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Washington, D.C.

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Bank Administration and Policy : Conference on International Economic Cooperation
[CIEC] - 1975 / 1977 Correspondence - Volume 1

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This file is closed as of 30. SEPTEMBER 1976

For further correspondence, please see VOL. II.

RECORDS MANAGEMENT SECTION

September 30, 1976

Mr. Mohan Malhotra
Programa De Las Naciones Unidas
Para El Desarrollo
Quito - Ecuador
Apartado 4731

Dear Mr. Malhotra:

Following your request of August 26, 1976, I am pleased to attach a copy of the statement made by the World Bank at the CIEC meeting of July 1976 on "Energy Development and the World Bank."

Yours sincerely,

Efrain Friedmann
Energy Advisor
Energy, Water and Telecommunications

EF EFriedmann:sw
attachment

CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION

COMMISSION ON ENERGY

file C1EC

ENERGY DEVELOPMENT AND THE WORLD BANK

Statement by the World Bank Observer, July 1976

Energy Development and The World Bank

Statement of World Bank observer before the Energy Commission,
fifth session, Conference on International Cooperation and Development,
Paris, July 12-16, 1976.

Mr. Chairman,

1. The World Bank is grateful for the invitation from this Commission to participate in its work as observer. In response to your and your colleague's request for information, I am glad to offer the following remarks. I understand that two questions have been raised in the June session which concern the World Bank: first, information on the Bank's project lending and other activities in the energy field; and second, the capital requirements of energy development in oil-importing developing countries. As the latter is a complex matter, I am making available some background papers^{1/} prepared by the staff members of the World Bank on investment estimates for energy development and on prospects for international energy and petroleum. In addition, I am circulating another paper^{2/} on financing of energy in developing countries prepared by a staff member of the Bank in his personal capacity. I trust that this background information will be of some help to the Energy Commission in its current deliberations.

2. World Bank operations in energy are part of the Bank's general lending activities for economic development. Therefore, energy lending is influenced by the policies and priorities which the Bank has for all individual sectors and countries.

1/ "Energy and Petroleum in Non-OPEC Developing Countries, 1974-1980," World Bank Staff Working Paper No. 229, February 1976, "Price Prospects for Major Primary Commodities," annex on Energy and Petroleum, July 2, 1976.
2/ "Financing Energy in Developing Countries," Energy Policy, March 1976.

3. Lending for energy projects is an important part of all Bank operations. Since its creation, the World Bank has lent a total of \$8.8 billion for energy projects, particularly in electric power, but also coal mining, and oil and gas transportation and processing.^{1/} Energy development represents one-fifth of all Bank financing.

4. In the power sector the Bank has made 297 loans and is by far the major source of financial support, accounting for more than the combined lending of all other official multilateral and bilateral banks. In the fossil fuel sector the Bank has been involved in 14 projects for oil and natural gas (mostly consisting of pipeline projects) and 4 for coal development. Lending for energy development projects other than electric power totals \$600 million.

5. A total of 69 countries have received finance from the World Bank for energy projects and 25 of them have borrowed at least \$100 million. The three major recipients are Brazil (over \$1 billion), India (over \$750 million), and Mexico (over \$700 million).^{2/} In line with its general policies, the World Bank Group has increasingly shifted its assistance to the lower-income developing countries, and to the low-income groups in the middle-income developing nations. Its power projects are now allocating larger investments for rapid expansion of energy supply to the rural and urban poor.

6. Besides project finance, the World Bank has provided technical assistance in the energy sector. In-depth energy sector studies have been carried out since 1974 in six countries with complex energy patterns.

^{1/} Annex table 1.

^{2/} Annex table 2.

Studies have been commissioned with consultants to update information on the petroleum, coal and geothermal potential of LDCs. Desk reviews of technological developments have been undertaken (e.g., bio-gas, solar heaters, solar cells, windmills). Feasibility studies regarding the use of these technologies under specific conditions are planned.

7. The Bank staff analyzes and projects the probable behavior of energy consumption, production and trade. (This analytical work is embodied in annual papers which are distributed to the World Bank's Executive Directors and hence are available to the member governments). Within its regular program of country-economic reports, the Bank also analyzes increasingly the role of energy in individual economies, particularly in those countries which are substantial oil-importers or exporters.

8. As a provider of scarce multilateral development capital, the World Bank has to concentrate its resources on those projects for which alternative financial sources are inadequate. It is its responsibility to devote special attention to those sectors which have comparative difficulty in mobilizing sufficient development capital. Thus, the World Bank has increasingly emphasized agriculture, rural development, and projects for alleviation of poverty among the poorest elements of society. The Bank's operation in the energy sector should be viewed in this context.

9. Within the energy sector, the Bank has concentrated its assistance for energy development on power projects.¹ This concentration

reflects the fact that power expansion takes up more than half (usually two-thirds) of all capital investments in energy production.

10. The Bank has not assisted petroleum production in the past for two main reasons: the economic justification for petroleum investments in most developing countries was marginal at a time when international prices were low and supplies increasingly abundant; and where the economic justification was not in doubt, finance was available from other sources. In view of the change in the oil situation in recent years, the Bank is trying to help developing countries make the structural adjustments necessitated by increased energy costs. The Bank is not opposed in principle to financing oil and gas production and is ready to consider project proposals on their merits and in accordance with its customary criteria.

11. The Bank recognizes the need for increasing exploration in developing countries. However, exploration involves high financial risks. The problem of financing exploration will no doubt receive considerable attention in your deliberations. There are many ways of resolving it, and different solutions are needed to allow for the physical character and political preferences of each nation.

12. The Bank is also paying increasing attention to alternative energy sources which may play a significant role in oil-importing developing nations. These include fuels which have not hitherto been commercially exploited, as well as new technologies like solar energy. The Bank is engaged in several small research projects in cooperation with interested developing nations.

13. Finally, in the general framework of Bank economic and policy advice to developing nations, an increasing number of energy sector studies will be carried out. They will provide guidance on energy planning, institutions, pricing, project selection, and other matters of importance to the needs of especially the oil-importing developing nations.

Thank you, Mr. Chairman.

JVoorhoeve:sh
July 9, 1976

Table 1

WORLD BANK GROUP LENDING
FOR ENERGY PROJECTS BY PURPOSE

Past Lending Fiscal Years 1948 - 1976		
	<u>Projects</u>	<u>Amount US\$ Million</u>
<u>Power</u>	297	\$8,197
<u>Pipelines</u>		
Gas	8	206
Oil	<u>4</u>	<u>151</u>
Sub-total	12	357
<u>Industry</u>		
Coal Mining	4	70
Gas Liquefaction	<u>1</u>	<u>20</u>
Sub-total	5	90
<u>Ports and Shipping</u>		
LNG Port	1	70
Tankers	<u>1</u>	<u>83</u>
Sub-total	2	153
<u>TOTAL</u>	<u>316</u>	<u>\$8,797</u>

July 2, 1976

Table 2

WORLD BANK GROUP LENDING FOR ENERGY PROJECTS
BY RECIPIENT COUNTRY, FISCAL YEARS 1948-1976

	POWER		OIL, GAS, AND COAL		Use	TOTAL	
	Amount (US\$ Millions)	Number of Projects	Amount (US\$ Millions)	Number of Projects		Amount (US\$ Millions)	Number of Projects
Brazil	\$1030.1	27				\$1030.1	27
India	624.5	15	\$137.5	3	Tanker (1) Coal Mining (2)	762.0	18
Mexico	714.8	12				714.8	12
Colombia	350.1	16				350.1	18
Turkey	336.4	10				336.4	10
Yugoslavia	205.0	4	108.4	07	Pipeline	313.4	6
Argentina	292.0	4				292.0	4
Iran	211.0	4	32.0	1	Pipeline	243.0	5
Pakistan	124.7	6	116.2	5	Pipeline	240.9	11
Zambia	240.9	5				240.9	5
Malaysia	236.0	7				236.0	7
Thailand	232.1	7				232.1	7
Indonesia	232.0	5				232.0	5
Nigeria	202.5	4				202.5	4
Algeria	48.5	2	140.5	3	Pipeline (1) LNG Port (2)	189.0	5
Japan	178.2	9				178.2	9
Philippines	163.7	6				163.7	6
China	149.5	2				149.5	2
Chile	132.1	6	14.9	2	Coal Mining	147.0	8
Venezuela	140.0	4				140.0	4
Romania	110.5	2				110.5	2
Kenya	86.0	2	20.0	1	Pipeline	106.0	3
Syria	105.6	3				105.6	3
Peru	102.5	5				102.5	5
Australia	100.0	1				100.0	1
Norway	95.0	4				95.0	4
South Africa	94.0	4				94.0	4
Costa Rica	90.3	5				90.3	5
Uruguay	82.0	4				82.0	4
Austria	81.6	6				81.6	6
Honduras	80.1	6				80.1	6
Bolivia	53.4	5	23.0	1	Pipeline	76.7	6
Panama	76.0	3				76.0	3
Rhodesia	71.9	3				71.9	3
Ghana	70.1	4				70.1	4
Singapore	68.5	4				68.5	4
Sri Lanka	66.5	5				66.5	5
Nicaragua	66.4	8				66.4	8
Portugal	57.5	5				57.5	5
El Salvador	57.2	6				57.2	6
New Zealand	53.0	2				53.0	2
Ireland	49.5	3				49.5	3
Sudan	47.0	2				47.0	2
Ethiopia	46.6	2				46.6	2
Denmark	45.0	2				45.0	2
Tanzania	40.2	3				40.2	3
Holland	40.0	2				40.0	2
Italy	40.0	1				40.0	1
Cyprus	37.8	4				37.8	4
Papua New Guinea	34.0	2				34.0	2
Iceland	30.5	3				30.5	3
Nepal	26.0	1				26.0	1
Trinidad and Tobago	25.5	2				25.5	2
Morocco	25.0	1				25.0	1
Lebanon	27.0	1				27.0	1
Costa Rica	22.0	2				22.0	2
Guatemala	22.0	1				22.0	1
Jamaica	22.0	1				22.0	1
Tunisia	12.0	1	7.3	1	Pipeline	19.5	2
Ecuador	16.8	3				16.8	3
Liberia	16.8	4				16.8	4
Jordan	15.2	2				15.2	2
Malawi	12.8	2				12.8	2
Afghanistan	10.0	1				10.0	1
Uganda	8.4	1				8.4	1
Sierre Leone	7.7	2				7.7	2
Malta	7.5	1				7.5	1
Mauritius	7.0	1				7.0	1
Swaziland	7.0	2				7.0	2
Guyana	6.0	1				6.0	1
TOTAL	\$8197.4	297	\$600.0	17		\$8797.4	316

July 2, 1976

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: JEAN CARRIERE

DATE: SEPTEMBER 23, 1976

WORLD BANK

ORIGINATOR'S EXT.: 5284

COUNTRY: PARIS, FRANCE

CLASS OF
SERVICE: TELEX 620628

CABLE NO. & TEXT:

1831

RE: CIEC

MR. ANWARUL HODA, MEMBER OF INDIAN DELEGATION TO CIEC, APPROACHED ME IN PARIS WITH QUESTIONS ON IFC. SOME DELEGATES OF G-19 ARE THINKING OF PROPOSING IN OCTOBER THE ESTABLISHMENT OF AN INTERNATIONAL FUND FOR INDUSTRIAL DEVELOPMENT MUCH LIKE IFAD. MR HODA WANTS INFORMATION ON IFC'S ROLE IN INDUSTRIAL DEVELOPMENT BECAUSE HE IS AWARE THAT A PROPOSAL FOR A NEW INSTITUTION MIGHT BE RECEIVED SKEPTICALLY BY INDUSTRIAL COUNTRIES, ESPECIALLY NOW THAT IFC IS GREATLY EXPANDING OPERATION. MAY I SUGGEST THAT MR. HODA BE SENT IFC AND WORLD BANK ANNUAL REPORTS, IFC ARTICLES OF AGREEMENT, AND INDUSTRY SECTOR WORKING PAPER. A MEETING WITH MR. HODA BY THE END OF SEPTEMBER MIGHT ALSO BE HELPFUL. I HAVE TELEXED THIS ALSO TO STROBL IN LONDON.

REGARDS, VOORHOEVE

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):
Shahid Javed Burki

DRAFTED BY:
JVoorhoeve:sh

DEPARTMENT:
Policy Planning and Program Review

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cc: ~~Mr. Haq~~
~~Mrs. Boskey~~
~~Mr. Burki~~
~~Mr. Fuchs~~

SIGNATURE (Of individual authorized to approve):

Shahid Javed Burki

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WORLD BANK / IFC
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(TELEGRAM/CABLE/TELEX)

FORM NO. 17
(11-78)

DATE: SEPTEMBER 23, 1978

TO: JEAN CARREME

ORIGINAL/RETEXT: 15384

WORLD BANK

CLASS OF SERVICE:
TELEX 620628

COUNTRY: PARIS, FRANCE

CABLE NO. & TEXT: 651 K3

RE: CIRC

MR. ANWARUL HODA, MEMBER OF INDIAN DELEGATION TO CIRC, APPROACHED ME IN PARIS WITH QUESTIONS ON 150. SOME DELEGATES OF G-19 ARE THINKING OF PROPOSING IN OCTOBER THE ESTABLISHMENT OF AN INTERNATIONAL FUND FOR INDUSTRIAL DEVELOPMENT MUCH LIKE IFAD. MR HODA WANTS INFORMATION ON IFC'S ROLE IN INDUSTRIAL DEVELOPMENT BECAUSE HE IS AWARE THAT A PROPOSAL FOR A NEW INSTITUTION MIGHT BE RECEIVED SKEPTICALLY BY INDUSTRIAL COUNTRIES, ESPECIALLY NOW THAT IFC IS GREATLY EXPANDING OPERATION. MAY I SUGGEST THAT MR. HODA BE SENT IFC AND WORLD BANK ANNUAL REPORTS, IFC ARTICLES OF AGREEMENT, AND INDUSTRY SECTOR WORKING PAPER. A MEETING WITH MR. HODA BY THE END OF SEPTEMBER MIGHT ALSO BE HELPFUL. I HAVE TELEXED THIS ALSO TO STROB IN LONDON.

REGARDS, WOODBORNE

NOT TO BE TRANSMITTED

REFERENCE

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SHOULD HAVE: [Signature]

TO: 1022 PM 10/23/78
FROM: 1022 PM 10/23/78

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☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: J. W. STROBL

DATE: SEPTEMBER 23, 1976

IFC

ORIGINATOR'S EXT.:

COUNTRY: LONDON, ENGLAND

CLASS OF
SERVICE: LC

CABLE NO. & TEXT: INTBAFRA

532

RE: CIEC (NORTH SOUTH DIALOGUE)

MR. ANWARUL HODA, MEMBER OF INDIAN DELEGATION TO CIEC, APPROACHED ME IN PARIS WITH QUESTIONS ON IFC. SOME DEVELOPING COUNTRY DELEGATES ARE THINKING OF PROPOSING IN OCTOBER THE ESTABLISHMENT OF AN INTERNATIONAL FUND FOR INDUSTRIAL DEVELOPMENT MUCH LIKE IFAD. MR. HODA WANTS INFORMATION ON IFC'S ROLE IN INDUSTRIAL DEVELOPMENT BECAUSE HE IS AWARE THAT A PROPOSAL FOR A NEW INSTITUTION MIGHT BE RECEIVED SKEPTICALLY BY INDUSTRIAL COUNTRIES, ESPECIALLY NOW THAT IFC IS GREATLY EXPANDING OPERATIONS. PLEASE SEND INFORMATION MATERIALS ON IFC AND INDUSTRIALIZATION TO HODA AT INDIAN EMBASSY IN PARIS. A MEETING WITH MR. HODA BY THE END OF SEPTEMBER MIGHT ALSO BE HELPFUL. I HAVE TELEXED THIS ALSO TO CARRIERE IN PARIS.

REGARDS, VOORHOEVE

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REFERENCE:

AUTHORIZED BY (Name):

Shahid Javed Burki

DRAFTED BY:

DEPARTMENT:

Policy Planning and Program Review

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HAQ

Mrs. Boskey

Messrs. Fuchs, Burki

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(TELEGRAM/CABLE/TELEX)

FORM NO. 27
(1-70)

☒ TELETYPE
☐ TELEGRAM
☐ CABLE
☐ RADIO

DATE: SEPTEMBER 23, 1976

TO: J. W. STREET

ORIGINATOR'S EXT:

IFC

CLASS OF
SERVICE

COUNTRY: LONDON, ENGLAND

CABLE NO. & TEXT: 111111

RE: CIRC (NORTH SOUTH DIALOGUE)

MR. MANABET HODA, MEMBER OF INDIAN DELEGATION TO CIRC, APPROACHED ME
IN PARIS WITH QUESTIONS ON IFC. SOME DEVELOPING COUNTRY DELEGATES ARE
THINKING OF PROPOSING IN OCTOBER THE ESTABLISHMENT OF AN INTERNATIONAL
FUND FOR INDUSTRIAL DEVELOPMENT MUCH LIKE ILO. MR. HODA WANTS
INFORMATION ON IFC'S ROLE IN INDUSTRIAL DEVELOPMENT BECAUSE HE IS
AWARE THAT A PROPOSAL FOR A NEW INSTITUTION MIGHT BE RECEIVED
EXCEPTUALLY BY INDUSTRIAL COUNTRIES, ESPECIALLY NOW THAT IFC
IS CARRYING EXPANDING OPERATIONS. PLEASE SEND INFORMATION MATERIALS ON
IFC AND INDUSTRIALIZATION TO HODA AT INDIAN EMBASSY IN PARIS. A MEETING
WITH HODA BY THE END OF SEPTEMBER MIGHT ALSO BE HELPFUL. I HAVE
BEEN ALSO TO CARRIERS IN PARIS.

REGARDS, VOORHOEVE

SEP 23 11 11 AM PM 1976

NOT TO BE TRANSMITTED

AUTHORIZED BY: Shafid Javed Burki

Policy Planning and Program Review

cc: Messrs. von Hofmann (IFC)

EQ

Mrs. Bopkey

Messrs. Fuchs, Burki

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~~CONFIDENTIAL~~
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SEPT 23 1976

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Mr. Clark

1976 SEP 23 PM 2:11

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COMMUNICATIONS
SECTION

RE CIEC - 6TH SESSION - NUMBER 16

BELOW IS TEXT OF REPORT FROM BANK'S DELEGATION TO 6TH SESSION OF CIEC.

I. POLITICAL ASSESSMENT

1. THE CIEC TALKS RESUMED ON SEPT 14. THAT THIS HAPPENED AT ALL AFTER THE DEADLOCK AT THE 5TH SESSION IN JULY AND TWO MONTHS OF UNOFFICIAL DISCUSSIONS REFLECTS THE WILL ON BOTH SIDES TO AVOID A

FINAL BREAKDOWN, IRRESPECTIVE OF THE REAL SIGNIFICANCE OF THE

AGREEMENT ON THE WORK PROGRAM WHICH OPENED THE WAY FOR THE RENEWAL OF THE WORK OF CIEC. TO BE SURE, THE INTEREST SHOWED BY THE GROUP OF 8 IN RESUMING TALKS WAS NO SURPRISE TO ANYONE, SINCE ALTHOUGH THE G-8 IS NOT SO WARM ABOUT MAKING SUBSTANTIAL CONCESSIONS, THEY HAVE ALWAYS DECLARED THAT THEY WOULD BE GLAD TO PURSUE THE DIALOGUE WITHOUT PRE-CONDITIONS. FOR THE GROUP OF 19, HOWEVER, THE COMMITMENT TO RESUMING THE DIALOGUE WAS MUCH WEAKER SEMI COLON EVERYONE KNOWS THAT SOME OF THE GROUP OF 77 (AND EVEN A NUMBER OF THE COUNTRIES REPRESENTED IN THE CIEC) WERE FOR AN IMMEDIATE BREAKING OFF OF NEGOTIATIONS. THE FACT THAT THEIR VIEWS WAS NOT ADOPTED SHOWS THAT AMONG THE DEVELOPING COUNTRIES, THOSE IN FAVOUR OF CONTINUING THE NEGOTIATIONS AND WHO STILL HARBOR HOPES OF OBTAINING SOME CONCESSIONS FROM THE INDUSTRIAL WORLD ARE IN A MAJORITY.

2. THE DIALOGUE ALSO WENT MORE SMOOTHLY THANKS TO A GREATER

HOMOGENEITY OF VIEWS WITHIN THE TWO GROUPS. AS IN THE PAST, THE

19 CONTINUED TO SPEAK, WITH A SINGLE VOICE, ALTHOUGH OF COURSE ON THE DEBT PROBLEM A NUMBER OF INDIVIDUAL STATEMENTS WERE MADE, NOTABLY BY MEXICO. THESE STATEMENTS PROVOKED SOME CONFUSION, BUT LATER MEXICO FORCEFULLY UNDERLINED THAT, ALTHOUGH ITS OWN INTERESTS WERE SOMEWHAT DIFFERENT, IT NONETHELESS STOOD FIRMLY IN FAVOUR OF THE G-19 COMMON POSITION.

FOR THE G-8, THE SESSION WAS HIGHLIGHTED BY A JOINT EEC-U.S. PROPOSAL, WHICH COMING FROM THE TWO MOST IMPORTANT DELEGATIONS OF THE GROUP, ALLOWED THEM TO REGAIN THE INITIATIVE. OF COURSE, THE G-8 IS STILL FAR FROM PRESENTING A UNITED FRONT, BUT THE JOINT EEC/U.S. PROPOSAL COULD BE A SIGN THAT COORDINATION IS NOW RUNNING DEEPER AMONG THE INDUSTRIAL COUNTRIES. PERHAPS THE DIALOGUE WILL BEGIN TO SOUND LIKE A REAL DIALOGUE.

3. THE DIALOGUE IS RESUMING IN A RELAXED AND CONSTRUCTIVE ATMOSPHERE

ALTHOUGH ON NUMEROUS SUBJECTS DISCUSSIONS AND PROPOSALS HAVE REMAINED VAGUE AND UNSPECIFIED, ON THE INDEBTEDNESS ISSUE THE DIALOGUE FOCUSED FOR THE FIRST TIME ON TWO CONCRETE PROPOSALS. THIS CLEARED THE AIR, SINCE EVEN IF, IN REALITY, THE PROPOSALS WERE VERY FAR APART, DELEGATIONS AT LAST HAD THE SENSATION OF COMING TO GRIPS WITH A SPECIFIC PROBLEM.

4. ALL OF THIS ENCOURAGES A MODERATE DEGREE OF OPTIMISM WHICH WAS

IN FACT SHARED BY A NUMBER OF DELEGATES AND JOURNALISTS AT THE
CONCLUSION OF THE SESSION. THIS MODERATE OPTIMISM IS HOWEVER QUITE
FRAGILE FOR, ALTHOUGH THE INTERMINABLE AND USELESS DEBATES ON
PROCEDURE ARE NOW HOPEFULLY OVER, AND THE CIEC IS ENTERING AN
''ACTION-ORIENTED PHASE'', THE LEVEL OF CONCESSIONS WHICH THE
INDUSTRIAL COUNTRIES ARE PREPARED TO MAKE (ESPECIALLY ON DEBT) WILL
NOT MEET THE EXPECTATIONS OF THE GROUP OF 77. THE G-8 IS OBVIOUSLY
OPPOSED TO ANY MEASURES LEADING TO A GENERAL RESCHEDULING OF DEBTS
SINCE THEY FEAR THAT THIS WOULD UNDERMINE ORDERLY INTERNATIONAL
FINANCIAL RELATIONS. BEYOND THAT, GIVEN THAT ON THE OTHER VITAL
AGENDA ITEM -- THE STABILIZATION OF RAW MATERIALS PRICES THROUGH
A COMMON FUND -- THE INDUSTRIAL COUNTRIES ONLY RELUCTANTLY ACCEPTED
THE NAIROBI RESOLUTION, ONE MUST WONDER WHAT THE PROSPECTS OF THE
DIALOGUE REALLY ARE.

5. MY IMPRESSION IS THAT EVEN IF THE INDUSTRIAL COUNTRIES WANT TO
SIGNIFICANTLY CHANGE THE QUALITY OF THEIR RELATIONS WITH THE THIRD
WORLD THROUGH A CONSTRUCTIVE DIALOGUE, UNHAPPILY IT HAS NOW

CRYSTALIZED AROUND TWO QUESTIONS WHERE THERE IS LITTLE PROMISE OF

PROGRESS. BUT IT IS PRECISELY ON THESE TWO ISSUES THAT THE

DEVELOPING COUNTRIES HAVE SET THEIR HEART, AND IT WILL TAKE TIME
(AND PERHAPS SOME CONFRONTATION) BEFORE THE DIALOGUE TURNS TO OTHER
MORE PROMISING AGENDA ITEMS LIKE DEVELOPMENT ASSISTANCE, INDUS-
TRIALIZATION, TRANSFER OF TECHNOLOGY, DEVELOPMENT OF AGRICULTURE,
ETC.

6. DOES ALL THIS MEAN THAT THE DIALOGUE, AT LEAST IN ITS PRESENT PHASE, IS DEFINITELY HEADING FOR FAILURE? CERTAINLY ONE CANNOT OBJECTIVELY EXPECT MAJOR RESULTS BEFORE THE END OF THE YEAR, WHICH IN EFFECT MEANS THAT THE CONFERENCE COULD PROLONG ITS WORK INTO THE FIRST MONTHS OF 1977. IN ANY CASE WHETHER CIEC IS CONSIDERED A

FAILURE OR A SUCCESS LARGELY DEPENDS ON THE G-19'S POLITICAL EVALUA-

TION OF THE RESULTS. IF THEY DECIDE TO CALL IT A FAILURE, THEY WILL

HAVE EVERY REASON FOR DOING SO SINCE THE ACHIEVEMENTS ARE BOUND TO BE VERY FEW RELATIVE TO THE REAL NEEDS OF DEVELOPING COUNTRIES. BUT THEY COULD ALSO CALL IT A SUCCESS IF THEY THINK THAT, HOWEVER LIMITED THE RICH COUNTRIES' CONCESSIONS, THEY ARE EVIDENCE OF A WILL FOR CHANGE IN A NEGOTIATION PROCESS WHICH WILL SPREAD OVER SOME YEARS.

II. TECHNICAL ANNEX ON INDEBTEDNESS

THE PROBLEM OF INDEBTEDNESS WAS DISCUSSED IN BOTH DEVELOPMENT AND FINANCE COMMISSIONS AND TOOK UP MOST OF THE TIME OF THESE COMMISSIONS.

THE EEC AND U.S. DELEGATION TABLED A JOINT PROPOSAL BASED ON

A DISTINCTION BETWEEN "ACUTE DEBT CRISES SITUATIONS" AND "STRUCTURAL" PROBLEMS REGARDING FOREIGN DEBT. ACCORDING TO THE EEC/U.S. PROPOSAL, ACUTE DEBT CRISES WOULD BE TREATED, ON A CASE BY CASE BASIS, IN CREDITOR CLUBS, AT THE REQUEST OF THE DEBTOR CONCERNED. THE PROPOSAL MADE TO THE FINANCE COMMISSION IS IN FACT NO MORE THAN A SYSTEMATIZATION OF THE PROCEDURES AND GUIDELINES ALREADY IN OPERATION IN THE CLUB OF PARIS, OR IN THE CONSORTIA DEALING WITH DEBT RESCHEDULING OPERATIONS.

AS REGARDS STRUCTURAL PROBLEMS, THE EEC/U.S. PROPOSAL SUGGESTS REMEDIAL MEASURES TO DEAL WITH SITUATIONS OF A LONGER-TERM NATURE IN THE CASE OF DEVELOPING NATIONS DEPENDING LARGELY ON AID. THE PROPOSAL SUGGESTS A SCREENING PROCESS THROUGH WHICH A COUNTRY HAVING SUCH PROBLEMS WOULD REQUEST AN EXAMINATION OF ITS SITUATION BY THE WORLD BANK OR ANOTHER APPROPRIATE MULTILATERAL DEVELOPMENT FINANCE INSTITUTION. IF THE ANALYSIS REVEALED THAT THE DEVELOPMENT PROSPECTS OF THE COUNTRY WERE SERIOUSLY HAMPERED, THE EXAMINING INSTITUTION WOULD CONTACT AID DONORS TO DISCUSS, IN MUTUAL AGREEMENT, THE NEEDS OF THE DEVELOPING COUNTRY. IF NEED BE, THE DONOR COUNTRIES WOULD ENHANCE ASSISTANCE EFFORTS, GENERALLY BY INCREASING THE QUANTITY, AND IMPROVING THE QUALITY, OF THEIR AID. AS FAR AS MULTILATERAL INSTITUTIONS ARE CONCERNED, THEY WOULD BE ASKED TO "CONSIDER COMMITTING NEW RESOURCES IN AN APPROPRIATE FORM WITHIN THEIR LENDING POLICIES AND PRACTICES".

SWEDEN WAS THE ONLY OTHER MEMBER OF THE G-8 TO MAKE A FORMAL

PROPOSAL ON INDEBTEDNESS. THE SWEDISH PROPOSAL RECOMMENDS TO CREDITOR COUNTRIES THAT THEY SHOULD PROVIDE ADDITIONAL ODA TO LLDCS AND MSAS EITHER BY GRANTING DIRECT ODA DEBT RELIEF OR BY TAKING EQUIVALENT MEASURES (E.G. UNITED PROGRAM AID). THE IMPLEMENTATION WOULD BE LEFT TO EACH DEVELOPED COUNTRY ON A BILATERAL BASIS.

THE G-19 MADE TWO PROPOSALS FOR THE TREATMENT OF DEBT PROBLEMS:

- (A) AN IMMEDIATE, ONE-SHOT, GENERALIZED DEBT RELIEF OPERATION FOR "INTERESTED" DEVELOPING COUNTRIES, PRIMARILY LLDCS AND MSAS SEMI COLON
 - (B) THE ESTABLISHMENT OF A PROCEDURAL FRAMEWORK TO EXAMINE, AND IN CASE OF NEED, REORGANIZE DEBT PROBLEMS, WHETHER ACUTE OR STRUCTURAL.
-

ALTHOUGH DISCUSSIONS ON THE TWO PROPOSALS WERE CLEAR AND CONSTRUCTIVE, THE POSITIONS OF EACH GROUP REMAIN WIDE APART. THE G-8 SAID THAT THE G-19 PROPOSALS WERE AT VARIANCE WITH THE NAIROBI RESOLUTION SINCE IT DEPARTED FROM THE CASE BY CASE APPROACH, AGREED UPON IN UNCTAD 4. THEY ALSO POINTED OUT THAT GOVERNMENTS IN THE INDUSTRIALIZED COUNTRIES HAD LITTLE LEVERAGE ON THEIR BANKING SYSTEM TO HAVE IT COMPLY WITH THE MEASURES PROPOSED BY G-19. FINALLY, THEY STRESSED THAT WIDESPREAD RENEGOTIATION OF DEBT WOULD UNDERMINE THE SYSTEM OF FINANCIAL INTERNATIONAL RELATIONS AND EVENTUALLY REDUCE FUTURE FLOWS OF CAPITAL TO LDCS.

THE G-19 CRITICIZED THE EEC/U.S. PROPOSAL FROM SEVERAL ANGLES: THESE PROPOSALS DREW TOO MUCH ON THE EXPERIENCE OF THE PAST AND DID NOT SUGGEST MEASURES ATTUNED TO THE FUTURE SEMI COLON THEY DID NOT TAKE INTO ACCOUNT THE CASE OF COUNTRIES WHICH WOULD HAVE AVOIDED AN ACUTE DEBT CRISIS AT THE EXPENSE OF THEIR GROWTH PROSPECTS. G-19 SAID THAT THE EEC/U.S. PROPOSAL DID SUGGEST A MECHANISM WHICH ALREADY EXISTS AND HAS NOT ANSWERED THE IMMEDIATE NEED FOR GENERAL RELIEF EXPERIENCED BY A NUMBER OF MSAS, LLDCS AND OTHER COUNTRIES. IN THIS RESPECT, THEY SAID THAT A CASE BY CASE APPROACH WOULD BE TOO TIME CONSUMING. FINALLY, G-19 DEMANDED THAT THERE SHOULD BE NO TRADE-OFF BETWEEN AID AND DEBT RELIEF, AND THEY QUESTIONED THE SUITABILITY OF WORLD BANK AS CENTRAL AGENT FOR DEBT STUDIES AND RELIEF ACTION.

IN THE COURSE OF THE DISCUSSIONS, BRAZIL AND MEXICO EXPRESSED THE VIEW THAT FOR COUNTRIES RELYING PRIMARILY ON WORLD FINANCIAL MARKETS, SOLUTIONS TO THE PROBLEMS WHICH MAY ARISE IN CONNECTION WITH INDEBTEDNESS ARE TO BE FOUND IN THE NORMAL WORKING OF THOSE MARKETS.

THESE STATEMENTS -- ESPECIALLY MEXICO'S -- CAST SOME DOUBT AS TO THE APPARENT UNANIMITY OF G-19 ON THE DEBT ISSUE. HOWEVER, MEXICO LATER IN THE SESSION, STATED THAT IT HAD IN NO WAY INTENDED TO DISCRIMINATE ITSELF FROM THE G-19 PROPOSALS.

THE OCTOBER SESSION OF THE CIEC WILL HAVE TO FIND SOME AGREEMENT ON THE DEBT PROBLEM, WHICH HAS BECOME THE MOST CRITICAL ISSUE OF THE CONFERENCE. IN PREPARATION FOR THAT SESSION, AN INFORMAL GROUP (EEC, U.S., PAKISTAN, INDIA) WILL MEET ON OCT 15 AND SEEK A COMPROMISE, POSSIBLY ON THE BASIS OF THE SWEDISH PROPOSAL VIS A VIS THE MSAS AND LLDCS, AND ON THE G-8 PROPOSAL FOR THE SCREENING PROCESS APPLICABLE TO "STRUCTURAL" DEBT PROBLEMS. BUT THERE STILL IS A VERY LARGE GAP BETWEEN THE PRESENT POSITION OF EACH SIDE.

III. TECHNICAL ANNEX ON COMMISSION ON DEVELOPMENT (EXCEPT DEBT PROBLEMS)

LITTLE TIME WAS LEFT IN THE DEVELOPMENT COMMISSION FOR DISCUSSIONS ON ISSUES OTHER THAN INDEBTEDNESS. ON THE RESOURCE TRANSFER

ISSUE, THE G-19 MADE A NEW CALL ON G-8 FOR IMPLEMENTATION OF THE 0.7 PERCENT TARGET.

ON FOOD AND AGRICULTURE, ONE PROPOSAL WAS SUBMITTED BY CANADA,

EEC AND USA (CCEI-DE-34), ANOTHER ONE BY THE G-19 (CCEI-DE-33), BOTH DEALING EXTENSIVELY WITH EACH OF THE FOUR SUB-ITEMS: INCREASED PRODUCTION, FERTILIZERS, FOOD AID AND FOOD SECURITY. THE G-19 PAPER IS QUITE SPECIFIC IN ITS DEMANDS, INTER ALIA TO IMPROVE AND INCREASE AID TO AGRICULTURE TO REACH A 75 PERCENT GRANT ELEMENT BY 1980 SEMI COLON TO COVER MINIMUM FERTILIZER NEEDS OF MSAS OF ONE MILLION TONS OF NUTRIENTS IN 1976/77 SEMI COLON TO CREATE A FOOD SECURITY RESERVE OF 17 TO 18 PERCENT OF ANNUAL WORLD FOOD GRAINS CONSUMPTION, PLUS NATIONAL EMERGENCY STOCKS BY DEVELOPED COUNTRIES OF NOT LESS THAN 25 PERCENT OF THAT COUNTRY'S FOOD AID, PLUS AN INTERNATIONAL RESERVE FOR EMERGENCIES OF 500,000 TONS SEMI COLON TO MAKE AVAILABLE 10 MILLION TONS OF GRAINS PER ANNUM AS FOOD AID PLUS ADDITIONAL AMOUNTS FOR FOOD OTHER THAN GRAIN. THE EEC/CANADA/ U.S. PAPER, WHILE COVERING THE SAME GROUND, WAS KEPT IN MUCH MORE CONDITIONAL AND GENERAL TERMS.

IN THE ENSUING DEBATE, MUCH STRESS WAS LAID ON THE DEGREE OF CONVERGENCE BETWEEN THE TWO PROPOSALS AND THE CHAIRMAN WAS GLAD TO NOTE THAT IN THIS FIELD THE COMMISSION HAD ALREADY STARTED WORKING ON CONCRETE TEXTS WHICH WILL FORM PART OF THE FINAL CIEC DOCUMENT. NONETHELESS, A NUMBER OF DIVERGENCIES REMAINED. THE DEVELOPED COUNTRIES WOULD HAVE LIKED MORE EMPHASIS ON SELF-HELP POLICIES, BY THE LDCS BOTH IN FOOD PRODUCTION AND IN THE SUPPLY OF FERTILIZERS. THEY FOUND MANY OF THE TARGETS FOR AID AND CONTRIBUTIONS TO FOOD RESERVES AS QUANTIFIED IN THE G-19 PAPER BOTH TOO SPECIFIC AND TOO AMBITIOUS.

THE G-19 ON THE OTHER HAND, WHILE ACKNOWLEDGING THE GENERAL READINESS OF THE DEVELOPED COUNTRIES TO UNDERTAKE CONSIDERABLE OBLIGATIONS, COMPLAINED ABOUT THE VAGUENESS OF THE EEC/CANADA/U.S. PROPOSAL WHENEVER IT CAME TO SPECIFIC PLEDGES.

BEFORE ADJOURNING THE MEETING UNTIL OCTOBER 20, THE CHAIRMAN SAID THE DEVELOPMENT COMMISSION SHOULD NOT DUPLICATE EFFORTS THAT WERE GOING ON ELSEWHERE E.G. IN THE FAO AND IN THE WORLD FOOD COUNCIL, BUT SHOULD TRY TO ENERGIZE THEM. HE SAID IN THE MEANTIME THE CHAIRMEN WOULD CONTINUE THEIR PERSONAL EFFORTS TO PROMOTE IFAD. IN OCTOBER, INDUSTRIALIZATION WILL BE THE NEXT ITEM ON THE AGENDA.

IV. TECHNICAL ANNEX ON COMMISSION ON FINANCIAL AFFAIRS (EXCEPT DEBT)

LIKE THE DEVELOPMENT COMMISSION, THE FINANCE COMMISSION HAD NO TIME TO REALLY DISCUSS ISSUES OTHER THAN DEBT. INCONCLUSIVE AND ACADEMIC DISCUSSIONS TOOK PLACE ON WORLD INFLATION. G-19 BLAMED KEYNESIAN BUDGET POLICIES OF THE G-8 FOR WORLD INFLATION SEMI COLON THEY SAID THAT THE OECD COUNTRIES HAD RECEIVED A TRANSFER OF RESOURCES OF ONE TRILLION DOLLARS FROM OPEC BECAUSE OF UNDERPRICING OF OIL. G-19 STILL REGARD THE CURRENT OIL PRICE AS WELL BELOW THE PRICE OF ALTERNATIVE SOURCES, EQUIVALENT TO 18-20 DOLLARS PER BARREL.

ON THE ISSUE OF PROTECTION OF FOREIGN FINANCIAL ASSETS OF OIL

EXPORTERS, THE G-8 REJECTED ONCE AGAIN ANY PROPOSALS FOR SPECIAL AND DISCRIMINATORY PROTECTION FOR OPEC'S ASSETS, WHICH HAD BEEN EMPHATICALLY CALLED FOR BY SAUDI ARABIA.

V. TECHNICAL ANNEX ON ENERGY COMMISSION

THE ENERGY COMMISSION RECONVENED ON SEPTEMBER 14 AS A RESULT OF THE COMPROMISE ON THE PRESERVATION OF PURCHASING POWER OF EXPORT EARNINGS. THE G-8 AND G-19 HAD AGREED WITH THE PROPOSAL BY CIEC CO-CHAIRMAN TO TAKE INTO CONSIDERATION UNDER THE WORK PROGRAM PROPOSALS ON THE SUBJECT OF PRESERVATION OF PURCHASING POWER OF ENERGY EXPORT EARNINGS.

THE COMMISSION STARTED ITS DISCUSSIONS FOR THE SO-CALLED OPERATIONAL PHASE OF CIEC ON SEPTEMBER 15. ITS PROGRAM FOR THIS PERIOD INCLUDES 1) RESOURCE AVAILABILITY SUPPLY AND DEVELOPMENT 2) ENERGY PRICES AND THE PURCHASING POWER OF ENERGY EXPORT EARNINGS 3) TECHNICAL SCIENTIFIC AND FINANCIAL COOPERATION. AS THE RESUMPTION OF THE CIEC COMMISSION MEETING IN SEPTEMBER HAD TAKEN MOST DELEGATIONS BY SURPRISE. NONE HAD PREPARED PAPERS FOR DISCUSSION UNDER THE WORK PROGRAM. HOWEVER, THE COMMISSION STARTED WORK ON AGENDA ITEM ONE BY REOPENING ITS CONSIDERATION OF THE AMERICAN PROPOSALS FOR AN INTERNATIONAL RESOURCES BANK AND AN INTERNATIONAL ENERGY INSTITUTE. THESE PROPOSALS WERE IDENTICAL TO THE VERSIONS SUBMITTED IN JUNE AND JULY. IN REPLY TO PRELIMINARY QUESTIONS BY THE DEVELOPING COUNTRIES, THE US STATED THAT THE INTERNATIONAL ENERGY INSTITUTE WOULD AT THIS TIME NOT BE LIMITED. TO DEVELOPMENT OF ENERGY RESOURCES ONLY BUT ALSO INCLUDE NON FUEL MINERALS. JAMAICA HAD ASKED THE US WHETHER A RESTRICTION OF IRB ENERGY MATTERS WOULD BE POSSIBLE. SEVERAL G-19 DELEGATES PERCEIVED A CONFLICT BETWEEN IRB AND THE UNCTAD PROPOSAL FOR A COMMON FUND FOR COMMODITIES. THE US REPEATED THAT IRB WAS IN NO WAY A COUNTER PROPOSAL AGAINST THE COMMON FUND AND THAT A PERCEIVED CONFLICT WOULD NOT APPLY ANYWAY TO THE ENERGY SECTOR, BECAUSE THIS IS NOT COVERED BY THE COMMON FUND.

THE IRB WOULD CONCENTRATE ITS ACTIVITIES ON ENERGY DEFICIENT DEVELOPING COUNTRIES, BUT THE US DID NOT WANT TO RULE OUT ACTIVITIES IN FAVOR OF INDUSTRIAL COUNTRIES. THE IRB WOULD NOT HAVE A GENERAL FORMULA FOR GUARANTEEING FOREIGN INVESTMENTS AGAINST NON COMMERCIAL RISKS. THESE GUARANTEES AND RECOURSE FOR FOREIGN COMPANIES AND HOST GOVERNMENTS IN CASE OF DEFAULT OR NATIONALIZATION WOULD BE NEGOTIATED CASE BY CASE.

IRB WOULD NOT ACT AS A BANK, NOTWITHSTANDING ITS NAME. IT WOULD BE A PROMOTER OF FOREIGN INVESTMENT BECAUSE OF ITS ROLE AS MEDIATOR BETWEEN HOST GOVERNMENTS AND FOREIGN COMPANIES, BRING THE TWO TOGETHER IN TRILATERAL AGREEMENTS AT WHICH IRB WOULD BE A PARTY. IRB WOULD ALSO FUNCTION AS GUARANTOR FOR FAITHFUL EXECUTION OF THE OBLIGATIONS OF THE AGREEMENTS BY BOTH SIDES. MOREOVER IRB WOULD ACT AS SALES AGENT FOR COMMODITY BONDS.

IRB WOULD NOT LIMIT ITS ENERGY ROLE TO OIL AND GAS BUT ALSO PROMOTE DEVELOPMENT OF OTHER ENERGY SOURCES. THE US EXCLUDED, HOWEVER, THERMAL ENERGY AND THOSE ALTERNATIVE ENERGY FORMS THAT ARE NOT YET COMMERCIALY VIABLE. THE US ANNOUNCED THAT IT MAY SUBMIT MORE SPECIFIC PROPOSALS IN OCTOBER. IT KEPT AN OPEN MIND ABOUT MANY ASPECTS OF IRB AND HPED THAT ALL PARTIES WOULD MAKE AMENDMENTS TO ACHIEVE A BLUE PRINT OF AN INSTITUTION THAT WILL SATISFY ALL SIDES.

THE COMMISSION DID NOT ARRIVE AT ANY SPECIFIC CONCLUSION ON THE IRB AND MOVED ONTO DISCUSSIONS ON THE INTERNATIONAL ENERGY INSTITUTE. SEVERAL DELEGATIONS RAISED QUESTIONS ABOUT THE LIMITED TASKS, SMALL STAFF AND EMPHASIS ON ENERGY PLANNING AND TRAINING IN THE AMERICAN PROPOSAL. G-19 DEEMED THE TRANSFER OF ENERGY TECHNOLOGY THE MOST IMPORTANT TASK OF ANY NEW INSTITUTION.

IT RAISED QUESTIONS ON HOW IEI WOULD BE ABLE TO TRANSFER A TECHNOLOGY WHICH IS MAINLY IN THE PRIVATE HANDS IN THE WESTERN OIL COMPANIES. SAUDI ARABIA, ALGERIA, IRAN AND EGYPT WERE SKEPTICAL BUT WILLING TO DISCUSS IT FURTHER. INDIA, JAMAICA, VENEZUELA, AND THE EEC RAISED QUESTIONS BUT WERE QUITE POSITIVE. DISCUSSIONS WERE NONCOMMITTAL AND MORE DETAILED WORK WAS SHIFTED TO OCTOBER. BOTH THE DISCUSSIONS ON THE IRB AND ON THE IEI WERE MORE POSITIVE THAN IN JUNE AND JULY. NEITHER OF THE PROPOSALS WERE REJECTED BY MEMBERS OF G-19.

IN A COMPREHENSIVE BUT GENERAL PAPER ON ENERGY COOPERATION, THE EEC PROPOSED A FLEXIBLE MACHINERY FOR ON-GOING INTERNATIONAL ENERGY CONSULTATIONS AFTER CIEC IS FINISHED. IT WOULD FOCUS ON PRICES, SUPPLIES, DEMAND, INVESTMENT, AND DIVERSIFICATION. THIS BODY WOULD HAVE LIMITED BUT REPRESENTATIVE MEMBERSHIP, MEETING AT LEAST ANNUALLY.

THE EEC PAPER STATED: QUOTE THE ENERGY COMMISSION SHOULD EXAMINE THE ROLE OF THE WORLD BANK, AND THE NEED FOR A BODY TO PERFORM FUNCTIONS OF THE KIND SUGGESTED FOR AN INTERNATIONAL RESOURCES BANK. UNQUOTE THIS EXAMINATION MIGHT TAKE PLACE IN OCTOBER. G-19 REACTED POSITIVELY TO EEC PAPER BUT DISCUSSION WAS POSTPONED TILL OCTOBER.

VI. TECHNICAL ANNEX ON COMMISSION ON RAW MATERIALS

THE RAW MATERIAL COMMISSION DID NOT PRODUCE ANYTHING OF SIGNIFICANCE DURING THE SEPTEMBER MEETING. ALL DELEGATION HAD COME UNPREPARED. AFTER A SHORT DISCUSSION ON MINOR PROCEDURAL MATTERS, NIGERIA PRESENTED ON BEHALF OF G-19 A HASTILY DRAFTED NOTE ON TRANSPORT MARKETING AND DISTRIBUTION OF RAW MATERIALS. G-8 RAISED POLITELY SOME QUESTIONS ABOUT IT BUT THE PAPER WAS NOT SERIOUSLY DISCUSSED. WHEN PRESSED BY G-19 ALL MEMBERS OF G-8 HAD TO ADMIT THEY TOO HAD NO PAPERS OR ORAL STATEMENTS TO MAKE. THEREFORE THE COMMISSION DECIDED TO ADJOURN UNTIL OCTOBER.

THE OCTOBER SESSION MAY BE THE FIRST TIME THAT THE RAW MATERIALS COMMISSION GETS DOWN TO BUSINESS. IT HAS A LONG WORK PROGRAM CONSISTING OF THREE GROUPS OF AGENDA ITEMS: 1) ALL STRUCTURAL IMPROVEMENT OF COMMODITY MARKETS 2) IMPROVEMENT IN EXPORT EARNINGS, INCLUDING THE PURCHASING POWER OF COMMODITY EXPORTS AND OF DEVELOPING COUNTRIES IN GENERAL, AND 3) IMPROVEMENT IN COMMODITY TRADE, MARKET ACCESS, INVESTMENT AND OTHER QUESTIONS. BECAUSE OF THE LOST TIME THE COMMISSION URGED ALL DELEGATIONS TO SUBMIT PAPERS PRIOR TO THE OCTOBER SESSION. IF DELEGATIONS WISH, THE OCTOBER SESSION MAY BE EXTENDED BY A FEW DAYS. AT THE END OF THE SEPTEMBER SESSION THERE WERE STILL NO INDICATIONS OF THE RESULTS OF WHAT THE RAW MATERIALS COMMISSION MIGHT PRODUCE BEFORE DECEMBER. IT REMAINS THE LEAST PRODUCTIVE COMMISSION WITH NO CLEARLY DEFINED TASK.

REGARDS

CARRIERE

MOM HAVE A CORRECTION

PARA V. TECHNICAL ANNEX ON ENERGY COMMISSION , ITEM 3) LINE 9TH, PLS REPLACE " INTERNATIONAL ENERGY INSTITUTE" BY "IRB"
REPEAT "IRB"

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TO: JEAN CARRIERE

DATE: SEPTEMBER 21, 1976

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CLASS OF SERVICE: TELEX 620628

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DISCUSSION IN THE ENERGY COMMISSION - SUMMARY FOR YOUR REPORT.

THE ENERGY COMMISSION RECONVENED ON SEPTEMBER 14 AS A RESULT OF THE COMPROMISE ON THE PRESERVATION OF PURCHASING POWER OF EXPORT EARNINGS.

THE G-8 AND G-19 HAD AGREED WITH THE PROPOSAL BY CIEC CO-CHAIRMEN TO TAKE INTO CONSIDERATION UNDER THE WORK PROGRAM PROPOSALS ON THE SUBJECT OF PRESERVATION OF PURCHASING POWER OF ENERGY EXPORT EARNINGS.

THE COMMISSION STARTED ITS DISCUSSIONS FOR THE SO-CALLED OPERATIONAL PHASE OF CIEC ON SEPTEMBER 15. ITS PROGRAM FOR THIS PERIOD INCLUDES 1) RESOURCE AVAILABILITY, SUPPLY AND DEVELOPMENT 2) ENERGY PRICES AND THE PURCHASING POWER OF ENERGY EXPORT EARNINGS 3) TECHNICAL SCIENTIFIC AND FINANCIAL COOPERATION. AS THE RESUMPTION OF THE CIEC COMMISSION MEETINGS IN SEPTEMBER HAD TAKEN MOST DELEGATIONS BY SURPRISE, NONE HAD PREPARED PAPERS FOR DISCUSSION UNDER THE WORK PROGRAM. HOWEVER, THE COMMISSION STARTED WORK ON AGENDA ITEM ONE BY REOPENING ITS CONSIDERATION OF THE AMERICAN PROPOSALS FOR AN IRB AND AN INTERNATIONAL ENERGY INSTITUTE. THESE PROPOSALS WERE IDENTICAL TO THE VERSIONS SUBMITTED IN JUNE AND JULY. IN REPLY TO PRELIMINARY QUESTIONS BY THE DEVELOPING COUNTRIES, THE US STATED THAT THE IRB WOULD AT THIS TIME NOT BE LIMITED

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TO DEVELOPMENT OF ENERGY RESOURCES ONLY BUT ALSO INCLUDE NON-FUEL MINERALS. JAMAICA HAD ASKED THE US WHETHER A RESTRICTION OF IRB TO ENERGY MATTERS WOULD BE POSSIBLE. SEVERAL G-19 DELEGATES PERCEIVED A CONFLICT BETWEEN IRB AND THE UNCTAD PROPOSAL FOR A COMMON FUND FOR COMMODITIES. THE US REPEATED THAT IRB WAS IN NO WAY A COUNTER PROPOSAL AGAINST THE COMMON FUND AND THAT A PERCEIVED CONFLICT WOULD NOT APPLY ANYWAY TO THE ENERGY SECTOR, BECAUSE THIS IS NOT COVERED BY THE COMMON FUND.

THE IRB WOULD CONCENTRATE ITS ACTIVITIES ON ENERGY DEFICIENT DEVELOPING COUNTRIES, BUT THE US DID NOT WANT TO RULE OUT ACTIVITIES IN FAVOR OF INDUSTRIAL COUNTRIES. THE IRB WOULD NOT HAVE A GENERAL FORMULA FOR GUARANTEEING FOREIGN INVESTMENTS AGAINST NON-COMMERCIAL RISKS. THESE GUARANTEES AND RECOURSE FOR FOREIGN COMPANIES AND HOST GOVERNMENTS IN CASE OF DEFAULT OR NATIONALIZATION WOULD BE NEGOTIATED CASE BY CASE.

IRB WOULD NOT ACT AS A BANK, NOTWITHSTANDING ITS NAME. IT WOULD BE A PROMOTER OF FOREIGN INVESTMENT BECAUSE OF ITS ROLE AS

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MEDIATOR BETWEEN HOST GOVERNMENTS AND FOREIGN COMPANIES, BRINGING THE TWO TOGETHER IN TRILATERAL AGREEMENTS AT WHICH IRB WOULD BE A PARTY. IRB WOULD ALSO FUNCTION AS GUARANTOR FOR FAITHFUL EXECUTION OF THE OBLIGATIONS OF THE AGREEMENTS BY BOTH SIDES. MOREOVER IRB WOULD ACT AS SALES AGENT FOR COMMODITY BONDS.

IRB WOULD NOT LIMIT ITS ENERGY ROLE TO OIL AND GAS BUT ALSO PROMOTE DEVELOPMENT OF OTHER ENERGY SOURCES. THE US EXCLUDED, HOWEVER, THERMAL ENERGY AND THOSE ALTERNATIVE ENERGY FORMS THAT ARE NOT YET COMMERCIALY VIABLE. THE US ANNOUNCED THAT IT MAY SUBMIT MORE SPECIFIC PROPOSALS IN OCTOBER. IT KEPT AN OPEN MIND ABOUT MANY ASPECTS OF IRB AND HOPED THAT ALL PARTIES WOULD MAKE AMENDMENTS TO ACHIEVE A BLUE PRINT OF AN INSTITUTION THAT WILL SATISFY ALL SIDES.

THE COMMISSION DID NOT ARRIVE AT ANY SPECIFIC CONCLUSION ON THE IRB AND MOVED ONTO DISCUSSIONS ON THE IEI. SEVERAL DELEGATIONS RAISED QUESTIONS ABOUT THE LIMITED TASKS, SMALL STAFF AND EMPHASIS ON ENERGY PLANNING AND TRAINING IN THE AMERICAN PROPOSAL. G-19 DEEMED THE TRANSFER OF ENERGY TECHNOLOGY

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THE MOST IMPORTANT TASK OF ANY NEW INSTITUTION.

IT RAISED QUESTIONS ON HOW IEI WOULD BE ABLE TO TRANSFER A TECHNOLOGY WHICH IS MAINLY IN THE PRIVATE HANDS IN THE WESTERN OIL COMPANIES. SAUDI ARABI, ALGERIA, IRAN, AND EGYPT WERE SKEPTICAL BUT WILLING TO DISCUSS IT FURTHER. INDIA, JAMAICA, VENZUELA, AND THE EEC RAISED QUESTIONS BUT WERE QUITE POSITIVE. DISCUSSIONS WERE NONCOMMITTAL AND MORE DETAILED WORK WAS SHIFTED TO OCTOBER.

BOTH THE DISCUSSIONS ON THE IRB AND ON THE IEI WERE MORE POSITIVE THAN IN JUNE AND JULY. NEITHER OF THE PROPOSALS WERE REJECTED BY MEMBERS OF G-19.

PLEASE ADD THE SUMMARIES OF THE COMMISSIONS DISCUSSIONS ON SEPTEMBER 16 AND 17 AS REPORTED IN THE CABLES TO HEADQUARTERS.

DISCUSSIONS IN THE RAW MATERIALS COMMISSION.

THE RAW MATERIALS COMMISSION DID NOT PRODUCE ANYTHING OF

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SIGNIFICANCE DURING THE SEPTEMBER MEETING. ALL DELEGATIONS HAD COME UNPREPARED. AFTER A SHORT DISCUSSION ON MINOR PROCEDURAL MATTERS, NIGERIA PRESENTED ON BEHALF OF G-19 A HASTILY DRAFTED NOTE ON TRANSPORT MARKETING AND DISTRIBUTION OF RAW MATERIALS. G-8 RAISED POLITELY SOME QUESTIONS ABOUT IT BUT THE PAPER WAS NOT SERIOUSLY DISCUSSED. WHEN PRESSED BY G-19 ALL MEMBERS OF G-8 HAD TO ADMIT THAT THEY TOO HAD NO PAPERS OR ORAL STATEMENTS TO MAKE. THEREFORE THE COMMISSION DECIDED TO ADJOURN UNTIL OCTOBER.

THE OCTOBER SESSION MAY BE THE FIRST TIME THAT THE RAW MATERIALS COMMISSION GETS DOWN TO BUSINESS. IT HAS A LONG WORK PROGRAM CONSISTING OF THREE GROUPS OF AGENDA ITEMS: 1) STRUCTURAL IMPROVEMENT OF COMMODITY MARKETS 2) IMPROVEMENT IN EXPORT EARNINGS, INCLUDING THE PURCHASING POWER OF COMMODITY EXPORTS AND OF DEVELOPING COUNTRIES IN GENERAL, AND 3) IMPROVEMENT IN COMMODITY TRADE, MARKET ACCESS, INVESTMENT AND OTHER QUESTIONS. BECAUSE OF THE LOST TIME THE COMMISSION URGED ALL DELEGATIONS TO SUBMIT PAPERS PRIOR TO THE

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OCTOBER SESSION. IF DELEGATIONS WISH, THE OCTOBER SESSION MAY BE EXTENDED BY A FEW DAYS. AT THE END OF THE SEPTEMBER SESSION THERE WERE STILL NO INDICATIONS OF THE RESULTS OF WHAT THE RAW MATERIALS COMMISSION MIGHT PRODUCE BEFORE DECEMBER. IT REMAINS THE LEAST PRODUCTIVE COMMISSION WITH NO CLEARLY DEFINED TASK.

A SUMMARY OF MY IMPRESSIONS OF THE SEPTEMBER SESSION WILL BE SENT TO YOU TOMORROW DUE TO ILLNESS.

REGARDS, VOORHOEVE

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FORM 27
(1972)

TO

DATE

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PAGE 6

OCTOBER SESSION. IF DELEGATIONS WISH, THE OCTOBER SESSION
MAY BE EXTENDED BY A FEW DAYS. AT THE END OF THE SEPTEMBER
SESSION THERE WERE STILL NO INDICATIONS OF THE RESULTS OF
WHAT THE RAW MATERIALS COMMISSION MIGHT PRODUCE BEFORE
DECEMBER. IT REMAINS THE LEAST PRODUCTIVE COMMISSION WITH
NO CLEARLY DEFINED TASK.
A SUMMARY OF MY IMPRESSIONS OF THE SEPTEMBER SESSION WILL
BE SENT TO YOU TOMORROW DUE TO ILLNESS.

REGARDS, VOORHOEVE

NOT TO BE TRANSMITTED

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CIEC - 6TH SESSION - NUMBER 15

1976 SEP 20 AM 9 52

COMMUNICATIONS
SECTION

DISCUSSIONS IN COMMISSIONS

DEVELOPMENT COMMISSION - SATURDAY, SEPTEMBER 18

JAMAICA MADE BITTER INTERVENTION ON INDEBTEDNESS, EXPRESSING ON BEHALF OF G-19 KEEN DISAPPOINTMENT WITH THE EEC/US POSITION AS CABLED EARLIER. EEC/US WOULD HAVE TO QUOTE MAKE A SUBSTANTIAL CHANGE BEFORE CIEC DIALOGUE COULD BECOME FRUITFUL UNQUOTE. G-8 WILL HAVE TO ABANDON CASE-BY-CASE APPROACH FOR ACUTE CRISES, AND PROPOSE SPECIFIC MEASURES FOR RELIEF OF BOTH OFFICIAL AND COMMERCIAL DEBTS OF MSAS, LLDCS, AND GEOGRAPHICALLY DISADVANTAGED STATES. JAMAICA DID NOT ADDRESS MULTILATERAL DEBT QUESTIONS. ITS INTERVENTION SHOWED ONCE AGAIN THAT BOTH SIDES ARE STILL FAR APART ON DEBT RELIEF. G-8 DID NOT RESPOND AND COMMISSION MOVED ON TO ODA.

SWEDEN PROPOSED THAT ALL DONORS SHOULD REACH 0.7 PERCENT OF GNP BY 1980, RAISE GRANT ELEMENT TO 90 PERCENT, MAKE ODA TO LLDCS AVAILABLE AS GRANT ONLY, AND UNTIE ALL AID THROUGH MULTILATERAL ARRANGEMENTS. CANADA URGED ACHIEVEMENT OF 0.7 PERCENT AS SOON AS POSSIBLE AND SPOKE IN FAVOR OF A SPEEDY AND SUBSTANTIAL INCREASE IN IDA RESOURCES. (SWEDEN DID NOT MENTION IDA.) US, EEC, AND JAPAN DID NOT PRESENT PAPERS ON ODA. US REJECTED 0.7 PERCENT AS TARGET BUT CALLED FOR A GENERAL INCREASE OF ODA. JAPAN AND EEC EXPRESSED AGAIN SUPPORT FOR 0.7 PERCENT BUT WITHOUT A DATE.

SPEAKING FOR G-19, PAKISTAN MAINTAINED THAT 1980 WAS THE ULTIMATE YEAR FOR ACHIEVEMENT OF ODA TARGET. DONORS SHOULD LEVY A DEVELOPMENT TAX, ESTABLISH INTEREST SUBSIDY FUNDS, RAISE ODA BUDGETS ANNUALLY BY 25 PERCENT IN REAL TERMS TILL 0.7 PERCENT HAD BEEN ACHIEVED, SET ASIDE AN UNSPECIFIED PERCENTAGE OF ANNUAL GNP INCREASE FOR ODA, AND REALLOCATE AID TO MSAS, LLDGS, AND GEOGRAPHICALLY DISADVANTAGED STATES. PAKISTAN DEMANDED FURTHER THAT THE QUALITY OF ODA SHOULD BE IMPROVED BY RAISING GRANT ELEMENT, DEDUCTING INTEREST PAYMENTS, EXCLUDING LOANS WITH GRANT ELEMENT BELOW 50 PERCENT, EXCLUDING ODA TO DEPENDENT TERRITORIES, AND INCREASING NON-PROJECT AND PROGRAM ASSISTANCE. IDA SHOULD BE REPLENISHED AT DOLLAR NINE BILLION AND IDA MIGHT IMMEDIATELY START TO BORROW ON CAPITAL MARKET TO EXPAND ITS RESOURCES WHICH SHOULD THEN RECEIVE INTEREST SUBSIDY FROM PART I COUNTRIES. THIRD WINDOW SHOULD BE RAISE TO ONE BILLION DOLLARS AND BECOME PERMANENT. WORLD BANK'S GENERAL CAPITAL INCREASE SHOULD BE APPROVED. INTERNATIONAL FINANCIAL INSTITUTIONS SHOULD SOFTEN THEIR ASSISTANCE TERMS AND ADJUST LOANS FOR PROJECT INFLATION. THESE G-19 DEMANDS WERE BY AND LARGE SUPPORTED BY SWEDEN.

ALL MEMBERS OF G-8 STATED THAT CIEC SHOULD REFRAIN FROM SETTING A SPECIFIC LEVEL FOR IDA REPLENISHMENT AND NOT INTERFERE WITH NEGOTIATIONS.

US SUPPORTED UNTYING OF AID THROUGH MULTILATERAL MEANS AND PROVISION OF ONLY GRANTS TO THE LLDGS. US VIEWS ONE PERCENT OF GNP AS TARGET FOR TOTAL FLOWS AS THE ONLY VALID MEASURE. INDIA REACTED VERY CRITICALLY TO US, EEC, AND JAPANESE POSITIONS.

DEVELOPMENT COMMISSION CONCLUDED ITS DISCUSSION OF ODA FOR TIME BEING AND WILL DISCUSS AGRICULTURE AND FOOD ON MONDAY, SEPTEMBER 20.

ENERGY COMMISSION - FRIDAY, SEPTEMBER 17

IN A COMPREHENSIVE BUT GENERAL PAPER ON ENERGY COOPERATION, THE EEC PROPOSED A FLEXIBLE MACHINERY FOR ON-GOING INTERNATIONAL ENERGY CONSULTATIONS AFTER CIEC IS FINISHED. IT WOULD FOCUS ON PRICES, SUPPLIES, DEMAND, INVESTMENT, AND DIVERSIFICATION. THIS BODY WOULD HAVE LIMITED BUT REPRESENTATIVE MEMBERSHIP, MEETING AT LEAST ANNUALLY.

EEC PAPER STATED: QUOTE THE ENERGY COMMISSION SHOULD EXAMINE THE ROLE OF THE WORLD BANK, AND THE NEED FOR A BODY TO PERFORM FUNCTIONS OF THE KIND SUGGESTED FOR AN INTERNATIONAL RESOURCES BANK UNQUOTE. THIS EXAMINATION MIGHT TAKE PLACE IN OCTOBER. G-19 REACTED POSITIVELY TO EEC PAPER BUT DISCUSSION WAS POSTPONED TILL OCTOBER. THE COMMISSION THEN ADJOURNED.

FINANCIAL COMMISSION - FRIDAY, SEPTEMBER 17

COMMISSION CONTINUED A SEMI-ACADEMIC DISCUSSION OF INFLATION. IT DID NOT ACHIEVE ANYTHING AND RETURNED TO INDEBTEDNESS. EEC, REACTING TO PAKISTAN'S PAPER ON INDEBTEDNESS OF SEPTEMBER 15, REJECTED ONCE AGAIN RELIEF MEASURES FOR NON-ACUTE DEBT PROBLEMS. IT ARGUED THAT WIDESPREAD RENEGOTIATION OF FINANCIAL ARRANGEMENTS WOULD SEVERELY REDUCE THE FUTURE FLOW OF CAPITAL TO LDCS AND HARM POOR NATIONS' OWN INTERESTS. JAPAN ARGUED THAT SUCH DEBT RELIEF WOULD REDUCE AID AND PUNISH THOSE LDCS THAT MANAGE THEIR DEBTS WELL. US MAINTAINED THAT G-19 PROPOSALS WOULD RESULT IN SEVERE INCREASE OF INTEREST RATES AND A SHORTENING OF TERMS OF FUTURE LOANS TO LDCS. RELIEF FUNDS WOULD HAVE TO COME OUT OF THE US AID BUDGET. IT WAS ADAMANT ABOUT NOT OFFERING ANY RELIEF FOR LONG-TERM DEBT PROBLEMS BUT WAS READY FOR CASE-BY-CASE ACTION BY CREDITOR CLUBS AGAINST ACUTE DEBT CRISES.

SWEDEN SPOKE IN FAVOR OF QUOTE NON-AD-HOC MULTILATERAL FORMS
OF OFFICIAL DEBT REORGANIZATION UNQUOTE BUT EXCLUDED COMMERCIAL
DEBTS.

PAKISTAN DEMANDED THAT THERE SHOULD BE NO TRADE-OFF BETWEEN
AID AND DEBT RELIEF.

G-19 WERE UNDECIDED ON THE SUITABILITY OF WORLD BANK AS AGENT
FOR DEBT STUDIES AND RELIEF CONFERENCES. QUOTE BANK MAY BE
HAMPERED BY ITS OWN ROLE AS CREDITOR UNQUOTE. G-19 WILL GIVE THE
INSTITUTIONAL ASPECT FURTHER THOUGHT. G-19 MAY PROPOSE IN OCTOBER
THAT WORLD BANK WOULD BE OK IF IT WOULD PAY MORE ATTENTION TO THE
VIEWS OF THE DEBTOR COUNTRIES.

BOTH GROUPS DECIDED TO CONTINUE DISCUSSION ON DEBT THROUGH
INFORMAL, SMALL GROUPS BECAUSE PLENARY SESSIONS DID NOT BRING
PARTIES TOGETHER. FINANCE COMMISSION ADJOURNED UNTIL OCTOBER
SESSION. REGARDS

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CIEC - 6TH SESSION - NUMBER 14

DEVELOPMENT COMMISSION

DEBT DISCUSSION CONTINUED ON FRIDAY, SEPTEMBER 17, WITH EEC AND USA UNDERLINING DRAWBACKS OF GENERALIZED DEBT RELIEF AND PAKISTAN FOR G-19 ARGUING THAT DEBT RELIEF CONSTITUTES A SUPERIOR TYPE OF RESOURCE TRANSFER WHICH WILL NOT HURT CREDIT 36=2(27=0)90. DEBT DISCUSSION IN FULL COMMISSION WAS THEN ADJOURNED BUT WILL CONTINUE THROUGH QUOTE INFORMAL CONTACTS UNQUOTE BETWEEN DELEGATIONS FOR WHICH CO-CHAIRMEN OF FINANCE AND DEVELOPMENT COMMISSIONS WILL MAKE THEMSELVES AVAILABLE. THIS INFORMAL FORMULA SUBSTITUTES THE EARLIER IDEA OF A QUOTE WORKING PARTY UNQUOTE WHICH HAD BEEN REJECTED BY THE G-8. DEVELOPMENT COMMISSION THEN BEGAN DISCUSSION OF NEXT ITEM: TRANSFER OF RESOURCES. CO-CHAIRMEN HOPE TO BE ABLE TO TACKLE ALSO FOLLOWING ITEM: AGRICULTURE AND FOOD, BEFORE SEPTEMBER SESSION ENDS. THIS COULD IMPLY A PROLONGATION OF SESSION UNTIL MONDAY. REPORTS ON OTHER COMMISSIONS FROM VOORHOEVE WILL FOLLOW.

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RE CIEC - 6 TH SESSION - NUMBER 13

DISCUSSIONS IN THE COMMISSIONS OF THURSDAY , SEPTEMBER 15.

1. ENERGY COMMISSION:

THE UNITED STATES INTRODUCED FOR THE SECOND TIME ITS PROPOSAL FOR AN INTERNATIONAL ENERGY INSTITUTE. IT IS IDENTICAL TO THE US PAPER CIRCULATED IN JULY. G-19 IS MORE POSITIVE THIS TIME, , NO DELEGATION REJECTED IT BUT SOME RAISED QUESTIONS ABOUT ITS LIMITED TASKS, SMALL SIZE, AND EMPHASIS ON ENERGY PLANNING AND TRAINING. G-19 DEEMED THE TRANSFER OF ENERGY TECHNOLOGY TO LDCS THE MOST IMPORTANT TASK OF ANY NEW INSTITUTION. SAUDI-ARABIA, ALGERIA, IRAN AND EGYPT WERE SKEPTICAL BUT READY TO DISCUSS IT FURTHER. INDIA, JAMAICA, VENEZUELA AND G-8 RAISED QUESTIONS BUT HAVE A POSITIVE ATTITUDE. DISCUSSIONS WERE NON-COMMITAL. DETAILED WORK WAS SHIFTED TO OCTOBER SESSION WHICH MAY BE EXTENDED.

2. RAW MATERIALS COMMISSION - ADJOURNED YESTERDAY.

3. DEVELOPMENT COMMISSION:

EACH SIDE GAVE ITS REACTION TO THE PROPOSALS MADE BY THE OTHER SIDE ON INDEBTEDNESS.

JAPAN SAID THAT CREDITOR COUNTRIES HAD TO WONDER HOW MUCH MONEY HAD TO BE ALLOCATED TO DEBT RELIEF OPERATIONS. JAPAN FURTHER SAID THAT, WHILE IT WAS WILLING TO INCREASE ITS ODA, WAS NOT SURE THAT DEBT REORGANIZATION WAS THE BEST WAY TO CHANNEL AID, BECAUSE ITS PUBLIC OPINION DID NOT LIKE DEBT RELIEF, US DELEGATION EXPRESSED THE N VIEW THAT GENERALIZED DEBT RELIEF WAS

NOT IN THE BEST INTEREST OF LDCS. US SAID THAT GENERALIZED DEBT
RELIEF WOULD UNDERMINE CREDITWORTHINESS OF LDCS AND DETER PROSPEC-
TIVE LENDERS, GENERALIZED DEBT RELIEF THEREFORE, WAS NOT AN EFFEC-
TIVE WAY TO INCREASE DEVELOPMENT ASSISTANCE. SWEDEN GAVE A
SYMPATHETIC , BUT VAGUE RESPONSE TO G-19 PROPOSAL, 'SPECIFICALLY
ON PARAGRAPH QUOTE MULTILATERAL DEBTS UNQUOTE, SWEDEN SAID THAT
MULTILATERAL INSTITUTIONS WOULD PROBABLY HAVE TO PLAY AN INCREA-
SINGLY IMPORTANT ROLE IN DEBT PROBLEMS, 7BUT IT DID NOT SEE WHAT
EXACTLY THESE INSTITUTIONS SHOULD DO. G-19 THEN COMMENTED UPON
EEC/US PROPOSAL. PAKISTAN POINTED OUT THAT EEC/US HAD PROPOSED
A MECHANISM WHICH ALREADY EXISTS, AND DOES NOT THUS RESPOND TO
NEEDS FOR GENERALIZED RELIEF. PAKISTAN FURTHER SAID THAT PROPOSAL
OVERLOOKED THE FACT THAT MSAS HAD SEEN THEIR GROWTH PROSPECTS JEOR-
PARDIZED BY THE CRISIS, INDIA REPEATED THE STATEMENT IT HAD ALREADY
MADE IN THE FINANCE COMMISSION ON SEPT. 14 (SEE MYTEL NUMBER 11).
INDIA STRESSED THE NEED FOR A ONE-SHOT, GENERALIZED OPERATION ,
TO DEAL WITH AN EXTRAORDINACY SITUATION. A CASE BY CASE APPROACH WOULD
BE VERY TIME CONSUMING. THERE AGL
ALREADY RECOGNIZED BY UN, WHICH COULD PROVIDE BASIS FOR A GENERA-
LIZED APPROACH OF THE DEBT PROBLEM.

EEC REPLIED BY REITERATING PREFERENCE OF THE G-8 FOR THE
CASE BY CASE APPROACH. EEC FURTHER STRESSED THAT EEC/US PROPOSAL
WAS PROVIDING GUIDELINES NOT ONLY FOR PROBLEMS OF TODAY, BUT ALSO
FOR FUTURE OPERATIONS.

___ as received.

##//XXEOMMISXIXONXONXXIXANNEIXKXXXXXXIXKXX

WITH REFERENCE TO YURTEL 1771 OF SEPT 15, BANK OBSERVERS WERE
NOT CALLED TO COMMENT UPON PARAGRAPH 2 OF G-19 PROPOSALS.
WE HAD MEET WITH US AND SWEDEN PRIOR TO THE MEETING TO PREVENT
SUCH A REQUEST.

4. COMMISSION ON FINANCIAL AFFAIRS:

FINANCIAL COMMISSION INTERRUPTED ITS DISCUSSION OF DEBT RELIEF MEASURES FOR CONSIDERATION OF PAPERS ON WORLD INFLATION AND THE PROTECTION OF FOREIGN FINANCIAL ASSETS OF OIL EXPORTERS. THE US AND THE EEC REJECTED ONCE AGAIN ANY PROPOSALS FOR SPECIAL PROTECTION OF OPECS FOREIGN INVESTMENTS WITH THE PRINCIPLE OF NON-DISCRIMINATORY TREATMENT OF ALL INVESTORS. SAUDI-ARABIA REJECTED THIS G-8 POSITION FLATLY AND REPEATED OPEC DEMANDS WITHOUT PROPOSING SPECIFIC MECHANISMS. AFTER SHARP BUT INCONCLUSIVE POLEMICS, THE COMMISSION MOVED ON TO MEASURES TO COMBAT INFLATION. ON BEHALF OF G-19, IRAN BLAMED THE KEYNESIAN BUDGET POLICIES OF THE G-8 FOR WORLD INFLATION. IRAN CALCULATED THAT INDUSTRIAL COUNTRIES HAD RECEIVED A HUGE TRANSFER OF RESOURCES FROM OPEC BECAUSE OF UNDERPRICING OF OIL AMOUNTING TO ONE TRILLION DOLLARS IN TOTAL. IRAN REGARDS THE CURRENT OIL PRICE STILL BELOW ALTERNATIVE SOURCES, CORRESPONDING TO 18-20 DOLLARS PER BARREL. IRANIAN PROPOSALS FOR CURBING WORLD INFLATION WERE NON-SPECIFIC, TO WIT CONTROL OF INTERNATIONAL LIQUIDITY CREATION, RETURN TO STABLE CURRENCIES, DECREASED ROLE OF GOLD, STRENGTHENING OF IMF SUPERVISION AND INCREASE IN VOTES OF LDCS IN INTERNATIONAL FINANCIAL INSTITUTIONS. PAKISTAN EMPHASIZED NEED FOR TRADE LIBERALIZATION AS MEANS TO COMBAT INFLATION. IN GENERAL, DISCUSSIONS WERE ACADEMIC AND DID NOT DIFFER FROM THOSE IN THE FIRST, ANALYTICAL, PHASE OF CIEC.

REGARDS

CARRIERE

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SEPT 16 1976

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RE MR CARRIERE'S TELEX NO. 2226.

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KINDLY CORRECT OUR REFERENCE TO READ:

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RE CIEC - 6TH SESSION - NUMBER 11

DISCUSSIONS IN THE 4 COMMISSIONS ON WED. SEPT 15 WENT AS FOLLOWS:

1. ENERGY COMMISSION MET TO HEAR U.S. INTRODUCE INTERNATIONAL

RESOURCES BANK. THE PROPOSAL IS IDENTICAL TO THE VERSION REPORTED IN JUNE WHICH IS ON FILE IN THE POLICY PLANNING DIVISION. IN REPLY TO G-19 QUESTIONS, U.S. STATED THAT THE PROPOSAL WOULD, AT THIS TIME, NOT BE LIMITED TO DEVELOPMENT OF ENERGY RESOURCES BUT ALSO INCLUDE NON-FUEL MINERALS. IRB WOULD CONCENTRATE ON LDOS BUT LENDING TO INDUSTRIAL COUNTRIES COULD NOT BE RULED OUT. IRB IS NO COUNTER PROPOSAL AGAINST COMMON FUND. U.S. HAS NO GENERAL FORMULA FOR IRB GUARANTEE POWERS. THE NATURE OF GUARANTEES AND RECOURSE OF FOREIGN COMPANIES IN CASE OF EXPROPRIATION OR DEFAULT SHOULD BE NEGOTIATED CASE BY CASE. IRB WOULD NOT BE LIMITED TO OIL AND GAS BUT DEVELOP ALL ENERGY SOURCES. U.S. EXCLUDED HOWEVER THERMAL ELECTRICITY AND NOT COMMERCIALY VIABLE ALTERNATIVE ENERGY. U.S. MAY SUBMIT MORE SPECIFIC PROPOSALS IN OCTOBER.

2. RAW MATERIALS COMMISSION DECIDED TO ADJOURN BECAUSE OF LACK

OF PREPARATION BY ALL DELEGATIONS. PARTICIPANTS WERE URGED TO SUBMIT ANY PAPERS ON ITEMS COVERED IN THE WORK PROGRAM TO THE SECRETARIAT BEFORE OCTOBER 20, FOR DISTRIBUTION PRIOR TO THE NEXT MEETING. RAW MATERIALS COMMISSION MAY MEET LONGER IN OCTOBER TO MAKE UP FOR TIME LOST NOW.

3. DEVELOPMENT COMMISSION. AT OUTSET OF MEETING, THE G-19 C I E C

PRESENTED THEIR PROPOSAL ON PROBLEMS OF INDEBTEDNESS OF DEVELOPING COUNTRIES - THE TEXT OF WHICH WAS RELAYED TO YOU EARLIER TODAY IN MYTEL NO. 9. ONLY EEC GAVE A SIGNIFICANT FIRST REACTION TO THE G-19 PROPOSAL. EEC SAID THAT PROPOSAL WAS AT VARIANCE WITH THE NAIROBI RESOLUTION SINCE IT DEPARTED FROM THE CASE BY CASE APPROACH AGREED UPON IN UNCTAD 4. EEC FURTHER SAID THAT THE G-19 WAS NOT REALLY AIMING AT DETERMINING WHAT FEATURES COULD PROVIDE GUIDANCE IN FUTURE OPERATIONS, AS REQUESTED BY UNCTAD RESOLUTION.

FINALLY, THE EEC SAID THAT GOVERNMENTS IN INDUSTRIALIZED COUNTRIES HAD LITTLE LEVERAGE ON THE BANKING SYSTEM TO HAVE IT COMPLY WITH THE MEASURES PROPOSED BY G-19 FOR THE TREATMENT OF COMMERCIAL DEBTS.

ON THEIR SIDE, THE G-19 WERE NOT IN A POSITION TO REACT TO THE EEC/U.S. PROPOSAL ON INDEBTEDNESS, PRESENTED EARLIER IN THE WEEK TO THE COMMISSION. THEREFORE DISCUSSIONS ON BOTH EEC/U.S. AND G-19 WERE DEFERRED TO THE THURSDAY MEETING OF THE DEVELOPMENT COMMISSION.

4. COMMISSION ON FINANCIAL AFFAIRS. ON BEHALF OF G-19, INDIA

CRITICIZED PROPOSAL MADE BY EEC AND U.S. FOR THE TREATMENT OF ACUTE DEBT CRISIS SITUATIONS. INDIA CONTENDED THAT THIS PROPOSAL DID NOT FOLLOW THE DIVISION OF LABOR AGREED UPON BY THE CO-CHAIRMEN'S WORK PROGRAM. INDIA FURTHER SAID THAT THE EEC/U.S. PROPOSAL DREW TOO MUCH ON THE EXPERIENCE OF THE PAST AND DID NOT SUGGEST MEASURES ATTUNED TO THE FUTURE. THE INDIAN DELEGATE SAID THAT THE DIAGNOSIS FOR DEBT CRISES HAD TO BE MADE IN REFERENCE TO THE NATURE OF THE ILLNESS RATHER THAN TO ITS SERIOUSNESS. HE ALSO POINTED OUT THAT THE EEC/U.S. PROPOSAL DID NOT TAKE INTO ACCOUNT THE CASE OF COUNTRIES WHICH WOULD HAVE AVOIDED ACUTE DEBT CRISES AT THE EXPENSE OF THEIR GROWTH PROSPECTS. HE FURTHER QUESTIONED THE ROLE ASSIGNED IN THE PROPOSAL TO MULTILATERAL INSTITUTIONS WHICH QUOTE GIVE SOMETIMES INADEQUATE RESPONSE TO THE REQUIREMENTS OF THE LDCS OR GIVE THEIR ASSISTANCE UNDER CONDITIONS WHICH ARE DETRIMENTAL TO THEIR ECONOMIC GROWTH. UNQUOTE INDIA'S DECLARATION WAS NOT COMMENTED UPON BY THE G-8.

THE G-19 THEN TABLED A PROPOSAL FOR "FUTURE DEBT RENEGOTIA-
TIONS FOR INTERESTED DEVELOPING COUNTRIES". THIS PAPER DEFINES
THE GENERAL OBJECTIVES OF DEBT REORGANIZATION, SUGGESTS A
PROCEDURE FOR THE INITIATION OF INTERNATIONAL ACTION, RECOMMENDS
A PROCEDURE FOR ANALYSIS OF A COUNTRY'S LONG TERM ECONOMIC
SITUATION. THE PAPER FURTHER DEFINES GUIDELINES FOR FINANCIAL
RENEGOTIATION AND RAISES THE PROBLEM OF INSTITUTIONAL ARRANGEMENTS
FOR FINANCIAL RENEGOTIATIONS. THE PAPER DOES NOT ASSIGN ANY
PARTICULAR ROLE TO THE BANK AND TO MULTILATERAL INSTITUTIONS IN
GENERAL.

REACTIONS FROM THE G-8 WERE ONLY OF PROCEDURAL NATURE. G-8
GENERALLY THOUGHT THAT THE G-19 PROPOSALS WENT FAR BEYOND THE MERE
ACUTE DEBT CRISIS SITUATIONS WHICH THE FINANCIAL COMMISSION HAS TO
DEAL WITH, AND THAT THIS WOULD ENTAIL DUPLICATION OF WORK WITH
THE DEVELOPMENT COMMISSION. BUT IT WAS AGREED THAT G-8 WOULD
GIVE A MORE DETAILED ANSWER TO G-19 PROPOSAL NEXT FRIDAY.

THE COMMISSION THEN TOOK UP SUBJECT OF "MEASURES AGAINST
INFLATION" AND HEARD TWO PRESENTATIONS BY THE U.S. AND EEC,
BOTH UNDERLYING THE NEED FOR A COMMON FIGHT AGAINST INFLATION AND
ASKING THE LDCS AS WELL AS THE DEVELOPED COUNTRIES TO TAKE THEIR
SHARE IN THIS FIGHT.

THE COMMISSION HAD NO TIME TO REALLY DISCUSS THE ISSUE, WHICH
WILL BE TAKEN UP AGAIN LATER IN THE WEEK. REGARDS

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RE CIEC - 6TH SESSION - NUMBER 11

PURSUANT TO OUR PHONE CONVERSATION OF TODAY, SEPT 15

1. COCHAIRMEN'S WORK PROGRAM OF COMMISSIONS TOGETHER WITH OTHER DOCUMENTS ISSUED AT 6TH SESSION WILL BE HANDCARRIED BY VOORHOEVE UPON HIS RETURN TO WASHINGTON.

2. BELOW IS TEXT OF PARAGRAPH OF WORK PROGRAM DEALING WITH DEBT PROBLEMS OF DEVELOPING COUNTRIES. THIS PARAGRAPH WAS LEFT OUT IN FIRST PARAGRAPH OF MYTEL NUMBER 6 OF SEPT 14.

QUOTE

CIEC IS AN APPROPRIATE FORUM FOR DEALING WITH THE PROBLEM OF INDEBTEDNESS OF DEVELOPING COUNTRIES. IT WAS RECOGNIZED THAT DEBT PROBLEMS OF DEVELOPING COUNTRIES HAVE BOTH DEVELOPMENTAL AND FINANCIAL IMPLICATIONS WHICH REQUIRE CONSIDERATION DURING THE SECOND PHASE OF THE CONFERENCE WITH A VIEW TO FACILITATING AGREEMENT ON CONCRETE PROPOSALS TO BE SUBMITTED FOR APPROVAL TO THE MINISTERIAL CONFERENCE.

21-0720

THE COMMISSION ON FINANCIAL AFFAIRS WILL FORMULATE PROPOSALS
FOR PRINCIPLES OR FEATURES FOR DEBT REORGANIZATION OPERATIONS.
THE COMMISSION ON DEVELOPMENT WILL CONSIDER OTHER ASPECTS OF OR
PROPOSALS ON INDEBTEDNESS OF DEVELOPING COUNTRIES TAKING INTO
ACCOUNT THEIR DEVELOPMENT NEEDS AND EXTERNAL PAYMENTS PROBLEMS,
AS WELL AS PROPOSALS FOR MEASURES WHICH WOULD CONTRIBUTE TO THE
ALLEVIATION OF THE EXISTING DEBT BURDEN OF DEVELOPING COUNTRIES
DEPENDING LARGELY UPON AID AND HAVING SERIOUS STRUCTURAL FINANCIAL
PROBLEMS. THESE WOULD INCLUDE IN PARTICULAR LEAST DEVELOPED
COUNTRIES, MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES AND OTHER
COUNTRIES IN NEED. THESE LATTER PROBLEMS WHICH MAY LEAD TO
DIFFICULTIES IN IMPLEMENTING THEIR DEBT SERVICE CONSTITUTE GENERAL
PROBLEMS OF TRANSFER OF RESOURCES.

UNQUOTE

REGARDS CARRIERE

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TO: CARRIERE
INTBAFRAD
COUNTRY: PARIS
CABLE NO. & TEXT: FRANCE

DATE: SEPTEMBER 15, 1976
ORIGINATOR'S EXT.: 2173 4/c
CLASS OF SERVICE: TELEX 620628

1771


FOLLOWING IS RESPONSE TO YOUR CIEC NUMBER TEN REQUESTING INSTRUCTIONS IF ASKED TO COMMENT ON G-19 PROPOSALS RE INDEBTEDNESS ON MULTILATERAL DEBT. IT CONFIRMS OUR TELEPHONE CONVERSATION TODAY:

ONE: YOU SHOULD SEEK TO DISSUADE DELEGATIONS FROM REQUESTING STATEMENT BY BANK ON GROUND THAT BANK'S BOARD IS TO CONSIDER PROGRAM LENDING EXPERIENCE AND POLICY AFTER ANNUAL MEETING. THEREFORE BANK DELEGATION NOT NOW IN POSITION TO MAKE STATEMENT.

TWO: IF YOU ARE NEVERTHELESS CALLED ON TO SPEAK, CONFINE YOUR STATEMENT TO THE ABOVE. LEAVE IT TO YOU TO DECIDE WHETHER TO ADD THAT IT IS NOT APPROPRIATE FOR BANK DELEGATION TO COMMENT ON PROPOSALS SUBMITTED BY INDIVIDUAL DELEGATIONS OR GROUPS OF DELEGATIONS BEFORE THERE IS CONSENSUS. REGARDS

BOSKEY

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(TELEGRAM/CABLE/TELEX)

FORM NO. 27
(11-78)

TO: CARRIAGE
FROM: LITBANKAD
COUNTRY: PARIS
CABLE NO. & TEXT: FRANCE
DATE: SEPTEMBER 15, 1976
ORIGINATOR'S EXT: 2173
CLASS OF SERVICE: TELEX 620628

1771

FOLLOWING IS RESPONSE TO YOUR CIRC NUMBER TEN REQUESTING INSTRUCTIONS
IF ASKED TO COMMENT ON G-19 PROPOSALS RE INTERESTS ON MULTILATERAL
DEBT. IT CONFIRMS OUR TELEPHONE CONVERSATION TODAY:

ONE: YOU SHOULD SEEK TO DISUADE DELEGATIONS FROM REQUESTING STATEMENT
BY BANK ON GROUND THAT BANK'S BOARD IS TO CONSIDER PROGRAM LENDING
EXPERIENCE AND POLICY AFTER ANNUAL MEETING. THEREFORE BANK DELEGATION
NOT NOW IN POSITION TO MAKE STATEMENT.

TWO: IF YOU ARE NEVERTHELESS CALLED ON TO SPEAK, CONFINED YOUR STATEMENT
TO THE ABOVE. LEAVE IT TO YOU TO DECIDE WHETHER TO ADD THAT IT IS NOT
APPROPRIATE FOR BANK DELEGATION TO COMMENT ON PROPOSALS SUBMITTED BY
INDIVIDUAL DELEGATIONS OR GROUPS OF DELEGATIONS BEFORE THERE IS
CONSENSUS. REGARDS

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RE CIEC - 6TH SESSION - NUMBER 10

WE SENT IN TELEX NO. 9 OF TODAY OF G-19 PROPOSALS ON INDEBTEDNESS. PSE REFER TO PARAGRAPH 2, ON MULTILATERAL DEBTS. THE DUTCH REPRESENTATIVE CHAIRING EEC DELEGATION ASKED US FOR INFORMAL COMMENT OUTSIDE MEETING AND WARNED US THAT U.S. DELEGATION WILL ASK BANK OBSERVER TO COMMENT PUBLICLY PROBABLY THURSDAY MORNING. WE INTEND TO MAKE STATEMENT ALONG FOLLOWING LINES:

1. ARTICLES OF AGREEMENT STIPULATE THAT BANK FINANCING MUST BE PROJECT LENDING SEMI COLON
2. PROGRAM LENDING HAS THEREFORE BEEN CONFINED TO EXCEPTIONAL CASES, NAMELY ACUTE BOP CRISIS, STRUCTURAL CHANGES REQUIRING SECTOR IMPORTS PROGRAMS, AND NATURAL DISASTERS. IN ADDITION, AN OVERALL CEILING HAS BEEN SET FOR PROGRAM LENDING COMMITMENTS SEMI COLON
3. THE PROPOSED MEASURE WOULD BENEFIT PRIMARILY THOSE COUNTRIES WITH HIGH IBRD LENDING AND NOT THE POOREST COUNTRIES RELYING ON IDA. IT WOULD BE HELPFUL TO DEMONSTRATE THIS WITH STATISTICS OF ACTUAL SERVICE PAYMENTS TO BANK GROUP BY COUNTRY AND INCOME GROUPS AND DATA ON ACTUAL PROGRAM LENDING SEMI COLON
4. AS A FINAL COMMENT, WE WOULD STRESS THE NEED FOR MULTILATERAL INSTITUTIONS TO RETAIN AS MUCH FLEXIBILITY AS POSSIBLE IN ALLOCATING PROGRAM LOAN FUNDS TO HELP THE MOST DESERVING COUNTRIES ON A CASE BY CASE BASIS.

PLEASE GIVE COMMENTS, DATA, AND CLEARANCE BY THURSDAY MORNING 9:00 A.M. PARIS TIME BY TELEX, OR BY CALLING VOORHOEVE TONIGHT AT HOTEL PRINCE DE GALLES, TEL NO. 723 5511, ROOM 807.

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RE CIEC - 6TH SESSION - NUMBER 9

BELOW IS TEXT OF PROPOSALS SUBMITTED BY G-19 ON PROBLEMS OF
INDEBTEDNESS OF DEVELOPING COUNTRIES. THESE PROPOSALS WERE
TABLED IN DEVELOPMENT COMMISSION TODAY, SEPT. 15.

QUOTE

PROPOSALS SUBMITTED BY THE G-19 ON THE PROBLEMS OF
INDEBTEDNESS OF DEVELOPING COUNTRIES.

THE COMMISSION ON DEVELOPMENT AGREES:

THAT GENERALIZED AND IMMEDIATE OFFICIAL DEBT RELIEF THROUGH
MEASURES TO BE ADOPTED BY DEVELOPED COUNTRIES IN FAVOUR OF IN-
TERESTED DEVELOPING COUNTRIES AND PARTICULARLY OF THE MSA, LEAST
DEVELOPED, DEVELOPING LAND-LOCKED AND DEVELOPING ISLAND COUNTRIES 1/
ARE ESSENTIAL IN RESTORING THE MOMENTUM OF GROWTH LOST DURING THE
ECONOMIC CRISIS AND TO FACILITATE THE ACHIEVEMENT OF THE IDS TARGET.

A. OFFICIAL DEBTS

1. BILATERAL DEBT OWED TO DEVELOPED COUNTRIES

I. THE LEAST DEVELOPED, DEVELOPING LAND-LOCKED AND DEVELOPING ISLAND COUNTRIES SHOULD HAVE THEIR OFFICIAL DEBTS CONVERTED INTO GRANTS.

II. OTHER MOST SERIOUSLY AFFECTED COUNTRIES SHOULD RECEIVE THE SAME TREATMENT AS ABOVE, OR AS A MINIMUM, SHOULD HAVE THEIR OUTSTANDING OFFICIAL DEBTS RECOMPUTED AT THE PRESENT IDA TERMS WITH A MINIMUM GRANT ELEMENT OF 90 PERCENT.

III. DEBT RELIEF SHOULD ALSO BE PROVIDED BY DEVELOPED BILATERAL CREDITORS AND DONORS TO OTHER DEVELOPING COUNTRIES SEEKING RELIEF.

1/ IT IS UNDERSTOOD THAT COUNTRIES EXPERIENCING SIMILAR GEOGRAPHICAL DIFFICULTIES AND WHICH HAVE BEEN QUALIFIED AS SEMI-LAND-LOCKED WOULD BENEFIT OF THE SAME TREATMENT.

2. MULTILATERAL DEBTS

MULTILATERAL DEVELOPMENT FINANCE INSTITUTIONS SHOULD PROVIDE PROGRAMME ASSISTANCE TO EACH MSA, LEAST DEVELOPED, ISLAND

AND LAND-LOCKED DEVELOPING COUNTRY IN AN AMOUNT NO LESS
THAN ITS DEBT SERVICE PAYMENTS TO THESE INSTITUTIONS. IN
THE CASE OF OTHER INTERESTED DEVELOPING COUNTRIES, AND TO
THE EXTENT SOUGHT BY SUCH COUNTRIES, MULTILATERAL DEVELOP-
MENT FINANCE INSTITUTIONS SHOULD PROVIDE PROGRAMME
ASSISTANCE TO THEM IN AN AMOUNT NO LESS THAN THEIR SERVICE
PAYMENTS TO THESE INSTITUTIONS.

B. COMMERCIAL DEBTS

1. I) INTERNATIONAL AGREEMENT SHOULD BE REACHED TO CONSOLI-
DATE DEBTS OF INTERESTED DEVELOPING COUNTRIES AND TO
RESCHEDULE PAYMENTS OVER A PERIOD OF AT LEAST 25 YEARS.
II) THE CONSOLIDATION OF COMMERCIAL DEBTS AND THE
RESCHEDULING OF PAYMENTS SHOULD BE ACHIEVED BY THE
FUNDING OF THE COMMERCIAL DEBTS OF THE INTERESTED
DEVELOPING COUNTRIES.
III) A FINANCIAL FACILITY TO REFINANCE THE BURDENSOME SHORT-
TERM LOANS CONTRACTED IN RECENT YEARS SHOULD BE
ESTABLISHED FOR THE USE OF INTERESTED DEVELOPING
COUNTRIES, PERHAPS UNDER THE AEGIS OF THE WORLD BANK
AND THE IMF.
2. IN REGARD TO THE DEBTS CONTRACTED THROUGH FINANCIAL MARKETS

OR CREDIT INSTITUTIONS BY DEVELOPING COUNTRIES SEEKING DEBT

RELIEF, TWO POSSIBLE SOLUTIONS MAY BE APPLIED:

- I) THE GOVERNMENTS OF COUNTRIES OF ORIGIN OF CREDIT INSTITUTIONS SHOULD ADOPT MEASURES TO PERSUADE THESE INSTITUTIONS TO RESCHEDULE OR REFINANCE THE TOTAL CAPITAL AND INTEREST DUE. THIS REFINANCING SHOULD BE MADE AT THE LOWEST MARKET RATES. THE AMORTIZATION PERIOD SHOULD BE THE SAME AS FOR THE ORIGINAL OPERATION BEING REFINANCED AT THE TIME OF SUCH REFINANCING.
- II) THE GRANT OF A LOAN AND INTEREST SUBSIDY BY THE GOVERNMENTS OF THE DEVELOPED CREDITOR COUNTRIES PARTICIPATING IN THE RESCHEDULING OF THE OFFICIAL DEBT OF THE DEBTOR COUNTRY FOR REFINANCING OF THE PRIVATE FINANCIAL DEBTS OF THE COUNTRY. THE AMOUNT OF THIS LOAN SHOULD BE EQUIVALENT TO THE CAPITAL AND INTEREST DUE AND SHOULD BE ON THE SAME CONDITIONS ESTABLISHED FOR THE RESCHEDULING OF THE PUBLIC DEBT.

UNQUOTE

REGARDS CARRIERE

EGG

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(11-75)

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OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IFRD
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TO: CARRIERE
WORLD BANK
PARIS

DATE: SEPTEMBER 14, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

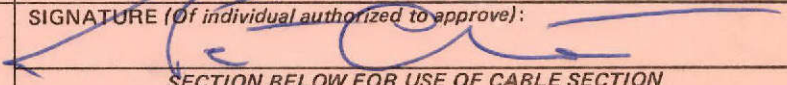
CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT: 1757

RE YOUR CIEC TELEX NUMBER 7 PARA ONE ON SIR EGERTONS VISIT TO BANK ENERGY
OFFICIALS. ROVANI WILL COORDINATE ARRANGEMENTS. PROGRAM WILL DEPEND ON
DATE SELECTED. WE EXPECT ERNIE STERN WHO IS CONCERNED WITH INTERNATIONAL
RESOURCES BANK WILL BE AVAILABLE. REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): L. Peter Chatenay
DRAFTED BY: LPChatenay:mmh	DEPARTMENT: International Relations
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RESOURCES BANK WILL BE AVAILABLE. RESERVE

DATE SELECTED. WE EXPECT SOMEONE WHO IS CONCERNED WITH INTERNATIONAL

OFFICIALS. BOLAND WILL COORDINATE VERIFICATION. BOLAND WILL DEFEND ON

BE LONG CIRC LETTER NUMBER 1 BANK ONE ON SIX EIGHTYONE ALSO TO BANK EIGHTY

CABLE NO. & TEXT:

CODING: REVERSE

BY: B
MONTD BANK
TO: CABLELINE

SERVICE: LETTER
CLASS OF

ORIGINATOR'S EXT: 3643

DATE: SEPTEMBER 14, 1946

(TELEGRAM/CABLE/TELEX)

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REUR 1747 TO CARRIERE WHO ATTENDS CIEC ON FULL TIME BASIS.

THE FIGURE IN MYHRER'S TELEX 2165 OF 17 (SEVENTEEN) WAS WRONG.

THE REMAINING FINANCIAL GAP FOR IFAD IS 70 (SEVENTY) MILLION DOLLARS AS YOUR CABLE ALMOST CORRECTLY ASSUMED. FROM THIS GAP,

RECENT SUPPLEMENTARY CONTRIBUTIONS FROM DENMARK OF DOLLARS 2.5 MILLION AND NORMAY DOLLARS 1.7 MILLION WILL HAVE TO BE

DEDUCTED, BUT FOR THE TIME BEING THESE SUPPLEMENTARY

CONTRIBUTIONS ARE NOT YET FULLY CONFIRMED ACCORDING TO OECD

EXPERTS. REGARDS

KOELLE

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DEVELOPMENT COMMISSION

BELOW IS TEXT OF EEC/US PROPOSAL ON INDEBTEDNESS (SEE MYTEL
2204 OF SEPT 14).

QUOTE

I REMEDIAL MEASURES TO DEAL WITH SITUATIONS OF A LONGER-TERM
NATURE

IN THE CASE OF DEVELOPING COUNTRIES DEPENDING LARGELY ON AID,
FINANCIAL SITUATIONS OF A LONGER-TERM NATURE WHERE AN ADVERSE
STRUCTURE OF THE BALANCE OF PAYMENTS CAN HAMPER DEVELOPMENT WOULD
BE CONSIDERED ON AN INDIVIDUAL BASIS WITH A VIEW TO PROVIDING AID
IN FORMS BETTER ADAPTED TO THE BALANCE OF PAYMENTS NEEDS OF THE
RECIPIENT IN THE PERIOD OF DIFFICULTY FORESEEN. IN THE PRESENT
WORLD ECONOMIC SITUATION, THERE ARE SOME CASES AMONG MSA AND
LEAST-DEVELOPED COUNTRIES IN PARTICULAR WHERE DEVELOPMENT PROSPECTS
HAVE BEEN SERIOUSLY REDUCED BY EXTERNAL FACTORS. SUCH PROBLEMS
WHICH MAY LEAD TO DIFFICULTIES IN IMPLEMENTING THEIR DEBT SERVICE,
CONSTITUTE GENERAL PROBLEMS OF TRANSFER OF RESOURCES.

SOME OF THE FEATURES DISCERNED FROM PAST OPERATIONS AS WELL
AS IN THE LIGHT OF THE PRESENT SITUATION ARE INCORPORATED IN THE
FOLLOWING PROCEDURE. IT IS AN EFFECTIVE WAY OF IDENTIFYING
COUNTRIES IN THESE SITUATIONS AND ASSURING THAT APPROPRIATE ACTION
TO ASSIST THEM IS TAKEN.

1. A DEVELOPING COUNTRY WHICH BELIEVES IT HAS SUCH A PROBLEM, OF WHICH DEBT IS AN ELEMENT, WOULD REQUEST AN EXAMINATION OF ITS SITUATION BY THE IBRD OR ANOTHER APPROPRIATE MULTILATERAL DEVELOPMENT FINANCE INSTITUTION MUTUALLY AGREED UPON. THESE REQUESTS SHOULD GIVE REASONS AND CONTAIN ALL OTHER RELEVANT DATA.

2. THE RELEVANT INSTITUTION WOULD THEN EXAMINE THE REQUEST, PAYING PARTICULAR ATTENTION TO THE FOLLOWING ELEMENTS:

- (A) THE RELATIVE POVERTY OF THE DEVELOPING COUNTRY CONCERNED SEMICOLON
- (B) THE EXTENT TO WHICH THE COUNTRY CONCERNED DEPENDS ON ODA SEMICOLON
- (C) DEVELOPMENTS IN AND PROSPECTS FOR EXPORT RECEIPTS AND FOR THE CAPACITY OF ENSURING IMPORTS ESSENTIAL TO THE DEVELOPMENT PROCESS, SUCH AS FERTILIZER AND OTHER AGRICULTURAL INPUTS, FOODSTUFFS, ENERGY, CAPITAL GOODS (AND SPARE PARTS) AND INDUSTRIAL RAW MATERIALS SEMICOLON
- (D) THE COMPOSITION AND TREND OF DEBT SERVICE OBLIGATIONS AND ITS CAPACITY FOR ANY FURTHER BORROWING UPON NONNNNNNNNNN-CONCESSIONAL TERMS SEMICOLON
- (E) THE IMPACT WHICH THE SITUATION HAS ALREADY HAD UPON ESSENTIAL IMPORTS SEMICOLON
- (F) WHETHER THE DEVELOPMENT PLAN FOR THE RELEVANT PERIOD AND POLICIES THE COUNTRY IS PURSUING IN THAT FRAMEWORK ARE APPROPRIATE SEMICOLON
- (G) THE EXTENT TO WHICH THE DEVELOPING COUNTRY HAS MADE USE OF IMF FACILITIES.

3. IF IN THE LIGHT OF THESE ELEMENTS ANY FURTHER STEPS SEEMED NECESSARY THE RELEVANT INSTITUTION WOULD THEN ANALYZE THE GENERAL ECONOMIC SITUATION OF THE COUNTRY INCORPORATING THE FUND'S ASSESSMENT OF ITS BALANCE OF PAYMENTS AND EXCHANGE RATE POLICIES AND PROSPECTS, INCLUDING DEBT SERVICING. THIS ANALYSIS WOULD

ALSO MAKE AN APPRECIATION OF THE LEVEL OF ODA WHICH IS AVAILABLE IN APPROPRIATE FORMS. THE ANALYSIS WOULD, FURTHERMORE, ESTABLISH THE EFFECTIVENESS OF THE COUNTRY'S USE OF BOTH DOMESTIC AND EXTERNAL RESOURCES FOR SAFEGUARDING ITS DEVELOPMENT PROCESS, SUCH AS MOBILIZATION OF DOMESTIC SAVINGS, PRIORITIES FOR NEW INVESTMENT, AND EXPORT PROMOTION POLICIES, AND ITS MEASURES FOR MONITORING EXTERNAL CREDITS AND OTHER MEASURES TO AVOID DEBT- SERVICING DIFFICULTIES.

4. THE RELEVANT INSTITUTION WOULD, IF THE ANALYSIS REVEALS THAT, IN THE CONTEXT OF DEVELOPMENT POLICY, THE PROSPECTS OF THE COUNTRY IN QUESTION ARE SERIOUSLY HAMPERED, CONTACT THE AID DONORS IN ORDER TO DISCUSS, BY MUTUAL AGREEMENT , THE NEEDS OF THE DEVELOPING COUNTRY. THIS COULD BE DONE WITHIN THE FRAMEWORK OF CONSORTIA AND CONSULTATIVE GROUPS. OTHERWISE, THE RELEVANT INSTITUTION COULD ORGANIZE AD HOC MEETINGS OF DONORS OR CONTACT DONORS INDIVIDUALLY IN CASES WHERE THIS IS APPROPRIATE. THE APPROPRIATE INTERNATIONAL INSTITUTION WOULD SUBMIT A REPORT TO THE DONOR COMMUNITY AND THE RECIPIENT COUNTRY ON MEASURES WHICH THEY MIGHT TAKE, TAKING INTO ACCOUNT THE USE OF IMF FACILITIES BY THE RECIPIENT COUNTRIES AND INVITE ALL CONCERNED TO EXAMINE THIS REPORT SYMPATHATICALLY.

5. IN THE EVENT THE DONOR COUNTRIES FIND THE DEVELOPING COUNTRY WHICH HAS MADE A REQUEST IS ENCOUNTERING LONG-TERM FINANCIAL DIFFICULTIES IMPINGING UNDULY ON ITS DEVELOPMENT PROGRESS, THEY WOULD, TO THE BEST OF THEIR ABILITIES, ENHANCE ASSISTANCE EFFORTS IN RESPONSE TO A DEVELOPING COUNTRY DEMONSTRATING ITS WILLINGNESS TO TAKE CORRECTIVE MEASURES ON ITS OWN BEHALF INSOFAR AS IT IS ABLE. SUCH AN EFFORT SHOULD GENERALLY BE DIRECTED TOWARDS INCREASING THE QUANTITY OF AID IN APPROPRIATE FORMS AND IMPROVING

THE QUALITY SO THAT TERMS ARE APPROPRIATE TO THE ECONOMIC SITUATION
AND THE DEVELOPMENT PROSPECTS OF THE RECSPIENT COUNTRY.

6. AMONG THE VARIOUS MEASURES WHICH MIGHT BE TAKEN BY A DONOR
CLUNTRY FOR THIS PURPOSE, PROGRAM AID AND ANY FLEXIBLE FORMS OF
WUICKLY DISBURSABLE AID WOULD BE CONSIDERED PREFERABLE TO ODA
DEBT REORGANIZATION. HOWEVER, IN EXCEPTIONAL CASES, A DONOR
COUNTRY MIGHT CHOOSE TO USE ODA DEBT REORGANIZATION, ALONG THE
FOLLOWING LINES (SELON LES ORIENTATIONS SUIVANTES):

THE CONCESSIONAL ELEMENT OF REORGANIZED CREDITS WOULD BE AS
GREAT AS THE AVERAGE CONCESSIONAL ELEMENT OF COMPARABLE NEW
CREDITS PROVIDED BY THE DONORS CONCERNED.

7. AS TO MULTILATERAL DEVELOPMENT FINANCE INSTITUTIONS, THEY WOULD
CONSIDER COMMITTING NEW RESOURCES IN AN APPRVVCUWZS FORM
WITHIN THEIR LENDING POLICIES AND PRACTICES.

8. THE DEBTOR WOULD TRY TO MAKE EQUIVALENT ARRANGEMENTS WITH
MAJOR COUNTRIES NOT TAKING PART IN THE OPERATION SO THAT THE
INCREASED BALANCE OF PAYMENTS FLEXIBILITY PROVIDED WAS NOT INDIRECTLY
USED TO REPAY THESE OTHER COUNTRIES.

UNQUOTE

REGARDS

CARRIERE

CORRECTIONS PARA 7, FIRST LINE END OF LINE PLS READ "WOULD"
SECOND LINE END OF LINE TO READ "IN AN APPROPRIATE FORM" SORRY
EG

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MOM PLS

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RE CIEC 6TH SESSION - NUMBER 7

DISCUSSIONS IN THE COMMISSIONS

1. ENERGY COMMISSION MET TO DETERMINE THAT IT WILL START DISCUSSIONS ON WORK PROGRAM TOMORROW, , BEGINNING WITH ENERGY RESOURCE AVAILABILITY, SUPPLY, AND DEVELOPMENT. THE US PROPOSALS FOR INTERNATIONAL RESOURCE BANK AND INTERNATIONAL ENERGY AGENCY WILL BE DISCUSSED UNDER THIS HEADING. SIR EGERTON RICHARDSONN CHIEF DELEGATE OF JAMAICA, APPROACHED WORLD BANK OBSERVER TO REQUEST WHETHER HE COULD VISIT WITH WORLD BANK ENERGY OFFICIALS. HE MAY BE PASSING THROUGH NEW YORK ON SEPTEMBER 16. REQUEST IS RELATED TO DEBATE WITHIN G-19 WHETHER CIEC SHOULD RECOMMEND A NEW WORLD BANK ROLE IN ENERGY DEVELOPMENT OR A NEW ENERGY DEVELOPMENT INSTITUTION. CONSULTATIONS WITH WORLD BANK MIGHT HELP TO STEER G-19 POSITION IN DESIRABLE DIRECTION. IT IS RECOMMENDED THAT RICHARDSON MEET WITH ROVANI , HAQ AND POSSIBLY MCNAMARA. HE COULD GIVE THE BANK AN INSIDE VIEW OF THE LDC POSITIONS AND DIVISIONS WITHIN G-19 ON ALL SUBJECTS UNDER DISCUSSION. PLEASE INFORM PARIS OFFICE OF THE AVAILABILITY OF THE MANAGEMENT DURING END OF THIS WEEK AND NEXT WEEK IN ORDER TO ARRANGE FOR RICHARDSON A VISIT TO HEADQUARTERS IF DESIRABLE.

DURING PRESENT SESSION BANK OBSERVER MAY BE ASKED TO MAKE PRESENTATIONS ON ENERGY SUPPLY, DEMAND, AND PRICE PROSPECTS AND INVESTMENT REQUIREMENTS FOR ENERGY DEVELOPMENT IN OIL IMPORTING LDCS.

2. RAW MATERIALS COMMISSION APPROVED WORK PROGRAM IN SPITE OF RESERVATIONS OF G-8 AND G-19. NIGERIA SUBMITTED A PRELIMINARY PAPER ON TRANSPORT MARKETING AND DISTRIBUTION OF RAW MATERIALS. WHEN PRESSED BY G-19, THE G G-8 ADMITTED IT DID NOT HAVE ANY PAPERS OR PROPOSALS FOR THIS SESSION. MANY DELEGATES WOULD LIKE TO KEEP THIS SESSION BRIEF AND SHIFT WORK TO OCTOBER.

3. THE MOST IMPORTANT DEVELOPMENTS OCCURRED IN THE DEVELOPMENT AND THE FINANCE COMMISSIONS, BOTH OF WHICH HAD INDEBTEDNESS AS A FIRST ITEM ON THEIR WORK PROGRAM. IN EACH COMMISSION, THE U.S. AND EEC DELEGATIONS PRESENTED A COMMON PROPOSAL ENTITLED QUOTE FEATURES WHICH COULD PROVIDE GUIDANCE IN FUTURE OPERATIONS RELATING TO DEBT PROBLEMS PURSUANT TO UNCTAD RESOLUTION 94 UNQUOTE.

THIS PROPOSAL IS BASED ON THE ASSUMPTION THAT ACUTE DEBT CRISIS SITUATIONS WOULD BE DEALT WITH IN THE FINANCE COMMISSION WHILE REMEDIAL MEASURES TO DEAL WITH SITUATIONS OF A LONGER TERM NATURE WOULD BE DISCUSSED IN THE DEVELOPMENT COMMISSION. THE EEC/ U.S. PROPOSAL IS THEREFORE SPLIT IN TWO DISTINCT PAPERS, WHICH HAVE IN COMMON A "CHAPEAU", ENTIRELY DRAWN FROM THE OECD "CHAIRMEN'S WORKING PAPER" OF SEPTEMBER 9 (SEE MYTEL 2160 OF SEPT 9).

IN FINANCIAL COMMISSION, EEC/U.S. PROPOSAL IS HERE ALSO A MERE REPETITION OF PARAGRAPH "ACUTE DEBT CRISIS SITUATION" OF SAID OECD PAPER. YOU ALREADY HAVE HAD THE TEXT IN ABOVE CITEC CITED TELEX, AND MY COMMENTS IN MYTEL 2164 OF SEPT 9.

IN DEVELOPMENT COMMISSION, THE EEC/U.S. PROPOSAL IS
DRAWN FROM THE PAPER PRESENTED PREVIOUSLY BY THE EEC, TO OECD,
AND REPORTED IN THE OECD PAPER OF SEPT 9. THE SCREENING PROCESS P
PROPOSED BY EEC TO IDENTIFY THE CASES REMAINS PRACTICALLY THE SAME
IN THE NEW PROPOSAL.

AS REGARDS THE MODALITIES OF ACTION, THE NEW PROPOSAL TRIES
TO MERGE THE ORIGINAL U.S. AND EEC PROPOSALS, AS REPORTED IN THE
CHAIRMAN'S WORKING PAPER. (I AM SENDING FULL TEXT OF EEC/U.S.
PROPOSAL IN MYTEL NO. 2205.)

ONLY A FEW DELEGATIONS DID COMMENT UPON THE EEC/U.S.
PROPOSAL. HOWEVER, THE U.S. STATED THAT IT HAD AGREED TO THE
EEC PROPOSAL WITH DIFFICULTY AND THAT IT WENT QUOTE AS FAR AS
THE U.S. CAN GO UNQUOTE. IT HOPED THE G-19 WOULD ACCEPT THE
PROPOSAL AND APPRECIATE THAT THE U.S. HAD SHOWN ITS GOOD
INTENTIONS.

THE G-19 ASKED FOR SOME TIME BEFORE GIVING THEIR COMMENTS
ON THE PROPOSAL. HOWEVER, FROM THE SCARCE COMMENTS WHICH WERE
PRESENTED ON THE G G-19 SIDE, ONE CAN PRESUME THAT THE
VIEWS OF THE PARTICIPATING DEVELOPING COUNTRIES ARE FAR FROM
UNANIMITY ON THIS VERY DELICATE ISSUE.

REGARDS CARRIERE

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sd

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RE CIEC - 6TH SESSION - NUMBER SIX ^{COMMUNICATIONS} SECTION

1. ALL FOUR COMMISSIONS OF CIEC RESUMED THEIR WORK TUESDAY SEPTEMBER 14, I.E. ONE DAY LATER THAN ORIGINALLY SET. INDEED, THE CO-CHAIRMEN OF THE CONFERENCE ONLY REACHED A FINAL COMPROMISE ON THE WORK PROGRAM OF THE COMMISSIONS ON MONDAY, SEPT 13. BUT THIS DELAY WAS WORTH IT SINCE THE FOUR COMMISSIONS HAD BEFORE THEN AN AGREED WORK PROGRAM.

ON THE TWO MAJOR POINTS OF DISAGREEMENT WHICH HAD LED TO THE JULY DEADLOCK, THE WORK PROGRAMS READ AS FOLLOWS:

I. ON PROTECTION OF PURCHASING POWER

A. ENERGY

QUOTE THE ENERGY COMMISSION WILL CONSIDER PROPOSALS FOR THE PRESERVATION OF PURCHASING POWER OF ENERGY EXPORT EARNINGS, INCLUDING ACCUMULATED REVENUES FROM OIL EXPORTS, WITHIN A GENERAL FRAMEWORK OF THE IMPROVEMENT AND PRESERVATION OF THE PURCHASING POWER OF THE EXPORT EARNINGS OF DEVELOPING COUNTRIES VIS A VIS AMONG OTHER FACTORS, INFLATION IN INDUSTRIALIZED COUNTRIES, CHANGES IN PRICES OF IMPORTED GOODS AND SERVICES AND OTHER ECONOMIC FACTORS ESSENTIAL TO THE ECONOMIC PROGRESS OF DEVELOPING COUNTRIES. UNQUOTE

LI-CEC
B. RAW MATERIALS

QUOTE IMPROVEMENT IN EXPORT EARNINGS. THE RAW MATERIALS COMMISSION WILL CONSIDER PROPOSALS FOR IMPROVEMENT AND PRESERVATION OF THE PURCHASING POWER OF COMMODITY EXPORT EARNINGS OF DEVELOPING COUNTRIES, TAKING INTO ACCOUNT INTER ALIA MOVEMENTS IN PRICES OF IMPORTED MANUFACTURED GOODS, EXCHANGE RATES, PRODUCTION COSTS, AND WORLD INFLATION.

- PURCHASING POWER OF DEVELOPING COUNTRIES
- COMPENSATORY FINANCING . UNQUOTE

2. FULL TEXT OF WORK PROGRAM WILL BE TELEXED TO YOU BY TOMORROW MORNING.

3 AT OPENING OF SESSIONS, A NUMBER OF DELEGATIONS MADE STATEMENTS ON THE WORK PROGRAMS. THE G-19 UNDERLINED THAT THEY NOT ONLY HAD IN MIND THE ISSUES OF PROTECTION OF PURCHASING POWER AND INDEBTEDNESS, BUT ANY ITEM ON THE WORK PROGRAM. THE USA SAID THAT WHILE DEBT WAS A PROBLEM FOR SOME DEVELOPING COUNTRIES, THE PURCHASING POWER OF EXPORT EARNINGS WAS OF CONSIDERABLE IMPORTANCE TO ALL LDCS. EEC MADE A DECLARATION OF GOODWILL, JAPAN SAID THAT THE WORK PROGRAM SHOULD NOT PREJUDGE THE FINAL RESULTS OF THE CONFERENCE.

REGARDS

CARRIERE

INTBAFRA WASH DC@

INTBAFRA WASH DC

Mr. Y. Rovani

September 14, 1976

L. Peter Chatenay

CIEC - Energy Commission

CIEC NO 7

1. Attached, Carriere's telexed report on the Commission's first meeting of the September session.
2. Please note the reference to the delegate of Jamaica and to his initiative to visit the Bank.
3. We would like to answer Carriere this afternoon if possible and suggest, if you agree, that we indicate the Bank would welcome this visit and would make best possible arrangements with Senior Bank staff concerned with the issues in question.

LPChatenay:sf

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cc. LPC
SF

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LE SECRETARIAT EXECUTIF DE LA C.C.E.I A L HONNEUR D INFORMER LES
ORGANISATIONS INTERNATIONALES ACCREDITEES AUPRES DE LA C.C.E.I,
QUE LES QUATRE COMMISSIONS DE LA CONFERENCE REPREN DRONT LEURS
TRAVAUX

LE MARDI 14 SEPTEMBRE 1976.N PARIS LE 13 SEPTEMBRE 1976

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RE CIEC - 6TH SESSION - NUMBER 5

REMYTEL 2164 OF SEPT 9, PARA 5, PLEASE NOTE THAT PROPOSAL FOR
QUOTE SCREENING PROCESS UNQUOTE WAS NOT MADE BY USA, AS
INDICATED IN ERROR, BUT BY EEC. SORRY. REGARDS

CARRIERE

275

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

LI - GIEC

LC

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TO: CARRIERE
WORLD BANK
PARIS

DATE: SEPTEMBER 10, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

1738

RE CIEC BURKI NOW UNAVAILABLE VIEW URGENT BUSINESS HERE NEXT WEEK IN HAQS
ABSENCE BUT COULD SPEND THURSDAY IN PARIS IF ABSOLUTELY NECESSARY. JORIS
VOORHOEVE WILL DEPART MONDAY EVENING TO JOIN DELEGATION OR EARLIER IF YOU
REQUEST. PLEASE CALL HIM SATURDAY AFTERNOON 301 762 6642. NO REACTION
FROM PRESIDENT AT THIS TIME ON BANKS STATEMENT IN CIEC. REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

L. Peter Chatenay

DRAFTED BY:

LPChatenay:mmh

DEPARTMENT:

International Relations

CLEARANCES AND COPY DISTRIBUTION:

cc: Mrs. Boskey
Mr. Burki
Mr. Voorhoeve

SIGNATURE (Of individual authorized to approve):

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☐ ICSID

DATE: SEPTEMBER 10, 1970

ORIGINATOR'S EXT: 3643

CLASS OF
SERVICE: TELEX

TO: CARRIER
WORLD BANK
PARIS

COUNTRY: FRANCE

CABLE NO. & TEXT:

1738

RE CIRC BUREAU NOW UNAVAILABLE VIEW URGENT BUSINESS HERE NEXT WEEK IN HAGS
ARRANGE BUT COULD STEND THURSDAY IN PARIS IF ABSOLUTELY NECESSARY. JORIS
VOORHOEF WILL DEPART MONDAY EVENING TO JOIN DELEGATION OR EARLIER IF YOU
REQUEST. PLEASE CALL HIM SATURDAY AFTERNOON 301 762 6642. NO REACTION
FROM PRESIDENT AT THIS TIME ON BANKS STATEMENT IN CIRC. REGARDS

CHATELAIN

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LI-CIEC

OFFICE MEMORANDUM

TO: Files

DATE: September 10, 1976

FROM: L. Peter Chatenay

SUBJECT: CIEC September Session

1. Mr. McNamara called to give his reaction and instructions on the proposals in Mrs. Boskey's memorandum on the subject dated September 9, 1976.
2. He sees no advantage in making a statement summarizing the relevant points in the Manila speech. On the other hand, he approves Mrs. Boskey's proposal in paragraph 8 of her paper to the effect that the Bank Delegation should make positive noises, if asked to speak on the contents of the document which was telexed from Paris by Carriere, along the lines indicated in paragraph 8.
3. Concerning the fact that the Bank is not mentioned in that part of the OECD document relating to the rescheduling of debts, Mr. McNamara indicates that if we are asked to speak on that subject we should state simply the following: the fact that international organizations (do not say World Bank) are not mentioned in connection with debt rescheduling is presumed to mean that the present practice continues, i.e., that the Bank remains outside rescheduling exercises.

cc: Mrs. Boskey
Mr. ul Haq
Mr. Burki
Mr. Carriere
Mr. Voorhoeve

LPChatenay:mmh

h - ci EC

Mr. Robert S. McNamara

September 9, 1976

Shirley Boskey *SB*

CIEC, September Session; Instructions to the Bank Delegation

1. The OECD document on indebtedness of LDCs (CES 76-80) mentioned in Carriere's earlier cable, which you asked to see, is no longer operative (and in any case we have not yet received it). It has been replaced by a working paper prepared by the (Belgian) Chairman of an OECD working group. The texts of the new paper (see telex 2160) and of Carriere's comments on it (his telex 2164) are attached.
2. Carriere has told us that the Bank delegation to the CIEC might be asked, even as early as Monday afternoon, to comment on those proposals of the paper which contemplate Bank involvement.
3. In summary, the new OECD paper distinguishes between acute debt crises situations and situations of a longer term nature. As regards the treatment of the former, the proposal approved by the working party does not seem to call for any additional responsibilities on the part of the Bank. As regards longer term situations, on the other hand, the proposals (none of which was adopted by the working party and which therefore represent only the views of individual delegations) do call for the Bank to take on a new role.
4. In the case of longer term problems, the U.S. has proposed a "screening process" in which a developing country which considered that it had such a problem would submit its case "to the IBRD or another appropriate multilateral development finance institution mutually agreed upon." The institution would examine the data and, if appropriate, would contact the aid donors to discuss the needs of that developing country within the framework of consortia, existing consultative groups or ad hoc group meetings.
5. Canada has proposed another method: "systematic evaluation". It is suggested that the Bank, with the assistance of IMF, would undertake country-by-country studies starting with the poorest (unless a country indicated it did not wish to be considered). The completed studies might be referred to the Boards of the Bank and Fund which might jointly determine whether debt relief action is to be recommended in each case.
6. The working paper also contains proposals made separately by the U.S., the EEC, Canada and Sweden on action to be taken in identified cases, following the screening of systematic evaluation, on measures to prevent the re-emergence of debt servicing problems (Canada) and on the need of a general political commitment to provide additional resources (Sweden).

September 9, 1976

7. We seek your approval for the following. The Bank delegation would take the opportunity to present a summary of the position you are taking in the Manila speech and of your views as reflected in the speech. This statement could use the poorest nations-middle income countries dichotomy developed in the speech. This should help focus the dialogue on more substantive aspects of the problem. If you agree, a statement will be prepared for your approval.

8. In addition, if the delegation is pressed to comment on the proposals made in the OECD paper described above, it will indicate that the Bank's staff would be ready to examine with care, and then to make its views known on, any proposal which gathers general acceptance by both sides in the Commission. Within its means and, where appropriate with the approval of its Board, the Bank staff will be willing to assist in the implementation of arrangements agreed in the Conference. The Bank delegation will be careful to present this view in a positive manner. It will make clear that it cannot pronounce on schemes submitted by individual delegations or by groups of delegations before there is consensus, and that, in any case, the Bank staff has not had time to consider adequately the contents of the OECD paper.

Attachments

Cleared with and cc: Mr. Burki
cc: Mr. Haq



LPChatenay/SEBoskey/SJBurki:mmh

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81

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JSEPTEMBER 9, 1976

INTIRAFRAD PARIS

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RE CIEC - 6TH SESSIONS - NUMBER 4

1. BELOW ARE MY COMMENTS ON OECD WORKING PAPER "INDEBTEDNESS OF DEVELOPING COUNTRIES", THE TEXT OF WHICH APPEARS IN NYTEL 2160 OF TODAY.

2. FIRST, DOCUMENT CES 76-80 PREPARED BY OECD SECRETARIAT, WHICH I ANALYZED IN NYTEL 2190 OF SEPT. 8, WAS NOT REALLY CONSIDERED BY THE ADHOC MEETING OF SEPT 7-8. IN FACT, DISCUSSIONS CENTERED ON PAPERS PRESENTED IN THE COURSE OF THE MEETING BY SEVERAL DELEGATIONS, PRIMARILY U.S., EEC AND CANADA. THEREFORE YOU CAN SAFELY CONSIDER CES 76-80 AS VOIS.

3. AGREEMENT WAS EASILY REACHED WITHIN AD-HOC MEETING ON THE SO-CALLED ACUTE DEBT CRISIS SITUATIONS. SUCH SITUATIONS WOULD CONTINUE TO BE TREATED ON A CASE BY CASE BASIS, IN CREDITOR CLUBS, AT THE REQUEST OF THE DEBTOR CONCERNED. AMONG THE FEATURES CHARACTERIZING DEBT REORGANIZATION, ONE CAN FIND THE PRINCIPLE OF EQUALITY AND NON DISCRIMINATION AMONG ALL CREDITS, CREDITORS, INCLUDING THOSE NOT PARTICIPATING IN THE CREDITOR CLUB.

THE CHAIRMAN'S WORKING PAPER HOWEVER DOES NOT SPECIFY THAT INTERNATIONAL LENDING INSTITUTIONS SHOULD BE EXONERATED FROM THE DEBT REORGANIZATION. I DO NOT THINK THAT THIS OMISSION WAS MADE DELIBERATELY, BUT WE MUST TRY TO HAVE THE PRINCIPLE OF EXONERATION, WITH RESPECT TO THE BANK, EXPLICITLY REAFFIRMED IN THE COURSE OF THE DISCUSSIONS IN THE CIEC.

CORRECTION: PLEASE READ CREDITORS AND NOT CREDITS (6TH LINE).

4. AS FAR AS "SITUATIONS OF A LONGER TERM NATURE" ARE CONCERNED, LARGE DIVERGENCES OF OPINION APPEARED IN THE MEETING. AGREEMENT WAS ONLY REACHED ON GENERAL OBJECTIVES TO BE PURSUED BY CREDITOR AND DEBTOR COUNTRIES AND THIS IS OF LITTLE OPERATIONAL VALUE. BUT ON MAJOR ISSUES -- IDENTIFICATION, ACTION IN IDENTIFIED CASES, MEASURES TO PREVENT THE RE-EMERGENCE OF DEBT SERVICING PROBLEMS -- THE CHAIRMAN'S WORKING PAPER PRESENTS ONLY 9 PROPOSALS, NONE OF WHICH WAS ENTIRELY AGREED UPON BY THE PARTICIPANTS.

9. THE VARIOUS PROPOSALS CONTAINED IN THE CHAIRMAN'S WORKING PAPER WERE MADE AS FOLLOWS:

I. UNDER SECTION: MECHANISM TO IDENTIFY AND AID COUNTRIES WITH SERIOUS STRUCTURAL FINANCIAL PROBLEMS:

- A. SCREENING PROCESS: USA
- B. SYSTEMATIC EVALUATION: CANADA

II. UNDER SECTION: ACTIONS IN IDENTIFIED CASES:

PROPOSAL A: EEC

PROPOSAL B: USA

III. UNDER SECTION: MEASURES TO PREVENT THE RE-EMERGENCE OF
DEBT SERVICING PROBLEMS;

ENTIRE SECTION IS CANADIAN PROPOSAL.

IV. ANNEX REPRESENTS PRIMARILY THE VIEWS OF THE SWEDISH
DELEGATION.

6. AS YOU HAVE CERTAINLY NOTED, THE VARIOUS PROPOSALS CALL
FOR A LARGE INVOLVEMENT OF THE BANK IN THE HANDLING OF DEBT
SITUATIONS. I LEAVE IT TO YOU TO MAKE THE RELEVANT COMMENTS
AND I URGE YOU AGAIN TO LET ME KNOW BY END OF THE WEEK
YOUR FIRST REACTION TO THE CHAIRMAN'S WORKING PAPER.

MOREOVER, I WONDER WHETHER WE SHOULD NOT REVERSE
OUR POLICY CONCERNING BANK ATTENDANCE TO THE OECD AD HOC
MEETING. IF THE G-8 WANT, AS IT SEEMS, TO SEE THE BANK
PLAY AN IMPORTANT ROLE IN THE HANDLING OF DEBT CRISES, WE SHOULD
PROBABLY HAVE A CHANCE TO MAKE OUR VIEWS KNOWN TO THE G-8
BEFORE THEY FORMULATE THEIR PROPOSALS TO THE CIEC.

NO AD HOC MEETING IS PLANNED FOR THE NEAR FUTURE, SO WE
HAVE PLENTY OF TIME TO THINK ABOUT THAT. I SHALL COME BACK
TO THE SUBJECT LATER.

REGARDS

CARRIERS

OK FLS *

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SEPT 9 1976

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RE CIEC - 6TH SESSION - NUMBER 3

1. THE OECD AD HOC MEETING OF GOVERNMENTAL REPRESENTATIVES IN THE FINANCIAL AND DEVELOPMENT FIELDS, UNDER THE AUSPICES OF THE COUNCIL, MET IN PARIS SEPT 7-8. AFTER THE MEETING THE CHAIRMAN CIRCULATED A WORKING PAPER SUMMARIZING THE DISCUSSIONS. BELOW IS TEXT OF THIS CONFIDENTIAL PAPER.

2. QUOTE

INDEBTEDNESS OF DEVELOPING COUNTRIES

IT WAS RECOGNISED AT THE OUTSET THAT INDEBTEDNESS PER SE IS

NOT NECESSARILY AN INDICATION OF FINANCIAL OR ECONOMIC WEAKNESS ON THE PART OF THE DEBTOR COUNTRY, AND THAT EXTERNALLY-BORROWED FUNDS CAN BE PARTICULARLY USEFUL TO DEVELOPING COUNTRIES AS A SUPPLEMENTAL SOURCE OF FINANCING FOR ECONOMIC GROWTH.

IN CONSIDERING THIS QUESTION, IT IS USEFUL TO DISTINGUISH BETWEEN TWO DIFFERENT TYPES OF SITUATION.

THE FIRST IS AN ACUTE DEBT CRISIS, INVOLVING DEFAULT OR IMMINENT DEFAULT ON DEBT SERVICING, AS WELL AS SERIOUS BALANCE-OF-PAYMENTS DIFFICULTIES IN WHICH DEBT SERVICING PAYMENTS PLAY A MAJOR ROLE. THIS SITUATION IS CHARACTERISED BY THE FACT THAT IT CANNOT BE REMEDIED, IN THE SHORT-TERM, BY APPROPRIATE INTERNAL AND EXTERNAL ADJUSTMENT MEASURES WHICH THE DEBTOR COUNTRY CAN REALISTICALLY BE EXPECTED TO TAKE. CONSEQUENTLY, THERE IS A NEED FOR RECOURSE TO

INCOMING TELEX

Mrs. Boskey

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LI - CIEC

DEBT RE-ORGANISATION AS A LAST RESORT.

THE SECOND TYPE OF SITUATION IS OF A LONGER-TERM NATURE, INVOLVING STRUCTURAL, FINANCIAL AND TRANSFER OF RESOURCES PROBLEMS WHICH CONSTRAIN THE BALANCE OF PAYMENTS AND HAMPER DEVELOPMENT SEMI COLON IN WHICH SITUATION THE COUNTRY CONCERNED IS NOT FACING DEFAULT, OR IMMINENT DEFAULT, ON EXTERNAL DEBT SERVICING. IN THIS SITUATION THERE WOULD BE MORE SCOPE FOR TIMELY AND APPROPRIATE INTERNAL AND EXTERNAL ADJUSTMENT MEASURES INCLUDING ALL THOSE AFFECTING THE QUANTITY, QUALITY AND USE OF EXTERNAL RESOURCE TRANSFERS.

THE STRUCTURE AND PROSPECTS OF ALL ITEMS OF THE BALANCE-OF PAYMENTS HAVE TO BE TAKEN INTO ACCOUNT IN EXAMINING BOTH TYPES OF SITUATION.

I. ACUTE DEBT CRISIS SITUATIONS

ACUTE DEBT CRISIS SITUATIONS WOULD BE TREATED, ON A CASE BY CASE BASIS, IN CREDITOR CLUBS, AT THE REQUEST OF THE DEBTOR CONCERNED. WITHIN THESE CLUBS THE PROBLEMS OF THE DEBTOR CONCERNED WOULD BE DISCUSSED IN A SPIRIT OF CO-OPERATION.

TO PROVIDE GUIDANCE FOR DEBT REORGANISATION IN ACUTE DEBT CRISIS SITUATIONS, SOME OF THE FEATURES WHICH COULD CHARACTERIZE DEBT REORGANISATION IN SUCH CIRCUMSTANCES ARE SET OUT BELOW:

- THE DEBTOR COUNTRY WOULD UNDERTAKE A COMPREHENSIVE ECONOMIC PROGRAMME DESIGNED TO STRENGTHEN ITS UNDERLYING BALANCE OF PAYMENTS SITUATION. THIS PROGRAMME WOULD, AS A GENERAL RULE, BE WORKED OUT WITH, AND MONITORED BY, THE IMF.
- DEBT REORGANISATION AND THE PROGRAMME OF ECONOMIC MEASURES SHOULD TAKE INTO ACCOUNT THE DEVELOPMENT PROSPECTS OF THE DEBTOR COUNTRY, THEREBY ENABLING IT TO CONTINUE DEBT

SERVICING PAYMENTS AND RESTORE ITS CREDIT WORTHINESS.

- THE MODALITIES OF DEBT REORGANISATION WOULD BE DETERMINED FLEXIBLY, ON A CASE BY CASE BASIS, TAKING INTO ACCOUNT, ON THE ONE HAND, THE ECONOMIC SITUATION AND PROSPECTS OF THE DEBTOR COUNTRY, THE DEVELOPMENT PROSPECTS AND THE FACTORS CAUSING THE DEBT SERVICE DIFFICULTIES AND, ON THE OTHER HAND, THE LEGITIMATE INTERESTS OF THE CREDITORS.
- DEBT REORGANISATION WOULD COVER OFFICIAL AND OFFICIALLY GUARANTEED DEBT WITH A MATURITY OF OVER ONE YEAR.
- CONSOLIDATION PERIODS WOULD NORMALLY BE KEPT RELATIVELY SHORT AND GENERALLY WOULD NOT EXTEND, AS TO FUTURE MATURITIES, BEYOND THE YEAR IN WHICH THE REORGANISATION IS UNDERTAKEN.
- EQUALITY AND NON-DISCRIMINATION AMONG ALL CREDITORS, INCLUDING THOSE NOT PARTICIPATING IN THE CREDITOR CLUB, IS AN ESSENTIAL PRINCIPLE UNDERLYING THE OPERATION OF DEBT RENEGOTIATIONS. CREDITOR COUNTRIES WITH MINOR DEBTS DUE, WHICH FREQUENTLY INCLUDE DEVELOPING COUNTRIES, WOULD GENERALLY, HOWEVER, BE EXCLUDED FROM THE MULTILATERAL DEBT RENEGOTIATION.
- IN RESPECT OF ITS PRIVATE NON-OFFICIALLY GUARANTEED DEBT, THE DEBTOR COUNTRY WOULD BE EXPECTED TO NEGOTIATE DEBT REORGANISATION WITH PRIVATE CREDITORS ON TERMS SIMILAR TO THOSE AGREED IN THE "CREDITOR CLUB" FOR ITS OFFICIAL AND OFFICIALLY GUARANTEED DEBT.
- DEBT REORGANISATION ARRANGEMENTS WOULD PROVIDE FOR FLEXIBILITY TO REVIEW THE SITUATION AT THE END OF THE CONSOLIDATION PERIOD IN THE LIGHT OF UNFORESEEN CIRCUMSTANCES. THEY SHOULD ALSO PROVIDE FOR ACCELERATED REPAYMENTS IN AN AGREED MANNER IF THE DEBTOR'S ECONOMIC SITUATION IMPROVES MORE RAPIDLY THAN ANTICIPATED.

II. SITUATIONS OF A LONGER-TERM NATURE

IN THE CASE OF DEVELOPING COUNTRIES DEPENDING LARGELY ON AID, STRUCTURAL PROBLEMS CAN HAMPER THE ECONOMIC AND SOCIAL DEVELOPMENT. IN THE PRESENT WORLD ECONOMIC SITUATION, THERE ARE CASES AMONG MSA AND LEAST DEVELOPED COUNTRIES WHERE DEVELOPMENT PROSPECTS HAVE BEEN SERIOUSLY REDUCED BY SUCH STRUCTURAL PROBLEMS. THESE PROBLEMS, WHICH MAY LEAD TO DIFFICULTIES IN IMPLEMENTING DEBT FINANCING, CONSTITUTE GENERAL PROBLEMS OF TRANSFER OF RESOURCES.

IT IS GENERALLY FELT THAT IT WOULD BE DESIRABLE TO CONSIDER THESE PROBLEMS ON AN INDIVIDUAL BASIS, BILATERALLY OR IN AN APPROPRIATE MULTILATERAL FRAMEWORK, SUCH AS CONSORTIA AND CONSULTATIVE OR AD HOC AID GROUPS, WITH A VIEW TO PROVIDING AID IN FORMS BETTER ADAPTED TO THE BALANCE-OF-PAYMENTS NEEDS OF THE RECIPIENT IN THE PERIOD OF DIFFICULTY FORESEEN AND THAT FURTHER CONSIDERATION OF THIS ISSUE IS NECESSARY.

IT IS DESIRABLE THAT INTERNATIONAL FINANCING INSTITUTIONS, DONOR COUNTRIES AND DEVELOPING COUNTRIES SHOULD CONTINUE TO CO-OPERATE THAT LONGER-TERM STRUCTURAL FINANCIAL PROBLEMS CAN BE AVOIDED BY TIMELY AND EFFICIENT MANAGEMENT OF LONG-TERM RESOURCES.

TO THIS END, INTER ALIA:

(A) DEVELOPING COUNTRIES SHOULD MAKE EVERY EFFORT TO:

(1) TAKE ON DEBT OBLIGATIONS ONLY TO THE EXTENT THAT THE MARGINAL BENEFITS OF THESE FUNDS EXCEED THE MARGINAL COSTS SEMI COLON

(2) UNDERTAKE TO BORROW FUNDS ONLY FOR PURPOSES OF A HIGH PRIORITY IN THE CONTEXT OF THEIR DEVELOPMENT PROGRAMMES SEMI COLON

(3) PURSUE ECONOMIC POLICIES WHICH WILL MAXIMIZE THE

MOBILISATION OF DOMESTIC RESOURCES AND THE EFFICIENCY OF
FOREIGN BORROWING, SO AS TO STRENGTHEN THEIR BALANCE-OF-
PAYMENTS POSITIONS SEMI COLON

(B) DONOR COUNTRIES SHOULD MAKE EVERY EFFORT TO ASSIST THE
DEVELOPING COUNTRIES IN COPING WITH THEIR EXTERNAL FINANCIAL
PROBLEMS, BY SUCH MEASURES AS:

(1) IMPROVING THE QUANTITY AND QUALITY OF ASSISTANCE FLOWS
AND ENSURING THAT TERMS ARE COMPATIBLE WITH THE
RECIPIENT'S DEVELOPMENT STATUS SEMI COLON

(2) OFFERING TECHNICAL ADVICE AND ASSISTANCE ON DEBT
MANAGEMENT TECHNIQUES, INCLUDING ADVICE ON THE USE OF
COMMERCIALY-BORROWED FUNDS SEMI COLON AND

(3) MAKING AN EFFORT TO MAXIMIZE ASSISTANCE TO THOSE
DEVELOPING COUNTRIES WHOSE FINANCIAL SITAUTION MAY
CONSTRAIN GROWTH UNDULY.

NEVERTHELESS, IT IS RECOGNISED THAT, DESPITE SUCH PREVENTATIVE
ACTION, DIFFICULT STRUCTURAL FINANCIAL PROBLEMS MAY ARISE, WHICH MAY
UNDULY IMPEDE A COUNTRY'S DEVELOPMENT, AND THAT SPECIFIC REMEDIAL
MEASURES WOULD THEN BE CALLED FOR.

MECHANISM TO IDENTIFY AND AID COUNTRIES WITH SERIOUS STRUCTURAL
FINANCIAL PROBLEMS

NOT ALL OF THE POOREST COUNTRIES ARE EXPERIENCING SERIOUS
STRUCTURAL FINANCIAL PROBLEMS. IT IS IMPORTANT, THEREFORE, TO HAVE
SOME MECHANISM FOR IDENTIFYING COUNTRIES IN THESE SITUATIONS AND
INSURING THAT APPROPRIATE ACTION TO ASSIST THEM IS TAKEN. IT WAS
NOTED THAT THERE APPEARED TO BE AT LEAST TWO APPROACHES WHICH

DESERVED FURTHER STUDY AND ELABORATION. THE FIRST IS A SCREENING PROCESS IN WHICH COUNTRIES WHICH FELT THEY HAD SUCH A PROBLEM WOULD SUBMIT THEIR CASE TO AN APPROPRIATE INTERNATIONAL BODY, PROBABLY THE IBRD, AND HAVE THEIR CASE EXAMINED. THE SECOND IS A SYSTEMATIC EXAMINATION OF ALL OF THE POOREST COUNTRIES TO DETERMINE WHICH ARE IN NEED. FURTHER DETAILS ON THE TWO APPROACHES ARE GIVEN BELOW.

A. SCREENING PROCESS

ONE POSSIBLE METHOD OF CARRYING OUT A SCREENING PROCESS, WHICH WAS NOTED, IS SET OUT BELOW:

- (1) THE DEVELOPING COUNTRY CONCERNED WOULD MAKE A REQUEST TO THE IBRD OR ANOTHER APPROPRIATE MULTILATERAL DEVELOPMENT FINANCE INSTITUTION MUTUALLY AGREED UPON. THESE REQUESTS SHOULD GIVE REASONS AND CONTAIN ALL OTHER RELEVANT DATA.
- (2) THE APPROPRIATE INSTITUTION WOULD THEN EXAMINE THE REQUEST, PAYING PARTICULAR ATTENTION TO THE FOLLOWING ELEMENTS:
 - (A) THE RELATIVE POVERTY OF THE DEVELOPING COUNTRY CONCERNED SEMI COLON
 - (B) THE EXTENT TO WHICH THE COUNTRY CONCERNED DEPENDS ON ODA SEMI COLON
 - (C) DEVELOPMENTS IN AND PROSPECTS FOR EXPORT RECEIPTS AND FOR THE CAPACITY OF ENSURING IMPORTS ESSENTIAL TO THE DEVELOPMENT PROCESS, SUCH AS FERTILIZER AND OTHER AGRICULTURAL INPUTS, FOODSTUFFS, ENERGY, CAPITAL GOODS (AND SPARE PARTS) AND INDUSTRIAL RAW MATERIALS SEMICOLON
 - (D) THE COMPOSITION AND TREND OF DEBT SERVICE OBLIGATIONS AND ITS CAPACITY FOR ANY FURTHER BORROWING UPON NON-CONCESSIONAL TERMS SEMI COLON
 - (E) THE IMPACT WHICH THE SITUATION HAS ALREADY HAD UPON

(F) WHETHER THE DEVELOPMENT PLAN FOR THE RELEVANT PERIOD IS
APPROPRIATE SEMI COLON

(G) THE EXTENT TO WHICH THE DEVELOPING COUNTRY HAS MADE USE
OF IMF FACILITIES.

(3) IN ANALYSING THE GENERAL ECONOMIC SITUATION OF THE COUNTRY,
THE APPROPRIATE INSTITUTION WOULD INCORPORATE THE FUND'S
ASSESSMENT OF ITS BALANCE OF PAYMENTS AND EXCHANGE RATE
POLICIES AND PROSPECTS, INCLUDING DEBT SERVICING. THIS
ANALYSIS WOULD ALSO MAKE AN APPRECIATION OF THE LEVEL
OF ODA WHICH IS AVAILABLE IN APPROPRIATE FORMS. THE
ANALYSIS WOULD, FURTHERMORE, ESTABLISH THE EFFECTIVENESS
OF THE COUNTRY'S USE OF BOTH DOMESTIC AND EXTERNAL RESOURCES
FOR SAFEGUARDING ITS DEVELOPMENT PROCESS, SUCH AS
MOBILISATION OF DOMESTIC SAVINGS, PRIORITIES FOR NEW
INVESTMENT, AND EXPORT PROMOTION POLICIES, AND ITS MEASURES
FOR MONITORING EXTERNAL CREDITS AND OTHER MEASURES TO
AVOID DEBT-SERVICING DIFFICULTIES AS OUTLINED IN THE REPORT
OF THE UNCTAD AD HOC GROUP OF GOVERNMENTAL EXPERTS ON
"DEBT PROBLEMS OF DEVELOPING COUNTRIES".

(4) THE RELEVANT INSTITUTION WOULD, IF THE ANALYSIS REVEALS
THAT, IN THE CONTEXT OF DEVELOPMENT POLICY, THE PROSPECTS
OF THE COUNTRY IN QUESTION ARE SERIOUSLY AFFECTED, CONTACT
THE AID DONORS IN ORDER TO DISCUSS, BY MUTUAL AGREEMENT,
THE NEEDS OF THE DEVELOPING COUNTRY WITHIN THE FRAMEWORK
OF CONSORTIA, EXISTING CONSULTATIVE GROUPS OR AD HOC GROUP
MEETINGS.

ONE POSSIBLE METHOD OF CARRYING OUT SUCH A SYSTEMATIC EVALUATION WHICH WAS NOTED, IS SET OUT BELOW.

THE WORLD BANK (WITH THE ASSISTANCE OF THE IMF) SHOULD BE REQUESTED TO UNDERTAKE SUCH STUDIES ON A COUNTRY-BY-COUNTRY BASIS WITH PRIORITY TO THE LEAST DEVELOPED AND POOREST MSA DEVELOPING COUNTRIES. THE STUDIES SHOULD BE UNDERTAKEN UNLESS PRIVATE CONSULTATIONS INDICATE THE DEBTOR COUNTRY DOES NOT WISH TO BE CONSIDERED. (A FIRM TIME-TABLE FOR THE COMPLETION OF THE STUDIES MIGHT BE ESTABLISHED). THE COMPLETED STUDIES MIGHT BE REFERRED TO THE EXECUTIVE BOARDS OF THE IBRD AND IMF WHICH MIGHT JOINTLY UNDERTAKE THE PROCESS OF DETERMINING WHETHER (SPECIFIC) ACTION (IN THE FORM OF DEBT RELIEF) IS RECOMMENDED IN EACH CASE.

ACTION IN IDENTIFIED CASES

AS REGARDS THE TYPE OF ACTION WHICH COULD BE TAKEN, ON A CASE BY CASE BASIS, FOLLOWING THE SCREENING OR SYSTEMATIC EVALUATION PROCESS, THE FOLLOWING TWO TYPES OF SOLUTION WERE NOTED:

(A) THE DELEGATION WHICH PROPOSED THE SCREENING PROCESS SET OUT ABOVE, HAS ALSO PROPOSED THE FOLLOWING SUBSEQUENT ACTION:

- (1) THE APPROPRIATE INTERNATIONAL INSTITUTION WOULD SUBMIT ITS REPORT ON MEASURES WHICH MIGHT BE TAKEN BY THE RECIPIENT COUNTRY, TAKING INTO ACCOUNT THE USE OF IMF FACILITIES, AND BY THE DONOR COUNTRIES AND INVITE ALL CONCERNED TO EXAMINE THESE RECOMMENDATIONS FAVOURABLY,.
- (2) AMONG MEASURES WHICH MIGHT BE TAKEN BY A DONOR COUNTRY, PROGRAMME AID AND ANY FLEXIBLE FORMS OF QUICK DISBURSING AID WOULD BE CONSIDERED AS PREFERABLE TO ODA DEBT RE-ORGANISATION.

(3) HOWEVER, IN EXCEPTIONAL CASES, A DONOR COUNTRY MIGHT USE ODA DEBT REORGANISATION.

(4) AS TO MULTILATERAL DEVELOPMENT FINANCE INSTITUTIONS, THEY WOULD CONSIDER COMMITTING NEW RESOURCES IN AN APPROPRIATE FORM WITHIN THEIR LENDING POLICIES AND PRACTICES.

(5) THE DEBTOR WOULD TRY TO MAKE EQUIVALENT ARRANGEMENTS WITH MAJOR COUNTRIES NOT TAKING PART IN THE OPERATION SO THAT THE INCREASED BALANCE OF PAYMENTS FLEXIBILITY PROVIDED WAS NOT INDIRECTLY USED TO REPAY THESE OTHER COUNTRIES.

(6) AID PROVIDED WOULD BE ON TERMS APPROPRIATE TO THE ECONOMIC SITUATION AND THE DEVELOPMENT PROSPECTS OF THE RECIPIENT COUNTRY.

(B) ANOTHER DELEGATION HAS PROPOSED THE FOLLOWING TYPE OF ACTION:

(1) IN THE EVENT A DEVELOPING COUNTRY ENCOUNTERS LONG-TERM FINANCIAL DIFFICULTIES IMPINGING UNDULY ON ITS DEVELOPMENT PROGRESS, AND IN THE EVENT THAT THE DEVELOPING COUNTRY DEMONSTRATES A WILLINGNESS TO TAKE CORRECTIVE MEASURES ON ITS OWN BEHALF INSOFAR AS IT IS ABLE, DONOR COUNTRIES SHOULD, TO THE BEST OF THEIR ABILITIES, MAXIMIZE ASSISTANCE EFFORTS. SUCH AN EFFORT SHOULD GENERALLY BE DIRECTED TOWARDS INCREASING THE QUANTITY AND IMPROVING THE QUALITY OF AID TO THIS COUNTRY.

(2) AMONG THE VARIOUS MEASURES WHICH MIGHT BE TAKEN BY A DONOR COUNTRY FOR THIS PURPOSE, PROGRAMME AID AND ANY FLEXIBLE FORMS OF QUICKLY DISBURSABLE AID WOULD BE CONSIDERED PREFERABLE TO DEBT REORGANISATION.

(3) HOWEVER, IN EXCEPTIONAL CASES, A DONOR COUNTRY MIGHT CHOOSE TO ~~USE~~ DEBT REORGANISATION. IN THIS EVENT, IT IS DESIRABLE THAT THE REORGANISATION SHOULD COVER CREDITS

WHICH CARRY THE HARDEST TERMS AND SHOULD INVOLVE A CONCESSIONAL ELEMENT AT LEAST AS GREAT AS THAT OF COMPARABLE NEW CREDITS.

MEASURES TO PREVENT THE RE-EMERGENCE OF DEBT-SERVICING PROBLEMS

THE FOLLOWING SUGGESTIONS SUBMITTED BY ONE DELEGATION WERE

NOTES:

TO PREVENT A RE-EMERGENCE OF DEBT SERVICING DIFFICULTIES, COMMITMENTS WOULD BE REQUIRED FROM BOTH CREDITORS AND THE RECIPIENT DEBTOR:

- (1) COUNTRIES BENEFITING FROM THE PROVISION OF DEBT RELIEF WOULD BE REQUIRED TO GIVE ECONOMIC UNDERTAKINGS SIMILAR TO THOSE REQUIRED BY THE IMF FOR STANDBY ARRANGEMENTS OR THE 'CREDITOR CLUBS' WHEN COMMERCIAL DEBT RESCHEDULINGS ARE PROVIDED.
- (2) THE CREDITOR COUNTRIES ON THE OTHER HAND WOULD BE REQUIRED TO GIVE FIRM UNDERTAKINGS AS TO THE FORM, CONCESSIONALITY AND DURATION OF THE DEBT RELIEF TO BE PROVIDED.
- (3) CREDITORS MIGHT ALSO BE REQUIRED TO UNDERTAKE TO ENSURE THAT FUTURE ODA TRANSFERS TO RECIPIENTS OF DEBT RELIEF BE MADE ON TERMS AT LEAST AS CONCESSIONAL AS THOSE PROVIDED BY IDA.
- (4) IT WOULD ALSO BE USEFUL IF THE IBRD/IMF COULD BECOME FURTHER INVOLVED BY ASSUMING THE RESPONSIBILITY TO MONITOR THE PROGRESS OF THE ECONOMIC RECOVERY PROGRAMME IN EACH RECIPIENT COUNTRY, AND TO RECOMMEND MEASURES TO BOTH THE CREDITORS AND THE DEBTOR THAT COULD ASSIST IN THE AVOIDANCE OF A RE-EMERGENCE OF DEBT SERVICING PROBLEMS.

VIEWS EXPRESSED BY CERTAIN DELEGATIONS

IN ADDITION TO THE TASK OF ELABORATING CRITERIA OR FEATURES TO GUIDE THE HANDLING OF DEBT PROBLEMS IN A LONGER-TERM PERSPECTIVE SOME DELEGATIONS STRESSED THE NEED FOR A CONCRETE RESPONSE TO THE DEMANDS OF THE G19 FOR IMMEDIATE DEBT RELIEF. IN THIS CONTEXT, THE FOLLOWING SUGGESTIONS BY ONE DELEGATION WERE NOTED. SUCH A RESPONSE COULD TAKE THE FORM OF A GENERAL POLITICAL COMMITMENT BY G8 MEMBERS TO PROVIDE ADDITIONAL RESOURCES IN THE FORM OF DIRECT ODA DEBT RELIEF AND/OR EQUIVALENT MEASURES TO THE LEAST DEVELOPED AND MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES. THE TERMS, CONDITIONS AND MODALITIES OF SUCH ACTIONS COULD VARY FROM CASE TO CASE. CREDITOR/DONOR COUNTRIES NOT BEING IN A POSITION TO GRANT DIRECT ODA DEBT RELIEF - DUE TO TECHNICAL OR CONSTITUTIONAL PROBLEMS - COULD RESORT TO EQUIVALENT MEASURES (ADDITIONAL ODA, E.G. IN THE FORM OF UNTIED PROGRAMME AID OR IMPORT SUPPORT). THE IMPLEMENTATION OF THIS GENERAL POLITICAL COMMITMENT COULD BE LEFT TO EACH CREDITOR/DONOR COUNTRY ON A BILATERAL BASIS (CF. THE GSP SYSTEM). HOWEVER, A REVIEW MECHANISM SHOULD BE ESTABLISHED SO THAT IMPLEMENTATION CAN BE MONITORED, E.G. WITHIN A YEAR AFTER THE COMMITMENT WAS MADE.

UNQUOTE

3. I SHALL TELEX YOU TONIGHT OR EARLY TOMORROW MORNING SOME COMMENTS ON THE PAPER, AND WOULD BE GRATEFUL TO HAVE AT LEAST FIRST REACTION FROM HEAD OFFICE BY END OF WEEK, IN CASE THE ISSUE IS TAKEN UP BY THE CIEC COMMISSIONS NEXT MONDAY. REGARDS

CARRIERE

SEPT 8 1976

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2150 BOSKEY

Mrs. Boskey

1976 SEP -8 PM 12:39

RE CIEC - 6TH SESSION - NUMBER TWO

COMMUNICATIONS
SECTION

FURTHER TO MYTEL 2132 OF SEPT 7, BELOW IS SHORT ANALYSIS OF OECD DOCUMENT CES 76-80 ENTITLED QUESTIONS RELATING TO THE DEBT OF THE DEVELOPING COUNTRIES.

1. TO START WITH, THE PAPER UNDERLINES THE MOST IMPORTANT FEATURES IN THE DEBT SITUATION OF LDCS. IN THIS RESPECT, THE DOCUMENT NOTES THAT

- THE BULK OF TOTAL EXTERNAL DEBT OUTSTANDING IN LDCS - EVEN IN POORER COUNTRIES - IS COMMERCIAL DEBT
- THIS IS EVEN MORE TRUE IN THE CASE OF DEBT SERVICE THAN IN THE CASE OF DEBT ITSELF
- DEBT IS HEAVILY CONCENTRATED IN THE MORE ADVANCED DEVELOPING COUNTRIES.

2. REFERRING TO THE DISCUSSIONS HELD IN THE CIEC LAST SPRING, THE OECD PAPER STATES THAT THE DISTINCTION INTRODUCED BY THE EEC AND THE U.S. BETWEEN ACUTE DEBT CRISIS AND PROBLEMS OF A LONGER TERM NATURE IS VALID. BUT THE DOCUMENT STRESSES THE NEED FOR FURTHER DIFFERENTIATION BETWEEN:

QUOTE

- DEBT PROBLEMS OF THE MORE ADVANCED DEVELOPING COUNTRIES MOST OF WHICH RELY PREDOMINANTLY ON COMMERCIAL CAPITAL INFLOWS AND WHICH ARE NORMALLY NOT ELIGIBLE FOR DEBT RELIEF AT CONCESSIONAL TERMS, AND
- DEBT PROBLEMS OF POORER DEVELOPING COUNTRIES MOST OF WHICH RELY PRIMARILY ON ODA, ALTHOUGH THEY MAY ALSO INCUR COMMERCIAL DEBT AND WHICH, INDEED, MAY RESULT IN ACUTE PAYMENTS DIFFICULTIES.

UNQUOTE

3. THE DOCUMENT THEN TURNS TO THE MEASURES WHICH COULD BE TAKEN TO ALLEVIATE THE DEBT PROBLEMS OF (A) THE LEAST DEVELOPED COUNTRIES AND (B) THE OTHER POORER COUNTRIES.

(A) LLDCS

PREVENTIVE MEASURES: DONOR COUNTRIES SHOULD IMPROVE THE VOLUME AND TERMS OF THEIR ODA QUOTE FIRM DONOR COMMITMENTS TO PROVIDE AID FOR THE LLDCS AT THE SOFTEST POSSIBLE TERMS, AND PREFERABLY IN THE FORM OF GRANTS, SHOULD BE AN ESSENTIAL COMPONENT OF A NEW APPROACH TO THE DEBT PROBLEMS OF THE POORER COUNTRIES. UNQUOTE THIS COMMITMENT COULD BE COUPLED WITH AN UNDERSTANDING TO RESTRAIN THE FLOW OF OFFICIAL AND OFFICIALLY GUARANTEED EXPORT CREDITS AND POSSIBLY OTHER LENDING AT MARKET TERMS.

REMEDIAL MEASURES: THE PAPER RECOMMENDS THAT DAC MEMBERS CONSIDER THE POSSIBILITY OF ADJUSTING THE TERMS OF OUTSTANDING ODA LOANS TO THOSE AGREED UPON OR CURRENTLY APPLIED FOR NEW AID. THE PAPER THEN REFERS TO NON-DAC AND MULTILATERAL CREDITORS.

QUOTE

IT IS CLEAR, HOWEVER, THAT AN ACTION BY DAC CREDITORS TO HELP THE LEAST DEVELOPED COUNTRIES IN THEIR DEBT MANAGEMENT MUST NOT BE NULLIFIED BY NON-DAC CREDITORS INSISTING ON THEIR DEBT BEING SERVICED ON SCHEDULE (EXCEPT INTERNATIONAL LENDING INSTITUTIONS). LEAST-DEVELOPED COUNTRIES SHOULD THEREFORE SEEK SIMILAR ACTION FROM OTHER DONORS.

UNQUOTE

(B) OTHER POORER COUNTRIES

OECD FIRST RECOGNIZES THE DIFFICULTY OF DELINEATION OF POORER COUNTRIES MOST IN NEED.

PREVENTIVE MEASURES: THE PAPER SUGGESTS THAT THE EXISTING TERMS TARGET FOR THE LLDCS BE EXTENDED TO A WIDER GROUP OF POORER DEVELOPING COUNTRIES.

REMEDIAL MEASURES: THE OECD SECRETARIAT DOES NOT DEPART FROM THE TRADITIONAL CASE BY CASE APPROACH FOR ACUTE DEBT CRISES. BUT IT RECOGNIZES THAT THERE MAY BE A CASE FOR DRAWING UP SPECIAL GUIDELINES FOR COUNTRY AND DEBT SITUATIONS OTHER THAN ACUTE CRISES SITUATIONS.

4. THE PAPER THEN DEALS WITH ELIGIBILITY FOR ACTION AND MODALITIES OF ACTION. TO MAKE THE GUIDELINES SIGNIFICANT WHILE AVOIDING ANY ELEMENT OF AUTOMATICITY, THE OECD SECRETARIAT SUGGESTS THAT DAC MEMBERS QUOTE EXAMINE THE POSSIBILITY OF EXPRESSING THEIR READINESS TO GIVE FAVOURABLE CONSIDERATION, ON A CASE BY CASE BASIS, TO REQUESTS FROM POORER COUNTRIES FOR SPECIAL ACTION IF THEY FACE A SITUATION WHERE, AFTER THE APPROPRIATE ADJUSTMENTS IN THEIR INTERNAL AND EXTERNAL PAYMENTS SITUATION HAVE BEEN MADE, CONTINUED DEBT SERVICING PAYMENTS MUST BE REGARDED AS INCOMPATIBLE WITH THEIR EXTERNAL VIABILITY OR THE ACHIEVEMENT OF MINIMUM DEVELOPMENT OBJECTIVES . UNQUOTE

5. FINALLY, THE OECD DOCUMENT DRAWS SUGGESTIONS AS TO THE INSTITUTIONAL LOCUS FOR CONSIDERING SPECIAL ACTION ON DEBT. ACUTE PROBLEMS SHOULD CONTINUE TO BE DEALT WITH IN CREDITOR CLUBS. BUT OTHER DEBT CASES OF POORER COUNTRIES, ESSENTIALLY DESIGNED TO FORESTALL FUTURE DEBT SERVICING DIFFICULTIES MAY BEST, SAYS THE PAPER, BE NEGOTIATED IN CONSORTIA, CONSULTATIVE GROUPS AND SIMILAR AID GROUPS.

- - -

AS INDICATED EARLIER, THE G-8 IS PRESENTLY CONSIDERING CES 76-80 IN FRAMEWORK OF OECD. I SHALL REPORT ON OUTCOME OF DISCUSSIONS AS SOON AS POSSIBLE. REGARDS

CARRIERE

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1976 SEP -7 AM 10:13

UN ^{DO}
Mrs. Boskey

Koutine

SEPT 7 1976

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2132 BOSKEY - IMMEDIATE DELIVERY -

1. YOU WILL RECALL THAT THE FIFTH SESSION OF THE CIEC HAD FAILED TO REACH ITS OBJECTIVES, I.E. TO FORMULATE A WORK PROGRAM FOR THE SECOND, ACTION-ORIENTED, PHASE OF THE DIALOGUE. DIVERGENCES HAD CENTERED ON TWO MAJOR ISSUES (A) PROTECTION OF PURCHASING POWER OF EXPORT EARNINGS AND (B) INDEBTEDNESS. SINCE THE JULY DEADLOCK, COCHAIRMAN MACEACHEN AND PEREZ GUERRERO HAVE PRODUCED A DRAFT WORKING PROGRAM WHICH SUGGESTS A COMPROMISE SOLUTION ON THE TWO UNRESOLVED ISSUES.

2. THE COCHAIRMAN'S PROPOSAL IS BEING CONSIDERED BY THE G-8 ON SEPTEMBER 7 AND 8, WITHIN THE OECD QUOTE AD HOC MEETING OF GOVERNMENTAL REPRESENTATIVES IN THE FINANCIAL AND DEVELOPMENT FIELDS UNDER THE AUSPICES OF THE COUNCIL UNQUOTE. THIS IS THE TEMPORARY WORKING PARTY SET UP BY OECD TO ENSURE THE COORDINATION AMONG THE GROUP OF 8.

THE G-8 MIGHT HAVE SOME OBJECTIONS TO THE COCHAIRMAN'S PROPOSAL, BUT THERE IS LITTLE DOUBT THAT THEY WILL STICK TO THEIR BASIC ATTITUDE, I.E. THAT THEY ARE PREPARED TO CONTINUE TO PARTICIPATE IN THE DIALOGUE, IN SPITE OF ALL DIFFICULTIES.

3. THE G-19 WILL MEET IN PARIS ON SEPTEMBER 10-11 TO CONSIDER THE MACEACHEN-GUERRERO PROPOSAL. ON THIS SIDE, THE OUTCOME IS MORE DOUBTFUL. THE G-19 HAD TAKEN THE RESPONSIBILITY OF THE DEADLOCK IN LAST JULY, AND THE DECISION TO RESUME THE DIALOGUE WILL REQUIRE FURTHER CONCESSIONS ON THEIR PART, SINCE THE CO-CHAIRMAN'S PROPOSAL, BEING A COMPROMISE, DOES NOT MEET ENTIRELY THEIR WISHES. HOWEVER, A POSITIVE ANSWER IS LIKELY TO COME OUT OF THEIR DELIBERATIONS. THE G-19 STILL BELIEVE THAT NOTHING CAN REALLY BE

PRODUCED BY THE CIEC UNTIL THE NEW US ADMINISTRATION TAKES OVER.
BUT THEY SEEM TO BE RELUCTANT TO SUSPEND THE DIALOGUE UNTIL THIS
HAPPENS. THEY PROBABLY SEE POLITICAL ADVANTAGE IN KEEPING THE
DIALOGUE ALIVE, EVEN FOR ACADEMIC AND FRUITLESS DISCUSSIONS.

4. FROM ABOVE ANALYSIS WE NOW MUST PREPARE OURSELVES FOR THE
SIXTH SESSION UNDER THE ASSUMPTION THAT THE DISCUSSIONS WILL
RESUME ON THE PLANNED DATE, SEPTEMBER 13, OR ONE OR TWO DAYS LATER.
I THEREFORE URGE YOU TO ENSURE THAT HEADOFFICE SEND AT LEAST ONE
STAFF MEMBER, WHO SHOULD BE IN PARIS MONDAY MORNING LATEST. THIS
IS PARTICULARLY NECESSARY AS THE WEEK OF SEPTEMBER 13 IS CRUCIAL
IN EUROPE FOR THE PROMOTION OF BANK ANNUAL REPORT AND AS KOELLE
AND MYSELF WILL HAVE TO DEVOTE SOME TIME TO THIS MOST IMPORTANT
DUTY OF EUROFFICE.

I SUGGEST YOU GIVE ME URGENTLY THE NAME AND PRIVATE PHONE
NUMBER OF THE WASHINGTON BASED MEMBER OF OUR DELEGATION SO THAT
I CAN CONFIRM TO HIM, PROBABLY ON SATURDAY AFTERNOON, WHETHER THE
COMMISSIONS ARE TO MEET MONDAY OR NOT.

5. BESIDES THE COCHAIRMAN'S PROPOSAL, THE OECD MEETING OF
SEPTEMBER 7-8 WILL ALSO HAVE TO CONSIDER A PAPER DRAFTED BY THE
OECD SECRETARIAT CES 76-80, DATED AUGUST 20, ON QUOTE QUESTIONS
RELATING TO THE DEBT OF DEVELOPING COUNTRIES UNQUOTE. THE PAPER
TRIES TO DEFINE WHAT WOULD BE THE QUOTE GENERAL ATTITUDES UNDER-
LYING CREDITOR ATTITUDES TO DEBT RELIEF UNQUOTE AND TO SUGGEST
POSSIBLE MEASURES IN FAVOR OF THE LEAST DEVELOPED AND OF POORER
COUNTRIES. THE OECD PAPER - IF AGREED UPON - WOULD SERVE AS
COMMON GUIDELINE FOR THE G-8 IF AND WHEN THE DISCUSSIONS ON
INDEBTEDNESS ARE RESUMED IN THE DEVELOPMENT AND FINANCE COMMISSIONS.

I AM AIRMAILING TODAY COPY OF CES 76-80 AND I SHALL SEND YOU
SHORT ANALYSIS OF ITS CONTENTS BY TELEX TOMORROW. REGARDS

CARRIERE

LI - CIEC

WORLD BANK / IFC
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(TELEGRAM/CABLE/TELEX)☒ IBRD
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☐ ICSIDTO: CARRIERE
WORLD BANK
PARIS

DATE: SEPTEMBER 7, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT: 1705

REUR 2132 TO BOSKEY ON CIEC. BURKI IS DESIGNATED AS HEADQUARTERS MEMBER BANK DELEGATION. HIS PRIVATE NUMBER 301-340-7642. WE ASSUME, GIVEN CIRCUMSTANCES IN WHICH SESSION MAY OPEN, THAT DECISION TO SEND SOMEONE FROM HERE FOR ENERGY COMMISSION CAN WAIT. ESCOBAR WILL OBSERVE FOR DEVELOPMENT COMMITTEE. HIS HOME PHONE 301-654-3160 IN CASE SESSION CANCELLED. REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

L. Peter Chatenay

DRAFTED BY:

LPChatenay:mmh

DEPARTMENT:

International Relations

CLEARANCES AND COPY DISTRIBUTION:

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Mr. ul Haq
Mr. Burki
Mr. Escobar

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FORM NO. 21
(11-75)

DATE: SEPTEMBER 7, 1976

TO: CARRIERE
WORLD BANK
PARIS

ORIGINATOR'S EXT: 3643

CLASS OF
SERVICE: TELIX

COUNTRY: FRANCE

CABLE NO. & TEXT: 1702

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DELEGATION. HIS PRIVATE NUMBER 301-340-7642. WE ASSUME, GIVEN CIRCUMSTANCES
IN WHICH SESSION MAY OPEN, THAT DECISION TO SEND SOMEONE FROM HERE FOR ENERGY
COMMISSION CAN WAIT. ESCOBAR WILL OBSERVE FOR DEVELOPMENT COMMITTEE. HIS

HOME PHONE 301-654-3160 IN CASE SESSION CANCELLED. REGARDS

CHATTWAY

NOT TO BE
COMMUNICATIONS SECTION

SEP 7 10 44 PM 1976

DEPARTMENT: INTERNATIONAL RELATIONS

INTERNATIONAL RELATIONS

IN CHARGE: mmh

cc: Mrs. Boskey
Mr. vi had
Mr. Burki
Mr. Escobar

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sj

SEPT 3 1976

From: IBRD B PARIS

2116 FOR CHATENAY

1976 SEP -3 AM 11:30

Distribution:

Mr. Chatenay

REUR 1689. ONLY ON SEPTEMBER 11 WILL IT BE KNOWN FOR SURE WHETHER THE CIEC COMMISSION WILL MEET AS SCHEDULED ON SEPTEMBER 13 OR NOT. THE TWO CO-CHAIRMEN MACEACHEN AND PEREZ-GUERRERO HAVE MANAGED TO PRODUCE A DRAFT WORKING PROGRAM WHICH WILL BE DISCUSSED BY THE GROUP OF 8 AT OECD HEADQUARTERS ON SEPT 9 AND BY THE GROUP OF 19 ON SEPTEMBER 11. ALL BETS ARE OPEN WHETHER THERE WILL BE SUFFICIENT AGREEMENT BY THEN FOR THE CIEC COMMISSIONS TO RESUME DISCUSSIONS ON MONDAY SEPTEMBER 13. THE CIEC SECRETARIAT FEELS THAT THE COMMISSIONS WILL MEET BUT PERHAPS NOT AS EARLY AS THE 13TH. THE IMF EUROPEAN OFFICE PROCEEDS UNDER THE ASSUMPTION THAT MEETINGS WILL TAKE PLACE AS SCHEDULED. PLEASE NOTE THAT ALL THIS IS BASED ON HEARSAY SINCE PARIS IS NOT THE BEST PLACE TO COLLECT INFORMATION IN BETWEEN CIEC COMMISSIONS MEETINGS. I WOULD THINK THAT DIRECT CONTACTS TO MACEACHEN AND PEREZ-GUERRERO WOULD PRODUCE MORE RESULTS.

REGARDS

KOELLE

PLEASE READ : THAT ALL THIS IS BASED ON HEARSAY SINCE...

INTBAFRA WASH DC

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

Li - cie

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: KOELLE
WORLD BANK
PARIS

DATE: SEPTEMBER 1, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

1689

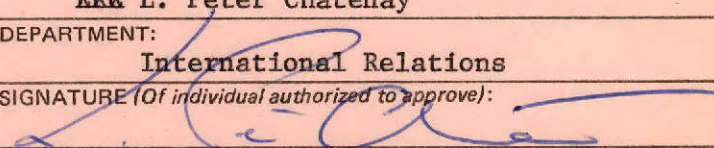
4/c

RE CIEC SEPTEMBER 13 SESSION. WE FIND NO HARD INFORMATION HERE OR IN NEW
YORK ON WHETHER SESSION IS ON OR POSTPONED. PLEASE TELEX WHETHER CONFERENCE
SECRETARIAT KNOWS OR WHAT IS LIKELIHOOD ONE WAY OR ANOTHER.

UNBUREAUCRATIC REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): L. Peter Chatenay
DRAFTED BY: LPChatenay:mmh	DEPARTMENT: International Relations
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sj

Distribution:

Mr. Tims
Mr. Burki

AUG 26 1976

IBRD B PARIS

2049 FOR TIMS COPY BURKI IMMEDIATE DELIVERY as received
INF PARIS OFFICE ~~IS~~ DRAFTING BOARD PAPER ON CIEC. WHEN DEALING
WITH REFERENCES TO BANK PAPER QUOTE A REVIEW OF CAPITAL REQUIRE-
MENTS ... UNQUOTE WHICH WAS SUBMITTED TO CIEC A FEW QUESTIONS HAVE
ARISEN AS TO WHETHER ESTIMATES OF CAPITAL REQUIREMENTS ARE
AVAILABLE AT CONSTANT PRICES. MR. ROSENBLATT OF THE FUND PARIS
OFFICE WOULD BE GRATEFUL IF HE COULD CALL YOU OR BURKI AT 4 PM
PARIS TIME, 10 AM WASHINGTON TIME.

REGARDS

KOELLE

LI- CIEC
LI- P

File



Pacem in Maribus

Box 4716

Santa Barbara, California 93103

August 23, 1976

Mr. L. Peter Chatenay
External Relations Adviser
International Relations Department
IBRD, 1818 H Street N.W.
Washington, D.C. 20433

Am.
Sept 13

Dear Mr. Chatenay:

On the kind invitation of the Algerian authorities, the International Ocean Institute is organizing *Pacem in Maribus VII* in Algeria from October 25 to 28, 1976 on "The new international economic order and the law of the sea." The meeting will be held partly concurrently, partly jointly, with a Special Meeting of the Club of Rome on the New International Order. The main background paper for the joint conference will be the RIO (reshaping the international order) Report, drafted under the chairmanship of Professor Jan Tinbergen. The main background paper for *Pacem in Maribus* will be a study, *The new international economic order and the law of the sea*, revised edition, by Arvid Pardo and Elisabeth Mann Borgese.

The reasons for holding *Pacem in Maribus VII* in conjunction with the Special Meeting of the Club of Rome and the RIO project are twofold. On the one hand, the study on the new international economic order and the law of the sea developed out of the RIO project and is an integral part of it, applying many of the RIO proposals in the specific area of ocean management. On the other hand, the results of the last session of the U.N. Law of the Sea Conference must now be further developed and inserted in the general attempt to build a new international economic order. The Algerian conference on the RIO project offers a first, and exemplary, opportunity to demonstrate this juncture.

The meetings will consist of eight sessions. The first three will be held jointly with the Club of Rome. They will be devoted to the general topic: "Concepts and finalities of the new international order." On the afternoon of October 26th, *Pacem in Maribus* will go into special sessions. One further joint working session with the Club of Rome will take place on the afternoon of the 27th, when an attempt will be made to consider the problems of ocean management in the broader context. On the morning of October 28th, *Pacem in Maribus* will divide into working groups, responsible for drafting reports. The afternoon of the 28th will be dedicated to the closing of

August 23, 1976

discussions and a press conference. A detailed agenda and flow chart are enclosed.

The meeting will convene in the beautiful Club des Pins, about twenty kilometers from Algiers, which offers an ideal setting for such an event. Participants will be lodged in the nearby hotel which can accommodate all of them. Buses will shuttle participants to and from the meeting place.

Whatever their official positions, all participants will attend the meeting in a personal capacity. The meeting will be informal, both in spirit and organization and with respect to attire. It is aimed at fostering personal acquaintance, constructive exchanges of views, mutual understanding, as well as at indicating some feasible steps along a possible road to a more satisfactory world order, including the oceans.

Simultaneous translation will be available from English, French, Spanish and Arabic into French and English through the meetings (except the working group sessions on the morning of the 28th).

It would be a great pleasure to see you in Algiers. I look forward to hearing from you.

Yours sincerely,

Elisabeth Mann Borgese
Chairman, Planning Council

Encls: Agenda for Pacem in Maribus VII and flow chart for
Special Meeting CoR on NIO/Pacem in Maribus VII

From: Paris

INTERCUG 13 AM 8:49

Distribution

Mr. Chatenay

AUG 13 1976

IBRD B PARIS

1968 FOR PETER CHATENAY - IMMEDIATE DELIVERY

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FEB 22 2024

WBG ARCHIVES

AS PER OUR PHONE CONVERSATION OF AUGUST 12, ^{met di} HEREUNDER IS TEXT OF MY MEMO OF AUGUST 6, AIRMAILED ^{to} WILLIAM CLARK SAME DAY. (EYE MADE SOME DELETIONS IN ORDER TO PROTECT CONFIDENTIALITY OF MY REPORT ON SOME POINTS) :

QUOTE CIEC - THE CHANCES OF THE NORTH-SOUTH DIALOGUE TO RESUME IN SEPTEMBER :

1. IN ORDER TO GET OUT OF THE DEADLOCK REACHED AT THE 5TH SESSION OF CIEC COMMISSIONS, ON JULY 17, UNOFFICIAL CONSULTATIONS HAVE STARTED BETWEEN THE GROUP OF 8 (G-8) AND THE GROUP OF 19 (G-19) ON THE ONE HAND AND AMONG THE MEMBERS OF THE G-8 ON THE OTHER HAND.
2. AS YOU PROBABLY KNOW, THE TWO CO-CHAIRMEN OF CIEC, MESSRS. MACEACHEN AND PEREZ-GUERRERO, MET IN NEW YORK ON JULY 27. THE MAIN CONCLUSIONS TO BE DRAWN FROM THE REPORT MADE OUT BY THE CANADIAN SECRETARY OF STATE FOLLOWING THAT MEETING, ARE AS FOLLOWS :
 - THE G-8 COMMITMENT TO THE CIEC IS INCREASING RATHER THAN DECREASING,
 - IT WAS RECOGNIZED THAT THE RESPONSABILITY FOR THE BREAKDOWN IN JULY LAY PARTLY WITH G-19 AND PARTLY WITH G-8,
 - ALTHOUGH THE BREAKDOWN IN JULY STEMMED FROM LACK OF AGREEMENT ON TWO ITEMS - INDEBTEDNESS AND PROTECTION OF PURCHASING POWER - IT IS QUITE CLEAR THAT THE KEY ISSUE FOR THE G-19 IS INDEBTEDNESS,
 - IT WILL BE DIFFICULT TO REACH AN AGREEMENT BEFORE SEPTEMBER 13 (SCHEDULED DATE OF THE 6TH SESSION OF THE COMMISSION) AS CONSULTATIONS CANNOT MOVE RAPIDLY IN AUGUST.

XXXXXXXXXXXXXXXXXXXX

3. G-8 INITIATED THEIR INTERNAL CONSULTATIONS BEFORE THE AUGUST RECESS. INTER ALIA, AN AMERICAN HIGHLEVEL MISSION VISITED THE MOST IMPORTANT EUROPEAN CAPITALS RECENTLY.

ON JULY 29, THE OECD COUNCIL CALLED FOR AN *AD HOC MEETING OF FINANCIAL AND DEVELOPMENT GOVERNMENTAL OFFICIALS UNDER THE AUSPICES

OF THE COUNCIL TO DEAL WITH DEBT PROBLEMS OF THE DEVELOPING COUNTRIES. 21 E C

THIS MEETING IS TO TAKE PLACE ON SEPTEMBER 7-8, UNDER THE CHAIRMANSHIP OF MR VAN YPERSELE, FROM THE BELGIAN MINISTRY OF FINANCE.

4. THE MOST SIGNIFICANT MOVE SEEMS TO HAVE OCCURRED WITHIN EEC. INDEED, THE MINISTERS OF FOREIGN AFFAIRS OF THE NINE HAVE ADDRESSED TO MR MACEACHEN A LETTER IN WHICH THEY SUGGEST A COMPROMISE FORMULA FOR THE WORDING OF THE CIEC WORK PROGRAM ON THE DEBT PROBLEM.

THIS NEW WORDING REMAINS VAGUE AND FAR FROM THE PROPOSALS MADE BY THE 19. BUT NONETHELESS, IT CERTAINLY REPRESENTS AN EFFORT TOWARDS A COMPROMISE. IN THE MIND OF THE EEC, THIS IS ESSENTIALLY A SIGNAL TO THE 19 WITH A VIEW TO AVOIDING THAT THE MOST RADICAL AMONG THE 77 SUCCEED IN KILLING THE CIEC FOR GOOD, AT THE OCCASION OF THE COLOMBO MEETING OF NON-ALIGNED COUNTRIES IN LATE AUGUST.

5. IT IS VERY HAZARDOUS TO TRY AND PREDICT THE FUTURE OF THE DIALOGUE. WHERE THE 8 ARE CONCERNED, NO MAJOR DEVELOPMENT CAN BE EXPECTED IN AUGUST IN VIEW OF THE VACATION PERIOD, -AND ONLY IN SEPTEMBER WILL THINGS BE CLEARER.

FOR THE TIME BEING, ONE CAN SAY THAT :

A) IN SPITE OF A SINCERE WILL TO CONTINUE THE DIALOGUE, THE GAP BETWEEN THE POSITIONS TAKEN BY BOTH PARTIES REMAIN WIDE,

B) THE PRESENT DISAGREEMENT ON PROCEDURE IN FACT EXPRESSES UNWILLINGNESS ON THE PART OF THE G-8 TO MAKE IMPORTANT CONCESSIONS OF SUBSTANCE ON THE DEBT PROBLEM,

C) UNDER SUCH CONDITIONS, AN ARTIFICIAL AGREEMENT ON PROCEDURE COULD NOT POSSIBLY CONCEAL FOR VEY LONG THE DIVERGENCES OVER SUBSTANCE WHICH WOULD APPEAR WHEN THE DEBT PROBLEM IS DISCUSSED IN THE 6TH SESSION OF THE COMMISSIONS,

D) UNDER THE CIRCUMSTANCES, A TEMPORARY INTERRUPTION OF THE DIALOGUE (A POSSIBILITY WHICH I HAD MENTIONED IN MY MEMO OF JULY 21) COULD TURN OUT TO BE THE ONLY SOLUTION IN ORDER TO AVOID A DEFINITIVE BREAKDOWN IN SEPTEMBER.

UNQUOTE

REGARDS

CARRIERE

✓ LI - CILC
- Energy

July 30, 1976

His Excellency
Sir Egerton Richardson
Embassy of Jamaica
Third Avenue
Bartie-Albrecht
Paris 8-eme, France

Excellency:

I have been informed by the World Bank's observer in the Energy Commission of the Conference on International Economic Cooperation that you would like to receive information on the World Bank's thinking on ways to lend multilateral support to oil and gas exploration in developing countries. I understand that you are also interested in possible ways to share resource data, for instance, from remote sensing.

We would appreciate an opportunity to discuss these subjects with you or your staff. If the Conference on International Economic Cooperation resumes in September, we will probably send one or more energy experts to Paris to observe the proceedings in the Energy Commission. This might offer a convenient possibility for a discussion of the subjects in which you are interested. Alternatively, we could arrange a program of meetings with Bank energy experts at your convenience here in Washington.

Yours sincerely,

signed R.H. Sheehan

Y. Rovani
Director

Energy, Water and Telecommunications Department

JVoorhoeve:sno

cc: Mrs. Boskey

Messrs. Hag/Voorhoeve (Policy Plan. & Program Rev.)
Carriers (PRT Office)
Friedmann (EPC)
Calika (LAC)
EWT Files (CIEC)

LI-CIEC

July 29, 1976

~~CONFIDENTIAL~~
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FEB 22 2024

WBG ARCHIVES

Dear Mudie:

Because this is delicate and confidential, I am putting this in a letter rather than in a cable. I would hope that you could telephone your answer and Julian's to Paris so that they can telex it on here.


We understand from people who have been through Geneva recently that the G-77 have adopted a "tough and distrustful" attitude vis-a-vis the G-19 of the CIEC and that P-G is under great pressure to follow a most unbending line in the preparations for the September session of CIEC.

William Clark and others here would be grateful for your joint reading of the present interplay that is said to be going on in Geneva between the 77 and their members in CIEC. Clearly, we are concerned with the possibility (likelihood?) of a real clash in Paris in September and the consequences which might follow for the conversations to take place during the Annual Meeting.

Anything you can tell us will be appreciated so that Management can be kept informed if and as appropriate.

With warm regards.

Yours sincerely,

L. Peter Chatenay 

Mr. Mahmud Burney
Amat Carlton Hotel
rue Amat 22
Geneva
Switzerland

cc: Mr. William Clark

LPChatenay:mmh

Li-etc

July 28, 1976

Mr. Edwin M. Wheeler
President
The Fertilizer Institute
1015 18th Street, N.W.
Washington, D.C. 20036

Dear Ed,

Thank you for your note of July 8 informing us of the proposal that the CIRC should hold its Ninth Congress in the USA.

In looking at the program for the Eighth Congress, I feel that the papers are only of limited interest to the Bank although some of them may be of interest to some of the research centres who are supported by the Consultative Group for International Agricultural Research which is partly financed by the World Bank.

Although I would certainly be happy to give any advise on a personal basis, as most of the Eastern European countries, including the USSR, are not members of the Bank and do not support it in any way, it would be difficult for us to give much support to this organisation.

We don't in any case have much information on this outfit, but I would appreciate hearing more about it.

I'm sorry that I can't at this stage be more helpful.

Best regards,

W.F. Sheldrick
Chief, Fertilizer Unit

WFSheldrick:gw

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TO: FRITZ STEUBER

DATE: JULY 22, 1976

WORLD BANK

ORIGINATOR'S EXT.: 5284

COUNTRY: PARIS, FRANCE

CLASS OF
SERVICE: Telex 620628

CABLE NO. & TEXT:

1465

SUMMARY OF VAN DAM ARTICLE AS REQUESTED BY KOELLE FOR EUROPEAN
OFFICE REPORT

PROF VAN DAM, HEAD OF AID POLICY PLANNING IN THE NETHERLANDS,
SUGGESTS IN AN ARTICLE IN ECONOMISCH-STATISTISCHE BERICHTEN (JUNE
THIRTY) TO DO AWAY WITH GENERAL NORTH-SOUTH FORA LIKE UNCTAD
AND REDUCE THE ROLE OF SEPARATE AID MINISTRIES.

THE THIRD WORLD, HE ARGUES, CONSISTS OF THREE GROUPS:
SELF-SUPPORTING NATIONS, DEVELOPING MIDDLE-INCOME NATIONS, AND THE
TRADITIONALLY VERY POOR NATIONS. HE PROPOSES TO ABOLISH BILATERAL
AID TO SELF-SUPPORTING LDGS LIKE OPEC AND THE MAJOR EXPORTERS OF
MANUFACTURES AND MINERALS. THESE NATIONS SHOULD RELY ON IBRD AND
IMF FOR SOLUTION OF FINANCIAL PROBLEMS. THE RICHEST AMONG THEM
CAN GRADUALLY BE BROUGHT INTO THE OECD SYSTEM, LIKE JAPAN IN THE
PAST. ODA SHOULD BE CHANNELED MAINLY TO THE LOW-INCOME NATIONS
WHICH CONTINUE TO NEED CONVENTIONAL FORMS OF AID.

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): Sidney E. Chernick
DRAFTED BY: JVoorhoeve:sh	DEPARTMENT: Policy Planning and Program Review
CLEARANCES AND COPY DISTRIBUTION: cc: Messrs. Haq Carriere Burki o/r Arman	SIGNATURE (of individual authorized to approve): <i>[Signature]</i>
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COUNTRY:

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SERVICE:

CABLE NO. & TEXT:

PAGE TWO

AS THE VARIOUS THIRD WORLD GROUPS ARE VERY DIFFERENT,
NEGOTIATIONS ON COMMODITIES, ENERGY, FOOD SECURITY, AND DEBT
AND BALANCE OF PAYMENT PROBLEMS SHOULD TAKE PLACE IN SEPARATE
FORA WHICH INCLUDE ONLY THE COUNTRIES THAT HAVE DIRECT INTERESTS.
THE GENERAL NORTH-SOUTH CONFERENCES OF THE UN SYSTEM HAVE
FAILED AND SHOULD BE ABOLISHED. (VAN DAM OVERLOOKS THE THIRD
WORLD VIEW THAT A COMMON FRONT WITH OPEC IN GENERAL FORA GIVES
MORE LEVERAGE.)

IN THE OECD IT IS NOT THE AID MINISTERS BUT THE MINISTERS
OF ECONOMICS, FOREIGN AFFAIRS, AND FINANCE THAT MAKE THE MAJOR
DECISIONS ON NORTH-SOUTH RELATIONS. AS THE TIME FOR A HOMOGENEOUS
THIRD WORLD POLICY HAS PASSED AND AS AID SHOULD BE DIRECTED AT A
SMALL NUMBER OF COUNTRIES ONLY, THE ROLE OF SEPARATE AID MINISTRIES
SHOULD BE REDUCED OR THEY MAY HAVE TO BE ABOLISHED.

REGARDS,

VOORHOEVE

NOT TO BE TRANSMITTED

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File Title Bank Administration and Policy : Conference on International Economic Cooperation [CIEC] - 1975 / 1977 Correspondence - Volume 1		Barcode No. 1056304		
Document Date 13 July, 1976	Document Type Report			
Correspondents / Participants				
Subject / Title Chairman's Working Paper Preliminary thoughts of features of debt reorganisation operations which could provide guidance in future operations relating to acute debt situations				
Exception(s) Information Provided by Member Countries or Third Parties in Confidence				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td>Withdrawn by A.May</td><td>Date February 07, 2024</td></tr></table>	Withdrawn by A.May	Date February 07, 2024
Withdrawn by A.May	Date February 07, 2024			

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Li - CIEC

tr

JULY 15 1976

IBRD & PARIS

1741 BOBKEY

RE: CIEC YOUR 1398

JUL 15 12 28 PM 1976

SECTION Distribution
Mrs. Boskey

1. YOUR INFORMATION CONCERNING OECD AD HOC GROUP ON DEBT IS CORRECT.

2. I WAS UNOFFICIALLY APPROACHED BY OECD SECRETARIAT WHO ASKED ME WHETHER BANK WOULD BE INTERESTED IN ATTENDING AD HOC GROUP.

3. I TOLD OECD THAT THIS AD HOC GROUP WAS CLEARLY ONE ELEMENT, AMONG OTHERS, OF G-5 COORDINATION, SINCE WE DO NOT PARTICIPATE IN G-5 COORDINATION, NOR IN G-10 COORDINATION, I SAID THAT I THOUGHT IMPROPER FOR BANK TO ATTEND AD HOC GROUP ON DEBT.

4. HOWEVER, I REQUESTED OECD SECRETARIAT TO KEEP ME UNOFFICIALLY INFORMED OF PROCEEDINGS AND OUTCOME OF AD HOC GROUP. THIS WAS AGREED.

5. I FURTHER TOLD OECD THAT IF AND WHEN AD HOC GROUP COMES TO DISCUSSING DEBT PROBLEMS OF PARTICULAR COUNTRIES (VERSUS GENERAL PROBLEMS OF PROCEDURE, GUIDELINES, ETC.), BANK MIGHT WISH TO REVISE ITS POSITION AND ATTEND MEETINGS OF AD HOC GROUP.

6. PERHAPS I SHOULD HAVE SOUGHT YOUR CONCURRENCE ON ABOVE, BUT I THOUGHT THAT BANK'S STAND ON ISSUE WAS BEYOND ANY DOUBT.

REGARDS

CARRIERS

INTBAFRA WASH DC

INCOMING TELEX

LT - CIEC_{tr}

JULY 15 1976

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IBRD B PARIS

965

1741 BOSKEY

JUL 15 12 20 PM 1976

RE: CIEC YOUR 1398

COMMUNICATIONS Distribution
SECTION Mrs. Boskey

1. YOUR INFORMATION CONCERNING OECD AD HOC GROUP ON DEBT IS CORRECT.
 2. I WAS UNOFFICIALLY APPROACHED BY OECD SECRETARIAT WHO ASKED ME WHETHER BANK WOULD BE INTERESTED IN ATTENDING AD HOC GROUP.
 3. I TOLD OECD THAT THIS AD HOC GROUP WAS CLEARLY ONE ELEMENT, AMONG OTHERS, OF G-8 COORDINATION. SINCE WE DO NOT PARTICIPATE IN G-8 COORDINATION, NOR IN G-19 COORDINATION, I SAID THAT I THOUGHT IMPROPER FOR BANK TO ATTEND AD HOC GROUP ON DEBT.
 4. HOWEVER, I REQUESTED OECD SECRETARIAT TO KEEP ME UNOFFICIALLY INFORMED OF PROCEEDINGS AND OUTCOME OF AD HOC GROUP. THIS WAS AGREED.
 5. I FURTHER TOLD OECD THAT IF AND WHEN AD HOC GROUP COMES TO DISCUSSING DEBT PROBLEMS OF PARTICULAR COUNTRIES (VERSUS GENERAL PROBLEMS OF PROCEDURE, GUIDELINES, ETC.), BANK MIGHT WISH TO REVISE ITS POSITION AND ATTEND MEETINGS OF AD HOC GROUP.
 6. PERHAPS I SHOULD HAVE SOUGHT YOUR CONCURRENCE ON ABOVE. BUT I THOUGHT THAT BANK'S STAND ON ISSUE WAS BEYOND ANY DOUBT.
- REGARDS

CARRIERE

Miss R. Vedavalli

July 15, 1976

Efrain Friedmann

Power Investments Figures - CIEC
Memo to Mr. Haq, July 8, 1976

1. I would like to call your attention to an error of fact which appears on para. 3 of the above mentioned memorandum. The investment figures given in Working Paper 229 - as they refer to the Power Sector - include not only the cost of generation expansion but also those of transmission and distribution. I know this well as I gave Lambertini the basic information.

2. I realize that - as written - Paper 229 is not sufficiently explicit on this matter. Only one specialist could have seen that the figure of about \$1,000 1973 dollar per kW installed, implicit in Table 7 was much too high to refer to generation only. To avoid misunderstandings, I suggest that in the future Power staff of this Department be consulted when dealing with these matters. I understand that you tried to see me, unfortunately I was on leave, but we have other staff in the Department and in the operating Power divisions which can be reached should I be unavailable.

cc: Messrs. Tims, Foster
Rovani, Sheehan

CIEC File

*EF*EFriedmann:mb

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TO: VOORHOEVE

DATE: JULY 14, 1976

INTBAFRAD

ORIGINATOR'S EXT.: 5363

COUNTRY: PARIS

CLASS OF
SERVICE: TELEX - 620628

CABLE NO. & TEXT: FRANCE

1419

REURCAB 1734 TO BOURCIER WE HAVE FOLLOWING COMMENTS ALPHA A FEW OF THE
POWER LOANS HAVE SMALL NON-POWER COMPONENTS INCLUDED BUT CONVERSELY SOME
MULTIPURPOSE PROJECTS CARRIED OUT BY OTHER DEPARTMENTS IN THE BANK E.G.
AGRICULTURE, WATER SUPPLY ETC AND NOT SHOWN IN THE TABLE CONTAIN SOME FUNDS
FOR POWER BETA EXACT INFORMATION ON THIS IS NOT READILY AVAILABLE IN THE
BANK NEVERTHELESS THE \$8.197 BILLION TOTAL FIGURE SHOWN FOR POWER IS
UNDOUBTEDLY THE RIGHT ORDER OF MAGNITUDE GAMMA THREE OF THE FOUR IRAN
LOANS WERE ENTIRELY FOR POWER BUT THE DEZ LOAN (247) INCLUDED ABOUT \$11.7
MILLION OF THE \$42.0 MILLION FOR IRRIGATION AND FLOOD CONTROL STOP TOTAL
FIGURE FOR IRAN POWER SHOULD THEREFORE BE \$199.3 MILLION INSTEAD OF \$211
MILLION

SHEEHAN
INTBAFRAD

NOT TO BE TRANSMITTED

REFERENCE: CIEC

AUTHORIZED BY (Name):

DRAFTED BY: RSheehan:smo =

DEPARTMENT: Richard H. Sheehan
Sr. Adviser, EWT EWT

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CC: Mr. Friedmann/Mr. Bourcier o/r
Mr. Rydell

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TO: VOGROBROVE

INTABRAD

COUNTRY: PARIS

CABLE NO & TEXT: FRANCE

DATE: JULY 14, 1976

ORIGINATOR'S EXT: 5363

CLASS OF
SERVICE: TELEX - 630638

1411

REURCAR 1734 TO BOURCIER WE HAVE FOLLOWING COMMENTS ALPHA A FEW OF THE
POWER LOANS HAVE SMALL NON-POWER COMPONENTS INCLUDED BUT CONVERSELY SOME
MULTIPURPOSE PROJECTS CARRIED OUT BY OTHER DEPARTMENTS IN THE BANK E.G.
AGRICULTURE, WATER SUPPLY ETC AND NOT SHOWN IN THE TABLE CONTAIN SOME FUNDS
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BANK NEVERTHELESS THE \$8.197 BILLION TOTAL FIGURE SHOWN FOR POWER IS
UNDOUBTEDLY THE RIGHT ORDER OF MAGNITUDE GAMMA THREE ON THE FOUR IRAN
LOANS WERE ENTIRELY FOR POWER BUT THE DEZ LOAN (247) INCLUDED ABOUT \$1.7
MILLION OF THE \$42.0 MILLION FOR IRRIGATION AND FLOOD CONTROL STOP TOTAL
FIGURE FOR IRAN POWER SHOULD THEREFORE BE \$19.3 MILLION INSTEAD OF \$21.1
MILLION

SHREHAN
INTABRAD

COMMUNICATIONS
SECTION

JUL 15 2 49 AM 1976

Richard H. Sheehan
Sr. Adviser, WFP

RS:Sheehan:emo =

CC: Mr. Friedmann/Mr. Bourcier of
Mr. Rydell

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TO: CARRIERE
WORLD BANK
PARIS

DATE: JULY 12, 1976

ORIGINATOR'S EXT.: 2173

COUNTRY: FRANCE

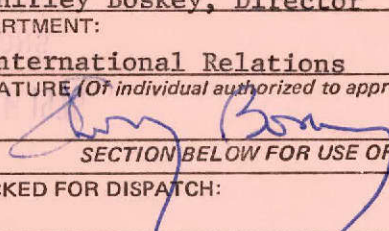
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Delivery

RSM HAS ~~EXAMINE~~ CHANGED SECOND SENTENCE OF PARAGRAPH ELEVEN OF CIEC STATEMENT,
ENDING SENTENCE AFTER QUOTE FINANCIAL RISKS UNQUOTE, DELETING REST OF SENTENCE
HOPE THIS ARRIVES IN TIME. BOSKEY

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): Shirley Boskey, Director
DRAFTED BY: SBoskey:mmh	DEPARTMENT: International Relations
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FORM NO. 12 (11-18)

TO:	CARRIAGE WORLD BANK PARIS
COUNTRY:	FRANCE
CABLE NO. & TEXT:	1344
DATE:	JUL 12, 1976
ORIGINATOR'S TEXT:	2133
CLASS OF SERVICE:	TELEX

HOPKINS HAS CHANGED SECOND SENTENCE OF PARAGRAPH FIFTH OF CITE STATEMENT.
 FINDING SENTENCE AFTER QUOTE FINANCIAL RISKS INQUOTE, PRINTING REST OF STATEMENT.
 HOPKINS THIS ARRIVES IN TIME.

NOT TO BE TRANSMITTED	REFERENCE
AUTHORIZED BY (name)	DATE
Shirley Boskey, Director	Shirley Boskey
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Li - CIEC

Mr. Knapp

July 8, 1976

Shirley Boskey, IRD *SB*

Response to Questions Posed by Indian
Delegation to CIEC

Attached, for your clearance, is a statement, prepared in Mr. Tims' Department, which responds to certain questions put to the Bank delegation by the delegation of India in the CIEC Energy Commission. The questions themselves are also attached. As you will see, the proposed responses are technical in character. I understand that the intention is to transmit the responses directly to the delegation of India, not to make a statement in the open meeting. Mr. Voorhoeve will take the memorandum with him when he leaves for Paris over the weekend, if you have approved it.

SB:tsb

LI - CIEC

Mr. Haq, Director, PPPR

Mr. Tims, Director, EAP

July 1, 1976

Shirley Boskey, Director, IRD 857

Information Supplied to CIEC

Mr. McNamara has asked that Mr. Clark inform him and Mr. Knapp of any requests from CIEC to the Bank for information to be presented to any of the CIEC commissions. He has also said that the replies to such requests (which would include briefings for the Bank delegation) be initialled by him or by Mr. Knapp before they are presented in Paris.

Will you, therefore, please be sure that Mr. Clark is informed of any request for information which you may receive directly, and that all responses, in whatever form, are channelled through Mr. Clark. We will take care of the necessary McNamara/Knapp clearance.

SB:tsb

cc: Mr. Burki
Mr. Voorhoeve
Mr. Chatenay

ROUTING SLIP

Date
July 13, 1976

OFFICE OF THE PRESIDENT

Name	Room No.
Mr. Haq	

To Handle	Note and File
Appropriate Disposition	Note and Return
Approval	Prepare Reply
Comment	Per Our Conversation
Full Report	Recommendation
XX Information	Signature
Initial	Send On

Remarks


Sven Burmester

From

LI - CIEC

Prof. J. TINBERGEN

DEN HAAG,

June 30, 1976

HAVIKLAAN 31

TELEFOON 39 48 84

Dear Mr. McNamara,

I want to thank you for having permitted Dr. Mahbub ul Haq to participate in the work of the so-called R10 project, a report to the Club of Rome on the New International (Economic) Order. His co-operation has been extremely useful to us, also because the other member of the working group he was responsible for, Mr. James Grant, has his headquarters in Washington.

It is my hope that, for the further plans and activities of the World Bank Group, our report may be of some use. I wish you every success in your endeavour to increasingly make the Bank Group

the leading international development agency.

DE HAAG
HAKKERT
121000 121000

Yours sincerely,

Jan Tuibergen

Mr. Knapp

LI - ILO
✓ LI - CIEC
June 28, 1976

Shirley Boskey, IRD *843*

Information for Board on Documentation
Supplied to International Meetings

This memo will provide the information you asked me to supply for purposes of your statement to the Board tomorrow.

A. ILO World Employment Conference

1. Mr. McNamara did not make a statement to the Conference.
2. Toward the end of 1975, ILO asked for an article, to be signed by Mr. McNamara, in support of the World Employment Conference, which it would publish in "ILO Information", a periodic information bulletin. The Bank's Information and Public Affairs Department put together a brief article from previously published sources, principally the 1975 Annual Meeting speech; a paper entitled "A Progress Report on the World Bank's Rural Development Program", and the 1975 Annual Report on Bank Research. The article deals with rural poverty, urban employment, etc. It ends with a wish for the success of the Conference. Mr. McNamara read the draft, made some modifications and approved it. The issue of "ILO Information" in which the article, among others, appeared was supplied to all delegations at the Conference.
3. I spoke to Mr. Drake after Thursday's Board meeting; he concluded that it was no doubt a reference to the article which he had seen and described as a "statement" by Mr. McNamara. A copy of the "ILO Information" issue has been supplied to him, through Mr. Dany, and Mr. Dany has told me that Mr. Drake is satisfied that there is nothing in it which should have been taken up in the Board.
4. The Bank was represented at the Conference by Mark Leiserson, Chief of the Employment and Rural Development Division of the Development Economics Department. Mr. Leiserson did not make a statement in the plenary sessions nor did he find it necessary to intervene in Committee discussions.
5. Mr. Leiserson is preparing a report to the Board on the Conference, in accordance with the usual practice under which an oral or written report is made on all major international conferences.

B. Conference on International Economic Cooperation (CIEC)

1. The work of the CIEC is conducted in four commissions: Development; Financial Affairs; Raw Materials; and Energy. Each Commission has two

co-chairmen, one representing the 14 developing country participants (G-14) and one representing the industrialized countries (G-8, one of the eight being the EEC).

2. The Bank is now a permanent observer in the Development, Financial Affairs and Raw Materials Commissions, each of which has held four sessions thus far, in February (mainly an organizational session), March, April and June. It has just been invited by the co-chairmen of the Energy Commission to be an observer at the next session of that Commission, July 12-16.

3. The Bank's delegation to the CIEC has been headed by Jean Carriere. He and Martin Koelle, Deputy Director of the European Office, supplemented from time to time by headquarters staff of the Policy Planning and Program Review Department, have covered the sessions of the Commissions.

4. With Mr. McNamara's approval, the position adopted for staff guidance with respect to supplying information to the CIEC has been that the staff would do its best to meet formal requests for assistance, within the limits of budgetary and other resources and on matters within the Bank's fields of interest. Any additional work which might be requested would be undertaken only if it was determined that it would be in the Bank's interest to do so and if the necessary staff and other resources were available.

5. The only document which has been supplied to the CIEC by the Bank's delegation is "A Review of the Capital Requirements of Developing Countries, 1956-1980", which was Annex II to a document presented to the January 1976 meeting of the Development Committee in Jamaica. It was submitted to the first session of the Commission on Financial Affairs, and to the third session of the Development Commission. Brief commentaries on the paper were made by a member of the Bank's delegation in both Commissions.

6. In addition, members of the Bank's delegation have made statements in all three commissions on the following subjects: agricultural development (Development Commission); current account deficit of non-oil developing countries in 1975 (Finance Commission); industrialization of developing countries; international debt situation (Finance Commission); Bank's commodity policy (Raw Materials Commission); and export earnings (Raw Materials Commission). Only two of these statements (on agricultural and industrial lending) were volunteered; other interventions were made only at the request of the chairman. Most of the statements were made on the basis of briefings prepared in Washington and these in turn were based on existing documents or papers with which the Board is familiar. The statements provided factual information generated in the normal course of Bank staff work. The statement

on LDC current account deficit, for example, made plain that the estimate was that of the Bank staff. To the extent that a statement dealt with Bank policy, it did not go beyond the policy already laid down by the Board. We have been scrupulous in not appearing to be a spokesman for or partisan of either the G-8 or the G-19. We have played the role of technician, and both sides have appreciated that. It should be kept in mind that the CIEC has no Secretariat of its own. The G-8 have to some extent relied on the OECD Secretariat and the G-19 on UNCTAD.

7. We understand that at the June session of the Energy Commission, there were indications that the Bank would not only be invited to the July session, but would be asked to make a statement on LDC energy development investment needs and Bank policy in this respect. A statement is being prepared in the Policy Planning and Program Review Department, in consultation with Tims' and Rovani's staff, for appropriate clearance within the Bank (which might mean Board clearance, depending on what we want to say about policy respecting financing of oil exploration). In response to a request made to Mr. McNamara by the co-chairmen of the Commission, whether the Bank has any information on past, present and projected future energy consumption patterns of the LDCs which it could make available to the Commission, we have responded that we could make available Staff Working Paper 229, "Energy and Petroleum in Non-OPEC Developing Countries 1974-1980". It will be delivered to the Commission for the July session, and Jean Carriere will call attention to the nature of the paper, i.e., that it is a staff working paper.

8. With the June session the Commissions considered themselves to have completed the "initial, analytical phase" of their work. Senior officials of the CIEC are to meet on July 3-10 to consider what the next phase might cover.

SBoskey:tsb

cc: Mr. McNamara
Mr. Clark
Mr. Dawry
Mr. Carriere
Mr. Chenery
Mr. Haq

OFFICE MEMORANDUM

LI - ILO
✓ LI - CIEC

TO: Mr. Knapp

DATE: June 28, 1976

FROM: Shirley Boskey, IRD *823*SUBJECT: Information for Board on Documentation
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SBoskey:tsb

cc: Mr. McNamara ✓
Mr. Clark
Mr. Damry
Mr. Carriere
Mr. Chenery
Mr. Haq

JUNE 28 1976

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SIG JUN 28 AM 8 59

Mrs. Boskey

COMMUNICATIONS
SECTION

RE: CIEC - UNTEL 1299

HEREUNDER LISTED ARE ALL DOCUMENTS ACTUALLY SUPPLIED TO CIEC
COMMISSIONS BY OUR DELEGATION.

FIRST SESSION

FINANCE COMMISSION

- A REVIEW OF THE CAPITAL REQUIREMENTS OF DEVELOPING COUNTRIES,
1976-1980.

(ANNEX II TO DOCUMENT PRESENTED TO DEVELOPMENT COMMITTEE

+ JAMAICA, JAN. 1976)

THIS PAPER WAS COMMENTED BY J. CARRIERE IN AN 8-MINUTE ORAL
PRESENTATION.

SECOND SESSION

DEVELOPMENT COMMISSION

- STATEMENT BY THE WORLD BANK REPRESENTATIVE (AGRICULTURAL
DEVELOPMENT)

FINANCE COMMISSION

- STATEMENT BY WORLD BANK OBSERVER ON CURRENT ACCOUNT DEFICIT
OF NON-OIL DEVELOPING COUNTRIES IN 1975 (MARCH 26, 1976)
THIS STATEMENT WAS READ TO COMMISSION BUT NOT CIRCULATED IN
WRITTEN FORM.

DEVELOPMENT COMMISSION

- A REVIEW OF CAPITAL REQUIREMENTS OF DEVELOPING COUNTRIES, 1976-1980 (APRIL 22, 1976)
COMMENTED BY MARTIN KOELLE IN AN 8-MINUTE ORAL PRESENTATION.
- STATEMENT BY THE WORLD BANK REPRESENTATIVE ON THE INDUSTRIALIZATION OF DEVELOPING COUNTRIES (APRIL 27, 1976)

FINANCE COMMISSION

- STATEMENT BY THE WORLD BANK REPRESENTATIVE ON THE INTERNATIONAL DEBT SITUATION (APRIL 28, 1976)

RAW MATERIALS COMMISSION

- STATEMENT SUBMITTED BY THE WORLD BANK ON WORLD BANK COMMODITY POLICY (APRIL 24, 1976)

FOURTH SESSION

RAW MATERIALS COMMISSION

- STATEMENT ON EXPORT EARNINGS (WORLD BANK)

ALL ABOVE DOCUMENTS, EXCEPT FOR FIRST ONE, ARE INCLUDED IN THE LISTS OF DOCUMENTS ATTACHED TO OUR REPORTS ON THE SESSIONS. YOU SHOULD HAVE ONE COPY OF EACH DOCUMENT.

ABOVE LIST DOES NOT INCLUDE:

- DOCUMENTS PRESENTED BY THE REPRESENTATIVE OF THE DEVELOPMENT COMMITTEE (PSE SEE MESSRS SHROFF AND ESCOBAR)
- STATEMENTS MADE BY OUR DELEGATION ON SUBSTANTIVE OR PROCEDURAL POINTS.

REGARDS

CARRIERE

EGD

LAURENCE BARRIE

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

Li. CIEC

☐ IBRD
☐ IDA
☐ IFC
☐ ICSD

TO: CARRIERE

DATE: JUNE 25, 1976

INTBAFRAD

ORIGINATOR'S EXT.: Ext. 2173

COUNTRY: PARIS

CLASS OF SERVICE: Telex 620628

CABLE NO. & TEXT: FRANCE

LC

1299

PLEASE TELEX SOONEST LIST OF ALL DOCUMENTATION ACTUALLY SUPPLIED, NOT SIMPLY OFFERED, BY BANK TO CIEC. NEED THIS FOR REPORT TO EXECUTIVE DIRECTORS, SOME OF WHOM COMPLAINED YESTERDAY THAT BOARD WAS NOT BEING KEPT ADEQUATELY INFORMED OF MATERIALS SUBMITTED BY BANK TO VARIOUS INTERNATIONAL CONFERENCES AND STATEMENTS MADE AT SUCH CONFERENCES BY BANK REPRESENTATIVES. ASSUME WE HAVE HERE TEXT, OR REFERENCES IN YOUR REPORTS TO SUBSTANCE, OF ALL STATEMENTS MADE BY BANK DELEGATION TO CIEC, SHOULD WE WANT TO SUPPLY THESE TO BOARD AS WELL. IF NOT, PLEASE FILL GAPS IN OUR COLLECTION. REGARDS

BOSKEY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

Shirley Boskey, Director

DRAFTED BY:

SB: tsb

DEPARTMENT:

International Relations

CLEARANCES AND COPY DISTRIBUTION:

Mr. Clark

SIGNATURE (Of individual authorized to approve):

SECTION BELOW FOR USE OF CABLE SECTION

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☐ 1004

WORLD BANK IFC
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

FORM NO. 10

TO: CARRIAGE
 INTERFAR
 COUNTRY: PARIS
 CABLE NO. & TEXT: FRANCE
 DATE: JUNE 25, 1976
 ORIGINATOR'S EXT: ExL 2173
 CLASS OF: Telex 620628
 REFERENCE:

1229

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BOSKEY

SECTION COMMUNICATIONS

JUN 25 11 18 PM 1976

Shirley Boskey, Director

International Relations

28: esp

CLEARANCE AND COPY DISTRIBUTION

Mr. Clark

SECTION 28: esp FOR USE OF CASE RECORDS

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PINK - FOR COPY WITH

OFFICE MEMORANDUM

Mr. B. R. Bell
Li - CIEC

JUN 18 REC'D

B

TO: Mr. Robert S. McNamara, President
FROM: Hollis B. Chenery, *VP* Development Policy
SUBJECT: The New International Economic Order

DATE: June 16, 1975

1. ✓ Attached is a memorandum, prepared at my request by Mr. Vibert, analyzing some of the elements of the new international economic order in light of the shifts in current economic conditions. There are areas of the NIEO where the concerns have important substantive basis of relevance to the Bank, and these are identified. The broad NIEO demands and possible areas of action are listed in the attached table.

2. We are continuing to keep in touch with the NIEO discussions. Our principal contribution will be to help define the rhetorical aims and to quantify objectives, so that costs and benefits can be assessed.

Attachment

cc: President's Council

EStern/lis

OFFICE MEMORANDUM

TO: Mr. H. B. Chenery, Vice President, DPS

DATE: May 20, 1975

FROM: Frank Vibert, Chief, Policy Planning Division, PP&PR

SUBJECT: The New International Economic Order -- A Non-Polemical View

1. At a recent meeting, you repeated your request for a non-polemical statement on the elements which comprise the New International Economic Order (NIEO).
2. As I understand it, the NIEO is an umbrella title for a wide variety of ideas, most of which are not new but have a long ancestry to Bretton Woods and before. There are, however, three elements which underlie the NIEO title:
 - (i) Timeliness - a belief that the shape of the world over the next decade or so is sufficiently different from the past that the time is now ripe for a number of ideas that have been rejected in the past;
 - (ii) Shift in Bargaining Power - a belief that relative bargaining power between the traditional centers of power in the world economy -- the industrialized members of OECD -- and the developing countries has shifted in favor of developing countries. This in turn makes it possible for LDCs to insist on some of those ideas for which the time has now come;
 - (iii) Interrelatedness of the Demands - a belief that the NIEO demands of developing countries should be treated as inter-related. Thus, commodity problems should be treated in 'integrated' proposals and trade/aid/monetary demands be seen as part of the 'broad question' of resource transfers. This insistence itself partly reflects the perception that bargaining power has shifted and that gains on any one front should be paralleled on other matters.
3. These three key elements should not be taken at face value. For example, while the financial strength of OPEC countries does increase the voice of LDCs in international debates (as long as OPEC is aligned with the Group of 77), the financial management of those OPEC countries with chronic surpluses may well turn out to be highly conservative and de facto be aligned with the existing major financial powers. The larger the accumulated financial surpluses of OPEC countries, the greater their interest in not rocking the boat.
4. Because of general scepticism about the claims of NIEO, as well as the heavy overlay of rhetoric, it is easy for the Bank to take the position that it should go about its business in the usual way and focus on the needs of the poorest countries, rural development and other nuts and bolts of development lending.

5. Nevertheless, despite the division between reality and the rhetoric of NIEO, there are promising areas where in fact there is validity in the claim that the time is ripe for new initiatives. The Bank's view of some of the major dimensions of the future environment for development is becoming clearer. It does indeed look as though the outlook for development will be different in a number of ways from the pattern that has hitherto been prevailing:

- the flow of private loan capital is likely to be much more important in future relative to the flow of official capital.
- a world dependent on a larger and more volatile capital flows will pay greater attention to mechanisms to meet short-run liquidity crises (enlarged IMF facilities, compensatory financing, etc.).
- both developed and developing countries are likely to pay greater attention to international trade arrangements (both primary commodities and manufactures) rather than focus on the past dialogue on official capital flows:
 - : LDCs because export growth will be crucial in attracting private capital and managing debt;
 - : OECD because of increased awareness that growth patterns in OECD area can have repercussions on the global economy that in turn destabilize OECD economies.
- the changed external environment in turn has a number of implications for development strategy within developing countries:
 - : greater emphasis on self-sufficiency for example in food production where deficits have been traditionally met by officially financed imports;
 - : changes in industrialization strategy in response to changing trade patterns, changes in centers of industrial growth, the need to attract private capital, including multinationals.

6. This sort of view of the world is in some respects quite sharply different from some of the components of NIEO (particularly NIEO hostility to private capital and reliance on continued official flow targets). In other areas, particularly trade and liquidity questions, the perceptions have much in common.

7. Since there are clearly areas of promise in NIEO, it would be a mistake for the Bank to ignore it. Moreover, disdain on the part of the Bank will be misinterpreted as defensiveness since, in fact, the Bank may be on weak grounds in certain key areas of legitimate concern.

8. Among the areas where the Bank may need to consider new departures both in terms of analysis and policy are the following:

- food output - much has to be done to relate the Bank's rural development objectives to food output objectives, particularly in the main food deficit areas.
- industry - does the Bank have a clear sense of direction in its lending in this sector?
- relations with private capital markets - the Bank's traditional posture has been that it can best assist developing countries by borrowing on its own credit standing and lending directly. Could a wider range of functions be developed?
- trade questions - the Bank has far to go both in analysis and in relating its lending to questions which arise in the context of promoting trade in manufactures; with respect to primary commodities, the Bank is only now taking the first steps to meet commodity financing needs.
- stabilization assistance - could the Bank be more forthcoming and, for example, envisage STABEX-type schemes for the poorest countries in conjunction with IDA V; could compensatory financing assistance be established in a way which relates logically to buffer stock financing schemes.

9. Attached is a listing of NIEO demands; with annotations on the realism or not of the demands; and the promising areas which lie beneath the rhetoric. A number of these areas are under discussion for papers to be prepared in the future policy work program in the Bank. These proposals include papers on food output operations; buffer stock financing; issues in trade in manufactures and on the Bank's role vis-a-vis private capital flows. We are in the midst of discussions with interested departments to formulate the work program more precisely. We will be sending you a separate memorandum on the policy work program towards the end of June when these discussions are complete.

10. As you requested, PPD members are holding a watching brief on NIEO questions. In this connection, we are arranging for a series of eminent speakers to give small seminars on selected topics of interest and hopefully these will get under way in the near future. In addition, a number of speakers may be persuaded to make a contribution in the form of a paper on a specific topic under consultancy arrangements.

Attachment

cc: Mr. Stern, Mr. Haq, PPD members

FV/lmh

DEMANDS

REALISM

PROMISING AREAS

RESOURCE TRANSFERS

ODA - Reaffirm 0.7% of GNP target

No chance that major donors will reach 0.7% target in foreseeable future

Redefine ODA volume target, introduce specific distribution/poverty criteria

Private Flows

- Reaffirm 1.0% target, i.e., 0.3% flow of private capital
- code of conduct for private direct investment
- renegotiation of enclave agreements
- supervision of multinationals

Ratio of public to private flows likely to be reversed, i.e., 0.3% ODA

Interest in IIIA-type arrangements may revive.
Role of Bank in promoting flow of private loan capital (technical assistance role, use of guarantee power).
Relationship of Bank to multinationals; role of Bank as arbiter in enclave-type investments.

Debt - Make new institutional arrangements to make rescheduling more automatic

Preference for Paris Club-type arrangements, case-by-case approach

Debt management role of Bank.

Develop automatic mechanisms for aid transfers - SDR Link

No agreement on SDR Link.

Substitution account in IMF for gold revaluation profits; funding of reserve currency balances.

TRADE DEMANDS

Primary Commodity Exports

- more cartels
- 'integrated' multi-commodity arrangements

Little direct benefit from cartels for commodities other than oil; indirect repercussions negative.
Financing requirements of 'integrated' schemes unrealistically high.

- Long-term price/supply contracts
- enlarged compensatory financing facilities
- case-by-case buffer stock financing
- new arrangements for financing raw material exploration costs (reduced role for multinationals).

Manufactures - free access to developed-country markets

Scope for intra-LDC trade; scope for trade with OPEC countries; Tokyo Round.

DEVELOPMENT STRATEGY

Industrialization - UNIDO's target 25% LDCs' share in global industrial output by year 2000.

Target has no empirical foundation.

Relocation of industry outside traditional centers; increased value added in processing of primary commodities

Agriculture

- Agriculture Development Fund
- Major financing burden on traditional surplus producers and OPEC countries

Traditional donors wish to divorce production from financing obligations.

Greater emphasis on production goals in food-deficit countries.

INSTITUTIONAL REFORMS

Control of Existing Institutions

- Greater reflection of UN majority in Bretton Woods institutions.

Could accelerate OECD trend towards regional arrangements.

Creation of New Institutional Arrangements

- ITO (International Trade Organization)
- Commodity Bank

General sentiment against proliferation of institutions.

Case for Commodity Bank should be examined.

W-CIEC
INCOMING CABLE

8J

1976 JUN 15 PM 3:23

Distribution:

Mrs. Boskey
M. McNamara ✓

INTBAFRAD WSH

WU WSH

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UWVA CO FRXX 082

PARIS TELEX 82 1516 1145 PAGE1/50

June 15, 1976

MAC NAMARA BIRD

1018H STREET, N.W.

WASHINGTON/D.C. 20433

A LA DEMANDE DE MESSIEURS THAER ET BOSWORTH CO PRESIDENTS DE LA
COMMISSION SUR L ENERGIE J AI L HONNEUR DE VOUS FAIRE SAVOIR
QUE LA BANQUE MONDIALE EST INVITEE A DESIGNER UN REPRESENTANT
POUR ASSISTER AUX TRAVAUX DE LADITE COMMISSION PENDANT LA SESSION

COL 1018H 20433

545609 MAC NAMARA PAGE2/32

DU MOIS DE JUILLET JE VOUS SERAIS RECONNAISSANT DE BIEN VOULOIR
ME PRECISER EN TEMPS OPPORTUN LE NOM DE LA PERSONNE QUE VOUS
AUREZ MANDATEE A CET EFFET HAUTE CONSIDERATION

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LI - CIEC
INCOMING CABLE

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1976 JUN 15 PM 3:23

Distribution:

Mrs. Boskey
M. McNamara

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WU WSH

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UWVA CO FRXX 082

PARIS TELEX 82 1516 1145 PAGE1/50

June 15, 1976

MAC NAMARA BIRD

1018H STREET, N.W.

WASHINGTON/D. C20433

A LA DEMANDE DE MESSIEURS THAER ET BOSWORTH CO PRESIDENTS DE LA
COMMISSION SUR L ENERGIE J AI L HONNEUR DE VOUS FAIRE SAVOIR
QUE LA BANQUE MONDIALE EST INVITEE A DESIGNER UN REPRESENTANT
POUR ASSISTER AUX TRAVAUX DE LADITE COMMISSION PENDANT LA SESSION
COL 1018H 20433

545609 MAC NAMARA PAGE2/32

DU MOIS DE JUILLET JE VOUS SERAIS RECONNAISSANT DE BIEN VOULOIR
ME PRECISER EN TEMPS OPPORTUN LE NOM DE LA PERSONNE QUE VOUS
AUREZ MANDATEE A CET EFFET HAUTE CONSIDERATION

BERNARGUITTON

RETR MSG

NNN

NNNN

Distribution:

Mrs. Boskey
Mr. McNamara

*after given to
WDS
and
Burke*

INTBAFRAD WSH

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PMS WASHINGTON DC

FCA473 VIA FRENCH FUF618 QBA491 623608

USWA CO FRXX 161

PARIS TELEX 161 3 1730

June 3, 76

MONSIEUR LE PRESIDENT DE LA BIRO

1918 H STREET N.W.

WASHINGTON25DC

PARIS 3 JUIN 1976

LE SECRETARIAT EXECUTIF PRESENTE SES COMPLIMENTS AUX ORGANISATIONS
INTERNATIONALES HABILITEES A PARTICIPER AUX TRAVAUX DE LA
CONFERENCE SUR LA COOPERATION ECONOMIQUE INTERNATIONALE EN QUALITE D
OBSERVATEURS PERMANENTS ET A L HONNEUR DE LEUR FAIRE SAVOIR

~~623608 MONSIEUR LE PRESIDENT PAGE 2/50~~

QUE LA PREMIERE RUNION DES COMMISSIONS SUR LA CCEI POUR LA SESSION
DU MOIS DE JUIN 1976 SE TIENDRA SELON LE CALENDRIER CI-APRES :

- COMMISSION POUR L ENERGIE MARDI 8 JUIN A 10H SALLE NO 3
- COMMISSION POUR LE DEVELOPPMENT MARDI 8 JUIN A 10H SALLE NO 8

~~623608 MONSIEUR LE PRESIDENT PAGE 3/50~~

- COMMISSION SUR LES MATIERES PREMIERES MARDI 8 JUIN A 15H
SALLE NO 3
- COMMISSION SUR LES AFFAIRES FINANCIERES MARDI 8 JUIN A 15H
SALLE NO 2

EN PORTANT LES INDICATIONS QUI PRECEDENT A LEUR CONNAISSANCE LE
SECRETARIAT EXECUTIF SAISIT CETTE OCCASION POUR RENOUVELER AUX
ORGANISATIONS INTERNATIONALES LES ASSURANCES

~~623608 MONSIEUR LE PRESIDENT PAGE 4/11~~

DE SA HAUTE CONSIDERATION

MONSIEUR ALVAREZ DE EULATE SECRETAIRE EXECUTIF ADJOINT

745A EBT

COMMUNICATIONS
SECTION

JUN 4 9 05 PM 1976

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INCOMING TELEX

Li - CIEC
894 sd

JUNE 2, 1976

IBRD B PARIS

1358 BOSKEY

RE CARRIERE'S TEL 1329 AND YOUR 1125

ON CIEC 4TH SESSION

AM I RIGHT IN ASSUMING BURKI COMING ALONE FROM WASHINGTON TO
ATTEND ABOVE ?

REGARDS

DE GRYSSE FOR CARRIERE

Distribution:

Mrs. Boskey

COMMUNICATIONS
SECTION
JUN 2 1 33 PM 1976

RECEIVED

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

Li - CIEC

4/c

TO: CARRIERE

DATE: JUNE 2, 1976

INTBAFRAD

ORIGINATOR'S EXT.: 2173

COUNTRY: PARIS

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT: FRANCE

1125

REUR 1329, 1975 DEBT DATA NOT AVAILABLE. SEEKING RSM CLEARANCE
TO RELEASE 1974 DATA TO CIEC. HOWEVER, RELUCTANT TO TELEX LONG
SERIES OF FIGURES BECAUSE OF POSSIBILITY OF ERROR. IF RELEASE
AUTHORIZED, BURKI, WHO WILL BE ATTENDING CIEC SESSION, WILL BRING
WITH HIM SUFFICIENT COPIES FOR DISTRIBUTION TO CIEC SECRETARIAT,
UNLESS WE CAN FIND SOMEONE DEPARTING FOR PARIS EARLIER. REGARDS

BOSKEY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

DRAFTED BY:

DEPARTMENT:

Shirley Boskey, Director

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INTERNATIONAL RELATIONS

cc: Mr. Burki

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WORLD BANK / IFC
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

TO: CARRIERS
 INTENDED: INTENDED
 COUNTRY: PARIS
 CABLE NO. & TEXT: FRANCE
 1135
 DATE: JUNE 2, 1976
 ORIGINATOR'S EXT.: 2173
 CLASS OF SERVICE: TELETYPE

REUR 1329, 1975 DATA NOT AVAILABLE. SEEKING RSN CLEARANCE
 TO RELEASE 1974 DATA TO CIRC. HOWEVER, REQUESTANT TO TELETYPE LONG
 SERIES OF FIGURES RELEASE OF POSSIBILITY OF ERROR. IF RELEASE
 AUTHORIZED, BUREAU, WHO WILL BE ATTENDING CIRC SESSION, WILL BRING
 WITH HIM SUFFICIENT COPIES FOR DISTRIBUTION TO CIRC SECRETARIAT.
 UNLESS WE CAN FIND SOMEONE DEPARTING FOR PARIS EARLIER. REGARDS

HOSKEY

SECTION
 COMMUNICATIONS
 JUN 2 10 02 AM 1976

Shirley Hoskey, Director

INTERNATIONAL RELATIONS

Handwritten signature

cc: Mr. Barker

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: JEAN CARRIERE
HESPERIA HOTEL
HELSINKI

DATE: June 2, 1976

ORIGINATOR'S EXT.: 4545


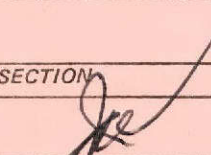
COUNTRY: FINLAND

CLASS OF
SERVICE: TELEX 12-21 17

CABLE NO. & TEXT:

FOLLOWING IS DRAFT SECTION ON BANK ROLE IN CIEC STOP THIS IS STILL TO
BE CLEARED BY WILLIAM CLARK AND SHIRLEY BOSKEY STOP FOUR ASSESSMENT
OF PREVIOUS SESSIONS STOP FIRST TWO SESSIONS OF COMMISSIONS HAVE BEEN
EXPLORATORY AND DWELLED ON GENERAL ISSUES OF ENERGY, TRADE, DEVELOPMENT,
AND FINANCE STOP THIRD SESSION MOVED INTO SUBSTANCE OF THESE QUESTIONS,
BUT DID NOT RESOLVE ANY PROBLEMS STOP IT FOCUSED ON PROPOSALS BY GROUP
OF 19, MOSTLY DRAWN FROM MANILA DECLARATION AND PROGRAM OF ACTION STOP
LDC GOAL OF ARRIVING AT CONSENSUS THAT COULD BE PUT BEFORE UNCTAD WAS
NOT ACHIEVED STOP THEIR PROPOSALS ON TRADE, DEBT, COMMODITY STABILIZATION,
AND ENERGY WERE DISCUSSED IN GENERAL TERMS BUT NO PROGRESS WAS MADE IN
PART BECAUSE THE SEVEN INDUSTRIALIZED COUNTRIES AND THE EEC HAD NOT
RESOLVED THE DIFFERENCES BETWEEN THEMSELVES STOP NOR DID THEY BROACH
COUNTER PROPOSALS THAT COULD BE TABLED IN NAIROBI STOP THE BANK WAS
REPRESENTED AS OBSERVER STOP DELEGATION KEPT LOW PROFILE BUT RESPONDED
TO REQUESTS FOR INFORMATION STOP IT WAS ASKED TO SUPPLY MATERIAL AND
MAKE STATEMENTS ON LENDING FOR COMMODITIES, INDUSTRY, AGRICULTURE,
THE BALANCE OF PAYMENT POSITIONS OF LDCS, AND INTERNATIONAL DEBT STOP
VARIOUS BANK PAPERS WERE USED BY PARTICIPANTS AND QUOTED IN THE MEETINGS STOP

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name):  Sidney E. Chernick
DRAFTED BY: JVoorhoeve/SJBurki:fvf	DEPARTMENT: Policy Planning & Program Review
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WORLD BANK / IFC
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

FORM NO. 1

TO: JAMES CARROLL
 WESTBURY HOTEL
 NEW YORK

TO:

COUNTRY: FINLAND

COUNTRY:

CABLE NO. & TEXT

DATE: June 2, 1976
 ORIGINATOR'S EXT: 4545
 CLASS OF SERVICE: 12-24 17

FOLLOWING IS DRAFT SECTION ON BANK ROLE IN CMC STEP THIS IS STILL TO
 BE CLEARED BY WILLIAM CLARK AND SHIRLEY FOSBER STOP FOUR ASSUMPTION
 OF PREVIOUS SESSIONS STOP FIRST TWO SESSIONS OF COMMISSIONS HAVE BEEN
 EXPLORATORY AND DEALT ON GENERAL ISSUES OF ENERGY, TRADE, DEVELOPMENT,
 AND FINANCE STOP THIRD SESSION MOVED INTO SUBSTANCE OF THESE QUESTIONS,
 BUT DID NOT RESOLVE ANY PROBLEMS STOP IT FOCUSED ON PROPOSALS BY GROUP
 OF 19, MOSTLY DRAWN FROM HANDELS DELEGATION AND PROGRAM OF ACTION STOP
 LDC GOAL OF ARRIVING AT CONSENSUS THAT COULD BE PUT BEFORE UNCTAD WAS
 NOT ACHIEVED STOP THEIR PROPOSALS ON TRADE, DEBT, COMMODITY STABILIZATION,
 AND ENERGY WERE DISCUSSED IN GENERAL TERMS BUT NO PROGRESS WAS MADE IN
 PART BECAUSE THE SEVEN INDUSTRIALIZED COUNTRIES AND THE EEC HAD NOT
 RESOLVED THE DIFFERENCES BETWEEN THEMSELVES STOP NOW DID THEY ENOUGH
 COUNTER PROPOSALS THAT COULD BE TALKED IN NAIROBI STOP THE BANK HAS
 PARTICIPATED AS OBSERVER STOP DELEGATION KEPT LOW PROFILE BUT RESPONDED
 TO REQUESTS FOR INFORMATION STOP IT WAS ASKED TO SUPPLY MATERIAL AND
 MAKE STATEMENTS ON LENDING FOR COMMODITIES, INDUSTRY, AGRICULTURE,
 THE BALANCE OF PAYMENT POSITIONS OF LDCS, AND INTERNATIONAL DEBT STOP
 VARIOUS BANK PAPERS WERE USED BY PARTICIPANTS AND QUOTED IN THE MEETINGS STOP

SECTION
 COMMUNICATIONS
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Policy Planning & Program Review
 Sidney E. Chermak

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WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: JEAN CARRIERE
HESPERIA HOTEL
HELSINKI

Page 2

DATE: June 2, 1976

ORIGINATOR'S EXT.: 4545

COUNTRY: FINLAND

CLASS OF
SERVICE: TELEX 12-21 17

CABLE NO. & TEXT:

WHILE UNCTAD, UN AGENCIES, OECD, AND IMF WERE IDENTIFIED WITH EITHER
G-8 OR G-19, BANK WAS SEEN AS OBJECTIVELY IN BETWEEN GROUPINGS STOP
NO CRITICISM OF WORLD BANK GROUP WAS VOICED STOP SEVERAL DELEGATIONS
CHOSE CIEC FORUM TO DISCUSS THEIR COMMITMENTS TO THE WORLD BANK GROUP STOP
US DELEGATE REAFFIRMED HIS GOVERNMENT'S INTENTIONS TO QUADRUPLE RESOURCES
OF IFC AND ESTABLISH INTERNATIONAL INVESTMENT TRUST STOP JAMAICAN DELEGATE,
SPEAKING ON BEHALF OF DEVELOPING COUNTRIES, URGED TIMELY AND SUBSTANTIAL
INCREASES IN REAL TERMS IN RESOURCES OF IBRD AND IDA STOP BANK'S EMPHASIS
ON POVERTY ALLEVIATION AND RURAL DEVELOPMENT RECEIVED ENDORSEMENT FROM
BOTH SIDES STOP FIVE IMPACT OF UNCTAD STOP DURING NAIROBI DELEGATES OF
GROUP OF 77 THREATENED REPEATEDLY TO WITHDRAW FROM CIEC IF NO PROGRESS
WAS REACHED AT UNCTAD IV STOP THE WEAK COMPROMISES ON COMMON FUND AND
THE UNDERSTANDINGS ON DEBT RELIEF ARRIVED AT DURING THE FINAL HOURS
HAVE SAVED CIEC AND WILL DETERMINE MUCH OF ITS FUTURE DISCUSSIONS STOP
AS UNCTAD SECRETARIAT HAS BEEN GIVEN CRUCIAL ROLE AND HAS TO MEET DEADLINES
FOR CONVENING MEETINGS ON COMMON FUND AND INDIVIDUAL COMMODITY NEGOTIATIONS,
CIEC'S ROLE IN COMMODITIES AND ITS COMMISSION ON RAW MATERIALS MAY BE
REDUCED STOP ON DEBT ISSUE, HOWEVER, CIEC IS LIKELY TO BECOME MORE ACTIVE
AND IMPORTANT STOP THERE WAS CONSENSUS IN NAIROBI ON THE NEED TO EXAMINE

NOT TO BE TRANSMITTED

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WORLD BANK
 OUTGOING MESSAGE FORM
 (TELEGRAM/ASSET/EX)

FORM NO. 1

DATE June 2, 1976

Page 2

JAMAICAN CARIBBEAN
 HOSPITAL HOTEL
 HASTINGS

ORIGINATOR'S EXT. 1585

FINLAND

COUNTRY

CLASS OF
 SERVICE
 TELETYPE IS-21 17

CABLE NO. & TEXT

WHILE UNCTAD, UN AGENCIES, UNCTAD, AND THE WORLD BANK GROUPS STOP
 0-8 ON 0-12, BANK WAS SEEN AS ACTIVELY IN BETWEEN GROUPS STOP
 NO CRITICISM OF WORLD BANK GROUP WAS VOICED STOP SEVERAL NEGOTIATIONS
 GROUPS CIRC FORM TO DISCUSS THEIR COMMITMENTS TO THE WORLD BANK GROUP STOP
 US DELEGATE REAFFIRMED HIS GOVERNMENT'S INTENTIONS TO CONTINUE RESOURCES
 OF IFC AND ESTABLISH INTERNATIONAL INVESTMENT TRUST STOP JAMAICAN DELEGATE
 SPEAKING ON BEHALF OF DEVELOPING COUNTRIES, STATED TIMELY AND SUBSTANTIAL
 INCREASES IN REAL TERMS IN RESOURCES OF IFC AND THE STOP BANK'S EMPHASIS
 ON POVERTY ALLEVIATION AND RURAL DEVELOPMENT RECEIVED EMPLOYMENT FROM
 BOTH SIDES STOP FIVE IMPACT OF UNCTAD STOP DURING MAJOR DELEGATIONS OF
 GROUP OF 77 THREATENED REPEATEDLY TO WITHDRAW FROM CIRC IN NO PROGRESS
 WAS REACHED AT UNCTAD IV STOP THE WORK COMMISSIONS ON COMMON FUND AND
 THE UNDERSTANDING ON DEBT RELIEF ARRIVED AT DURING THE FINAL HOURS
 HAVE SAVED CIRC AND WILL DETERMINE MUCH OF THE FUTURE DISCUSSIONS STOP
 AS UNCTAD SECRETARIAT HAS BEEN GIVEN CRUCIAL ROLE AND HAS TO MEET DEADLINES
 FOR CONVENING MEETINGS ON COMMON FUND AND INDIVIDUAL COMMODITY NEGOTIATIONS
 CIRC'S ROLE IN COMMODITIES AND ITS COMMISSION ON RAW MATERIALS MAY BE
 REDUCED STOP ON DEBT ISSUE, HOWEVER, CIRC IS LIKELY TO BECOME MORE ACTIVE
 AND IMPORTANT STOP THERE WAS CONSENSUS IN MAJOR ON THE NEED TO EXAMINE

NOT TO BE TRANSMITTED

SECTION
 COMMUNICATIONS
 JUN 2 9 03 PM 1976

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WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

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☐ IDA
☐ IFC
☐ ICSID

TO: JEAN CARRIERE
HESPERIA HOTEL
HELSINKI

Page 3

DATE: June 2, 1976

ORIGINATOR'S EXT.: 4545

COUNTRY: FINLAND

CLASS OF
SERVICE: TELEX 12-21 17

CABLE NO. & TEXT:

IN EXISTING FORA RELIEF MEASURES FOR ODA - DEBTS OF MSAS STOP THIS REFERS
CLEARLY TO CIEC COMMISSION ON FINANCE STOP UNCTAD WILL REVIEW PROGRESS
IN THESE FORA AFTER 1976 STOP AS UNCTAD DID NOT REACH AGREEMENT ON
TRANSFER OF TECHNOLOGY, MULTINATIONAL CORPORATIONS, RESOURCE TRANSFERS,
OR TRADE MEASURES, THESE AND OTHER SUBJECTS MAY RESURFACE AGAIN IN PARIS STOP
THUS, COMMISSIONS ON ENERGY, DEVELOPMENT, AND FINANCE ARE LIKELY TO TAKE
UP THEIR WORK AGAIN IN JUNE STOP SIX THE BANK'S ROLE AT THE JUNE SESSION
STOP AAA NEXT MEETINGS CIEC COMMISSIONS ARE SCHEDULED TO MEET AGAIN FROM
JUNE 8 TILL 15 STOP ITS COCHAIRMAN WILL MEET FROM JUNE 17 TILL 18 STOP
MID-TERM REVIEW WILL TAKE PLACE FROM JULY 8 TILL 10 STOP BEFORE UNCTAD IV,
CIEC COMMISSIONS HAD SET THEMSELVES FOLLOWING AGENDA FOR JUNE STOP
HERE COPY OF KOELLE CABLE AND YOURS OF MAY 31 STOP THESE AGENDAS CAN
BE CHANGED AT OPENING OF NEXT SESSION SHOULD COCHAIRMAN OF COMMISSIONS
FIND ENOUGH SUPPORT FOR CHANGE STOP FOR INSTANCE, IT APPEARS LIKELY
THAT AGENDA OF RAW MATERIALS COMMISSION WILL BE CONSIDERABLY REVISED STOP
BBB BANK ROLE STOP WHILE ARRANGEMENTS FOR REPRESENTING BANK AT CIEC HAVE
WORKED SATISFACTORILY UP TILL NOW, THEY HAVE TO BE REVIEWED IN LIGHT
OF UNCTAD IV STOP TO DATE BANK HAS PLAYED LIMITED ROLE OF SUPPLIER

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OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

EX-100
EX-101
EX-102
EX-103

FORM NO. 1
(1-70)

TO: JEAN CARRERE
HOSPITAL HOTEL
HELSINKI
FINLAND
COUNTRY: FINLAND
CABLE NO. & TEXT:
DATE: June 2, 1976
Page 1
ORIGINATOR'S EXT: 4242
CLASS OF SERVICE: TELEX 12-21 17

IN EXISTING FORA RELIEF MEASURES FOR ODA - TENTS OF MASS STOP THIS MATTER
OCCASION TO GIVE COMMISSION OF FINANCE STOP UNSTAD WITH REVENUE PROGRESS
IN THESE FORA AFTER 1976 STOP AS UNSTAD DID NOT REACH AGREEMENT ON
TECHNIQUE OF TECHNOLOGY, INTERNATIONAL CORPORATIONS, RESOURCE TRANSFERS,
ON THESE MEASURES, THESE AND OTHER SUBJECTS MAY RESUME AGAIN IN PARIS STOP
THUS, COMMISSIONS ON ENERGY, DEVELOPMENT, AND FINANCE ARE LIKELY TO TAKE
UP THEIR WORK AGAIN IN JUNE STOP SIX THE BANK'S HOME AT THE JUNE SESSION
STOP AND NEXT MEETINGS GIVE COMMISSIONS ARE SCHEDULED TO MEET A WEEK FROM
JUNE 8 TILL 12 STOP ITS COORDINATOR WILL MEET FROM JUNE 17 TILL 18 STOP
MID-TERM REVIEW WILL TAKE PLACE FROM JUNE 8 TILL 10 STOP BEFORE UNCTAD IV,
GIVE COMMISSIONS HAD SET THEMSELVES FOLLOWING AGENDA FOR JUNE STOP
HERE COPY OF FORA CABLE AND JUNE 31 STOP THESE AGREEMENT CAN
BE CHANGED AT OPENING OF NEXT SESSION SHOULD COORDINATOR OF COMMISSIONS
FIND ENOUGH SUPPORT FOR CHANGE STOP FOR INSTANCE, IT APPEARS LIKELY
THAT AGENDA OF NEW MATERIALS COMMISSION WILL BE CONSIDERABLY REVERSED STOP
BIB BANK HOME STOP WHILE AGREEMENTS FOR REPRESENTING BANK AT GIVE HAVE
WORKED SATISFACTORILY OF TILL NOW, THEY HAVE TO BE REVIEWED IN LIGHT
OF UNCTAD IV STOP TO DATE BANK HAS PLAYED LIMITED ROLE OF SUPPLIER

COMMUNICATIONS
JUN 2 9 03 PM 1976

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WORLD BANK / IFC
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(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: JEAN CARRIERE
HESPERIA HOTEL
HELSINKI

Page 4

DATE: June 2, 1976

ORIGINATOR'S EXT.: 4545

COUNTRY: FINLAND

CLASS OF
SERVICE: TELEX 12-21 17

CABLE NO. & TEXT:

OF INFORMATION STOP IT CAN CONTINUE TO PLAY FRUITFUL ROLE IN CIEC AND
TRY TO HELP AVOID FAILURE STOP FAILURE WOULD POISON THE CLIMATE IN
WHICH BANK HAS TO OPERATE IN GENERAL STOP IF NORTH AND SOUTH ARE TO
WORK OUT SUCCESSFULLY NAIROBI COMPROMISES, THEY WILL NEED TECHNICAL
ASSISTANCE FROM BANK WHICH IS NOT COMMITTED TO ONE SIDE OR THE OTHER STOP
FOR BANK, A ROLE IN ELABORATION OF THE UNCTAD COMPROMISE WILL BE
OPPORTUNITY TO MAKE BANK VIEWS KNOWN STOP SINCE PROBLEM OF RESOURCE
FLOWS AND DEBT ARE LIKELY TO CLAIM CONSIDERABLE ATTENTION DURING THE
JUNE SESSION, BANK SHOULD BE PREPARED TO ANSWER QUESTIONS THAT MAY BE
RAISED IN THESE AREAS STOP WE MAY BE ASKED TO SUPPLY DATA ON FOLLOWING
STOP ALPHA STOCK AND SERVICING OF DEBT AT END OF 1974 AND 1975 IN LEAST
DEVELOPED COUNTRIES, MSAS AND HIGH INCOME COUNTRIES STOP BETA ESTIMATES
OF CURRENT ACCOUNT DEFICITS AND CAPITAL REQUIREMENTS FOR THIS GROUP OF
COUNTRIES STOP AND GAMMA ESTIMATES OF ENERGY RESOURCES AND REQUIREMENTS
OF DEVELOPING NATIONS STOP WE WOULD SUGGEST, THEREFORE, THAT BANK DELEGATION
GO TO JUNE SESSION PREPARED TO SUPPLY INFORMATION ON DEBT, RESOURCE FLOWS
AND CAPITAL REQUIREMENTS STOP WE SHOULD NOT VOLUNTEER MORE INFORMATION
ON ENERGY THAN CONTAINED IN WORKING PAPER NUMBER 229 STOP WE SHOULD ALSO
BE PREPARED TO RESTATE OUR PRIORITIES IN THE DEVELOPMENT AREA, PARTICULARLY

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WORLD BANK
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

FORM NO. 2

DATE June 2, 1976

Page 1

JUAN CARLOS
 HERRERA HOTEL
 HERRERA

TO

ORIGINATOR'S EXT. 4215

FINLAND

COUNTRY

CLASS OF SERVICE
 TELETYPE 12-21 17

CABLE NO. & TEXT

ON INFORMATION STOP IT CAN CONTINUE TO PLAY FRUITFUL ROLE IN CIRC AND
 TRY TO HELP AVOID FAILURE STOP RAILROAD WOULD POISON THE CLIMATE IN
 WHICH BANK HAS TO OPERATE IN GENERAL STOP IF NORTH AND SOUTH ARE TO
 WORK OUT SUCCESSFULLY RAILROAD COMPROMISES, THEY WILL NEED TECHNICAL
 ASSISTANCE FROM BANK WHICH IS NOT COMMITTED TO ONE SIDE OR THE OTHER STOP
 FOR BANK, A ROLE IN ELABORATION OF THE UNCTAD COMPROMISE WILL BE
 OPPORTUNITY TO MAKE BANK VIEWS KNOWN STOP SINCE PROBLEM OF RESOURCE
 FLOWS AND DEBT ARE LIKELY TO CLAIM CONSIDERABLE ATTENTION DURING THE
 JUNE SESSION, BANK SHOULD BE PREPARED TO ANSWER QUESTIONS THAT MAY BE
 RAISED IN THESE AREAS STOP WE MAY BE ASKED TO SUPPLY DATA ON FOLLOWING
 STOP ALPHA STOP AND SURVEILING OF DEBT AT END OF 1974 AND 1975 IN THESE
 DEVELOPED COUNTRIES, ASAS AND HIGH INCOME COUNTRIES STOP DATA ESTIMATES
 OF CURRENT ACCOUNT DEFICITS AND CAPITAL REQUIREMENTS FOR THIS GROUP OF
 COUNTRIES STOP AND GAMMA ESTIMATES OF ENERGY RESOURCES AND REQUIREMENTS
 OF DEVELOPING NATIONS STOP WE WOULD SUGGEST, THEREFORE, THAT BANK DELEGATION
 GO TO JUNE SESSION PREPARED TO SUPPLY INFORMATION ON DEBT, RESOURCE FLOWS
 AND CAPITAL REQUIREMENTS STOP WE SHOULD NOT VOLUNTARILY MORE INFORMATION
 ON ENERGY THAN CONTAINED IN WORKING PAPER NUMBER 229 STOP WE SHOULD ALSO
 BE PREPARED TO RESTATE OUR PRIORITIES IN THE DEVELOPMENT AREA, PARTICULARLY

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 SECTION
 COMMUNICATIONS
 JUN 2 9 03 PM 1976

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WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

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☐ IDA
☐ IFC
☐ ICSID

TO: JEAN CARRIERE
HESPERIA HOTEL
HELSINKI

Page 5

DATE: June 2, 1976

ORIGINATOR'S EXT.: 4545

COUNTRY: FINLAND

CLASS OF
SERVICE: TELEX 12-21 17

CABLE NO. & TEXT:

WITH RESPECT TO AGRICULTURE AND RURAL DEVELOPMENT, FOOD OUTPUT, EXPORT
EXPANSION, RURAL AND URBAN POVERTY ALLEVIATION AND INFRASTRUCTURAL
DEVELOPMENT STOP WE SHOULD NOT, HOWEVER, EXPRESS ANY VIEWS ON SUBJECTS
THAT ARE AT CENTER OF CONTROVERSY STOP THESE INCLUDE: NEW AID AND TRADE
TARGETS, WAYS AND MEANS FOR EASING DEBT BURDEN OF VARIOUS COUNTRY GROUPS,
AND COMPENSATING GROUPS FOR CHANGES IN TERMS OF TRADE STOP SOME OF THESE
AREAS WILL BE COVERED BY PRESIDENT IN ANNUAL SPEECH AND IT IS AT THAT
TIME THAT WE SHOULD SEEK TO TAKE INITIATIVE STOP IN OTHER WORDS, OUR
ROLE SHOULD BE LIMITED TO PROVISION OF DATA AND INFORMATION THAT WOULD
FURTHER DIALOGUE STOP WE SHOULD ALSO CONTINUE TO RESTATE MAIN ELEMENTS
IN OUR OWN DEVELOPMENT POLICY STOP CCC PROSPECTS STOP UPCOMING ELECTIONS
IN US AND GERMANY WILL PROBABLY DELAY CIEC'S CONCLUSION WHICH WAS ORIGINALLY
SCHEDULED FOR DECEMBER STOP IT IS POSSIBLE THAT PARIS MEETINGS WILL BE
EXTENDED INTO 1977 AND THAT IMPORTANT PROGRESS WILL BE MADE ONLY AFTER
1976 STOP NEVERTHELESS, CIEC WILL BE HARD PRESSED TO SHOW SOME RESULTS
MUCH EARLIER STOP PARTICIPATING DEVELOPING NATIONS HAVE TO KEEP
CONFIDENCE OF GROUP OF 77 STOP IN JULY, CONFERENCE OF NON-ALIGNED NATIONS
MAY TAKE A CRITICAL LOOK AT CIEC'S JUNE SESSION. AND IN SEPTEMBER
UNITED NATIONS GENERAL ASSEMBLY WILL TAKE STOCK OF PARIS MEETINGS STOP

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WORLD BANK / IFC
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

FORM NO. 2

DATE: June 2, 1976

PAGE 2

JAMA CARIBBEAN
 HISPANIC NORTH
 HISPANIC SOUTH

TO:

ORIGINATOR'S EXT: 1515

THRU:

COUNTRY:

CLASS OF
 SERVICE: TELETYPE 12-21 17

CABLE NO. & TEXT:

WITH RESPECT TO AGRICULTURE AND RURAL DEVELOPMENT, FOOD OUTPUT, EXPORT
 EXPANSION, RURAL AND URBAN POVERTY ALLEVIATION AND INFRASTRUCTURE
 DEVELOPMENT STOP WE SHOULD NOT, HOWEVER, EXPRESS ANY VIEWS OR SUBSTANTIVE
 THAT ARE AT CENTER OF CONTROVERSY STOP THESE INCLUDE: NEW RENT AND TRADE
 TARIFFS, WAIVE AND MAKE FOR RURAL INVESTMENT OF VARIOUS COUNTRY GROUPS
 AND COMPENSATING GROUPS FOR CHANGES IN TERMS OF TRADE STOP SUCH AS THESE
 AREAS WILL BE COVERED BY PRESIDENT IN ANNUAL SPEECH AND IT IS AT THAT
 TIME THAT WE SHOULD SEEK TO TAKE INITIATIVE STOP IN OTHER WORDS, OUR
 ROLE SHOULD BE LIMITED TO PROVISION OF DATA AND INFORMATION THAT WOULD
 FURTHER DIALOGUE STOP WE SHOULD ALSO CONTINUE TO RESTATE MAIN ELEMENTS
 IN OUR OWN DEVELOPMENT POLICY STOP OUR PROSPECTS STOP UPONING ELECTIONS
 IN US AND DELAY WITH PROMPTLY REPLY COUNCIL'S CONCLUSION WHICH WAS ORIGINALLY
 SOUGHT FOR DETERMINATION STOP IT IS POSSIBLE THAT PARIS MEETING WILL BE
 EXTENDED INTO 1977 AND THAT IMPORTANT PROGRESS WILL BE MADE ONLY AFTER
 1976 STOP HOWEVER, COUNCIL WILL BE HAID FURTHER TO SHOW SOME RESULTS
 HIGH LEVEL STOP PARTICIPATING DEVELOPING NATIONS HAVE TO KEEP
 COMPLIANCE OF GROUP OF 77 STOP IN JULY, COMPLETION OF NON-ALIGNED NATIONS
 MAY TAKE A CRITICAL LOOK AT COUNCIL'S JUNE SESSION, AND IN SEPTEMBER
 UNITED NATIONS GENERAL ASSEMBLY WILL TAKE STOCK OF PARIS MEETING STOP

NOT TO BE TRANSMITTED

COMMUNICATIONS
 SECTION
 AUTHORIZED BY WIRE

JUN 2 5 03 PM 1976
 916181516

REFERENCE

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☐ IFC
☐ ICSID

TO: JEAN CARRIERE
HESPERIA HOTEL
HELSINKI

Page 6

DATE: June 2, 1976

ORIGINATOR'S EXT.: 4545

COUNTRY: FINLAND

CLASS OF
SERVICE: TELEX 12-21 17

CABLE NO. & TEXT:

THAT OECD STATES WILL NOT BE LEFT OFF HOOK AFTER NAIROBI IMPARTS
SPECIAL IMPORTANCE TO NEXT CIEC MEETINGS STOP CABLE ANY CHANGES, PLEASE STOP
REGARDS BURKI

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

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DEPARTMENT:

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FORM NO. 10

TO: HESSIA HOTEL
HESSIA
 COUNTRY: FINLAND
 CABLE NO. & TEXT: _____
 DATE: June 2, 1976
 ORIGINAL'S EX: _____
 CLASS OF SERVICE: TELEX 12-21 17
 THAT OECD STATES WILL NOT BE LEFT OUT OF THE MEETING IMPARTIAL
 SPECIAL IMPORTANCE TO MEET AND MEETINGS STOP CABLE ANY CHANGES, PLEASE STOP
 REGARDS BOBKI

NOT TO BE TRANSMITTED
 AUTHORIZED BY _____

COMMUNICATIONS
 JUN 2 9 03 PM 1976

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INCOMING TELEX

Li - CIEC

sd

MAY 31, 1976

IBRD B PARIS

1329 BOSKEY

RE CIEC FOURTH SESSION

Distribution:

Mrs. Boskey

8

1. IN KOELLE'S 1319 OF MAY 28, PLEASE ADD '' DEBT PROBLEM '' TO AGENDA OF FINANCE COMMISSION. THIS ITEM, WHICH WAS MISTAKENLY OMITTED, WILL PROBABLY TAKE MOST OF THE COMMISSION'S TIME NEXT WEEK.
2. CIEC SECRETARIAT ASKS WHETHER BANK WILL BE ABLE TO GIVE FURTHER INFORMATION ON DEBT SITUATION, ESPECIALLY ON 1974 AND 1975. IF AVAILABLE, COULD THIS INFORMATION BE TELEXED TO ME BEFORE END OF THIS WEEK FOR DISTRIBUTION TO CIEC ON OPENING OF THE SESSION.
3. PLEASE INDICATE URGENTLY NAMES OF WASHINGTON STAFF WHO WILL ATTEND 4TH SESSION.

REGARDS

CARRIERE

COMMUNICATIONS
SECTION

1976 MAY 31 PM 5:18

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Li - CIEC

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☐ IDA
☐ IFC
☐ ICSID

TO: KOELLE

DATE: MAY 26, 1976

INTBAFRAD

ORIGINATOR'S EXT.: 3596

LC

COUNTRY: PARIS - FRANCE

CLASS OF SERVICE: TELEX 620628

CABLE NO. & TEXT:

1096

RE PREPARATION NEXT CIEC SESSION PP & PR INQUIRING WHETHER

COMMISSIONS AGENDA HAVE BEEN ESTABLISHED STOP WE BELIEVE

THIS WILL NOT BE DONE UNTIL CONCLUSION OF UNCTAD BUT PLEASE CONFIRM

THIS IS POSITION AT CIEC'S SECRETARIAT OR INFORM US OTHERWISE

THANKS REGARDS

BOSKEY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

Shirley Boskey

DRAFTED BY:

DEPARTMENT:

Shirley Boskey

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SIGNATURE (Of individual authorized to approve):
International Relations

cc: Mr. Voorhoeve

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WORLD BANK / IFC
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(TELEGRAM/CABLE/TELEX)

FORM NO. 21
(11-75)

MAY 26, 1976

DATE

TO KOELLE

3596

ORIGINATOR'S EXT

INTBTRAD

TELEX 620628

CLASS OF
SERVICE

COUNTRY - FRANCE

CABLE NO & TEXT

1002

THE PREPARATION OF THE CIRC SESSION IS BEING IMPROVED
COMMISSIONS AGENDA HAVE BEEN ESTABLISHED STOP WE BELIEVE
THIS WILL NOT BE DONE UNTIL CONCLUSION OF UNCTAD BUT PLEASE CONFIRM
THIS IS POSITION AT CIRC'S SECRETARIAT OR INFORM US OTHERWISE
THANKS REGARDS

BOBNEY

International Relations

Shirley Bobney

NOT TO BE TRANSMITTED
COMMUNICATIONS
MAY 26 10 02 PM 1976

cc: Mr. Vochhoeve
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Li - CIEC .
united nations educational, scientific and cultural organization
organisation des nations unies pour l'éducation, la science et la culture

7, place de Fontenoy, 75700 Paris

Le Directeur général

référence : DG/7.6/1.6.2/336

19 MAY 1976

Monsieur le Président,

J'ai le plaisir de vous adresser ci-joint un exemplaire de la brochure intitulée Le monde en devenir : Réflexions sur le nouvel ordre économique international, qui vient de paraître et qui a été communiquée aux membres du Conseil exécutif de l'Unesco.

Cette étude a été préparée par le Secrétariat en application de la résolution 12.1 que la Conférence générale a adoptée à sa dix-huitième session. Elle contient un certain nombre de réflexions sur le concept du nouvel ordre économique international et sur la contribution que l'Unesco peut apporter à son instauration.

En espérant que ce document retiendra votre attention, je vous prie d'agréer, Monsieur le Président, l'assurance de ma haute considération.

1 p.j.

not attached
A. M. Bow

Amadou-Mahtar M'Bow

Monsieur Robert S. McNAMARA
Président de la
Banque internationale pour
la reconstruction et le développement
1818 H Street, N.W.
WASHINGTON D.C. 20433
U.S.A.



WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☐ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: VAN HOEK

DATE: MAY 18, 1976

UNATIONS

ORIGINATOR'S EXT.: 2173

COUNTRY: NEW YORK

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

REUR MAY 14 LETTER TO MCNAMARA TRANSMITTING FOR CLEARANCE DRAFT REPORT
ON CIEC, NO OBJECTION SEEN HERE WITH FOLLOWING EXCEPTION: DRAFT
REPORT LISTS BANK AS AD HOC OBSERVER IN RAW MATERIALS COMMISSION,
WHEREAS BEGINNING WITH THIRD SESSION OF COMMISSIONS IN APRIL, BANK
HAS BEEN PERMANENT OBSERVER IN RAW MATERIALS COMMISSION AS WELL AS
IN COMMISSIONS ON DEVELOPMENT AND FINANCIAL AFFAIRS.

BOSKEY

INTBAFRAD

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

Shirley Boskey, Director

DRAFTED BY:

SB: tsb

DEPARTMENT:

International Relations

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FORM NO. 27
(1-7-70)

DATE MAY 18, 1976

ORIGINATOR'S EXT. 2173

CLASS OF TELETYPE SERVICE

TO VAN NOOK

LOCATION'S

NEW YORK

COUNTRY

CABLE NO. & TEXT

REUR MAY 14 LETTER TO MCNAMARA TRANSMITTING FOR CLEARANCE DRAFT REPORT
 ON CIRC. NO OBJECTION SEEN HERE WITH FOLLOWING EXCEPTION: DRAFT
 REPORT LISTS BANK AS AD HOC OBSERVER IN RAW MATERIALS COMMISSION.
 WHEREAS BEGINNING WITH THIRD SESSION OF COMMISSIONS IN APRIL, BANK
 HAS BEEN PERMANENT OBSERVER IN RAW MATERIALS COMMISSION AS WELL AS
 IN COMMISSIONS ON DEVELOPMENT AND FINANCIAL AFFAIRS.

ROSKIEY

INTRABANK

SECTION TO BE TRANSMITTED

COMMUNICATIONS

AUTHORIZED BY (Name) Shirley Roskey, Director

DEPARTMENT

International Relations

MAY 18 11 07 PM 1976

28: cab

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UNITED NATIONS



NATIONS UNIES

POSTAL ADDRESS—ADRESSE POSTALE UNITED NATIONS, N.Y. 10017
CABLE ADDRESS—ADRESSE TELEGRAPHIQUE UNATIONS NEWYORK

14 May 1976

REFERENCE

956

Dear Mr. McNamara,

...✓...

In the absence of Mr. van Laethem, I enclose herewith a copy of the draft report of the Conference on International Economic Co-operation which will be submitted as the Secretary-General's report to the Economic and Social Council at its sixty-first session, in response to operative paragraph 3 of General Assembly Resolution 3515 (XXX).

This draft was prepared, at the working level, by the representatives of the various participating units of the United Nations family. Before we send this report for reproduction, we would, however, appreciate receiving your final clearance.

Due to the shortness of time, I would be grateful to receive your comments, if any, by cable.

Yours sincerely,

François van Hoek
Director

Office of the Under-Secretary-General
for Economic and Social Affairs

Mr. Robert S. McNamara
President
World Bank
1818 H Street, N.W.
Washington, D.C. 20433

Rec'd in IRD

5/18/76

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CONFERENCE ON INTERNATIONAL ECONOMIC CO-OPERATION

Report by the Secretary-General

1. In General Assembly Resolution 3515 (XXX), adopted on 15 December 1975, the General Assembly, in operative paragraph 4, requested "the Secretary-General of the United Nations, the Secretary-General of the United Nations Conference on Trade and Development, the Executive Director of the United Nations Industrial Development Organization, the Director-General of the Food and Agricultural Organization of the United Nations, and all other executive heads of competent organs and organizations of the United Nations system actively to assist the participants in the Conference on International Economic Co-operation". In operative paragraph 3, the General Assembly requested "the Secretary-General to submit to the General Assembly, through the Economic and Social Council, a report on his participation in the Conference". This report, prepared in compliance with this request, covers the period up to the end of April 1976.

2. General Assembly Resolution 3515 (XXX) in its operative paragraph 2 invited the Conference on International Economic Co-operation "to report on its conclusions to the General Assembly at its thirty-first session". The Conference met in Paris, at the ministerial level, from 16 to 19 December 1975 and in paragraph 14 of its final communiqué "took note of the resolution" and "agreed to make reports available to the thirty-first session of the United Nations General Assembly".

3. At the same meeting in Paris, to which the Secretary-General of the United Nations had been invited, the Conference decided to establish four commissions on: Energy, Raw Materials, Development and Financial Affairs. The Conference also decided that these Commissions will meet periodically during the whole of 1976. At a meeting in Paris in January, the co-Chairmen of the Conference and of the four Commissions, established the work schedule of the Commissions for the first six months of the year. This schedule included five meetings, at the following dates:

11 - 20 February 1976
18/19 - 26 March 1976
21 - 28 April 1976
8 - 15 June 1976
12 - 17 July 1976

4. The Ministerial Conference, at its December 1975 meeting, decided that a number of "Intergovernmental functional organizations", directly concerned with the problems to be considered would be able to make a useful contribution to their consideration. It therefore invited these organizations to be represented as permanent observers (with the right to speak but not the right to vote) in the relevant Commissions. The Conference also decided that each Commission might invite appropriate inter-governmental organizations to participate as ad hoc observers in the discussion of specific questions. The United Nations Secretariat was given the status of permanent observer at all of the Commissions. The participation of the various organs of the United Nations system was established as follows:

Commission on Energy

Permanent observer:

United Nations Secretariat.

Ad hoc observers:

UNCTAD, International Atomic Energy Agency.

Commission on Raw Materials

Permanent observers:

United Nations Secretariat, UNCTAD, FAO, GATT, IMF.

Ad hoc observers:

UNIDO, IBRD.

Commission on Development

Permanent observers:

United Nations Secretariat, UNCTAD, FAO, GATT, UNIDO, UNDP, IBRD.

Ad hoc observers:

IMF, Inter American Development Bank, African Development Bank, Asian Development Bank, IMF/IBRD Development Committee, World Food Council, UNEP, ILO.

Commission on Financial Affairs

Permanent observers:

United Nations Secretariat, UNCTAD, IMF, IBRD.

Ad hoc observers:

UNDP, Inter American Development Bank jointly with African and Asian Development Banks, IMF/IBRD Development Committee.

5. All organs and organizations of the United Nations system which were granted observer status sent delegations to each session of the Commissions. The UN Secretariat outposted in Paris a small secretariat to maintain permanent contact with the Conference as well as to serve as liaison between the various parts of the UN family participating in the four Commissions.

6. At the request of the Commissions, the organs and organizations of the UN system submitted a number of background documents already available or especially prepared for the benefit of the Commissions. The list of the documents circulated is given in the Annex.

7. The UN observers made a number of interventions in the course of the discussion, at their own initiative or at the request of the Chairmen of the Commissions or of the delegates.

8. On a very informal but daily basis, the observers received many requests for information and documentation on various issues which have been or are now under consideration in the UN system.

9. The Commission on Development requested the Secretary-General of the United Nations to urge potential contributors to inform him of the amount of their initial contribution to the International Fund for Agricultural Development (IFAD) before the set deadline, so as to permit the prompt establishment of the Fund. The plea was brought by the Secretary-General to the immediate notice of possible donors.

ANNEX

Documents circulated by the organs and organizations of the UN system.

United Nations Secretariat (Department of Economic and Social Affairs)

- An Extract of Global Energy Statistics Commission on Energy
- World Energy Supplies 1970-1973 Commission on Energy
- World Energy Supplies 1950-1974 Commission on Energy
- Commentary on Energy Production and Consumption Trends Commission on Energy
- Current and Prospective situation of the developing countries most seriously affected by the economic crisis
Prepared jointly with the FAO Commission on Financial Affairs
- Statement by the observer of the United Nations Secretariat introducing a paper on the situation of the MSA countries Commission on Financial Affairs

World Food Council

- Statement by the WFC observer on the World Food Problem Commission on Development

UNCTAD

- World Economic Outlook, 1976-1977 Commission on Development
- Trade Prospects and Capital Requirements of Developing Countries 1976-1980 Commission on Financial Affairs and on Development
- Text of Statement by UNCTAD observer on Commodity Prices and Terms of Trade of Developing Countries Commission on Raw Materials
- Manila Declaration and Program of Action Commission on Raw Materials
- Current Account Balances of non-oil Developing countries Commission on Financial Affairs

UNDP

- Agriculture and Food : Priorities for Technical Co-operation Commission on Development
- Transfer of resources : the role of UNDP Commission on Development
- Industrialization and Transfer and Development of Technology : selected issues in technical co-operation Commission on Development

UNIDO

- Aspects of the Interdependence of Industry and Agriculture Commission on Development
- Towards Industrial Restructuring through International Industrial Cooperation : Suggestions on Ways and Means to implement the Decisions taken at the Lima Conference Commission on Development

FAO

- | | | |
|---|--------------------------------------------|---------------------------------|
| - | Commodity Review and Outlook | Commission on Development |
| - | Issues and Prospects for World Agriculture | Commission on Financial Affairs |

IBRD

- | | | |
|---|---------------------------------------------------------------------------------------------|----------------------------------------------------|
| - | A Review of the Capital Requirements of Developing countries, 1976-1980 | Commission on Financial Affairs and on Development |
| - | Statement by the World Bank to the Commission on Development of the CIEC | Commission on Development |
| - | Statement by the World Bank Representative on the Industrialization of Developing Countries | Commission on Development |
| - | Statement on World Bank Commodity Policy | Commission on Raw Materials |

IMF

- | | | |
|---|------------------------------------------------------------------------|---------------------------------|
| - | Key Issues in the World Economic Outlook | Commission on Financial Affairs |
| - | Access to Capital Markets | Commission on Financial Affairs |
| - | External Payments position of the non-oil developing countries | Commission on Financial Affairs |
| - | A review of Regulations and Practices affecting Capital Markets Access | Commission on Financial Affairs |

Development Committee (TDF/IBRD)

- Statement on the Access to Capital Markets Commission on Financial Affairs
- Summary of Remarks made by the Representative of Development Committee on the Transfer of Resources Commission on Development

Regional Banks

- Agriculture and Food Commission on Development

Asian Development Bank

- Official Development Assistance and Financial Cooperation Commission on Financial Affairs
- Requirements of External Resources of Asia and Pacific and the role of the Asian Development Bank Commission on Financial Affairs
- Role of the Asian Development Bank in Industrialization Commission on Development

Inter American Development Bank

- The Inter American Development Bank (IDB)'s role in increasing the Flow of Private Capital to its Member Countries Commission on Financial Affairs
- External Indebtedness of Latin American Countries Commission on Financial Affairs
- Economic and Social Progress in Latin America - Annual Report 1974 Commission on Development
- IDB's role in increasing the transfer of Resources to its Member Countries Commission on Development

CATE

- Le Commerce international en 1974/75 Commission on Development
- International Trade in 1975 and Present Prospects Commission on Financial Affairs

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TO: CARRIERE
WORLD BANK
PARIS

DATE: MAY 14, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

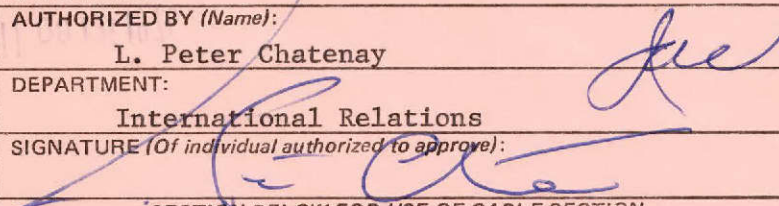
CABLE NO. & TEXT:

1003

RE CIEC. CANADIAN ED INFORMS IRD THAT BOTH CIEC COCHAIRMEN DISCUSSED AND
IN NAIROBI/
AGREED/ON CIEC TIMETABLE AS FOLLOWS AAA COMMISSIONS MEET JUNE 8 UNTIL 15
BBB COCHAIRMEN MEET JUNE 17 AND 18 CCC MIDTERM REVIEW JULY 8 UNTIL 10.
REGARDS

CHATENAY

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REFERENCE:	AUTHORIZED BY (Name): L. Peter Chatenay
DRAFTED BY: LPChatenay:mmh	DEPARTMENT: International Relations
CLEARANCES AND COPY DISTRIBUTION: cc: Mrs. Boskey Mr. Masoni Mr. Burki	SIGNATURE (Of individual authorized to approve): 
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FORM NO. 1

DATE MAY 14, 1976

ORIGINATOR'S EXT. 5843

CLASS OF
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TELEX

TO: CABLES
WORLD BANK
PARIS

COUNTRY: FRANCE

CABLE NO. & TEXT:

1003

RE CIRC. CANADIAN AND AMERICAN AND THAT BOTH CIRC COORDINATING DISCUSSION AND
IN NAIROBI
AGREED ON THE FOLLOWING AS FOLLOWS ALL COMMISSIONS FROM JUNE 3 UNTIL 15
AND COORDINATED FROM JUNE 17 AND 18 COORDINATED FROM JUNE 8 UNTIL 10.

RECORDS

CHASMAN

SECTION

NOT COMMUNICATIONS

MAY 14 11 08 PM 1976

F. Peter Chasman

International Relations

Mr. Chasman: sub

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cc: Mr. Baskin

Mr. Masarik

Mr. Smith

Mr. Vittorio Masoni

May 11, 1976

L. Peter Chatenay

CIEC; June Session

1. This session opens on June 8 for 10 days. Its particularity is that the second half will be devoted to stock-taking at the sub-ministerial level. In other words, the discussion of the agenda items listed for the session should end on Saturday, June 12.

2. You will find, in Carriere's report on the April session, the agenda for each of the four commissions. Mr. Burki is preparing the necessary briefing for the Bank's delegation. Final instructions will have to await the return of the Bank's UNCTAD delegation. IRD will want to take part actively in the decision concerning the general attitude which the Bank is to adopt in Paris in June.

3. There are, on this point, two possible stands. One is to say that the Bank, as a technical observer, should not go beyond its role as a supplier of information on financial and developmental issues. This is basically the attitude adopted to-date. It can be argued that the closer CIEC comes to the time when compromise will be sought, the more the Bank should maintain its low-key profile. It must not become involved, or even appear to be involved, in battles which are bound to become "political". The future of IDA could be in the balance in Helsinki in June. It would be wrong, so goes this argument, for the Bank to risk the wrath of one party or the other by taking part in the search for a compromise which cannot possibly please everyone.

4. The contrary argument is to the effect that the CIEC cannot be allowed to fail. The Bank has an obligation to do its utmost to help establish bridges between North and South proposals. The South has no technical support comparable to the North's OECD. UNCTAD, on its side, is considered partisan. If the South is to move towards compromise, it needs assistance from technical staffs such as the Bank's which are not committed to one side or another.

5. The definition of the Bank's position must await the conclusion of the Nairobi session. Mr. McNamara has indicated he would want to clear any change in the Bank's attitude in Paris, as compared to what it has been to-date. From the External Relations standpoint it would seem important to maintain this line: the Bank could help in "building bridges" in CIEC only if both North and South so requested. Even then, the degree of Bank participation should be carefully limited to technical assistance. As a maximum, the Bank might be willing to analyze compromise solutions offered by others, within its sphere of competence. Under no circumstances should the Bank take the initiative of offering solutions at this stage.


6. The Bank "observes all Commissions, except the Energy Commission whose co-chairmen have asked the Bank for data only. We have offered them staff working paper 229. No reply has come yet. The question whether the Bank should also "observe" that commission cannot be handled unless an invitation comes. Since the Energy Commission is dealing essentially with the issue of prices, the Bank is in no way seeking an invitation.

cc: Mr. William Clark
Mrs. Boskey
Mr. Burki
Mr. Carriera

LPChatenay:umh

William Clark

April 30, 1976

L. Peter Chatenay 

CIEC: JUNE SESSION

- 1.) In view of Mr. McNamara's interest in the definition of Bank positions for the CIEC sessions ahead, I suggest that the necessary briefing of the delegation should be taken in hand without too much delay.
- 2.) The difficulty clearly is that the conclusions of UNCTAD IV will be a major determinant in the developments in CIEC in June. But if one waited until the very last days of May to prepare the brief for the June 10 session in Paris, there might be too little time adequately to get the necessary clearances.
- 3.) I would suggest, if you agree, that work on the brief should be started in good time during May on the basis of the following expectations. First, that on the integrated program of commodities and its common fund, no agreement will emerge in Nairobi. Secondly, that on debt rescheduling, the large majority of the OECD group will not budge from its present position of refusing an overall approach. Thirdly, on Energy, that CIEC will continue to debate oil prices, a subject from which the Bank should stay clear.
- 4.) In brief, the basic assumption would be, for the purposes of the preliminary briefing, that on all major issues CIEC will assemble in Paris in June without any significant change in the picture painted by Carriere and Burki in their recent reports. The brief would attempt to define Bank positions as if, in spite of the lack of success in Nairobi, the Bank's role in Paris, whether in June or later in the year, was to become more visible.

cc: Mrs. Boskey
Mr. Ul Haq
Mr. Carriere
Mr. Burki

✓ Li - CIEC
cc FIN IBRD Membership
cc FIN IDA Membership

OFFICE MEMORANDUM

TO: File

DATE: April 28, 1976

FROM: L. P. Chatenay

SUBJECT: CIEC; APRIL SESSION

- 1.) This is the last day of the session. At 2 p.m., Paris time, the meetings of the Energy and the Development Commissions had still not ended. The Raw Materials and Financial Affairs Commissions are meeting this afternoon.
- 2.) By telephone, Jean Carriere reports that there will probably be no final communique but that whatever agreement emerges will be presented in the form of an agreed statement by the co-chairmen.
- 3.) It appears that among the items of agreement between the North and South (G-8 and G-19) will be an indication of the willingness of both sides to see a quick and satisfactory solution to the IBRD capital increase and IDA replenishment questions.
- 4.) Jean Carriere will telex an interim final report of the whole session to be received here tomorrow morning.

LPChatenay:syg

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

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☐ IDA
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TO: CARRIERE
WORLD BANK
PARIS

DATE: APRIL 26, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF TELEX
SERVICE:

CABLE NO. & TEXT:

825

REGARDING CIEC. BURKI HAS REPORTED ON DEVELOPMENTS UNTIL HIS DEPARTURE.
McNAMARA IS KEEN TO RECEIVE ALL IMPORTANT NEWS PROMPTLY ESPECIALLY ON
WHETHER CONSENSUS EMERGES IN FAVOR IDA REPLENISHMENT AND IBRD CAPITAL
INCREASE AND ON ANY COMMENTS OF SIGNIFICANCE BY MAIN DELEGATIONS. NEWS
ALSO AWAITED SOONEST ON OPEC CONTRIBUTION TO IFAD AND ON ANY AGREED
FORMULA CONCERNING ODA GROWTH. ADDITIONALLY ANY ITEM OF INTEREST FOR
BANK'S DELEGATION TO UNCTAD MUCH APPRECIATED. REGARDS.

WILLIAM CLARK

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

WILLIAM CLARK

DRAFTED BY:

LPChatenay:syg

DEPARTMENT:

EXTERNAL RELATIONS

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Li - CIEC

The Honorable Robert McNamara
President
International Bank for
Reconstruction and Development
Washington, D.C.

Dear President McNamara:

The Energy Commission of the Conference on International Economic Cooperation being held in Paris is engaged at present in a systematic and comprehensive examination of the trends in global and regional energy supply and demand. In the course of our discussions, it has become evident that our analysis would profit importantly from detailed information on the past, present, and projected future energy consumption patterns of the developing countries, especially the energy deficient developing countries. It would be desirable as well if the mix of energy sources in overall energy balances for specific groups of these developing countries is also provided.

We wonder if the IBRD has public or private information along these lines -- or could develop such information -- and provide it for our use in the Energy Commission. Such a contribution would greatly facilitate our endeavors, which we believe will lead to increased international understanding and cooperation in the important energy area.

Original to: *Mrs. Boskey*
Date: APR 23 1976
Communications
Section

Sincerely,

Dr. Abdulhady H. Taher
Dr. Abdulhady H. Taher
Stephen W. Bosworth
Stephen W. Bosworth
Co-Chairmen
Energy Commission.

21 - CIEC
April 21, 1976

Dear Dr. Taher and Mr. Bosworth:


I refer to your joint letter of March 25, 1976 and to Mr. Bosworth's letter of April 14 to Mr. McNamara on the subject of information which the World Bank could make available for use by the Energy Commission of the Conference on Economic Cooperation.

I am pleased to inform you that the recently issued World Bank staff working paper N.229 entitled: Energy and Petroleum in Non-OPEC Developing Countries, 1974-1980, is available for distribution to the members of the Commission.

This document contains information on the Energy balances of the Non-OPEC Developing Countries: Domestic Requirements and Indigenous Supply and on the Energy Sectors of the Non-OPEC Developing Countries: Power and Primary Electricity, Coal and Petroleum.

We hope the information contained in this staff working paper will prove useful for the purposes of the Commission's work.

Sincerely yours,


L. Peter Chatenay
External Relations Advisor
International Relations Department

cc: Mr. Carriere
Mr. Tins/Mr. Foster
Mr. Friedman
Mr. Burki

Dr. Abdulhady H. Taher
Mr. Stephen W. Bosworth
Co-Chairmen
Energy Commission
C.I.E.C.
Centre des Conference
19 Avenue Kleber
75016 Paris

LPChatenay:syg

LI - CIEC

Mr. Y. Rovani

April 21, 1976

E. Friedmann

International Energy Institute
CIEC - UN

1. Dr. M. Prochnik of the U.S. State Department phoned today to inform me about recent developments regarding the above initiative. (A memorandum to Mr. McNamara discussing this subject was forwarded October 15, 1975.)
2. A document describing the possible scope of the IEI has been prepared by the U.S. State Department. It has already been approved by the staff of the IEA and will be considered by its Board of Governors shortly. It is expected to be approved by the Board and then to be submitted as a suggestion to the CIEC session of June.
3. In parallel to this, the document has also been passed on to Mr. Howard Brand of the UN Secretariat; he has been assigned the task of preparing a UN proposal on this subject for the next general assembly. Mr. Brand is expected to circulate the proposal for comments to most UN agencies and affiliates including the World Bank. We should be prepared to respond, in due time, on the basis of the comments already made in the above mentioned memorandum and the additional proposals for technical assistance contained in the paper on "Bank Assistance for Petroleum Development" of March 11, 1976.

cc: Mr. Baum
Mrs. Boskey, Messrs. Burney, Chatenay

EFriedmann:mb

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

Li - CIEC

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: CARRIERE
WORLD BANK
PARIS

DATE: APRIL 21, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

785

RE CIEC ENERGY COMMISSION. WE WILL ANSWER TOMORROW COCHAIRMENS REQUEST FOR DOCUMENTATION BY INDICATING AVAILABILITY OF BANK STAFF WORKING PAPER NO.229 ON ENERGY AND PETROLEUM IN NON OPEC DEVELOPING COUNTRIES 1974-1980. ON QUESTION BANKS ATTENDANCE AT ENERGY COMMISSION PLEASE TAKE NO INITIATIVE. TIMS HAS CANCELLED HIS PARIS TRIP. REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

L. Peter Chatenay

DRAFTED BY:

LPChatenay:mmh

DEPARTMENT:

International Relations

CLEARANCES AND COPY DISTRIBUTION:

cc: Mrs. Boskey
Mr. Rovani
Mr. Tims

SIGNATURE (Of individual authorized to approve):

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH:

WORLD BANK (FC)
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

FORM NO. 32
(1977)

☒ WIRE
☐ CABLE
☐ TELETYPE
☐ RADIO

DATE: APRIL 21, 1976

ORIGINATOR'S EXT. 3643

CLASS OF
SERVICE: TELEX

TO
CARRIERS
WORLD BANK
PARIS

COUNTRY: FRANCE

CABLE NO. & TEXT

782

RE CIBC ENERGY COMMISSION. WE WILL ANSWER TOMORROW COMMUNICATIONS REQUEST FOR
DOCUMENTATION BY INDICATING AVAILABILITY ON BANK STAFF WORKING PAPER NO. 239
ON ENERGY AND PETROLEUM IN NON OPEC DEVELOPING COUNTRIES 1974-1980. ON QUESTIONS
BANKS ATTENDANCE AT ENERGY COMMISSION PLEASE TAKE NO INITIATIVE. THIS HAS
CANCELLED HIS PARIS TRIP. REGARDS

CHATELAIN

NOT TO BE TRANSMITTED

Section: Text Chatelet
COMMUNICATIONS

APR 21 10 09 PM 1976
International Relations

LP: Chatelet: main

cc: Mrs. Boakey
Mr. Rovani
Mr. Tims

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

LI-CIEC

WORLD ENERGY Commission
TO: 21120

DATE: April 21, 1976

ORIGINATOR'S EXT.: 4111

COUNTRY: LONDON
ENGLAND

CLASS OF
SERVICE: TELEX

LC

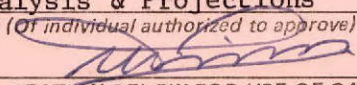
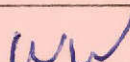
CABLE NO. & TEXT:

FOR RUTTLEY

REGRET UNABLE ATTEND CONSERVATION COMMISSION PARIS MEETING STOP
SENIOR BANK ECONOMIST JOHN FOSTER WILL BE IN PARIS APRIL TWENTYSIX
AND TWENTYSEVEN AND COULD ATTEND IF DESIRED ON MY BEHALF STOP
HE CAN BE CONTACTED AT OUR PARIS OFFICE

TIMS

NOT TO BE TRANSMITTED

REFERENCE: World Energy Commission	AUTHORIZED BY (Name): Wouter Tims
DRAFTED BY: WTims:fm	DEPARTMENT: Ec. Analysis & Projections
CLEARANCES AND COPY DISTRIBUTION: cc: Messrs. Foster and Chatenay WTims:fm	SIGNATURE (Of individual authorized to approve):  SECTION BELOW FOR USE OF CABLE SECTION CHECKED FOR DISPATCH: 

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WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

FORM 100-10
1-77

World Energy Commission
TO: 21130

DATE April 21, 1976

ORIGINATOR'S EXT 4111

LONDON
ENGLAND

COUNTRY

CLASS OF SERVICE
TELEX

CABLE NO. & TEXT

FOR RUTLEY

REGRET UNABLE ATTEND CONSERVATION COMMISSION PARIS MEETING STOP
SENIOR BANK ECONOMIST JOHN FOSTER WILL BE IN PARIS APRIL TWENTYNINE
AND TWENTYSEVEN AND COULD ATTEND IF DESIRED ON MY BEHALF STOP
HE CAN BE CONTACTED AT OUR PARIS OFFICE

TIME

COMMUNICATIONS
NOT TO BE
APR 21 9 31 PM 1976
NUMBER TIME

World Energy Commission

WTima:fm

cc: Messrs. Foster and Glaser

WTima:fm

EC Analysis & Projections
N. S. S. S. S.
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WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

Li-ciec

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: CARRIERE
WORLD BANK
PARIS

DATE: APRIL 20, 1976

ORIGINATOR'S EXT.: 3673

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

765

PRIMO WILLIAM CLARK FLYING VIA DAKAR NOT LONDON SECUNDO LETTER ENERGY COMMISSION
CO-CHAIRMAN MARCH 25 INDICATES COMMISSION ENGAGED IN SYSTEMATIC AND COMPRE-
HENSIVE EXAMINATION OF TRENDS IN GLOBAL AND REGIONAL ENERGY SUPPLY AND DEMAND.
COMMISSIONS ANALYSIS WOULD PROFIT FROM DETAILED INFORMATION ON PAST PRESENT
AND FUTURE ENERGY CONSUMPTION PATTERNS IN LDCS ESPECIALLY THE ENERGY DEFICIENT.
DESIRABLE ALSO FOR COMMISSION TO OBTAIN DATA ON MIX OF ENERGY SOURCES IN
OVERALL ENERGY BALANCES FOR SPECIFIC GROUPS OF SAME LDCS. CO-CHAIRMAN WONDER
IF IBRD HAS PUBLIC OR PRIVATE INFORMATION ALONG THOSE LINES (OR COULD DEVELOP
SUCH INFORMATION) FOR COMMISSION END LETTER. LETTER APRIL 14 FROM BOSWORTH
ADDS ONLY THEY WOULD LIKE BANKS REPLY TO MARCH 25 REQUEST PRIOR TO CONCLUSION
APRIL SESSION. AM NOW PREPARING REPLY TO CO-CHAIRMAN WHICH WILL INDICATE
BANK PLEASED TO MAKE AVAILABLE STAFF WORKING PAPER 229 ON ENERGY AND PETROLEUM
IN NON OPEC DEVELOPING COUNTRIES 1974-1980. WE WILL ADD THAT SHOULD BANK HAVE
ADDITIONAL INFORMATION AT LATER DATE WE WOULD SIMILARLY COMMUNICATE IT TO
COMMISSION. REGARDS.

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

L. Peter Chatenay

DRAFTED BY:

DEPARTMENT:

LPChatenay:eym

International Relations

CLEARANCES AND COPY DISTRIBUTION:

SIGNATURE (Of individual authorized to approve):

cc: Mr. Tims

Mr. Burki

Mr. E. Friedmann

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH:

☐ BRD
☐ DA
☐ FC
☐ IBD

WORLD BANK
 OUTGOING MESSAGE FORM
 (TELEGRAM/CABLE/TELEX)

FORM NO. 10

DATE: APRIL 20, 1976

ORIGINATOR'S EXT: 3673

CLASS OF
 SERVICE: TELEX

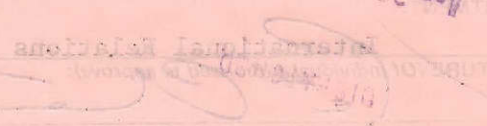

TO: GERMANY
 WORLD BANK
 PARIS

COUNTRY: FRANCE

CABLE NO. & TEXT

PRIMO WILLIAM CLARIFYING VIA BANK NOT LONDON SECUNDO PRIMO ENERGY COMMISSION
 CO-CHAIRMAN MARCH 25 INDICATES COMMISSION ENGAGED IN SYSTEMATIC AND COMPRE-
 HENSIVE EXAMINATION OF TRENDS IN GLOBAL AND REGIONAL ENERGY SUPPLY AND DEMAND.
 COMMISSIONS ANALYSIS WOULD FOCUS FROM DETAILED INFORMATION ON PART PRESIDENT
 AND FUTURE ENERGY CONSUMPTION PATTERNS IN LONG TERM ESPECIALLY THE ENERGY DEFICIENT.
 DESIRABLE ALSO FOR COMMISSION TO OBTAIN DATA ON MIX OF ENERGY SOURCES IN
 OVERALL ENERGY BALANCE FOR SPECIFIC GROUPS OF COUNTRIES. CO-CHAIRMAN WOULD
 IT WOULD BE PUBLIC OR PRIVATE INFORMATION ALONG THOSE LINES (OR COULD BE) DEVELOP
 SUCH INFORMATION) FOR COMMISSION AND LATTER. LATTER AGAIN IN FROM RESEARCH
 ADDS ONLY THEY WOULD LIKE BANKS REPLY TO MARCH 25 REQUEST PRIOR TO CONCLUSION
 APRIL SESSION. AND NOW PREPARING REPLY TO CO-CHAIRMAN WHICH WILL INDICATE
 BANK PLANNED TO MAKE AVAILABLE STAFF WORKING PAPER 23 ON ENERGY AND ENVIRONMENT
 IN NOW OF THE DEVELOPING COUNTRIES 1974-1980. WE WILL ADD THAT SHOULD BANK HAVE
 ADDITIONAL INFORMATION AT LATER DATE WE WOULD SIMILARLY COMMUNICATE IT TO
 COMMISSION. REGARDS.

CHATELAIN

NOT TO BE TRANSMITTED COMMUNICATIONS SECTION APR 20 1 51 PM 1976 DEPARTMENT OF ENERGY Robert Chateau		REFERENCES DRAFTED BY 13 Chateau: EYE CLEARANCES AND COPY DISTRIBUTION:
SIGNATURE OF AUTHORIZED PERSON 		cc: Mr. Tims Mr. Burke Mr. E. Eide
SECTION BELOW FOR USE OF CABLE SECTION CHECKED FOR DISPATCH 		


April 19, 1976

Dear Mr. Bosworth:

On behalf of Mr. McNamara, I am pleased to acknowledge receipt of your letter of April 14, 1976 with the copy of the letter dated March 25 from Dr. Abdulhady Taher and yourself. I would like to confirm now, to the best of our knowledge, the earlier letter did not reach the World Bank.

We will certainly do our best to give you a reply, at the earliest possible date, on the question whether the Bank has information to supply on past, present and future energy consumption patterns in energy deficient developing countries. We have also noted the request concerning information on the mix of energy sources in the overall energy balances for specific groups of those same developing countries.

Yours sincerely,

L. Peter Chatenay 
External Relations Adviser
International Relations Department

Mr. Stephen W. Bosworth
Co-Chairman
Energy Commission
C.I.E.C.
Centre des Conference
19 Avenue Kleber
75016 Paris

cc: Mr. William Clark/Ms. Boskey
Mr. Carriere
Mr. Burki
Mr. Efrain Friedmann
Mr. Wouter Tims/John Foster

LPChatenay:eym

April 16, 1976

Mr. Jean P. Carriere
Director
World Bank European Office
66 Avenue d'Iena
75116 Paris, France

Dear Jean:

With all that seems to be happening here, I did not acknowledge receipt of your excellent report of April 5 on the second session of the CIEC Commissions.

The report was, of course, circulated to the PC list. We have all taken note of the conclusion which you put forward in the last paragraph about the need for the Bank's presence and participation to be seen as positive.

This is to let you know that William Clark very much agrees with you on this and that we have been trying to make sure that your briefing for the April session is as "positive" as can be.

I realize however that on an item such as debt rescheduling and debt cancellation, it is going to be terribly difficult for the Bank to be "forthcoming". Our position is clear and quite negative as far as the Bank's own affairs are concerned. In any event, you will have a statement prepared with the help of those here concerned with this particular issue.

As to the Energy Commission, we are still completely in the dark. There has been no message, even indirectly, from the co-chairmen jointly or from the U.S. co-chairman. After consultation with CPS and DPS, the position we adopted was not to seek information from the State Department and certainly not an invitation.

The more I look at CIEC affairs, the more I feel how deeply the Conference is suffering, among other ills, from the absence of a substantive secretariat of its own. It therefore turns to others such as the Bank not only as purveyors of data but also as technical assistants. The Bank, of course, is not organized to play such a role. Aside from the fact that so many divisions are now up to their necks in work because of the "bunching" season, we find it difficult all of a sudden to alter the schedule of report writing, for example on prospects or on commodities, to meet the CIEC deadlines. Furthermore, as you know, much of the Bank's data is confidential and simply not to be provided to an open forum such as CIEC.

Mr. Jean P. Carriere

- 2 -

April 16, 1976

All this to say, in sum, that William and I and others who are back-stopping your delegation understand the difficulties of your position at the Conference and hope you are equally aware of the limitations which exist here and which make it so difficult to turn the Bank into what it is not: a part-time secretariat for the Conference.

Yours sincerely,



L. Peter Chatenay

cc: Mr. William Clark

LPChatenay:mmh

INCOMING TELETYPE

LT CIEC 88

DISTRIBUTION:

RECEIVED

Mr. Chatenay

1976 APR 15 14 00

COMMUNICATIONS
SECTION

APR 15 1976
IBRD A PARIS
903 CHATENAY

YOUR 720 OF APRIL 13

APPARENTLY DRAFT LETTER TO BANK WAS PREPARED BY ENERGY COMMISSION
COCHAIRMAN AT END OF 2ND SESSION, BUT CIEC EXECUTIVE SECRETARY
UNABLE TO FIND OUT WHETHER FINAL LETTER WAS SENT TO BANK OR NOT.
TEXT OF LETTER WILL BE ANYHOW RELAYED TO YOU SOON BY U.S. CO-
CHAIRMAN BOSWORTH.

REGARDS

CARRIERE

Venezuela
cc BAP ✓ LI - CIEC

cc IBRD membership
cc IDA membership

Mr. Robert S. McNamara

April 15, 1976

Adalberto Krieger *JK*

Visit to the Bank of the Venezuelan Minister of International Economic Affairs, Mr. Manuel Perez Guerrero

1. During Mr. Perez Guerrero's visit to the Bank on Friday, April 16, you may wish to raise with him some issues of interest to the Bank in which Mr. Perez Guerrero may exercise some influence, both as a close advisor of the Venezuelan President, Mr. Carlos Andres Perez, and as Co-Chairman of the Paris Conference on International Economic Cooperation.
2. Mr. Perez Guerrero is a Minister without Portfolio, and his main current functions are of a diplomatic character, particularly concerning the United Nations, some special meetings of OPEC, and the Paris Conference. His considerable influence within the Venezuelan Government is thus based more on his status within the Accion Democratica Party and on his personal relationship with President Perez, than on his limited executive responsibilities as a Minister. It seems, therefore, more convenient to focus his attention in those issues of strategy, in which high-level decisions (by President Perez himself) are likely to be required, and where his role in the Paris Conference, as Co-Chairman and as top representative of the developing countries may be most useful. Among those issues, you may wish to stress the importance of IDA-5 and of the Bank's Capital Replenishment.

IDA-5

3. As you know, the Planning Minister, Mr. Guersindo Rodriguez, informed us last year that he was going to handle IDA matters within the Venezuelan Government. He said initially that Venezuela would soon become a member of IDA, and designated a deputy, Mr. Ildegar Perez Segnini, to attend IDA-5 meetings. Afterwards, no decision was made on membership in IDA, and Mr. Perez Segnini did not attend the meetings. Although we have brought up this matter on several occasions to Mr. Rodriguez's attention, he has not been able or willing to give us a clear indication of what the Government will decide in this respect. In view of this situation, I talked about it with the Finance Minister, Mr. Hector Hurtado, during my last visit to Venezuela. Mr. Hurtado was displeased by the way this matter had been handled by Mr. Rodriguez, and promised to take a personal interest in it in the future. He also said that, in his opinion, the OPEC countries should be able to make contributions to IDA through the new OPEC Special Fund.

4. While Mr. Hurtado is likely to be the key cabinet member for deciding on the amount, form and opportunity of a future Venezuelan contribution to IDA, I believe that Mr. Perez Guerrero will also play an important role in this respect. Venezuela's position concerning IDA is likely to be decided by President Perez himself, and for this he most probably will seek Mr. Perez Guerrero's advice. You may, therefore, wish to request Mr. Perez Guerrero's support concerning Venezuela's membership, attendance to IDA-5 meetings, and eventual contributions. You may point out to him the political importance of OPEC's position on IDA, in view of the vested interest of most developing countries in this matter. In this connection, Mr. Perez Guerrero, -- both as a Venezuelan official and as a Co-Chairman of the Paris Conference -- might well become personally interested. You may also wish to indicate that the higher income developing countries (including most of Latin America) would be likely to benefit from increased IDA resources, since the availability of those resources for poorer countries would liberate Bank funds for lending to medium- and high-income countries.

Capital Replenishment

5. Likewise, you may also wish to stress the world-wide political importance for OPEC countries of supporting the proposed capital increase of the Bank. Venezuela's support of the Bank in this respect could be an important contribution, both within OPEC and in the broader context of the Paris Conference. Mr. Perez Guerrero's current positions may well permit him to play a key leadership role in this respect.

Other Issues

6. Since Mr. Perez Guerrero cooperated with Mr. Hurtado in finding a way to make possible Venezuela's \$10 million contribution to the Third Window, you may wish to thank him for this.

7. Since the current discussions of a new borrowing are being held with Ministers Hurtado and Quero, I would not recommend discussing in specific terms that prospective borrowing with Mr. Perez Guerrero. You may wish, however, to inform Mr. Perez Guerrero of the current Bank policy of offering OPEC countries market terms for their investments in Bank bonds, and to indicate to him the Bank interest in continuing our borrowing relationship with Venezuela and other OPEC countries.

Attachment: Personal Data of Mr. Perez Guerrero

Cleared with and cc: Messrs. Goodman
Diamond
Lardau


RMChazales-Cofino:cc

Dr. Manuel Perez Guerrero -- Minister for International Economic Affairs

Dr. Perez Guerrero, aged 55, studied at the University of Paris where he obtained a degree in Law and Economics. Dr. Perez Guerrero is a long-standing member of the Accion Democratica Party and one of the most influential members of the Cabinet in economic affairs. Dr. Perez Guerrero has had a long career in public office both in Venezuela and abroad. From 1937 to 1940 he worked in the Department of Economics of the League of Nations, and later in the Department of Economics in the International Labor Organization. After returning to Venezuela in 1943 for a brief period to become a member of the Post-War Planning Commission, he went abroad again in 1945 to work as Director of Coordination of the United Nations Department of Economic and Social Affairs. He again returned to Venezuela in 1947 as Minister of Finance under the administration of the first AD President, Romulo Callegos. Under the Government of Perez Jimenez and the military Government that preceded it (1948-1958) he left Venezuela and worked with the United Nations Technical Assistance Board. He returned to Venezuela in 1958 after the overthrow of Perez Jimenez holding ministerial posts under AD Presidents Betancourt and Leoni. He was Chief of the Planning Office with ministerial rank between 1960 and 1963, and Minister of Mines and Hydrocarbons from 1963 to 1967. In 1968 he returned to the UN to head the UN Economic and Social Council. In 1969 he was elected Secretary General of UNCTAD for four years. Under the present administration, Dr. Perez Guerrero acts as Presidential trouble shooter on international economic matters.

OFFICE MEMORANDUM

✓ IDA W membership
✓ CIEC

TO: Mr. Robert S. McNamara

DATE: April 15, 1976

FROM: William Diamond *WD*SUBJECT: Fifth Replenishment of IDA: CIEC and IDA

I briefed you yesterday on one aspect of your luncheon meeting with Mr. Perez Guerrero: Venezuela's possible contribution to IDA. This memorandum concerns another aspect.

The question of IDA Replenishment is arising in connection with CIEC's work on financial aspects of the North-South dialogue. In your discussion with Mr. Perez Guerrero you may wish to ascertain his views on how far he thinks discussion in CIEC would be useful for the Replenishment negotiations.

In the second session of the Commission of Financial Affairs,^{1/} Pakistan called for a substantial increase in real terms in IDA-5. Such pressure in the Commission, and in CIEC generally, in favor of IDA should, in principle, be helpful for the IDA negotiations in indicating the concern of developing countries for the Fifth Replenishment. However, CIEC also has limitations as a forum since the Bank has a role only as Observer and Part I countries are unlikely (and rightly so) to discuss the substance of the negotiations in a forum other than the Deputies. Our approach, therefore, has been to encourage developing countries to use all fora, including CIEC, to indicate their concern about IDA, but at the same time we cannot look to CIEC as a means of making progress on the real issues concerning the Replenishment. Although the outlook for the North-South dialogue is rather uncertain at the moment, we keep in touch through Jean Carriere and others so that opportunities on behalf of IDA are not missed.

^{1/} The members of the Commission of Financial Affairs are: Brazil, EEC, Egypt, India, Indonesia, Iran, Iraq, Japan, Mexico, Pakistan, Saudi Arabia, Sweden, Switzerland, United States, Zambia.

Co-Chairman Dondelinger of Luxembourg is familiar with IDA having been Luxembourg's Deputy to the Fourth Replenishment.


cc: Messrs. Cargill, Adler, Gabriel, Goodman/Hattori, Nurick, Vibert
Messrs. Krieger/Gonzalez-Cofino
Mr. Carriere - Paris

WD:lmh

IDA VM
✓ CIEC

Mr. Robert S. McNamara

April 15, 1976

William Diamond 

Fifth Replenishment of IDA: CIEC and IDA

I briefed you yesterday on one aspect of your luncheon meeting with Mr. Perez Guerrero: Venezuela's possible contribution to IDA. This memorandum concerns another aspect.

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^{1/} The members of the Commission of Financial Affairs are: Brazil, EEC, Egypt, India, Indonesia, Iran, Iraq, Japan, Mexico, Pakistan, Saudi Arabia, Sweden, Switzerland, United States, Zambia.
Co-Chairman Dondelinger of Luxembourg is familiar with IDA having been Luxembourg's Deputy to the Fourth Replenishment.

cc: Messrs. Cargill, Adler, Gabriel, Goodman/Hattori, Nurick, Vibert
Messrs. Krieger/Gonzalez-Cofino
Mr. Carriere - Paris

WD:lmh



DEPARTMENT OF STATE

Washington, D.C. 20520

803

April 14, 1976

The Honorable Robert McNamara
President
International Bank for
Reconstruction and Development
Washington, D.C.

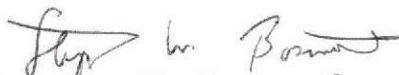
Dear President McNamara:

At the end of the March session of the Energy Commission, Co-Chairman Taher and I requested information from the Bank on the past, present, and future energy consumption patterns of the energy deficient developing countries. We indicated in our letter to you that this information would greatly facilitate the examination in the Energy Commission of the trends in global and regional energy supply and demand.

I have just learned that our letter was never received by your office. I am, therefore, enclosing a copy of this letter with the hope that the Bank will be able to provide the Energy Commission with the requested information.

I apologize for the inadvertent delay. If at all possible, Co-Chairman Taher and I would appreciate receiving your reply to our request prior to the conclusion of the April session of the Energy Commission.

Sincerely,


Stephen W. Bosworth
Co-Chairman
Energy Commission

Rec'd in IRD

4/16

RECEIVED

1976 APR 16 PM 2:29

INCOMING MAIL UNIT

TO: DIRECTOR, FBI
FROM: SAC, NEW YORK (100-100000)
SUBJECT: [Illegible]

RE: [Illegible]
[Illegible]

[Illegible]

[Illegible]

[Illegible]

March 25, 1976

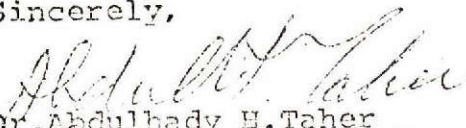
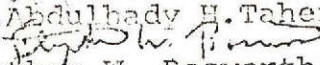
The Honorable Robert McNamara
President
International Bank for
Reconstruction and Development
Washington, D.C.

Dear President McNamara:

The Energy Commission of the Conference on International Economic Cooperation being held in Paris is engaged at present in a systematic and comprehensive examination of the trends in global and regional energy supply and demand. In the course of our discussions, it has become evident that our analysis would profit importantly from detailed information on the past, present, and projected future energy consumption patterns of the developing countries, especially the energy deficient developing countries. It would be desirable as well if the mix of energy sources in overall energy balances for specific groups of these developing countries is also provided.

We wonder if the IERD has public or private information along these lines -- or could develop such information -- and provide it for our use in the Energy Commission. Such a contribution would greatly facilitate our endeavors, which we believe will lead to increased international understanding and cooperation in the important energy area.

Sincerely,


Dr. Abdulhady H. Taher

Stephen W. Bosworth
Co-Chairmen
Energy Commission.

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: CARRIERE
WORLD BANK
PARIS

DATE: APRIL 13, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

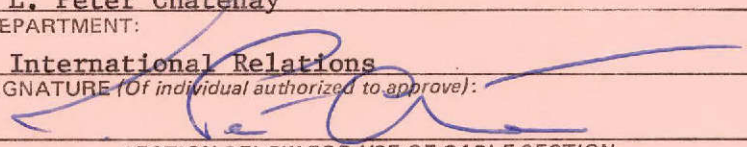
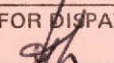
CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT: 720

RE YOUR TELEPHONE CALL TO WILLIAM CLARK ABOUT NEXT CIEC SESSION. WE UNDERSTAND BANK WILL BE ASKED EXTERNAL DEBT DATA IN APRIL 21 OR 22 MEETING. BURKI IS PREPARING DELEGATIONS BRIEF INCLUDING ON ABOVE SUBJECT. BANKS FIGURES ARE AVAILABLE AFTER FIFTEEN MONTHS BECAUSE OF REPORTING DETAILS. WE SUGGEST BEST TACTIC IS TO ESTABLISH IMMEDIATELY THAT BANK DOES HAVE 1974 DATA ON MOST BUT NOT ALL OF 86 COUNTRIES INCLUDED IN OUR DATA REPORTING SYSTEM ON LDCS EXTERNAL DEBT. THIS WE HOPE WILL ENSURE THAT BANK WILL NOT BE PLACED AGAIN IN POSITION OF BEING ASKED TO ARBITRATE BETWEEN CONFLICTING DATA SUBMITTED BY OTHERS. WE FULLY UNDERSTAND DELICACY YOUR POSITION AND EYE SUGGEST YOU TELEPHONE BURKI TO PLACE ALL ELEMENTS OF THIS ISSUE INTO BEST PERSPECTIVE BEFORE SESSION OPENS. ~~XXXX~~ BURKI WILL ARRIVE TO ATTEND APRIL 21 MEETINGS. TMS AVAILABLE TO ASSIST DELEGATION APRIL 26 AND 27. WE UNDERSTAND COCHAIRMEN ENERGY COMMISSION WROTE MCNAMARA MARCH 26 ASKING WHAT CONTRIBUTION BANK COULD MAKE ON ENERGY SUPPLY AND DEMAND SITUATION IN LDCS AND ON ENERGY USE MIX IN LDCS. LETTER NOT RECEIVED. ON BANK ATTENDANCE COCHAIRMEN WOULD CANVAS THEIR MEMBERSHIP IN LIGHT BANKS RESPONSE TO MARCH 26 LETTER. PERHAPS YOU COULD GET COPY OF COMMUNICATION AND TELEX SPECIFIC WORDING OF COCHAIRMENS REQUEST. REGARDS.

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): L. Peter Chatenay
DRAFTED BY: LPChatenay:mmh	DEPARTMENT: International Relations
CLEARANCES AND COPY DISTRIBUTION: Cleared with and cc: Mr. Holsen Mr. Burki cc: Mr. William Clark Mrs. Boskey	SIGNATURE (Of individual authorized to approve):  SECTION BELOW FOR USE OF CABLE SECTION CHECKED FOR DISPATCH: 

INCOMING CABLE

85

OXDS

1976 APR 12 PM 2:33

INTBAFRAD WSH

WDEK8076 WABO93(1157)(2-1111166103)PD 04/12/76 1155

ICS IPMIHA 1155

1155 FM FCH 12 1155

PMS WASHINGTON DC

FCA798 VIA FRENCH FUF975 ZWA743 QBA242 608609

USWA CO ERXX 150

Apr 11 12 1976

PARIS TELEX 150 12 1730

MONSIEUR LE PRESIDENT DE LA BIRD

1818 HSTREETNW

WASHINGTON25DC

PARIS LE 12 AVRIL 1976

LE SECRETARIAT EXECUTIF PRESENTE SES COMPLIMENTS AUX ORGANISATIONS
INTERNATIONALES HABILEEES A PARTICIPER AUX TRAVAUX DE LA CONFERENCE
SUR LA COOPERATION ECONOMIQUE INTERNATIONALE EN QUALITE D OBSERVATEUR
PERMANENTS ET A HONNEUR DE LEUR FAIRE SAVOIR QUE LA

~~COL 1818 12 1976~~~~608609 MONSIEUR LE PRESIDENT DE LA BIRD PAGE 2/50~~

PREMIERE REUNION DES COMMISSIONS SUR LA CCEI POUR LA SESSION DU
MOIS D AVRIL SE TIENDRA SELON LE CALENDRIER CIAPRES :

- COMMISSION POUR L ENERGIE MERCREDI 21 AVRIL A 10H SALLE NO3
- COMMISSION POUR LE DEVELOPPEMENT MERCREDI 21 AVRIL A 10H
- SALLE NO8 - COMMISSION SUR LES

~~COL 1976 21 10H NO3 21 10H NO8~~~~608609 MONSIEUR LE PRESIDENT DE LA BIRD PAGE 3/50~~

MATIERES PREMIERES MERCREDI 21 AVRIL A 15H SALLE NO 3
COMMISSION SUR LES AFFAIRES FINANCIERES MERCREDI 21 AVRIL A 15H
SALLE NO8 EN PORTANT LES INDICATIONS QUI PRECEDENT A LEUR
CONNAISSANCE LE SECRETARIAT EXECUTIF SAISIT CETTE OCCASION POUR
RENOUVELER AUX ORGANISATIONS INTERNATIONALES LES ASSURANCES DE SA
HAUTE CONSIDERATION

BERNARD GUITTON

DISTRIBUTION:

Mrs. Boskey
Mr. McNamara
Mr. W. Clark

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

✓ L' C' E C
a IDA ✓

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: HIS EXCELLENCY MANUEL PEREZ-GUERRERO
MINISTER OF STATE
PRESIDENCIA DE LA REPUBLICA
PALACIO MIRAFLORES, CARACAS

DATE: April 2, 1976

ORIGINATOR'S EXT.: 4545

COUNTRY: VENEZUELA

CLASS OF
SERVICE:

IBF
LT / ITT

CABLE NO. & TEXT:

YOUR LECTURE ON MAIN ELEMENTS IN NORTH-SOUTH DIALOGUE
ARRANGED ON FRIDAY APRIL SIXTEEN AT ELEVEN MORNING STOP
MR. McNAMARA WOULD ALSO LIKE TO HAVE LUNCH WITH YOU ALONE AFTER
THE LECTURE AT TWELVE THIRTY NOON. HOPE THESE ARRANGEMENTS
CONVENIENT. SHALL APPRECIATE ADVICE ON YOUR SCHEDULED ARRIVAL AND
ANY OTHER ARRANGEMENTS YOU NEED DURING YOUR WASHINGTON STAY.
GREATLY LOOKING FORWARD TO SEEING YOU HERE. WARMEST REGARDS.

MAHBUB UL HAQ

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

Shahid Javed Burki

DRAFTED BY:

S. J. BURKI

DEPARTMENT:

Shahid J. Burki
Policy Planning & Program Review

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SIGNATURE (Of individual authorized to approve):

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LI - CIEC

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Mrs. Boskey

sj

1976 APR -1 AM 11:59

INTIBAFRA WASH DC

APR 1 1976

IBRD A PARIS

794 SHIRLEY BOSKEY == IMMEDIATE DELIVERY ==

RE: CIEC

AAA AM SENDING TODAY COMPLETE SET OF DOCUMENTS CIRCULATED DURING SECOND SESSION OF COMMISSIONS. I ASSUME BURKI GAVE YOU PRELIMINARY ASSESSMENT OF SESSION. FULL REPORT IN PREPARATION, LIKELY TO BE SENT TO HEAD OFFICE EARLY NEXT WEEK.

BBB THIRD SESSION WILL START APRIL 21, AS PLANNED. FOLLOWING TOPICS LIKELY TO BE DISCUSSED IN EACH COMMISSION:

1. ENERGY

NO CLEAR DECISION - OECD FAVORED DISCUSSION ON PRICE OF OIL AS SUCH. 19 WOULD LIKE TO TAKE UP RELATIONSHIP BETWEEN THE PRICE OF OIL AND PROTECTION OF PURCHASING POWER SEMICOLON

2. DEVELOPMENT

AS PREVIOUSLY AGREED, APRIL SESSION WILL BE DEVOTED TO:

- TRANSFER OF RESOURCES

- INDUSTRIALIZATION SEMICOLON TRANSFER OF TECHNOLOGY SEMICOLON

3. RAW MATERIALS

NO CLEAR AGREEMENT. THE 19 HAVE PRESENTED SEVEN PAPERS TO THE
SECOND SESSION AND SAID THEY EXPECTED THE OECD COUNTRIES TO REACT
ON THESE PAPERS, NAMELY:

- COMMON FUND FOR THE FINANCING OF COMMODITY STOCKS
- INDEXATION
- PROMOTION AND PROCESSING OF RAW MATERIALS IN LDCS
- COMPENSATORY FINANCING
- LIBERALIZATION AND EXPANSION OF ACCESS TO THE MARKET OF THE
LDCS
- TRANSPORT, MARKETING AND DISTRIBUTION OF RAW MATERIALS
- COMMODITY STOCKING ARRANGEMENT

4. FINANCIAL AFFAIRS: AGREED AGENDA:

-
- FINANCIAL SITUATION OF THE MOST SEVERELY AFFECTED COUNTRIES
 - PRIVATE CAPITAL FLOWS TO DEVELOPING COUNTRIES
 - SURPLUSES OF OIL EXPORTING COUNTRIES
 - FINANCIAL ASPECTS OF THE INDEBTEDNESS OF DEVELOPING COUNTRIES.

CCC BANK'S CONTRIBUTION

WHILE BANK MIGHT BE CALLED TO SPEAK ON MOST OF THE ABOVE
TOPICS, IT IS LIKELY TO BE ASKED TO MAKE MAJOR CONTRIBUTIONS ON:

1. TRANSFER OF RESOURCES. UNLESS YOU THINK OTHERWISE NO

SPECIFIC BRIEFING NEEDED, SINCE BANK VIEWS WELL KNOWN TO US.

2. INDUSTRIALIZATION. WE CAN MAKE PRESENTATION OF RELEVANT

BANK'S POLICIES. HOWEVER WE WOULD BE GRATEFUL FOR OUTLINE
STATEMENT.

3. PROMOTION AND PROCESSING OF RAW MATERIALS IN LDC'S.

FULL BRIEFING WOULD BE APPRECIATED.

4. BUFFER STOCK FINANCING. I ASSUME THAT YOU WILL ASK US TO

REPEAT STATEMENT I AM GOING TO MAKE BEFORE OECD COMMODITIES
MEETING OF APRIL 8-9.

5. FINANCIAL SITUATION OF THE MSAS. WE NEED MOST RECENT

ESTIMATES FROM HEAD OFFICE.

6. DEBT PROBLEM:

A) BANK SHOULD GIVE GENERAL PRESENTATION OF DEBT SITUATION
AS WE SEE IT. PLEASE SEND BRIEFING.

B) IF QUESTION ARISES OF BANK'S INVOLVEMENT IN DEBT
RESCHEDULING OR DEBT WRITE-OFF, WE MUST MAKE A STATE-
MENT, WHICH IN MY VIEW, SHOULD BE PREPARED BY HEAD
OFFICE. STATEMENT SHOULD PROVIDE ANSWER TO POSSIBLE
PROPOSAL AIMING AT WRITE-OFF OF IDA CREDITS.

DDD BANK'S REPRESENTATION IN THE COMMISSIONS

- 1. BANK IS NOW PERMANENT OBSERVER IN DEVELOPMENT, RAW MATERIALS
AND FINANCIAL COMMISSIONS.
2. AT THE END OF THE SECOND SESSION, THE QUESTION OF BANK
ATTENDANCE TO ENERGY COMMISSION WAS RAISED. IT WAS DECIDED
THAT THE CO-CHAIRMEN WOULD "LOOK INTO THE PARTICIPATION
OF IBRD AS AD HOC OBSERVER". UNDER CIRCUMSTANCES, WE DO
NOT SEE CLEARLY IF, WHEN AND HOW WE WILL BE ASKED TO
CONTRIBUTE TO ENERGY COMMISSION. TO CLARIFY SITUATION, I
SUGGEST THAT YOU ASK THE TWO CO-CHAIRMEN OF ENERGY COMMISSION:

- WHETHER BANK IS LIKELY TO BE ADMITTED AS AN AD HOC OBSERVER
TO ENERGY COMMISSION SEMICOLON

- WHETHER THIS IS LIKELY TO HAPPEN AT APRIL SESSION SEMICOLON
- IF SO, WHETHER BANK WILL BE CALLED TO CONTRIBUTE SUBSTANTIALLY TO APRIL SESSION SEMICOLON
- IF SO, ON WHAT SUBJECTS.

ONE OF THE CO-CHAIRMEN IS MR BOSWORTH, WHOM YOU COULD INFORMALLY TALK TO IN WASHINGTON. BUT WILLIAM CLARK AND I THINK THAT ANYHOW YOU SHOULD APPROACH CO-CHAIRMEN THROUGH REGULAR CHANNELS, NAMELY US EXECUTIVE DIRECTOR, AND ED REPRESENTING SAUDI ARABIA, SINCE OTHER CO-CHAIRMAN IS NATIONAL OF THIS COUNTRY.

EEE BANK'S DELEGATION TO THIRD SESSION.

SUBJECT TO WHAM YOU WILL FIND OUT IN RELATION WITH DDD, I SUGGEST THAT BANK'S DELEGATION BE COMPOSED AS PREVIOUSLY, NAMELY, BURKI, KOELLE AND MYSELF. I UNDERSTAND THAT WOUTER TINS MIGHT BE IN PARIS, AT TIME OF THIRD SESSION AND COULD SPARE SOME TIME TO ATTEND A FEW MEETING.S. I THEREFORE SUGGEST HIS NAME BE ADDED TO BANK'S DELEGATION. REGARDS

CARRIERE

EG

HOW RECD PLS


OK TKU BI

BBe

INTBAFRA WASH DC

Mr. Mahbub ul Haq

March 31, 1976

Shirley Boskey 

Preparation for the April 21 Session of the CIEC

1. Mr. Burki has reported on the recent session of the Conference. The Bank, in addition to attending the Financial Affairs, Development and the Raw Materials Commissions, will probably be invited as an ad hoc observer to the Energy Commission in April.
2. In all four commissions, the Bank will be asked to address a number of questions. It is therefore important to get the necessary briefing under way without delay.
3. This is to suggest that your Department would be best able to coordinate the substantive preparations for the April session of the CIEC with the DPS and CPS departments concerned. I would appreciate your agreement in this respect.

cc: Mr. Jean Carriere
Mr. Wouter Tins
Mr. Yves Rovani
Mr. S. J. Burki

 LPChatenay:mmh

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

✓ LI - CIEC
LI - OECD / DHC
☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: CARRIERE
WORLDBANK
PARIS

DATE: MARCH 30, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX


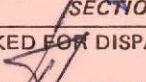
CABLE NO. & TEXT: 633

PRIMO CIEC. BURKI HAS REPORTED ORALLY ON MARCH SESSION INDICATING SERIOUS PREPARATIONS ARE REQUIRED TO BRIEF DELEGATION IN APRIL. PLEASE CLARIFY POSITION CONCERNING BANK ATTENDANCE AT ENERGY COMMISSION. WE WOULD ALSO APPRECIATE YOUR RECOMMENDATION SOONEST ON COMPOSITION BANK DELEGATION FOR APRIL.

SECUNDO OECD COMMODITIES MEETING APRIL 8 AND 9 AND URCAB 764 TO BOSKEY. WE BRIEFED ASSUME KARAOSMANOGLU WILL HAVE ~~XXXX~~ YOU. WE CANNOT SEND ANYONE FROM HERE BUT WILL PREPARE OUTLINE STATEMENT ON FINANCING BUFFER STOCKS. AM AIRMAILING TWO COPIES 228. WE CONFIRM DOCUMENTS LISTED IN MY 539 CAN BE TRANSMITTED TO OECD SECRETARIAT WITH USUAL CAUTIONARY REMARK ABOUT NATURE AND USE OF DOCUMENTS. REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): L. Peter Chatenay
DRAFTED BY: LPChatenay:mmh	DEPARTMENT: International Relations
CLEARANCES AND COPY DISTRIBUTION: cc: Mrs. Boskey/Mr. Burney Mr. Tims Mr. Burki	SIGNATURE (Of individual authorized to approve):  SECTION BELOW FOR USE OF CABLE SECTION CHECKED FOR DISPATCH: 

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/EX)

FORM NO. 101

TO: CABLE
TO: TELEGRAM

COUNTRY: FRANCE

CABLE NO. & TEXT: 233

PRIMO CIRC. BUREAU HAS REPORTED ONLY ON MARCH SESSION LIAISON SERVICE
PREPARATIONS ARE REQUIRED TO BRING DELEGATION TO APRIL. PARAGRAPHS CLARITY
POSITION CONCERNING BANK ATTENDANCE AT MARCH COMMISSION. WE WOULD ALSO
APPRECIATE YOUR RECOMMENDATION SOONEST ON COMPOSITION BANK DELEGATION
FOR APRIL.

SECTIONS ONCE COMMODITIES IDENTIFY APRIL 8 AND 9 AND URGENT 764 TO BUREAU. WE
ASSURE KARAOOMMOOBU WILL HAVE ACCESS TO. WE CANNOT SEND ANSWER FROM HERE BUT
WILL PREPARE OUTLINE STATEMENT ON FINANCING BUREAU STOCKS. AM AIRMAILING TWO
COPIES 210. WE CONTINUE DOCUMENTS LISTED IN MY 230 CAN BE TRANSMITTED TO BUREAU
SECRETARIAT WITH USUAL CAPTIONARY REMARK ABOUT NATURE AND USE OF DOCUMENTS.

FINANCIAL

CLARENCE

SECTION
COMMUNICATIONS

MAR 30 7 11 PM 1976

Peter Clendeney

International Relations

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EXCHANGES AND COPY DISTRIBUTION

cc: Mrs. Mosley/Mr. Ramsey

Mr. Tims

Mr. Smith

CHECKED

Li - CIEC

Mr. McNamara

March 26, 1976

Shirley Boskey, IRD

Carriere Statement to Financial Affairs
Commission of CIEC

✓ The attached message went to Carriere at about 7:20 p.m. Thursday, March 25, after Messrs. Tims and Holsen, and I, discussed it with Hollis. Paragraph 2, which deals with the IMF, was agreed with the IMF staff. Carriere felt very strongly that he must make some statement before the end of the current session of the Financial Affairs Commission. As that session closes today, something had to go to him by last night.

By mid-day yesterday, agreement had been reached at the Bank and IMF staff level on a figure which took account of the differences in the country coverage, elements, and timing of the Bank and the IMF calculations. However, when clearance was sought from the IMF management, it was found that the management was unwilling to agree to a public statement associating the IMF with anything other than the \$35 billion estimate now. There will be a revision of the estimate in May.

We agreed that Tims would try to reach Carriere early today to explain what had happened, since all prior indications, with which I had acquainted Carriere, were that Carriere would be able to say that the Bank and the IMF had come to agreement on an estimate.

SBoskey:tsb

cc: Mr. Clark
Mr. Tims

LI - CIEC

INTBAFRAD
PARIS

MARCH 25, 1976

FRANCE

TELEX

URGENT FOR CARRIERE

REFERENCE CIEC

YOU AUTHORIZED TO MAKE FOLLOWING STATEMENT:

1. TRADE AND OTHER FLOWS UNUSUALLY HARD TO PREDICT DURING PRESENT PERIOD OF INTERNATIONAL ECONOMIC READJUSTMENT. IT IS NOT SURPRISING THAT ESTIMATES OF AGGREGATE LDC CURRENT ACCOUNT DEFICIT MADE AT DIFFERENT TIMES, AS IN PRESENT CASE, GIVE SUBSTANTIALLY DIFFERENT RESULTS. MOREOVER, DIFFERENCES IN THE COUNTRIES INCLUDED IN THE GROUP OF "NON-OIL DEVELOPING COUNTRIES" CONTRIBUTE SIGNIFICANTLY TO THE DIFFERENCES IN THE ESTIMATES WHICH HAVE BEEN MADE.

2. THE IMF STAFF HAS PROVIDED US WITH DETAILS BEHIND THEIR ESTIMATES FOR 1974 AND 1975 AND WE HAVE ADJUSTED THESE FIGURES TO (A) INCORPORATE THE RESULTS OF OUR MOST RECENT ANALYSIS OF THE EXPORTS AND IMPORTS OF THE NON-OIL DEVELOPING COUNTRIES IN 1975 AND (B) REFLECT THE DIFFERING COUNTRY COVERAGE USED BY UNCTAD. FOR TECHNICAL REASONS RELATED TO ITS WORLD PAYMENTS MATRIX AS WELL AS DATA PROBLEMS WHICH INCREASE AS COUNTRY COVERAGE EXPANDS, FUND HAS SERIOUS PROBLEMS WITH UNCTADS COUNTRY

(PAGE 2)

COVERAGE. OUR PRESENT BEST ESTIMATE OF THE AGGREGATE CURRENT
DEFICIT
ACCOUNT BALANCE OF PAYMENTS/ ADJUSTED TO THE IMF 88 COUNTRY
COVERAGE, IS \$38 BILLION. THE IMF STAFF, HOWEVER, THINKS THIS
FIGURE MAY BE TOO HIGH AND DOES NOT INTEND TO REVISE ITS \$35
BILLION ESTIMATE PENDING THE COMPREHENSIVE REVIEW SCHEDULED
FOR THE WORLD ECONOMIC OUTLOOK IN MAY. IN ANY CASE, A
DIFFERENCE OF 2-3 BILLION SHOULD NOT BE TAKEN TOO SERIOUSLY
GIVEN THE RANGE OF UNCERTAINTIES IN THIS TYPE OF ESTIMATE.

3. WHEN ADJUSTED TO THE UNCTAD COUNTRY COVERAGE OUR ESTIMATE
OF THE CURRENT ACCOUNT DEFICIT WOULD BE INCREASED FURTHER TO
\$39.6 BILLION. THIS RESULTS FROM FOB EXPORTS OF \$87.5 BILLION,
FOB IMPORTS OF \$120.0 BILLION AND A NET OUTFLOW ON ACCOUNT OF
SERVICES AND PRIVATE TRANSFERS OF \$7.1 BILLION. THESE FIGURES
IMPLY A DECLINE IN EXPORT EARNINGS OF 2.0 PERCENT AND AN INCREASE
IN PAYMENTS FOR IMPORTS OF 5.6 PERCENT COMPARED TO THE PREVIOUS
YEAR. THESE TRENDS IN TRADE ARE ALMOST IDENTICAL WITH THE GATT
ESTIMATES RECENTLY RELEASED (ALTHOUGH LATTER SHOW IMPORTS ON A
CIF RATHER THAN FOB BASIS).

4. ALTHOUGH ECONOMIC RECOVERY IN THE INDUSTRIAL COUNTRIES WILL

(PAGE 3)

CLEARLY EASE THE PROBLEMS, THERE IS LITTLE DOUBT THAT THE NON-OIL DEVELOPING COUNTRIES FACE SERIOUS DIFFICULTIES IN EXPANDING THEIR EXPORT EARNINGS AND IN MOBILIZING THE NEEDED CAPITAL INFLOW ON SUITABLE TERMS. THEIR LARGE DEFICIT IN 1974 AND 1975 WERE IN SUBSTANTIAL PART FINANCED UPON COMPARATIVELY HARD TERMS, AND THIS ADDS TO THE DIFFICULT PROBLEMS THEY WILL BE FACING IN THE COMING YEARS.

HOLSEN

CIEC

JHolsen

Shirley Boskey

Director, Intl. Relations

Cleared by and cc: Mr. Chenery

cc: Mr. McNamara, Mrs. Boskey, Mr. Tims

WORLD BANK / IFC
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Li - CIEC

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: INTBAFRAD
PARIS

DATE: MARCH 25, 1976

ORIGINATOR'S EXT.: 6167

COUNTRY: FRANCE 603

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT: URGENT FOR CARRIERE

REFERENCE CIEC

YOU AUTHORIZED TO MAKE FOLLOWING STATEMENT:

1. TRADE AND OTHER FLOWS UNUSUALLY HARD TO PREDICT DURING PRESENT PERIOD OF INTERNATIONAL ECONOMIC READJUSTMENT. IT IS NOT SURPRISING THAT ESTIMATES OF AGGREGATE LDC CURRENT ACCOUNT DEFICIT MADE AT DIFFERENT TIMES, AS IN PRESENT CASE, GIVE SUBSTANTIALLY DIFFERENT RESULTS. MOREOVER, DIFFERENCES IN THE COUNTRIES INCLUDED IN THE GROUP OF "NON-OIL DEVELOPING COUNTRIES" CONTRIBUTE SIGNIFICANTLY TO THE DIFFERENCES IN THE ESTIMATES WHICH HAVE BEEN MADE.

2. THE IMF STAFF HAS PROVIDED US WITH DETAILS BEHIND THEIR ESTIMATES FOR 1974 AND 1975 AND WE HAVE ADJUSTED THESE FIGURES TO (A) INCORPORATE THE RESULTS OF OUR MOST RECENT ANALYSIS OF THE EXPORTS AND IMPORTS OF THE NON-OIL DEVELOPING COUNTRIES IN 1975 AND (B) REFLECT THE DIFFERING COUNTRY COVERAGE USED BY UNCTAD. FOR TECHNICAL REASONS RELATED TO ITS WORLD PAYMENTS MATRIX AS WELL AS DATA PROBLEMS WHICH INCREASE AS COUNTRY COVERAGE EXPANDS, FUND HAS SERIOUS PROBLEMS WITH UNCTADS COUNTRY

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TO: LONDON
FROM: PARIS
SUBJECT: URGENT FOR LONDON
REFERENCE: CIRC

YOU AUTHORIZED TO MAKE FOLLOWING STATEMENT:
1. TRADE AND OTHER FLOWS USUALLY HARD TO PREDICT DURING
PRESENT PERIOD OF INTERNATIONAL ECONOMIC READJUSTMENT. IT IS
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MATRIX AS WELL AS DATA PROBLEMS WHICH INCREASE AS COUNTRY
COVERAGE EXPANDS, IMF HAS SERIOUS PROBLEMS WITH UNCTAD COUNTRY

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(TELEGRAM/CABLE/TELEX)

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☐ IDA
☐ IFC
☐ ICSID

TO:

(PAGE 2)

DATE:

ORIGINATOR'S EXT.:

COUNTRY:

CLASS OF
SERVICE:

CABLE NO. & TEXT:

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NOT TO BE TRANSMITTED

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AUTHORIZED BY (Name):

DRAFTED BY:

DEPARTMENT:

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(TELEGRAM/ARAB/TELEX)

TO

(PAGE 2)

DATE

ORIGINAL ONLY

CLASS OF
SERVICE

COUNTRY

CABLE NO. & TEXT

COVERAGE. OUR PRESENT BEST ESTIMATE OF THE ACCOUNT'S CURRENT
ACCOUNT BALANCE OF PAYMENTS, ADJUSTED TO THE IMF'S CURRENT
DEFICIT
COVERAGE, IS \$38 BILLION. THE IMF STAFF, HOWEVER, THINKS THIS
FIGURE MAY BE TOO HIGH AND DOES NOT INTEND TO REVISE ITS \$32
BILLION ESTIMATE PENDING THE COMPREHENSIVE REVIEW SCHEDULED
FOR THE WORLD ECONOMIC OUTLOOK IN MAY. IN ANY CASE, A
DIFFERENCE OF 2-3 BILLION SHOULD NOT BE TAKEN TOO SERIOUSLY
GIVEN THE RANGE OF UNCERTAINTIES IN THIS TYPE OF ESTIMATE.
3. WHEN ADJUSTED TO THE UNCTAD COUNTRY COVERAGE OUR ESTIMATE
OF THE CURRENT ACCOUNT DEFICIT WOULD BE INCREASED FURTHER TO
\$39.6 BILLION. THIS RESULTS FROM FOR EXPORTS OF \$87.5 BILLION,
FOR IMPORTS OF \$120.0 BILLION AND A NET OUTFLOW ON ACCOUNT OF
SERVICES AND PRIVATE TRANSFERS OF \$7.1 BILLION. THESE FIGURES
IMPLY A DECLINE IN EXPORT EARNINGS OF 2.0 PERCENT AND AN INCREASE
IN PAYMENTS FOR IMPORTS OF 2.6 PERCENT COMPARED TO THE PREVIOUS
YEAR. THESE TRENDS IN TRADE ARE ALMOST IDENTICAL WITH THE GATE
ESTIMATES RECENTLY RELEASED (ALTHOUGH LATTER SHOW IMPORTS ON A
CIF RATHER THAN FOB BASIS).
4. ALTHOUGH ECONOMIC RECOVERY IN THE INDUSTRIAL COUNTRIES WILL

NOT TO BE TRANSMITTED

SECTION 1
COMMUNICATIONS

MAR 26 1 38 AM 1976

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TO:

(PAGE 3)

DATE:

ORIGINATOR'S EXT.:

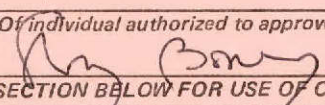
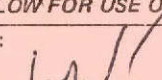
COUNTRY:

CLASS OF
SERVICE:

CABLE NO. & TEXT: CLEARLY EASE THE PROBLEMS, THERE IS LITTLE DOUBT THAT THE
NON-OIL DEVELOPING COUNTRIES FACE SERIOUS DIFFICULTIES IN
EXPANDING THEIR EXPORT EARNINGS AND IN MOBILIZING THE NEEDED
CAPITAL INFLOW ON SUITABLE TERMS. THEIR LARGE DEFICIT IN
1974 AND 1975 WERE IN SUBSTANTIAL PART FINANCED UPON
COMPARATIVELY HARD TERMS, AND THIS ADDS TO THE DIFFICULT
PROBLEMS THEY WILL BE FACING IN THE COMING YEARS.

HOLSEN

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REFERENCE: CIEC	AUTHORIZED BY (Name): Shirley Boskey
DRAFTED BY: JHolsen	DEPARTMENT: Director, Intl. Relations
CLEARANCES AND COPY DISTRIBUTION: Cleared by and cc: Mr. Chenery cc: Messrs. McNamara, Boskey, Tims	SIGNATURE (Of individual authorized to approve):  SECTION BELOW FOR USE OF CABLE SECTION CHECKED FOR DISPATCH: 

TO: (PAGE 3)

CABLE NO. 8757: CLEARLY BASE THE PROBLEMS, THERE IS A TIGHT SITUATION THAT THE
NON-OIL DEVELOPING COUNTRIES FACE SERIOUS DIFFICULTIES IN
EXPANDING THEIR EXPORT EARNINGS AND IN MOBILIZING THE NEEDED
CAPITAL INFLOW ON SUSTAINABLE TERMS. THEIR LARGE DEFICIT IN
1974 AND 1975 WERE IN SUBSTANTIAL PART FINANCED UPON
COMPARATIVELY HARD TERMS, AND THIS ADDS TO THE DIFFICULT
PROBLEMS THEY WILL BE FACING IN THE COMING YEARS.

HOLSTEN

NOT TO BE TRANSMITTED SECTION 10 COMMUNICATIONS THOROUGH BY (Name) THOROUGH BY (Name)		REFERENCE CIEC
SIGNATURE (Type name and subject in English) Director, Int'l. Relations Mar 26 1 38 AM 1976		GRANTED BY Tholisen
CLEARANCES AND COPY DISTRIBUTION Cleared by and cc: Mr. Chenery cc: Messrs. McNamara, Boskey, Tling		
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21-CIEC

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☐ ICSID

TO: CARRIERE
WORLD BANK
PARIS

DATE: MARCH 25, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT: 600

RE COFINANCING QUESTION IN CIEC FINAFFAIRS COMMISSION. YOU MAY QUOTE
BRAZILIAN PROJECT WHICH HAS PROCEEDED TODATE IN ACCORDANCE GENERALLY WITH
CONTENTS DECEMBER BOARD DOCUMENT ON SUBJECT. AS YOU KNOW THIS TYPE
COFINANCING WITH PRIVATE SOURCES WOULD PROBABLY OPERATE ONLY IN RATHER
HIGH INCOME BORROWING COUNTRIES. COFINANCING WITH OFFICIAL SOURCES
OBVIOUSLY HAS WIDER RANGE POTENTIAL REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

L. Peter Chatenay

DRAFTED BY:

LPChatenay:mmh

DEPARTMENT:

International Relations

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and cc: Mr. R. Hornstein

SIGNATURE (Of individual authorized to approve):

SECTION BELOW FOR USE OF CABLE SECTION

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WORLD BANK (INC)
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

DATE: MARCH 25, 1976

ORIGINATOR: 3643

CLASS: 2
SUBJECT: THIRX

TO: CARRIERS
WORLD BANK
PARIS

COUNTRY: FRANCE

CABLE NO. & TEST

THE CONTINUING QUESTION IN CING REMAINS COMPLETION. YOU MAY QUOTE
BRAZILIAN PROJECT WHICH HAS PROCEEDED TODAY IN ACCORDANCE GENERALLY WITH
CONTENTS DECEMBER BOARD DOCUMENT ON SUBJECT. AS YOU KNOW THIS TYPE
CONTINUING WITH PRIVATE SOURCES WOULD PROBABLY OPERATE ONLY IN MATTER
HIGH INCOME BORROWING COUNTRIES. CONTINUING WITH OFFICIAL SOURCES
OBVIOUSLY HAS WIDER RANGE POTENTIAL RECORDS

CHATELAIN

SECTION 5
COMMUNICATIONS
J. Peter Chastney
MAR 26 1 39 AM 1976

International Relations

LPChastney:amh

Cleared with and cc: Mr. R. Hornsby

CHECKED FOR

MARCH 24, 1976

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Distribution:Mrs. Boskey ✓
Mr. Tims

S

IBRD A PARIS

723 SHIRLEY BOSKEY COPY WOUTER TIMS. RE CIEC IMMEDIATE DELIVERY

1. FINANCE COMMISSION FURTHER DISCUSSED 1975 BOP ESTIMATES YESTERDAY. FUND REPRESENTATIVE MADE A STRONG STATEMENT EXPLICITLY CRITICIZING UNCTAD'S ESTIMATES. HE EXPLAINED FUND'S METHODOLOGY AS REGARDS COUNTRY COVERAGE AND POINTED OUT THAT IMF WAS THE ONLY INSTITUTION ABLE TO DEAL WITH BOP MATTERS. UNCTAD'S REPRESENTATIVE REPLIED THAT FUND'S METHODOLOGY LED TO INCOMPLETE COUNTRY COVERAGE.

HE CONTENDED THAT UNCTAD'S ESTIMATES WERE CAREFULLY BASED ON COUNTRY STUDIES AND THAT THEIR FIGURES WERE CONSEQUENTLY UNDISPUTABLE.

2. UPON THE CHAIRMAN'S REQUEST I TOOK THE FLOOR. ACCORDING TO INSTRUCTIONS YOU GAVE ME ON PHONE MAR 23, I SAID THAT WE WERE JUST TALKING WITH FUND'S PEOPLE TO UNDERSTAND THE REASONS EXPLAINING THE DIFFERENCES BETWEEN THEIR AND UNCTAD'S FIGURES. I FURTHER STATED THAT I WOULD LATER LET THE COMMISSION KNOW ABOUT OUR CONCLUSIONS.

3. I MUST RECALL, THAT, ACCORDING TO INSTRUCTIONS RECEIVED FROM WASHINGTON (P. CHATENAY'S TELEX NO. 256 TO ME, OF FEB 11), I ALREADY MADE A STATEMENT ON BOP ESTIMATES FOR 1975-1976, ON FEB 17, 1976. I THEN SAID THAT CONCERNING ESTIMATES OF LDC'S BOP FOR 1975-1976, WE WERE IN AGREEMENT WITH THE FIGURES PRESENTED BY THE FUND. OUR ENDORSING UNCTAD FIGURES WOULD THEREFORE COME DOWN TO A CHANGE IN OUR POSITION.

4. I STRONGLY URGE YOU TO GIVE ME PRECISE INSTRUCTIONS ON THIS ISSUE, AND PREFERABLY TODAY OR TOMORROW. I HAVE THE UNPLEASANT FEELING THAT THE BANK IS INCREASINGLY SEEN, AMONG THE DELEGATIONS, AS TAKING ONLY REMOTE INTEREST IN THE CIEC. OUR PARTICIPATION IS ALREADY WEAKENED BY OUR NOT BEING AUTHORIZED TO MAKE FULL USE OF OUR BASIC BACKGROUND MATERIAL, NAMELY R802. IF, IN ADDITION WE ARE UNABLE TO STATE OUR VIEWS ON THE BOP ESTIMATE FOR 1975, I AM AFRAID THAT THE CONCLUSION WILL BE DRAWN THAT BANK IS NEGLECTING AN EXERCISE IN WHICH, WRONGLY OR WRIRIGHTLY, THE DEVELOPING COUNTRIES HAVE PUT MUCH HOPE.

REGARDS

CARRIERE

PLEASE READ : RIGHTLY

This was
cleared
up Tims

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

March 23
8:45

Mr. McNamara:

Mr. Carriere's office has called
this morning on this cable.

Mr. Carriere must leave for the
meeting at 9:30 our time this morning;
would greatly appreciate your calling
him with your answer between 9:15 and
9:30, our time, this morning.

B.

Sven,
Your copy went to
Mrs. Backus after E.M.K. called
her. She will call Carriere
S.

INCOMING TELEX

Li-ciec sd

RECEIVED

INTBAFRAD PARIS

MARCH 23, 1976

MAR 23 8 25 AM 1976

COMMUNICATIONS
SECTIONDistribution:Mr. McNamara
Mr. Tims

WASHINGTON TELEX ROOM

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FEB 22 2024

WBG ARCHIVES

(PLEASE RUSH THIS TELEX TOMMR MCNAMARA IMMEDIATELY)

711

CONFIDENTIAL

TO MR MCNAMARA COPY WOUTER TIMS

REFERENCE CIEC

1. EYE WISH TO CALL YOUR PERSONAL ATTENTION ON A HIGHLY SENSITIVE ISSUE WHICH WILL BE DISCUSSED IN THE CIEC FINANCE COMMISSION TODAY IN PARIS.

THE IMF AND UNCTAD YESTERDAY MADE PRESENTATIONS ON THE 1975 BALANCE OF PAYMENTS ESTIMATES FOR THE LDCS: THE IMF FIGURE IS DOLLARS 35 BILLION AND UNCTAD'S 45,2 BILLION.

THE COCHAIRMAN HAVE ASKED ME TO COME UP WITH THE BANK'S ESTIMATES
WH

AND WE ARE EXPECTED TO NAME OUR FIGURE TODAY.

2. WOUTER TIMS PROVIDED ME WITH BANK'S ESTIMATES, WHICH IS DOLLARS 43.5 BILLION, A FIGURE CLOSE TO UNCTAD'S. HE GAVE ME ALSO THE REASONS FOR THE DIFFERENCE BETWEEN IMF AND OUR ESTIMATES, NAMELY COUNTRY COVERAGE AND DIFFERENT APPRECIATION OF NET SERVICES AND PRIVATE TRANSFERS.

3. OUR COLLEAGUES FROM THE FUND CONTEND THAT THE COUNTRY COVERAGE DIFFERENCES ARE INSIGNIFICANT AS THE 88 COUNTRIES INCLUDED IN THEIR ESTIMATES REPRESENT THE BULK OF INTERNATIONAL TRADE. THE 28 OTHER COUNTRIES TAKEN INTO ACCOUNT IN UNCTAD FIGURES HAVE NO, OR ONLY A SMALL, SHARE IN INTERNATIONAL TRADE.

4. REGARDING DIFFERENT APPRECIATIONS ON NET SERVICES AND

PRIVATE TRANSFERS, THE FUND STAFF SAY THAT IMF IS THE ONLY INSTITUTION WITH BOTH ACCESS TO UNPUBLISHED DATA AND EXPERIENCE IN THE FIELD OF BALANCES OF PAYMENTS. THEY REJECT UNCTAD FIGURES, AND CONSEQUENTLY OUR OWN ESTIMATES.

5. BUT MORE IMPORTANTLY, THE FUND REPRESENTATIVES IN PARIS STRONGLY FEEL THAT IF THE BANK WAS TO SUPPORT OFFICIALLY UNCTADS FIGURES, THIS WOULD BE EXTREMELY DAMAGING FOR BOTH BRETTON WOODS INSTITUTIONS. THEY CONTEND THAT THE BANK HAS SO FAR RELIED ON IMF FOR BOP ESTIMATES, AND THAT ANY DEPARTURE FROM THIS POLICY WOULD BE SEEN AS A POLITICAL MOVE BY THE COUNTRIES PARTICIPATING IN THE CIEC, THE INDUSTRIAL COUNTRIES, THE FUND SAYS, WOULD DRAW THE CONCLUSION THAT THE BANK IS TAKING SIDES IN THE DISCUSSION.

6. WHILE I HAVE NO STRONG FEELINGS ON THE SUBSTANCE OF THE DISPUTE, I MUST SAY THAT I SEE SOME MERITS IN THE POSITION ADOPTED BY THE FUND. FOR OBVIOUS REASONS, THE INDUSTRIAL COUNTRIES TRY TO MINIMIZE THE LDCS' BOP DEFICITS, WHILE THE LDCS ARE INCLINED TO GIVE CREDIT TO HIGHER FIGURES. ENUNCIATING OUR OWN FIGURES COULD THUS BE VIEWED AS A POLITICAL CHOICE, WHETHER WE WANT IT OR NOT.

7. I SUGGEST THEREFORE THAT AGREEMENT WITH THE FUND BE SOUGHT FOR A RECONCILIATION OF OUR FIGURES. IF SUCH RECONCILIATION IS NOT POSSIBLE, I SHOULD BE GRATEFUL FOR FORMAL INSTRUCTIONS AS TO THE STATEMENT I MUST MAKE BEFORE THE FINANCE COMMISSION.

MEANWHILE, I INTEND TO TELL THE COMMISSION TODAY THAT WE ARE STILL REVIEWING OUR FIGURES AND THAT I HAVE TO DEFER MY STATEMENT UNTIL WE HAVE DEFINITE IDEAS. BUT I DO NOT THINK WE CAN WAIT FOR MORE THAN ONE OR TWO DAYS BEFORE DISCLOSING OUR POSITION.

REGARDS

CARRIERE

Distribution:

MARCH 22, 1976

MAR 22 10 07 AM 1976

Mr. Barki
Mr. Chatenay

IBRD A PARIS

SECTION

697 FOR BURKI FOR IMMEDIATE DELIVERY COPY CHATENAY

REYUR APPEARANCE AT THE CIEC DEVELOPMENT COMMISSION. AS MR CARRIERE DISCUSSED WITH MR CHATENAY OVER THE PHONE, PLEASE TAKE TAXI FROM AIRPORT DIRECTLY TO EUROPEAN OFFICE, 66 AVENUE D' IENA, TO BE BRIEFED ON STATUS OF DISCUSSIONS AND TO BE TAKEN OVER TO THE CONFERENCE WHERE YOUR PRESENCE IS REQUESTED AT 10 AM MEETING OF THE DEVELOPMENT COMMISSION.

IN THE EARLY PART OF THE DEVELOPMENT COMMISSION'S DISCUSSIONS A FEW QUESTIONS HAVE ALREADY BEEN PUT TO THE BANK WHICH I RELAY TO YOU HEREWITH SO THAT YOU CAN GET A HEADSTART IN PREPARING ANSWERS:

PRIMO

THE INDIAN DELEGATE STATED THAT LDGS DEVOTE 25 TO 33 PERCENT OF THEIR OWN INVESTMENT RESOURCES TO AGRICULTURE, WHEN CHALLENGED HE SAID HE REMEMBERED HAVING SEEN THAT FIGURE IN A WORLD BANK STUDY. THE BANK WAS THEN ASKED TO VERIFY.

SECUNDO

THE U.S. DELEGATE (WINDER) ASKED THE INTERNATIONAL ORGANIZATIONS, IN PARTICULAR THE WORLD BANK, WHAT THEY HAVE DONE TO ACT ON THE RECOMMENDATIONS OF THE WORLD FOOD CONFERENCE.

TERTIO

THE U.S. DELEGATE ASKED FAO UNDP AND THE WORLD BANK TO STATE THEIR PLANS TO REDUCE POST HARVEST LOSSES AND FOOD WASTE BY 50 PERCENT, AS REQUESTED BY THE U.S. SECRETARY OF STATE, THE INDIAN DELEGATE WANTED FURTHER INFORMATION ON POST HARVEST LOSSES, PERHAPS BROKEN DOWN GEOGRAPHICALLY.

QUARTO

THE JAMAICAN DELEGATE ASKED WHAT IS BEING DONE TO SHORTEN THE LENGTH OF THE PROJECT CYCLE FOR THE AGRICULTURAL PROJECTS IN PARTICULAR THE PREPARATION PHASE, WOULD A STANDARDIZATION OF PROCEDURES HELP?

IN ADDITION TO THESE QUESTIONS THE OBSERVERS WERE ASKED TO INTER-
VENE ON SPECIFIC POINTS DURING THE DISCUSSION WHICH ARE IN THEIR
SPHERES OF INTEREST, HERE ARE A FEW SUCH POINTS WHERE THE BANK'S
WORK IS INVOLVED.

(AAA)

THE SWEDISH DELEGATE SAID THAT INTERNATIONAL AGENCIES ARE LEAVING
THEIR NARROW PROJECT THINKING BEHIND AND ARE GIVING MORE ATTENTION
TO INTEGRATED RURAL DEVELOPMENT.

(BBB)

THE YUGOSLAV DELEGATE SAID UNDP WAS THE ONLY INTERNATIONAL
AGENCY PROVIDING TECHNICAL ASSISTANCE.

(CCC) THE JAMAICAN DELEGATE SAID THAT ALL LENDING FOR AGRICULTURES
SHOULD BE MADE ON CONCESSIONAL TERMS. CITING IN PARTICULAR THE WORLD
BANK AS A MAJOR SOURCE OF FUNDS, HE PROPOSED THAT BANK INTER-
EST RATES FOR ALL AGRICULTURAL PROJECTS BE LOWERED, AND
THAT COUNTRY CRITERIA SHOULD NOT APPLY TO SUCH PROJECTS.

(DDD) THE JAMAICAN DELEGATE CALLED FOR NEW PRIORITIES IN AGRICULTURAL
LENDING WITH LESS ACCENT ON LARGE IRRIGATION SCHEMES
AND WITH GREATER EMPHASIS ON DRAINAGE, FOOD STORAGE AND PEST
CONTROL, ADMITTING THAT THE BANK IS ALREADY MOVING IN THAT DIRECTION.

(EEE)

THE JAPANESE DELEGATE SAID THAT COORDINATION BETWEEN DONORS
COULD BE IMPROVED.

(FFF)

THE OECD OBSERVER SAID THAT THERE HAS BEEN AN OVERALL HARDENING
OF TERMS IN AGRICULTURAL AID RECENTLY DUE TO THE EXPANSION OF THE
WORLD BANK LOAN COMPONENT IN OVERALL AID.

(GGG)

THE JAMAICAN DELEGATE SAID THAT IN MANY DEVELOPING COUNTRIES THERE
IS A SHORTFALL BETWEEN PLANNING OF AGRICULTURAL PROJECTS AND
THEIR IMPLEMENTATION AND ASKED WHAT WAS BEING DONE TO HELP
COUNTRIES STRENGTHEN THEIR INSTITUTIONAL PROJECT HANDLING CAPACITIES.

REGARDS

KOELLE

OFFICE MEMORANDUM

TO: Files

DATE: March 22, 1976

FROM: L. Peter Chatenay

SUBJECT: CIEC; March 1976 Session

1. Jean Carriere called on Saturday, March 20, with the following information:

- (a) The Raw Materials Commission is inviting the Bank to attend its meetings as an ad hoc observer; the Bank may have to contribute to the substantive side of the April session date and
- (b) The Development Commission is asking the Bank immediately to take part in its current debate on the UNCTAD submission.

2. I sent Carriere by telex a summary of Mr. Tims' memorandum of March 19 on the UNCTAD paper, for use in the discussions on Monday. On Tuesday, Mr. Burki is asked to go straight to the office from the airport and Carriere will accompany him to the Conference. Carriere will telex him the questions he may have to answer Tuesday.

3. Carriere reported that the Conference was tense. In the Development Commission, the delegations were counting on the international organizations to participate actively in the debate and to supply an agreed basis for the discussions. The Bank had no choice, said Jean, but to do its utmost. It would be a real blow to the Bank's image if it were seen as less than forthcoming. I told Jean that the Bank's staff was up to its neck in work and could not but give priority to the production of certain studies, such as the new Prospects paper. We would indeed do our best but there were certain items, such as Prospects, on which the Bank was simply not ready to pronounce beyond its own submission to the February session.

cc: Mr. William Clark
Mr. Boskey
Mr. Carriere
Mr. Tims
Mr. Burki

LPChatenay:mmh

WORLD BANK / IFC
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(TELEGRAM/CABLE/TELEX)

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TO: CARRIERE
WORLD BANK
PARIS

DATE: MARCH 21, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: SENT THROUGH ITT

CABLE NO. & TEXT:

IMMEDIATE DELIVERY RE CIEC DEVCOM. BURKI ARRIVING PARIS TUESDAY MORNING CONSEQUENTLY HERE
IS SUMMARY BANKS COMMENTS ON UNCTAD PAPER FOR 1975, 76 AND 77, 1980

PRIMO 1975 BANK NOW AGREES WITH UNCTAD NEW YORK ON NEW ESTIMATE~~N~~ CURRENT ACCOUNT DEFICIT
OF \$43.5 BILLION INCLUDING ISRAELS \$2.5 BILLION. WE UNDERSTAND UNCTAD WILL PRESENT REVISION
THEIR DOCUMENT AS ABOVE. ON NET SERVICES AND PRIVATE TRANSFERS ESTIMATED BY IMF AT
\$7.5 BILLION IN 1975 WE AGREE WITH UNCTAD THAT \$2 BILLION TO \$3 BILLION PROBABLY MORE
ACCURATE. DISCUSSIONS WITH IMF PROCEEDING. WE WILL COMMUNICATE AGREEMENT TO YOU SOONEST.

SECUNDO 76 AND 77. UNCTAD PROJECTIONS MAINTAIN HIGH CAPITAL FLOWS OF 1975 WHICH BANK
CONSIDERS TOO OPTIMISTIC BY \$6 BILLION TO \$7 BILLION EACH YEAR WHEREAS BANK FIGURES CORRESPOND
TO CREDITWORTHINESS CEILING. CONTRARYWISE UNCTADS MORE PESSIMISTIC EXPORT PROJECTIONS ARE
PROBABLY MORE ACCURATE VIEW SLOW OECD RECOVERY. COMBINING CAPITAL FLOWS AND EXPORT EARNINGS
THE INESCAPABLE CONCLUSION IS DECLINE IN LDC IMPORT VOLUMES OF 3-6% VERSUS 6-7% DECLINE IN
1975. HOWEVER WHEREAS UNCTAD AND BANK AGREE ON IMPORT PROJECTIONS, ON CREDITWORTHINESS
GROUNDS BANK DOUBTS THAT UNCTAD PROJECTIONS OF LESS EXPORT GROWTH AND INCREASED CAPITAL FLOWS
ARE CONSISTENT.

TERTIO 1980. BANK HAS NO ISSUES TO RAISE. WE ARE CONVINCED UNCTADS 6% GROWTH
PROJECTIONS FOR DECADE ARE UNREALISTIC GIVEN PERFORMANCE TODATE.

QUARTO CRUX OF DEBATE IS FURTHER DECLINE IN LDC IMPORT VOLUME CONSIDERING ITS IMPACT ON

...Continued

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TO:

DATE:

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SERVICE:

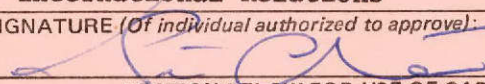
PAGE 2

CABLE NO. & TEXT:

LDC GROWTH PROSPECTS THIS YEAR AND BEYOND. BANK NOT IN POSITION TODAY TO SUBMIT SATISFACTORY ANALYSIS OF OVERALL ECONOMIC CONSEQUENCES OF THESE BOP PROSPECTS. PLEASE EMPHASIZE BANKS SEARCH FOR AGREEMENT ON CAPITAL ACCOUNT ESTIMATES WITH IMF AND UNCTAD. OUR PURPOSE IS TO ASSIST CIEC TO FOCUS ON FUNDAMENTAL ISSUES RATHER THAN TO DEBATE APPARENTLY CONFLICTING QUANTITATIVE DATA. REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): L. Peter Chatenay
DRAFTED BY: LPChatenay:mmh	DEPARTMENT: International Relations
CLEARANCES AND COPY DISTRIBUTION: cc: Mr. William Clark Mrs. Boskey Mr. Tims Mr. Burki	SIGNATURE (Of individual authorized to approve):  SECTION BELOW FOR USE OF CABLE SECTION CHECKED FOR DISPATCH:

27595 HOTAC CH (Telex No.)

THREE FOR BOSKEY

Mrs. Boskey
Mr. Burney's office
Mr. McNamara's office

BECAUSE OF CONCEPTUAL DIFFERENCES IN APPROACH BETWEEN DEVELOPING AND DEVELOPED COUNTRIES ON IMPORTANT COMMODITY, DEVELOPMENT AND FINANCIAL ISSUES GENEVA SESSION UNLIKELY ACCOMPLISH ITS INTENDED PURPOSE TO NEGOTIATE ISSUES INCLUDED NAIROBI AGENDA AND TO REPORT TO FOURTH CONFERENCE AT NAIROBI ON

cc to Clark
Cheney
Tina

1976 MAR 18 AM 8:50
COMMUNICATIONS
SECTION

AAA ISSUES ON WHICH AGREEMENT REACHED
BBB ISSUES STILL TO BE NEGOTIATED IN NAIROBI AND
CCC ISSUES TO BE DEFERRED AND STUDIED FURTHER STOP 77 CONSIDER THEIR DEMANDS SERIOUS, CALLING FOR STRUCTURAL CHANGES TO CORRECT ECONOMIC IMBALANCES MAJOR COUNTRIES WHEREAS GROUP B CONSIDER PROBLEMS OF 77 SHORT TERM CAUSED BY OIL AND RECESSION WHICH WILL BE CORRECTED WITH ECONOMIC UPSWING STOP B GROUP BELIEVES PRESENT STRUCTURE ADEQUATE BUT WILLING CONSIDER SLIGHT IMPROVEMENTS STOP IN THIS ATMOSPHERE 77 UNWILLING CHANGE OR MODIFY DEMANDS IN MANILA DOCUMENT AND MAJOR INDUSTRIALISED COUNTRIES NOT WILLING OR ABLE TO RESPOND POSITIVELY TO ANY EVEN MINOR DEMAND STOP MEETING SHOULD END MARCH 19 BUT WITHOUT AGREED REPORT STOP INSTEAD BOARD PRESIDENT MAY PRESENT HIS OWN SUMMARY OF PROCEEDING STOP SINCE INFORMAL DISCUSSION STILL IN PROCESS D CAN OFFER ONLY PRELIMINARY REACTIONS ON IMPORTANT ISSUES AT THIS STAGE STOP B COUNTRIES EXCEPT ONE OR TWO ARE AGAINST COMMON FUND STOP HOWEVER CONSIDERABLE DEEE DIFFERENCE STILL EXIST BETWEEN EEC AND MAINLY USA ON INITIATING COMMODITY BY COMMODITY CONSUMER PRODUCER AGREEMENTS WITHIN AND INTEGRATED PROGRAMME STOP USA UNWILLING ACCEPT INTEGRATED FRAMEWORK CONCEPT STOP 77 STILL HOPING FOR BREAKTHROUGH ON ENTIRE PACKAGE WITH SMALLER FUND STOP OPEC POSITION NOT CLEAR STOP COMMODITY WILL STILL BE MOST IMPORTANT ISSUE IN NAIROBI STOP ON DEBT NAIROBI WOULD FOCUS ON OFFICIAL DEBT ESPECIALLY TO LEAST DEVELOPED STOP ALTHOUGH POSITIONS DIFFER WITHIN EACH GROUP ON COMMERCIAL DEBT IT MAY NOT BECOME ISSUE BECAUSE OF MARKET SENSITIVITY ARGUMENT STOP EMPHASIS IS SHIFTING ON LARGER NET FLOWS TO OFFSET SHORT AND LONGER TERM BALANCE OF PAYMENT PROBLEMS STOP NO OBJECTION RAISED BY B ON INCREASE OF FLOWS FROM MULTILATERAL INSTITUTIONS INCLUDING SUBSTANTIAL INCREASE IN REAL TERMS FOR IDA FIVE STOP ON ODA TARGET B STATED FACTUAL POSITION WITHOUT NAMING COUNTRIES THAT SAME HAVE EXCEEDED TARGET OTHER STILL TRYING TO REACH IT AND SOME CONSIDER IT UNREASONABLE STOP ON MONETARY REFORMS B CONSIDER JAMAICA MAJOR ADVANCE WHEREAS 77 CONSIDER IMPROVEMENT MARGINAL AND S DEMANDING MAJOR REFORM IN FAVOUR OF DEVELOPING COUNTRIES STOP DISCUSSION ON INSTITUTIONAL ARRANGEMENTS AFFECTING UNCTAD POSTPONED TO NAIROBI STOP NOTHING MUCH TO ADD ON MANUFACTURES SEMI MANUFACTUR

MANUFACTURES TRANSFER OF TECHNOLOGY ETC STOP TO AVOID CONFRONTATION AT NAIROBI CONSIDERABLE PREPARATION WEEEE PREPARATORY WORK STILL REQUIRED ESPECIALLY BY GROUP B TO FORMULATE POSITION ON KEY ISSUES STOP PROGRESS AT PARIS VERY RELEVANT STOP AS REGARDS SIZE BANK DELEGATION BELIEVE THREE PERSON DELEGATION IN ADDITION TO PRESIDENTIAL OR VP ENTOURAGE SUFFICIENT STOP DELEGATION SHOULD INCLUDE A GENERALIST ONE GENERAL ECONOMIST LIKE LAURSEN AND DEBT EXPERT STOP DRAG SHOULD HELP COVER COMMODITIES OTHERWISE SIZE DELEGATION MAY BE INCREASED TO FOUR STOP DEBT AND COMMODITY EXPERTS PARTICIPATION CAN BE LIMITED TO TEN DAY EACH STOP ALMOST EVERYONE ESPECIALLY KEY 77 DELEGATES EXPECT MC NAMARA TO SPEAK AT NAIROBI STOP SEE YOU AFTERNOON MARCH 22.

BURNEY

WELL RECEIVED

WORLDBANK WASH

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

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TO: CARRIERE
WORLD BANK
PARIS

DATE: MARCH 18, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

540

RE CIEC FINANCIAL AFFAIRS COMMISSION. WE HAVE OECD DOCUMENT DD 495 DATED
MARCH 3 ON PROTECTION INTERNATIONAL INVESTMENT. SHOULD YOU FEEL THE DOCUMENT
COULD INVOLVE ACTIVE BANK PARTICIPATION IN DEBATE ON IIIA PLEASE CALL NURICK
FOR BRIEFING OR CLEARANCE BANK STATEMENT. REGARDS

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

LPChatenay:

DRAFTED BY:

DEPARTMENT:

LPChatenay:mmh

International Relations

CLEARANCES AND COPY DISTRIBUTION:

SIGNATURE (Of individual authorized to approve):

cc: Mr. Nurick
with OECD paper

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH:

☐ 100
☐ 101
☐ 102
☐ 103

WORLD BANK FORM
 OUTGOING MESSAGE FORM
 TELEGRAM CABLES ETC

DATE MARCH 18, 1976

TO: CARRIERS
 WORLD BANK
 PARIS

ORIGINAL OR EXT 3643

SERVICE
 TELETYPE

COUNTRY: FRANCE

CABLE NO. & TEXT:

240

RE CIRC FINANCIAL AFFAIRS COMMISSION. WE HAVE ONCE DOCUMENT DD 495 DATED
 MARCH 3 ON PROTECTION INTERNATIONAL INVESTMENT. SHOULD YOU FEEL THE DOCUMENT
 COULD INVOLVE ACTIVE BANK PARTICIPATION IN DEBATE ON IIA PLEASE CALL MUNICH
 FOR BRIEFING OR CLEARANCE BANK STATEMENT. REGARDS

INTERNATIONAL RELATIONS
 SIGNATURE (BY NAME)
 L. Charney:

SECTION
 COMMUNICATIONS

MAR 18 7 44 PM 1976

L. Charney: msh

cc: Mr. Natick
 with ONCD paper

checked for error

LI-CIEC

March 15, 1976

Dear Jean:

Here is a copy of document R 70-69 mentioned in your memo of March 4 on the subject of CIEC documentation.

I will deal with the other document (P 31G76) later.

Yours sincerely,

L. Peter Chatenay

C

Enclosure

Mr. Jean P. Carriere
Director
World Bank European Office
66 Avenue d'Iena
75116 Paris, France

LPChatenay:mmh

LI - CIEC

Mr. S. J. Burki

March 15, 1976

L. Peter Chatenay *C*

CIEC; Documentation

1. Carriere asked for documents, per the attached.
2. If you could handcarry the R 70-69 document with you, that would be appreciated. You know about the P 31G76 paper and can decide whether Paris should get a copy.
3. Please let me know the decision about the latter paper.

Attachment

LPChatenay:mmh

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: CARRIERE
WORLD BANK
PARIS

DATE: MARCH 15, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

506

RE CIEC DEVCOMMISSION. U.S. DELEGATION MAY ASK BANK TO CIRCULATE DOCUMENTATION ON AGRICULTURE AND INFRASTRUCTURE. DOES PARIS OFFICE HAVE ENOUGH COPIES OF MAIN SECTOR WORKING PAPERS TO MEET THAT REQUEST? IF NOT, HOW MANY SHOULD WE SEND AND OF WHICH PAPERS? BURKI NOW PREPARING OUTLINE OF STATEMENT HE MAY DELIVER TO DEVCOMMISSION. REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

L. Peter Chatenay

DRAFTED BY:

LPChatenay:mmh

DEPARTMENT:

International Relations

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Burki

SIGNATURE (Of individual authorized to approve):

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH:

TO: CAGARIER
 WORLD BANK
 PARIS
 COUNTRY BRANCH

MARCH 12, 1976

UNION/AFRICA
 3648
 GLAD
 TRIMX

204

RE CIRC. DEVCOMMISSION. U.S. DELEGATION MAY ASK BANK TO CIRCULATE DOCUMENTATION
 ON AGRICULTURE AND INFRASTRUCTURE. DOES PARIS OFFICE HAVE ENOUGH COPIES OF
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 WE SEND AND OF WHICH PAPERS? BUREAU NOW PREPARING OUTLINE OF STATEMENT RE
 MAY DELIVER TO DEVCOMMISSION. REGARDS

CHATELAIN

SECTION OF COMMUNICATIONS
 MAR 15 9 24 PM 1976

DISPATCHED

cc: Mr. Burk
 L.P. Chateaux: mmb

L. Peter Chateaux
 International Relations

[Handwritten signature]

WUI NYK

INCOMING CABLE

li. CIEC

sd

WUI009 NYA417 PARIS TELEX 157/156 1/50 11 1240

March 11, 76

Distribution:

Mrs. Boskey
Mr. McNamara

MR LE PRESIDENT DE LA BANQUE INTERNATIONALE
PUR LA RECONSTRUCTION ET LE DEVELOPPEMENT
1818 HSTREETNW WASHDC

697

LE SECRETARIAT EXECUTIF PRESENTE SES COMPLIMENTS AUX ORGANISATIONS
INTERNATIONALES HABILITEES A PARTICIPER AUX TRAVAUX DE LA
CONFERENCE SUR LA COOPERATION ECONOMIQUE INTERNATIONALE EN
QUALITE D OBSERVATEURS PERMANENTS ET A L HONNEUR DE

~~COL 1818 11/3/1976~~

~~2/WUI009 MR LE 50~~

COMMUNICATIONS
SECTION

Mar 11 9 26 AM 1976

RECEIVED

LEUR FAIRE SAVOIR QUE LA PREMIERE REUNIO DES COMMISSIONS SUR LA
CCEI POUR LA SESSION DU MOIS DE MARS 1976 SE TIENDRA SELON
LE CALENDRIER CIAPRES : COMMISSION POUR L ENERGIE JEUDI 18 MARS
A 9H30 SALLE NO 3 COMMISSION SUR LE DEVELOPPEMENT VENDREDI 19
MARS A 9H30 SALLE

~~COL 1976 18 9H30 3 19 9H30~~

~~3/WUI009 MR LE 50~~

NO 8 COMMISSION SUR LES MATIERES PREMIERES VENDREDI 19 MARS
A 15H SALE NO 3 COMMISSION SUR LES AFFAIRS FINANCIERES
VENDREDI 19 MARS A 15H SALLE NO 8 EN PORTANT LES INDICATIONS
QUI PRECEDENT A LEUR CONNAISSANCE LE SECRETARIAT EXECUTIF SAISIT
CETTE OCCASION POUR RENOUVELER AUX ORGANISATIONS INTERNATIONALES
LES ASSURANCES

~~COL 8 19 15H 3 19 15H 8~~

~~4/WUI009 MR LE 4/6~~

DE SA HAUTE CONSIDERATION

BERNARD GUITTON

Li - CIEC

Mr. S. J. Burki

March 11, 1976

L. Peter Chatenay



CIEC; March Session of Commissions

1. The Executive Secretary of CIEC has cabled, giving the dates of the opening meetings of the commissions, as follows:

- (a) Energy Commission, March 18, 9.30 a.m.
- (b) Development Commission, March 19, 9.30 a.m.
- (c) Raw Materials Commission, March 19, 3 p.m.
- (d) Financial Affairs Commission, March 19, 3 p.m.

2. It would not be surprising if delays occurred in this schedule because of the possible conflict with the closing phases of the Trade and Development Board (pre UNCTAD IV) session in Geneva. I imagine some delegations will want time to think over the TDB conclusions before entering the CIEC debates on the very same subjects.

cc: Mrs. Boskey
Mr. Carriere
Mr. Finkel
Mr. Hattori
Mr. Karaosmanoglu
Mr. Tims

LPChatenay:mmh

✓ LI - CIEC
LI - UNCTAD

Mr. Jean Carriere
Director, European Office
World Bank
66 Avenue d'Iena
75116 Paris, France.

March 10, 1976

Dear Jean,

Thank you very much for your memorandum of March 4 on the first session of the CIEC commissions. Copies have been circulated to the full CIEC list and I included the confidential annex on the Bank's role. The annexes on each of the four commissions are very useful working papers and much appreciated for their concision and completeness.

You will have received my telex - which refers to some of the points raised in your telex 490. We are glad Mr. Burki is able to take part in the March session. I understand he may know Mr. Barghava, the head of the secretariat established by the 19 for the Conference. I am sure Burki will be able to open up lines of communications with several of those delegations. We all agree with you that, at this stage of the proceedings, those contacts will be important.

From my telex, you will have noted that Burki will be particularly interested in the debate on Agriculture and Food in the commission on Development. We felt, from your reports, that there were no good reasons to send someone specializing on the Raw Materials side because that commission will open its session with a debate on the agenda and not on substance. If the Bank is invited to the Raw Materials commission as an ad hoc observer, Martin Koelle could perhaps keep an eye on its procedural discussions while Burki attends the meetings of the Development commission.

My telex will also have given you an idea of the views held in DPS concerning documentation for the Financial Affairs commission. The basic point is that the Bank simply has no better data to offer than what is shown in the Bank document already circulated. That information provides, in our view, as good a basis of discussion as anything else we could put forward to-day. In addition, DPS feel very strongly that the Bank cannot agree with the data and conclusions submitted by UNCTAD. They are unrealistic. A document will be prepared in the days ahead indicating, for your information and for use in private conversations, why the Bank holds that view.


The Bank must not get into an argument with UNCTAD, at this stage in CIEC, on these issues. As you point out, we must proceed with great caution whilst trying of course to make the best possible impression. DPS is strong in the opinion that the Bank's best attitude is to stick to our figures because they are correct. We should not appear to be willing to shift positions as if anxious to get into the good graces of one side or

the other. Rather, we should indicate that, if and when the Bank has new data to submit, it would not hesitate to do so. But, for the moment, we stand by our recent contribution and have nothing to add. As I say, DPS will put together a paper which will be, in effect, a review of some of the contents of the UNCTAD document and a brief to you explaining why we stand by our own figures and do not accept UNCTAD's.

I should add that, from this side of the Bank, we well understand that your position would be easier if you could offer additional data to the commission. But we have concluded from your reporting that, with the Nairobi deadline in mind, the March session of CIEC may be critical and that tensions may rise quickly, to use your words. The Bank must not be seen as lacking horns with UNCTAD in Paris or taking sides, even by implication, with the 19 or with the 8. In the circumstances, and I hope you agree, the best attitude is to lay low. Having been, at times, on the receiving end of instructions of this sort, I know how uncomfortable that position can be. But it is our judgment that any other course would lead us into dangerous waters.

William will be back on Monday and will see this letter. I am sure he will be in touch with you during the week to give you his impressions of the above. If you have qualms about the Bank's inability to submit new information on capital requirements, do call Wouter Tims directly. You will not change his mind, I fear, but you may feel comforted if you get his views straight.

Yours sincerely,

L. Peter Chatenay 

LPChatenay:sf

cc. Messrs. William Clark
Karaosmanoglu
Tims
Burki
Mrs Boskey
Mrs Sachse

LI CIEC

MAR 3 1976

INCOMING TELAX

RECEIVED

88

IBRD A PARIS

DISTRIBUTION:

490 CHATENAY = IMMEDIATE DELIVERY =

Mr. Chatenay

MAR -3 PM 12:24

RE: CIECCOMMUNICATIONS
SECTION

PRIMO: FULL REPORT ON FIRST SESSION OF CIEC COMMISSIONS WILL BE HAND CARRIED TO YOU BY MARIA GRADVOHL ON MONDAY MARCH 8.

SECUNDO: UPON MY REQUEST, CIEC EXECUTIVE SECRETARY WILL ASK CO-CHAIRMEN OF ALL COMMISSIONS TO WARN IN ADVANCE AD HOC OBSERVERS WHETHER THEY CAN EXPECT TO BE CALLED TO ATTEND ALL OR PART OF THE SECOND SESSION (MARCH 18-27).

TERTIO: IF CO-CHAIRMEN OF RAW MATERIALS COMMISSION CALL ON THE BANK TO ATTEND AS AD HOC OBSERVER, EYE WILL LET YOU KNOW FORTHWITH. IN THAT CASE EYE WOULD LIKE VOUTER TINS OR SOMEONE FROM HIS SHOP TO COME.

QUARTO: IF PRESENCE OF BANK NOT REQUIRED IN RAW MATERIALS COMMISSION, EYE SUGGEST BANK DELEGATION TO SECOND SESSION BE SAME AS FOR THE FIRST SESSION, NAMELY KOELLE AND MYSELF.

QUINIO: HOWEVER, EYE WONDER WHETHER IT WOULD NOT BE USEFUL TO ASK A STAFF MEMBER, WHO SHOULD BE A NATIONAL OF A DEVELOPING COUNTRY, TO JOIN BANK DELEGATION IN ORDER TO MAKE INFORMAL CONTACTS WITH DELEGATIONS OF THE 19. KOELLE AND EYE HAVE GOOD RELATIONS WITH DELEGATIONS FROM OECD COUNTRIES, ESPECIALLY EUROPEAN, BUT WE HAVE LITTLE TIME AND OPPORTUNITY FOR CLOSE CONTACTS WITH DELEGATES FROM THE 19. COULD I HAVE YOUR ADVICE?

SEXTO: COULD YOU ALSO LET ME KNOW FIRST REACTION OF BPS ON REQUEST INCLUDED IN PARA QUARTO OF NYTEL 465 OF MARCH 1, CONCERNING CONTRIBUTION EXPECTED FROM BANK ON BALANCE OF PAYMENTS PROJECTIONS.

REGARDS

CARRIERE

LI CIEC
February 25, 1976

Dear Jean:


Enclosed, you will find the list of policy and issues papers which, in the view of the Policy Planning Division of PPPRD are the most relevant to the CIEC agenda as we have it.

Some will be rather outdated for consideration in 1976 but if UN is still ready to set up a documentation center where delegations could go for background material, most all of these Bank documents should prove useful.

One question relates to the distribution of those papers which have not been published outside the Bank. The case of 802 comes to mind. If you believe delegations may be asking for the distribution of one or more of these papers at the March session, it might be good to get advance clearance here before we go and make this list available to the documentation center.

If you do foresee problems of that nature, please say and we will see what guidance we can give you about the use of our documentation at the CIEC.

Yours sincerely,

L. Peter Chatenay 

Enclosure

Mr. Jean P. Carriere
Director
World Bank European Office
66 Avenue d'Iena
75116 Paris, France

cc: Mr. William Clark
Mrs. Boskey
Mr. Burki

LIST OF POLICY AND ISSUES PAPERS MOST RELEVANT TO
CIEC

	<u>Document Code Number</u>	<u>Date of Completion</u>
A. <u>Completed</u>		
Review of IBRD Capital Structure	R75-215	12/75
Bank Group Use of SDR Link Resources	Sec M73-272	5/73
Establishment of a Third Window: An Intermediate Financing Facility	R75-39	3/75
IDA Lending Policies	IDA/R73/7	2/73
Bank Lending to Higher Income Countries	PRC/M/73-3	7/73
Bank Group Lending to Least Developed Countries	PRC/M/73-14	12/73
Export Financing for Capital Goods: Possibili- ties of IBRD Support for Financing Exports of Capital Goods by Developing Countries	Sec M74-670 (Report No. 531)	9/74
Review of Co-financing Practices and Potential	PRC/C/74-19	3/75
Financing of Regional Trade	R70-69	4/70
Implementation by the Bank Group of the ED's Decision on the Stabilization of Prices of Primary Products	Sec M70-577	12/70
Development Policy for Countries Highly Dependent on Exports of Primary Products	R73-3	1/73
Commodity Price Stabilization	P31G76	8/75
Report on Fertilizer Requirements of Develop- ing Countries - Revised Outlook in 1975	Sec M75-600	8/75
Rural Development - Sector Policy Paper	R74-245	2/75
Education Sector Policy	R74-217 (IBRD Report No. 561)	10/74
The Non-Fuel Mineral Industry	R73-258	11/73
United Nations Revolving Fund for Natural Resources Exploration: A Status Report	Sec M75-722	10/75
Health Policy Paper	R74-221 (Reports No 554 and 554A)	10/74

	<u>Document Code Number</u>	<u>Date of Completion</u>
Nuclear Power: Its Significance for the Developing World	Sec M74-266 Sec M74-266/1	4/74
Economic Integration Among Developing Countries	PRG/s/C/74-14	9/74
Prospects for Developing Countries: 1976-1980	Sec M75-505 (Report No. 802)	7/75
Refinancing of Export Credits	R70-69	4/70
Debt Relief Operations	R70-69	4/70
Multilateral Investment Insurance	R70-117	6/70
Export Financing Guarantee (IFC)	-	10/75
 B. <u>Under Preparation</u>		
UNCTAD Action Program		Forthcoming (April 1, 1976)
The Debt Problem		Forthcoming (October 1, 1976)
IDA Lending Policies		(February, 1976)
Annual Review of Development Prospects, 1976		Forthcoming (June 1, 1976)
Promotion of LDC Exports of Manufactures		Forthcoming (April 1, 1976)
Bank Lending for Foodgrain Output		Forthcoming (March 30, 1976)
International Investment Trust		Forthcoming (February 1976)

<u>Document Code Number</u>	<u>Date of Completion</u>
---------------------------------	-------------------------------

C. Some Papers from the Development Committee:

Access to Capital Markets: Interim Report to the Development Committee	DC/75-27	November, 1975
World Economic Outlook: Developments and Prospects in the Non-Oil Primary Producing Countries	DC/75-32	December, 1975
Aid Targets and Their Implementation	DC/75-29	December, 1975
A Survey of the Programs and Capital Resource Situations of International Development Lending Institutions	DC/75-33	December, 1975
Current Commodity Issues	DC/75-30	December 1975

LI - CIEC

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

- ☐ IBRD
- ☐ IDA
- ☐ IFC
- ☐ ICSID

TO: CARRIERE

DATE: FEBRUARY 25, 1975

INTBAFRAD

ORIGINATOR'S EXT.: 3595

COUNTRY: PARIS - FRANCE

CLASS OF TELEX 620628
SERVICE:

CABLE NO. & TEXT: 352

THERE IS RUMOR CIEC COMMISSIONED OECD BROAD STUDY WITH FOUR MILLION
DOLLAR BUDGET STOP QUICK SOUNDING STATE DEPARTMENT INDICATES THIS
MIGHT BE INTERNATIONAL ECONOMIC INTERDEPENDENCE REPORT US AND JAPAN
PROPOSED LAST YEAR OECD MINISTERIAL MEETING STOP WOULD APPRECIATE
EUROFFICE ADVISING WHETHER STUDY UNDERWAY AND IF SO NATURE AND STATUS
REGARDS

MASONI

NOT TO BE TRANSMITTED

REFERENCE:	AUTHORIZED BY (Name): Vittorio Masoni
DRAFTED BY: Vittorio Masoni:az	DEPARTMENT: International Relations Department
CLEARANCES AND COPY DISTRIBUTION: cc: Mr. LPChatenay	SIGNATURE (Of individual authorized to approve):
	SECTION BELOW FOR USE OF CABLE SECTION
	CHECKED FOR DISPATCH:

WORLD BANK (FPO)
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

DATE FEBRUARY 22, 1976

TO CARRIAGE

ORIGINATOR'S EXT 3595

INTERFAX

CLASS OF TELEX 820828
SERVICE

COUNTRY PARTS - FRANCE

355

CABLE NO. & TEXT

THERE IS RUMOR CIRC COMMISSIONED OECD BROAD STUDY WITH FOUR MILLION
DOLLAR BUDGET STOP QUICK SOUNDING STATE DEPARTMENT INDICATES THIS
MIGHT BE INTERNATIONAL ECONOMIC INTERDEPENDENCE REPORT US AND JAPAN
PROPOSED LAST YEAR OECD MINISTERIAL MEETING STOP WOULD APPRECIATE
EUROPEAN ADVISING WHETHER STUDY UNDERWAY AND IF SO NATURE AND STATUS

REGARDS

MASONI

DISPATCHED
Feb 26 2 31 AM 1976
COMMUNICATIONS SECTION

International Relations Department

Vittorio Masoni

Li - ClieC

Le 20 février, 1976

Monsieur le Secrétaire Général,

Au nom de M. McNamara, j'ai l'honneur d'accuser réception de votre lettre du 6 février 1976 invitant la Banque Mondiale à participer en qualité d'observateur aux travaux des Commissions pour le Développement et pour les Affaires Financières de la Conférence sur la Coopération Economique Internationale.

Je vous serais très obligé de bien vouloir informer les co-Présidents de notre acceptation. M. Jean Carrière, Directeur du Bureau Européen de la Banque Mondiale est nommé chef de la délégation de la Banque à la Conférence. M. Martin Koelle, directeur-adjoint du même Bureau est également désigné pour représenter la Banque Mondiale à la Conférence.

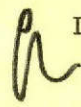
Nous avons pris bonne note de la possibilité offerte à la Banque Mondiale de participer aux travaux d'autres commissions, en qualité d'observateur ad hoc. Au fur et à mesure des progrès des commissions, nous nous permettrons, le cas échéant, de vous communiquer les noms d'autres personnes qui pourraient avoir à représenter la Banque Mondiale à la Conférence.

Je vous prie, Monsieur le Secrétaire Général, de bien vouloir agréer l'assurance de ma haute considération.

William Clark
Vice Président Relations Extérieures

Monsieur Bernard Guitton
Secrétaire Général
Conférence sur la Coopération Economique
19, Avenue Kléber
75116 Paris
France

cc: M. J. Carrière

 LPChatenay:az

Li.CIEC

TRANSLATION

February 20, 1976

Dear Mr. Secretary-General:

On behalf of Mr. McNamara, I acknowledge receipt of your letter dated February 6, 1976 inviting the World Bank to attend, as an observer, the meetings of the Development and Financial Affairs Commissions of the Conference on International Economic Cooperation.

I would be most obliged if you would kindly inform the co-chairmen that we accept their invitation. Mr. Jean Carriere, Director, European Office, is designated as head of the World Bank's delegation to the Conference. Mr. Martin Koelle, Deputy Director, European Office, is also nominated to represent the Bank at the Conference.

We have noted that the World Bank would be able to attend other commissions, as an ad hoc observer. As the work of the Commissions progresses, we will communicate, when appropriate, the names of other persons who may be designated to represent the World Bank at the Conference.

Yours sincerely,

William Clark
Vice President, External Relations

Mr. Bernard Guitton
Secretary-General
Conference on International
Economic Cooperation
19 Avenue Kleber
75116 Paris, France

cc: Mr. Carriere

LPChatenay:mmh

Mr. Robert S. McNamara

February 20, 1976

Mohamed Nassim Kochman

IDA V and CIEC

During my visit to the Ivory Coast the President gave me the attached letter to you and a copy of his letter to the German Chancellor.

In Mauritania, the President wrote to you and attached copies of his letters to Saudi Arabia, Qatar and the UAE. He asked me also to transmit to you, for your information copy of his letter to the President of Cameroon concerning the Agenda of CIEC.

It would be appropriate for you to respond to them. I have prepared the attached letters for your signature.

Attachments

MNKochman/cl

✓ IDA - Atlantic City
all CIEC

Mr. I. P. M. Cargill

February 19, 1976

Mohamed Nassim Kochman

My Visit to West Africa

Please find herewith copies of letters from the President of Ivory Coast to Mr. McNamara and to the German Chancellor. I attach also a copy of a letter from the Mauritanian President to the Cameroonian President.

All this correspondence relates to IDA V and the Agenda of CIEC. My report will follow as soon as possible.

Attachments

cc. Messrs. Goodman/Mattori
Diamond/Vibert
Adler
Gabriel
Nurick

MNKochman/cl

INTBAFRA WASH DC

INCOMING TELEX

Li-CIEC

mlf

FEB 18 1976

cc. WDC

IBRD A PARIS

RECEIVED

375 BOSKEY

Distribution:

Mrs. Boskey

YUR 282 FEB 13

FEB 18 10 38 AM 1976

COMMUNICATIONS
SECTION

EEC DELEGATES TO CIEC TELL ME THAT EEC POSITION AT UNCTAD
MEETING NOT YET DECIDED UPON BUT ADDING THAT THIS POSITION
COULD NOT BE VERY DIFFERENT FROM THE ONE THEY WILL TAKE IN
CIEC. I HAVE THEREFORE ASKED EEC REPRESENTATIVES IN CIEC
TO GIVE ME TEXT OF THEIR SPEECHES RELATED TO UNCTAD MATTERS.
SHALL SEND YOU THESE STATEMENTS AS SOON AS AVAILABLE.

REGARDS

CARRIERE

VAA

- AB

- FEC
file at.

IRD

INCOMING TELEX

sd

Li - CIEC

MD

INTSAPHA WASH DC

FEB 17 1976

IBRD A PARIS

364 WILLIAM CLARK COPY WOUTER TINS

Distribution:

Mr. Wm. Clark

Mr. Tins

=== URGENT IMMEDIATE DELIVERY ===

1. AS AGREED, I ASKED CO-CHAIRMEN OF RAW MATERIALS COMMISSION THAT BANK BE ADMITTED AS AD HOC OBSERVER, SINCE BANKS STUDIES HAD BEEN QUOTED AT VARIOUS OCCASIONS DURING DISCUSSIONS WITHIN THE COMMISSION.
2. CO-CHAIRMEN AND COMMISSION AGREED TO CALL UPON BANK WHEN ISSUES RELEVANT TO ITS WORK ARE DISCUSSED BY THE RAW MATERIALS COMMISSION.
3. I THEN TOLD THE CO-CHAIRMEN THAT THE BANK WAS PREPARED TO SEND AN OBSERVER TO THE COMMISSION AS EARLY AS WEDNESDAY. THE CO-CHAIRMEN REPLIED THAT THE REST OF THE PRESENT SESSION WOULD BE DEVOTED TO A GENERAL SURVEY OF SUPPLY AND DEMAND OF RAW MATERIALS, AND THAT THEY DID NOT THINK THAT PRESENCE OF BANK WAS NEEDED AT THIS EARLY STAGE.

4. AS I FEEL SOME UNEASINESS AMONG THE CIEG MEMBERSHIP CONCERNING THE GROWING NUMBER OF APPLICATIONS FOR OBSERVER STATUS AND INCREASING IMPORTANCE OF OBSERVERS ROLE, I DECIDED NOT TO PUSH THE CO-CHAIRMAN TO HAVE OUR OBSERVER ADMITTED DURING PRESENT SESSION. THEREFORE PRESENCE OF WOUTER TIMS NO LONGER REQUIRED. I REGRET THIS UNEXPECTED DEVELOPMENT.

5. I HAVE ASKED OUR COLLEAGUES IN IMF TO REPORT CAREFULLY TO US ABOUT ANY REFERENCE TO BANKS STUDIES OR ACTION WITHIN THE RAW MATERIALS COMMISSION. I SUGGEST WE REVIEW THE SITUATION AFTER THE FIRST ROUND OF DISCUSSIONS IS COMPLETED. REGARDS

CARRIERY

EG

SENT AT 1.15 PM PARIS TIME@

INTBAFRA WASH DC

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

Li-CIEC

TO: CARRIERE
WORLD BANK
PARIS

DATE: FEBRUARY 13, 1976

ORIGINATOR'S EXT.: 3643

4c

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

285

RE CIEC PRIMO WILLIAM SPOKE TO RSM WHO CONFIRMS 802 SHOULD NOT REPEAT NOT BE RELEASED TO COMMISSION ON GROUNDS ITS DATA OUTDATED AND CURRENTLY BEING REVISED IN BANK. IF ASKED YOU SHOULD SAY WE WOULD CONSIDER IT A DISSERVICE TO REDISTRIBUTE TO MEMBERS OF COMMISSION A DOCUMENT WHICH THEIR GOVERNMENTS RECEIVED SOME TIME AGO.

SECUNDO RE RAW MATERIALS COMMISSION. BANK COULD MAKE FOLLOWING DOCUMENTS AVAILABLE ALPHA R814 PROJECTIONS OF PRIMARY COMMODITIES PRICES DATED JULY 1975 BETA WORKING PAPER 195 ON EFFECTS OF LIBERALIZATION ON TRADE PRIMARY COMMODITIES. THIS DOCUMENT TWO YEARS OLD BUT BEING REVISED AND TMS COULD IF NEEDED BRING NEW VERSION NEXT THURSDAY GAMMA EC 166/75 COMMODITY TRADE AND PRICE TRENDS WITH COMMODITIES MATRICES. IN ADDITION FOR YOUR INFORMATION WORKING PAPER ON COMPENSATORY FINANCING WILL COME OUT SOON DEALING WITH LDCS BELOW \$200 PER CAPITA INCOME LEVEL TERTIO TMS LEAVING WASHINGTON TUESDAY FEBRUARY 17 AFTERNOON THEREFORE IMPORTANT YOU INDICATE BY EARLY THAT DAY WHETHER BANKS REQUEST TO OBSERVE RAW MATERIALS COMMISSION IS ACCEPTED AND TMS ATTENDANCE IS AGREED REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

L. Peter Chatenay

DRAFTED BY:

DEPARTMENT:

LPChatenay:mmh

International Relations

CLEARANCES AND COPY DISTRIBUTION:

SIGNATURE (Of individual authorized to approve):

cc: Mr. William Clark, Mrs. Boskey
Mr. Tims, Mr. ul Haq, Mr. Hattori

SECTION BELOW FOR USE OF CABLE SECTION

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DISPATCHED

FEB 14 2 42 AM 1976

COMMUNICATIONS
SECTION


February 12, 1976

Dear Jean:

Wouter Tims has sent me a list of Bank documents which should provide the CIEC with useful background material in case of need. The list is enclosed. In addition, the latest edition of "World Economic Indicators" should be made available to the Conference. Your Office also has the catalog of World Bank Staff Working Papers from which you can pick, as appropriate.

Some of the documents on the list date back to 1974, as you will know. Nevertheless, the list should constitute a useful collection of papers for the delegations. If and when other suggestions reach me, I will pass them on to you.

Yours sincerely,

L. Peter Chatenay 

Enclosure

Mr. Jean P. Carriere
Director
World Bank European Office
66 Avenue d'Iena
75116 Paris, France

cc: Mr. Wouter Tims

LPChatenay:mmh

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: CARRIERE
WORLD BANK
PARIS

DATE: FEBRUARY 11, 1976

ORIGINATOR'S EXT.: 3643

46

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

256

RE CIEC FINANCIAL AFFAIRS COMMISSIONS REQUEST FOR DOCUMENTATION RELATING TO ITS DEBATE ON CURRENT WORLD ECONOMIC SITUATION WITH EMPHASIS ON LDCS BALANCE OF PAYMENTS SITUATION. BANK CAN MAKE AVAILABLE ATTACHMENT TO DOCUMENT DC 75-31 DATED DECEMBER 17, 1975 WHICH IT PREPARED FOR DEVELOPMENT COMMITTEES RECENT JAMAICA SESSION SUMMARIZING 802. BANK GENERALLY AGREES WITH IMF 1975-1976 ESTIMATES WHICH WE UNDERSTAND FUND WILL COMMUNICATE TO COMMISSION. WHILST BANK HAS NO OTHER DOCUMENTATION TO PRODUCE ON LONGER TERM PROJECTIONS, SHOULD YOU BE ASKED OR SHOULD YOU FIND APPROPRIATE TO SPEAK, YOU MAY INDICATE THAT BANK FORECASTS NO REPEAT NO DECLINE IN LDCS EXTERNAL CAPITAL REQUIREMENTS. FOR YOUR PERSONAL INFORMATION WE WILL SEND YOU SOONEST TEXT CONFIDENTIAL MEMORANDUM FROM EAPD CONTRADICTING ESTIMATES FROM E.G. MORGAN GUARANTEE WHICH CONCLUDE ABOVE REQUIREMENTS MAY DROP. YOU WILL CONCLUDE FROM ABOVE THAT 802 CANNOT BE PROVIDED TO COMMISSION. IT WAS NOT RELEASED TO DEVELOPMENT COMMITTEE AND DOCUMENT DC 75-31 DOES CONTAIN ITS ESSENTIAL DATA. HOPE YOU CAN MAKE THE MOST OF BANKS GENERAL AGREEMENT WITH IMF DATA ON SHORT TERM CONSIDERING THAT DISCUSSION IS ON QUOTE CURRENT UNQUOTE SITUATION. EYE ASSUME YOU HAVE COPY ATTACHMENT TO DC 75-31. IF NOT, DO CALL REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

L. Peter Chatenay

DRAFTED BY:

DEPARTMENT:

LPChatenay:mmh

International Relations

CLEARANCES AND COPY DISTRIBUTION:

SIGNATURE (Of individual authorized to approve):

Cleared with and cc: Mr. Tims

cc: Mr. Costanzo, Mr. W.Clark

Mr. Karaosmanoglu

Mrs. Boskey

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH:

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

DATE: FEBRUARY 11, 1976

ORIGINAL: 3843

CLASS OF SERVICE: TELETYPE

TO: CARRIAGE
WORLD BANK
PARIS

COUNTRY: FRANCE

CABLE NO. 1717

RE CIRC FINANCIAL AFFAIRS COMMISSIONS REQUEST FOR DOCUMENTATION RELATING TO ITS DEBATE
ON CURRENT WORLD ECONOMIC SITUATION WITH EMPHASIS ON LONG BALANCE OF PAYMENTS SITUATION.
BANK CAN MAKE AVAILABLE ATTACHMENT TO DOCUMENT DC 75-31 DATED DECEMBER 17, 1975 WHICH IT
PREPARED FOR DEVELOPMENT COMMITTEES RECENT JAMAICA SESSION SUBMITTING 802. BANK
GENERALLY AGREES WITH THE 1975-1976 ESTIMATES WHICH WE UNDERSTAND FOUND WITH COMMUNICATION
TO COMMISSION. WHILE BANK HAS NO OTHER DOCUMENTATION TO PRODUCE ON LONGER TERM
PROJECTIONS, SHOULD YOU BE ASKED OR SHOULD YOU FIND APPROPRIATE TO SPEAK, YOU MAY
INDICATE THAT BANK FORECASTS NO KEEN NO DECLINE IN LONG EXTERNAL CAPITAL REQUIREMENTS.
FOR YOUR PERSONAL INFORMATION WE WILL SEND YOU SOONEST TEXT CONFIDENTIAL MEMORANDUM
FROM RAPID CONTINUING ESTIMATES FROM E.C. MORRIS GUARANTEE WHICH CONCLUDE ABOVE
REQUIREMENTS MAY PROVE. YOU WILL CONCLUDE FROM ABOVE THAT 802 CANNOT BE PROVIDED TO
COMMISSION. IT WAS NOT RELEASED TO DEVELOPMENT COMMITTEE AND DOCUMENT DC 75-31 DOES
CONTAIN ITS ESSENTIAL DATA. HOPE YOU CAN MAKE THE MOST OF BANKS GENERAL AGREEMENT WITH
THE DATA ON SHORT TERM CONSIDERING THAT DISCUSSION IS ON QUOTE CURRENT UNQUOTE SITUATION.
BYE ASSURE YOU HAVE COPY ATTACHMENT TO DC 75-31. IF NOT, DO CALL REGARDS

CHATELWAY

NOT TO BE TRANSMITTED
SECTION
COMMUNICATIONS
Feb 11 8 52 PM 1976

DISPATCHED

LCChateWay:anh

Cleared with and cc: Mr. Tans
cc: Mr. Goetz, Mr. W. Clark
Mr. Karasmanoglu
Mr. Boskey

WORLD BANK / IFC
OUTGOING MESSAGE FORM
(TELEGRAM/CABLE/TELEX)

☒ IBRD
☐ IDA
☐ IFC
☐ ICSID

TO: CARRIERE
WORLD BANK
PARIS

DATE: FEBRUARY 10, 1976

ORIGINATOR'S EXT.: 3643

COUNTRY: FRANCE

CLASS OF
SERVICE: TELEX

CABLE NO. & TEXT:

IMMEDIATE DELIVERY

233

RE CIEC WILLIAM CLARK UPON RECEIPT CABLED INVITATION TO MCNAMARA FROM CIEC EXECUTIVE
SECRETARY HAS TELEXED FOLLOWING

QUOTE ON BEHALF MR. MCNAMARA PRESIDENT OF WORLD BANK AM PLEASED ACKNOWLEDGE RECEIPT YOUR
CABLED INVITATION FROM CONFERENCES COPRESIDENTS FOR WORLD BANK TO ATTEND DEVELOPMENT AND
FINANCIAL AFFAIRS COMMISSIONS. MR. JEAN CARRIERE DIRECTOR EUROPEAN OFFICE AS HEAD OF WORLD
BANK DELEGATION AND MR. MARTIN KOELLE DEPUTY DIRECTOR EUROPEAN OFFICE ARE NOMINATED TO
REPRESENT WORLD BANK AS OBSERVERS IN BOTH COMMISSIONS. WE HAVE NOTED THAT WORLD BANK MAY
BE INVITED TO ATTEND MEETINGS OF OTHER COMMISSIONS AS AD HOC OBSERVER AT INVITATION
COCHAIRMAN OF THOSE COMMISSIONS. NAMES OF OTHER MEMBERS OF WORLD BANK DELEGATION WILL BE
COMMUNICATED TO YOU AT APPROPRIATE TIME AS WORK OF COMMISSIONS PROGRESSES. HIGHEST REGARDS
UNQUOTE

MCNAMARA HAS APPROVED TERMS MY MEMORANDUM DATED JANUARY 27 ON CIEC REGARDS

CHATENAY

NOT TO BE TRANSMITTED

REFERENCE:

AUTHORIZED BY (Name):

DRAFTED BY:

L. Peter Chatenay

LPChatenay:mmh

DEPARTMENT:

International Relations

CLEARANCES AND COPY DISTRIBUTION:

SIGNATURE (Of individual authorized to approve):

cc: Mr. William Clark
Mrs. Boskey

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CHECKED FOR DISPATCH:

FEBRUARY 10, 1976

IMMEDIATE DELIVERY

222

COMMUNICATIONS
SECTION

Feb 10 2 18 PM 1976

L. Peter Chatsky

015P (C) 50

cc: Mr. William Clark
Mrs. Boskey

Mr. W. Tins, Mr. M. ul Haq, Mr. M. Hattori

February 9, 1976

L. Peter Chatenay

CIEC

1. Mr. McNamara has approved the conclusions reached in the course of the meeting held on January 19 on the subject, as shown in my memorandum of January 27.
2. The European Office will therefore cover the early meetings of the Financial Affairs and Development commissions and will report on the manner and on the timing of future debates in those bodies.
3. You already have received, in Carriera's telex No. 199 of January 28, the list of items which the two commissions would consider if the agenda proposed by the 19 (i.e. the delegations from the Group of 77 side) were adopted. This is still, possibly, too large a basis for real negotiations. The commissions may be able to shorten their agenda, in the days ahead.
4. In the meantime, it might be useful to supply the European Office with a list of Bank documents which, in your opinion, would be relevant to debates in CIEC, assuming the most crucial items of the proposed agenda are discussed. I would be grateful if your department could give me its list, even in a preliminary and tentative way, for transmittal to the European Office.

cc: Mr. William Clark
Mrs. Boskey
Mr. Carriera

LPChatenay:mmh

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COMMUNICATIONS
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PARIS TELEX 283 7 1605 PAGE1/50

February 7, 1976

MONSIEUR LE PRESIDENT DE LA BANQUE

INTERNATIONLE POUR LA RECONSTRUCTION

ET LE DEVELOPPEMENT

1818 HSTREET N W

WASHINGTON25DC20433

J AI L HONNEUR DE VOUS ENVOYER LE TEXTE D UNE LETTRE

ADRESSEE PAR MONSIEUR BERNARD GUITTON A MONSIEUR MAC NAMARA

PRESIDENT DE LA BANQUE INTERNATIONALE POUR LA

RECONSTRUCTION ET LE DEVELOPPEMENT

COL 1818 25 DC20433

540601 MONSIEUR LE PRESIDENT DE LA BANQUE INTERNATIONALE POUR LA
RECONSTRUCTION ET LE DEVELOPPEMENT PAGE2?50

A LA DEMANDE CES CO PRESIDENTS DE LA CONFERENCE SUR LA

COOPERATION ECONOMIQUE INTERNATIONALE J AI L HONNEUR DE

VOUS PRIER CONRORMEMENT A L ARTICLE 9 DU

COMMUNIQUE FINAL DE LA CONFERENCE MINISTERIELLE DU 19

DECEMBRE 1975 DE PARTICIPER EN QUALITE D OBSERVATEUR AUX

TRAVAUX DES COMMISSIONS POUR LE DEVELOPPEMENT

Distribution: Mrs. Beskey ✓
Mr. McNamara

8

ET POUR LES AFFAIRES FINANCIERES QUI SE REUNIRONT AU CENTRE
DE CONFERENCE INTERNATIONALE A PARIS LE 11 FEVRIER 1976
LORS D UNE REUNION QU ILS ONT TENUE LE 26 ET 27 JANVIER 1976
LES CO PRESIDENTS DE LA CONFERENCE ET DES COMMISSIONS ONT
ENTRE AUTRES DISPOSITIONS FORMULE CERTAINES SUGGESTIONS
RELATIVES

COL 11 1976 26 27 1976

540601 MONSIEUR LE PRESIDENT DE LA BANQUE INTERNATIONALE POUR
~~LA RECONSTRUCTION ET LE DEVELOPPEMENT PAGE4/50~~
A LA PRESENCE DES OBSERGATEURS

JE ME PERMETS DE VOUS FAIRE TENIR A TITRE CONFIDENTIEL
L EXTRAIT DU COMPTE RENDU DE CETTE REUNION SUR CE POINT
JE VOUS SERAIS OBLIGE DE BIEN VOULOIR ME FAIRE CONNAITRE
LE NOM DES PERSONNES QUE VOUS VOUS PROPOSEZ DE DESIGNER
POUR VOUS REPRESENTER A

COL OK

A540601 MONSIEUR LE PRESIDENT DE LA BANQUE INTERNATIONALE POUR
~~LA RECONSTRUCTION ET LE DEVELOPPEMENT PAGE5/50~~

CETTE OCCASION COMME VOUS POURREZ LE CONSTATER DANS LE DOCUMENT
CITE EN REFERENCE ET JOINT A CETTE LETTRE IL EST POSSIBLE QUE
L ORGANISATION DONT VOUS ETES LE PRESIDENT SOIT AMENEE A
PARTICIPER AUX TRAVAUX D AUTRES COMMISSIONS QUE CELLES QUI SONT
NOOMEMENT DESIGNES CE SERA A LA DEMANDE DES CO PRESIDENTS
DE LA COMMISSION CONCERNEE ET EN QUALITE D

~~540601 MONSIEUR LE PRESIDENT DE LA BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DEVELOPPEMENT PAGE6/33~~

OBSERGATEUR AD HOC

VEUILLEZ AGREER MONSIEUR LE PRESIDENT L ASSURANCE DE MA
HAUTE CONSIDERATION

BERNARD GUITTON SECRETAIRE EXECUTIF

Li - CIEC

CONFÉRENCE SUR
LA COOPERATION
ECONOMIQUE
INTERNATIONALE

CONFERENCE ON
INTERNATIONAL
ECONOMIC
CO-OPERATION

CONFERENCIA SOBRE
LA COOPERATION
ECONOMICA
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الدولي

19, AVENUE KLEBER - 75116 PARIS - TEL. : 260.81.81 - 225.21.18 - 225.24.02 - 553.52.00

44/76

Le, 6 février 1976

Monsieur le Président,

A la demande des co-Présidents de la Conférence sur la Coopération Economique Internationale, j'ai l'honneur de vous prier, conformément à l'article 9 du Communiqué final de la Conférence Ministérielle du 19 décembre 1975, de participer en qualité d'observateur aux travaux des Commissions pour le Développement et pour les Affaires Financières qui se réuniront au Centre de Conférences Internationales à PARIS, le 11 février 1976.

Lors d'une réunion qu'ils ont tenue le 26 et 27 janvier 1976, les co-Présidents de la Conférence et des Commissions ont, entre autres dispositions, formulé certaines suggestions relatives à la présence des observateurs.

Je me permets de vous faire tenir, à titre confidentiel, l'extrait du compte-rendu de cette réunion sur ce point.

Je vous serais obligé de bien vouloir me faire connaître le nom des personnes que vous vous proposez de désigner pour vous représenter, à cette occasion.

.../...

Monsieur Mac NAMARA
Président de la Banque Internationale
pour la Reconstruction et le Développement
1818 H. STREET N.W. WASHINGTON 25 DC
20433 U.S.A.

Rec'd in IRD

2/18/76

CONFERENCE
LA COOPERATIVE
ECONOMY
BUTTERFIELD & SWIRE
INTERNATIONAL
120-1028
LA COOPERATIVE
ECONOMY
BUTTERFIELD & SWIRE

1/15/50

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1976 FEB 18 AM 8:37
INCOMING MAIL UNIT

.../...

Comme vous pourrez le constater dans le document cité en référence et joint à cette lettre, il est possible que l'Organisation dont vous êtes le Président soit amenée à participer aux travaux d'autres Commissions que celles qui sont nommément désignées. Ce sera à la demande des co-Présidents de la Commission concernée et en qualité d'observateur ad-hoc.

Veuillez agréer, Monsieur le Président, l'assurance de ma haute considération.

A handwritten signature in dark ink, appearing to read 'Bernard Guitton', with a stylized, cursive script.

Bernard GUITTON

IDA Membership
cc CIEC

Mr. I.P.M. Cargill

January 28, 1976

William Diamond

Fifth IDA Replenishment: CIEC Commissions

Mr. McNamara asked, on Monday, that consideration be given to assuring that the question of the Fifth IDA Replenishment be brought to the attention of the relevant Commissions established by CIEC.

In principle, it is highly desirable to assure that the Fifth Replenishment gets support in fora and institutions in which both South and North are represented, and that countries of the South raise the subject in those places. They did so with good results, for instance, in the Special Session of the U.N. General Assembly last September. Such initiatives from the South are bound to have some effect on the views of the North.

Nevertheless, I think it is risky to insert the question of the Fifth Replenishment into fora where we cannot control (and possibly little influence) the outcome of discussion. We had an example of that kind of situation in the discussion of the Development Committee's communique in Jamaica, and we will probably have much less influence on the CIEC Commissions than we had on the Development Committee. I presume it was this risk and problem that Mr. McNamara had in mind when, in his staff meeting in Kingston on the morning of January 10, he spoke of the possibility of "twinning" the Development Committee with the Fund Council. He suggested that, while the Fund Council would focus on Fund affairs, the Development Committee might concern itself exclusively with the affairs of the Bank Group which require political direction (such as IDA Replenishments). General aid matters (i.e., not directly involving the Bank) might be dealt with in the Commissions of the CIEC. I understand he suggested that Mr. Stern consider this subject, and present a proposal, on his return to Washington early February.

Having noted the risk, and without prejudice to the outcome of the examination which Mr. McNamara's discussion might stimulate, I think it would nevertheless be helpful to encourage key Southern members of the CIEC Development and Finance Commissions to refer, where possible, to the special role of IDA and to the importance of a substantial and timely Replenishment. In the Development Commission this would call for interventions by Cameroon, India, Jamaica, Pakistan, Peru, Yugoslavia, and Zaire. In the Finance Commission it would mean Brazil, Egypt, India, Mexico, Pakistan and Zambia. (In both cases, I have eliminated oil-exporting countries as well as

Northern countries.) I doubt that we should devote any effort to the Latin American countries involved. But I do recommend that Mr. McNamara ask the African and Asian Regional Vice Presidents to ask their constituents to press for a timely and substantial IDA Replenishment in their Commissions. And you should ask Mr. Kochman to add Zaire and Egypt, and possibly Zambia, to his itinerary. (A decision on this latter is required by Wednesday or Thursday latest.)

cc Messrs. ~~Cargill~~
Goodman/Hattori
Adler
Gabriel
Nurick
Kochman
Vibert

WDiamond:us

✓ LI-ECOM
✓ CIEC

January 28, 1976

Dear Gabriel:

This will acknowledge receipt of your memorandum dated January 16, 1976 on the subject of the organization of the United Nations representation at the Conference on International Economic Cooperation (CIEC).

We are grateful for the information about the establishment of a UN Office to the CIEC. The Bank accepts with pleasure your invitation to be represented by Mr. Grenfell at the meeting you are calling in New York on February 5. We look forward to the additional information which will be available by then, in the light of the decisions made at the preparatory CIEC session of January 26.

I am also pleased to inform you that Mr. Jean Carriere, Director, European Office will represent the Bank at the Conference. Mr. Carriere will be in touch with the UN Office to the CIEC, in particular on the subject of the documentation which the Bank may be able to provide for the information of the CIEC.

Yours sincerely,

William Clark
Vice President, External Relations

Mr. Gabriel van Laethem
Under-Secretary General


for Economic and Social Affairs
United Nations
New York, N. Y. 10017

cc: Mrs. Boskey
Mr. Carriere
Mr. Grenfell

LPChatenay:mmh

See Below

January 27, 1976

L. Peter Chatenay 

Meeting on the CIEC, January 19, 1976

1. The meeting chaired by William Clark was attended by Mrs. Boskey, Messrs. Burki, Carriere, E. Friedmann, Hattori, Koelle, Merriam, Rovani, Saxe, Takeuchi, Tims and Chatenay. The purpose of the meeting was to consider what should be the Bank's relations to the CIEC in order for Mr. Clark to present recommendations to the President's Council. Participants had Jean Carriere's memorandum of December 24, 1975 which gave the background on the preparations for the meetings of the Conference's four commissions.
2. In his oral presentation, Jean Carriere commented on the memorandum and indicated that decisions on the agenda and the timetable of the commissions were still to be made. On the basis of this information and in the light of the discussion which followed, the following conclusions emerged.
3. The Director of the European Office will head the Bank delegation to the CIEC. The European Office will be responsible for covering the first meetings of the commissions until such time as a clearer picture develops about the work of the Conference when it will become possible to decide about participation by Headquarters staff. The European Office will advise Headquarters about the desirable composition of the delegation and the contributions of the Bank to the Conference as it progresses. It will also be responsible for the administrative support for the delegation, including the documentation service and for the establishment and conduct of the Bank's liaison with the UN Office at the Conference.
4. In Washington, External Relations will orchestrate the Bank's general stand at the Conference and be responsible for communications between the European Office and the Bank departments concerned with the substantive work of the Conference and also the Office of the Special Representative in New York. As a first step, a list of existing Bank documents of possible interest to the Conference will be drawn up for transmittal through the European Office to the UN Office at the Conference.
5. As soon as possible after the opening of the commissions' meetings, the European Office will report on the list of agenda items selected by the Conference. This will facilitate decisions concerning the desirable degree of substantive involvement of the Bank, the commissions which the Bank should attend and the Bank documents to be made available to the Conference, the allocation of responsibilities among Headquarters departments, including their participation on the Bank's delegation, and the way in which cooperation with the UN can best be arranged.
6. The Bank's general policy vis-a-vis the CIEC will be to do its best to meet formal requests for assistance from the Conference, within the limits of its budgetary and other resources and on items within its field of interest.

To: See Below

- 2 -

January 27, 1976

Should the Conference ask for support beyond those limits, the Bank would respond affirmatively only after it was determined that it would be in the Bank's interest to carry out the additional work and that additional resources would be forthcoming. It was highly probable that existing Bank documents or papers under preparation would be of value to the Conference. Subject to the necessary clearance and using UN channels as appropriate, the Bank will be ready to make this material available to the Conference.

To: Mrs. Shirley Boskey
Mr. S. J. Burki
Mr. Jean P. Carriere
Mr. William Clark
Mr. E. Friedmann
Mr. Masaya Hattori
Mr. H. M. Koelle
Mr. John Merriam
Mr. Yves Rovani
Mr. Jo W. Saxe
Mr. Kenji Takeuchi
Mr. Wouter Tims

cc: Mr. Julian Grenfell

LPChatenay:mmh

CONFERENCE SUR
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ECONOMIQUE
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EXTRAIT DU COMPTE-RENDU DE LA REUNION DES CO-PRESIDENTS

26 ET 27 JANVIER 1976

... PARTICIPATION DES OBSERVATEURS

Aux termes du paragraphe 9 du Communiqué final, la Conférence Ministérielle a invité certaines organisations intergouvernementales fonctionnelles directement intéressées par les problèmes qui doivent être examinés à se faire représenter en permanence au sein des Commissions correspondantes. Elle a décidé que les Commissions pourraient également inviter certaines organisations intergouvernementales fonctionnelles compétentes en la matière à participer en tant qu'observateurs ad hoc à l'examen de questions déterminées.

Les co-Présidents de la Conférence et des Commissions ont conclu qu'il serait utile de formuler un certain nombre de suggestions concernant la participation des observateurs aux réunions des Commissions tout en reconnaissant que chacune des Commissions prendrait elle-même les décisions requises. Sans vouloir préjuger de ces décisions, ils ont estimé que les organisations intergouvernementales suivantes, mentionnées au paragraphe 9 du Communiqué Final, pourraient en tout cas apporter en permanence une contribution utile aux diverses Commissions :

Le Secrétariat de l'ONU aux quatre Commissions;
L'OPEP et l'AIE à la Commission pour l'Energie;
la CNUCED, l'OCDE et le SELA aux Commissions pour les Matières Premières, le Développement et les Affaires financières;
la FAO et le GATT aux Commissions pour les Matières Premières et le Développement;
le PNUD et l'ONUDI à la Commission pour le Développement;
le FMI à la Commission pour les Affaires Financières;
la BIRD aux Commissions pour le Développement et les Affaires Financières.

Ces suggestions ne sauraient être considérées comme nécessairement complètes.

Aux cours des travaux, il se peut que l'une des Commissions vienne à examiner une question intéressant une organisation intergouvernementale mentionnée au paragraphe 9 du Communiqué final n'ayant pas d'observateur permanent au sein de cette Commission. Dans ces conditions, il semblerait raisonnable de

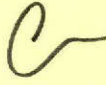
permettre à cette organisation de participer en tant qu'observateur à l'examen de telles questions sur une base ad hoc.

En ce qui concerne le droit des Commissions d'inviter des organisations intergouvernementales fonctionnelles compétentes (autres que celles mentionnées plus haut) à participer en tant qu'observateurs ad hoc à l'examen de questions déterminées les co-Présidents recommandent aux Commissions de veiller particulièrement, lorsqu'elles exerceront ce droit, à maintenir un juste équilibre entre le nombre des observateurs et celui des membres de la Conférence.

On a estimé qu'il convenait de limiter à deux au maximum le nombre des représentants-observateurs que chaque organisation pourrait avoir au sein de chaque Commission. La participation de ces représentants-observateurs sera régie par les Règles de procédure adoptées par la Conférence (paragraphe I3 du Communiqué final)...

Mr. Masaya Hattori

January 27, 1976

L. Peter Chatenay 

CIEC; Notes on the Meeting of January 19, 1976

1. Many thanks for the comments in your memorandum of January 26. As you certainly noted, the intention was only to summarize the conclusions.
2. Please find herewith the revised and final version of the memorandum on the meeting. It takes all comments received into account. Allow me to make the following points in the light of your comments, in order.
3. Firm decisions about Bank participation in the individual commissions must await the commissions' approval of their agenda. In the case of the Financial Affairs commission, External Relations will contact VPF as soon as the order of business is known, to consider all aspects of the Bank's coverage of that commission.
4. The reference to budgetary implications is in paragraph 6 which now mentions "budgetary" resources specifically.
5. Jean Carriere is designated as head of the Bank's delegation to the CIEC. As to the central role of External Relations, you will note the word "orchestrate", instead of "direct", in paragraph 4. I hope it meets your point.
6. The European Office will handle the Bank's coverage of the Conference until such time as the assistance required from Washington can be determined.
7. Clearance of documents, as you point out, may become a delicate issue. The last sentence of paragraph 6 makes it clear that the "necessary" clearance will be required before Bank documents are put to the Conference. There is nothing more to say on that, at this stage. If and when requests come in, we will have to consider the issue in detail.

cc: Mr. William Clark
Mr. Boskey
Mr. Carriere
Mr. Rotberg
Mr. Tims

LPChatenay:mmh

Mr. L. Peter Chatenay

January 26, 1976

Masaya Hattori

January 19 Meeting on CIEC: Your Draft Minutes

1. It should be made clear in the minutes that no decision was made on World Bank representation on all of the four commissions. Mr. Carriere himself said that he didn't know whether we should be represented on the commissions on energy (DPS and CPS indicated strong reservations) or that on raw materials. He said he thought we should be represented on the commission on development (no objections) and that on financial affairs. You will recall that I made strong reservations about World Bank representation on the financial affairs commission, since if the Conference were to follow the ideas of Mr. Giscard d'Estaing the initiator of the Conference, that commission would deal principally with exchange rate stability and related themes.

Note: Giscard d'Estaing's address of 10-28-75 on the new economic order, delivered at the Ecole Polytechnique, says "Finally as regards the financial and monetary aspects, the themes will center around the search for a more stable system and at the same time on ways to ensure some degree of security for the capital and earnings that the countries exporting raw materials and energy currently get for their exports".

I concluded by saying that prima facie there was no case for World Bank representation on the financial affairs commission; however the Conference or the Commission may decide to take up matters that were of direct interest to the World Bank; in that event the Vice President Finance would provide the representative to the commission and the necessary documentation.

2. No mention is made of the budgetary implications of World Bank participation in CIEC, although both CPS and DPS had grave concerns about it. As I recall it Mr. Clark said it was necessary to mention it to P&B and VPF.

3. The first sentence of paragraph 3 and the first sentence of paragraph 4 are at variance with what Messrs. Clark and Carriere said at the meeting. The word used to explain External Relations role was "coordination" and the word "direction" was consistently avoided.

4. The second sentence of paragraph 3 is ambiguous, and read in the context of the first sentence could convey the impression that the European Office will represent the Bank on the first meetings of the four commissions which is not what was decided.

5. Concern was expressed by DPS about the procedural aspects, especially whether the Executive Directors should be informed, and whether the documents

should be approved by them. No conclusion came out and I would think that a statement should be included in the minutes that this question would be studied separately.

6. A minor point is that the word "committee" is used where "commission" seems to be indicated.

cc: Messrs. Cargill,
Goodman,
Adler,
Rotberg (with draft minutes)
W. Clark,
Carriere,
E. Friedman,
Koelle,
Meeriam,
Rovani,
Saxe,
Tims

Mlattori:ed

Mrs. Boskey

January 12, 1976

M. A. Burney

North-South Conference

Mr. Van Hoek, Director, Resources and Program ^{Planning Office} ~~Planning Office~~
in Mr. Van Laethem's Department of ESA will be in Paris next week
(January 14-16) primarily to finalize arrangements for setting up an
office of ESA for the duration fo the work of the four commissions.
The office would basically serve as an information office, but might
become ~~the~~ focal point for UN input into commissions. It may also
serve the agencies which may be involved, but have no offices in Paris.
Mr. Joffroy (French), an economist and until recently working at the
UN regional commission in Bierut (ECWA), is appointed the coordinator
for the UN at that office.

I am informing Jean Carrier of this, especially as van Hoek
may call on Jean while in Paris.

cc: Mr. William Clark
Mr. Grenfell
Mr. Carrier

MAB:nts *WAB*

LI-CIEC

UNITED NATIONS



NATIONS UNIES

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

TO: Mr. Robert S. McNAMARA
A:

DATE: 31 December 1975

President,

REFERENCE: _____

THROUGH: IBRD, Washington D.C.
S/C DE:

FROM: Gabriel Van Laethem
DE: Under-Secretary-General for
Economic and Social Affairs

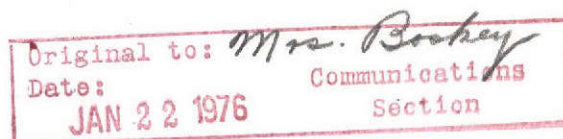
SUBJECT: Conference on International Economic Co-operation
OBJET:

..... Please find enclosed a set of documents concerning the Conference on International Economic Co-operation which met in Paris from 16 to 19 December 1975, namely :

1. the text of the statements delivered by the participants (in English and/or French, as available)
2. the text of the statement of the Secretary-General
3. the final communiqué of the Conference (some paragraphs refer to the final declaration of the Second Preparatory Meeting; copy of which was attached to my memorandum to you of 27 October 1975. An extra copy is also enclosed)
4. the report established by the Secretariat at the end of the Conference.

If you so desire, we shall be happy to send you extra copies of these documents.

In view of the importance of this Conference, I intend to write again to you shortly on the follow-up which may be appropriate.



INCOMING TELEX

Dec 12 1975

Mr. Wm. Clark

From: 18RD A PARIS

1975 DEC 13 10:48

2805 WILLIAM CLARK - IMMEDIATE DELIVERY -

RE: CIEC

1. THE FIRST MINISTERIAL SESSION OF THE CIEC ENDED UP SUCCESSFULLY ON FRIDAY DEC 12 AT 4:30 A.M. THIS POSITIVE CONCLUSION HOWEVER COULD BE REACHED ONLY AFTER A LONG PERIOD OF HARDY BARGAINING, BETWEEN AND AMONG THE TWO GROUPS OF COUNTRIES, DUE TO SEVERAL PROBLEMS OF GENERAL IMPORTANCE.
2. THE FIRST CONTROVERSIAL ISSUE WAS RELATED TO THE COMPOSITION OF THE COMMISSIONS. THE SOUTH SIDE HAD FORLY WAVED TO PROPOSE FOR THE FOUR COMMISSIONS. TWO SEATS WERE FIRST ATTRIBUTED TO EACH OF THE NINETEEN COUNTRIES. AFTER LENGTHY DISCUSSIONS, IT WAS DECIDED THAT THE TWO EXTRA SEATS WOULD GO TO INDIA AND ZAIRE.
3. CONCERNING THE INTERNATIONAL ORGANIZATIONS TO BE INVITED TO THE COMMISSIONS: THE 19 POINTED OUT THAT AMONG THE LIST ESTABLISHED BY THE PREPARATORY MEETING, ONLY OPIC WAS SPECIFICALLY REPRESENTING THE INTERESTS OF A GROUP OF DEVELOPING COUNTRIES, WHILE IEA AND OECD WOULD REPRESENT THE INTERESTS OF THE INDUSTRIALIZED COUNTRIES. THE 19 THEREFORE INSISTED THAT THE NEWLY

ESTABLISHED LATIN AMERICAN ECONOMIC ORGANIZATION, SELA, BE
INCLUDED IN THE LIST. THIS WAS FINALLY AGREED UPON BY THE
CONFERENCE.

4. BY FAR THE MOST IMPORTANT ISSUE WAS THE DEFINITION OF THE
MANDATES FOR THE COMMISSIONS. AS REPORTED IN MY LAST TELEX,
THE 19 WERE ASKING THAT THE CONFERENCE DRAW UP PRECISE MANDATES
FOR THE COMMISSIONS, HOPING THAT THE MINISTERS WOULD WISH TO
INDICATE BASIC PRIORITIES AND GIVE ORIENTATIONS TO THE COMMISSIONS.
THE OECD COUNTRIES OPPOSED THIS VIEW, SAYING THAT IT WAS UP TO
THE COMMISSIONS TO ESTABLISH THEIR OWN AGENDA AND PRIORITIES.
FINALLY, A COMPROMISE WAS REACHED ALONG THE FOLLOWING LINES:
THE MINISTERIAL MEETING WOULD NOT TAKE UP THIS ISSUE, BUT THE CO-
CHAIRMAN OF THE CIEC AND OF THE 4 COMMISSIONS WOULD MEET IN
PARIS ON JAN. 24 TO "REVIEW THE PREPARATION FOR THE WORK OF THE
COMMISSIONS". ALL FOUR COMMISSIONS WILL HAVE THEIR FIRST MEETING
IN PARIS ON FEB. 11.

THE OTHER PROBLEMS ON THE AGENDA WERE OF PROCEDURAL AND
ADMINISTRATIVE CHARACTER AND HAD ALREADY BEEN AGREED UPON AT THE
PREPARATORY MEETING OF OCTOBER LAST, THE MINISTERIAL SESSION
SIMPLY ENDORSED THE RECOMMENDATIONS OF THE PREPARATORY MEETING.

5. AS PREVIOUSLY AGREED, THE BANK IS LISTED AMONG "THE INTER-
GOVERNMENTAL FUNCTIONAL ORGANIZATIONS WHICH ARE DIRECTLY CONCERNED
WITH THE PROBLEMS TO BE CONSIDERED" AND "WHO WILL BE ABLE TO
MAKE A USEFUL CONTRIBUTION TO THEIR CONSIDERATION". THESE
ORGANIZATIONS - U.N., OPEC, IEA, UNCTAD, OECD, FAO, GATT, UNDP,

UNIDO, IMF, IBRD, SELA - "ARE INVITED TO BE REPRESENTED ON A
PERMANENT BASIS IN THE RELEVANT COMMISSIONS". IT REMAINS TO BE
SEEN WHAT COMMISSIONS WILL BE DEEMED RELEVANT FOR EACH OF
THE LISTED ORGANIZATIONS. THIS ISSUE WILL PROBABLY BE DEALT WITH
BY THE CO-CHAIRMEN MEETING OF JAN. 26.

6. AS INDICATED IN MY 2770, I WILL REPORT FULLY BY MEMO ON THE
CIEC MINISTERIAL SESSION BEFORE THE END OF NEXT WEEK. I PLAN TO
VISIT HEADQUARTERS FROM JAN. 16 TO 23 TO DISCUSS AMONG OTHERS THE
ORGANIZATION OF THE BANK'S REPRESENTATION IN THE COMMISSIONS.

7. AS MENTIONED IN MY 2768, I WILL ATTEND TODAY A MEETING WITH
MR VAN LAETHEM AND THOSE REPRESENTATIVES OF THE U.N. SPECIALIZED
AGENCIES WHO ARE PRESENT IN PARIS, INCLUDING IMF. THIS MEETING
WILL DISCUSS THE VARIOUS PROBLEMS RELATED TO THE WORK OF THE
COMMISSIONS AND IN PARTICULAR THE LEVEL OF REPRESENTATION.

8. I PRESUME THAT YOU ALREADY HAVE THE FULL TEXT OF THE FINAL
COMMUNIQUE OF THE MINISTERIAL MEETING. IF NOT, WE CAN SEND IT
IMMEDIATELY BY TELEX. PSE ADVISE. REGARDS

CARRIERE

PARA 5 UNDER "THESE ORGANIZATIONS: PLS READ "IEA" AND NOT IFA
THKS

DEC 18 1975

INCOMING TELEX

Li - CIEC

28

IBRD A PARIS

DISTRIBUTION:

Mr. W. Clark

2732 WILLIAM CLARK - IMMEDIATE DELIVERY -

RE: CIEC

1. CIEC CONCLUDED DURING THE NIGHT OF WEDNESDAY THE ROUND OF GENERAL STATEMENTS BY HEADS OF DELEGATIONS.

MOST OF THE SPEAKERS FROM THE NON-OIL LDCS EXPRESSED THE HOPE THAT THE OECD COUNTRIES WOULD ENTER THE NEGOTIATIONS WITH A SPIRIT OF COOPERATION AND THE WILLINGNESS TO CORRECT THE BASIC IMBALANCES AND INJUSTICES OF THE PRESENT INTERNATIONAL ECONOMIC ORDER. THEY LISTED THE PROBLEMS TO BE DEALT WITH, BUT GENERALLY DID NOT GO VERY FAR IN DESCRIBING THE WAYS AND MEANS TO SOLVE THEM.

THE SPEAKERS FROM OIL PRODUCING COUNTRIES REACTED SOMEWHAT TO SECRETARY KISSINGER'S STATEMENT THAT THE WORLD ECONOMIC RECESSION HAD BEEN BROUGHT ON BY OIL PRICE INCREASES. MR. BOUTEFLIKA FROM ALGERIA SAID IT WAS UNFAIR TO BRING UP OBVIOUS FALSEHOODS CONCERNING OIL PRICES. MR. HAMMADI FROM IRAQ CRITICIZED THE OECD INTERNATIONAL ENERGY AGENCY'S ACTIVITY AND SAID THAT THE EXPLOITATION EXERCIZED BY IMPERIALIST POWERS AND THE INFLATION IN CAPITALIST COUNTRIES WERE THE TRUE CAUSES FOR THE WORLD ECONOMIC CRISIS. MR. AMOUZESAR FROM IRAN SAID THAT TO ATTRIBUTE RESPONSIBILITY FOR THE CRISIS TO OPEC WOULD ONLY HAVE A NEGATIVE INFLUENCE ON THE DIALOGUE. BUT HE ASSURED THAT "UNTIL NEW BALANCES ARE FOUND IN ENERGY PRODUCTION AND CONSUMPTION, THE EXPORTING COUNTRIES ARE PREPARED TO GUARANTEE ADEQUATE SUPPLIES ON THE CONDITION THAT CONSUMERS DO NOT PUT UP ARTIFICIAL FRONTIERS TO CREATE DISTORTIONS IN THE WORLD OIL MARKETS".

2. THE RATHER HARSH SPEECHES FROM OIL-PRODUCING COUNTRIES WERE SEEN AS A REACTION AGAINST WHAT THEY CONSIDERED AN ATTEMPT BY MR KISSINGER TO BREAK THE SOLIDARITY BETWEEN OIL AND NON-OIL LDCs. BUT COMPARED TO THE SHARP TONE OF CONFRONTATION WHICH HAS PREVAILED SO FAR, THE RHETORIC IN PARIS APPEARED TO MOST OBSERVERS AS CONCILIATORY. THIS EXPLAINS THE RELAXED ATMOSPHERE PREVAILING IN THE CONFERENCE AND THE ALMOST UNANIMOUS PREDICTION FOR A FULL SUCCESS OF THE MINISTERIAL MEETING.

3. THE TWO MOST DIFFICULT PROBLEMS ARE INDEED SAID TO BE ALMOST RESOLVED, AFTER A NUMBER OF UNOFFICIAL TALKS BETWEEN THE TWO GROUPS. FIRSTLY, THE LDCs HAVE REPORTEDLY GIVEN UP THEIR REQUEST FOR ADDITIONAL SEATS IN THE CIEC. SECONDLY, ALGERIA'S REQUEST AT THE END OF WEDNESDAY'S SESSION THAT THE CONFERENCE DRAW UP PRECISE MANDATES FOR THE COMMISSIONS, INCLUDING IN PARTICULAR THE NOTIONS OF INCOME GUARANTEES AND INDEXATION, HAS BEEN DROPPED: ON THURSDAY MORNING, THE 77 WERE SAID TO BE READY TO ACCEPT RATHER LOOSE TERMS OF REFERENCE FOR THE FOUR COMMISSIONS.

4. THE MINISTERIAL MEETING WILL BE CALLED TODAY TO ENDORSE FORMALLY THESE AGREEMENTS AS WELL AS ALL UNDERSTANDINGS ON PROCEDURAL MATTERS REACHED BY THE PREPARATORY MEETING OF LAST OCTOBER. UNLESS LAST MINUTE DIFFICULTIES, THE MEETING SHOULD DISPOSE OF ITS AGENDA BY THURSDAY NIGHT.

5. FORMAL AGREEMENT HAS ALREADY BEEN REACHED ON THE CHAIRMANSHIP OF THE FOUR COMMISSIONS. THE CHAIRMEN WILL BE:

ENERGY	U.S., SAUDI ARABIA
COMMODITIES	JAPAN, PERU
DEVELOPMENT	ECG, ALGERIA
FINANCE	ECG, IRAN.

321 1532

IBRO 8 PARIS

Distribution: Mr. Wm. Clark

DECEMBER 17

INTBAFRAD PARIS

2782 FOR WILLIAM CLARK

IMMEDIATE DELIVERY

RE: C I E C

1. FURTHER TO MY 2776, CIEC CO-CHAIRMAN MANUEL PEREZ- GUERRERO SAID IN HIS OPENING STATEMENT THAT SUCCESS OF CONFERENCE WOULD BE DIFFICULT BUT NOT IMPOSSIBLE. HE SAID THAT CIEC WAS AN ADEQUATE FORUM, SINCE IT WILL COVER ALL MATTERS OF VITAL INTEREST TO ALL NATIONS. BUT QUOTE ONE CANNOT ADVANCE ON ANY OF THESE MATTERS INDEPENDENTLY UNQUOTE, SAID HE, THUS REAFFIRMING THE BASIC REQUEST FROM THE SOUTH FOR HARMONIOUS PROGRESS IN EACH AND EVERY ONE OF THE COMMISSIONS. PEREZ-GUERRERO'S SPEECH HAD A TONE OF PRUDENT OPTIMISM ABOUT THE FUTURE OF THE CIEC.

2. ON TUESDAY 16TH AFTERNOON, CIEC LISTENED TO THE FIRST GENERAL STATEMENTS TO BE MADE BY THE 27 DELEGATIONS. MOST OF THE SPEAKERS ON THE TOP OF THE LIST WERE FROM THE OECD GROUP. NONE OF THEM BROUGHT UP NEW IDEAS, ALL EXPRESSED THE HOPE THAT THE CIEC WOULD BE SUCCESSFUL. GENERALLY SPEAKING, THE REPRESENTATIVES OF THE NORTH PUT, EXPLICITLY OR IMPLICITLY, SPECIAL EMPHASIS ON THE ENERGY PROBLEMS, AND ESPECIALLY THE PRICE OF OIL. BUT THEY SO DID IN MARKEDLY MODERATE TONE.

3. THIS WAS PARTICULARLY CLEAR IN MR KISSINGER'S STATEMENT. THE SECRETARY OF STATE SAID THAT WHAT WAS NEEDED WAS QUOTE A DISCUSSION ON THE EFFECTS OF ENERGY PRICES ON THE WORLD ECONOMY UNQUOTE. AMONG THE PROBLEMS OF SPECIAL INTEREST TO THE U.S., HE MENTIONED: PRICE OF PETROLEUM, SECURITY OF SUPPLY, BLANCE OF PAYMENTS OF THE DEVELOPING COUNTRIES, CONDITIONS FOR INTERNATIONAL INVESTMENT, KEY RAW MATERIALS (PARTICULARLY FOOD), TRADE PROBLEMS AND URGENT PROBLEMS OF THE POOREST COUNTRIES.

MR KISSINGER MADE CLEAR THAT THE LDCS SHOULD NOT EXPECT THE SOLUTION OF THEIR PROBLEMS TO COME ONLY FROM THE OECD COUNTRIES. THEY MUST ALSO LOOK TO THE OIL PRODUCING NATIONS. BUT THIS WARNING WAS MADE IN A CONCILIATORY MANNER AND THIS STRUCK THE AUDIENCE, WHO HAD EXPECTED AN ABRUPT AND STRONG ATTEMPT, ON THE PART OF THE U.S., TO BREAK THE SOLIDARITY BETWEEN THE OIL AND NON-OIL DEVELOPING COUNTRIES.

MR KISSINGER WAS THE ONLY SPEAKER TO GET INTO THE SUBSTANCE OF THE FORTHCOMING DISCUSSIONS. HIS STATEMENT WAS A REPETITION OF HIS ADDRESS TO THE 7TH SPECIAL SESSION OF UNGA. HE RENEWED HIS PLEA FOR A MAJOR EXPANSION OF THE RESOURCES OF IFC AND REAFFIRMED HIS GOVERNMENT'S PLEDGE TO SUPPORT THE 5TH IDA REPLENISHMENT. HE ALSO RECOMMENDED THAT ICSID BE GIVEN A GREATER ROLE IN SOLVING IMPORTANT INVESTMENT CONTROVERSIES.

4. ON WEDNESDAY 17TH, THE CIEC WILL HEAR THE GENERAL STATEMENTS WHICH REMAIN TO BE MADE. THIS WILL PROBABLY TAKE UP THE WHOLE DAY. DISCUSSIONS ON PROCEDURAL MATTERS WILL THEREFORE TAKE PLACE ONLY THURSDAY, DEC 18.

REGARDS

CARRIERE

INTBAFRA WASH DC

LI - CIEC

DEC 16 1975

INCOMING TELETYPE

EP

IBRD A PARIS

Distribution: Mr. Wm. Clark

RECEIVED

2776 WILLIAM CLARK - IMMEDIATE DELIVERY -

DEC 16 PM 2 04

ESTABLISHED 1946
BUREAU

REX CIEC

1. PRESIDENT GISCARD D'ESTAING TODAY OPENED THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION. IN HIS SPEECH HE SAID THAT THIS UNPRECEDENTED MEETING WILL HAVE TO EXAMINE ALL ECONOMIC PROBLEMS ON A WORLD-WIDE BASIS AND THAT THE OBJECTIVE OF THE CONFERENCE WAS "TO PROMOTE RATIONALITY AND JUSTICE IN THE FUNCTIONING OF THE WORLD ECONOMY". HE FURTHER SAID THAT WHAT MUST BE SOUGHT IS: IMPROVED STABILITY OF MONETARY RELATIONS, MORE ORDERLY EVOLUTION OF PRICES OF WIDELY-TRADED PRODUCTS, PRIMARY AND MANUFACTURED AS WELL SEMICOLON SUBSTANTIAL INCREASE OF DEVELOPMENT AID, ITS WIDENING AND DIVERSIFICATION (PREFERENCES, INCREASED SUPPORT FOR AGRICULTURAL DEVELOPMENT, INDUSTRIALIZATION, TRANSFER OF TECHNOLOGY.) IN EVERY RESPECT, DEVELOPING COUNTRIES MUST FEEL THAT THEY ARE TREATED AS PARTNERS RATHER THAN "ASSISTED COUNTRIES".

MR GISCARD D'ESTAING THEN PAID TRIBUTE TO EXISTING INTERNATIONAL ORGANIZATIONS, NAMELY U.N., UNCTAD AND IMF. BUT HE SAID THAT IT WAS NOW UP TO THE CIEC TO "MAKE A DECISIVE STEP".

I THINK THAT WE SHOULD NOT ATTACH TOO MUCH IMPORTANCE TO THE FACT THAT MR GISCARD D'ESTAING OMITTED THE NAME OF THE BANK AMONG THE "INTERNATIONAL ORGANIZATIONS CONCERNED". THE SHORT LIST OF ORGANIZATIONS HE NAMED OBVIOUSLY WAS NOT LIMITATIVE.

INCOMING TELETYPE

BJ

1975 DEC 15 PM 12:37

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Distribution:

INTBAFRA WASH DC

Mr. Wm. Clark

DEC 15 1975

IBRD & PARIS

From:

2766 WILLIAM CLARAK - IMMEDIATE DELIVERY -

REF CIEC

1. THE CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION WILL OPEN ITS FIRST MINISTERIAL MEETING IN PARIS ON DEC. 16. PRESIDENT GISCARD D'ESTAING, WHO TOOK THE INITIATIVE OF THE GATHERING, WILL MAKE THE OPENING STATEMENT.
2. THE COMPOSITION OF THE CONFERENCE IS THE ONE WHICH WAS AGREED UPON AT THE PREPARATORY MEETING OF OCT 13-15, SINCE BOTH PARTIES HAVE RESOLVED THEIR INTERNAL DISPUTES FOR AN ENLARGEMENT OF THEIR REPRESENTATION.

HOWEVER, THIS ISSUE IS NOT ENTIRELY BURIED. THE 19 MEMBERS FROM THE SOUTH WILL REPORTEDLY REQUEST THE MINISTERIAL MEETING TO INCREASE THE NUMBER OF THEIR SEATS: THEY ARE UNDER SEVERE PRESSURE FROM MANY APPLICANTS, ESPECIALLY IVORY COAST. ON THE NORTH SIDE, THE OECD COUNTRIES HAVE BEEN UNABLE SO FAR TO SUBSTANTIATE THE IDEA OF AN "OIL FLOOR PRICE", AGREED UPON BY

THE EUROPEAN SUMMIT IN ROME ON DEC 5. THUS, THE PROBLEM OF THE COMPOSITION OF THE NORTH SOUTH CONFERENCE IS LIKELY TO BE DISCUSSED AGAIN AT THE MINISTERIAL MEETING.

3. THE INTERNAL DIFFICULTIES REPORTED ABOVE HAVE DELAYED PREPARATION OF THE TALKS. BOTH SIDES HAVE HELD MEETINGS OVER THE WEEK-END TO PUT A FINAL TOUCH TO THEIR POSITIONS. BUT THERE WAS LITTLE TIME FOR THE TWO GROUPS TO HAVE ADVANCE CONTACTS AND EXCHANGE OF VIEWS. THIS MEANS THAT THE MINISTERIAL MEETING WILL BE LEFT WITH MANY ISSUES TO DISCUSS, AND WILL CERTAINLY NEED THE FULL THREE DAYS EARMARKED FOR THE MEETING TO GO THROUGH THE AGENDA.

4. FOLLOWING IS THE DRAFT AGENDA OF THE MINISTERIAL MEETING, WHICH WAS DRAWN BY THE OECD SIDE ON THE BASIS OF THE DOCUMENT AGREED UPON BY THE PREPARATORY MEETING:

A) DESIGNATION OF TWO CO-CHAIRMEN (MR. ALLA W MACEACHEN FROM CANADA IS PROPOSED FOR THE INDUSTRIALIZED COUNTRIES' GROUP AND MR. PEREZ-GUERRERO FROM VENEZUELA FOR THE LDCS)

B) APPROVAL OF THE AGENDA AND RULES OF PROCEDURE

C) GENERAL STATEMENTS BY THE VARIOUS DELEGATIONS

D) SETTING UP OF FOUR COMMITTEES AND DECISION ON THE NUMBER OF MEMBERS OF THE COMMITTEES

E) DESIGNATION OF THE MEMBERS OF THE COMMISSIONS AND OF THE CO-CHAIRMEN OF THESE COMMITTEES

F) APPROVAL OF THEIR MANDATES AND GENERAL GUIDELINES

G) ESTABLISHMENT OF LISTS OF INTERNATIONAL ORGANIZATIONS INVITED TO DELEGATE OBSERVERS IN THE COMMITTEES AND THE DEFINITION OF THEIR STATUS

- H) ADMISSION OF OBSERVERS IN THE COMMITTEES
- I) JOINT MEETING OF COMMITTEE CO-CHAIRMEN
- J) PROVISIONS CONCERNING THE ORGANIZATION OF THE CONFERENCE SECRETARIAT AND THE COMMITTEES
- K) SCHEDULE FOR COMMITTEES' WORK AND SUBSEQUENT CONFERENCE SESSIONS
- L) ADOPTION OF THE FINAL DECLARATION OF THE CONFERENCE.

5. ACCORDING TO MY SOURCES, THERE IS LITTLE DOUBT THAT THE MINISTERIAL MEETING WILL BE SUCCESSFUL SINCE THE MATTERS IT HAS TO DISCUSS ARE PRIMARILY OF PROCEDURAL NATURE. THE REAL PROBLEMS WILL EMERGE ONLY WHEN THE COMMISSIONS BEGIN TO OPERATE IN JANUARY.

6. I INTEND TO REPORT ON THE MINISTERIAL MEETING IN THE FOLLOWING MANNER:

A) AT THE END OF EACH OF THE TWO FIRST DAYS, I WILL SEND A TELEX ON THE PROCEEDINGS OF THE DAY

B) AT THE END OF THE MEETING, YOU WILL RECEIVE A TELEX SUMMING UP THE MAJOR ACHIEVEMENTS OF THE CONFERENCE

C) LATER IN DECEMBER, I WILL WRITE A MEMO IN WHICH I WILL TRY TO ANALYZE THE RESULTS OF THE CONFERENCE AND MAKE SUGGESTIONS CONCERNING THE BANK'S REPRESENTATION IN THE COMMISSIONS.

REGARDS

CARRIERE

NOTE: MR. CLARK'S OFC. WAS INFORMED BY TELEPHONE

EG

PLS ACK THXS

LI - C/EC

Mrs. S. Boskey

December 8, 1975

M. A. Burney

North-South

The "77" met informally in New York on December 4 and 5, under the chairmanship of Minister M. Perez Guerrero (Venezuela) mainly to settle the question of representation in the commissions.

As of now the composition looks as follows:

<u>Energy:</u>	Iran, Iraq, Saudi Arabia, Algeria, Venezuela, India, Egypt, Brazil, Cameroon, Mexico, Zaire (total 11).
<u>Raw Material:</u>	Indonesia, Nigeria, Venezuela, Peru, Zambia, Zaire, Argentina, Mexico, Yugoslavia, Cameroon (total 10).
<u>Development:</u>	Algeria, Nigeria, Jamaica, India, Pakistan, Mexico, Peru, Argentina, Yugoslavia (total 9).
<u>Financial Affairs:</u>	Saudi Arabia, Iran, Iraq, Egypt, Indonesia, Pakistan, Brazil (total 7).

Another preparatory meeting will be held in Paris on December 15 (Monday) to finalize the selection of 10 countries in each of the four Commissions, for OPEC and other developing countries.

Minister Perez Guerrero will be the co-chairman of the three-day ministerial conference; Canada, as you know, is the other co-chairman.

In addition the "77" have agreed to have a small (4-5 persons) secretariat for the Ministerial Meeting, and the work of the commissions. This will only be a technical secretariat (precis writer etc.) and not a professional secretariat. The need for a permanent professional secretariat for the "77" has been recognized and will be given further thought in the light of Paris meetings, but the concept, although important, is full of political considerations and will take time to germinate. In the meantime, as far as Paris is concerned, countries selected for commissions will be responsible for research and position papers required for negotiations in the commissions during the coming year.

On the basis of conversation with a few delegations from the "77", it is clear that not much is expected from Paris on raw material, and the monetary reforms, if no understanding is reached on energy. The extent of OPEC support for the "77" on non-energy matters will naturally depend on how well they do on energy, the prime concern of the industrialized countries.

cc. Mr. Clarke
Mr. Grenfell

heß

LI - CIEC

Mr. Robert S. McNamara

November 12, 1975

Michael L. Hoffman

Statement by Mr. Giscard d'Estaing on ODA

1. Newspapers have reported the general themes of Giscard d'Estaing's lecture at his old school (Ecole Polytechnique) on October 28 on the subject of the New International Economic Order.
2. You may like to note his reference to ODA which the papers, I believe, did not mention. This is the first time, to my knowledge, that a French spokesman has referred to a time frame for reaching the 0.7% target.
3. The French President, explaining a slide which showed the level of aid as a percentage of GNP for several countries, said:

"...You will see that, between 1963 and 1973, U.S. aid, which in the absolute was the world's largest, has gone down by more than half, Japan's aid has not fluctuated greatly, German aid has diminished and so has French aid, albeit somewhat less. The same goes for the U.K. All these countries had jointly agreed to reach a certain level, as a percentage of their GNP. We note that today none of them has reached it.

"At this time, France has pledged to bring its percentage of GNP allocated to aid back up to 0.7% and this is a target we will reach starting next year, not in 1976 but in 1977."

cc: Mr. Jacques Henri Wahl
Mr. William Clark
Mr. Merriam
Mr. Carriere

CL LPChatenay:smh

Handwritten signature/initials

INTSAFRA WASH DC

INCOMING TELEX

LT-CIEC

sd

SEPT 19 1975

INTSAFRAD PARIS

1985 HOFFMAN

Distribution:

Mr. Hoffman

YUR 1446 OF SEPT 16 ON NORTH SOUTH.

RULES CONCERNING OBSERVERS TO VARIOUS MEETINGS OF NORTH-SOUTH
DIALOGUE BASICALLY REMAIN AS INDICATED IN MYTEL 1710 OF AUG 18

1. PREP COM (OCT 13)

OBSERVERS WILL BE THOSE WHO ATTENDED ILL-FATED FIRST PREPCOM
OF APRIL 75, NAMELY: EL DIN FOR OECD, DAVIGNON FOR INTERNATIONAL
AGENCY FOR ENERGY AND VAN LAETHEN FOR UN. PRESENCE OF GAMANI
COREA MIGHT BE REQUESTED BY WALDHEIM, BUT HE WOULD THEN BE
CONSIDERED AS PERSONAL REPRESENTATIVE OF UN SECY GENERAL.

2. FULL CONFERENCE (TO BE HELD IN DECEMBER)

ONLY ONE OBSERVER IS LIKELY TO BE INVITED: MR WALDHEIM.

SEP 19 1975

THE FOUR COMMITTEES WHICH WILL BE SET UP BY THE DECEMBER CONFERENCE ARE LIKELY TO START THEIR DISCUSSIONS ON JAN. 15, 1976. THEIR SCHEDULE OF MEETINGS IS STILL TO BE DECIDED BY THE CONFERENCE AND BY THEMSELVES AND APPARENTLY NO-ONE HAS CLEAR IDEA ON WHAT THEIR WORKLOAD MIGHT BE. BANK IS LIKELY - AND IN MY VIEW SHOULD ACCEPT - TO BE INVITED TO SEND OBSERVERS TO EACH COMMITTEE.

IF CONVENIENT TO HEADQUARTERS, I CAN ASSURE FULL REPRESENTATION OF BANK IN COMMITTEE ON FINANCIAL AND MONETARY MATTERS, BUT HEADQUARTERS' SUPPORT WILL ANYWAY BE NEEDED, ESPECIALLY IF COMMITTEES MEET SIMULTANEOUSLY.

I TRUST WE WILL HAVE CLEARER IDEAS AFTER FULL CONFERENCE IS HELD IN DECEMBER AND SUGGEST WE POSTPONE ANY DECISIONS UNTIL THEN. REGARDS

CARRIERE

CI EC

Mr. William Clark

August 28, 1975

Jean Carriere, Julian Grenfell, Michael L. Hoffman

Way Stations on the Road to a New International Economic Order (?)

1. As of early this year, there appeared to be three main sets of fora in which endeavors to convert confrontation to consultation and negotiation as a means of dealing with political and economic issues between developing countries, as a whole, and the OECD countries, might move forward. There were the Bretton Woods institutions and their committees of governors. There was the United Nations, and specifically the already scheduled Seventh Special Session of the General Assembly on Development and International Economic Cooperation. And there was the proposed Paris forum originally intended by its sponsors to deal with "energy." During the Spring, a fourth rather more limited but not insignificant forum developed in the Commonwealth. An interesting feature of the scene is that a relatively small core of individuals tend to turn up in nearly all these various meetings, particularly those in the UN forum. (A glossary of various groupings of countries currently active on the international scene is attached.)

Bretton Woods

2. Only three things need to be noted in this memorandum about the Bretton Woods forum, which in this context means mainly the Interim Committee of the IMF. First, its failure to advance very far toward its major objectives has been due primarily to disagreements among the developed countries (notably between France and the U.S.) not to North-South differences. Secondly, although serious North-South differences are reflected in the discussions in the Bretton Woods forum, there has not developed an atmosphere of outright confrontation such as to impede seriously the effective operation of the Bank and the Fund. Thirdly, items central to the Interim Committee's agenda, for example Monetary Reform or the Link, have also become major issues in other fora. But whatever happens in New York or Paris, the Bretton Woods forum remains the most likely venue for the resolution of the main international financial problems.

The United Nations

3. The scenario for the UN was, roughly, that an Intergovernmental Preparatory Committee, open to all UN members, would begin work in March on an agenda for the Special Session of the General Assembly, and that within the framework of the Preparatory Committee negotiations would take place leading to some consensus on appropriate resolutions. Papers would then be firmed up in the Summer Session of the Economic and Social Council and passed to the Special Session for final adoption, hopefully with little or no dissent. Nothing of the sort has occurred. Although the Preparatory Committee held two one-week meetings, in March and June, it failed to have anything ready for ECOSOC. Within the Preparatory Committee, neither the Group of 77 nor Group B (the OECD countries) were able to agree among themselves on either an agenda or draft resolutions. ECOSOC itself was totally unable to advance matters although the entire four weeks of the Session were spent mainly in informal meetings and corridor consultations among and between the various "groups" (the OECD countries, the 77, the Socialist Countries of Eastern Europe, and China). The objective of these consultations was for the 77 to hear the comments of other groups on a provisional list of areas and concrete questions that they wanted discussed at the Special Session.

4. At the end of the Session, the President of the Council said that "we conclude our meetings without having been able to agree on specific recommendations of a substantive nature for the consideration of the Special Session, or define more precisely the common ground among states." It is important to remember that in the UN, while the North-South issues have become dominant, the old East-West conflict is still present and the Eastern bloc can, whenever it chooses, use its weight to exacerbate North-South tensions even on issues on which it has little or no direct concern. This does not mean that the Eastern bloc always sides with the 77. But the absence from the other three fora of the Eastern bloc (and China), as potential destabilizing forces makes them all significantly different from the UN in the dynamics of their functioning.

5. On the concluding day at the ECOSOC session in Geneva, the Council decided that the provisional agenda of the Special Session should be simply stated as "Development and International Economic Cooperation" with an explanation that the issues to be considered would be essentially international trade, international monetary reform and transfer of real resources for development financing, science and technology, industrialization, food and agriculture, and restructuring of the UN system. The Council further recommended that the Special Session should adopt, on a priority basis, concrete and positive decisions on all these issues.

6. The OECD, as part of its preparation for the Special Session, held a meeting immediately prior to ECOSOC. It had assigned to a subcommittee of the whole on relations with developing countries the task of coordinating positions on the kinds of issues expected to come before the Special Session. This group was unable to come up with any common positions on specific issues such as commodity price stabilization, aid, or trade matters.

7. From Geneva, the main UN forum moved back to New York and the third session of the Preparatory Committee, which was to meet from August 18 to 22. However, there was a two-week meeting of the UNCTAD Trade and Development Board in Geneva immediately following ECOSOC, which deserves mention because of the remarkable absence of confrontation and the support and freedom of action given the Secretary-General, Mr. Gamani Corea, to negotiate directly with governments in an endeavor to get support for the integrated program for commodities.

8. When the Preparatory Committee met, the 77 said that they would produce a draft document, based on their own earlier list of areas of discussion but taking into account the views of the other groups expressed to them in the Geneva consultations. This document would then be handed over to

a negotiating group to be appointed by the Preparatory Committee which would prepare a final document for presentation to the Special Session for discussion and approval. After forty-eight hours of drafting, the 77 had to admit that they had failed to produce such a document. They therefore suggested that their original paper be once more used as a basis for consultations with the other groups, which meant extending the Preparatory Committee's work into a second week. The reaction of the industrialized countries was predictable. They said they had already said in Geneva everything they had to say about the 77's original paper and that it was far too late to start another round of group-by-group discussions. Surely it would be better to take the issues listed in the 77's paper one by one, starting with those on which agreements might be most easily reached, and start immediate informal multilateral negotiations. However, the Chairman ruled that group-by-group informal negotiations should begin without delay and that they should be concluded by Wednesday, August 27. The Preparatory Committee would then draw up a synthesis of the discussions and produce a "final document" by the end of that week.

9. In the meantime, of course, the meeting of the non-aligned nations would be taking place in Lima, a meeting which many of the Third World delegation leaders at the Preparatory Committee were going to attend. Whether the informal negotiations and document drafting in New York could eventually be reconciled with whatever decisions were to be taken at Lima was a question that remains unanswered.

10. At the time of writing, not much has emerged from Lima to indicate what positions, new or reinforced, are being taken up by this important group of countries on the issues simultaneously under discussion in New York. Much of the early attention of the meeting was focussed on the admission of North Korea, North Vietnam, Panama and the PLO to the group of non-aligned nations; on the arrival a day late (because of sickness) of the meeting's chairman, Algerian Foreign Minister Abdel Bouteflika, who will also be presiding over the Special Session; and on the apparent split in Arab ranks on the question of whether or not to seek Israel's expulsion from the General Assembly. Scheduled for discussion was the proposed establishment of a \$1 billion non-aligned fund for development and, of course, all the issues to be raised in the Special Session.

North-South

11. What has come to be known as the "North-South" forum has grown out of a proposal by French President Giscard d'Estaing early in 1975 for a restricted international conference of industrialized and oil producing countries, to deal with all aspects of the energy problem. The scope of the meeting was later widened to cover raw materials in general and to include non-oil producing developing countries. To set up this conference, France called a preparatory meeting on April 7, composed of 10 members: three from the developed world (U.S., EEC, Japan), and seven from the developing countries (Algeria, Brazil, India, Iran, Saudi Arabia, Venezuela, Zaire). Badly prepared, the preparatory meeting broke down on April 17.

12. Soon after, France undertook preparations for a new meeting. But, to avoid another failure, France endeavoured to seek the consensus of the 10 members before issuing formal invitations to the meeting. To that end, the French authorities drafted a "consensus document" covering all organizational and procedural aspects of an eventual resumption of the talks. The document was finalized at the end of July and was cleared with the three industrial and the seven LDC governments. The French then sent formal invitations to the 10 members for a preparatory meeting to be held in Paris on October 10.

13. The preparatory meeting will be asked to endorse the following proposals:

- (a) The plenary conference, which the seven would like to call "Conference of International Cooperation," would take place in early December 1975. The conference would be held at ministerial level.
- (b) The conference would be comprised of 27 members. Nine would be drawn from the OECD area, selected by the three OECD members of the preparatory meeting. The 18 other members, the oil and non-oil producing developing countries, would be named by the seven developing countries represented at the preparatory meeting.
- (c) The conference would establish four committees of 15 members each dealing with:

- Energy
- Commodities
- Development
- Financial matters

14. Some observers would be allowed to attend the meetings, especially at the Committee level, where OECD, U.N. and specialized agency representatives would be expected to play an active role. The conclusions, proposals,

and suggestions made by the committees would have to be ratified by the Plenary Conference. But the Conference's role would be confined to making recommendations, which would be transmitted for action either to governments or to international organizations, according to the nature of the recommendations. The seven attach a very high importance to the issue of the "linkage" between all aspects of the negotiations. To reinforce this idea, they would like to have a second ministerial conference convened as early as six months after the first one. They also wish to have plenary conferences convened at expert level as often as necessary.

15. Although there are still divergences of opinion, especially on the two last points, the French are confident that the preparatory meeting will come to an agreement, and they consider that the Plenary Conference is virtually set. There are a number of indications that the French, the U.S. and to some extent other governments of the OECD group now regard this North-South forum as the one most likely to provide a forum for real negotiations.

Commonwealth

16. The Commonwealth preparations for the Special Session were launched at a meeting of heads of governments in Kingston, Jamaica, during the first week of May 1975. At this meeting, Prime Minister Harold Wilson delivered a widely noted speech on commodity problems, calling for a "general agreement on commodities", to lay down principles for consumer and producer commodity agreements, and an expansion of the European Communities Stabex scheme for stabilization of export earnings to all developing countries, with participation by non-Community developed countries. The Kingston conference assigned the task of developing a Commonwealth position paper for the Special Session to a group of 10 experts, who worked throughout the Summer, and presented their report entitled "Towards a New International Economic Order" to a meeting of Finance Ministers held in Georgetown, Guyana this week.

17. It had been hoped that, because of its composition, the Commonwealth might be able to produce a consensus document capable of winning support from both the 77 and the OECD governments. From what we have been able to learn, however, the experts' report, which seems likely to be adopted by the Finance Ministers as a Commonwealth position paper, is almost indistinguishable from the various papers produced by the 77. For instance, although Wilson expressed great doubts about the practicability of "indexation" of commodity prices, the experts' report unreservedly supports indexation. It also supports without reservation UNCTAD's "integrated commodities program," whereas Wilson had stressed the need for dealing with each commodity separately. The sequence of events in the Commonwealth forum may therefore mean that the U.K., Australia, Canada, and New Zealand will either support or acquiesce in resolutions in the Special Session proposed by the 77.

Attachment.

Glossary of Country Groupings

This note includes major country groupings (and their memberships), which have evolved over the years, primarily to safeguard special political, social and economic interests. They might complement each other, but more often than not they are competitive. All of them, in varying degrees, influence international cooperation in the socio-economic field. Although voluntary and often self-designated, membership is not automatic. To be a member the country must identify itself closely with special interests of a particular group. The core membership is usually stable; however, overall numbers change. Many countries are members of more than one group, but there is a division between the rich and the poor. Internally the groups try to operate on the basis of consensus but there are obvious divisions within groups and the practice of working through sub-groups and informal groups is not uncommon. This note does not cover various formal groups constituted within or outside the UN system and which deal with global problems. Some of these forums are, the ECOSOC, the Interim Committee and the Development Committee. It is not suggested that these bodies are free of influences by special groups, but only that they are not strictly divided on rigid group lines. This note is prepared on information available as of August 1975.

Group of "77"

This group of developing countries has grown to 105. It includes the OPEC countries but not the Eastern Bloc or China. Most of the "77" are also members of the non-aligned group. The members are:

Afghanistan; Algeria; Argentina; Bahamas; Bahrain; Bangladesh; Barbados; Bhutan; Bolivia; Botswana; Brazil; Burma; Burundi; Cambodia; Cameroon; Central African Republic; Chad; Chile; Colombia; Costa Rica; Congo; Cuba; Cyprus; Dahomey; Democratic Yemen; Dominican Republic; Ecuador; Egypt; El Salvador; Equatorial Guinea; Ethiopia; Fiji; Gabon; Gambia; Ghana; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; India; Indonesia; Iran; Iraq; Ivory Coast; Jamaica; Jordan; Kenya; Korea (South); Korea (North); Kuwait; Laos; Lebanon; Lesotho; Liberia; Libyan Arab Republic; Madagascar; Malawi; Malaysia; Maldives; Mali; Malta; Mauritania; Mauritius; Mexico; Morocco; Nepal; Nicaragua; Niger; Nigeria; Oman; Pakistan; Panama; Paraguay; Peru; Philippines; Qatar; Rwanda; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; Sri Lanka; Sudan; Syrian Arab Republic; Swaziland; Tanzania; Thailand; Togo; Trinidad and Tobago; Tunisia; Uganda; United Arab Emirates; Upper Volta; Uruguay; Venezuela; Vietnam (South); Vietnam (North); Yemen; Yugoslavia; Zaire; Zambia.

Non-Aligned Group

This is also a developing country group, whose membership is not aligned with either the U.S. or the USSR. It has some 80 members:

Afghanistan; Algeria; Argentina; Bahrain; Bangladesh; Bhutan; Botswana; Burma; Burundi; Cambodia; Cameroon; Cape Verde; Central African Republic; Chad; Congo; Cuba; Cyprus; Dahomey; Democratic Yemen; Egypt; Equatorial Guinea; Ethiopia; Gabon; Gambia; Ghana; Guinea; Guinea-Bissau; Guyana; India; Indonesia; Iraq; Ivory Coast; Jamaica; Jordan; Kenya; Kuwait; Laos, Lebanon; Lesotho; Liberia; Libyan Arab Republic; Madagascar; Malawi; Malaysia; Mali; Malta; Mauritania; Mauritius; Morocco; Nepal; Niger; Nigeria; Oman; Peru; Qatar; Rwanda; Sao Tome Principe; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; Sri Lanka; Sudan; Syrian Arab Republic; Swaziland; Tanzania; Togo; Trinidad and Tobago; Tunisia; Vietnam (South); Vietnam (North); Uganda; United Arab Emirates; Upper Volta; Yemen; Yugoslavia; Zaire; Zambia; North Korea and PLO.

Brazil, Venezuela, Mexico are only observers. Chile, Iran, Pakistan and Thailand are neither members nor observers.

UNCTAD

UNCTAD is an organ of the General Assembly. All members of the UN (and of the specialized agencies) are members of UNCTAD. But the important policy and operational work of UNCTAD is directed by the Trade and Development Board (TDB), an organ of UNCTAD, and its sub-groups. The TDB has 68 members. The TDB has four sub-groups. China, although a member of Group A, operates independently.

Group A: Asia and Africa (81)

Afghanistan; Algeria; Bahrain; Bangladesh; Bhutan; Botswana; Burma; Burundi; Cambodia; Cameroon; Central African Republic; Chad; China; Congo; Dahomey; Egypt; Equatorial Guinea; Ethiopia; Fiji; Gabon; Gambia; Ghana; Guinea; Guinea-Bissau; India; Indonesia; Iran; Iraq; Israel; Ivory Coast; Jordan; Kenya; Korea (South); Kuwait; Laos; Lebanon; Lesotho; Liberia; Libya; Madagascar; Malawi; Malaysia; Maldives; Mali; Mauritania; Mauritius; Mongolia; Morocco; Nepal; Niger; Nigeria; Oman; Pakistan; Philippines; Qatar; Rwanda; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; South Africa; Sri Lanka; Sudan; Syria; Swaziland; Tanzania; Thailand; Togo; Tunisia; Uganda; United Arab Emirates; Upper Volta; Vietnam (South); Western Samoa; Yemen; Yugoslavia; Zaire; Zambia.

Group B: Developed Countries (30)

Australia; Austria; Belgium; Canada; Cyprus; Denmark;
Federal Republic of Germany; Finland; France; Greece; Holy See;
Iceland; Ireland; Italy; Japan; Liechtenstein; Luxembourg; Malta;
Monaco; Netherlands; New Zealand; Norway; Portugal; San Marino;
Spain; Sweden; Switzerland; Turkey; United Kingdom; United States
of America.

Group C: Latin America (26)

Argentina; Bahamas; Barbados; Bolivia; Brazil; Chile;
Colombia; Costa Rica; Cuba; Dominican Republic; Ecuador; El Salvador;
Grenada; Guatemala; Guyana; Haiti; Honduras; Jamaica; Mexico;
Nicaragua; Panama; Paraguay; Peru; Trinidad and Tobago; Uruguay;
Venezuela.

Group D: Socialist Bloc (10)

Albania; Bulgaria, Byelorussian Soviet Socialist Republic;
Czechoslovakia; German Democratic Republic; Hungary; Poland;
Romania, Ukrainian Soviet Socialist Republic; Union of Soviet
Socialist Republic.

EEC

The EEC is composed of nine European countries:

Denmark; U.K.; France; Germany; Belgium; Luxembourg; Italy
Netherlands; Ireland.

OECD

The OECD has 24 members, all industrialized countries:

Australia; Austria; Belgium; Canada; Denmark; Finland; France;
Federal Republic of Germany; Greece; Iceland; Ireland; Italy; Japan;
Luxembourg; Netherlands, New Zealand; Norway; Portugal; Spain, Sweden;
Switzerland; Turkey, United Kingdom; United States.

Group of Ten

This group includes the big five (U.S.; Canada; Japan; Germany and France) and U.K.; Italy; Sweden; Netherlands; Belgium. Switzerland is also a member for all practical purposes.

Group of Twenty-four

This is the LDC counterpart of the "10". Its membership is divided among three sub-groups:

Latin America (8)

Argentina; Brazil; Colombia; Guatemala; Mexico, Peru; Trinidad and Tobago, Venezuela.

Asia (7 + Yugoslavia)

India; Iran; Lebanon; Pakistan; Philippines; Sri Lanka; Yugoslavia.

Africa (8)

Algeria; Egypt; Ethiopia; Gabon; Ghana; Ivory Coast; Nigeria; Zaire.

OPEC

OPEC has 16 members, in the following sub-groups:

Group I - Indonesia; Algeria; Nigeria; Gabon.

Group II - Bahrain; Iran; Iraq; Oman; Ecuador; Venezuela; Trinidad and Tobago.

Group III - Libya; Saudi Arabia; Kuwait; United Arab Emirates; Qatar.

OAPEC

OAPEC's members are the following:

Algeria; Bahrain, Egypt; Iraq; Kuwait; Libya; Qatar; Saudi Arabia; United Arab Emirates.

Commonwealth

This club has 34 members:

Australia; Bahamas; Bangladesh; Barbados; Botswana; Canada;
Cyprus; Fiji; Gambia; Ghana; Grenada; Guyana; India; Jamaica;
Kenya; Lesotho; Malawi; Malaysia; Malta; Mauritius; Nauru;
New Zealand; Nigeria; Sierra Leone; Singapore; Sri Lanka; Swaziland;
Tanzania; Tonga; Trinidad and Tobago; Uganda; United Kingdom; Western
Samoa; Zambia.

North-South Forum

The French proposed North-South Forum would consist of 27 countries;
9 each from industrialized, non-OPEC developing and OPEC countries.