

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Contacts with member countries: Netherlands Antilles - Correspondence 01

Folder ID: 1771135

ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4549S

Series: Contacts - Member Countries files

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: June 28, 2013

To cite materials from this archival folder, please follow the following format:
[Descriptive name of item], [Folder Title], Folder ID [Folder ID], ISAD(G) Reference Code [Reference Code], [Each Level Label as applicable], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.



THE WORLD BANK
Washington, D.C.

© 2012 International Bank for Reconstruction and Development / International Development Association or
The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED

McNamara Papers



1771135

A1993-012 Other #: 13

209349B

Contacts with member countries: Netherlands Antilles - Correspondence 0.

Contracts
Netherlands Antilles (1971)

Folder 142

DECLASSIFIED

WBG Archives

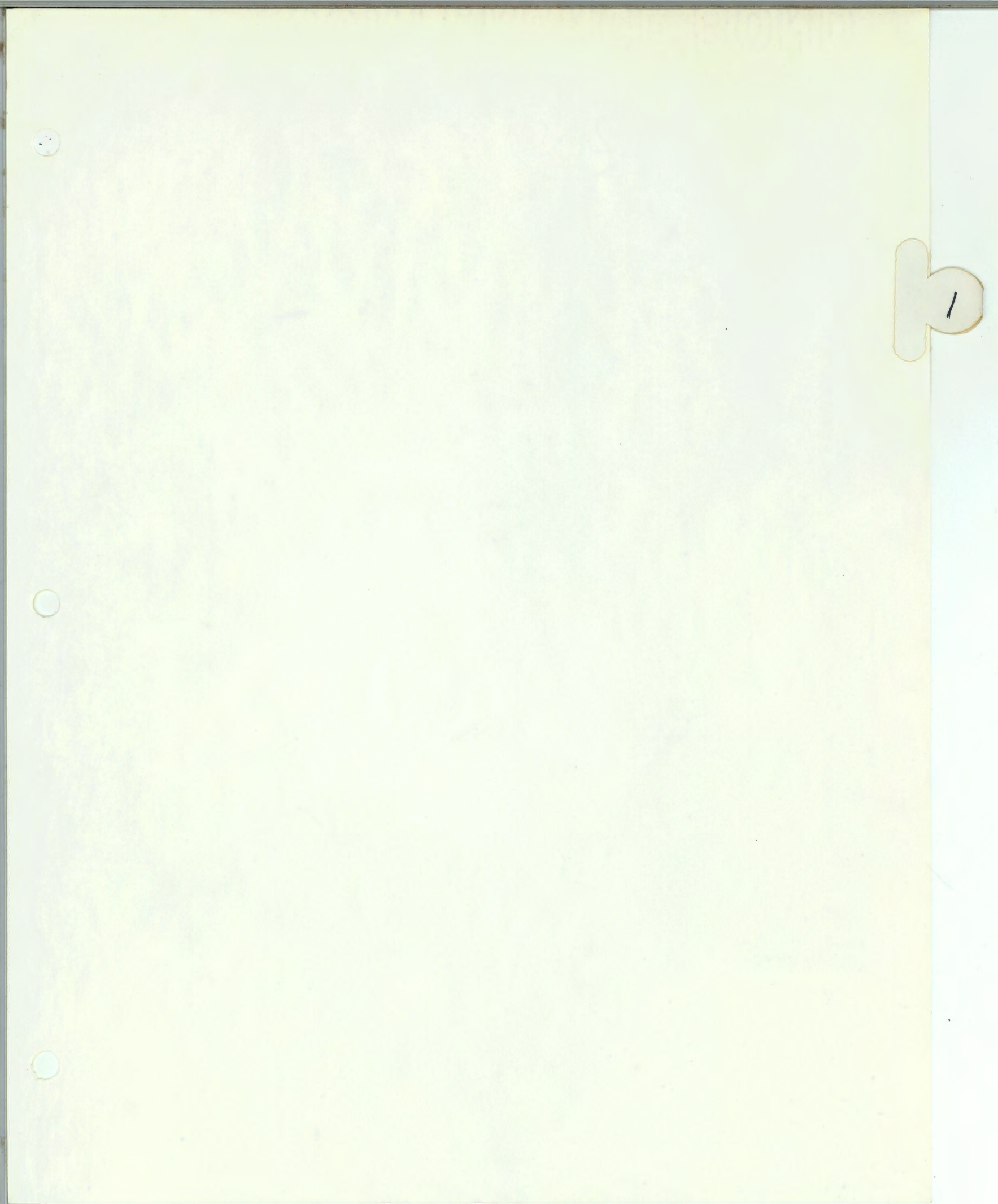
NETHERLANDS ANTILLES

NETHERLANDS ANTILLES

1. 10/14/71

F.J. Tromp, Minister of Finance
P.A. Gorsiera, Director of Taxes, Ministry of Finance
H. Henriquez, Chief Inspector of Taxes, Ministry of Finance
Baron de Vos van Steenwijk, Financial Counselor, Netherlands
Embassy

Mr. Gutierrez' meeting with Minister Tromp



October 21, 1971

Mr. McNamara met with the Minister of Finance, F.J. Tromp, for the Netherlands Antilles on October 14. The Minister was accompanied by Mr. Rinnooy Kan, Executive Director; and Mr. P.A. Gorsiera, Director of Taxes, and Mr. H. Henriquez, Chief Inspector of Taxes, both of the Ministry of Finance; and Mr. R.H. de Vos van Steenwijk, Financial Counselor, Netherlands Embassy, Washington.

The Minister outlined the problems facing the economy of the Netherlands Antilles. The heavy reliance on the petroleum sector as a base for economic growth and development had led to a crisis situation, both politically and socially. It was now imperative to diversify the economy, particularly to help reduce large-scale unemployment which was reaching crisis proportions. Upon a question from Mr. McNamara, the Minister explained that the Netherlands Antilles was not a member of the Caribbean Development Bank. He asked the Bank Group to help with both capital and technical assistance. In particular the Minister would like to have advice on how the economy best could be diversified. Mr. McNamara responded that, given the small population and relatively high per capita income of the territory, he was not very hopeful that the Bank Group could be of assistance. However, he promised the Minister that he and his staff would re-examine the Bank's position to ensure that all relevant factors had been taken into account. He said he would ask Mr. Gutierrez, Director, Central America and Caribbean Department, to contact the Minister directly on this matter.

LEC

President has seen

OFFICE MEMORANDUM

TO: Files

DATE: October 20, 1971

FROM: Hans Wyss

SUBJECT: NETHERLANDS ANTILLES - Visit of Minister of Finance

1. Further to Mr. McNamara's meeting of October 14 with Mr. Tromp, the Minister of Finance of the Netherlands Antilles, Mr. Gutierrez had a discussion with the Minister and Mr. Rinnooy Kan on October 15.
2. The Minister pointed out that the Netherlands Antilles faced serious socio-economic problems, in particular a high rate of unemployment. These problems appear to have resulted from a coincidence of several factors: a long-term shift of the population out of agriculture, which was associated with a serious soil erosion after excessive timber cutting, and which accelerated with the setting up of large oil refineries by Shell and Standard Oil; a reduction of employment by these refineries from over 20,000 people in the 1950's to less than 5,000 now; and difficulties encountered by the tourist sector which boomed during the 1960's until the unemployment situation resulted in extensive civil disorders in 1969. The critical development problem clearly is the creation of new jobs in productive activities (agriculture, export industries, tourism). This, against the background of high wages in the oil sector will be a most difficult task to achieve. Mr. Rinnooy Kan said that in view of the Bank's increasing concern about unemployment, it would be desirable that it could assist the Government of the Netherlands Antilles in identifying development possibilities and eventually even help in financing certain investments found necessary to meet the development needs of the islands.
3. Mr. Gutierrez indicated to the Minister that we shared his concern with the problems which he had outlined; some of these had much in common with those prevailing in other parts of the Caribbean. Mr. Gutierrez pointed out that in view of the high per capita income (\$1,100) and the very small population of the islands (215,000), it would be difficult to devote more than a very small part of our limited staff resources to the Netherlands Antilles. We had to weight carefully the allocation of Bank staff in comparison to other development countries in which we were active and which were both poorer and had a larger population. However, Mr. Gutierrez agreed with the Minister that we would be prepared to review in Washington, as soon as this would be possible, the development plans which his Government wanted to send us. On the basis of such a review, we would determine whether the Bank was justified to proceed with an economic mission.

Cleared and cc: Mr. Gutierrez

cc: Messrs. McNamara ✓
Knapp
Cope
Wright
Kuczynski
Beier/Feldman

Hwyss/fas

For 12.15
utp

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: Edgar Gutiérrez

SUBJECT: Netherlands Antilles and Surinam

DATE: October 13, 1971

~~Small prop
Circ. BK~~

1. Our position remains very much as indicated in the attached memorandum.
2. In relation to Surinam, we have scheduled a regular economic mission that will be leaving for the field on the 25th of this month. As a result of the work of this mission, we hope to define the kind of assistance that we could provide to Surinam in the future. In the meantime UNDP assistance for the power study has already been requested and we hope that the Board of that institution will act on the proposal sometime in January.
3. Mr. Tromp is today Minister of Finance of the Netherlands Antilles and was elected member of Parliament. The only thing we know about him is that several years ago (four or five) he wanted to participate in our Young Professionals Program. We are trying to trace back the information on him. As soon as I receive it I will send it on to you.

EGutiérrez:vet

President has seen

Dr. Pieter Loeffinck,
Executive Director for the Netherlands
E. Peter Wright

December 2, 1970

Your Forthcoming Visit to the Netherlands Antilles and Surinam

I spoke recently to Mr. Hartwich about your forthcoming visit to the Netherlands Antilles and Surinam and the informal requests which the Governments of these two countries had made for Bank technical assistance. The Central America and Caribbean Department is now responsible for all of the Bank's operations in dependent as well as independent countries in the Caribbean area, and Mr. Hartwich has accordingly referred the matter to me.

I believe that Mr. Cope explained to you at the beginning of September why we would be unable, because of prior claims on our economic staff, to respond to the request for an economic mission to visit the Netherlands Antilles in the near future. We had earlier received a similar request from the Government of the Bahamas and had been forced to turn that down for the same reason. Both the Netherlands Antilles and the Bahamas are relatively high income countries, and we did not feel that either of them could properly be given priority over the Bank's regular business in its member countries in the allocation of scarce staff.

Surinam (and correspondingly British Honduras among the British territories in the area) is a rather different case, since it is much less developed, and the Bank, as you know, conducted a survey of its economy some years ago and has since acted as Executing Agency for two UNDP-financed studies - one of mineral resources, which was closed in September 1969, and the second of transport, on which the Dutch firm of NEDECO submitted a report in 1968. There are still some outstanding issues related to the transport study which we are discussing with the Surinam Government. These include the possibility of using the still undisbursed amount from the UNDP grant, which is around \$100,000 (assuming there are no further outstanding requests for reimbursement), to finance additional studies of infrastructural requirements in the West Surinam plains, but the Bank doubts whether this would be an appropriate use of funds provided for a transport study. It is also very doubtful that UNDP would agree. Copies of relevant letters are attached for your information. A copy of the NEDECO report is also available in the Bank in case you should wish to consult it.

I understand from your conversation with Mr. Hartwich that the Government of Surinam is now interested in having a study carried out into the power potential of West Surinam in connection with the possible exploitation of bauxite deposits in the area. Mr. Hartwich suggested that Surinam

Dr. Pieter Loefftinck

-2-

December 2, 1970

should approach the UNDP rather than the Bank for the financing of such a study. If the UNDP is able to take it on, there is no reason in principle why the Bank should not be prepared to act as Executing Agency for the study if requested to do so. You may wish to bear this possibility in mind in your discussions with the Surinam authorities. However, from the limited information at our disposal, we have some doubt about the utility of a fresh power survey, since it would appear that hydro-power facilities developed in connection with the existing bauxite industry may have spare capacity and also be capable of further expansion.

cc: Messrs. Cope
Demuth
Weiner
Knox
Hartwich

Attachments

EPWright/mpd