israel problem. And I would like to have you talk to the heads of different governments and come back and tell me what you think might be done." He said, "Now I can't ask you to do that officially because you're not a member of the American government." So I took this trip, and I came back, and I went to see President Eisenhower. I told him that I wanted to make two suggestions. The first was that he begin to deal even-handedly with Israel and the Arabs. Before that we were giving a whole lot more money to Israel than we were to the Arab nations. We were showing preference in every way towards Israel--which we still do--but at that time we were giving more money. So I told him I thought it would be very important to try to at least make equal amounts of money available to Arabs and Israel. The second recommendation that I wanted to make was I thought that Egypt was the



most important country and Egypt was very anxious to build a dam on the Nile. And while I was there I met with [Mohammed] Naguib who was then president of Egypt and he had discussed with me the possibility of building a dam on the Nile, the Aswan Dam. And I had suggested to Naguib that a very careful study be made by a group of internationally known engineers to see whether or not this was feasible and whether this was the site to build a dam, and Naguib had agreed to do that. And I told President Eisenhower that I thought this was a very important thing to do because the Aswan Dam was the most important thing that could be done in Egypt. I said, it was the most important country there, and I wanted to urge him to seriously consider sharing in the financing of the Aswan Dam, provided the World Bank decided to go ahead with it. He then suggested to me that I put these suggestions in a one-page memorandum, which was a custom of his. So I did. I put this in a one-page memorandum, and I understand that later on my suggestions were discussed at Cabinet level and both of them were adopted. He did decide to be more even-handed between the Arabs and Israel than had been the case before, and also he recommended to the Cabinet that we invest in the financing of the Aswan Dam.



HORROCKS: In the initial visit, did you deal at all with Nasser or was it solely Naguib?

BLACK: It was Mohammed Naguib. This was before Nasser. Naguib didn't last very long and Nasser then came in. But in either case--Naguib or in the case of Nasser, the Aswan Dam was the magnum opus and this was very important to them, and I felt this to be a step in the direction of improving our relations with the Arab countries, particularly with Egypt.

HORROCKS: Did this strike the administration as a new viewpoint or was it one that they had been working towards on their own--the idea of more even-handed relationships with the Arab countries?

BLACK: Well, I don't know. They had not done it before then. I don't know what they had been thinking about, but they hadn't done it before.

HORROCKS: The building of the Aswan Dam has been covered in many ways, but in a general sense, why did Nasser appear to handle it so poorly, in his relations with the U.S.?



BLACK: Well, this is a long story. I don't think he handled it poorly and I think the turning down of the Aswan was the greatest mistake that Mr. [John Foster] Dulles made. And I think it was an action that precipitated a lot of the trouble right now. I don't think Nasser handled it poorly.

HORROCKS: Was Nasser aware that he was baiting or antagonizing the U.S. with the Russian-Czechoslovak arms deal, for instance and the recognition that--

BLACK: Well, I don't think he did it in order to bait the United States. He made every effort to get arms assistance from the United States, and tried for some time to do it and had not succeeded, and, after he practically gave up, then he made a deal with the Czechs to get the arms. He didn't do this to make us mad. He was anxious to get the arms from us, and we refused to give them to him. We delayed doing it. Now, I think that as a result of that, this pushed Nasser toward the Communist nations, and, as a matter of fact, sometime after that he recognized Communist China and that was very annoying to Mr. Dulles. But the whole Aswan picture was a very complicated picture. I don't think you could



brush it off by saying that Nasser handled it very badly because I think that we handled it much more badly than Nasser did. Now Nasser made some mistakes, but the decision to not go ahead with the Aswan Dam was a very serious mistake on the part of Mr. Dulles.

HORROCKS: When did you find out that we would not go ahead with Aswan?

BLACK: I say this is a long story; it hasn't got anything to do with Eisenhower, this has got to do with Dulles. The whole story is in the Dulles Papers at Princeton. But I found out about the time that the Egyptian ambassador came back from Cairo to tell Mr. Dulles that they were prepared to go ahead on the terms that the United States and the British government had offered to make grants; this was a disputed point. And at that time Mr. Dulles announced that we had changed our mind, and he decided to call the thing off. Well, I found out about it right at that time.

HORROCKS: You weren't given a chance to argue your case against this position once that decision was made?



BLACK: I didn't agree with the decision. Aswan Dam was going to be financed half by the World Bank and half by the British government and American government. We were prepared to go ahead, but we couldn't go ahead without our partners; we weren't going to put all the money up. I didn't agree with his decision. As a matter of fact, this has been written up, and I was in the State Department talking to Mr. Dulles and Herbert Hoover [Jr.], and Bob [Robert] Murphy and Mr. Dulles said to me that he was thinking about calling off the Aswan Dam deal, and what did I think about it. "Well, Foster," I said, "as far as the World Bank is concerned it would save us a lot of trouble and a lot of worry if the deal was called off. This was the biggest project ever undertaken in the history of the world. We think it's a good project. We think it is very important for Egypt, very important for the whole Middle East problem, and I will now say as an American citizen, not as the president of the World Bank, that if you call it off I think all hell will break loose." Then he turned around and walked out of the room; that was the end of the discussion. The only trouble was I didn't



know how much hell was going to break loose.

But now, I didn't deal with President Eisenhower on this. This was all done with Foster Dulles and Herbert Hoover, Jr., who was then Under Secretary of State. I didn't deal with President Eisenhower at all. At that time, as you know, Mr. Dulles was the active Secretary of State. He had a great deal to do in formulating our foreign policy at that time.

HORROCKS: When the Egyptians bought the arms from the Soviet Union and Czechoslovakia, Dulles said that the Egyptian government could not afford to meet the expenses or was not financially capable of handling its end of the Aswan deal.

BLACK: They couldn't handle the Aswan dam?

HORROCKS: Right.

BLACK: This has been written up in a number of cases and always inaccurately, always wrong. Nobody knows as much about it as I know. I know the story. The stories have been very inaccurate.



Now, what happened was that after I made this recommendation to President Eisenhower, the U.S. government decided that they would go ahead with this project. One reason they went ahead with it was that before they made that decision, Nasser made the arms deal with the Czechs. It wasn't afterwards; it was before. When he made this arms deal with the Czechs, that got the British government very excited and they thought something ought to be done right away to offset this--offset the march of Nasser towards the Russian camp. And so they then decided that if the World Bank would put up two hundred million dollars, they would then contribute another two hundred million dollars over a period of time in the form of grants; ours was going to be a loan. We then sat down with the State Department and with the British ambassador and with the Minister of Finance of Egypt, and we worked out a deal in Washington. And the deal was, as I said, that the World Bank would lend two hundred million dollars and the American government and the British government would give varying amounts over a period of time totalling another two hundred million dollars. They wanted four hundred million dollars from foreign exchanges to build the dam and then they



were going to get six hundred million dollars from the Egyptian government in the form of local currency. It was going to be a billion dollar project. And so we worked out a deal, and the deal was agreed to, and the Minister of Finance went back to Cairo to report this to Nasser. And Nasser didn't like the terms of the World Bank loan. And he criticized the World Bank loan in terms of being too severe and interfering with the internal affairs of his government, and so I had to go over and explain it to him--which I did. He accepted my explanation, and then we agreed on the World Bank part of it subject to the approval of our board, subject to the contribution of the American government and the British government. And also, after we agreed on the terms of the World Bank and the conditions, Nasser then said to me that he wasn't satisfied with the terms of the grants given by the American government and the British government. He wanted to change those terms. I urged him not to do that because I said I thought they were very generous and he'd better go ahead and accept them and start the work on the Aswan Dam. But he said he wanted to consider this and try to make some changes in the terms of the grants that they were making. So he informed the two governments that he wanted some alterations in the



terms of the grants, and about that time Mr. Dulles began to cool off of the whole thing. First of all, he was annoyed that Nasser had recognized Communist China. He also had heard some report that Nasser had been involved in the overthrowing of [Lt. Gen. John Bagot] Glubb in Jordan, and also Mr. Dulles thought that if we turned down the Aswan Dam this would be a very serious blow to Nasser because the Russians wouldn't build it. As I say again, this was the big thing in Egypt--the Aswan Dam. If Nasser couldn't deliver that, this would hurt him. And so he hoped that by turning it down--because he was piqued by that time at the things that Nasser had done, and also he was very worried about political opposition in Congress to the Aswan Dam because some of the Southern senators were opposing it because they felt that if we built the Aswan Dam you created more water on Arab land and they'd grow more cotton and that might hurt the cotton market. And also you had senators who were in favor of helping our friends and not helping the so-called neutral countries like Nasser and Nehru and Tito. They were against that. So Dulles was having some political problems. But when the time came to make a decision, he then said that he didn't think



that Egypt could afford it. But the weakness in that was they had already decided several months before that they could afford it. And this was just using an excuse. So what made Nasser mad was--it's just as if you went to the bank and asked the bank to lend you some money. They might say we won't lend you any money. You don't put it in the newspaper that your credit's no good. See? That's what happened. That's what made Nasser mad as hell.

HORROCKS: You yourself are convinced that Egypt could afford it?

BLACK: Yes. Right. Sure, we were prepared to go ahead.

HORROCKS: Was Nasser at that time supplying arms or creating trouble for the British in Cypress or Libya or, in fact, in Jordan?

BLACK: He was accused of everything on earth.



HORROCKS: Was he really doing any of it?

BLACK: I don't think he was, no. As I say, he was accused

of engineering the overthrow of Glubb in Jordan. I don't think it's true. He was accused of helping the Algerians and all kinds of things; again I don't think they were true. Nasser was anxious to build the Aswan Dam and Nasser was anxious to have good relations with the West. He didn't want to get mixed up with the communists. But he was accused of everything on the face of the earth, and I think most of it unjustly. I don't know what he could do about it.

HORROCKS: Was he perfectly reasonable in his attitude towards the British?

BLACK: Yes.

HORROCKS: Was the Jordan River project tied up at all with negotiations on Aswan?

BLACK: No, not at all.

HORROCKS: That would be entirely separate?

BLACK: Well, President Eisenhower--when I was working on the Aswan Dam, he had Bob [Robert] Anderson on a special mission, secret mission, to see what could be done about the



Arab-Israel trouble. And that was going on at about the same time. There was no linkage between the two. But that was just another effort that President Eisenhower was making to try to solve the Arab-Israel question.

HORROCKS: Did Robert Anderson's trip concern the Jordan River project at all?

BLACK: No.

HORROCKS: Is there any more that you can tell us about Robert Anderson's trip?

BLACK: No. I just think he went over and tried to see what could be done to solve the Arab-Israel problem. I think he was talking to the different parties involved. I don't know what you mean by the Jordan River project--I mean if you're talking about a project that would benefit refugees--it was always stated that if you could work out something with the refugees, if you could settle them somewhere, there'd be plenty of money available for them to have water and land. So I suppose that when Anderson was there one of the things he talked about was: If you could settle



this, there would be money available to help the refugee problem, if that's what you're talking about the Jordan River thing. This Jordan River thing, Eric Johnson was involved in that.

That was just one of a number of things talked about to try to solve the Arab-Israel thing. But the key thing-- again I say, a key thing in this whole problem was rejection by Mr. Dulles of the Aswan Dam. This is something that President Eisenhower concurred in.

HORROCKS: In a general sense, now, putting yourself in the Secretary of State's position or the British position at the time, you were trying to set up a military relationship, close friends say, with the government of Iran, and they want aid and they see that the British government is still giving so much aid to Egypt. What do you do with Iran? What do you do with your allies?

BLACK: Well, you always have the problem and if you give money to one country, other countries expect it. But as I said when I reported to President Eisenhower, the key country and still the key country is Egypt. It's the biggest country,



much more important, much more influence than Iran has got. As a matter of fact, if you go to the Middle East you find in practically all of the Middle East countries the leading teachers and doctors and engineers are Egyptians. That's true in Saudi Arabia and all these places. So the Egyptian influence is very great throughout the whole Middle East. Iranian influence is very minimal.

HORROCKS: And this was a condition that existed or predated Nasser. It was not a creation of Nasser.

BLACK: Oh, no, no.

HORROCKS: Who would you say were the principal architects of U.S. foreign policy, the principal architects of U.S. foreign economic policy while Eisenhower was President?

BLACK: Foster Dulles, period.



HORROCKS: Was he particularly interested in economics?

BLACK: No, I don't think so. He was interested in politics. Economics was George Humphrey.

HORROCKS: He was a major adviser--

BLACK: I think so.

HORROCKS: What was Humphrey's role in establishing the International Finance Corporation, or how did that come about?

BLACK: International Finance Corporation was originally suggested and mentioned by a report of the Rockefellers. I had this report and studied it and they recommended two things. They recommended the creation of the International Finance Corporation and also the creation of some organization to make loans on softer terms.

[Interruption]



BLACK: Under the law of the World Bank we couldn't make a loan without a guarantee of the country in which the project was located. In other words, if some paper company in Chile wanted to borrow some money, before we could lend the paper company the money we'd have to get the guarantee of the

Chilean government. And this frightened the private stockholders. So we had to create some kind of a company which could make loans to private enterprise, industrial companies, without a government guarantee. That's why the IFC was formed. But this wasn't Mr. Humphrey's idea. This was an original idea that was suggested I think by a report of the Rockefeller brothers. It was something that we decided to do. We went and told the U.S. government--got the U.S. government's support. And it wasn't started by Mr. Humphrey.

HORROCKS: Did it ever play a major role in the World Bank's development policies?

BLACK: I don't think so--a minor role.

HORROCKS: Did you ever think it would?

BLACK: No, I didn't think it would. It was a way to accommodate financing of industrial companies which are privately owned. Because when I was with the World Bank I did everything possible to help private enterprise and discourage interference by governments. I was against government-owned industrial enterprise.



HORROCKS: What were the limits on private enterprise's ability to develop overseas?

BLACK: Limits? The limits were money and managerial skill.

HORROCKS: Well, how about the types of projects that some of the countries needed?

BLACK: The ones that they actually needed, the reason we couldn't do it was lack of capital or lack of managerial skill. Some of these countries wanted projects they didn't need. The ones they really needed, they still had a problem getting money.

HORROCKS: Well, I'm thinking in terms now of railroads, transportation, port facilities--

BLACK: That's not IFC. That's the World Bank. The World Bank could make loans there; those were government-owned entities.

HORROCKS: Well, what I'm thinking is that because these basic structural things were needed--didn't the basic problems of development fall upon or through the government and didn't private enterprise--wasn't it unable to meet some of



these things?

BLACK: Well, it was unable to meet them because of three reasons: a lack of money, and the lack of managerial capacity, and the government interference trying to run their affairs. For example, India had a great need for more steel and there were private steel companies there. They had fine steel companies but the Indian government wanted to run the steel business themselves. And we refused to lend them any money. We didn't think they were competent to run a steel business. We were lending money to the privately owned steel companies.

HORROCKS: Were you in touch with Clarence Randall very much on Indian steel?



BLACK: Yes.

HORROCKS: Were you in contact with him very often--

[Interruption]

HORROCKS: --or exactly your relationship with Mr. Randall and

the Council on Foreign Economic Policy. How would you coordinate?

BLACK: Of course my interest was a helping foreign countries and we would talk to him about the relationship of economic affairs here with what was going on in these foreign countries.

HORROCKS: Can you think of any specific problem that you worked on?

BLACK: No, I can't, no. That's a long time back, you know.

HORROCKS: Yes. Was he was an effective person to work with?

BLACK: I think very effective, yes. I don't remember exactly my relationships or my dealings with Clarence Randall. Whatever they were, I thought he was good. We got along very well together. I don't remember specifically what they were.

HORROCKS: The administration did not overestimate then the ability of foreign investments to aid in the development of these countries. Is that a fair statement?

BLACK: Overestimate?



HORROCKS: Did not overestimate--or did overestimate?

BLACK: Well, I think--I don't know just what you mean by that--did they overestimate the ability of an industrial expansion in foreign countries--is that what you mean?

HORROCKS: Well, did they overestimate the ability of U.S. and western European investors to aid these countries in their development?

BLACK: I don't think so.

HORROCKS: It seems as though U.S. foreign economic policy at the time was very much based on interdependence and specialization and trading relationships, and did it in that underestimate the drive for independence of some of these new nations.

BLACK: Well, I think they underestimated the nationalism. I think that was something that was always present, it's continued to grow. It was a very troublesome thing that in these countries nationalism was more important than economic development. And when economics came into the picture, they went out the window when nationalism came on. So that was a problem.



HORROCKS: Was there any way in which we tried to adapt to this or were we ever able to?

BLACK: Makes sense--trying to make sense with these people. When that came into the picture, I say, that economic considerations just disappeared. Nationalism was more important, and we did our best to persuade them not to do some of these things, but you couldn't make them do it. Now as far as the World Bank was concerned, we refused aid and abetment of some of the things that they were doing which we thought were foolish. And we could do that. We could take a stronger stand and be firmer than the United States was because you see, the World Bank has always done that. We aren't involved in politics. But we could tell a country that if they did this or did that we wouldn't lend them any money. If they didn't like it, it was too bad. The United States would have difficulty because it was a big nation trying to dictate to a small nation, you see.

HORROCKS: Were you ever encouraged to do this by the U.S. government in a situation where the U.S. government didn't want to come out and do it?



BLACK: Later on, later on, we were encouraged quite a bit to take the lead in a thing like this, we and the Monetary Fund both. They found we were good vehicles to use in trying to take a strong stand to make a country make sense.

HORROCKS: And when did they make this discovery that they could--

BLACK: Well, it took them quite a while to do it, but they finally did it. I don't remember the year.

HORROCKS: Would this have been under Eisenhower or later under Kennedy or Johnson?

BLACK: Probably later.

HORROCKS: It seems that there is sometimes a contradiction between U.S. foreign economic policy in the sense that-- you've written this in one of your books--that the primary impetus and development has to come inside a country in their own mobilization or development of their own resources and that foreign aid can only be a supplement to this. And yet, as far as conducting the political aspect of foreign relations, it seems U.S. policy in the '50s, aiming at stability,



often discouraged this kind of mobilization.

BLACK: I don't understand what you mean.

HORROCKS: Well, for these countries to mobilize their internal resources, wouldn't it have called for certain social changes in restructuring internally?

BLACK: It might.

HORROCKS: Did U. S. foreign policy in the political sense ever really encourage these countries to reform their political and social structure?

BLACK: Well, I said, they tried to do it, but it was difficult for them to do it because of the fact that we were a big, rich nation and we were trying to impose our will on a small nation. That's why the World Bank could do it much more effectively than the United States government could do it. I think that the United States government was particularly reluctant to insist upon reforms, action to be taken, in these countries where they should have been stronger.

HORROCKS: How did the newly emerging African nations, when



they became independent in the late '50s and early '60s, did this create a whole new clientele and burden for the World Bank?

BLACK: Yes. That pretty much came after me. When I was there, most of our loans in Africa were to nations that were still part of the British Commonwealth or the French Community. For example, we made a big loan when I was there to Nicaragua, and at that time Nicaragua was not an independent country. And so we made the loan--I think it was twenty-five million dollars--to build the Nicaraguan railroads, but we couldn't make it unless the British government guaranteed it. And so we did the same thing with French colonies. When I was there there weren't many African countries members of the bank, independent countries, you see. For example, we made large loans in the Belgian Congo guaranteed by the Belgian government. Now when the Belgian Congo got their independence, we slowed up fast because it's quite a different thing to

a guarantee of one of these countries. And after I left, then these countries all got their independence and all of them joined



the World Bank, and the World Bank increased substantially in the number of countries that were members of it. That was after my time.

HORROCKS: Were the European governments, thinking especially of France, the United Kingdom and West Germany, pulling their own weight as far as what they could contribute in foreign aid?

BLACK: Did they pull their own weight?

HORROCKS: Right.

BLACK: I think so.

HORROCKS: Didn't Robert Anderson, for instance, and some of the people in the administration feel that these countries were not pulling their own weight?

BLACK: Well, I don't know. They may. I suppose they always wanted them to put up more money--that meant we put up less. But, I'd say that, in general, they pulled their weight pretty well. As a matter of fact, in recent years, they have pulled it much better than we have.

HORROCKS: Would it have been necessarily through the World Bank or would they have used their own institutions in the French Community and the Common Market?

BLACK: Well, they used their own institutions and later on they began to funnel more through the World Bank.

HORROCKS: Did the development of the Common Market affect your activities in any way?

BLACK: That was after my time.

HORROCKS: Or the European Economic Community?

BLACK: No.

HORROCKS: Did the PL 480 program retard agricultural development in some of these nations?

BLACK: You mean giving them wheat, giving these countries wheat?

HORROCKS: Right.

BLACK: I don't know; I suppose to some extent it did. But the ones that got it needed it awfully badly and I suppose it had some effect.



HORROCKS: These nations, in your experience, when they would submit proposals for loans and for development, were they particularly interested in developing their agriculture?

BLACK: Every country, when they get their independence, they want to industrialize in one form or another. They all wanted a steel mill. And it was always hard to get them to put the proper emphasis on agriculture, to answer the question. But I think that knowledge grew.

HORROCKS: I think you once wrote that, with regard to, say, a population thing, questions of overpopulation, that it really wasn't so much a problem of too many people as it was of under-production and lack of productivity. Am I paraphrasing you correctly?

BLACK: Well I think it's probably right, the two of them together. I think that the medical science has grown more rapidly than the agricultural science. In other words, through the medicine, or knowledge of medicine, you've been able to slow down infant mortality and extend the life span of people and cut down on disease. Therefore, you've



got more people. But the agricultural production hasn't gone that fast. Scientific production.

HORROCKS: But you weren't so worried at the time with the finiteness of the amount of raw materials available for industrial production as there were for energy sources.

BLACK: That's right.

HORROCKS: Was there any pressure or special interest under the Eisenhower administration for developing the raw material output of Third World countries?

BLACK: I don't think so.

HORROCKS: Were you involved at all with U.S., United Kingdom, and Iran, oil negotiations, Anglo-Iranian oil?

BLACK: Mossadegh?

HORROCKS: Mossadegh.



BLACK: Sure. I was right in the middle of it.

HORROCKS: What did you do, in the middle of it?

BLACK: Well, we tried to solve the problem. We had people over there, and we had a fellow by the name of--I can't remember his name now--he was the head of Barber Oil. I've forgot his name; he went over representing us. He talked to Mossadegh in his hospital bed in his night shirt, and we tried very hard to solve our problem--the problems of the World Bank.

HORROCKS: Were U.S. oil interests at all involved in these negotiations?

BLACK: Well, I just don't remember. That's a long time ago. I don't remember how much they were involved or how we got into it or just what we were trying to do. I know we were involved in it at that time. I just don't remember.

HORROCKS: Did the U.S. mutual security program, military assistance, did that prove to be a serious drain upon the economies of many of the member countries?



BLACK: Sure it's a serious problem. It's a very serious problem, terribly important problem to India and Pakistan and I think all over the world. Much too much money is spent on arms.

HORROCKS: Do you think the U.S. policy encouraged, for instance, Pakistan or Turkey to expend too much of their funds on this program?

BLACK: I think so; I think so.

HORROCKS: Did you ever argue with President Eisenhower--

BLACK: No.



HORROCKS: --or anyone in the administration on this point?

BLACK: I didn't argue with him, but I argued with countries that wanted to borrow money. If we thought they were spending too much money on arms, this had a bearing on how much money we loaned them. It had a bearing on our economic analysis of the country.

HORROCKS: Weren't some of these countries under pressure from

some bureaucracies in the U.S. to purchase these, in some cases, obsolete arms?

BLACK: I suppose so. But you see, you're asking me some questions--I was not involved in whether the United States sold arms or not, or what kind of arms they sold or who they sold them to. I never knew that. I wasn't involved in the United States government foreign policy. I was involved in trying to help these countries to develop. And if we thought they were spending too damn much money on arms, we said so. We didn't tell the United States that; we told the borrowing country that.

HORROCKS: And what would their reaction be?



BLACK: Well, all of them liked to buy arms. So we had to be tough.

HORROCKS: As far as the aid program in Europe goes, this is post-war reconstruction, was there any problem, since they lost eastern Europe and access to east European raw materials, was there a conscious effort to reconstruct a trading relationship with say, North Africa or the Middle East?

BLACK: You mean after the war?

HORROCKS: After the war.

BLACK: Well, I suppose so; I don't remember.

HORROCKS: Well, is there anything that you would like to add on this, any general overview on U.S. economic policy in the '50s.

BLACK: No.

HORROCKS: Well, thank you very much.

BLACK: I was glad to see you. Like I said, it's not much on Eisenhower.

