



# World Bank Group Archives Exhibit Series

President Eugene Robert Black

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The World Bank Group Archives Exhibit Series contains exhibits originally published on the Archives' external website beginning in 2002. When the Archives' website was transferred to a new platform in 2015, it was decided that older exhibits would be converted to pdf format and made available as a series on the World Bank's external database, [Documents & Reports](#).

These exhibits, authored by World Bank archivists, highlight key events, personalities, and publications in the history of the World Bank. They also bring attention to some of the more fascinating archival records contained in the Archives' holdings.

To view current exhibits, visit the [Exhibits](#) page on the Archives' website.



## President Eugene Robert Black

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During his tenure as President of the World Bank, Eugene Black was perhaps the world's best-known banker. The Bank's recognized impartiality, its determined internationalism and its strong links with private finance all reflect the predilections of its President. As noted in the Mason and Asher official history of the Bank, Mr. Black served as President for thirteen of the first twenty-five years of the Bank's life and left his imprint on all aspects of Bank activity. While he

was President, the Bank grew steadily in size, scope, and understanding of the development process, and he himself evolved from master marketer of bonds to statesman in the fields of development and development diplomacy. The Economic Development Institute (EDI, now the World Bank Institute), the International Finance Corporation (IFC), and the International Development Association (IDA) were created during his presidency. He established the Bank's



*Madam Vijaya Lakshmi Pandit, India's Ambassador to the United States, signs the agreement for the first loan made by the World Bank in Asia on August 18, 1949. Madam Pandit was also the first woman to sign a World Bank loan agreement. On her right is K.R.K. Menon, Indian Finance Secretary; behind her is B. R. Sen, Indian Minister to the United States; and to her right is World Bank President Eugene Black.*

credit in the capital markets of the United States, ensured the acceptability of its bonds to the country's institutional investors, and obtained for the Bank its all-important AAA bond rating.



*Eugene R. Black (second from right) views a demonstration of the Bank's first computer.*

Eugene Black was born on May 1, 1898 into a well-known Georgia banking family. He graduated from the University of Georgia, winning his Phi Beta Kappa key as a junior. During World War I he served as an officer in the U.S. Navy in the Atlantic. After the war Mr. Black went into finance



and eventually became a senior Vice President of the Chase National Bank.

Mr. Black's very wide circle of friends in American banking made him a natural choice to be U.S. Executive Director when the new and untried World Bank set about marketing bonds in 1947. "I came to help sell World Bank bonds," he said many times, "and the first thing I found out was that they weren't legal for investment anywhere." He began an intensive campaign of public speaking and private talking to familiarize lawmakers and bankers with the Bank and its securities.

In 1949 Mr. Black succeeded John J. McCloy as President of the World Bank. Initially, he did not want the job. "I was in Europe," he said, "and I sent word back that under no conditions did I want my name to be put up.... I made various suggestions of other people. I did everything on earth to prevent my taking the job. I didn't want it. I wanted to make a career in [the] Chase Bank....

"The pressure was put on me and the pressure was put on the Chase Bank to release me, and I finally took it.... Then after I got it...I became very interested in what I was doing, and I found there was more inner satisfaction in doing this than there was in making money. That's why I stuck it out...."



*Signing the first development credit (to Honduras, Credit 0001) on May 11, 1961. Among those present at the signing of the Credit Agreement were (seated, L to R) His Excellency Dr. Celeo Davila, Honduran Ambassador in the United States, and Sir William Iliff, Vice President of the World Bank and IDA. (Standing L to R) Mr. Lempira E. Bonilla, Alternate Executive Director for Honduras, and Dr. Luis Machado, Executive Director for Honduras.*

### **World Bank "Firsts" During Eugene Black's Presidency**

*Loan 0017 India, Railway Reconstruction, August 18, 1949*

- Bank lends \$34 million to India for railway reconstruction and development (Loan 0017)
- First Bank loan in Asia
- First Bank loan signed by a woman



*First Public Offering Outside the United States, May 17, 1951*

- London banking firm of Baring Bros. and Co., Ltd. Announces preparation of public offering of 5,000,000 pounds sterling issue of 3.5 percent, 20-year Bank bonds

*First Bank Reorganization, September 22, 1952*

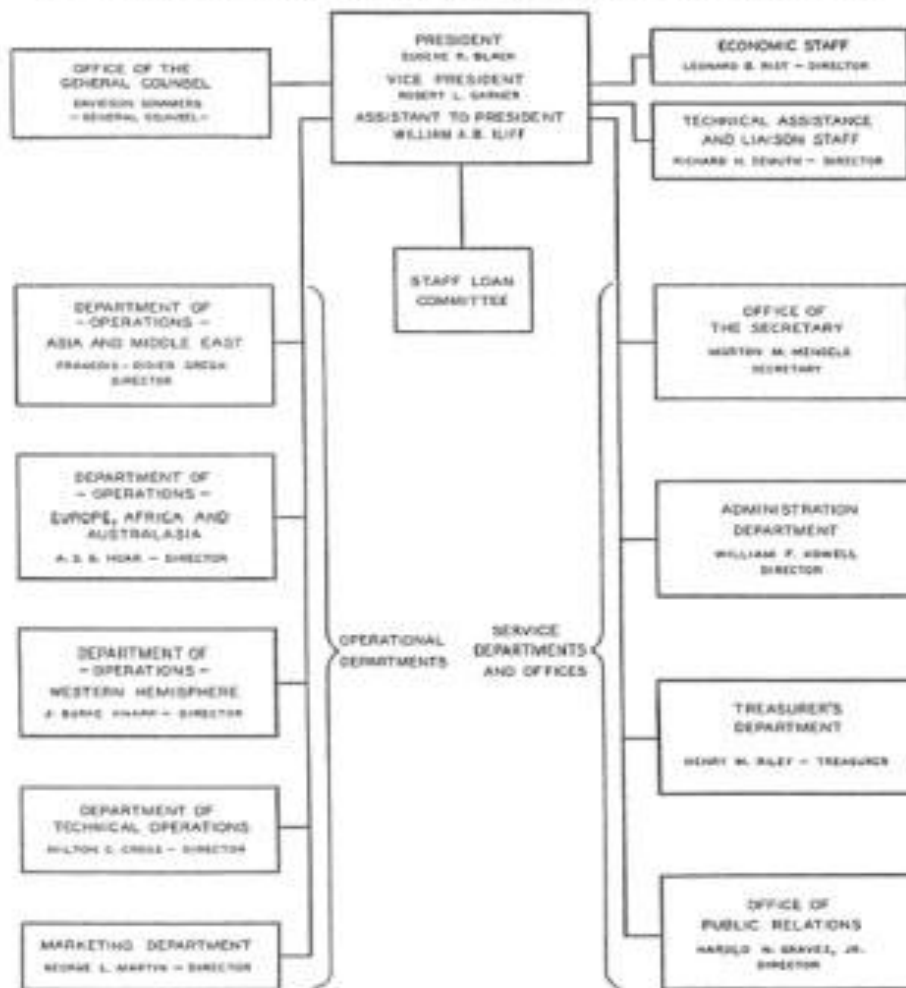
- Operational activities reorganized on geographical rather than functional basis
- Three Area Departments of Operations are created:
  - Asia and Middle East
  - Europe, Africa, and Australasia
  - Western Hemisphere.
- Also created are the Department of Technical Operations, the Economic Staff, and the Technical Assistance and Liaison Staff



## Organization of Staff

As of December 31, 1953

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



*The organizational structure of the World Bank after the 1952 reorganization.*

*First IFC Investment, June 20, 1957*

- IFC makes its first investment: \$2 million in Siemens do Brasil to expand manufacturing



#### *First Aid Consortium, August 25, 1958*

- In the wake of a deterioration in India's balance of payments, the first meeting of the India aid consortium takes place in Washington, with attendance by representatives of the governments of Canada, Germany, Japan, the United Kingdom and the United States
- Establishment of Indian Consortium, and the subsequent one for Pakistan (1960), was the beginning of the various aid groups and consortia



*Standing: Mr. Georges R. Delaume of the Legal Department of IDA. This credit was both the first Bank Group funding for Tunisia, as well as the first Bank Group funding for education.*

#### *First IBRD Capital Increase, September 16, 1959*

- Bank authorized capital increased from \$10 billion to \$21 billion
- First of several subsequent capital increases

#### *The Bank's First Computer, November 1960*

- The Bank opens a Data Processing Center with IBM equipment (IBM 407 accounting machine)
- The first task was to transfer the entries on the Bank's financial books to a punch card system of accounting
- The new IBM equipment permitted showing borrowers their statements of accounts in a much more concise and presentable form

#### *Signing the First IDA Credit Agreement, May 11, 1961*

- International Development Association (IDA) provides its first development credit, Credit 0001, totaling \$9 million, to Honduras for highway development and maintenance



*Eugene R. Black President of the World Bank July 1949 – December 1962*

#### *First Bank Group Funding for Education, September 17, 1962*



*Alice A. Brun*



- Also marked the first funding for Tunisia: Credit 0029

*First Female Executive Director, November 1, 1962*

Alice A. Brun of Denmark becomes the first female Executive Director

### **Eugene Black Looks Back**

In a story about Eugene Black in the May 1988 issue of *The Bank's World*, Mr. Black was asked about the most significant events during his presidency. He talked about his involvement in the Middle East, in connection with the Aswan Dam and the Suez Canal. "I spent a lot of time trying to work out the problems between Egypt and the British Government after the Suez Canal [nationalization by Egypt, 1956]...and I was also very much involved in India and Pakistan, the Indus River dispute. I was trying to get the Indian government and the Pakistani government together so that the Indus Basin could be developed...to produce hydroelectric power. That took a very long time [1952 to 1960]. Those were the two most important things, I guess, when I was at the Bank."



*Eugene Black at bat at the 1954 World Bank Picnic.*

### **Two Appreciations**

On May 1, 1988, Eugene Black's 90th birthday, World Bank President Barber B. Conable sent birthday greetings on behalf of the staff. In his letter to Mr. Black he wrote:

"We in the Bank owe you a great debt of gratitude for the pioneering role you played in the formative years of this institution, shaping it and setting standards of excellence which we strive to maintain today.



*Eugene Black the bowler, 1954*

"The Bank has evolved in many ways over the quarter century since you left the office of President. But the profound commitment to the cause of international development with which you imbued this institution remains unchanged and as strong as ever. This is your most treasured legacy to us."





Eugene Black passed away on February 20, 1992. The March 1992 issue of *The Bank's World* reprinted an appreciation of Mr. Black that had originally appeared in *The Independent*, a U.K. newspaper, by Davidson Sommers, who had served as General Counsel and later Vice President under Mr. Black:

"Gene brought some unusual qualities to his World Bank role. In the first place, he was a conservative Southern gentleman—not common in international finance in those days. His regime is sometimes criticized for having been too cautious, but this was necessary to lay the firm foundation on which his successors have built the powerful and widely respected organization that exists today.

"Gene's strength was his remarkable ability to deal with people, to gain their respect and obtain their agreement. Not an administrator nor a conventional bureaucrat or a corporate executive, he was a genius at persuasion and negotiation. He used to say, 'I'm not a policy man, I'm a deal man.' He soon gained for the Bank the confidence of the financial markets in the developed world, and essential task since establishing the Bank's credit was the first step that made all future activities possible. He also earned the confidence of the Bank Executive Directors and of leaders in the developing world by showing real concern for the future of their countries.

"During his tenure, Gene met with heads of government and leading citizens all over the world, but it never changed him. He treated everyone from world leaders to the most junior associate with the same friendliness and charm...

"He established an informal and warm relationship with his staff, earning not only their respect, but also their friendship."

*Eugene Black bids farewell to the World Bank December 1962.*

