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A CONVERSATION WITH ANDREW KAMARCK, II

NEW YORK CITY

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CONVERSATIONS ABOUT GEORGE WOODS
AND THE WORLD BANK

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OLIVER: Let me begin the second of our taped conversations by asking you to comment in general upon the problems of an outside organization, whether it be the Bank or the Fund or any other international organization, trying in detail to suggest proper fiscal and monetary policies for its member governments.

KAMARCK: Well, first of all, it depends a great deal on whom you are dealing with. In the early years of the Bank's history (maybe this is the explanation for the change in the way the Bank did things) when we were dealing with countries like Finland, Iceland, Norway, Italy, Australia, New Zealand and Greece, you had a quite different situation from what you have when you are dealing with a country like Mali today or Ethiopia or Somalia, the difference being that there you had an administration; you not only had able people at the top (in less developed countries you may have very able people at the top), but they had somebody below them; they had a middle management; they had skilled people in the agencies, so that it was possible for them to have a policy.

In those early years, what one did very frequently, (certainly in the countries I was working with at that time) was that when we were there on a mission, we would sit down with the people, and the people

were knowledgeable both inside and outside of the government. In the case of Australia, for example, there were about ten people outside of the government whose judgement as to what was going on in the country I valued -- as a matter of fact, the Australian government valued. You could sit down with those people, and it was possible most of the time to reach agreement on what the problems of the country were -- problems that were holding up development, that something ought to be done about. It was usually possible also below the political level, and sometimes even at the political level, to agree as to what was feasible that could be done within a certain period of time if they were given help.

You would sit down with, say, the Secretary of Treasury in Australia (the Secretary of Treasury is a top civil servant), and you'd agree with him as to what it is that should be done in the next period. There might be some things that you would disagree with. (In fact, we had a basic, fundamental agreement with the Secretary, but a continuing disagreement about one particular aspect of policy.) On most things you could reach agreement as to what needed to be done. Then, you would say, "Well what are the obstacles"?

One of the things we used to do before we left the country was to have a final chat with the Prime Minister and the Minister of Finance or the Secretary of the Treasury. We had found what we were going to report back to the Bank and where we thought Australia was going and the sort of things we thought Australia ought to do; and then we'd say, "We would like to recommend to the Bank that we lend for this, or that,

but, in order to be able to persuade the Bank and our Board, we have to be able to tell them what you're going to do. We're not putting any conditions on this, but what are you going to do?" Meanwhile, of course, their civil servants had informed them what the thinking of the Bank was and what the Bank would like to hear; and they were going to try to come up with something feasible they could do with the help of the Bank or could blame the Bank for. That's the case of a government in a country where you have an able, functioning administration which works.

When it comes to many of the countries in Africa, you don't really have an administration. You may have a very able guy who is an administrator; you may have a very able civil servant, but he doesn't have anybody below him. Sometimes he cannot get his papers typed, very often the telephones don't work, he can't get his information to the field. Sometimes he doesn't know what's out there. I remember in Uganda when the ministry of agriculture said there were half-a-million acres under cotton, and the statistical officer said there were a million-and-a-half acres under cotton. The figures were completely irreconcilable, and cotton was one of Uganda's major exports. You needed to have some idea of what was happening there.

In those countries, even if you sit down with the minister on some kind of macro economics, it is more than just the question of what they are going to do with fiscal and monetary policy. Sometimes it's pricing policy. Sometimes it is How are you are going to build a road or the amount you are going to give for investment. There are a whole

series of issues. Very often reaching an agreement isn't worth a great deal.

What the Bank people in the field found as time went on (this probably affected me unconsciously and affected the economic advisors in the different departments) was that if we were to get anything accomplished, what we ought to do was to work sector by sector. An outstanding example that I did not work on but which you would get from Bernie Bell is what we were trying to do in India. A lot of the success in India came about that way, just working sector by sector. Look at agriculture: O.K., in agriculture there is a certain amount of irrigation that needed to be done. O.K., these are the irrigation projects we are trying to finance. You ought to have this policy for tube wells, and so on. A whole series of concrete things, where the Bank resources or other resources could come in where you could get on top of this sector. Then look at another key sector. In a sense, you could get much more progress that way than by sitting down with the central administration and reaching broad agreements about the macro economy which they couldn't implement any way and which were usually based on information that was useless in any case. What I think I am saying, although this is probably outside your book, is that I have a feeling that an awful lot of so-called Structural Adjustment Loans nowadays are just fakes. Basically, what they are is an excuse, a way of giving a lot of resources to a country in a hurry.

OLIVER: Is there anything else we need to say about the Supplementary Finance Proposal of the '60s?

KAMARCK: Yes.

OLIVER: Why did this not catch on in the Bank more than it did?

KAMARCK: First of all, there was this major problem that I have been talking about. What is the most effective way of operating in these countries? It never was posed the way I just put it, at least not to my knowledge. I think I sensed this, but I never put it into words before. I never heard anybody else put it into words.

OLIVER: I'm glad we got it into words today.

KAMARCK: But I think that there was also this era of confrontation. The top people in the Bank were not going to support anything that was labeled a Friedman project. Irving Friedman made a very bad tactical error in that he wanted it very clear that if this thing went through, it would be regarded as his success and only his success. The result was that there was nobody else in the Bank willing to carry the ball on it or give it much support. He had no support from other people in the staff whatsoever, and, to some extent, this fed out to the governments. I have forgotten exactly where this was discussed, in what forum.

OLIVER: It started in UNCTAD.

KAMARCK: Yes, well -- it may have come out of UNCTAD, but it was being discussed at a committee of DAC in Paris, and the conclusion that came out basically was that there is no point in going ahead with supplementary finance, except if there would be additional resources available; if supplementary finance meant a diversion of the resources that were already available for helping the developing countries, then it wasn't worth setting up a new mechanism. This was more or less the

conclusion that came out. Then the question came, Would governments put up additional resources? We said, "No," and that killed it. It didn't get killed actually until McNamara came into the Bank. After McNamara was in the Bank, however, this became more and more clear.

OLIVER: There was trouble enough in the late sixties simply getting countries to agree to an IDA replenishment as large as George Woods and others had hoped for without worrying about whether or not additional funds beyond that could be made available for supplementary finance. That must have entered into it. Let us again come back. . . .

KAMARCK: Incidentally, you might also add to this, the Fund was on the side lines, sniping all the time.

OLIVER: Yes, I heard a marvelous story of a conversation between Frank Southard and Irving Friedman, in which Frank Southard was strongly criticizing Friedman for trying to get the Bank to take over what traditionally had been Fund territory, and Friedman replying that he thought there was room for both of them since, in this era of scarce funds for total development, there was need for more funds on both sides.

KAMARCK: One of the important aspects of the papers on supplementary finance was to try to define the role of supplementary finance in such a way that it would clearly not be Fund business. It could be done and actually was done, but, still as far as the Fund was concerned, that wasn't enough. I will make a gratuitous remark here. One of the problems in the Bank's dealing with the Fund is that the Fund has got a certain inferiority complex. Strangely enough it does. It copies the

Bank. When the Bank set up the Economic Development Institute, the proposal was actually that the Fund should participate in it, but the Fund set up its own Institute. In the Economics Department, we wanted to start a program of publication with the Fund. I had good relations with the Fund because I had a lot of old-time friends there with whom I could talk quite freely as to what we were trying to do. The Fund came back with a proposal that their Staff Papers become a jointly funded Bank-Fund Staff Papers. I said sure, I'd be glad to do that. The editor of the Fund Staff Papers, Keith Horsefield, thought it was a smart idea. I thought it was a smart idea. Here you had a publication going, you had an able editor that I trusted and that we could work with. It would make a hell of a lot of sense to just join in. So he came up with this proposal. I agreed with it. He pushed it up in the staff in the Fund, and management said, "In no circumstances." So we started our own Occasional Paper Series. The Fund got its own occasional paper series, quite a few years later, but still. . . . It has been this way all along. It's remarkable, and I think the Supplementary Finance Proposal had a great deal to do with loosening up funds and with the Fund's coming up with the so called Complementary Financing Scheme.

OLIVER: Compensatory financing?

KAMARCK: Compensatory, or is it. . . ?

OLIVER: There is a Compensatory Financing Scheme. There may be a complementary one also.

KAMARCK: I may have the term wrong. Later on, when people got worried

about the "commodity problem" and the Bank was doing quite a lot of work on it, the Fund was scared to death that the Bank was going to get into this field, so they rushed in quickly to provide finance. They made it clear that they would be willing to help finance commodity stabilization schemes. So supplementary finance may not have come to fruition in the Bank, but it certainly helped the LDC's through the Fund.

OLIVER: Yes, but as a final footnote to all of this: the proposals of the United States Treasury Department at the Annual Meetings of the Bank and the Fund only two weeks ago now suggest that we are going to bring private banks into the whole scheme and add to the financing requirements of the World Bank, at least, if not of the International Monetary Fund. Now put at the door of the Bank is the general administration of, in effect, compensatory finance to help deal with problems of over borrowing. So, in a way, we have come full circle it seems to me.

KAMARCK: Well, I'm glad the U. S. Treasury is finally trying to do something, but my feeling is that they haven't thought this thing through -- asking the commercial banks to provide \$20 billion of additional loans to these countries. Supposing the commercial banks go ahead and do provide \$20 billion, and you are a banker. You already think yourself overlent in these countries, but the U. S. Treasury asks you to lend more. So you lend, let's say, \$3 or 4 billion more to Argentina, and then next year Argentina defaults. At that point, what is the responsibility of the U. S. Treasury? Is the U. S. Treasury

going to bail out the bank, or are the stockholders of the bank supposed to go down the tubes because U. S. Treasury asked them to do it? Clearly they haven't begun to think through what they are doing. I'm glad they are trying to do something, but I don't think they have thought through what they are doing.

OLIVER: This take us a bit afield, but I suppose the Federal Reserve System would become involved at that point too. Let us come back to where we were a half an hour ago when you were about to become Chairman of the Economics Department of the World Bank.

KAMARCK: Director.

OLIVER: Director, excuse me. Let me ask the circumstances of your being invited to be Director, what things you hoped to accomplish, and what things you feel were accomplished during that period. Is that too much all at once?

KAMARCK: The question is, I'm trying to remember. I was in Los Angeles, at UCLA, and Irving called me and then George Woods called me and asked me if I would take the job. I agreed I would. When I got back to the Bank, I set down in a memorandum the things I wanted to accomplish in the next five years. The problem is if I can remember what those were.

OLIVER: Where is the memorandum?

KAMARCK: Actually, there are two places where it is. When I moved over to the EDI and while I was at the EDI, I had a complete selection of papers made on the history of the Economics Department in the years I was Director. I sent them to the files, to Harold Dyer. He is no

longer there. He committed suicide -- not because he got the papers.

OLIVER: Was he the Archivist?

KAMARCK: No, he wasn't, but he was in the files. There was no Archivist at that time. All we had was operation files and research files. It probably would have been in the research files. I sent them a note and said, This is a selection of the history of the Economics Department. Do you want them? or Should I keep them? or something like that, and he said, he wanted them. So there is a selection, about a foot of papers I guess.

OLIVER: I will look for them next week.

KAMARCK: All the key documents at that time. There probably is another copy, not of all the papers, but of that memorandum, at the University of Wyoming.

OLIVER: How would it get there?

KAMARCK: The librarian of the University of Wyoming, about 10 - 12 years ago, decided to build a collection of papers of people who had been involved in international finance in Washington. He got a number of people to turn their papers over. For example, Ralph Young, who had been the economic advisor to the Federal Reserve Board, did that. He wrote to me, and I sent him a batch of my papers at one point. When I left EDI, I sent him another batch of my papers. I don't have any chronological files for the time that I was in the Bank. All of those are in Wyoming. I can give you the address.

BOLIVER: Well, from your memory, what can you say about these subjects?

KAMARCK: This is going to be difficult. Let me think.

OLIVER: As you are thinking, let me ask a general question. Did you and Irving work closely together so that you and he would be planning the work of the Economics Department, or was he off doing his thing about supplementary finance while you were running the Economics Department.

KAMARCK: The way it worked was: Irving spent a lot of time with Woods and on the issues of the President's council. He had things that he wished to push, like supplementary finance. He had other things.

OLIVER: He had lots of responsibilities dealing with IDA replenishment too, for example.

KAMARCK: He got involved in IDA replenishment off and on. He did get involved with this study which was a very important study, but never properly finished. It had a major impact. The Bank was terribly criticized for it, but, at the same time, it really changed people's thinking. This was a study which attempted to make an estimate of how much additional resources the less developed countries could absorb.

OLIVER: This was in order to provide some background for the IDA replenishment.

KAMARCK: For a much larger IDA. Up until that time the official line in the Bank, the U. S. Government and all the donor countries was that we were doing as much as the countries could absorb. We were financing all the good projects. This study turned it around and came up with an estimate that the less-developed countries could use from \$3 to 5 billion more a year. This study was criticized by people like Hollis Chenery and (I'm not sure that Hollis actually. . . .) What's

this guy's name? He had been in the Bank and OECD. Phil _____

OLIVER: Let's leave it blank in the tape, and we'll put it in later.

KAMARCK: We did not go through all of this model- building, gap-estimating exercise. The way we did it in the Bank was, we asked the area people, the people who knew the countries, the people who knew the projects, to come up with an estimate for each of their countries of what could be done in the country if the money was available. How much more could the countries absorb? Forgetting about the creditworthiness limitation, just on the basis of if money were available, how much could each country use. That is how we came up with the estimate. It was a judgment estimate. It didn't have a neat model showing you that assumed this rate of saving, this rate of investment, this capital-output ratio, and so on. That was criticized, but actually, as I say, it did succeed. It changed people's thinking. Irving was involved in that.

OLIVER: I take it you were too.

KAMARCK: I was too. Then Irving had this peculiar set up with Dragoslav Abramovic for quite a while. Drag had been acting director of this nucleus Economic Department, as I mentioned earlier. I had been put in as Director, and Woods liked Drag, so he wanted to protect Drag from having to work for me. So he gave Drag a separate little staff for special projects or something like that. It's complicated as hell.

This gives you an example of how the Bank operates: nobody else in the Bank wanted to give Drag any staff, particularly the personnel

people. The administration people didn't want to give him any staff; they did not trust Drag as an administrator, so the set up was one that was bound to cause a terrific amount of trouble. In essence, they said, "Drag, you have a staff, but not a permanent staff; the Economics Department will furnish you people." Well, Economics did furnish some people, but we always had this problem: aside from one person, Flora White, everybody else that we gave to Drag to work for him would come back in a short period of time complaining and wanting to be pulled out. Flora White was different. She loved working for Drag. So we had this constant problem all this time. In addition, Drag wanted to work on commodities, and we had a commodities division that was working on commodities, so it was conflict, conflict, conflict all the time.

When Drag was given the job of heading a mission to Algeria -- the first mission, a very sensitive mission, he was in one of his manic phases, and, before he got through, he had a mission of about 30 people. Most of them were non-bank people. He had UNCTAD, FAO, and UNDP people. I got worried about this. Basically, it was none of my business, but I knew sooner or later it would be dumped in my lap. All these things periodically would be. So I arranged a meeting with John Williams. John wasn't the head of the Africa Department, he was the deputy director, but for some reason, John William's job was sitting on top of Drag. I arranged for a meeting between John Williams, Drag, Burke Knapp and myself. Basically what I wanted to do is talk about what was supposed to come out of this mission. This was the first mission to Algeria. Algeria was highly suspicious. From what we knew,

we didn't think much of its policies. Algeria had just joined the Bank. If the Bank showed up with a mission of 36 or 40 people, an army of people, covering every god damn sector, the Algerians were going to have to put in a hell of a lot of work and they were going to expect a major lending program. My question was, What are we expecting? What is it we are really planning to do?

It became quite clear that as far as Burke Knapp and John Williams were concerned, what they wanted was a preliminary reconnaissance to find out more about Algeria, to find out just enough to decide whether we were going to be able to work with Algeria in a big way. Are they going to be receptive to us? Get some ideas about whether we were going to have a small lending program or a large lending program. What you basically need is two or three people. If you have 40 people, the expectations were going to be very high, and we were going to disappoint their expectations. The result would be that they would say, "The hell with the Bank; we can't work with the Bank." Everyone clearly understood. With this army, what we expected to happen did happen. It came back with a voluminous report. I'm not sure whether they finished it or dumped it on us to finish. The Algerians were as mad as hell because we didn't do any lending in Algeria, because we didn't like their economic policies and they weren't about to change their economic policies. It was just a mess.

Of course, Irving was involved in these things. It was really John Williams who should have been holding the thing down, because once Drag was going off on a mission to Algeria, he was working with the

Africa Department, but Irving got the blame just the same. Irving had to try to clean the thing up. It landed in our lap in the Economics Department.

OLIVER: What time was this? Was this in the early part of the McNamara years?

KAMARCK: No, this was the Woods period. As a result of this, a crazy administrative circular came out which limited the size of economic missions. There was a central control set up by the Administration Department or some place like that. If a mission was going to have more than 6 or 8 people, the area department had to apply to the Administration Department. There was a department set up at that time that John Williams was in: Programming and Budgeting or something of that kind. That department was supposed to control the size of missions. Woods blamed Irving for it, and it wasn't Irving's fault at all. But that was the sort of thing that came up.

OLIVER: Do you want to say more about the general work over which you had supervision?

KAMARCK: Yes. I looked at the central economic staff as having a number of functions. We had, to start at the lowest level, the most prosaic level, the function of gathering certain basic data. Part of that was external debt. We had an external debt system which we expanded. We tried to get all the international lending agencies to be a part of it, so the Bank did the job for the Inter American Bank, the Asian Bank, and the African Bank. Then we started to gather the basic data that we needed on countries. We started building up what we

called the World Tables. The World Development Report and the Bank Atlas were an outgrowth of that. The Bank Atlas came about when Woods saw that all this data and thought it ought to be made available to the rest of the world.

OLIVER: The idea for the Atlas, I think you mentioned at lunch, was essentially Woods' idea.

KAMARCK: Yes. He called me up one day and said we ought to be doing something like this.

OLIVER: It was his response to seeing the data which you were gathering?

KAMARCK: That's right. But it was his idea. One of the things that we tried to do with the Statistics Division was. . . . I had gone up to the U. N. to see what the U. N. Statistics Office did. Basically what they were doing was accepting whatever data the countries gave them. One of the big problems in all the developing countries -- still a problem today -- is that their statistics are worthless. So one of the things that we started, but then it died out, was to send out statistical missions to upgrade the statistical work in the less developed countries, so that every country would have some data that you could rely on. That was basic.

Then there were built up sector divisions which, in a sense, were parallel to the Projects Department. We wanted to build up sector divisions to cover the sectors of economy which the Projects Department didn't cover and which the Fund didn't cover either. What sector divisions did we have? The only one that pops in my mind right now (we

had two or three) is the Fiscal Division. The Fiscal Division was to provide expertise when evaluating a country's fiscal policy. I talked with the Fund, and we worked out an agreement which lasted the whole time that I was there and then it lapsed. They had a fiscal department of about thirty people. We had about five people. I agreed with Richard Good that we would not build up beyond that. Five people would cover countries that either were of special interest to us or that they were not able to cover for us. Once a month, we would sit down and plot out the economic missions that the Bank would be sending out in the field in the next year. For those missions that required a fiscal man, so he would try to provide a fiscal person; a Fund man would be a member of the Bank mission. When he came back, he would work with the Bank mission to prepare his report and to keep our fiscal people informed. That was one of the sectors where we provided economic input -- in the country missions that went out.

Initially we had one division which became quite large to provide the basic thinking theory for the Projects Department on how you do project analysis in different fields. We succeeded and we worked out a very good relationship. The Projects Department came to rely on us, and it worked most of the time. The only place where we had friction was in your division.

OLIVER: The Economics of Urbanization?

KAMARCK: In all the other cases, we got along; we did well. In your division the division chief, what was his name?

OLIVER: Dick Westebbe.

KAMARCK: Dick Westebbe. And the guy on the Projects Department, on the other hand, was. . . .

OLIVER: Robert Sadove.

KAMARCK: Robert Sadove. Both of them were impossible. I remember a number of times when the head of the Projects Department, Warren Baum, and I would sit down and we'd have Sadove and Westebbe. We tried to pound it into their heads to cooperate. We never succeeded. We had one hell of a time with those guys. In all the other fields, our division had the intellectual ability and the diplomacy; and the people at the other side had enough modesty to realize that our people were making a contribution to them, and they accepted it. We had a very good relationship. Herman Van der Tak was head of that division.

OLIVER: The projects-oriented division?

KAMARCK: The projects oriented division, the research backing up the projects department. Herman really did a wonderful job. Actually he moved on when he got a chance to to get into projects. His job there was to be in charge of the intellectual side of projects work.

OLIVER: There was an Education and also a Population Division.

KAMARCK: That's right, and the division that we were building up in order to provide background for projects was the Urbanization Division.

OLIVER: In any case, what was happening, I take it, is that there was economic-type analysis going forward that was related to a particular projects sector.

KAMARCK: The people in that sector in the Projects Department had been

doing economic analyses of their projects. In fact, Warren Baum, Herman Van der Tak and I and, later, Sandy Stevenson would sit down periodically. Warren would get input from his projects people. Herman also got, directly or indirectly, information on the kinds of problems they were running into in their analysis. This was extremely useful. Then we would sit down to discuss what we could do, what we had in the way of staff. That worked very well. The sector divisions were not supposed to be doing that same sort of thing for the area departments, because the area departments could call on us to provide that role in their missions. You'd have a country mission that was suppose to be an area department mission, and, very often, it would be staffed 1/2, 2/3's, 3/4's by our people. In some cases it was completely staffed by our people.

That had a lot of advantages but a lot of disadvantages also. The disadvantages were that we weren't evident, so that the Board didn't see what the Economics Department was doing. They didn't realize that the reports they were getting were very often 2/3's or 3/4's produced by the Economics Department. So it had that disadvantage. It had a big advantage. The European Department was constantly shrivelling. Cope was gradually giving up his economists, so that he was gradually looking to us to do his economic reports. I think that if we wanted to, we could have gone on that way, and we could have gradually taken over the economics of Europe.

OLIVER: But the economics work was clearly related to the operations of the Bank.

KAMARCK: Oh yes, always.

OLIVER: It was not identical to the more generalized and somewhat more abstract work going on in the universities under the general rubric of development economics?

KAMARCK: Everything that we did in the Economics Department was related to problems that came up in the Bank.

There were a lot of things that we wanted to get into. We had Guy Orcutt whom Irving recruited. Guy was supposed to do more fundamental research, and one of the things that I tried to get him to do was to set up some kind of research on education in the developing countries, particularly in Africa. With so many countries, you had a real laboratory there. The thing to do was to try to identify different types of education and see which types were the most valuable in terms of development. Get something out of the field. Guy didn't want to go to Africa. He didn't want to go to any Asian country. What he wanted to do was to build models, and he finally left the Bank. As far as I was concerned, I thought what he wanted to do needn't be done at the Bank.

OLIVER: But the model building then went on even more under Hollis Chenery.

KAMARCK: When McNamara came in. When did this occur?

OLIVER: 1968.

KAMARCK: No, No. When McNamara came in, the Economics Department had grown very, very large. It was the biggest department in the Bank. We really needed reorganization. We should have had the department

either broken up into several departments, or we should have had some assistant directors -- because the number of divisions, of people reporting to me and Sandy Stevenson (Sandy's role is very, very important) was too many. It had gotten to the point where we really couldn't do it any more. We should have had assistant directors.

When McNamara came in, he and Irving got together. (I've never understood what happened in this. I don't know whether it was McNamara's idea or Irving's idea or what.) They decided to set up, to pull out of the Economics Department, various little special groups. One of them was called "Development Economics Center" or "Basic Economics Center." "Development Economics Center," I think.

OLIVER: I think that's right.

KAMARCK: This was going to do basic research. Then a group was pulled out to do research on creditworthiness. There were a couple of other groups that were going to be pulled out. The basic center wasn't a bad idea. If you had put in charge of it somebody who was really into basic problems and was willing to go out and, say, try to discover what it is that makes a family planning program successful in a particular country -- the kinds of longitudinal studies that had been done on poverty in this country. That kind of thing would have been extremely valuable.

We were doing it in transport. One of the things that we discovered was that the recommendations as to how to build a road -- the thickness of the pavement, the kind of aggregate and that sort of thing -- are all based on research that had been done in the temperate

zones. There wasn't very much information from the tropics. With the help of the British, we set up a research project to provide the basic kinds of parameters that you really need in planning for investment in road transport. We needed to be doing this in other areas in development economics.

For the Development Economics Center to do that would have been very useful. It would make sense to pull it aside from the Economics Department, because the Economics Department was more short term. This sort of thing you should set up projects for to last five, ten, fifteen years. Instead, it got colonized by the model builders. You had people like Boureux who devoted his time to building a model for Mexico, then building a model for the Ivory Coast. Nothing useful has come out of it. Of course with Hollis, this was accentuated, though this isn't quite fair to Hollis, because he didn't push it to the extreme that some people would have pushed it. It's true, he does tend to go over in that direction, but he does have a feeling that what is done should have some applicability to policy. He is definitely not to be classified in that group of people that I regard as scholastics -- Economic Scholastics.

OLIVER: We are running out of time. Another time I want to ask you some more general questions about the Woods Administration, but before we totally leave economics, are there any things that I haven't asked you about the economics work that you would like to answer?

KAMARCK: One of the things that I got started, and it has grown since then, is a publications program. The Bank had done a little bit of

publishing off and on, but practically nothing was taking place when the Economics Department was set up. There wasn't any machinery for it, and there was a lot of very useful work done in the Bank that I thought ought to be made available for the rest of the world. It would help the economists in the Bank to have people outside the Bank recognize the work they were doing, so we started a publications program with the Occasional Papers. We were going on from there. That did get started, and we produced a lot of useful papers.

OLIVER: The publication of working papers had not yet begun had it?

KAMARCK: We were just, let's see now, when did that begin? I've forgotten.

OLIVER: It must have been in the early '70s.

KAMARCK: I don't remember. With the Occasional Papers, we had a publications committee set up in the Bank. We had a publications policy worked out and approved in the Bank, and then we went on from there. Another thing that I wanted to start was a sabbatical policy, so that people in the Bank, after a certain period of time, would have a chance to replenish their intellectual capital. Before I left the economics department, it got started. Herman Van der Tak was one of the first who did it.

There was one thing I wanted to do and we did get going. I had this relationship with the Fund for the fiscal work that worked out very well. We set up and worked out treaty agreements with banks on this -- a world-wide external debt reporting system which we did for all the international financial agencies. We worked out with OECD a

creditor reporting system, so we had those two basic sources of data coming in.

One of the things I also wanted to do (I started it too late actually, so it never got institutionalized), I started trying to work out coordinated research cooperation with the other banks. We did have, I think, two meetings of directors of research, one in Washington, and one in Korea at the Asian Bank meeting, the idea being that we would try to coordinate so that rather than each bank having half a person in a field, we would have one bank concentrate on one particular field and another bank on another field. Of course, we in the World Bank were much bigger than the others, but we would agree with them what particular fields they wanted to do. Then we would all work together. The other banks loved the idea. I really think it should have gone forward, but it went by the board.

OLIVER: How about cooperative research between the Bank and various other United Nations organizations like the FAO and so on.

KAMARCK: Basically not. Of course, between the Bank and FAO and the Bank and UNESCO and, later, the Bank and WHO, there was a coordinated projects evaluation team. On the research side there was nothing. There wasn't anything coordinated. I think the truth of the matter was that I didn't feel there was anything terribly much there we could coordinate with.

There was a general point I wanted to make on that whole general field, but I'm afraid I have forgotten now. I did mention this work that we started on upgrading the statistical work in the less developed

countries. In that we wanted to work with the statistical office of the United Nations. To some extent we did have a little bit of success there, but that went by the board after I left the Economics Department. It was still very much in the embryonic stage, and it never went on. There is an enormous field of work there that needs to be done.

OLIVER: Well, I wonder if this isn't a good time to say thank you very much for a marvelous conversation. I hope we'll have another one.