

**Summary of Oral History Transcript**

Aldewereld, Siem/Simon

Interview conducted by Dr. Robert W. Oliver, California Institute of Technology, on 1985-11-06

In Aldewereld's recollections approximately 25 years after the events he describes the Bank's relations with India under both the Black and Woods Regimes, and in detail the first development loan, the Kans Grass project, made around 1950, in the amount of about \$5 million and designed specifically to increase the productivity of Indian agriculture. In illustrating the Bank's eagerness to help India he cites financing the following projects: the activities of the Damodar Valley Corporation (D.V.C.); the Indian Railways; Air India; and the Indian telecommunications.

The Indus River Basin Project was part of Aldewereld's operational responsibility for close to twelve years; having been mostly involved in the latter phase. According to Aldewereld, Black's decision to involve the Bank in solving the water dispute between Pakistan and India culminated in the successful establishment of the international water treaty with one of its main features of "established use". Eugene Black successfully raising funds for the Indus Basin Project consisting of a combination of loans and grants and, around '62, asking Aldewereld to take over and add the supervision of disbursement and "end-use" of the Indus Basin Project to his duties as Director of Projects.

Aldewereld overseeing the timely and successful completion of the construction of both the Tarbela and Mangla Dams. This, in addition to his work on the Damodar Valley Project in India; the Niger Dam Project in Nigeria; the Roseires Dam Project in the Sudan; the Miguel Aleman

Power System in Mexico; and the Highway and Railway Projects in Columbia.

Aldewereld discusses the Bank's early relations with Japan, Black's efforts in 1947 in ensuring the Bank's access to markets outside the U.S., the Bank's expansion of its borrowing operations world wide in 1952, his responsibilities in supervising what is called the "end-use" of projects, and the set up of project evaluation. He gives an overall summation of the Woods presidency, talks of Meyer's appointments first President in 1946, his rationale for Meyer's early resignation in mid December '46 followed soon thereafter in January '47 by the death of vice president Harold Smith, thus marking what is commonly referred to in the Bank as the "Interregnum". Chester Mclain, the Bank's first General Counsel, and his efforts in continuing the Bank's business. The "Interregnum" ending on March 17, 1947 when John J. McCloy assumed office as second President, bringing along Robert Garner as second Vice President, and Eugene Black who succeeded Collado as the Bank's Executive Director for the U.S. In May 1947, the Bank's first loan to France in the amount of \$250 million. Shortly thereafter, the Bank launching its first bond issue ever in the American capital market, also in the amount of \$250 million. And, Aldewereld noting that the jurisdictional issue concerning the relationship between Board and Management was never raised again--at least covering the period until his retirement in July 1974.

In conclusion, Alderwereld mentions the meetings conducted under Black, from time to time, outside Washington. Woods continuing the practice and establishing the President's Council with its members considering themselves essentially vice presidents. McNamara continuing these regular meetings with senior staff after Woods' retirement, where the increase in the number of people was not, according to Aldewereld, matched by an increase in efficiency.