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THE WORLD BANK  
Washington, D.C.

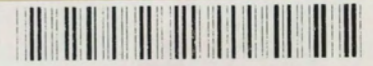
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**PUBLIC DISCLOSURE AUTHORIZED**

McNamara Papers

1977 (May-June)

The World Bank Group  
**Archives**



1771947

A1995-252 Other #: 4

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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 60

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493/3 1239

June 29, 1977

MEMORANDUM FOR MR. CHADENET

Last week it was reported to me by a government official that a Bank staff member was traveling, first-class, to Rome, where he planned a layover of one week while visiting his family, after which he would proceed to Africa.

Does our policy permit such first-class travel? If so, should we not modify the policy?

*RMcN*

Robert S. McNamara

RMcN:bmm

493/3/238

JUN 28 1977

Office of the President

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow an aggregate principal amount of \$750,000,000 in the markets of the United States of America through an issue of five year notes in the aggregate principal amount of \$250,000,000, an issue of ten year notes in the aggregate principal amount of \$250,000,000 and an issue of twenty-five year bonds in the aggregate principal amount of \$250,000,000. The interest rates and the prices of the securities have not yet been determined.

The Government of the United States of America is hereby requested, in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement, to approve the proposed borrowings by the Bank in the markets of the United States of America of such amounts as may be raised by the issuance of not exceeding \$750,000,000 aggregate principal amount of securities. The Government of the United States of America is further requested to agree, pursuant to the same provision of the Articles of Agreement, that the proceeds of such borrowings may be exchanged for the currency of any other member of the Bank without restriction.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable  
W. Michael Blumenthal  
Secretary of the Treasury  
Treasury Department  
Washington, D.C. 20220

cc: Mr. Hal F. Reynolds, Alternate Executive Director

Mr. Robert S. Watson, U.S. Treasury  
Mr. Bernard Zinman, U.S. Treasury

Cleared with and cc: Mr. P. Heininger, Legal Dept.

cc: Mr. I.P.M. Cargill, Vice President, Finance  
Mr. Rotberg, Treasurer  
Mr. Hittmair, Deputy Treasurer  
Mr. Hattori, Controller  
Mr. Deely/US\$ Bonds #120/22

REDeely/br

493/3/237

JUN 27 1977

Dear Mr. President:

Thank you very much for your letter of April 27, 1977, which unfortunately only arrived at the Bank this month.

I believe that the rapid processing of the Agriculture Credit Loan was in large measure a result of the excellent preparation work by officials of the Costa Rican Government, and I would like to thank you on behalf of the Bank staff for the cooperation that we received in the development of this project. We hope that this important project represents a first step toward greater Bank participation in Costa Rica's rural and agricultural program, and that the same degree of cooperation between the Government and the Bank which characterized the preparation of the Agriculture Credit Project will enable us to bring to fruition at an early date an integrated rural development project.

I understand that you expressed concern regarding the deforestation problem in Costa Rica to Mr. Krieger during his recent visit, and as he advised you, we would be pleased to explore with your Government the possibility of Bank financing for forest conservation and exploitation projects. I also understand from Mr. Krieger that you requested Bank assistance in tourism and irrigation, and we are prepared to consider Bank participation in these areas as well. Members of our staff are now beginning to review with officials of your Government what the next steps should be in each of these areas. We are planning to send a small forestry mission in September, and missions for tourism and irrigation could be arranged for later this year.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Lic. Daniel Oduber  
President of the Republic of Costa Rica  
San Jose  
COSTA RICA

cc. Mr. McNamara's Office (2)  
cc. Messrs. Krieger, Lerda, Goffin, Odone

GFFlood:mdk  
Typed: June 24, 1977

493/3/236

JUN 27 1977

Dear Ross:

Many thanks for your letter of June 13 regarding the interest of Dr. Minasse Haile in an association with the World Bank.

As you noted, Dr. Haile has already an application on file with us. We did give him very serious and sympathetic consideration but were forced to the conclusion that his background and experience are just not sufficiently relevant for our quite specialized staffing needs. There is no doubt, as you say, that he is a good man, but we just do not have a fit for him.

We are very much aware of the severe disruption in the personal lives of a number of first class Ethiopians as a result of recent events. As a matter of fact, we have already recruited one former Minister and one Deputy Governor, whilst a second ex Minister will be joining our ranks within the next few weeks. However, each of these three has qualifications and practical experience which are directly relevant to our needs.

I am glad you brought Dr. Haile to our attention for we are always interested to hear of good people. I am sure, however, that you will appreciate our position.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. E. Ross Adair  
OF Counsel  
Adair, Perry, Beers, Mallers & Larmore  
2200 Fort Wayne National Bank Building  
Fort Wayne, Indiana 46802

RAClarke:ean  
Typed June 23, 1977

cc: for Mr. McNamara's Office (2)  
Log No. 39384

493/3/235

JUN 27 1977

**Excellency:**

I write to thank you for your letter of June 14, 1977 and to express my great pleasure and gratitude for your decision to release Dr. Aklilu Habte from his present duties to become Director of the Education Department at the World Bank.

I am deeply appreciative of the sacrifice Ethiopia is making as a consequence of this decision, since I am, as you point out in your letter, well aware of your country's need for people of Dr. Aklilu's calibre. Your decision therefore indicates a concern for the wider interests of developing countries which will now benefit from Dr. Aklilu's experience and knowledge, as well as for our own need, as an international development institution, for qualified Africans in senior positions. I feel certain our shared regard for Dr. Aklilu will be fully justified and that his future work at the Bank will reflect great credit on his country.

I acknowledge and reciprocate your appreciation of the cooperation between the Bank and your government, as well as your personal good wishes. Please accept the expression of my highest esteem and sincere good wishes for your country's future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Lt. Colonel Mengistu Haile Mariam  
Chairman  
The Provisional Military Administration Council  
The Provisional Military Government of Socialist Ethiopia  
Addis Ababa, Ethiopia

493/3/232

JUN 20 1977

Dear Jim:

Thank you for your letter concerning your Joint Resolution on a national policy for voluntary population stabilization within the United States. I share with you a deep interest in these problems and am pleased to have an advance text.

You ask for comments. I would suggest a minor adjustment in the opening sentence. It now reads: "To declare a United States policy of achieving population stabilization by voluntary means within a reasonable period of time." You might consider recasting it to read: "To declare a United States policy of achieving stabilization of its population by voluntary means within a reasonable period of time."

As the sentence stands now, it could conceivably be interpreted by other nations to mean that the Congress is explicitly declaring that it is a U.S. policy that the entire world achieve such stabilization. Some nations might consider that presumptuous. The final sentence of the text removes that particular ambiguity, but it might be useful to make the opening sentence more explicit as well.

It was very thoughtful of you to write to me.

With warm regards,

(Signed) Robert S. McNamara

Robert S. McNamara

Congressman James S. Scheuer  
House of Representatives  
Washington D.C. 20515

June 17, 1977

JEMerriam:ejt



493/3/231

June 20, 1977

Dear Herr Brandt:

I am glad we had a chance to talk on the telephone when I was in Europe, and I am pleased to hear that your preparations for the establishment of the Commission continue to go well.

I have just received the detailed communique of the Commonwealth Conference and it seems to me that, like the CIEC, it leaves an open path for you to follow.

All these conferences have been looking for a way to reconcile the North/South differences and to accelerate the development of the poorer countries. As you may have heard, at the Lancaster House Summit there was a proposal that the World Bank undertake an analysis of development strategies and problems. We have accepted this assignment, and I have sent to the Board a memorandum outlining our proposed course of action.

One or two of my colleagues have asked what is the relationship of this study to the projected Brandt Commission and I have replied in a further memorandum. I enclose both these papers for your information, so that you may know how we are thinking of these issues.

Personally, I very much hope that these proposed Bank studies would be of considerable value to your Commission, and they would, of course, be made available to your Secretariat at all stages.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

- Enclosures: 1. 6/3/77 Memo to EDs (R77-165)
- 2. 6/16/77: Brandt Cmsn & Study of Dev. Issues

His Excellency  
 Willy Brandt  
 President, Sozialdemokratische  
 Partei Deutschlands  
 Ollenhauerstrasse 1  
 5300 Bonn  
 Federal Republic of Germany

cc: Mr. Clark  
 WDClark/RSMcNamara:bmm

493/3/226

JUN 3 1977

Dear Mr. Narasimhan:

Thank you for your letter of May 25 (EC 123(9)), concerning the work of the ACC Task Force on Development Objectives and Programmes of the United Nations System.

Your proposals, set forth in that letter, have my support. On the assumption that the other organizations to which your letter is addressed also concur, we shall be prepared to consider further steps, as you suggest, in the course of the meetings of the Preparatory Committee and of the ACC in July.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. C.V. Narasimhan  
Under-Secretary-General for  
Inter-Agency Affairs and  
Co-ordination  
United Nations  
New York, New York 10017

SEBoskey/rob  
June 2, 1977

cc: Mr. Grenfell/Mr. Burney

493/3/225

JUN 3 1977

Dear Mr. Venkitaramanan:

Upon the completion of your three-year assignment with the Bank, I wish to express my warm appreciation for your contribution to the Bank's project work in the field of nutrition. As the first Chief of the Nutrition Unit, you have helped the Bank expand and improve its capabilities in helping our member countries alleviate rural and urban poverty. Your associates and I are deeply grateful.

Sincerely,

Robert S. McNamara

Mr. S. Venkitaramanan  
11 Crescent Avenue  
Kesavaperumalpuram  
Madras 600028  
India

LEChristoffersen:jo'd  
June 2, 1977

493/3/224

JUN 3 1977

Dear Jack:

The Annual Meetings of The World Bank and the International Monetary Fund will be held this year at the Sheraton-Park Hotel in Washington, D.C., from Monday, September 26, through Friday, September 30. Once again I wish to extend an invitation to you and hope that you will be able to join us on this occasion.

If you are able to attend, please let me know whether Ellen will accompany you, your expected dates of arrival in, and departure from Washington, D.C., and whether you will need hotel accommodation for your stay in Washington.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Mr. John J. McCloy  
Milbank, Tweed, Hadley & McCloy  
1 Chase Manhattan Plaza  
New York, N.Y. 10005

MTCopeland  
June 2, 1977

cc: Mr. McNamara's Office (2) ✓

493/3/223

JUN 3 1977

Dear George:

The Annual Meetings of The World Bank and the International Monetary Fund will be held this year at the Sheraton-Park Hotel in Washington, D.C., from Monday, September 26, through Friday, September 30. Once again I wish to extend a warm invitation to you and hope that you will be able to join us on this occasion.

If you are able to attend, please let me know whether Louie will accompany you, your expected dates of arrival in, and departure from Washington, D.C., and whether you will need hotel accommodation for your stay in Washington.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Mr. George D. Woods  
The First Boston Corporation  
277 Park Avenue  
New York, N.Y. 10017

MTCopeland  
June 2, 1977

cc: Mr. McNamara's Office (2) ✓

493/3/222

JUN 3 1977

Dear Gene:

The Annual Meetings of The World Bank and the International Monetary Fund will be held this year at the Sheraton-Park Hotel in Washington, D.C., from Monday, September 26, through Friday, September 30. Once again I wish to extend a cordial invitation to you and hope that you will be able to join us on this occasion.

If you are able to attend, please let me know whether Sue will accompany you, your expected dates of arrival in, and departure from Washington, D.C., and whether you will need hotel accommodation for your stay in Washington.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Eugene R. Black  
American Express Company  
American Express Plaza  
New York, N.Y. 10004

MTCopeland  
June 2, 1977

cc: Mr. McNamara's Office (2) ✓

493/B 1221

MAY 31 1977

My dear Governor:

Thank you for your letter of May 12 and the invitation to participate in the Third Pacific Basin Central Bank Conference in Wellington from November 8 to 11.

The subject of the conference is an interesting one but lies somewhat outside the range of our special interests and I doubt that we would be able to send a representative who could make a real contribution to the discussions. In matters of this kind we tend to rely on our sister organization, the IMF, and I know that the IMF intends to be adequately represented in Wellington.

I am sure you will understand the position. Please accept my best wishes for what will clearly be a stimulating meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. R. W. R. White  
Governor  
Reserve Bank of New Zealand  
Wellington, New Zealand

IRMCargill:plc  
May 26, 1977

493/3/220

May 27, 1977

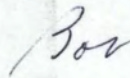
Dear Cesar:

Enclosed is a memorandum proposing that the Bank undertake the preparation of what President Carter has called a "World Development Program." As you will see, the memorandum suggests that the Program be prepared for discussion at a political level in the Development Committee.

Dick King believes, and I share his views, that this would provide the Committee an extraordinary opportunity to discuss and influence major policies of both developed and developing countries affecting economic and social advance. I hope you agree with us.

With best wishes.

Sincerely,



Robert S. McNamara

The Honorable  
Cesar E. A. Virata  
Secretary of Finance  
Office of the Monetary Board  
Central Bank of the Philippines  
Manila, Philippines

cc: Sir Richard King

RMcN:mss



493/3 619

MAY 25 1977

Dear Sir Shridath:

At your request, Mr. Timothy Thahane has brought to the World Bank's attention the possibilities for a closer association of the Commonwealth Fund for Technical Cooperation with projects financed by the Bank Group. We are not unfamiliar with the activities and facilities of the CFTC, but we shall take a closer look at the potential for more frequent cooperation in the case of Bank Group-financed projects with a technical assistance component.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Sir Shridath Ramphal  
Secretary-General  
Commonwealth Fund for Technical  
Cooperation  
Marlborough House  
London SW1Y 5HX  
England

SEBoskey/rob  
May 24, 1977

cc: Mr. Thahane  
Mr. Clark

493/3/216

May 20, 1977

MEMORANDUM FOR MR. BAUM

When we conclude our discussions of the subcommittees set up to examine the "Report of the Chadenet Working Group", I hope we will distribute widely the May 10 draft of the "Report of the Committee on the Quality of Bank Lending." Before distributing the report, the Committee may wish to make changes in it. If so, I hope they will consider revising paragraph b. on page 12 to read somewhat as follows:

b. This perception is reinforced by the belief that the criteria imposed by management in the budgetary process consistently give priority to direct operations such as project appraisal to increase their quantity and improve their quality. At the same time, it is thought that comparable resources have not been given to activities -- such as project supervision, economic and sector work, policy and advisory support, operational research -- which are designed, albeit less directly, to raise the quality of present and future operations. But this is another case in which staff perception and reality diverge. Actually there have been significant increases in all of these categories and, taken together, they have grown at a rate about equal to that at which the manpower allotted to direct lending operations has expanded.

Non-project manyears:

|                                     |            |
|-------------------------------------|------------|
| CPS - FY 73                         | 49         |
| FY 78                               | 96         |
| DPS - FY 68                         | 79         |
| FY 77                               | 150        |
| Reg. Off. <sup>a/</sup> - FY 73     | 98         |
| FY 78                               | 156        |
| Supervision - manweeks per project: | FY 69 7.7  |
|                                     | FY 77 12.5 |

<sup>a/</sup> Economic and sector work.

Robert S. McNamara

cc: Mr. Benjenk  
Mr. Chadenet  
Mr. Stern  
Mr. Gabriel

RMcN:mss

493/3/215

May 18, 1977

MEMORANDUM FOR MR. CARGILL

At yesterday's informal meeting of the Executive Directors, Bill Ryrle suggested that at the Annual Meeting the Governors adopt a Resolution endorsing a continued increase in IBRD lending in real terms, and instructing the Executive Directors to determine and act upon the capital increase required to support such a lending program by X date.

If we wish to pursue Ryrle's suggestion, what should the Resolution say and how should it be processed?

*R McN / s.*

Robert S. McNamara

cc: Mr. Demry  
Mr. Gabriel  
Mr. Wood

RMcN:bmm

493/3 6214

May 18, 1977

MEMORANDUM FOR MR. CARGILL

You will recall that the paper on "Minerals and Energy in the Developing Countries" recommends an increase in the staff of the Industrial Projects Division of 6 or 7 people. I tend to believe that we should authorize such an increase on or about July 1. However, the funds that will be used to finance mineral projects will of course be diverted from other projects. Therefore, should not some or all of the increase in the staff of the Industrial Projects Department be offset by reductions in the staffs of other divisions?

What do you recommend?

*RMcN/b.*

Robert S. McNamara

cc: Mr. Knapp  
Mr. Gabfiel

RMcN:bum

493/3/213

May 18, 1977

MEMORANDUM FOR MR. CARGILL

As you will recall, I stated at yesterday's informal meeting of the Executive Directors that I believe we cannot make sound day-to-day administrative decisions relating to the affairs of the Bank without reference to a "five-year" financial and operating plan.

Please develop such a plan in the same format as Annex Table 1 to R77-135 and label it "World Bank Group: Interim Financial and Operating Plan through FY '83." Add to the "Memo Item" section at the bottom of the Annex Table 1 four additional lines:

|                  |                  |
|------------------|------------------|
| Staff End Year - | Professional     |
|                  | Non-professional |
|                  | Total            |
|                  | % Increase.      |

Would it be possible to have the "Interim Plan" for me by May 24?

Robert S. McNamara

cc: Mr. Gabriel  
Mr. Wood  
Mr. Knapp

RMcN:mss

493/3/212

May 18, 1977

Dear Mr. McCloskey:

I refer to your letter of April 26, 1977 in connection with the question of deep seabed mining.

Mr. Milton Stern, Senior Vice President of Kennecott Copper Corporation, did approach the International Finance Corporation (IFC), the affiliate of the World Bank Group which provides equity and loan capital for the private sector in association with private investors. He submitted to us the outline of a proposal which contemplated that IFC and developing countries would participate in a joint venture organized to carry out a deep seabed mining project.

We did not reach the point of a detailed consideration of the proposal because, apart from certain legal questions arising under IFC's Articles, it raised a number of basic issues under discussion in the Law of the Sea Conference. These are still unresolved. However, we did not reject the possibility of future involvement in projects in this field.

As for your more general question, both the World Bank and IFC have basic criteria which guide them in deciding whether to invest, whatever the sector; they consider, in particular, the economic, technical, financial, organizational, managerial, and operational aspects of proposed projects, as well as the benefits that can be expected to flow to developing member countries. Given the many uncertainties currently surrounding the whole question of deep seabed mining, there has been no occasion, and no basis on which to develop criteria for World Bank or IFC investment in this particular field. Nor is it practicable to suggest, in the abstract, the terms of a joint venture arrangement which would be acceptable to developing countries; much will depend on the way in which the major issues are resolved in the Conference, and it must also be kept in mind that there are often differences in the way individual developing countries view a particular question.

The World Bank Group is closely following developments. Should a consensus emerge from the Conference, the Bank Group would be prepared, within the scope of the Articles of Agreement of its institutions, to consider how it could appropriately assist sound projects to go forward.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Honorable Paul N. McCloskey, Jr.  
House of Representatives  
Washington, D. C. 20515

493/3/211

MAY 18 1977

PERSONAL

Dear Mr. Abs,

Thank you for your letter of May 2, 1977 and its attachment regarding the action taken by the Government of Ghana with respect to the R.T. BRISCOE (GHANA) Ltd., a subsidiary of the East Asiatic Co., Ltd., Copenhagen.

On the basis of the information contained in your letter and its Annex, I appreciate your concern about this matter as President of APPI. I was also interested to learn that the Danish Government considered the matter sufficiently serious to bring it to the attention of the Council of the European Community; that Mr. Cheysson during a visit to Ghana discussed the case with the Ghanaian authorities; and that after the Government of Ghana rejected bilateral negotiations as well as the suggestion that the matter be referred to ICSID arbitration, the EEC Council placed the matter on the agenda of last month's Fiji meeting under the Lomé Convention.

I note on the other hand that the BRISCOE matter has not been raised with us either formally or informally by the Danish authorities or by the Executive Director representing Denmark, and that the Prime Minister of Fiji Islands with the consent of Denmark and Ghana has undertaken a fact-finding task which I hope will result in a settlement of the dispute.

I appreciate your writing to me about this matter, but in view of the foregoing I do not think that there is anything the World Bank could appropriately do at this time.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Hermann J. Abs  
Frankfurt (Main)  
Jungthofstrasse 5-11  
Germany

ABroches:csh  
May 17, 1977

cc: Mr. McNamara's office (2)

Cleared with and cc: Messrs. de la Renaudière  
Steckhan

cc: Mr. Chauffournier (o/r)  
Legal Files (Ghana)  
" " (Expropriation)

M.S.

493/3/2-11

cc: for Mr. McNamara's office

MAY 13 1977

His Excellency  
General Omar Torrijos  
Chief of State  
Panama City, Panama

Dear General Torrijos:

I am pleased to inform you that on May 10 we invited your Government and IRHE to send representatives to Washington, D.C. to negotiate a \$42 million loan for the La Fortuna Hydroelectric Project. This would be the 15th Bank loan to Panama and would bring total Bank lending to Panama to \$212 million.

This loan will raise our average annual lending to Panama in the last five years to over \$14 per capita, one of the highest in the world. I would, therefore, like to share with you the principal hopes, expectations and concerns that have weighed in our consideration of the Bank's lending to Panama. First, let me say that I have been greatly impressed by your Government's ambitious development effort and by its concern to extend the benefits of economic progress to the lower income groups. I admire your Government's achievements in improving the health conditions of the poor, extending education and making income distribution more just.

While these accomplishments, matched by very few developing countries, are outstanding, they have been accompanied by a growing financial imbalance which may frustrate accomplishment of your development objectives. I want to convey to you my personal concern about the growing excess of public sector expenditures over revenues. The overall deficit of the public sector may have exceeded 15 percent of the Gross Domestic Product in 1976, which is clearly excessive by any standard. A large part of the growing deficits has been financed by borrowing from private banks on commercial terms. Panama's official debt to private banks was \$614 million at the end of 1976, equivalent to \$350 per capita and, again, among the highest in the world. As a result, Panama's Government will be burdened by heavy debt-service obligations for many years.

I am sure you agree that the attainment of the vital social objectives that you have set for your country is too important a matter to risk imperiling through insufficient attention to its financial prerequisites. I interpret the measures adopted by your Government in December 1976 and January 1977 to raise the level of public savings through new taxes, increases in public utility rates and curtailments in current expenditures, as an indication that you share



the view that an adequate level of public savings is an indispensable prerequisite for an effective and sustainable program leading toward greater social justice. It is on this assumption of a common perception of the needs of Panama and of the financial policies needed to satisfy these needs, that I decided that the Bank could, responsibly, participate in the financing of the La Fortuna project. An important parameter of a prudent financial policy, consistent with this perception, would be not to exceed the levels of public investment foreseen in Panama's National Development Plan of 1976. In particular, the gigantic Cerro Colorado Copper project would only be initiated once a financial package has been put together that will not entail new debt service obligations in the next few years. Another parameter would be that public sector savings finance an increasing share of investment expenditures. These measures should make it possible to reduce further net borrowing from private banks.

I hope that the Bank's association with Panama's impressive development effort can continue to be a close and mutually satisfying one. It is to ensure this that I have permitted myself to give you a brief synopsis of the way the Bank views this prospect. If your Government ensures that sufficient domestic savings will be mobilized to avoid excessive recourse to commercial bank borrowing and to dispel any doubt about its ability to service its debts, the Bank will be able to continue to lend its financial support, as far as our resources permit, to help you move toward the shared objective of economic and social betterment for the Panamanian people.

With warmest personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Knapp  
Mr. Krieger  
Mr. Lerdau

LLandau/ELerdau:fas  
Typed: May 11, 1977

cc: for Mr. McNamara's Office (2) ✓

493/3/210

May 13, 1977

MEMORANDUM FOR MR. CHENERY

DPS has asked for 4 Professional and 5 Assistant level positions above the presently approved budget for Fiscal '78. I have told you and Mr. Karaosmanoglu that I could not authorize 4 additional Professional positions although I strongly agree with you that certain of the work for which you requested those positions should be carried on -- I believe in substitution for certain other work for which we had budgeted positions.

Of the 5 Assistant level positions, 3 have been planned for the Economic Projections Department. You point out that that Department is processing each year 10% additional data and that, particularly next year if we proceed with the World Development Program, it will be absolutely essential that the data processing capacity of the DPS be increased. I will consider this matter further before July 1. Should additional personnel be budgeted for DPS, they will be charged against the Bankwide Contingency Allowance.

Robert S. McNamara

cc: Mr. Cargill  
Mr. Gabriel  
Mr. Karaosmanoglu

RMcN:mss

493/3/209

MAY 13 1977

Monsieur le Président,

J'ai l'honneur de vous informer que le Gouvernement français a décidé récemment, au cours de la Réunion de Vienne, de contribuer à la Cinquième Reconstitution des Ressources de l'Association Internationale de Développement la même part qu'au cours de la Quatrième Reconstitution.

C'est certainement là une initiative qui renforcera l'IDA et qui donnera son véritable sens à l'action globale du Groupe de la Banque Mondiale en faveur des pays en développement. Une fois de plus, je tiens à vous exprimer mes sentiments de profonde gratitude pour votre intervention dans cette affaire auprès du Président Valéry Giscard d'Estaing.

J'étais convaincu quand j'avais cherché conseil et assistance auprès de mon ami l'Ambassadeur Mohamed Nassim Kochman que votre action serait déterminante pour nous. Je constate une fois de plus qu'il était bien inspiré en nous conseillant et en acceptant d'apporter de nouveau sa contribution à une grande cause qu'il avait si brillamment défendue pendant plus de douze ans au sein de notre Conseil d'Administration.

Vous savez peut-être, Monsieur le Président, que tout récemment le Conseil d'Administration a adopté une Résolution en vue de renouveler mon mandat pour un Troisième Quinquennat en avril 1978. Je tiens à vous assurer que si j'ai accepté un troisième mandat, c'est parce que je crois en l'avenir du Monde en voie de développement et au rôle que le Groupe de la Banque Mondiale peut et doit jouer dans la lutte pour l'émancipation culturelle et la promotion économique et sociale des pays dits "pauvres".

Dans l'exercice de cette Mission à laquelle je crois fermement, j'ai toujours été inspiré par votre action personnelle et impressionné par votre combat acharné afin que la Paix triomphe et que la coopération internationale soit basée sur un véritable dialogue entre Riches et Pauvres, entre le Nord et le Sud. C'est donc à cause d'Hommes d'Etat comme vous que j'ai décidé d'accepter un nouveau mandat à la tête du Groupe de la Banque Mondiale.

Je n'hésiterai pas à vous dire très franchement, et au nom de l'amitié que l'Ambassadeur Kochman et le Ministre Bédié avaient

réussi à susciter entre nous au fil des ans, que je souhaiterais  
me prévaloir en tout temps de vos sages conseils. De fait, si à  
l'avenir vous constatiez que notre action ne donne pas satisfaction,  
j'aimerais que vous m'en parliez personnellement.

En vous réitérant mes sincères remerciements, je vous prie  
de croire, Monsieur le Président, en l'assurance de ma très haute  
considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence  
Félix Houphouët-Boigny  
Président de la République de Côte d'Ivoire  
Abidjan

493/3/208

MAY 13 1977

Monsieur le Président,

Je vous avais récemment écrit pour vous annoncer que le Gouvernement français avait décidé de contribuer la même part à la Cinquième qu'à la Quatrième Reconstitution des Ressources de l'Association Internationale de Développement (IDA).

C'est certainement là une initiative qui renforcera l'IDA et qui donnera son véritable sens à l'action globale du Groupe de la Banque Mondiale en faveur des pays en développement. Une fois de plus, je tiens à vous exprimer mes sentiments de profonde gratitude pour votre intervention dans cette affaire auprès du Président Valéry Giscard d'Estaing.

J'étais convaincu quand j'avais cherché conseil et assistance auprès de mon ami l'Ambassadeur Mohamed Nassim Kochman que votre action serait déterminante pour nous. Je constate une fois de plus qu'il était bien inspiré en nous conseillant et en acceptant d'apporter de nouveau sa contribution à une grande cause qu'il avait si brillamment défendue pendant plus de douze ans au sein de notre Conseil d'Administration.

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Je n'hésiterai pas à vous dire très franchement, et au nom de l'amitié que l'Ambassadeur Kochman avait réussi à susciter entre

nous au fil des ans, que je souhaiterais me prévaloir en tout temps de vos sages conseils. De fait, si à l'avenir vous constatiez que notre action ne donne pas satisfaction, j'aimerais que vous m'en parliez personnellement.

En vous réitérant mes sincères remerciements, je vous prie de croire, Monsieur le Président, en l'assurance de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence  
Léopold Sedar Senghor  
Président de la République du Sénégal  
Dakar

493/3/207

MAY 12 1977

His Excellency  
Ziaur Rahman  
President of the People's  
Republic of Bangladesh  
Dacca, Bangladesh

Dear Mr. President:

Thank you for your letter on the current foodgrain situation in Bangladesh. I share your view of the importance of an adequate supply of foodgrains in the Bangladesh economy. Disruption in the supply of this basic commodity would have very serious social and economic consequences.

On the basis of existing information the foodgrain situation, including already scheduled imports, while difficult looks manageable. However, there are still many uncertainties, and it would be well to err on the side of high stocks rather than potential scarcity. The measures you have taken to increase storage capacity are very important in this connection, since they reduce the risk of spoilage which has been of concern to food aid donors. As you know, we have under discussion with the Government a project to improve storage capacity further, and I hope that this can be implemented expeditiously.

Because of the importance of the current foodgrain problem, we have prepared a special analysis of food import requirements. It will be completed shortly and made available to the members of the Consortium. It will serve as a basis for our discussion with them to supplement your bilateral negotiations.

I am most appreciative of the priority you attach to increasing domestic foodgrain production. Inevitably, increases in domestic supplies must be the long-term solution to Bangladesh's needs. Such an effort will require prices to the farmers which provide adequate remuneration for the risks and costs associated with improved technology. This places a great burden on the procurement system to assure that the actual price the farmer can obtain during the year is not below the price established by the Government annually as an adequate incentive price. Such a system will, over time, avoid the sharp price increases due to scarcity and speculation which can put an adequate supply of foodgrains beyond the purchasing power of the average individual. To begin to formulate improvements in this area, we recently sent a mission, jointly with the International Food Policy Research Institute. The recommendations of this group will be available shortly, and I hope they will provide a basis for the Government to strengthen its pricing, procurement, distribution and stocking programs. We also hope it will be possible to formulate more projects in Bangladesh to increase food production and to accelerate the implementation of those already agreed to.

His Excellency Ziaur Rahman

- 2 -

I would also like to express my satisfaction at the progress which has been made on the Farakka waters issue since we met the last time. I hope that the technical discussions will be successful. Once an agreement is reached on this issue, both Governments can turn their attention to the longer term question of water utilization which is so vital for the future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

bcc: Messrs. Picciotto

Blobel

Dunn/King

Dr. Sen

EStern:ls Mr. M. R. Siddiqi, Ambassador of Bangladesh,  
May 11, 1977 Washington, D.C.





MA GENERAL ZIAUR RAHMAN, B.U., Psc  
Chief Martial Law Administrator  
&  
Chief of the Army Staff  
Government of the People's Republic of Bangladesh  
DO No. PF/5115/1

Date.....12...April..1977.....

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

Dear Mr McNamara,

I take this opportunity to address you on a subject that has a very important bearing on the future progress and well-being of the people of Bangladesh.

The Government and the people of Bangladesh, as you may be aware, are engaged in the uphill task of reconstructing the country's economy. In order to sustain this effort it is essential that all available resources be diverted to development activities. To this end we have curtailed to the very minimum our expenditure on non-developmental sectors as well as on non-essential consumer items. However, there are areas in which the Government considered it inadvisable to enforce any drastic measure to curb expenditure. The food sector is one such area.

You may have already received reports of tornadoes, unseasonal rains and flash floods that have in recent weeks caused much damage to the standing crops in some parts of Bangladesh. The indigenous production of foodgrains will, therefore, fall short of our original estimates.

I have no doubt that you will appreciate the grave implications of a sizeable grain gap for a developing country like Bangladesh. The policy of this Government is to maintain a stable price for all basic necessities of which rice is the most important. The shortage of foodgrains as explained above will most certainly cause the price of foodgrains to rise beyond the reach of the common man. The prices of all other essential items shall also register a sympathetic rise. All these will strike at the very root of the delicate economic and political balance which the Government is striving so hard to maintain.

The deficit envisaged in the food sector will, therefore, have to be made good as speedily as possible. If we are constrained to finance the import of the required quantity of foodgrains out of our own resources, it would undoubtedly deal a crippling blow to our development efforts.



MA GENERAL ZIAUR RAHMAN, B.U., Psc  
Chief Martial Law Administrator  
&  
Chief of the Army Staff  
Government of the People's Republic of Bangladesh

Date.....

- : 2 : -

In appreciation of the many serious difficulties that this country has faced since independence, your Institution has extended valuable support in various fields. A sustained supply of foodgrains from abroad has hitherto been supplementing our own resources in production and procurements of foodgrains and has thus enabled this country to concentrate its efforts in development activities.

We apprehend that our food position will grow critical in the coming months particularly between July and December, 1977. We would therefore urge that the foodgrains already committed be shipped most expeditiously as well as serious consideration be given for substantial additional supplies to reach us during the critical months. While we are continuing our urgent negotiations with our traditional suppliers, particularly the U.S.A, we shall be grateful for your active support in this regard.

You will be glad to know that our storage capacity has been raised to 1.2 million tons in an emergency and our port handling has improved and we are in a position to handle two hundred to two hundred fifty thousand tons of foodgrains monthly on the average. We have also taken adequate measures for the preservation of foodgrains in our godowns.

*With kind regards*

*Yours Sincerely,*

*TSR*

FULL RATE ONLY

MAY 12, 1977

493/3/206

LT. COLONEL MENGISTU HAILE MAIRAM, CHAIRMAN  
PROVISIONAL MILITARY ADMINISTRATIVE COUNCIL  
PROVISIONAL MILITARY GOVERNMENT OF SOCIALIST ETHIOPIA  
ADDIS ABABA, ETHIOPIA

EYE AM PLEASED TO INFORM YOU THAT EXECUTIVE DIRECTORS OF  
WORLD BANK HAVE APPROVED CREDITS OF 25 MILLION DOLLARS FOR  
AMBARA IRRIGATION PROJECT AND 32 MILLION DOLLARS FOR ROAD  
SECTOR PROJECT STOP WE IN THE BANK LOOK FORWARD TO WORKING  
WITH YOU AND YOUR GOVERNMENT TO ACHIEVE THE IMPORTANT  
DEVELOPMENT OBJECTIVES OF THESE PROJECTS STOP EYE LOOK  
FORWARD TO RECEIVING YOUR REPLY TO MY LETTER OF MARCH 2  
IN WHICH EYE ASKED WHETHER YOU HAD ANY OBJECTIONS TO SENIOR  
POSITION IN WORLD BANK MANAGEMENT BEING OFFERED TO  
DR. AKLILU HABTE STOP BEST WISHES ROBERT S. MCNAMARA  
PRESIDENT WORLD BANK

(Signed) Robert S. McNamara

ETHIOPIA - Ambara and Road Sector Projects MCBaum/SPlease/dh

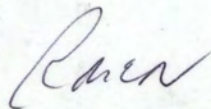
Robert S. McNamara, President

493/3/205

May 12, 1977

MEMORANDUM FOR MR. CHAUFURNIER

Please make clear to Sierra Leone that unless their debt service is current on July 15, it will be necessary for us to stop disbursements on that date.



Robert S. McNamara

cc: Mr. Knapp

RMcN:mss

493/3/204

MAY 12 1977

His Excellency  
Dr. Siaka Stevens  
President of Sierra Leone  
Freetown, Sierra Leone

Dear Mr. President:

I would like to thank you for your letter of April 22.

I was very pleased to learn of the progress which had been made during recent discussions between your Government and the IMF, regarding the introduction of policy measures designed to improve your country's economic situation and prospects. This is an encouraging development and will help us now to move forward more quickly with the preparation and processing of a number of projects in Sierra Leone for possible Bank Group financing. We are now nearing completion of our processing of the IDA credit of \$8.2 million for the third power project and we hope shortly to resume discussions with Government and the National Development Bank (NDB) regarding IDA assistance for the NDB's investment needs. Although we would propose to process other projects as quickly as possible, lending from Bank resources on standard Bank terms, as distinct from IDA credits, would have to be contingent upon progress by Government in negotiating external debt rescheduling with creditor countries.

I am very sympathetic to the reasons you give why Government wishes to press ahead speedily with the preparation of the Bumbuna hydro-electric scheme. The recent discussions in Washington with representatives of the Bumbuna Development Committee were most useful and I believe that there is a clear understanding between your officials and those of the Bank on the steps which we consider necessary to complete preparation of the project and the time which this is likely to take. The fact that you have already established the Bumbuna Development Committee should certainly help ensuring a properly coordinated work program. Hydro-electric projects tend to be both costly and complex to develop; this underlines the importance of thorough project preparation and analysis so as to ensure that the country would benefit from the least cost and technically the most feasible solution.

Assuming that the project proves technically and economically viable, it would be my expectation to recommend to the Executive Directors, in due course, that the Bank Group should participate in the financing of the project; however, present estimates of the foreign exchange cost of the project indicate that substantial external financial assistance will be required from other sources.

I am pleased that progress has been made in reaching an understanding between your Government and the Bank on the scope of the second highways project. The Bank shares your Government's concern over the urgent need to link the rural section of the Freetown-Waterloo Road with the Freetown urban road network. You will appreciate the reasons for the Bank's usual practice of international competitive bidding for the award of procurement contracts; however, we have asked your officials to provide us with additional information, which we shall review, to see whether it would be possible in this case to agree to Government's request to retain the existing contractor for construction of the proposed extension.

As for the maintenance and improvement components of the project, I understand that there is agreement in principle between your officials and Bank staff and that details of the components are to be further discussed during a Bank mission scheduled for early June. This mission will also review further with Government its plans for extending the Coastal Road to Gun Point. We should then be in a better position to determine when the project is likely to be ready for appraisal.

As I noted earlier, we are nearing completion of our processing of the third power project. Subject to satisfactory resolution of one or two matters regarding measures required to ensure the future financial viability of the Sierra Leone Electricity Corporation, we would like to present the proposed credit shortly to our Executive Directors. However, I am seriously concerned that, despite constant representations to Government, Sierra Leone has for some months been in arrears on its debt service payments to the Bank Group. You will appreciate that I could not consider recommending the proposed credit to our Board until all outstanding arrears have been fully paid and unless I am in a position to assure our Executive Directors that your Government has made specific arrangements to ensure that all future service payments on Bank loans and IDA credits will be made on their due dates. I hope therefore that I may receive from you an early assurance to this effect.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. T.T. Thahane

Ambassador P.J. Palmer

Cleared w/and cc: Messrs. Poulequen  
Kaén  
Posada

cc: Messrs. Chaufournier  
Steckhan  
Clift  
Salazar  
Soges

493/3/203

May 11, 1977

Dear Shep:

In your letter dated May 6 you asked for my preference for dates for the autumn meeting of the Aspen Institute in Berlin. Of the alternatives you suggested, I believe October 28, 29 and 30 would be most convenient for me, although because my fall travel plans have not yet been finalized, I can't be sure I will be able to be present in Germany for the meeting. I shall make every effort to be there, however, because I am embarrassed at how little I have contributed to the Board.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Shepard Stone  
Aspen Institute Berlin  
Inselstrasse 10  
1000 Berlin 38

RMcN:bmm

493/3 202

MAY 11 1977

Monsieur le Président,

J'ai l'honneur d'accuser réception de votre lettre du 12 avril par laquelle vous nous avez demandé de préciser notre position au sujet du projet Tambao.

Comme vous le savez nous avons suivi avec le plus grand intérêt l'instruction de ce dossier, au sujet duquel nos services techniques ont fait à vos représentants un certain nombre de suggestions tendant à assurer la viabilité économique du projet.

En effet notre souci est essentiellement de nous assurer que toute entreprise à laquelle nous sommes associés contribue de la façon la plus efficace possible au développement des pays membres de notre institution. C'était dans cet ordre d'idées que nous avons indiqué comme préalable à la poursuite de notre participation qu'une série d'accords soient réalisés, assurant au projet une rentabilité d'au moins 10 à 15% pour l'économie Voltaïque.

L'étude de factibilité ainsi que les engagements de la part des compagnies minières que vous nous annoncez devraient permettre de déterminer si les objectifs que nous poursuivons pourraient en fait être réalisés. Dans cette attente vous comprendrez que nous ne pouvons que poursuivre les efforts que nous avons intensifiés au cours des dernières années vers la réalisation de projets de toute rentabilité qui nous donnent l'espoir de contribuer de la manière la plus efficace possible au développement économique de votre pays.

Dès réception et examen des informations ultérieures que vous nous ferez parvenir, Monsieur Chauffournier, Vice Président Régional pour l'Afrique de l'Ouest, se mettra en rapport avec vos représentants afin d'aboutir à une décision rapide de notre part.

Je vous prie, Monsieur le Président, de croire à l'assurance de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence  
Général A. Sangoulé Lamizana  
Président de la République de Haute-Volta  
Ouagadougou, Haute-Volta

cl. and cc: MM. Chauffournier, Steckhan, Gué, Pouliquen  
cc: MM. Cash, Fuchs, Wackman, Apitz, Brandreth, El Maaroufi  
ALLevi/TNkodo:mgm



TELEX  
41462 YU SA GAS

4714

493/3/201

MAY 10 1977

**CITY ASSEMBLY OF SARAJEVO**

**SARAJEVO, BOSNIA HERZEGOVINA, YUGOSLAVIA**

**FOR MR. ANTE SUCIC, PRESIDENT. THANK YOU VERY MUCH FOR YOUR LETTER OF APRIL 20 INVITING ME, ON BEHALF OF THE CITY ASSEMBLY, TO THE CEREMONY FOR THE COMMENCEMENT OF WORKS OF THE SARAJEVO AIR POLLUTION PROJECT. WHILE I REGRET I AM UNABLE TO ACCEPT YOUR KIND INVITATION, I HAVE ASKED DR. JAMES LEE, THE BANK'S ENVIRONMENTAL AND HEALTH ADVISOR, WHO WILL BE VISITING YUGOSLAVIA AT THAT TIME ON OTHER BUSINESS TO REPRESENT ME AT THE CEREMONIES IN SARAJEVO. WITH BEST WISHES FOR THE SUCCESSFUL COMPLETION OF THIS IMPORTANT ENDEAVOUR, ROBERT S. MCNAMARA, PRESIDENT, INTBAFRAD.**

(Signed) Robert S. McNamara

**YUG: Sarajevo Air Pollution Project GKajf/llj (May 3, 1977)**

**Copy to Mr. Looijen, Executive Director  
Cleared with and cc: Mr. Benjenk,  
Mr. Pajmans**

**Robert S. McNamara  
President**

cc: Dr. James A. Lee

493/3/200  
MAY 10 1977

Your Highness,

Your Highness will recall my visit to Kuwait and my meeting with you in March 1975. During that meeting, I discussed a special increase of the Bank's capital which would allow OPEC countries to double their share in it. The subject of the Fifth Replenishment of the International Development Association was not discussed at the time, since negotiations for it did not start until later, in October 1975. I remember, however, that during the conversation, a remark was made that in the history of nations, as in the case of the lives of individuals, opportunities present themselves; the course of events depends on whether the nations or the individuals seize such opportunities in time or not.

Throughout the successive stages of the Replenishment negotiations which lasted about 18 months, Kuwait's role was an excellent example of taking the initiative and seizing opportunities which proved very effective in advancing the negotiations. This was particularly the case in two crucial stages:- in Helsinki, in June of last year, when Kuwait supported the original goal of the Replenishment and announced its willingness to contribute a specific amount towards its fulfillment; and again, lately, during the meeting of the Development Committee in Washington, when Mr. Abdlatif Al-Hamad announced Kuwait's additional contribution of the equivalent of \$20 million.

I can assure you that Kuwait's role in these negotiations will always be remembered with thanks and appreciation. Please accept my personal thanks.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

His Highness  
Sheikh Jaber Al-Ahmad  
Crown Prince and Prime Minister  
Kuwait, Kuwait

Cleared with and cc: Mr. Cargill  
cc: Mr. McNamara's office (2)  
Messrs. Diamond/Vibert  
Nurick

SELFishawy/rh  
May 9, 1977



OFFICE OF THE PRESIDENT

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
WASHINGTON, D. C. 20433, U.S.A.

493/3/199

MAY 10 1977

Your Excellency,

Thanks for your cable dated May 2, which was the first official notice of ratification that the International Development Association has received for the Fifth Replenishment.

The effective role that Kuwait played in every step of these negotiations over the period of 18 months was of great help in advancing the course of these negotiations towards its fulfillment. You undoubtedly recall that in my address to the Board of Governors during the last Annual Meeting in Manila, I paid special tribute to Kuwait for the position it had taken at the Helsinki meeting, one of the many meetings to complete these negotiations. Recently, Kuwait once again took the initiative during the meeting of the Development Committee when it announced that it was prepared to make an additional contribution equivalent to \$20 million. This will certainly encourage other countries to make additional contributions, so that the total of the Replenishment would amount to \$7.6 billion.

I can assure you that Kuwait's role in these negotiations will always be remembered with thanks and appreciation. Please accept my personal thanks.

Sincerely,

*Robert S. McNamara*  
Robert S. McNamara

His Excellency  
Abdul Rahman Salim Al-Ateegy  
Minister of Finance  
Kuwait, Kuwait

*I greatly appreciated your kind note of congratulations on my election to a third term. Best wishes  
Rahm*



OFFICE OF THE PRESIDENT

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
WASHINGTON, D. C. 20433, U.S.A.

حضرة صاحب المعالي  
عبد الرحمن العتيقي  
وزير المالية - الكويت

معالي الوزير

سلامي وخالص تحياتي وعظيم تقديري وبعد فقد كانت هرقميتكم بتاريخ  
١٩٧٧/٥/٢ هي اول اخطار رسمي يصل مؤسسة التنمية الاقتصادية بأعتماد  
المساهمة في التمويل الخامس .

و الواقع ان في كل مرحلة من مراحل مفاوضات هذا التمويل التي امتدت  
على مدى ثمانية عشر شهرا قامت الكويت بدور فعال في التقدم بهذه المفاوضات  
نحو الغاية المرجوه منها . ولا شك في انكم تذكرون انني في خطابي في الاجتماع  
السنوي لمحافظة البنك والمؤسسة في مانلا اشادت بالموقف التي اتخذته الكويت  
في اجتماع هلسنكي - وهو احد الاجتماعات العديدة التي انعقدت لاتمام هذه  
المفاوضات . ومرة اخرى ومؤخرا ابدت الكويت بادرة كان لها احسن وقع في  
اثناء اجتماع لجنة المحافظين حيث اعلنت الكويت عن استعدادها لتقديم مساهمة  
اضافية توازي ٢٠ مليون دولار . ولا شك ان هذا سيشجع دولا اخرى على تقديم  
مساهمات اضافية لاستكمال اجمالي التمويل الى ما يوازي ٧٦ بليون دولارا .

فبالعرفان والتقدير اذكر للكويت مواقفها على مدى مراحل تلك المفاوضات

*Robert S. McNamara*  
المخلص

وبالشكر اتقدم لكم .

روبرت س . مكنارا

*I greatly appreciated your kind note of  
congratulations on my election to a third term.  
Best wishes  
RSM*

493/3/198

May 9, 1977

Dear Henry:

I thought you would be interested in the following excerpt from a memorandum to me dated May 9. It is extracted from a conversation between a Bank staff member and Charles Frank, who is said to be Deputy Assistant Secretary of State in the Bureau of International Organizations.

"We spoke also about the World Development Program which he said at last hearing was out of the Summit Communique. The opposition to it had some not only from the British and Germans, but also very strongly from the State Department for two reasons:

(i) the whole idea had been fed into the system through irregular channels (i.e., McNamara direct to Henry Owen);

(ii) it put responsibility for the programming into the Development Committee instead of the U. N. - probably it should be in Ecosoc. Under Andy Young there was going to be a real attempt to take economic development leadership in the U. N. instead of leaving it all to the G.77."

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Henry Owen  
Director, Foreign Policy  
Studies Program  
The Brookings Institution  
1775 Massachusetts Avenue, NW  
Washington, D.C. 20036

RMcN:bmm

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

493/3/197

- IBRD
- IDA
- IFC
- ICSID

TO: CLAUDE CHEYSSON

DATE: MAY 9, 1977

EEC

ORIGINATOR'S EXT.: 4283

COUNTRY: BRUSSELS, BELGIUM

CLASS OF SERVICE: TELEX COMEURBRU  
21 877

CABLE NO. & TEXT:

MR. MERVYN L. WEINER, WHO IS RESPONSIBLE TO THE EXECUTIVE DIRECTORS AND TO ME FOR EVALUATING THE RESULTS OF BANK OPERATIONS, WILL BE IN BRUSSELS MAY 26 TO LEARN HOW EEC GOES ABOUT ASSESSING THE EFFECTIVENESS OF ITS DEVELOPMENT ASSISTANCE AND TO EXPLAIN WHERE WE HAVE COME SINCE I FIRST ESTABLISHED AN OPERATIONS EVALUATION FUNCTION HERE SEVEN YEARS AGO STOP YOU MAY WISH TO MEET BRIEFLY WITH HIM TO DISCUSS EEC PERSPECTIVES ON AID EFFECTIVENESS STOP I UNDERSTAND WORKING LEVEL CONTACTS ARE BEING ARRANGED BY MR. RYELANDT OF DGVIII STOP BEST PERSONAL REGARDS

ROBERT S. MCNAMARA

NOT TO BE TRANSMITTED

|   |   |
|---|---|
| REFERENCE:  | AUTHORIZED BY (Name):<br>Mervyn L. Weiner                                   |
| DRAFTED BY:<br>Mervyn L. Weiner   | DEPARTMENT:<br>Director-General, Operations Evaluation                      |
| CLEARANCES AND COPY DISTRIBUTION:<br><br>cc: Mr. Masoni who will telex a copy of this cable to Mr. Ryelandt | SIGNATURE (Of individual authorized to approve):<br><i>Mervyn L. Weiner</i> |
|   | SECTION BELOW FOR USE OF CABLE SECTION                                      |
|   | CHECKED FOR DISPATCH:   |

493/3/196

MAY 4 1977

Dear Mr. Rotberg:

Pursuant to Section 7.9 of the Staff Retirement Plan, as amended through December 4, 1976, I should like to appoint you a member of the Pension Finance Committee, for a term of three years, effective immediately.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. Bernard Holland, the Secretary of the Pension Finance Committee.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara  
President

International Bank for Reconstruction and Development  
International Finance Corporation

Mr. Eugene H. Rotberg  
10822 Childs Court  
Silver Spring, Maryland 20901

Accepted: \_\_\_\_\_

Date: \_\_\_\_\_

493/3/195

MAY 4 1977

Dear Mr. Morgan:

Thank you for your letter of April 25 on the subject of the membership of the Brandt Commission. I do appreciate your suggestion about the Rt. Hon. Errol Barrow. His name will certainly be added to the list of potential members, for the consideration of Mr. Brandt.

It has been agreed to await the conclusions of the North-South dialogue in Paris on June 1 before proceeding with the actual establishment of the Commission. Unquestionably, the composition of the Commission will be a key issue, so we will forward your suggestion to Mr. Brandt and I do not doubt that he will give it his best attention.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Peter Morgan  
220 Central Park South  
Apartment 7F  
New York, N. Y. 10019

cc: Mr. McNamara's Office (2)  
May 3, 1977

LPChatenay:mmh



493/3/193

May 2, 1977

MEMORANDUM FOR MR. CHADENET

To carry our thinking on possible changes in travel procedures a step further, consider whether it would be wise to:

1. Limit the stopover privileges on travel between the United States and other points in the world to a maximum of one day in each direction.
2. Limit Concorde travel to those who have taken no stopover privilege in either Paris or London.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Cargill  
Mr. Gabriel

RMcN:mss

493/3/192

May 2, 1977

MEMORANDUM FOR MR. CLARK

I have heard (perhaps incorrectly) that twelve members of the Bank's staff attended a recent meeting in Bellagio (out of a total of 25 attendees).

Is this correct?

If it is, where are the reports to you and to me?

*RMcN*

Robert S. McNamara

RMcN:bmm

493/3/191

Class of Service: TELEX

Date: MAY 2, 1977

Telex No.: 411976

Originators Ext: 4296

12

10

0 START  
HERE  
1 TO

DEUTSCHE BANK AG

CITY/  
COUNTRY

JUNGHOFSTRASS 5/11

MESSAGE  
NO.:

6000 FRANKFURT/MAIN, GERMANY

4

ATTENTION DR. WILFRIED GUTH

5

THANK YOU FOR YOUR CABLE OF APRIL 28 CONFIRMING THE SIGNING OF

6

THE TWO PURCHASE AGREEMENTS FOR OUR 6 1/2 PERCENT DM 400 MILLION

7

BONDS OF 1977, DUE 1987, AND OUR 6 1/2 PERCENT DM 100 MILLION

8

NOTES OF 1977, DUE 1985. WE ARE MOST APPRECIATIVE OF THE EXCELLENT

9

COOPERATION WE RECEIVED FROM YOUR INSTITUTION AND THE OTHER MEMBERS

10

OF THE GERMAN BANKING SYNDICATE. PERMIT ME ALSO TO THANK YOU FOR

11

THE GRACIOUS AND MOST EFFICIENT WAY THAT YOU HAVE HANDLED THE

12

ADDITION OF TWO MANAGERS INTO THE SYNDICATE. YOUR COOPERATION IN

13

THIS MATTER IS VERY MUCH APPRECIATED.

14

TEST 762 MCNAMARA/INTBAFRAD

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19

20

21

END

22

OF

TEXT

NOT TO BE TRANSMITTED

SUBJECT:

DRAFTED BY

JRadifera/ERotberg/pa

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AUTHORIZED BY (Name and Signature):

Messrs. McNamara (2)  
Cargill, Goodman, Rotberg,  
Hittmair

Eugene H. Rotberg

DEPARTMENT:

Treasurer's

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH

493/3/190

MAY 2 1977

Dear Mr. Bédié:

Many thanks for your letter of April 22, relating to Mr. Yaméogo's request for further assistance from the Bank in connection with his project for the ACP Investment Bank. I have already responded to Mr. Yaméogo on this matter (see attached copy of my letter to him of April 29). I think you will understand that this whole matter can best be carried forward after the responsible Governments have given evidence of their support for the idea.

Sincerely,

(Signed) Robert S. McNamara,

Robert S. McNamara

Encl.

His Excellency  
Mr. Henri Konan Bédié  
Minister of Economy  
and Finance  
P.O. Box 1366  
Abidjan, Ivory Coast

File to Mr. Chauffournier

JBKnapp:RSMcNamara:isk