Public Capital Exports from West Germany
――the Contribution to the World Bank during the 1950s to early 1960s――

Ayako ISHIZAKA

Ⅰ. Introduction

This research contributes to the historical research of international finance by clarifying the role played by the Federal Republic of Germany (hereafter Germany) through its relationship with the International Bank for Reconstruction and Development (IBRD, it's commonly known as "World Bank") in the international currency system during the 1950s to early 1960s. According to previous studies, Germany was being blamed for its extreme current surplus and was demanded to increase capital exports in order to achieve balance of payments equilibrium. Germany's surplus was criticized and the country faced strong demands to fulfill a "surplus nation's responsibility (Richesse Oblige)"[1]. The expanding gold and foreign reserves in Germany were looked upon as a disruptive force in international cooperation, and the country was requested to bear a fair share of burden for an international cause through capital exports[2].

As a step toward it, in November 1956, the Third President of the IBRD, Eugene R. Black asked Germany for the release of 18% of its contribution in Deutsche Mark (DM). As this fact shows, an approach taken by the IBRD in dealing with Germany was that it requested capital exports from the country. Moreover, in contrast to stagnant private capital exports, large-scale public capital exports via the IBRD took place and provided short- and medium-term liquidity, which characterized capital exports during the 1950s to early 1960s[3]. Liquidity to the IBRD was provided mainly through two methods: as already mentioned, (a) release of the 18% of the DM contribution and (b) short- and medium-term loans from the Deutsche Bundesbank (Bundesbank), the central bank of Germany, at low rates of interest, destined for use in promoting economic development. In as early as 1957, Germany became the second largest contributor of funds to the IBRD behind the United States. With this background, this article clarifies the details of the supply of liquidity through capital exports and the role played by Germany in the international currency system. I focused on the relationship between Germany and the IBRD, and studied (a) circumstances that the country faced at the time of obtaining IBRD membership, (b) the release of 18% of its DM quota contribution to the IBRD,

and (c) credit extended by the Bundesbank to the IBRD as follows.
The supporting materials used in the following sections are mainly from the World Bank Group Archives in Washington, DC, Historical Archives of the Bundesbank in Frankfurt am Main and the German Federal Archives in Koblenz.

Ⅱ. Circumstances that Germany faced at the time of obtaining IBRD membership

Germany became a member of the IBRD in August 1952. The country was the 53rd member and ranked sixth among the member countries in the size of quota contribution, with $330 million. At that time, the IBRD was going through a shift in the nature of its operations from reconstruction to development under its President Black, and Germany was experiencing improvements in its current account balance after the foreign exchange crisis that started in October 1950[4]. Observing the end of the Marshall Plan aid also, the country anticipated that the IBRD would provide credit to expellees, credit for financing raw material imports, and financial support for military expansion[5]. The London Debt Agreement was signed in February 1953, specifying ways to comprehensively deal with Germany's external debts that had been treated as defaulted before the Second World War, especially during the period starting in the 1930s, and debts arising from assistance for economic recovery that was provided during the postwar occupation period. With great anticipation, Germany regarded the Agreement as a milestone toward its reintegration into the world economy, a precondition for regaining the convertibility of the Deutsche Mark, and a step toward recovering trust in the German capital market[6].
In the first half of 1953, a mission from the IBRD made two visits to Germany to study present economic conditions and the possibility of the Bank lending. The country accepted investigative missions from the IBRD and held a series of discussions on IBRD loans. During the second visit, the President Black also spent a short time in Germany and met officials of the German Federal Government and members of the investment community[7]. In June 1953 discussions were begun between the Government and the IBRD about the possibility of Bank loans to the two projects; *Industriekreditbank* for the reequipment of certain export industries (Amount: $20 million, Duration: 10 years), and a steel industry *August Thyssen Hütte* for the construction of a cold strip rolling mill ($10 million, 15 years)[8]. The German Government, however, withdrew its request for loans for these two projects, when it became clear that the dollar requirements were much less than had originally been expected and were not sufficient magnitude to require Bank assistance. Import from the dollar zone for the two projects were considerably smaller than was envisaged earlier (for Industriekreditbank:

$3,25 million, for August Thyssen Hütte: $6,00 million)[9]. Germany had already experienced current account surpluses in the European Payments Union (EPU) and was considering measures for reducing them. The two loan projects involved more imports from the EPU than from the dollar zone and could not be considered as large-scale projects for importing from the dollar zone, which was not compatible with Germany's intention[10]. As a result, the country gave notification of its withdrawal from the project in February 1954. The IBRD also fully appreciated Germany's argument in view of its large surplus in EPU, a loan in an EPU currency would not be in line with its aim to reduce that surplus. Vice President of the IBRD, Robert L. Garner, understood Germany's wish not to pursue the loan negotiations on the two projects in question and sorried for reasons beyond control[11].

Ⅲ. The release of 18% capital subscription funds of the Deutsche Mark contribution to the IBRD

It was the major challenges for President Black was to find usable capital for the IBRD's operations. He spent much time to the task of promoting the credit of the IBRD and its access to the United States capital market at the first time[12]. Black also worked toward obtaining the release of the so-called 18% portion of members- subscriptions - the portion that could be paid to the IBRD in the member's own currency. The IBRD elaborated on the paid-in capital subscriptions by member-governments and the rules govering their release and use; the 2% paid in gold or dollars and the 18% normally paid in the currency of the member. The IBRD encouraged its members to release the 18% paid-in subscription portion and the reluctance of some governments, unlike the United States, did so in small amounts. The IBRD sought capital markets abroad outside of the United States to sell its bonds; the exchange markets and the IBRD's stand on exchange risks; and international competitive bidding. Robert W. Cavanaugh, who came to the IBRD in 1947 as chief of the Finance Division and became Treasurer in 1959, covered in detail currency issues such as the restrictions of some member countries in making their currencies available to the IBRD, the interest rate as a primary factor in the various currencies used to finance loans, the IBRD's loan regulations and development of policies covering disbursements including, currency to be loaned, loan repayments, charges and interest rates, and loan maturities[13]. It had been the IBRD's consistent policy to attempt to obtain authorization from each of its member countries for the free utilization of its 18% subscription for the Bank's operations[14]. Black worried about the lack of non-dollar funds, fearing that the IBRD would become a "dollar bank". The issue of the release of 18% of quota was seriously considered between 1946 and 1958 as the convertibility of European countries' currencies was yet to be recovered. Eventually the European postwar recovery and the accumulation of large dollar balances outside the United States in the late 1950s made it possible for a growing number of members to agree to a fully convertible release of their 18% subscriptions[15]. These currencies derived from the 18% of subscriptions were loaned by the IBRD, and funds received by the IBRD out of such currencies were exchanged for other currencies or reloaned. The IBRD held also non-member currencies; Swiss francs and Afganistan afghanis.

During the 1951-52 mainly the Central and South American member countries, for example, Ecuador, El Salvador, Guatemala, Honduras, Mexico and Paraguay have released all or part of their 18% capital subscriptions for the purchase of goods in their respective territories. Canada, the United Kingdom and the United States have agreed that the IBRD may relend all their 18% funds which are repaid by borrowers or recovered through sales from portfolio. Canada and the United States, and to a limited extent France and the United Kingdom, have agreed that funds released by them may be converted into various currencies to cover the cost of goods purchased in other countries. But there are still large amounts of 18% currency which the IBRD has not yet received permission to use[16].

As in the case of Germany, immediately after the country became a member, the IBRD requested to allow the use of 20 million DM for this credit to Yugoslavia. The IBRD forced the issue by making assistance to Yugoslavia contingent on the availability of 18% releases. The IBRD expressed the ability to use the currencies of its European members was of great value to the Bank, because it broadened the scope of its lending and emphasized the international character of the institution[17]. At the 1953 IBRD Annual Meeting, Germany announced reluctantly that the country would release 18% of its quota contribution because of its strained budgetary position, 249 million DM, over ten years, starting on July 1, 1954 and released 136.18 million DM by May 1957. The average percentage of the release by 8 European member countries was a mere 1.31% at that time. The amount that Germany was requested by the IBRD was above average[18].

Additional release of 18% capital, however, used or allocated to loans totaled $129 million during the 1955-56. These releases came mainly from European member countries, the largest contributions being made by Germany[19]. Germany agreed to release $56 million, representing the whole balance of 18% subscription, on a freely convertible basis but not all of this is as yet available for use since the release is to be made in stages over a period of years. This had been attractive for the IBRD because it could use the Deutsche Mark not only to make loans to countries needing capital goods from Germany, but also to have a more favorable foreign exchange position since the Deutsche Mark practically had a convertibility function[20]. On the other hand, the importance of the IBRD for Germany lied especially in that German industry was able to supply development projects financed by the IBRD[21].

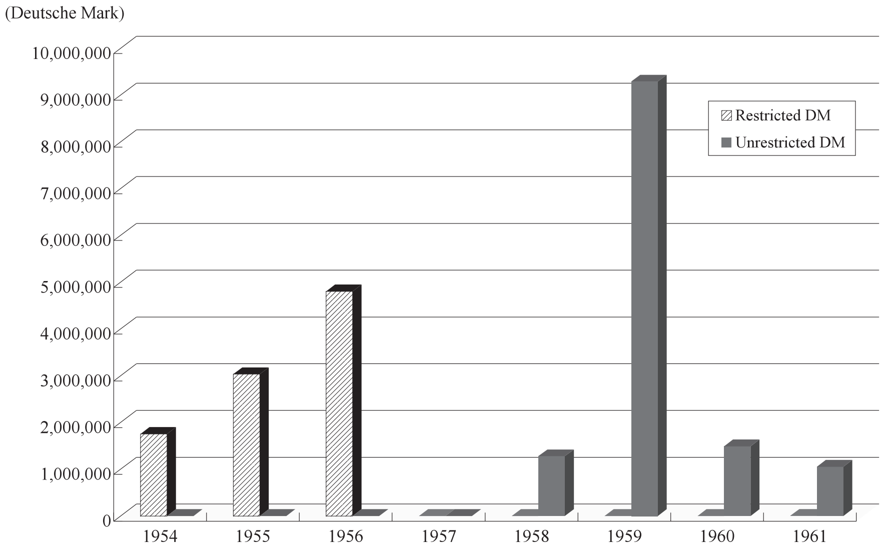

Figure 1　Statement of the Deutsche Mark Held by the IBRD（Financial Years ending June 30）

There was no mention of the Unrestricted DM for financial years from 1954 to 1957.
[Source]: International Bank for Reconstruction and Development, *The Annual Report*, Washington, DC, Appendix C, 1954-1961.

Whenever the amount due in DM to German exporters by the IBRD exceeded that of 18% capital released by Germany, the IBRD had to purchase another currencies（United States and Canadian dollars, Swiss francs and EPU currencies）from the central bank of Germany. Deutsche Mark shortage was serious for the IBRD (See Figure 1). Germany was asked to promptly release the remaining amount at the Organization for the European Economic Cooperation（OEEC）ministerial meeting held in November 1956 in connection with measures to reduce Germany's current account surpluses. Black also made a strong request for the release[22]. The IBRD needed a substantial amount of Deutsche Marks because developing countries receiving IBRD loans wanted capital goods from Germany. Moreover, as the Deutsche Mark practically regained its convertibility, the IBRD was hoping to acquire such a convertible currency as much as possible in order to obtain the currencies of other countries[23]. The utilization of the Deutsche Mark was attractive in terms of improving the foreign exchange position of the IBRD[24]. The rest of the 18% was given to the IBRD during the 1957-58 period in semiannual payments[25].

Ⅳ. The Credit to the IBRD from the Deutsche Bundesbank at the end of 1950s and the beginning of 1960s

Germany's involvement with the IBRD was not limited to the release of 18% of its quota contribution. Another increasingly significant source of funds in the 1950s was the sale of participations in Bank loans or of part of the Bank's loan portfolio. As the fiscal agent of the German Government, the Bundesbank extended credit to the IBRD. The so-called "Billion Loan" was granted to the IBRD by the Bundesbank in the summer of 1960 when the fact emerged that during the period from the end of 1959 to the end of 1960 the monetary reserves of the Bundesbank would increase by about 7 to 8 billion DM. The German balance of payments was persistently running considerable surpluses, although the German economy at the same time suffered from excess demand and overheating of the economy. No end of the exchange influx was perceivable at that time[26].

After the United States, Germany has become the chief lender to the IBRD, providing capital for investment in developing countries. Germany was in fact the largest single source of borrowed funds during the year of 1958-1959 (see Table 1). Allmost of the credit from Germany were made during the year of 1957-1960[27]. According to the Annual Report of the IBRD, the first transaction was for $40 million for three years at 2.5%, a replacement of a maturity of the same amount due on a previous loan. The Bundesbank made three more loans to the IBRD ; one was of DM 200 million (approximately $47.6 million), in the form of three-

Table 1 Credit to the IBRD from the Deutsche Bundesbank 1956-1971 (in Million US Dollars)

Year (at the end of December)	US Dollars	Deutsche Mark	Sum total (in Million Deutsche Mark)
1956	17,5	-	73,5
1957	192,5	-	808,5
1958	267,5	200,0	1323,5
1959	328,5	200,0	1579,7
1960	299,0	500,0	1755,8
1961	411,0	900,0	2544,0
1962	408,0	900,0	2532,0
1963	403,0	900,0	2512,0
1964	388,0	960,0	2512,0
1965	345,75	1135,0	2518,0
1966	323,75	1183,0	2478,0
1967	305,75	1231,0	2454,0
1968	257,75	1423,0	2454,0
1969	184,725	1449,5	2125,6
1970	114,725	1897,8	2317,7
1971	53,375	2191,3	2363,3

* US $ credit were converted into Deutsche Mark as follows ;
From 1956 to 60 : 1US$ = DM4.20
From 1961 to 68 : 1US$ = DM4.00
From 1969 to 70 : 1US$ = DM3.66
1971 : 1US$ = DM3,2225

[Source] : J120, Stand der Bundesbankkredite an die Weltbank, 11. April 1968 and J110, Entwicklung der Bundesbankkredite an die Weltbank, 28. November 1972, in : Historisches Archiv der Deutschen Bundesbank (HADB)/B330/34591.

year notes at an interest rate of 3%. The second was of $58 million in three-year 3.875% notes. Of this sum, $25 million was a replacement of expiring one-year notes maturing on aprevious loan. The third was the issue of 25 million of three-year 4.5% notes payable to the Bundesbank to replace an equal amount maturing on June 20, 1959[28]. The result of the year's transactions in Germany in 1959 was to put the outstanding total of Bank borrowing there at a total equivalent to $365.4 million, of which $283 million were obligations in United States dollars and the remainder in Deutsche Marks.

In addition, the IBRD made its first bond issue on the German investment market, selling a total of DM 200 million of fifteen-year 5% bonds in 1959. The issue was sold through a syndicate of more than 70 German banks, headed by the Deutsche Bank A. G., as the principal manager and the Dresdner Bank A. G. as co-manager. The issue was heavily oversubscribed and was noteworthy not only for the demand in Germany, but also for the volume of orders received by the underwriters from other European countries. The development of the capital market in Germany was very slow in the early 1950s, and the market was limited to the debt market for domestic participants mainly through bank transactions. However, in 1958, the capital market was vitalized due to a rapid increase in the saving rate which had started in 1956. In October 1958, the first postwar foreign bond was issued, and the interest rate in the long-term capital market dropped to 5.2% by April 1959. With the decline of the interest rate to the same level observed in other Western European countries, Germany's capital market was expected to play a role in international capital transactions.

It was very remarkable that all borrowings during the year of 1959-1960 took place outside the United States, with Germany continuing for the third consecutive year to be the largest single supplier of borrowed funds for the IBRD. The first borrowing was on July 1 1959, when the IBRD borrowed $30 million in U. S. dollars from the Bundesbank for three years at 4.5%. This borrowing replaced one of the same amount maturing on that day. The first borrowing of 1960 was once again from the year took place on February 9, 1960, the Bundesbank, making the IBRD's 9th underwriting group of 181 investment and commercial borrowing from that institution. On January 20 the IBRD arranged to borrow DM 200 million (=$48 million), drawings to be made from time to time over 12 months beginning January 31, 1960 in installments of DM 5 million or multiples thereof. On the occasion of each drawing the IBRD arranged to deliver a 4.75% three-year note in the amount drawn. And the final borrowing transaction of the year was of $25 million from the Bundesbank, to replace a loan of the same amount maturing on June 20. The borrowing was for 2.5% years, at 4%. It was announced on the same occasion that the Bundesbank had agreed to renew a note for $30 million, maturing on July 11, 1960, for a further three years at 4%[29]. In July 1960 the IBRD borrowed $30 million in U. S. dollars from the Bundesbank to replace a maturing issue. In August 1960 the Bank arranged to borrow from the Bundesbank the equivalent of $245 million, half in U. S. dollars and half in Deutsche Marks, the second largest borrowing in the IBRD's history, and, with final maturities of 12 years, much the longest loan yet arranged with the Bundesbank. Later in the year the IBRD replaced $353 million of its medium-term obligations held by the Bundesbank with two new tranches of serial Notes of longer maturities. Interest rates for the year's borrowings from the Bundesbank varied from 4.5% for the longest to 3.5% for one of the medium-term Note issues[30].

How were the funds provided by Germany utilized by the IBRD ? Also, how Germany was related to IBRD loans during the second half of the 1950s and the early 1960s ? According to an official report titled "*Germany and the World Bank*" and prepared by the IBRD European bureau in 1962[31], the IBRD loans that involved Germany centered on projects in Asian and Latin American countries for energy supply, railroads, harbor development, and industrial machinery (See Table 2). For instance, four railroad projects were conducted in India starting in 1958, with the largest receiver of funds being the Industrial Credit and Investment Corporation of India (ICICI). Notably, beginning in 1960, more than 50% of the total amount of loans for these projects was based on funds supplied by Germany. Due to Germany's involvement with such projects its exports further expanded, which contributed significantly to the growth of relevant German firms. Approximately $34 million went to German firms associated with the Indian railroad projects.
Since the establishment of the IBRD, United States dominance had been obvious in terms of supplied funds; however, Germany significantly increased its presence with the release of 18% of its quota contribution and credit from the Deutsche Bundesbank. This can be clearly seen in countries' share of the loans. The United States share of the total amount of the IBRD loans made by 1953 was 68.5%, whereas the German share was a mere 2.3%. However, as of 1957, the United States share declined to 44.3% while the German share jumped to 18.7% (See Table 3).

V. Conclusion

It is notable that Germany's public capital exports through the IBRD were integrated into international flows of funds and provided short- or medium-term liquidity to various nations. Germany contributed to the building of additional infrastructure in developing countries through the provision of funds to the IBRD rather than bilateral direct government investment. Germany supported the IBRD by release of its 18% capital subscription. This had been attractive for the IBRD because it could use the DM not only to make loans to

Table 2 IBRD Loan which German Share was over 25 percent*

Loan No.	Country	Datum (month/year)	Economic Sector	Paying Out (mill. $)	German Share (mill. $)	German Share (%)
85	Turkey	9/53	Industrial Development (IDB)	8,96	7,5	84
154	Nicaragua	11/56	Electric energy (Managua)	1,6	1,2	76
122	Nicaragua	7/55	Electric energy (Fomento)	0,4	0,29	73
28	Turkey	7/50	Harbours	12,5	8,2	66
118	Austria	6/55	Electric energy (Vorarlberger Illwerke)	10,0	6,26	62
210	Malaysia	9/59	Electric energy (Cameron Highlands)	14,9	9,03	61
208	Peru	9/58	Harbour (Calao)	2,9	1,72	59
269	India	10/60	Industrial Development (ICICI)	4,6	2,6	57
34	Turkey	10/50	Industrial Development (IDB)	8,7	4,88	56
274	Burma	1/61	Railway	2,48	1,34	54
83	Chile	9/53	Cellulose and Paper	20,0	10,1	51
152	Uruguay	10/56	Electric energy (Baygorria)	24,9	12,7	51
164	India	5/57	Electric energy (Tata)	9,3	4,6	49
203	India	7/58	Electric energy (DVC)	19,6	9,56	49
228	South Africa	6/59	Railway	11,6	5,69	49
139	Burma	5/56	Railway	5,4	2,58	48
129	Pakistan	6/55	Electric energy (Karachi ESC)	13,8	5,9	43
199	India	6/58	Harbour (Madras)	5,8	2,5	43
232	India	7/59	Industrial Development (ICICI)	5,67	2,43	43
172	Chile	7/57	Coal Industry (Lota)	7,2	3,04	42
106	India	11/54	Electric energy (Tata)	13,4	5,44	41
142	Finland	5/56	Electric energy	15,0	5,89	39
109	India	11/57	Industrial Development (ICICI)	9,56	3,75	39
191	Pakistan	7/57	Electric energy (Karachi ESC)	9,7	3,77	39
140	Burma	3/52	Harbour (Rangun)	13,0	5,06	38
182	India	1/59	Steel Industry (Tata)	32,5	11,65	36
171	Chile	7/57	Coal Industry (Schwager)	4,8	1,64	34
60	Pakistan	3/52	Railway	27,2	8,95	33
217	Colombia	1/59	Electric energy (Endesa)	3,96	1,22	31
126	Pakistan	8/55	Harbour (Karachi)	12,5	3,5	28
236	Pakistan	9/59	Industrial Development (PICIC)	4,5	1,25	28
153	Chile	11/56	Electric energy (Endesa)	15,0	4,07	27
185	Pakistan	11/57	Industrial Development (PICIC)	9,7	1,08	27
254	Costa Rica	4/60	Equippment for small Industry	1,63	0,49	27
243	Egypt	12/59	Improvement of Suez Canal	50,0	12,98	26

* This table excluded the Loan which paid out fully before 1958.
Paying Out, German Share (mill. $) : as of September 30, 1962.
[Source] : Internationale Bank für Wiederaufbau und Entwicklung, Europäisches Büro, *Deutschland und die Weltbank*, Paris Dezember 1962, Anhang II : Einige Deutsche Wertbewerbserfolge, S. 6.

countries needing capital goods from Germany, but also to improve its foreign exchange position since the DM practically had a convertibility function. IBRD operations increased the chance of German export industry. Exports of German capital were conducted through the IBRD in such a large-scale manner, which led to increased utilization of the DM. It can be said

Table 3 Loan Expenditures in the United States and Germany (Financial Years ending June 30, Estimates rounded to equivalent in millions of United States Dollars)

Disbursements by borrowers for import from:	Cumulative total through 1953: Amount (%)	1954	1955	1956	1957	1958	1959	1960	1961
United States	724.5 (68.5%)	128.5 (50.7%)	129.3 (54.0%)	114.9 (50.5%)	102.7 (44.3%)	142.8 (38.8%)	125.8 (21.6%)	93.8 (29.0%)	79.3 (19.8%)
Germany	24.7 (2.3%)	22.9 (9.0%)	15.3 (6.4%)	32.0 (14.1%)	43.1 (18.7%)	63.3 (17.2%)	69.2 (11.8%)	50.6 (15.6%)	45.1 (11.3%)
Totals	1057.5	253.3	239.5	227.5	231.6	368.5	582.6	323.0	398.5

[Source]: International Bank for Reconstruction and Development, *The Annual Report*, Financial Operations, Washington, DC, 1954-1961.

that with this type of capital exports Germany supplied and circulated dollars for international settlements.

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Note

1 For example, Otmar Emminger, 'Deutsche Geld- und Währungspolitik im Spannungsfeld zwischen innerem und äußerem Gleichgewicht: 1948-1975', in: Deutsche Bundesbank (Hrsg.), *Währung und Wirtschaft in Deutschland 1876-1975*, Frankfurt/M. 1976, S. 485-552; Otmar Emminger, *D-Mark, Dollar, Währungskrisen*, Stuttgart 1986; Carl-Ludwig Holtfrerich, 'Geldpolitik bei festen Wechselkursen (1948-1970)', in: Deutsche Bundesbank (Hrsg.), *Fünfzig Jahre Deutsche Mark*, München 1998, S. 347-438. As a recent study, Heide-Irene Schmidt, 'Pushed to the Front: The Foreign Assistance Policy of the Federal Republic of Germany, 1958-1971', in: *Contemporary European History*, 12, 4 (2003), pp. 473-507.

2 Pressures on Germany to facilitate the investment of capital became greater and greater. As Otmar Emminger, German Executive Director at the IMF and member of the Board of Managers in charge of international finance at the central bank of Germany, recollected at that time, capital exports were promoted as a measure to avoid the revaluation of the Deutsche Mark and the German surplus problem was the midwife for a systematically planned development policy. He thought that capital exports were not beneficial to the German economy though they were understood to be a magic wand that would correct balance-of-payments disequilibrium. However, an article in 1958 pointed out that two highly significant changes in Germany, that is, the lowest bank rate since the currency reform of June 20, 1948 and the abolishment of the Liberalised Capital Mark (Libka-Mark) on July 1, 1958, marked the entry of Germany into that very select group of countries, exporting capital of their own for investment abroad ('Germany Starts Lending

Abroad', in: *Statist*, July 5, 1958, pp. 13-14). Furthermore, according to Schmidt, Emminger's assessment ignores the fact that German foreign aid in the late 1950s had already quietly equaled and even surpassed the US level of aid as a percentage of GDP. Schmidt, 'Pushed to the Front', p. 479.

3 Otmar Emminger, 'BRD und internationale Kreditinstitutionen', in: *Der Volkswirt*, Beilage zu Heft 41 vom 11. Oktober 1958, S. 34-37.

4 Statement on the Bank's Annual Report by Dr. Ludger Westrick, September 9, 1953, in: Bundesarchiv Koblenz (BA)/B136/3339.

5 'Wir sind der jüngste Großaktionär der Weltbank, Die Bundesrepublik als Mitglied der internationalen Finanz-Institute von Bretton Woods', in: *Süddeutsche Zeitung*, 3. September 1952.

6 Christoph Buchheim, 'Rückkehr in die Weltwirtschaft, Das London Schuldenabkommen von 1953', in: *Frankfurter Allgemeine Zeitung*, 23. September 2003.

7 IBRD, *The Annual Report to the Board of Governors* (*The Annual Report*), 8th (1952-53), Washington, DC, pp. 24-25.

8 IBRD, *The Annual Report*, 9th (1953-54), p. 23.

9 Robert L. Garner to Ludwig Erhard, March 1, 1954, in: BA/B102/26251.

10 Bundesminister für Wirtschaft an Herrn Präsident Black, 10. Februar 1954, in: BA/B102/26251.

11 Robert L. Garner to Ludwig Erhard, March 1, 1954, in: BA/B102/26251.

12 From its first bond issuance in 1947, the IBRD had enjoyed favorable credit ratings in the United States investment market. When the European capital markets shown sign of postwar revival, Black started a marketing campaign also in Europe. In 1950 the Paris and Amsterdam stock exchanges started trading the IBRD's dollar bonds. Throughout the early 1950s, an increasing number of banking institutions abroad began investing in the IBRD's securities. World Bank Group Archives, Eugene Robert Black, 3rd President of the World Bank Group, 1949-1962, available at http://go.worldbank.org/PS9VQX6CN0 (last visited 28 September 2010).

13 Transcript of Interview with Robert W. Cavanaugh on July 25, 1961, in: World Bank Archives/Oral History Program.

14 IBRD policy with respect to 18% lending, March 18, 1953, in: World Bank Group Archives/A1994-128/Other#: 35Box#167255B, Germany: IBRD Capital -Use of 18%-1952-1954.

15 World Bank Group Archives, Eugene Robert Black, 3rd President of the World Bank Group, 1949-1962, available at http://go.worldbank.org/PS9VQX6CN0 (last visited 28 September 2010).

16 IBRD, *The Annual Report*, 7th (1951-52), p. 37.

17 Robert L. Garner to Ludwig Erhard, March 9, 1953, in: World Bank Group Archives/A1994-128/Other#: 35Box#167255B, Germany: IBRD Capital -Use of 18%-1952-1954.

18 Betr. Freigabe der deutschen DM-Subskription bei der Weltbank, der Bundesminister für Wirtschaft an Staatssekretär des Bundeskanzleramtes, 30. Oktober 1952, BA/B136/3339.

19 IBRD, *The Annual Report*, 11th (1955-56), p. 14.

20 Eugene R. Black, 'Deutschland und die Weltbank', in: *Europa-Archiv*, 20. März 1955, S. 7389-7392; Record of a meeting held in the Treasury in Sir Roger Makins' Room on Monday, 19th

November 1956, in: World Bank Group Archives/209324B/Records of President E. R. Black, Box No. 4.

21 Wolfdieter Wabnitz, 'D-Mark für die Weltbank, Der Einsatz der deutschen 18%-Quote', in: *Aussenhandelsdienst*, 9 (1955), Nr. 48, S. 3; Werner Ballmann, 'Die Stellung Deutschlands in der Weltbank', in: *Wirtschaftsdienst*, 37 (1957), Heft 4, S. 204-210.

22 Europäische Wirtschaftsrat (OEEC), Paris, 15. November 1956, C (56) 239, Die Wirtschaftslage in den Mitgliedsländern Bericht der Ministeriellen Arbeitsgruppe an den Rat, in: Historisches Archiv der Deutschen Bundesbank (HADB)/N2/K520.

23 Hans Möller, 'Die Beziehungen der Bundesrepublik zum Internationalen Währungsfonds und zur Internationalen Bank für Wiederaufbau und Entwicklung', in: *Europa-Archiv*, Jg. 9, 20. Oktober 1954, S. 6959-6964.

24 Otto Donner, 'Die Weltbank und Deutschland', in: *Zeitschrift für die gesamte Staatswissenschaft*, Heft1, 112 (1955), S. 3-19.

25 Vermerk für die Kabinettssitzung am 16. 5. 1957, Betr. Freigabe des Restes der deutschen 18%-Quote an der Weltbank, Referat 6 (BWM), Dr. Praß, in: BA/B136/3339.

26 Notes for German comments on question II/3 of O. E. C. D., DAC/AR (67) 2/01, in: HADB/B330/34591.

27 Federal Economic Minister, Erhard favoured a co-ordinating role for the IBRD because its 'sound' lending policy was highly regarded by Germany. Schmidt, 'Pushed to the Front', p. 476.

28 IBRD, *Annual Report*, 14th (1958-1959), The year's borrowing, pp. 13-14.

29 IBRD, *Annual Report*, 15th (1959-1960), The year's borrowing, pp. 13-14.

30 IBRD, *Annual Report*, 16th (1960-1961), The year's borrowing, pp. 11-13.

31 Internationale Bank für Wiederaufbau und Entwicklung, Europäisches Büro, *Deutschland und die Weltbank*, Paris 1962, S. 6.