

THE WORLD BANK GROUP HISTORIAN'S OFFICE

ORAL HISTORY PROGRAM

Transcript of interview with

JOHN G. N. BLAXALL

**June 9, 1994
Washington, D.C.**

Interview by: Jochen Kraske and David Milobsky

[Begin Tape 1, Side A]

KRASKE: I'm Jochen Kraske, the Bank's historian.

MILOBSKY: I am David Milobsky, the assistant to the historian.

BLAXALL: I'm John Blaxall, the interviewee.

Q: Thanks, John, for agreeing to this interview. It's a great pleasure to see you here. Why don't we start by having you describe your background: how did you come to the Bank?

BLAXALL: I studied at the University of Birmingham in England. I originally wanted to be an accountant. In England, being a Chartered Accountant was something like being a lawyer in the U.S.; it gave you access to a business career. After one semester of accounting, however, I realized that it was not my life's work, and I switched to economics. I graduated with a Bachelor of Commerce degree, with a focus on economics.

After graduation, I worked for a year overseas in Iran. It was an internship sponsored by the Friends Service Council (Quakers). I worked in the UNTAB [United Nations Technical Assistance Board, predecessor of the UN Development Program] office in Teheran. It was there that I first became aware of the World Bank, which had an important presence in Iran at that time.

My Iran experience encouraged me to go to graduate school in the U.S. to study development economics. Partly on the recommendation of the man I was working for, the UN Res Rep [resident representative], Dan [Daniel K.] Hopkinson, I went to the Fletcher School of Law and Diplomacy at Tufts University. A fair number of Bank people actually have come from that school, but I didn't know that at the time. I studied at the Fletcher School for a couple of years and earned my masters degree there. I enjoyed it very much; it had the advantages of a small school, but because it was linked to other universities in the area such as Harvard and MIT, I had a large resource base to draw from.

While I was at the Fletcher School, I heard more about the World Bank and its Young Professionals program. I applied for the Young Professionals program in 1965. I was not accepted, but the Bank encouraged me to reapply, so I worked for a year in Cambridge, Massachusetts, for Abt Associates, a newly established consulting firm doing some very interesting work on games and simulations and systems analysis. At the time, this was all the rage, especially at the U.S. Department of Defense. My boss, Clark Abt, wanted to apply systems analysis techniques to the social sciences. It was a very exciting and stimulating assignment. In the meantime, I applied again to the Bank and was accepted and actually came to the Bank as a YP in October 1966.

Q: Your work at the Fletcher School, was that related to development?

BLAXALL: Yes. My studies were primarily in international economics and development economics. I also learned things that I'd never known about American diplomatic history, and international law, but I concentrated mainly on development economics.

Q: So in other words, ever since your time in Teheran you were sort of steeped in development economics and development problems?

BLAXALL: Exactly. I suppose I became a "missionary" early on in my adult life.

So I came to Washington in October of 1966. In those days the newly recruited YPs all came as a group, as you'll remember, Jochen. And they put all of us up at the Dupont Plaza Hotel. And I remember we complained; we said, "There are lots of hotels that are closer to the Bank's offices than that. Why do you put us in this crummy place?"

And the response was—and this was in 1966--"Look, that is one hotel in Washington where we know that our staff will not be discriminated against. It doesn't matter what color they are; we know that they'll get service in that hotel."

That tells you what Washington was like in those days.

Q: A sign of the times.

Who were the other members of your group? Do you remember any of their names?

BLAXALL: Sure. Among them were David Dunn; Don [Donald T.] Brash, who's now the Governor of New Zealand's Reserve Bank; Louis Pouliquen, who I work with now; Gary Luhman; Tariq Husain; Fernando Mendoza.

Q: Joe [D. Joseph] Wood, was he part of your group?

BLAXALL: Joe Wood was not. He was the group after us, I think.

Q: So, by and large, your group also has remained pretty much intact. The people who left have been the exception.

BLAXALL: Not exactly. The continental Europeans, you know, the French, tend to leave for various reasons--except for Louis, of course--but Bernard Siret left after two or three years; Francesco Abatte, from Italy, left not so long ago; Jean Pierre Amselle, who subsequently moved to the Fund. Davison Budhoo from Grenada was in our group; he also moved to the Fund and then wrote some nasty things about both institutions. John Lowe was an American who left fairly early on. Arun Shourie was in our group, I think; he left after a couple of years and became a prolific writer and political commentator in India.

But at the beginning there were, I suppose, 16 or so in the group. And in those days they organized an orientation program for the whole group, lasting three or four weeks. And then they said, "We've started something new this time; we are going to send people to language

training. Who wants to go to language training?” So I suppose there must have been eight or ten of us who went off to intensive Spanish training, eight hours a day, using the U.S. Foreign Service method. But because the Bank at that time didn’t have a language lab, we went to Georgetown University. And for what must have been two or three months, we spent every day learning Spanish. Then when we completed that, the Bank of course sent all of us to work on countries and sectors where we didn’t need Spanish. I think they realized that this was not the best approach to language training, and eventually the Bank set up in-house language courses for staff with a “work-related need.”

Q: What were some of your early assignments?

BLAXALL: I worked with Duncan Ballantine’s Education Division. I also worked with Bill [William] Diamond’s Development Finance Companies Division.

Q: Which was then still part of IFC [International Finance Corporation].

BLAXALL: Exactly, it was part of IFC. In fact, I worked mostly with Alistair Morton, who is now the man who runs the Chunnel project.

Q: Do you remember when [Robert S.] McNamara came to the Bank?

BLAXALL: I was on mission in Trinidad for the Education Division in December 1967 when we heard on the radio that McNamara had accepted the position of President of the World Bank starting in April 1968. I remember being very pleased at the time because it seemed to me that McNamara was somebody who would lend impetus, drive and energy to the institution. He had a tremendous reputation. I had done some work in the area of systems analysis earlier while working at the consulting firm; I had read some of his works and was generally familiar with what he was doing at the Defense Department.

Q: Did his association with the Vietnam War bother you at the time?

BLAXALL: No. It didn’t. I would have to describe myself as a hawk on Vietnam at the time. I believed in the “domino theory” prevalent in those days. I was not an avid militarist, but I was not a war protester either. I certainly didn’t feel that it was inappropriate for him to be the Bank’s president. In fact, I thought that he would give some energy and kick to this institution, which by then I was finding a rather stuffy place.

Q: Did you feel that a lot of your colleagues had similar views?

BLAXALL: I don’t think I was alone, but I think that I was perhaps more in touch with what I considered to be the good side of McNamara--the innovations that he’d introduced, his management style, and the way that he had refocused the Pentagon. I wouldn’t say he was exactly a hero to me, but certainly our ways of thinking were not dissimilar. I remember Clark Abt used to accuse me of being a Benthamite, a utilitarian. I was always preoccupied with assessing expected value very carefully and looking at things rationally. I willingly accepted Mr.

Abt's label. That method of detached reasoning brought me significant success in my education and in my early career. So I was very pleased about the appointment.

And I was then coming to the end of my third YP assignment (in those days YPs went through three assignments of roughly six months each). I had two full assignments, but because the Spanish language training took up two or three months, I had a short third assignment with Mike [Michael L.] Lejeune in the East Africa Division. One of the options that YPs had in those days--it wasn't very well organized, but what happened was that there would be a list of possible openings for what we called "permanent assignments." Since we all came to the end of our YP assignments at roughly the same time, the group that had joined at a particular moment could consider various options. There was a certain amount of exploring, seeing where you'd fit in, and interviewing people and so on. I remember there were two possibilities which I looked at quite carefully, one of which was working with Bob [Robert] Sadove, who was just about to start a Tourism Division in the Projects Department--or he had just started it and was looking for people, and I remember talking to him.

The other option, and the one I chose after my YP rotation period ended, was a position in the Program Evaluation and Control Department. As far as I could tell, the Program Evaluation and Control Department was a creation of George Woods, which, not to be too unkind, had been set up mainly so that when the Board [of Executive Directors] asked embarrassing questions about how much was being spent on something or other, the President could say, "Oh, don't worry about a thing. I'll have the Program Evaluation and Control Department look into that." Whatever its origins, PEC had acquired the budget function (previously part of the financial staff) and some analytical capabilities clustered around budget review. I made a guess that when McNamara came to the World Bank, he would pay a lot of attention to the budget and would use it as a mechanism for running the institution. That wasn't very hard to guess if you'd seen anything of his work at the Pentagon. I said to myself, "Well, this actually could be rather interesting for this initial period of McNamara's involvement in the Bank. Why don't I jump into this and see what happens?"

Q: How large a department was that at the time?

BLAXALL: I suppose there were a dozen people. Horst Eschenberg was there; Mike [Michael E.] Ruddy was there; Laura Fabietti and two colleagues who came from the Budget Unit. It can't have been more than about a dozen people, with John Williams as the Director.

Q: What kind of a person was he, because he's not the sort of person that you would associate with, you know, being in charge of making the budget and controlling accounts and this sort of stuff?

BLAXALL: I think that's right. John Williams is a wonderfully erudite man. You could have a discussion with John in which he would ramble off into all kinds of digressions, but then he'd always finally get back to the main point. I enjoyed working with John. I found him a very decent and a very capable person, although not, as you say, particularly well-suited to the job that he had at that time. And I think subsequently that became clearer, and he was very concerned and distressed about that, actually.

Q: Had he been—I mean, do you know whether he had asked for this job or was he sort of dumped there by Woods?

BLAXALL: I don't know. I really don't know how it happened. All I know is he was there at the time I joined the department.

I started in March 1968, and on the 3rd or 4th of April, I got a call from Hugh Ripman, who was head of the Bank's Personnel and Administration at that time. He explained to me that Mr. McNamara had now arrived and needed somebody to help him pull together some information. Since this was, on the face of it, something which the Program Evaluation and Control Department was responsible for and since I was new there and did not have a precise set of responsibilities and since I was the right age to be a "runner," Mr. Ripman suggested me for the job, presumably in consultation with John Williams.

As a matter of fact, I will always remember my embarrassment because I had shortly before that—I think in March or February—ordered some new glasses. I used to wear English-style horn-rimmed glasses with a horn-rim top and an empty bottom, and I'd ordered some new rimless glasses which were, I suppose, a sign of my enthusiasm for McNamara's ways. And I remember my embarrassment and thinking, "I'm going to go to this man's office, and the first thing he's going to notice is that I've copied his glasses!" Of course, when I ordered them I had no idea that I would ever see him, and I remember actually putting on the old glasses in order to avoid the problem!

In any case, on the appointed day I went up to McNamara's office, and he dealt with me very characteristically. He had in front of him a white sheet of paper (he always worked on white, lined, 8 1/2 x 11 pieces of paper--he never used the Bank's standard yellow pads). On it, in pencil, he had written the outlines of a tabular format, with years across the top and row titles down the side. The first format that he wanted me to fill in was one showing the Bank's balance sheet for the last five years. He asked me when I could have it ready, and he wrote down my answer. I had no idea when I could get it done, but I was prepared to work hard, and I did work hard.

I then rushed off to the Controller's Department and tried to put these numbers together. The first thing I discovered was that there was no single place where one could get all these figures. Eventually, I looked at each successive annual report of the Bank and recast the numbers in the right format. I took the completed table back to McNamara, and he looked at this and said it was very interesting. He rearranged the lines a little bit, merged together two lines and brought something from the liability side as a deduction from assets, and then asked me to do an income statement and a cash flow at the same time. I went away and did that, again with help from the Controller's Department, and soon enough, he had a statement which showed on one page for the last five years the balance sheet and accounts of the Bank.

Those original tables later became a component of the "Standard Tables," but at this stage they did not have any name. By April 18, these tables had moved from his white paper scribbled in pencil, to my big green pads written in pencil which he would go over and correct and modify, to

a table typed and printed showing data for the last five years. At that stage the next five years on the tables were shown as blank columns, at his instructions. This was, of course, in the days before computers and office copiers; everything was prepared on green pads, typed on a wide-carriage Selectric typewriter, and sent to the print-shop for photo-reduction and printing.

Q: Now, did you have the impression that this was really the first time that he'd looked at these numbers?

BLAXALL: I think a lot of it was first-time learning, Jochen, simply because I don't think that he could have put those numbers together. I had trouble finding some of them. By looking at the Bank's annual reports, he could have gained some sense of the size of the organization and its financial position. He was good at looking at financials. However, it wasn't until he saw these numbers in rows, as it were, that he could really see what was going on and trends over time.

I would go away and labor all night long to put together a huge green pad table, and he would look at it and within 10 seconds say, "This number is wrong." He has an uncanny ability to spot errors. Now, what I learned subsequently and managed to emulate to some extent, is that of course if you look at a row of numbers, when you find any discontinuity, there's a good chance it's wrong. But he also has an amazing ability to look at masses of data and identify developments and trends.

Remember, Jochen, that McNamara designed his tables himself. When I put the numbers in front of him, he wasn't just looking at a massive array of numbers. The data fitted into categories that he'd already been through in his own mind, and consequently it was very easy for him to absorb the information. He was, of course, famed for his ability to suck in, to vacuum in information, but it was partly because of these (if you like) tricks or techniques.

Q: Did he ever tell you why he was doing this? Why did he feel that this information was significant?

BLAXALL: Yes, he did, at two different levels. One is--and this is something which I remember made an enormous impact on me at the time--that he was clearly interested. These numbers meant something to him. I remember standing at his shoulder while I was presenting some numbers to him--which is the way that we would work; he would sit at his desk, writing left-handed with his pencil and pointing out things. And he said to me, "John, this is really exciting." That was the first time I'd heard that word in the Bank. "Exciting" was not a concept that one associated with the World Bank. He really was engaged; he was really committed to understanding what was going on and changing it.

And the other thing is that McNamara clearly had a big agenda. He had a big black book (3-ring binder) he used to keep with the latest version of each table, and at the back of it was a sort of "To Do" list, and there he had a whole series of things that he wanted to look into, and he would update that from time to time.

Q: You would see these "To Do" lists?

BLAXALL: Occasionally, because he would give me the black book because he'd want the tables updated. I made it a point never to mention what I saw, and I certainly didn't make copies of anything, but I did occasionally see what he'd written in notes to himself about things that needed to be done and even on some occasions people that he thought ought to be moving and so on. Not very often, but I caught a glimpse occasionally of those kinds of things.

Q: Do you know how often he was doing these lists?

BLAXALL: No, I don't, because he didn't give me his black book very often. But he used to keep the list, and he would tick things off and write new things on it. I honestly don't know how often he did it.

Q: How often did he ask you to update the figures?

BLAXALL: Well, in the early days it wasn't a matter of updating; it was fiddling with, cleaning the data, rearranging lines, condensing into the most compact form possible, with a minimum of white space. One of his—I almost said “fetishes”—one of his preoccupations was to have things in a tabular format which was compact enough to be all on one page. He wanted all of the data on a particular subject on one page, but at the same time he also wanted a vertical orientation so that he didn't have to turn the black book sideways. So when we presented wide tables to him, we would have a fold-over, even two folds in the sheets. But then we would cut out the top corner of the page so that when the fold-over covered what was on the page, you could still see the title underneath. And everything was three-hole punched so that it could go straight into his black book. And these were things that he was very meticulous about: even the question of whether there should be lines between columns or not, whether there should be double lines under the totals or above totals, or whether you should have a total at the top or at the bottom of a column. He had very clear views about all these things, and he wanted to see it in the way he wanted to see it. And that was fine with me.

Q: Now, tell us a little more about these various tables. You started with a balance sheet and a profit and loss statement.

BLAXALL: The next one was on borrowing, yields on new issues, and amounts borrowed and repaid by market, again with the next five years blank. After that came a table showing commitments by country and another showing disbursements.

Q: How did the staff react when he introduced the tables to them?

BLAXALL: Towards the end of April 1968, McNamara presented the senior staff with the tables showing actual data for the last five years, with blank columns for the next five years, and told them to fill in the blanks. The reaction to this request was mild outrage. The senior staff didn't see how they could predict lending levels. They also felt that if they started saying how much they wanted to lend, they would eliminate any leverage they had on any borrower. In their view, banks didn't behave that way. They seized opportunities, perhaps, but they certainly didn't go out ahead of time and tell people what they were going to do. It all depended on the state of the market and so on.

McNamara listened to all of this, and said, “Yes, fine, I understand all that, but let's do it anyhow. Give me your best estimate, and we'll refine it later. I don't want to wait two months or six months to get a better estimate. I want it by next week, and then we'll spend time on refining it and improving it.” McNamara wanted consistency. He was looking for consistency among the financial statements, the commitment levels, and the disbursement and borrowing levels, so that we had, in effect, a plan.

During that early period, I remember distinctly that one of the early exercises was determining how much we were going to lend country by country. The area departments put up their plan, and the projects divisions put up their plan. Needless to say, the two plans weren't very similar. At that moment McNamara said, “Look, this is exactly the point. We want one plan around here. We want to have one set of information.” He used the phrase that the Bank needed to have one sheet of music that everyone played from. He converted the old PEC Department into a new Programming and Budgeting Department to take on the responsibility of bringing that material together and ensuring that there was one set of consistent numbers. He did not want P&B to invent the numbers, but to make sure that they were consistent and coherent. And those numbers were assembled in what subsequently became the Standard Tables. All of this material was recorded in a set of Standard Tables which were updated on varying cycles. And that started in June of 1968.

So, in the period between April 1st and June 1968, McNamara had constructed a five-year plan. It was quick and dirty and perhaps not as refined as many people would have liked, but it was a five-year plan.

Q: So this was a plan which covered both the fundraising side and the commitment side, with commitments broken down by country and also by sector, I suppose?

BLAXALL: Yes. The original country lending programs, or commitment programs, were really very crude. They weren't project titles; they were just power so much, agriculture so much, et cetera, under each country.

Q: So the initial set of Standard Tables covered all this five-year lending information, in addition to the basic data on the Bank's balance sheet and financial condition and so on and so forth. Was there anything else? Were there any figures in these tables about the needs of the developing countries?

BLAXALL: No. The document entitled “Five-Year Program” dated June 19, 1968, had chapter headings such as “Forecast of Lending Operations,” “Changes in the Portfolio,” “Protected Capital Flows, Development.” And it was really not based on OECD DAC [Organization for Economic Co-operation and Development, Development Assistance Committee] analysis, and it was not based on a real “needs analysis.” It was what the staff of the Bank said would be sensible things to do if resources were no problem.

Q: Did McNamara's ambitious lending targets perhaps encourage the Bank to lend beyond its means?

BLAXALL: McNamara's attitude throughout this period, and indeed subsequently, was that he would find the resources to fund good programs. He believed (and he proved right) that the Bank could borrow whatever it needed to borrow, and he wanted the staff to find sensible projects to receive funding. That was the basis of this original plan.

By June 1968, the Standard Tables had titles and reference numbers that would remain in effect. Table 1 and its associated tables, for example, showed country by country lending volumes. Table 2 showed the loans outstanding, country by country, and so on. The Table 3 series dealt with borrowings, and the Table 4 series with the Bank's financial statements, which had been worked up earlier but now projected out for five years, sources and applications of funds and what have you. There was even a table of staff requirements (I think it was Table 5) showing a total "professional" staff in 1968 of 720 and a requirement by 1973 of 1528, more than doubling. In reality, I think the numbers were even higher by 1973.

Q: I remember you mentioned that there was some initial resistance when McNamara originally asked for these five-year projections. After these things actually became reality, what was the reaction? Were people excited when they actually saw these things laid out in front of them, or did some of that resistance linger on?

BLAXALL: Oh, I think the resistance certainly lingered on, particularly in the early days when people regarded this as a bit fanatical, not terribly helpful, and certainly not Bank-like. Obviously, there were some people who thought it was a terrific idea, but I think that was a clear minority.

Although most people in the Bank felt that the institution needed to be shaken up a bit, they certainly criticized McNamara's preoccupation with numbers. The epithet that was used a lot was "the body count," which of course came from Vietnam. That was present at the outset and it was present later. I think it became even more of a criticism later because we started getting into the same kinds of phenomena, the same issues of predictions versus promises, and efforts to set up lending programs country by country, project by project. One could concede that, in the aggregate, the Bank should plan to disburse so much year by year or for the next five years or ten years; however, when you started talking about what we were going to do in Kenya or what we were going to do in Turkey, in which sectors, and precisely how those things are going to happen over the next five years, I think it generated even more resistance later.

On the other hand, of course, people were also seeing the benefits of the rapid expansion in operations which, among other things, certainly catapulted the Bank into a much more powerful position vis-a-vis the other aid donors and vis-a-vis the governments that received Bank funds, so there were some offsetting advantages.

Q: You started with McNamara in April of '68, and you put together these tables. How did this relationship continue afterwards?

BLAXALL: In June 1968, McNamara announced that in order to keep this planning system running, he would revamp the Program Evaluation and Control Department into what was called

the Programming and Budgeting Department. John Williams, the Director of PEC, was shoved aside, and John Adler, who had been appointed John Williams' deputy in April or May, took over as Director of the new P&B Department.

John Adler was an economist who had been the Director of EDI [Economic Development Institute] and a senior staff member in the Economics complex. I am not quite sure, but I think his work with Irving Friedman involved him in the initial five-year plan preparation exercise. I think Adler appealed to McNamara because of his enthusiasm and his willingness to get on with things, without questioning too deeply whether philosophically this was the right thing to do-- which would have been John Williams' reaction. John Adler's approach was to just get on with it and promise he could do it in half the time; John was a great one for committing and over-committing his staff. But I don't think anybody resented that because he was a very attractive character, a man whom I had enormous affection for, and we worked for him very hard.

Q: He was a popular manager?

BLAXALL: I don't think people would say John Adler was the world's greatest manager. He was an extraordinarily decent human being, albeit with flaws like anybody else. But I think the people who worked for him—and some of the people who worked for John in those years were Francis Colaco, Don Brash, Chris [Christopher R.] Willoughby, Arturo Israel, Joe Wood, Stephen Eccles, Horst Schulmann, Everardo Wessels, a raft of people who spent time in P&B and, I think, all had a real affection for John, even though we found him irascible sometimes.

He was very over-awed, I would say, by McNamara and tremendously loyal, and he would come back from a meeting with McNamara and say, "The boss wants to have a table by next Thursday. I told him we could do it."

And we'd all say, "Oh, my god! John, you know how hard that's going to be."

"Well," he would say, "but he wanted it, he wanted it." And so sometimes we'd be there all night.

And in the end we didn't resent it particularly. It was a period of excitement and of fun, and we felt that we were—and this was a phrase that I'm not sure whether McNamara used, but it's a phrase that we used at the time—"at the nerve center of the Bank." This was right at the heart of what was going on in the institution.

I don't think that McNamara intended to give a large amount of power to the Programming and Budgeting Department. In fact, he told us explicitly not to use his name when we were pulling information together from different parts of the Bank, and I think we honored that admonition. But the reality is that we acquired an enormous amount of power simply because we were the channel through which information went to the boss. Because we had access to McNamara, people within the Bank viewed us as being powerful and tended to pay attention to us when we asked for information or looked at the budget. Over the years, McNamara used the P&B team for a succession of new assignments. The initial one was putting this plan together and then making a budget that would work. And McNamara needed a budget that would rationalize the substantial

growth he planned in the Bank's activities and staff, in terms of the work program, in a logical, coherent, and systematic fashion.

Subsequently, when it came to operations evaluation, the first effort in that direction was a small unit in P&B under Chris Willoughby which undertook the initial operations evaluation studies. It was eventually hived off into a separate department and now has an independent status. The initial work on creditworthiness analysis was done in that same way and subsequently hived off. All of the staff work for the IDA [International Development Association] replenishments was done by P&B under Sir Denis Rickett. P&B was a place where, if something was going to be started off, that's where you tried it out. And we had bright people. I don't think people called us "whiz kids," but it was the same sort of notion as OSD [U.S. Office of the Secretary of Defense] in the Pentagon. P&B had bright people with a lot of ambition and a lot of drive. They were virtually all people recruited inside the Bank (frequently former YPs).

The Bank had enough of those people that you could get a lot done. And of course you could also create a lot of resentment among the crustier, older people who regarded all of this as a flash in the pan and predicted that we would undoubtedly get into trouble later. And indeed we did in some areas, rural development for one.

Q: There was one fellow that actually came with McNamara from the Pentagon. I think he was the only one.

BLAXALL: Yes. To my knowledge McNamara brought two people with him. He brought Peg [Margaret S.] Stroud, his secretary, who was a very, very decent person and who stayed on, I guess, until he retired.

The other person was Robert Valtz. Robert had been one of the "whiz kid" types in the Office of the Secretary of Defense (OSD) at the Pentagon. He came in as Deputy when John Adler took over as the Director of P&B, so it must have been the summer of 1968. Robert was looking for a different assignment, and I imagine he talked to McNamara and asked him whether there was anything in the World Bank. He always made it clear to us--and probably also to McNamara--that he did not intend to stay long at the Bank. Robert actually stayed not more than 12 months, I think.

[End Tape 1, Side A]

[Begin Tape 1, Side B]

BLAXALL: In that time he did a number of things which I think were very useful. In particular, he started the process which led to the Country Program Papers. The first round of that must have taken place early in 1969. We had a lending program in place for each country as part of the larger five-year plan, and we then had a round of informal reviews between P&B and the respective area departments. At these meetings, the departments were supposed to establish the rationales for their lending programs and defend them to P&B staffers. This was a matter of great upset to the area departments' senior staff, but that's what we did. The early rounds of those meetings were not terribly productive, but the CPP (Country Program Paper) concept soon grew out of those meetings. Chris Willoughby must have been asked to draft a set of instructions to

formalize this process which led to the famous CPPs. In sum, we had a lending program which was pegged at a certain level and then rationalized in terms of an emerging strategy country by country.

At this point, a lot of resentment came out, because up until that time, the impact of the plan had been on a macro level. A lot of numbers had been generated, but the impact had been on an aggregate level, and this led to substantial claims for additional resources, which was generally regarded as a good thing. The CPPs, on the other hand, were a different story. People started prodding into individual staff members' areas of expertise, and they didn't like upstarts from P&B questioning their decisions. Suddenly they had to plan and justify everything that they were doing, country by country.

Q: But the interesting thing is that in one of McNamara's "To Do" lists, dated May 25, 1968, point number 84 is, "We must have a system which will allow us to kind of set the framework for the allocation of resources without having to interfere in the actual implementation," which is really the CPP idea.

BLAXALL: Absolutely.

And, indeed, I remember when the idea of operations evaluation first came up—I honestly can't remember when it was, but I remember at a certain point in a strategy discussion with McNamara about "What are we going to do next?" I said something to the effect that "There's one piece that's missing in this whole planning system: we need feedback from operations evaluation."

And McNamara said, "No, no, John, that's right, but we can't do that until later. We are going to do that later." And he added it on his "To Do" list.

The point is he had a great amount of forethought and foresight about these things. He had a clear view of what needed to be done, but he didn't try to do it all at once. He would move things along at the pace that he thought was feasible. Of course, the pace that he thought was feasible was a lot faster than most people thought was reasonable.

Q: Getting back to your particular role, after your stint as a "runner" what was your function? What did you do then?

BLAXALL: Well, the core activities of P&B were always split between the budget function, on the one hand, and what I'll call the programming function. My focus was primarily on the latter. There was always a lot of writing to be done: reports to the Board on the budget, on the next year's budget, on the lending program, and so on. Whenever a new U.S. Secretary of the Treasury or Secretary of State was appointed, McNamara would send a briefing note about the Bank and IDA. So there was a lot of that sort of material in production the whole time, as well as continual generation of new information in response to McNamara's requests.

I remember before he went to a DAC meeting, he wanted all of the data on which country had given how much aid for the last five years and, needless to say, projections for the next five

years. He would be able to stun any Minister of Finance by how much he knew about their aid program.

Robert Valtz left the department in 1969, and I replaced him as Deputy Director. That created a great stir, because I must have been the youngest Deputy ever appointed in the Bank. I know, for example, that Hugh Ripman strongly opposed my appointment. He pointed out, reasonably enough, that this would not do any good for my career in the long term and that it would be much more sensible to bring in somebody who was more seasoned. McNamara, however, said, "No, this is the way I want to do it." John Adler certainly supported him on that. I was good at doing what McNamara wanted done. I was loyal, and I worked well with John.

Q: But your function continued to be just going directly into McNamara's office whenever he had some numbers problems? You were the person he would turn to?

BLAXALL: Yes, at least initially. I suppose he didn't want to waste time training anybody else. That was at least for another couple of rounds. Of course, by the middle of 1969 the format and content of most of those tables were fairly well established and after that his need declined and, secondly, other people were beginning to take on those tasks. But during that first period there were a lot of new tables put together, and in addition there was a lot of writing to support and justify the material.

McNamara's first budget discussion with the Board had been in June of 1968, but the summer of 1969 was the first budget with his stamp on it, and he put an enormous amount of effort into it. He wanted to justify the rapidly growing lending program and its associated costs. Since the administrative budget was derived from activity levels, we had to devise an enormous number of ratios and cost coefficients. This is where the famous "coefficients" emerged from. If supervision in a particular sector costs eleven and a half staff weeks a year per project and you had this many of them, then you multiply the numbers and you end up with the staffing requirement. During that whole period from the summer of '68 through the summer of '69, an enormous amount of effort went into designing "the program budget system," which evolved but had much the same elements for the next 15 to 20 years.

Q: So this is when you began to see how this control system was used by McNamara to run the Bank?

BLAXALL: It was fairly clear to me right from the outset that this is what he was doing. Already in July of 1968 we were sending memos to McNamara about how next year's budget is going to be in a "program budget" format instead of an administrative budget. Up until then, the Bank's budget was presented and approved in administrative categories: staff will cost this much; travel will cost this much and so on. And for the first time we were going to try and turn it into a work program that would identify categories of work--appraisal and supervision and so on--and their costs. The first thing we had to do, in fact, was to define the activities. What does "lending" mean? What is included in "sector work" or "economic work"? All these notions really emerged during that period.

In addition to defining the work categories, we had to somehow associate them with costs. You remember those famous Timetables that had to be filled out showing how long it took to do things. And then a whole process was introduced so staff could keep track of how their time was spent. And Siem Aldewereld had those famous monthly Timetable meetings . .

Q: Well, that was for a different reason. What happened was that once the five-year program had been set, everything worked beautifully. Borrowing worked; recruitment worked; everything worked. The only thing that didn't work was the commitment levels didn't go up. And when McNamara expressed his distress at this, and people would say, "Well, it's difficult," he said, "But this is your plan." And this is where Aldewereld had to come to the rescue: the timetables were introduced to check exactly where everything stood. But, of course, it was never possible to control the outside world.

BLAXALL: I have a somewhat different perspective. I think what McNamara did first of all was to put pressure on the institution. He maintained—I think rightly—that deadlines make a difference, that in fact people do respond to deadlines. Of course, there were some bad consequences of this pressure which became so ingrained in the institution that we still have, I think, a big problem as an inheritance of that.

The other thing is that he would, as you say, frequently retort, "Well, it's your program. This is what you fellows told me was the right thing to do, and I gave you the resources to do it." And that eventually led to lots of contortions in two different directions. One was that we ended up with a mechanism for discounting. This was the invention of a distinction between the Lending Program, which is the bottom line level of expected commitments, and the Operations Program, which is the aggregation of all the individual lending activities and therefore somewhat larger. The work program was based on the Operations Program, on the assumption that there would be some sort of discount or "slippage," to use the old phrase, between the total of all the individual items and the bottom line. I don't think we ever got that exactly right, but in any event, that was the notion.

The other thing about "your program" which I think is very interesting is that in McNamara's mind these Standard Tables embodied the entire plan, the entire purpose and structure of the organization. His notion was that if you gave this information to any manager they would clearly, on the one hand, be committed to the plan because they would have all the information, and, secondly, they would understand what was going on. And so the Standard Tables after a while were regularly distributed. Some were updated and circulated monthly, some quarterly, some annually; a very few (for example those dealing with projected numbers of staff) were prepared only for McNamara and not circulated further. Standard Tables were regularly distributed to the President's Council and to various senior managers at different levels. And McNamara was always, I think, genuinely amazed that other people in the institution didn't regard these as their daily morning literature. He would say, in so many words, "I don't insist that you look at this, but on the other hand if you want to know what I'm looking at, you'd better pay attention." And I would sometimes get calls from people like Peter Cargill, for example. He would get the latest Standard Table and hadn't the remotest clue what it was about. In Peter's case, he also usually didn't care what it was about, but in the case of some other senior officials

they at least wanted to give the appearance of knowing what it was about, and they would want a quick briefing on “What’s in this, and is there anything here I should understand?”

Basically, what I think McNamara failed to appreciate was the impact of his own style. The reason the Standard Tables made sense to him was because he’d designed them to the last detail. He knew exactly what information they included, and it fitted into categories that were important to him, that he had established. For the rest of the Bank, by and large it was important only because you knew the boss was looking at it, but you really didn’t use it as your own (or very few used it as their own) material for planning and management. McNamara could never understand that. He would always insist, “We only need one plan. We don’t want different people looking at different things here. We only want one sheet of music for the orchestra to play from.”

Q: Having been a student of systems analysis, what did you think about McNamara's planning/budgeting system?

BLAXALL: I thought it was an elegant system in the sense that it hung together. It had coherence and consistency. It met the expectations I would have had of a management information system. Whether it represented the highest art of systems analysis, I rather doubt because, frankly, systems analysis had more to do with the design of weapons and much more sophisticated concepts than anything we were dealing with here. This was fundamentally accounting. This was formulating a consistent set of data on plans rather than true systems analysis.

Nevertheless, it was a rather impressive system, and it seemed to work. Here was an institution which, as you point out, didn't commit quite as much as it said it was going to, but it sure as hell grew at the rate it said it was going to grow, and it absorbed money at the rate it said it was going to absorb money. It borrowed money at the rate it said it was going to borrow, and it stuck reasonably well to its own plans during a period of very rapid growth. The ratio of administrative costs to the total number of lending operations stayed reasonably constant, more than can be said about any subsequent management regime. In a period of rapid growth, you do generally need a much tighter control mechanism than when you are coasting along at growth rates of one or two percent a year; those kinds of adjustments you could make without a tight management system.

Now, of course, the obverse of that was there weren't many incentives to reduce costs within the Bank. All the coefficients were rigorously worked out in advance so that everyone knew instantly that if we increased lending in agriculture, for example, in a region by ten percent, then staff would increase by, say, four percent, and administrative budgets would rise by three percent. It was automatic. And I am afraid it resulted in a culture in which there were almost no incentives for cost reduction.

Q: Did McNamara realize that?

BLAXALL: I don’t know whether he realized it. I never heard him talk about it. Let’s be clear: he was no pushover when it came to budget increases. He would rarely give the resources that Departments requested and justified. But on the other hand, there always had to be a

rationalization for any change. There was never a gut feeling, “Oh, those guys have got too much. They ought to be able to stop doing something and start something else.” It always had to be turned into an argument about the precise costs of doing this and how much you would save by not doing that. Compared and calculated--it was always a calculus, not a gut feeling.

Q: How long would you say it took for this culture to take hold? How long was it before people really started to try to manipulate things within the system to try and get outcomes that they wanted?

BLAXALL: It's an interesting question. People in the World Bank are pretty smart. It doesn't take them long to figure out how to work the system. I would say that when McNamara arrived there was a fairly slow moving pipeline. In his first year, McNamara drew down that pipeline, pulling stuff out by encouragement and by saying, “Let's get things going, fellows.” Whether that was a lucky break or deliberate calculation, I'm not sure, but the result was that during that first year there was a lot of additional lending, not because a great deal of additional resources were spent but simply because McNamara was pushing stuff out. Now, in a sense, that made for a leaner base on which to build, and I don't think there was an awful lot of waste because to get that additional work out you had to have more people doing more things.

It got a bit perverse, however, by the mid '70s. By this time, people had gotten used to McNamara's systems. All of these systems had become bureaucratized. The institution had become much larger, and people had figured out ways of working their way around the system. So I suppose it became less effective in five or six years.

Q: Can you talk a little bit about McNamara? What kind of a person was he? Was it difficult to deal with him? Was it difficult to get into his office?

BLAXALL: I suppose I was always rather awed by McNamara, and perhaps I still am. I admired him greatly. It was exciting to work with him. In a one-to-one relationship, or even in a small discussion with him, you really could have a debate and get a sense that you were in on the creation of something. Of course, when he was in a larger meeting (like the President's Council, but more especially the Board), I saw a very different McNamara. In that environment, he was very controlling. He wanted to be absolutely clear on the outcome. He didn't want any surprises, and he wanted to ensure that what was said was what he wanted to say not what anybody else wanted to say.

This was often a subject of discussion within the P&B group. We saw him, as it were, on the intimate side, although “intimate” is to overstate it. I never heard McNamara crack a joke, for example. Occasionally he would smile at something, but I never--and people I've worked with never--had a relationship with him which was bantering, if you like. But on the other hand it was reasonably open and easy, and it was intellectually stimulating. And we used to regret greatly that somehow that image couldn't be conveyed to the rest of the Bank, because we knew very well that there were lots of people in the Bank who were angry and resistant and regarded him as a cold-blooded, computer-minded person, and all the rest of it.

John Adler, on more than one occasion, sent notes to McNamara saying that he thought it would be an excellent idea if he could address the staff as a large group, either because there was some policy question or following an annual meeting speech or something like that. McNamara absolutely refused to do that. He would say things like, “Oh, no, they wouldn't want to hear me,” or “Well, if I were talking to them, there would be 500 of them or 800 of them and that would be a tremendous waste of time, to have 800 people who were all in one room and only one of them talking.” These were his rationalizations, but he clearly was shy and simply unwilling to engage in large-scale forums. My sense is that he was a very private person, and fundamentally uncomfortable with people.

I remember that when I was working in P&B (it was 1970, actually) I got married. And I received a telegram saying, “Congratulations on your marriage. Signed, Robert McNamara.” And I thought, “This must be a joke.” I couldn't believe it; at first I thought one of my colleagues in the office had done this.

And I talked eventually to Peg Stroud, his secretary, and asked if it actually came from him. And she said, “Yes. I told him that he should just call you up and tell you that, but he wouldn't. He wanted to send a telegram.”

And somehow that's characteristic. I mean, here was somebody that he knew well—I wouldn't claim to have been a confidant, but he knew me well, and this was the way that he chose to deal with the situation. He had this very formal streak, which I think made him appear a very formal, forbidding figure to the rest of the staff of the Bank

Q: Did you get any sense of his motivation to work and his personal relationship to the objectives that he would proclaim?

BLAXALL: Let me say one thing very clearly. I never had any sense that this was some sort of penance. I think he is still, and certainly was, a very driven person. McNamara pushed himself very hard, and he had very high ambitions and expectations of himself. He often said that this is the most interesting job in the world, and, by the way, I think he's probably right. It is a fascinating job, and I can well understand anybody wanting to do that. I suppose that's my bias. However, I don't think he was trying to atone in some way for Vietnam. Now, it's true that he had made a speech in Montreal, as I remember, as Secretary of Defense in . . .

Q: In 1966.

BLAXALL: 1966, where he talked about development as the “essence of security.” So, I suppose the notion must have been on his mind. I think that when he was trying to get out of the Pentagon, this idea must have appealed to him, but I doubt whether he actively set out with the idea that he would like to become a development guru. The opportunity just presented itself, and he made the decision to take it: “Yes, I'll do it, and by god, I'll make something work there.”

Q: But his speeches generally had a sort of moral tone to them, both in urging the rich countries to be more generous and in decrying the terrible conditions of extreme poverty in the poor countries. Did you get the sense that that was a sort of deep-founded personal commitment that

was reflected in this moral stance, or was that just one way of addressing the stinginess of people?

BLAXALL: I'm not sure what the answer to that is. One thing that was very clear was that he took very little advice from inside the Bank. Advice on his major commitments, speeches, the themes that he was following, came mainly from people outside the Bank, people like Barbara Ward, of course, who's always cited in this context. And I think that some of the moral fervor came from that source, which is not to say that he was merely mouthing other people's views. He was very deliberately tapping into a larger group than the Bank and its traditions. I don't have any doubt about the depth of his commitment. There was a certain ascetic side to him, from my limited observation of his life. He used to wear these ratty tennis shoes on mission, and he lived a relatively non-luxurious kind of existence in Washington (though he certainly lived in a very nice house in Kalorama). He kept in good physical shape, partly by walking to work and up the twelve flights of stairs to his office every morning. If I go back to the "missionary" analogy I used earlier, I think he would have made an excellent Jesuit; in fact, he could head the Order very well . . .

Q: How often did you see him usually?

BLAXALL: In the early period, probably once a day or every two days. Subsequently, it became a more normal relationship of once a week. John Adler used to attend the President's Council meetings, and I would stand in for him sometimes on those occasions, and probably there would be one meeting a week of one sort or another where I would see him.

Q: Once you became Deputy Director, did your relationship become more distant?

BLAXALL: Well, yes, to a degree. That's when I would have stood in for John Adler in meetings, for example, whereas earlier I would just have been seeing him on a more specific basis. Later it was more as the Deputy of a Department which was doing a lot of work for the boss, and in that context I would have been involved in a number of things John would normally take care of.

In those days there were the famous "green button" phones. This was a green colored phone that McNamara had installed to replace the standard beige phone on the desk of selected senior staff (mainly members of the President's Council). The phone had, in addition to the normal buttons that would connect you to your secretary or an outside line, et cetera, a special green button that gave direct access to the phone on McNamara's desk. When the phones were first introduced in May of 1968, the one that was installed in P&B (at that time it was still PEC) was on John Adler's desk, not on John Williams' desk. That was part of the process which signaled John Williams' demise in the P&B context.

But what I remember very distinctly is that in theory John Adler could pick up his phone, press the green button, and have it ring on McNamara's desk and be in instant communication with the boss. In reality what happened in that case—and, I suspect, in others as well—was that John would call Peg Stroud, McNamara's secretary, and say, "Is this a good time to ring him?" And if there was a "go ahead," then he would pick up the phone and press the green button.

And, of course, the system worked the other way around. McNamara would pick up his phone and press the Adler button, and the phone would ring and the green button would light up on John's desk. John was always very anxious to be there if this ever happened. He would get very upset if he had to leave the office when he thought the green button might ring.

The funny part of this was that if McNamara rang, you pressed the green button, you talked to McNamara, and you put the phone down. Now, if you forgot to release the green button and it was still depressed, the next time you picked up the phone to talk to your secretary, the phone rang on McNamara's desk. And this happened two or three times, driving John into an absolute panic: he would think he was going to talk to his secretary and find McNamara on the other end of the line. After a while he got so paranoid about this that he would have all sorts of reminders stuck to his phone saying, "Press the other button."

What all this illustrates is that a mechanism which I'm sure in McNamara's mind was a way of ensuring close communication between himself and the top managers in the Bank actually became, at least in my observation, a kind of an instrument of terror instead. They were constantly worrying, "Oh, God! Is it going to ring? What should I do if it does? What if I can't answer the questions?" I'm sure there were some people like Peter Cargill who didn't give a damn, but certainly some others thought it was really an instrument of control. If one wants to characterize McNamara's management approach, then this point of control is really the key to it. His intensely rational, control-oriented methods have been successful over the years in bringing the institution's strength to bear on development problems. He got the institution to run circles around him, tight and well-trained circles at that. At the President's Council meetings, he would basically give his orders for the week.

There were occasions obviously when people would have debates with him, but they certainly weren't the regular meetings of the President's Council or any other formal meeting. I don't think that McNamara was particularly interested in the opinions of most of the senior staff at the Bank. He clearly paid attention to Hollis Chenery, Mahbub ul-Haq, Ernie [Ernest] Stern and various other people, but he felt that the staff had certain limitations. He was not going to get rid of them except in extreme cases. He was going to work with them and compensate as necessary for their weaknesses. They were doing their jobs to the best of their abilities, and if he got anybody else, they'd probably have other weaknesses. At least he knew the people he had.

McNamara was not particularly interested in building a management capability to run the institution (because he was going to run it anyhow), nor was he interested in a succession process because, what the hell, that was a long way off in the distance.

Q: How long did you continue in this P&B assignment?

BLAXALL: In 1974 I moved into the Latin America Projects Department under David Knox, as an Assistant Director. I wanted at that point to get into Operations. P&B was still exciting, but it was a lot less exciting than it had been in the early days. The mechanisms were in place, the systems were more or less running and so on, and after six years in P&B I wanted to move.

Q: Did John Adler leave at the same time?

BLAXALL: No, what happened was that I was in the Latin America Region for a couple of years, and then John Adler had a massive heart attack. Coincidentally, Adalbert Krieger had recently been appointed Vice President of the Latin America Region (Gerry Alter having been pushed aside), and Krieger decided that he wanted to get rid of me, for reasons that were never made clear. I had enough credibility, because of my earlier reputation in P&B, to have frank discussions about this with both Burke Knapp (Senior Vice President) and Reg [Reginald A.] Clarke (Director of Personnel); they rationalized the problem as simply a “clash of personalities,” and they urged me to move back to P&B in my old role, to act for John Adler who was likely to be incapacitated for an extended period, while his Deputy, Horst Schulman, was about to leave the Bank to take up an important assignment with the German Ministry of Finance.

So with some reluctance I moved back, more or less temporarily, to P&B. This must have been in 1976. Not long after that, Georg Gabriel took over as Director, and when John Adler returned to work he became a sort of senior advisor, much to his chagrin at the time. But I think after it happened he was very pleased, because I don’t think he enjoyed being a manager of a large department. After Georg took over and things simmered down again, I moved on to East Asia, again as an Assistant Director in the Projects Department. [Syed S.] Kirmani was Director of the Department, and there was a “swap” arrangement with Heinz Vergin, who had been working for Kirmani. Vergin moved into P&B, and I moved out of P&B into Kirmani’s East Asia Projects Department.

Q: That was in 1977, then.

BLAXALL: Yes, 1977.

I was in East Asia Projects until 1985. During that time we reorganized both Divisional and Assistant Director portfolios to have a country rather than purely a sector focus, and I ended up working mainly on the Philippines, Thailand and Laos.

Then in 1986 I moved into Central Projects--it was called OPS [Operations Policy Staff], I think--to work in the Transport Department on something which subsequently became the Sub-Saharan Africa Transport Project. This was a UNDP [United Nations Development Program]-funded initiative to do technical assistance work on transportation in Africa. It was handled by the central Transport Department at the time because there were two separate Africa Vice Presidencies, East Africa and West Africa, and so there wasn’t any logical place to put it except in the center. Then in 1987, at the time of the reorganization, one Africa Vice Presidency emerged with its own technical department, and this was clearly a suitable function for them to take on.

I stayed on in what then emerged from the reorganization as the Infrastructure and Urban Development Department, subsequently TWU—Transport, Water and Urban--and I took on a number of assignments for the Director and the front office. For example, I wrote the first policy paper on the Bank’s role in responding to natural disasters.

One of the things I got involved in was another UNDP-funded and bilaterally-funded program called the UNDP-World Bank Water and Sanitation Program, which essentially provides technical assistance to countries and NGOs [non-governmental organizations] in the whole area of improving the access of poor people to water and sanitation: pit latrines and hand pumps, as opposed to sewers and water treatment plants. It's a fairly large program which spends about 15 million dollars a year, for which the Bank is the executing agency, in UNDP terms. I worked on that for a time at headquarters, and then moved to Nairobi as the manager of the Regional team based in Nairobi (one of four field-based regional teams). My move to Nairobi was in 1989. I spent three years there, and then came back to headquarters in 1992, and since then I've actually managed that same UNDP-World Bank Water and Sanitation Program at the global level at headquarters.

Q: And that's what you're doing now?

BLAXALL: That's what I'm doing now.

Q: You've by now become a sort of infrastructure expert: transport, water supply, and so on. When you made that shift from P&B into the Projects Department, was that difficult? I mean, did you find that you had to sort of re-learn a lot of things?

BLAXALL: Clearly I brought a different perspective from most of the other people who were doing that sort of job. I remember that, for example, I was responsible for the agriculture divisions in Latin America, and one of the things that I did was to introduce what subsequently became the pattern in the Bank, re-organizing sector Divisions to have more of a country focus. At that time we had separate divisions for irrigation, agricultural credit, agriculture crops, and livestock. One of the things that I fairly quickly focused on was the need to have a division that dealt with all agriculture in Brazil and a couple of other countries, and a division that dealt with all agriculture in Mexico and so on, and split up the technical staff accordingly. Thinking back, that must have been the first occasion when that trend started in the Bank. Of course, eventually it went to the other extreme, as it is now in Southern Africa.

So I suppose I brought somewhat different perspectives. But no doubt it was also a disadvantage not to have come up through the project division, project division chief stream. My guess is that I was as good as many other people in spotting the flaws in an appraisal or an economic and sector report, but on the other hand certainly I was less familiar with the intricacies of what makes an agricultural extension project work. I think it's true of all of us Young Professionals, that we were, to a degree, generalists who acquired a professional veneer and a vocabulary and even practical knowledge which at least allowed us to ask the right questions and to know where to look for the right answers. I didn't feel at the time it was an enormous handicap, although there were certainly times when I felt a bit out of my depth. Whether the other people who were working for me thought it was a handicap, I'm not sure.

Q: Did you ever look back nostalgically and think, "Gee, I really should have stuck with budgeting, programming and planning"?

BLAXALL: I don't think that. There have been two considerations influencing me. One was that by the mid-1970s this whole construct of a programming and budgeting system was well in place. Obviously, there were some interesting things happening, but it was a lot less exciting than it had been in the early days when one was creating this enterprise. I don't want to claim that I created it but that I felt very much a part of the creation of something. That was very exciting, and that moment had passed, any way you look at it.

The other thing was my feeling that I didn't come to the World Bank to be a programming and budgeting expert; I came to the World Bank because I was interested in development, and . .

[End Tape 1, Side B]

[Begin Tape 2, Side A]

BLAXALL: . . I felt very much that I wanted to participate in that process. As always, things happen; at particular moments there are particular jobs available; you do what comes along to some extent. But I don't at this point regret the way this turned out at all. In fact, I feel I've had the best of both worlds in many ways.

Q: Now, to some extent I guess McNamara has been sort of a guru to you in the Bank. Subsequent to your association with McNamara and P&B and so on, did you have anything that came close to this sort of guru experience with any of the people you worked for or with?

BLAXALL: You mean a mentor, that kind of relationship?

Q: Yes.

BLAXALL: Well, John Adler was a man I was very fond of, certainly. And David Knox was actually an impressive character to work for.

But the other person that I enjoyed working with, and in a different way, was Kirmani, who was my Director in East Asia Projects for seven or eight years. He was a very subtle, interesting man. And the reason I think of Kirmani as being very interesting is because most people in the Bank, wherever they come from, basically have a Western education and a Western cast of mind, at least at the levels that one normally deals with them in the context of Bank work. Kirmani is one of the few senior people in the Bank who really did not come up through that stream and tended to look at things from a different perspective, which was always fascinating. There were occasions when I could not understand at all what Kirmani was getting at, when I couldn't get him to make what I thought was a perfectly reasonable choice between two options, which I found baffling. And yet when I sat down and thought through what he'd said and what were the various points he'd made, out of that I could usually unravel a pretty sensible course of action. It's just that it was a very indirect message. And I learned to appreciate that. And there were times when it was exasperating, no question, but I learned to appreciate that and to enjoy him as a person. He would take a view that was typically rather different from the standard Bank view on things—not always right, in my judgment—but it was different and from that point of view very valuable. And I think that's perhaps something that one finds more of now in the Bank than one did in the 1970s and 1980s.

Q: Right. And I suppose it helped you tune into your clients that much better.

BLAXALL: Absolutely, yes.

Q: Well, this has been fascinating and very interesting, but we are now running into the time limits. Let me just raise one other question that we have been working on a bit, and we touched on it very briefly, and this has to do with the reorganization in 1972. This reorganization in a sense acknowledged developments which had been under way for quite some time. This whole tension between the area and projects departments had been a problem when McNamara came on board. This interfered with the five-year plan. Now, one of the things that has puzzled me is that McNamara came in 1968 and he completed practically his whole first five-year term before he actually moved to have this reorganization. Why do you think he waited that long? Was it that he didn't know how to deal with this problem? Or was it that he didn't feel it was necessary to deal with this problem?

BLAXALL: I don't think that McNamara had a very positive view of reorganizations. In his view, they impose very high costs, and any organization will work. It may work well or less well, but reorganizations generally create a lot of difficulty and problems and they don't solve a lot of problems. He was simply not enthusiastic about reorganizations in general. It's a bit like his attitude about the people around him: "We'll make do, and I'll make it work."

I suppose that by 1972 it simply came to the point where it was so necessary and so inevitable that he had to do something. Incidentally, the magnitude of the Bank's operations had shifted very dramatically. By 1973, the numbers of people in the projects staff must have tripled. So the reorganization acknowledged that current arrangements were simply no longer viable.

Q: If you look at later incumbents, [Barber B.] Conable, [Lewis T.] Preston, they practically walked into the Bank and started reorganizing.

BLAXALL: I think what you see there is the difference between McNamara and some of the others: they had read management books, which say things like, "Whatever you're going to do you've got to do it the first year because after that . . ."

I think McNamara would disagree with that. He would say, "Reorganizations aren't a good idea, but when I decide one is necessary I'm going to bring to bear the necessary energy and resources to do what has to be done." He was less beholden to the advice of the gurus because he had already managed enormous organizations successfully and had no need for gurus.

Q: You were not involved in the reorganization? I mean, in the planning and any of the discussions?

BLAXALL: I'm sure that P&B must have been involved because in a sense we were involved in everything, but to be perfectly honest I don't remember any particularly active involvement.

Q: Okay. Thank you very much.

[End Tape 2, Side A]
[End of interview]