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Sub-Fonds: Records of President Robert S. McNamara

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THE WORLD BANK
Washington, D.C.

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Washington DC 20433
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McNamara Papers

1975 (Jan. - Febr.)

The World Bank Group
Archives
1771932
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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 45

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492/4/180

FEB 21 1975

Mr. Maurice J. Williams, Chairman
Development Assistance Committee
Organisation for Economic
Co-operation and Development
2, rue Andre-Pascal
Paris XVI^e, France

Dear Maurice:

Thank you for your letter of February 7, 1975, about aid coordination for the countries of the Sahel.

It is going to be very difficult, I think, to work out an approach to overall aid coordination in this area that will be acceptable to the recipient countries as well as to the donors. That is why as you note we have fallen back ourselves on a more limited sector-by-sector approach, and even here the scope for effective coordination varies considerably from case to case. For river blindness, where there is a specific and carefully prepared program backed by all the recipient countries and no need for an elaborate economic justification of the expenditures proposed, the World Bank has no hesitation in assuming the responsibility of bringing the donors together. But where the program or project in question is open to challenge on economic grounds, or where there are likely to be major problems in implementing it, a more cautious approach may be called for.

In any event, I think it is an excellent idea that you should explore the matter informally with the Sahelian Governments and the appropriate regional institutions, to see what form of coordination they would be prepared to accept. I assume you will also keep informed of the activities and plans of the UN and particularly the UNEP in matters of coordination of various aspects of assistance to countries of the Sahel region. There is some danger, I think, of an overdose of coordination in the present atmosphere of concern for the Sahel. It may be a desire to guard against this that underlies the French suggestion of a "light" approach.

In the light of the various reactions you get we could then consider how aid coordination might be most effectively organized, and what the role of the World Bank might be.

Mr. Maurice J. Williams

- 2 -

As for the Tidewater meeting on September 26-28 in Germany,
I hope at this time to be able to attend.

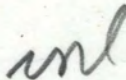
Sincerely,



Robert S. McNamara

cc: Mr. Chaufournier/Mr. E. Wright
Mr. William Clark

EPWright/MLHoffman:mmh



FEB 21 1975

492/4/79

Dear Mr. Berkol:

Many thanks for your February 7 letter and attachments on the difficult situation in which the Cape Verde Islands find themselves because of the prolonged drought which they are facing.

I am, naturally, concerned by the islands' grim prospects. On the other hand, the Bank Group is not equipped to provide the emergency relief (foodstuffs shipment, for example) which may be needed if the situation there deteriorates to disaster levels. Instead, as you know, the sort of assistance we could give - and are already providing the drought stricken Sahelian countries - is financing for longer range rehabilitation and development projects.

We shall monitor the situation on the Cape Verde Islands and would be prepared to consider, if appropriate, drought relief measures or other investments to help put the islands' people back on their feet when they obtain their independence and apply for Bank Group membership.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Faruk N. Berkol
Under-Secretary-General
Co-ordinator for Disaster Relief
United Nations
Office of the Disaster Relief Co-ordinator
Palais des Nations
CH-1211 Geneva 10
Switzerland

cl. w. & cc: Messrs. W. Thalwitz and P. Chatenay

cc: Messrs. W. Clark, M. Hoffman and J. Schmedtje

FJAguirre-Sacasa/et (2/21/75)

492/4/78

FEB 21 1975

Dear Mr. Labidi:

Thank you for your letter of February 3 in which you informed me of the decision of your Board of Directors to make a grant of U.A. 900,000 to the Onchocerciasis Fund. The support of the African Development Bank is of the greatest significance for the success of the program for the control of onchocerciasis in West Africa, and I very much appreciate the efforts you have made personally to achieve this result.

Mr. Wright has given me an account of last week's meeting of the Joint Coordinating Committee in Abidjan, and I think the program is off to a good start. However, it is important that more be done to prepare for the development of the areas that will be re-opened to settlement by control of the blackfly, and we hope that the African Development Bank and Fund will be able to join us in due course in financing rural development projects in the program zone.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A. Labidi
President
African Development Bank
P.O. Box 1387
Abidjan, Ivory Coast

cc: Messrs. Chauffournier
de la Renaudiere, WA2

EPWright:erl
Typed 2/20/75

BANQUE AFRICAINE DE DÉVELOPPEMENT
AFRICAN DEVELOPMENT BANK



ABIDJAN, 3 February 1975

LE PRÉSIDENT

Mr. Robert S. McNamara
President
World Bank Group
1818 H. Street, N. W.
WASHINGTON, D. C. 20433
U. S. A.

Dear Mr. McNamara,

I have pleasure in informing you that at a recent meeting of the Board of Directors of the African Development Bank, the Board approved a grant of U. A. 900, 000 (U. S. \$1, 080, 000) to the Onchocerciasis Fund.

The Bank will disburse the said amount in six annual instalments in accordance with the programme developed by the Preparatory Assistance Mission to the participating Governments, during the period 1974/1979.

I believe that our contribution will help boost international efforts in erradicating this deadly disease.

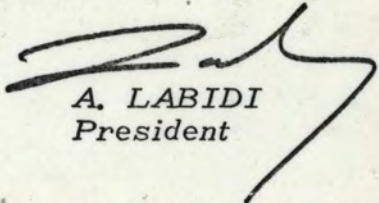
I am looking forward to our further co-operation in this field in the near future.

Let me take this opportunity, Mr. President, to renew the assurance of my highest consideration.

SECTION
COMMUNICATIONS

1032 FEB 11 1975

RECEIVED


A. LABIDI
President

492/4/76

Mr. Jon Sigurdsson

February 21, 1975

Robert S. McNamara *RM*

KOREA: Fifth Railway Project

I am sorry that I was not able to respond more quickly to your memorandum of January 30 commenting on the notice of our intention to negotiate a railway loan to Korea.

I have, as you know, full sympathy with your basic point that our decision to proceed with the appraisal or negotiation of specific lending projects should reflect, among other things, the broad judgment that the basic thrust of the borrowing country's program is consistent with the Bank's objectives and more specifically that the country's total program involves a satisfactory level of effort to improve the situation of the poorest segments of its population. I am sure that you recognize that the judgments which must be made in these matters are far from simple; the particular circumstances of our various borrowers give them various options with respect to the courses of action they can and do follow in attempting to increase the productivity, incomes, levels of living, and opportunities of their populations, including the poorest segments of those populations. It is often not an easy matter to assess the wisdom or probable effectiveness of their efforts or the balance they strike in their necessarily multiple sector and program activities. Furthermore, all of these are changing situations which must be viewed in a dynamic rather than static manner.

In the specific case of Korea, we have no hesitation in making the judgment that the efforts of the Government to increase the incomes, the levels of living and the opportunities of all sections of its population including the poorest have, in the last decade, been not only adequate but also spectacularly successful. The growth of total national income has been very rapid and all sections of the population have benefitted. This is not to say that there are no disparities of income either within urban or rural areas or between the rural and urban populations. It is to say that the evidence indicates that disparities in income within urban and rural areas and between the populations of these areas have not widened and have probably narrowed; that, perhaps equally importantly, the incomes and living levels of all groups including the poorest have increased appreciably; that the access of all groups to education and health services has been greatly increased and that this access has distinctly increased social mobility. The extraordinarily rapid expansion of industrial production has reduced unemployment to relatively low levels, and has resulted in a reduction of the rural population and the agricultural labor force, in response to the demand rather than merely the hope for urban industrial and service employment. There remain urban-rural disparities and, in absolute terms, low income groups, especially in rural areas.

February 21, 1975

Substantial Government efforts have been mounted and are now being expanded to attack these problems directly. They involve such efforts as are represented by the project recently approved by the Board for development of the Gwangju region, which involves steps toward the development of non-agricultural activities in rural areas and the improvement of rural infrastructure in order to help spread non-agriculture income-earning opportunities into rural areas. Currently in the face of contracted export markets large programs of public works are being mounted centering on irrigation and other facilities designed to increase agricultural productivity and income and to maintain relatively full employment despite some slowdown on investments in industry and in manufacturing production for export. This happily is in contrast to some other countries where choices threaten to be made which would bear heavily on the poorest sections of the population. To me one of the signals which I take, although this may be difficult to prove, to indicate the degree of success achieved in improving the position of the poor mass of the population is the striking reduction in the rate of population growth which has been achieved in Korea, without benefit of, I regret to say, either UN or World Bank assistance.

I do not wish to appear unduly enthusiastic about the Korean effort, but I believe it is one which has been consistent with the Bank-stated objectives, which has been decidedly successful, which can, in terms of our objectives, be improved and where deliberate efforts at improvement are in train. For all of this, major infrastructure improvements, such as those the proposed railway loan would finance, are required and, within appropriate limits, are an essential ingredient. Hence our willingness to invite negotiators for the proposed railway loan.

BRBell:mjd

cc: Mr. McNamara's Office (2) ✓

492/4/75

FEB 21 1975

Dear Mr. Andersen:

I am sorry that I could not respond more quickly to your letter of January 25. I of course recall our meeting in Goroka very well.

I am afraid that I do not fully understand the circumstances relating to your plantation from the explanation in your letter. If I understand it at all, you have sold part of your plantation to another company and the latter company has gone bankrupt and, I presume, is not able to complete payment to you. The Bank of New South Wales has advised you, you say, that you cannot start foreclosure proceedings, and Price Waterhouse & Company have advised that "Government policy now prevents sales of plantations to other than indigenous owned company." I am not in a position to know what it is that prevents foreclosure action or what connection there may be between the two facts you report. In the circumstances, I think it best that I have one of the members of our legal staff telephone you to seek clarification, and I have asked that this be done.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A. Andy Andersen
4149 N. 78th Pl.
Scottsdale, Arizona, 85251.

BRBell:vh
February 21, 1975

Cleared with and cc: Mr. Hugh Scott

cc: For Mr. McNamara's Office (2)

492/4/72

FEB 21 1975

His Excellency
Julius K. Nyerere
President of the United Republic
of Tanzania
Dar es Salaam, Tanzania

Dear Mr. President:

Thank you for your letter responding to my cable. I continue to be very concerned over the inability of the Partner States to agree on transitional financial and operational arrangements pending the introduction of a new organizational structure for the Community Corporations to reflect the present political realities in East Africa. As you have pointed out, new arrangements have to be negotiated, and I hope the Partner States can proceed with such negotiations without delay. I have instructed Mr. Shahid Husain to be of whatever assistance he and his staff can be to the governments of the Partner States in dealing with this matter. I understand he has already written to the Finance Ministers to this effect and has specifically suggested that they consider arranging an informal meeting.

I should also like to take this opportunity of informing you that we have already taken action in response to the points you asked Mr. Finsaas to raise with me. Plans to redesign the Geita cotton project in the light of the rapid villagization are underway and it is expected that Mwanza and Shinyanga regions will be taken up by the special preparation teams which are involved in advancing your rural development program and intensifying maize production. In general, as you know, the Bank has stepped up its technical assistance very substantially over the past year or so in response to your requests. Our programs in Tanzania are designed to help ensure that the development objectives you have set your country are not frustrated by the inability of the economy to grow sufficiently rapidly. Mr. Husain has reported to me that this was the focus of the discussions he had with you in November and that there was a complete meeting of

minds with you on the critical importance of increasing agricultural output in the context of your wider development objectives and specifically in the context of the accelerated villagization program.

With my best wishes to yourself, and for the success of your program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SHusain:WDCClark:sf

492 14/71

FEB 21 1975

Dear Mr. President:

May I send you a personal note about a matter which has caused me some distress?

In view of the good and fruitful relations between the Bank and your development program I have been disturbed by a constant drum beat of press reports suggesting that the Bank has been insisting on the abandonment of your development philosophy as a condition for its lending.

These reports began in the Manchester Guardian emanating from "a western diplomat" and have been picked up particularly in Sweden by the press and even in Government circles, in spite of our close collaboration with S.I.D.A. in Tanzania and elsewhere.

Such allegations damage the Bank at a time when it needs all the public support it can muster if it is to carry out its task of assisting the economic and social development of its member countries. I would be immensely grateful, and we would all be encouraged, if at some point you could inform the Governments or the public of the efforts the Bank is making to assist Tanzania in its own chosen ways of development.

I hope you will excuse my trespassing on your time about a small matter which is nevertheless of great importance to us, and our development assistance effort.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Julius K. Nyerere
President of the United Republic
of Tanzania
Dar es Salaam, Tanzania

WDclark:sf

492/4/70

FEB 21 1975

Dear Mr. Buckley:

Thank you for your letter of February 11 asking me about the Finance Minister of Liberia.

I have indeed met him on several occasions and we have an excellent working relationship. However I do not think it would be proper for me to discuss that relationship for publication, because it should remain a professional essentially confidential relationship.

I would be most interested to see the results of your study when it is completed.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Leonard Buckley
60 Hotham Road
Putney
London, S.W.15
England

WDClark:sf

492/4/69

February 20, 1975

Dear Mr. Hirai:

It was most kind of you to write to me on the completion of payments under Loans 238-JA and 239-JA. I take great pleasure in congratulating you, on behalf of the Management and staff of the Bank, on the achievements of your Corporation. The modernization and expansion of the Japanese steel industry, in which your Corporation and its predecessor companies played an important role, has impressed us greatly and we consider it a privilege that the Bank was able to assist, even in a modest way, in its development.

I am deeply appreciative of the kind sentiments regarding the Bank which you expressed in your letter and share your hope that our warm and fruitful relationship will be continued in other fields of mutual interest. I wish you every success in the future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Tomisaburo Hirai
Representative Director and President
Nippon Steel Corporation
6-3, Otemachi 2-Chome
Chiyoda-ku, Tokyo 100
Japan

DLoos/pme

cc: For Mr. McNamara's Office (2)

492/4/68

February 20, 1975

MEMORANDUM FOR MR. KNAPP
MR. ALTER

I have read the papers which I received this morning relating to the proposed Chilean loan. Before deciding whether or not to send the loan to the Board I would like to have your comments on, or responses to, the following points:

1. Are the statements in what is labelled "Part I - Introduction", which I would propose to add the President's Report, accurate?
2. Do you concur in the other changes which I have suggested be made in the Report?
3. Why does the Report not include an analysis of economic rates of return on the project?
4. Which banks supplied the \$100 million medium-term credit in 1974?
5. Which export credit agencies "insured credits" in 1974 and in what amounts?
6. What would be the effect on the Chilean economy and in particular on its creditworthiness of a continuation of the present 55¢ copper price throughout 1975, instead of an increase in that price to an average of 70¢ per pound (March 1 to December 31), as assumed in the Report?
7. What would be the effect on Chilean creditworthiness of a refusal of one or more of the creditors to participate in the debt rescheduling to be discussed in Paris, March 24 and 25?
8. Should we not defer presentation of the loan to the Board until we know the results of the Paris Club meeting?

Please prepare a statistical table showing data on the following items for each of the years 1969 through 1975: GNP growth rate; price inflation, agricultural production (in constant prices), copper production (in constant prices), manufacturing output (in constant prices), food imports (in constant prices), trade deficit.

Robert S. McNamara

RMcN:bmm

492/4/67

INTBAFRAD
DACCA

FEBRUARY 19, 1975

TELEX

(2004)

BANGLADESH

REUR 233 REGARDING WATERS DISPUTE. BANK'S LONG STANDING POLICY IN SUCH CASES IS TO STAND READY, IF REQUESTED BY BOTH PARTIES TO THE DISPUTE, TO CONSIDER PROVIDING APPROPRIATE ASSISTANCE IN THE FORMULATION OF A SOLUTION WHICH WOULD STRIKE A REASONABLE BALANCE BETWEEN THE INTERESTS OF THE TWO PARTIES. I BELIEVE THAT THIS POLICY AND ITS APPLICATION TO THIS PARTICULAR CASE HAS BEEN LONG KNOWN TO THE TWO PARTIES INVOLVED BUT I WOULD HAVE NO OBJECTION TO YOUR REITERATING IT TO THE BANGLADESH AUTHORITIES. NEITHER WOULD I OBJECT TO PRESIDENT SUGGESTING TO INDIAN PRIME MINISTER A JOINT REQUEST FOR BANK ASSISTANCE PROVIDED THAT HE MADE CLEAR IN DOING SO THAT THE BANK POLICY IS AS STATED IN THE FIRST SENTENCE ABOVE. YOU SHOULD ALSO CONVEY THAT THE BANK CONSIDERS ITS ROLE WOULD BE USEFUL ONLY IF IT EXTENDED BEYOND MERE HIGH LEVEL "POLITICAL" MEDIATION AND INCLUDED AN OPPORTUNITY FOR THE BANK TO MAKE A POSITIVE TECHNICAL INPUT TO ACHIEVE THE OPTIMAL USE OF THE WATERS CONCERNED.

REGARDS

(Signed) Robert S. McNamara'

McNAMARA

Mr. Robert S. McNamara, President

Executive Offices

cc: Messrs. Cargill
Broches
van der Meer
Dunn

492/4/66

February 19, 1975

Dear Charley:

I am delighted that you see fit to ask me for my recommendation on the award of the Edward Weintal Journalism Prize for diplomatic reporting.

My recommendation would be to award the prize for the series of articles in the New York Times on the World Food Crisis, which appeared prior to the World Food Conference in November. This was an outstanding example of the new type of diplomatic reporting that the world, and not least the U.S.A., needs.

I leave it to you to decide how to award the prize to a group effort. I suppose either Abe Rosenthal or Jim Greenfield is ultimately responsible.

Sincerely,

Robert S. McNamara

Mr. Charles Bartlett
School of Foreign Service
Georgetown University
Washington D.C. 20057

WDClark:sf

cc. Mr. Charles Bartlett
4615 W. Street, N.W.
Washington D.C. 20007



Record Removal Notice



File Title President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 45		Barcode No. 1771932		
Document Date February 19, 1975	Document Type Letter			
Correspondents / Participants To: The Honorable Walter E. Fauntroy From: Robert S. McNamara				
Subject / Title In response to Mr. Fauntroy's letter of February 10, in which he asked Mr. McNamara to consider rehiring Mr. Ahmad M. Scil, a former employee of the World Bank Group.				
Exception No(s). <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
Reason for Removal Personal Information.				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"> <tr> <td>Withdrawn by Shiri Alon</td> <td>Date Nov 19, 2012</td> </tr> </table>	Withdrawn by Shiri Alon	Date Nov 19, 2012
Withdrawn by Shiri Alon	Date Nov 19, 2012			

492/4/62

FEB 14 1965

Monsieur le Gouverneur,

Je suis heureux d'apprendre votre nomination au Conseil des Gouverneurs de la Banque Internationale pour la Reconstruction et le Développement en qualité de Gouverneur pour le Dahomey.

Je me fais l'interprète des Administrateurs, des cadres et du personnel de notre institution pour vous exprimer notre satisfaction à cette occasion et vous assurer de notre collaboration.

Veillez agréer, Monsieur le Gouverneur, l'assurance de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Le Capitaine Augustin Honvoh
Ministre délégué auprès du Président
de la République, Chargé du Plan,
de la Statistique et de la Coordination
des Aides Extérieures
Cotonou
Dahomey

cc: Mr. Razafindrabe
Mr. Chauffournier, VP, WAfr.

HMFleming:fj

FOR TRANSLATION INTO FRENCH

14/69
FEB 14 1975

Dear Governor:

I am happy to learn of your appointment to the Board of Governors of the International Bank for Reconstruction and Development as Governor for the Republic of Dahomey.

On behalf of the Executive Directors, Officers and Staff, I welcome your appointment and assure you of our cooperation.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Son Excellence
Capitaine Augustin Honvoh
Ministre délégué auprès du Président
de la République, Chargé du Plan,
de la Statistique et de la Coordination
des Aides Extérieures
Cotonou, Dahomey

cc: Mr. Razafindrabe
Mr. Chauffournier, VP, WAfr.
Mr. William Clark, VP, Ext. Relations

HMFleming/sam

492/4/61

FEB 14 1975

Dear Governor:

I am happy to learn that you have become the Governor for Australia on the Board of Governors of the International Bank for Reconstruction and Development.

On behalf of the Executive Directors, Officers and Staff, I would like to welcome you to the Board. We are certain that, with you as the Governor, the close relationship between your country and the Bank will be further promoted and we assure you of our cooperation.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honourable
J. F. Cairns, M.P.
Treasurer of the Commonwealth of Australia
Parliament House
Canberra, A. C. T. 2600
Australia

cc: Mr. McLeod
Mr. Bernard Bell, IBRD
Mr. Gordon, McClure, IFC

HMFleming/sam

492/4/59

FEB 13 1975

Dear Mr. Chairman:

In my meeting with the Governors of the Bank Group's African member countries, on October 2, 1974, I already responded in part to the memorandum which you, as their Chairman, transmitted to me during the Annual Meeting. My associates and I have closely reviewed the memorandum, and I am pleased to send you the attached reply in which we endeavor to respond, in summary form, to each of the questions raised.

I consider important having your views on how the Bank Group may further improve its assistance to its member countries in Africa, and I look forward to a continuous and constructive dialogue.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

His Excellency
Sidi Ould Cheikh Abdallahi
Chairman of the African Group
Minister of Planning and
Industrial Development
Nouakchott, Mauritania

JSchmedtje/lm

MEMORANDUM

TO: The Governors of the African Group Countries

FROM: Robert S. McNamara

SUBJECT: Reply to your Memorandum Delivered at the 1974 Annual Meeting

A. Bank Group Operations in FY74

1. As you observed in your memorandum, Bank/IDA commitments to Africa in FY74 for the first time exceeded one billion dollars (actual amount: \$1,074 million) and reached nearly one quarter (24.9 percent) of the year's total Bank/IDA commitments. These figures represent increases over FY73 of 58 percent and 25 percent, respectively. You also stated that separately, Bank and IDA commitments to Africa increased by 104 percent and 10.5 percent. I should add that Africa's share in the year's total IDA commitments rose from 24.7 percent to 33.8 percent, an increase of 37 percent. Annual growth rates of such magnitude are most gratifying indeed but bound to be exceptional. Rather than interpreting them as the beginning of a new trend, as you suggested, I view the FY74 results as reinforcing the upward trend in Bank/IDA operations in Africa established in the recent past. Based on our operations programs for the years ahead, I certainly expect this trend to continue, especially as far as Bank lending is concerned.

2. I share your concern about the slow development of IFC's operations in Africa. Mr. von Hoffmann has explained to you the steps IFC has taken to build up a broader base for its activities in Africa. Staff visits to African countries have been substantially increased and as of last October, a resident representative has been placed in Nairobi to promote projects in member countries primarily in Eastern Africa. IFC's Investment Promotion Department has devoted a special effort to four African countries--Cameroon, the Malagasy Republic, Zaire and Zambia--mounting 10 missions to these countries during FY74. Despite the obvious difficulties inherent in promotional activity and the time needed to develop any project to a workable stage, the Investment Promotion Department has been able to identify some 30 preliminary projects, and it expects that some of these projects can be developed with IFC assistance during the current year. (Two were appraised in November). The recent change in IFC's policies permitting it to invest in predominantly publicly-owned enterprises has so far met with only little response, at least in terms of concrete proposals meeting IFC requirements. However, a number of such projects are now under consideration. As you know, IFC's Articles require at least some private equity participation in any project eligible for its assistance and prohibit acceptance of government

guarantees. This is no real draw-back, however, as ventures to be exclusively publicly-owned are eligible for assistance by the Bank and IDA.

B. Distribution of IDA Resources

3. You questioned the emphasis placed on GNP per capita and per capita distribution of IDA funds as in your view this has penalized countries with small populations and/or enclave sectors dominated by foreign investors. Actually, GNP--as distinct from GDP-- by definition excludes profits and other factor incomes accruing to foreigners and thus includes only the incomes of nationals. Also, the records of IDA distribution by country clearly indicate that per capita allocations are in fact higher for countries with small populations. This "small country bias" is consistent with the higher cost of development due to small market size, lumpiness and relative size of projects, lack of public savings due to higher cost of government and as is often the case in Africa, undeveloped infrastructure and disadvantages of location. I entirely agree with your suggestion that a realistic assessment of poverty should take into account the distribution of income, the levels of nutrition, health and education, etc. This indeed we are trying to do to the fullest extent possible.

C. Availability of Concessionary Resources to the Poorest Countries

4. I share your concern about the decline in the real value of concessionary development assistance and appreciate the increased need for more assistance following the economic events of last year. As you know, I have stressed this point many times and appealed for an increase in the amount of concessionary aid at least to compensate for inflation. I am carefully considering your suggestion of a "third window" as well as the question of whether or not to continue transferring part of the Bank's net income to IDA. These issues have many aspects and far reaching implications which I have set forth in a recent policy memorandum to the Board of Directors.

D. Rural Development/Operating Procedures

5. While recognizing our efforts at rural development, you strongly suggested certain revisions in Bank Group operating procedures in order that these efforts become more successful. Your suggestions concern: (a) the extent of financing of project costs; (b) wider use of advances and revolving funds in disbursement; (c) liberalization of project bidding requirements; (d) increased emphasis on a project's social benefits and (e) concerted action with other international organizations, notably FAO, for increased financing of food production and related storage facilities. On most of your suggestions, I believe we already are moving in the desired directions.

- (a) In FY74 there were 9 IDA credits which financed 100 percent of total project costs (net of taxes), and an additional 6 which financed from 85 percent to 92 percent. Ten of these credits were to Africa's "least developed" countries. On a broader scale, the extent of project cost financing should be viewed in conjunction with lending by other donors--particularly through joint or parallel financing--which in some cases results in a larger share of total costs being financed than is indicated by Bank/IDA lending. For Africa as a whole, in FY74 finance from these sources together with Bank/IDA lending financed nearly two-thirds (63.3 percent) of the projects concerned. The Bank Group's flexibility toward financing recurrent expenditures is indeed very limited, and I believe this is as it should be: if a project is at all worth undertaking, coverage of its recurrent costs should be ensured either from its operating revenues or where such revenues do not accrue, from budget allocations. As an exception, the Bank/IDA will finance certain operating costs, e.g. fertilizer, during project implementation, and we have actually done so in several instances where the financial position of the governments concerned so warranted.
- (b) To facilitate disbursement to countries with extraordinarily strained public finances, Bank Group lending to Africa in FY74 included 7 credits providing for initial disbursements into revolving funds to pre-finance project expenditures for working capital purposes. We will continue this practice as appropriate.
- (c) The principle of international competitive bidding has been a cornerstone of Bank/IDA operating procedures, and I remain convinced that it is beneficial to our borrowing countries. This principle is, of course, modified by the policy of granting preference to domestic suppliers of up to 15 percent. The last review of this policy by the Executive Directors took place in 1969. I assure you that it is being kept under review in light of changing circumstances.
- (d) Over the past few years our project evaluation methods have been increasingly extended to take into account a project's social effects, e.g., on income distribution, employment and nutrition. At present we are experimenting with a new methodology making income distribution effects an integral part of project analysis.

- (e) The Bank Group already has a co-operative effort with FAO regarding the development of agricultural projects which in line with our emphasis on rural development we deliberately orient towards increased food production and related storage facilities. An examination of food crop potentials, including those contingent upon large-scale irrigation, and food storage needs in the drought-stricken countries of Western Africa is underway.

6. At our meeting you expressed your concern about the time taken to process projects, and you asked about what the Bank is doing or proposing to do to reduce this time. I assure you that expediting and streamlining our operations is foremost in my mind, and that we are making every effort we can to achieve this. Our approach, essentially, is two-pronged. First, we are greatly intensifying our contacts at the working level in the field so as to improve communication and resolve problems at as early a stage as possible. In a growing number of cases we are holding pre-negotiations, and occasionally even the final negotiations, in the field; and where unforeseen problems of effectiveness or implementation occur, we are sending appropriate staff to help solve them on the spot. In these efforts, our Resident Missions and Representatives are assuming an increased role and, I am happy to say, to good effect. Secondly, we are examining ways in which to streamline the procedures for decision making at the Bank. A special task force has developed proposals concerning the format, content and flow of the requisite documentation and a committee of Bank officers is currently reviewing these proposals. I expect that as a result of these efforts we will be able to substantially reduce both the calendar time and man-hours required on both sides to process projects to the stage of implementation.

7. I should stress, as I did at our meeting, that in this streamlining effort major importance attaches to our programming Bank Group operations several years ahead. Unless we have such an extended program, we are not operating with the long lead-times necessary in your interest to identify the projects and begin work on them in time to solve the problems. I therefore should like to ask your strong support for further improving the identification and selection process in the time frame of the Bank Group's five-year operations program.

E. Cost Overruns

8. You urged the Bank to change its disposition towards the financing of cost overruns due to international inflation and changes in exchange rates; to change it away from the practice of recommending that the scope of a project be reduced, towards, as one of the African Governors suggested at our meeting, participating in the financing of the overrun in the same proportion as in the financing of the original project

cost. As I explained to you, the Bank's reluctance to finance overruns stems basically from the fact that our resources are limited. If money goes to finance an overrun on one project, it cannot finance another project. However, I realize that the bulk of these overruns have occurred on projects in poorer and least developed countries which have less resources and fewer new projects and where therefore assistance in the completion of on-going projects may be particularly important. We are continuing to work on this difficult problem.

F. Bank Industrialization Policy

9. You raised the question of whether the Bank has a definite policy to encourage rapid industrialization in Africa, pointing out that it has been financing several projects in other regions. The answer is clearly "yes". Our discussion of IFC's activities has already made it clear that we are trying to identify opportunities for sound industrial development in Africa, and that where IFC cannot provide assistance, the Bank/IDA stand ready to do so. As a matter of fact, in FY74 Bank/IDA lending to Industry and Development Finance Companies in Africa reached its highest level yet, \$126.5 million, and this made up nearly 12 percent of all Bank/IDA lending to Africa this past year. The number of projects approved more than doubled from 5 each in FY72 and FY73 to 12 in FY74. FY75 lending projections show a near tripling over FY74 in the amount of lending to Industry, at which level it could claim around 20 percent of total lending to Africa and would equal total lending to Industry in Africa in the entire FY70-74 period.

G. Bank Policy on Mineral Exploration and Exploitation

10. You expressed the hope that the Bank will increase its activities in the non-fuel mineral sector, and at our meeting one of the African Governors suggested that the Bank provide assistance to you in negotiating mineral tracts with foreign investors in order that you may obtain a fair deal. As Mr. Knapp and I explained to you, we too consider a fair deal to the host country of great importance and in fact we insist on it as a condition of our joining in the financing of ventures of this kind. Thus we have a close community of interests and I think we can be helpful to you. We are not equipped to actually participate in the negotiations, nor would you wish us to. But we can assist you in persuading the investors that in their interest the initial bargain must be a fair deal if it is to last. To be sure, there are no exact formulae for this since the situation differs greatly from country to country and from industry to industry. We are gaining experience as we go along in what are the decisive criteria in such international transactions and we hope to develop a body of knowledge and expertise in the Bank to be put at your disposal to guide you in your negotiations. I assure you that we will not finance a project that provides a division of gain that in our opinion is contrary to your interest.

H. Bank Activities in the Field of Public Health

11. While expressing your satisfaction at the Bank's action in launching the River Blindness Program, you again urged that the Bank go further into public health programs to combat other endemic diseases similarly obstructing economic development in Africa. As I have stated on previous occasions, if there are such diseases or health problems, we will consider the ways in which the Bank Group can provide assistance. Where investment in health will permit major new exploitation of national resources normal Bank Group lending criteria can be applied. On the Bank's policy towards health in general, a recent review by the Executive Directors concluded that we should continue to progress in financing health components. In this way we shall gain experience which will enable us to assess whether the Bank can effectively assist in the development of health systems appropriate to the developing countries.

I. Drought-Stricken and Land-Locked Countries

12. Having noted your satisfaction with the Bank's quick response to the immediate problems of the drought-stricken countries, you stressed the need for the Bank to begin to examine long-term solutions to the continuous threat of drought, e.g., the construction of irrigation facilities. I fully agree with this need, and as already mentioned above para 5 (e)), we have started work in this direction.

13. I realize the plight of Africa's landlocked countries, nearly two-thirds of which are among the least developed. The Bank Group is making special efforts to assist this group, as the following numbers indicate. Lending to Africa's least developed countries by number of projects increased by 50 percent in FY74 (26 projects in 14 countries) over FY73 (17 projects in 9 countries) and in amount by 10 percent with IDA credits accounting for 84 percent of the total amount of \$220 million. More significantly, during FY70-74 total lending to these countries was nearly two-and-a-half times the corresponding amount in FY65-69, with the IDA share rising from 39 percent to 74 percent. A substantial number of the projects thus financed concerned transport and communications. In addition, the Bank/IDA financed several transport projects in coastal countries which will benefit the landlocked as well. We will continue to emphasize the need to improve regional and international transport connections and to help overcome the isolation of the landlocked countries.

J. Recruitment of Africans by the Bank Group

14. You again raised the problem of recruitment of Africans into the senior posts in the World Bank Group. As you have frequently mentioned yourselves, potential candidates are in most cases already in positions of high responsibility in their countries from which they cannot readily

be spared. As a matter of fact, we have asked several African Governments to release certain people and they have urged us not to press the matter because of their own requirement for them. I am happy that one African Government agreed to release one of your former Executive Directors to be my special advisor on the very important matter of our relations with the OPEC countries. I welcome your suggestion that you submit to us names of qualified persons that your governments would be willing to release for service in the Bank. We would be happy to receive such lists and will give them every consideration. I should emphasize that we are substantially increasing the number of Africans in our professional staff, more than doubling it in the last four years. It was 34 at mid-1970 and 74 at mid-1974, rising further to 79 at the end of 1974. And since our staff as a whole has less than doubled in that time, the percentage representation of Africans has significantly increased as well.

JSchmedtje/lm

492/4/58

February 12, 1975

Dear Mr. Minister,

I am looking forward to meeting you on my visit to Saudi Arabia next month. Meanwhile, I am pleased to send you herewith the Arabic version of the summary notes on Increase in the Voting Power and Subscribed Capital for OPEC Countries, "Third Window", and Borrowing Program of the Bank. I believe Mr. Kochman has handed to you the English version of these papers in the course of his recent visit to your country. The three topics dealt with therein will be on the top of the list of the subjects I hope to be discussing with you when we meet.

With warm regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Encl.

His Excellency
Sheikh Mohammed Abalkhail
Minister of State for Financial
Affairs and National Economy
Jeddah, Saudi Arabia

SElFishawy/rh

cc: Mr. McNamara's Office (2)

492/4/57

February 12, 1975

Dear Mr. Minister,

I am looking forward to meeting you on my visit to Kuwait next month. Meanwhile, I am pleased to send you herewith the Arabic version of the summary notes on Increase in the Voting Power and Subscribed Capital for OPEC Countries, "Third Window", and Borrowing Program of the Bank. I believe Mr. Kochman has handed to you the English version of these papers in the course of his recent visit to your country. The three topics dealt with therein will be on the top of the list of the subjects I hope to be discussing with you when we meet.

With warm regards,

Sincerely,

(Signed) ROBERT S. McNAMARA
Robert S. McNamara

Encl.

His Excellency
Abdel Rahman Salim Al-Ateeqy
Minister of Finance
Kuwait, Kuwait

SElFishawy/rh

cc: Mr. McNamara's Office (2)

492/4/56

February 12, 1975

Dear Mr. Minister,

I am looking forward to meeting you on my visit to Abu Dhabi next month. Meanwhile, I am pleased to send you herewith the Arabic version of the summary notes on Increase in the Voting Power and Subscribed Capital for OPEC Countries, "Third Window", and Borrowing Program of the Bank. I believe Mr. Kochman has handed to you the English version of these papers in the course of his recent visit to your country. The three topics dealt with therein will be on the top of the list of the subjects I hope to be discussing with you when we meet.

With warm regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Encl.

His Excellency
Mohammad Habrourh
Minister of State for Financial
and Industrial Affairs
Abu Dhabi, United Arab Emirates

SElFishawy/rh

cc: Mr. McNamara's Office (2)

492/4 /55

February 12, 1975

Dear Mr. Minister,

I am looking forward to meeting you on my visit to Qatar next month. Meanwhile, I am pleased to send you herewith the Arabic version of the summary notes on Increase in the Voting Power and Subscribed Capital for OPEC Countries, "Third Window", and Borrowing Program of the Bank. I believe Mr. Kochman has handed to you the English version of these papers in the course of his recent visit to your country. The three topics dealt with therein will be on the top of the list of the subjects I hope to be discussing with you when we meet.

With warm regards,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Encl.

His Excellency
Sheikh Abdel Aziz Al-Thani
Minister of Finance and Petroleum
P.O. Box 83
Doha, Qatar

SElFishawy/rh

cc: Mr. McNamara's Office (2)

492/4 /53

FEB 12 1975

Dear Mr. Pintado:

Thank you for your letter of January 24, 1975 inviting me to attend the forthcoming meeting of the General Assembly of the Bankers' Association of Mexico at Acapulco on March 9 - 12. Due to other travel plans, however, I regret it will not be possible for me to attend the meeting. I am however requesting Mr. Luis Escobar, Special Representative for Inter-American Organizations in the Bank, to attend in our behalf.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. Jose Pintado Rivero
President
Asociacion de Banqueros de Mexico
Torre Latinoamericana
Madero y San Juan de Letran
Mexico 1, D. F.
Mexico

cc: Messrs. Escobar, Special Representative, LAC
Krieger, Director, LAC
for Mr. McNamara's office (2)

SSKapur:rnd

February 11, 1975

492/4/51

February 12, 1975

Dear Mr. Labidi:

Thank you for your letter of January 13, 1975 (Ref: ORG 3/1 obs), inviting me to attend the Eleventh Annual Meeting of the Board of Governors of the African Development Bank and the Second Annual Meeting of the African Development Fund, to be held in Dakar from May 5 to 9, 1975.

I regret very much that I will not be in a position to travel to Dakar on those dates. I am therefore nominating Mr. Roger Chaufournier, Regional Vice President, Western Africa, to represent the World Bank Group at the Annual Meetings in Dakar.

I extend to you my best wishes for a successful session.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A. Labidi
President
African Development Bank
B. P. No. 1387
Abidjan, Ivory Coast

Mahmud Burney:RMcN:mss

492/4/50

February 11, 1975

MEMORANDUM FOR MR. CARGILL

The Vice President, Finance should be responsible for all financial planning within the Bank Group, including the financial planning of IFC.

Table I, "World Bank Group: Financial and Operating Data Through FY79" dated December 30, 1974 showing IFC's financial plan FY75 through 79, is clearly inconsistent with the proposed \$50 million IBRD loan to IFC being presented to the Board this morning.

We must insist that IFC develop a rational five-year financial program. Please ask P&B to work with IFC to prepare such a plan promptly.

Robert S. McNamara

RMcN:mss

492/4/49

February 10, 1975

Dear Jan:

This is just to confirm our agreement in relation to your Symposium in the Hague on May 23 and 24.

The Bank is prepared to draft the paper you request, and work has begun on this already.

I hope I may attend myself, but if I cannot Hollis Chenery will come in my place. I do assure you I would very much like to be present myself, but at the end of May we have to consider our annual budget, our Five Year Program and the new topic of the Third Window, so I may be compelled to remain here.

In any case I think this Symposium could make a most important contribution to the preparations for the U.N. Special General Assembly.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
J.P. Pronk
Minister for Development Cooperation
Ministerie Van Buitenlandse Zaken
Plein 23 - "S-Gravenhage
The Netherlands

WDClark:sf

1/8/75

To Messrs. Chadwell
Brookes
Kearns

1. Because I do not have a secretary in the office today, I am replying to Mr. Kearns means of a post on "Rules of Conduct Procedure" by hand and I shall, therefore, be brief.
2. I concur in the "Proposed Revision to the Rules of Conduct - Personal Annual Statement" as modified, in Annex C.
3. It is essential that the Committee be fully independent of any management decision in rendering its judgement on matters that come before it, but it is equally essential that management retain the responsibility for determining the extent of "disclosure" regarding cases brought to the Committee and decisions of the Committee.
4. The list of all matters now under consideration by the Committee and notices of all matters referred to the Committee in the future should be submitted to the VP or + PM promptly - names (and not docket numbers) should be supplied.
5. I will not comment on Annex D. After the Committee considers whether its procedures should be revised, Mr. Chadwell, with the advice of Mr. Brookes, should decide whether the procedures properly protect the institution. If they do not, he should ask the Committee to change the procedure. If they will not, he should refer the matter to me. The management cannot relieve itself of the final responsibility for protecting the institution against real and apparent conflicts of interest.

- (7)
6. I should like a report by 3/1 of the extent to which we have certificates on hand from all present employees certifying that they have read and understood the Rules of Conduct.
 7. I should like to receive by 3/15 a proposal from Mr. Chabert (which he should formulate after discussion with Messrs. Broderick and Keenan) of how we should handle the problem of "disclosure of certain financial holdings" referred to in Nos. 11, 12, & 13 of Mr. Keenan's memo.
 8. Who appoints the "alternates" to the members of the Committee?
 9. If you wish, I shall be happy to discuss any part or all of this memorandum with you.

Robert S. Woodman



OFFICE OF THE PRESIDENT

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

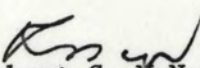
492/4/47

February 7, 1975

MEMORANDUM FOR: MR. BAUM
MR. STERN
DR. LEE

Mr. Stern has convinced me that no one of the 10 professionals assigned to DPS's Population and Human Resources Division is a health specialist and therefore no one of the men is particularly well qualified to be transferred to Dr. Lee's new health activity.

He states that if the issue is not the transfer of personnel but the transfer of budgeted positions, this is a matter that should be considered in connection with the FY 76 Budget. I have agreed with his position. But I remain convinced that at the time of the budget review we should transfer two of the budgeted positions from DPS to Dr. Lee. I say this without prejudice to DPS's right to raise the issue at that time.


Robert S. McNamara

cc: Mr. John Adler
Mr. Kearns

492/4k4

February 7, 1975

MEMORANDUM FOR MR. CARGILL

Today Mr. Isbister offered to discuss with the Canadian Government Canada's possible participation in the financing of the Third Window subsidy. In order that he might present the matter to his government, I gave him a copy of the February 1 Third Window Position Paper which Mr. Kochman took with him to the Middle East. You will recall that that paper states we hope it will be possible to raise \$100 million from OECD countries. I told Mr. Isbister that of that amount, it would seem appropriate for Canada to contribute \$15 to \$25 million.

R. S. McNamara

R. S. McNamara

cc: Mr. Gaud

RMcN:bmm

FEB 7 1975

Dear Governor:

Thank you for your letter of January 16, 1975 in which you raise the question of the travel and accommodation expenses of the delegations to the meetings of the Interim Committee and the Development Committee.

The Executive Directors of the IMF and IBRD at separate meetings on November 27 and December 3, respectively, considered the financial arrangements for meetings of the Development Committee, which as you know is a joint ministerial committee of the Bank and the Fund, and decided that for each meeting of the Development Committee the Bank and Fund would pay no travel costs or per diem for members or for associates.

Concerning the Interim Committee, which is a Committee of the Fund, the IMF Executive Board decided on October 3 that the IMF would not pay travel costs or per diem for delegations attending Interim Committee Meetings.

With kindest regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

M. Raymond Randriamandranto
Directeur General des Finances
Direction General des Finances
B.P. 268
Tananarive, Malagasy Republic

CFOWen:nsp
Feb. 7, 1975

cc: Mr. Hebbard, IMF
Mr. Costanzo
Mr. Damry

492/4/47

FEB 6 1975

Monsieur le Président,

J'ai été sensible à la lettre par laquelle vous avez bien voulu manifester votre satisfaction au sujet du travail effectué par MM. Hidalgo et Decaux pour la mise au point des principes directeurs et des structures de la Banque Ouest Africaine de Développement. A mon tour, je profite de cette occasion pour vous féliciter ainsi que vos collègues du Comité des Ministres pour le remarquable travail de réforme et d'innovation accompli au cours des derniers mois et dont le dossier que vous avez bien voulu m'envoyer est le témoignage.

J'espère que les liens d'amicale collaboration qui se sont noués à l'occasion du travail de nos experts pourront être encore renforcés au cours des années à venir et je formule le vœu que les nouvelles institutions de l'Union Monétaire Ouest Africaine et le Groupe de la Banque Mondiale puissent continuer à coopérer pour le développement de l'Afrique de l'Ouest.

Veuillez agréer, Monsieur le Président, l'assurance de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Monsieur T.M. Garango
Président du Comité des Ministres
chargé de la Réforme des Institutions
de l'U.M.O.A.
Banque Centrale des Etats de l'Afrique
de l'Ouest
29, Rue du Colisée
75008 - Paris

Cleared and cc. with Mr. E.P. Wright

cc: Messrs. de la Renaudière
Bazin

Hidalgo
Decaux

LdeAzcarate/lm

492/4/39

HIS EXCELLENCY
ABDUL RAHMAN SALEM ALATEEQY
MINISTER OF FINANCE AND OIL
KUWAIT

FEBRUARY 5, 1975
LTR (Ext. 3585)

IF CONVENIENT TO YOU, AND AS DISCUSSED WITH ABDLATIF AL HAMAD, EYE WOULD
LIKE TO VISIT KUWAIT FROM EVENING OF FRIDAY MARCH SEVEN TO AFTERNOON OF
SUNDAY MARCH NINE TO RENEW OUR FRIENDSHIP AND DISCUSS MATTERS OF MUTUAL
INTEREST STOP WOULD BE GRATEFUL FOR A CABLE REPLY STOP WARM REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA
PRESIDENT INTBAFRAD

Robert S. McNamara

President

cc: Mr. Al-Atrash
Mr. Shoaib
Mr. El Fishawy

SElFishawy:SBurmester:RSMcNamara:m1

492/4/38

HIS HIGHNESS
SHEIKH ZAYED BIN SULTAN AL-NAHYAN
PRESIDENT, UNITED ARAB EMIRATES
PRESIDENTIAL PALACE

FEBRUARY 5, 1975

LTR (Ext. 3585)

ABU DHABI, UNITED ARAB EMIRATES

IN RESPONSE TO REQUESTS FROM ARAB COUNTRIES IN THE AREA, I AM PLANNING
TO VISIT THE MIDDLE EAST DURING THE FIRST PART OF MARCH STOP IF CONVENIENT
TO YOUR HIGHNESS, I WOULD LIKE TO UTILIZE THIS OPPORTUNITY TO VISIT ABU
DHABI FROM MORNING OF FRIDAY MARCH FOURTEEN TO AFTERNOON OF SATURDAY
MARCH FIFTEEN, TO RENEW OUR FRIENDSHIP AND DISCUSS ISSUES OF MUTUAL INTEREST
I WOULD BE GRATEFUL FOR A CABLE REPLY STOP HIGHEST REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA

PRESIDENT INTBAFRAD

Robert S. McNamara

President

cc: Mr. Al Atrash

Mr. Shoaib

Mr. El Fishawy

SELFishawy:SBurmester:RSMcNamara:ml

492/4/37

HIS HIGHNESS

FEBRUARY 5, 1975

SHEIKH KHALIFA BIN HAMAD AL-THANI

LTR (Ext. 3585)

EMIR OF THE STATE OF QATAR

DOHA, QATAR, ARABIAN GULF

IN RESPONSE TO REQUESTS FROM ARAB COUNTRIES IN THE AREA, I AM PLANNING TO VISIT THE MIDDLE EAST DURING THE FIRST PART OF MARCH STOP IF CONVENIENT TO YOUR HIGHNESS, I WOULD LIKE TO UTILIZE THIS OPPORTUNITY TO VISIT QATAR FROM MID-DAY OF THURSDAY MARCH THIRTEEN TO FRIDAY MORNING MARCH FOURTEEN TO RENEW OUR FRIENDSHIP AND DISCUSS ISSUES OF MUTUAL INTEREST STOP WOULD BE GRATEFUL FOR A CABLE REPLY STOP HIGHEST REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA

PRESIDENT INTBAFRAD

Robert S. McNamara

President

cc: Mr. Al-Atrash
Mr. Shoaib
Mr. El Fishawy

SElFishawy:SBurmester:RSMcNamara:ml

492/4/36

MOHAMMAD ABAL KHAIL
MINISTER OF STATE FOR FINANCIAL AFFAIRS
AND NATIONAL ECONOMICS
RIYADH

FEBRUARY 1, 1975

LT (Ext. 2001)

SAUDI ARABIA

FOR YOUR INFORMATION COMMA EYE HAVE SENT THE FOLLOWING MESSAGE TO HIS
EXCELLENCY SHAIKH ABDUL WAHAB COMMA CHIEF OF ROYAL PROTOCOL COMMA RIYADH
STOP QUOTE REQUEST PLEASE CONVEY FOLLOWING MESSAGE TO HIS MAJESTY THE KING
STOP INNER QUOTE STOP IN RESPONSE TO REQUESTS FROM SEVERAL ARAB COUNTRIES
COMMA EYE AM PLANNING A VISIT TO THE MIDDLE EAST DURING THE FIRST PART OF
MARCH STOP NOTHING WOULD GIVE ME GREATER PLEASURE THAN TO UTILIZE THIS
OPPORTUNITY TO VISIT THE KINGDOM AND PAY MY RESPECTS TO YOUR MAJESTY AND
RENEW OUR OLD FRIENDSHIP STOP WOULD GREATLY APPRECIATE LEARNING IF IT WOULD
SUIT YOUR MAJESTY'S CONVENIENCE FOR ME TO REACH RIYADH TENTH MARCH EVENING
AND STAY TILL THIRTEENTH MARCH MORNING STOP WITH ASSURANCES OF MY HIGHEST
REGARDS AND RESPECT STOP END INNER QUOTE END QUOTE STOP IF HIS MAJESTY FINDS
IT CONVENIENT TO SEE ME IN RIYADH BETWEEN TENTH MARCH AND THIRTEENTH MARCH
COMMA EYE WOULD PLAN TO STOP ON TENTH MARCH IN JEDDAH FOR A BRIEF VISIT WITH
ABDEL AZIZ AL-QURAIISHI AND WOULD THEN PROCEED TO RIYADH STOP DURING MY VISIT
IN RIYADH COMMA IF IT WERE CONVENIENT FOR YOU COMMA EYE WOULD HOPE WE MIGHT
MEET TO DISCUSS ANY MATTERS YOU MIGHT WISH TO RAISE WITH RESPECT TO THE
WORLD BANK COMMA INCLUDING THE DESIRE OF THE OPEC COUNTRIES FOR AN

Robert S. McNamara
President

cc: Mr. Shoaib-Vice President
Mr. Cargill-Vice Pres (Finance)

RSMcN:bmm

MOHAMMAD ABAL KHAIL
MINISTER OF STATE FOR FINANCIAL AFFAIRS
AND NATIONAL ECONOMICS
RIYADH

FEBRUARY 1, 1975

LT (Ext. 2001) Pg. 2

SAUDI ARABIA

INCREASE IN THEIR SUBSCRIBED CAPITAL AND VOTING POWER IN THE BANK AND THE
SUGGESTION MADE BY THE OPEC REPRESENTATIVE ~~COMMA~~ AT THE RECENT
MEETING OF THE DEVELOPMENT COMMITTEE FOR CONTRIBUTIONS TO A SUBSIDY FUND TO
SUPPORT THE ESTABLISHMENT OF A QUOTE THIRD WINDOW UNQUOTE IN THE BANK STOP
WOULD YOU FIND IT CONVENIENT TO SEE ME AT SOME TIME BETWEEN MY ARRIVAL IN
RIYADH ON THE EVENING OF TENTH MARCH AND MY DEPARTURE THIRTEENTH MARCH
MORNING STOP EYE WOULD COMMA OF COURSE COMMA BE HAPPY ALSO TO MEET WITH SUCH
OTHER MEMBERS OF YOUR GOVERNMENT AS WOULD WISH TO SEE ME STOP KINDEST REGARDS

ROBERT S. McNAMARA
INTBAFRAD

Robert S. McNamara
President

RSMcN:bmm

492/4/35

ABDEL AZIZ AL-QURAIISHI
GOVERNOR OF THE SAUDI ARABIAN
MONETARY AGENCY
JEDDAH

FEBRUARY 1, 1975

LT (Ext. 2001)

SAUDI ARABIA

FOR YOUR INFORMATION COMMA EYE HAVE SENT THE FOLLOWING MESSAGE TO
HIS EXCELLENCY SHAIKH ABDUL WAHAB COMMA CHIEF OF ROYAL PROTOCOL COMMA
RIYADH STOP QUOTE REQUEST PLEASE CONVEY FOLLOWING MESSAGE TO HIS MAJESTY
THE KING STOP INNER QUOTE STOP IN RESPONSE TO REQUESTS FROM SEVERAL ARAB
COUNTRIES COMMA EYE AM PLANNING A VISIT TO THE MIDDLE EAST DURING THE FIRST
PART OF MARCH STOP NOTHING WOULD GIVE ME GREATER PLEASURE THAN TO UTILIZE
THIS OPPORTUNITY TO VISIT THE KINGDOM AND PAY MY RESPECTS TO YOUR MAJESTY
AND RENEW OUR OLD FRIENDSHIP STOP WOULD GREATLY APPRECIATE LEARNING IF IT
WOULD SUIT YOUR MAJESTY'S CONVENIENCE FOR ME TO REACH RIYADH TENTH MARCH
EVENING AND STAY TILL THIRTEENTH MARCH MORNING STOP WITH ASSURANCES OF
MY HIGHEST REGARDS AND RESPECT STOP END INNER QUOTE END QUOTE STOP
IF HIS MAJESTY FINDS IT CONVENIENT TO SEE ME IN RIYADH BETWEEN TENTH MARCH
AND THIRTEENTH MARCH COMMA EYE WOULD HOPE TO HAVE AN OPPORTUNITY TO VISIT
YOU IN JEDDAH ON MONDAY TENTH MARCH STOP DURING SUCH A VISIT COMMA WE
COULD DISCUSS ANY MATTERS YOU MIGHT WISH TO RAISE WITH RESPECT TO THE WORLD
BANK COMMA INCLUDING THE DESIRE OF THE OPEC COUNTRIES FOR AN INCREASE IN

Robert S. McNamara
President

cc: Mr. Shoaib - Vice President
Mr. Cargill-Vice Pres (Finance)

RSMcN:bmm

ABDEL AZIZ AL QUARAISHI
GOVERNOR OF THE SAUDI ARABIAN
MONETARY AGENCY
JEDDAH

FEBRUARY 1, 1975

LT (Ext. 2001) Pg. 2

SAUDI ARABIA

THEIR SUBSCRIBED CAPITAL AND VOTING POWER IN THE BANK AND THE SUGGESTION MADE
BY THE OPEC REPRESENTATIVE ~~GOHAR AL KHATEEB~~ AT THE RECENT MEETING OF
THE DEVELOPMENT COMMITTEE FOR CONTRIBUTIONS TO A SUBSIDY FUND TO SUPPORT THE
ESTABLISHMENT OF A QUOTE THIRD WINDOW UNQUOTE IN THE BANK STOP WOULD YOU
FIND IT CONVENIENT TO SEE ME TENTH MARCH STOP KINDEST REGARDS

ROBERT S. MCNAMARA
INTEAFRAD

Robert S. McNamara
President

RSMcN:bmm

492/4/34

HIS EXCELLENCY
SHAikh ABDUL WAHAB
CHIEF OF ROYAL PROTOCOL
RIYADH

JANUARY 31, 1975

LT (Ext. 2001)

SAUDI ARABIA

REQUEST PLEASE CONVEY FOLLOWING MESSAGE TO HIS MAJESTY THE KING STOP QUOTE
STOP IN RESPONSE WO REQUESTS FROM SEVERAL ARAB COUNTRIES COMMA EYE AM PLANNING
A VISIT TO THE MIDDLE EAST DURING THE FIRST PART OF MARCH STOP NOTHING WOULD
GIVE ME GREATER PLEASURE THAN TO UTILIZE THIS OPPORTUNITY TO VISIT THE KINGDOM
AND PAY MY RESPECTS TO YOUR MAJESTY AND RENEW OUR OLD FRIENDSHIP STOP WOULD
GREATLY APPRECIATE LEARNING IF IT WOULD SUIT YOUR MAJESTY'S CONVENIENCE FOR
ME TO REACH RIYADH TENTH MARCH EVENING AND STAY TILL THIRTEENTH MARCH MORNING
STOP WITH ASSURANCES OF MY HIGHEST REGARDS AND RESPECT STOP SIGNED MCNAMARA
PRESIDENT WORLD BANK STOP UNQUOTE KINDEST REGARDS

SHOAIB
INTBAFRAD

Robert S. McNamara
President

Mr. Shoaib - Vice President
Mr. Kochman - Office of the V.P.-Finance

MShoaib/RSMcNamara:bmm

492/4/32

January 31, 1975

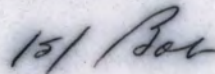
Dear Jack:

Many thanks for inviting me to the luncheon you are organizing on February 10 for the founders and others interested in ADELA, PICA and SIFIDA. As you know, the World Bank Group welcomes new initiative for increasing the flow of investment and technology to the developing countries. We have therefore a considerable interest in the proposed discussion.

Because of prior commitments, however, I very much regret that I shall be unable to make the trip. I have asked Mr. Moeen Qureshi, Vice President of IFC, to attend instead. I look forward to hearing from him about the outcome of the meeting.

With best regards,

Sincerely,



Robert S. McNamara

Honorable Jacob K. Javits
United States Senate
Washington, D. C. 20510

PMMathew:MAQureshi:mss

January 29, 1975

492/4/30

MEMO FOR MR. CHADENET

As you know, Nate Koffsky is presently working for John Hannah. Hannah has stated the UN will reimburse the Bank for Koffsky's salary and travel expenses. But until such arrangements are completed, please arrange for Koffsky to remain on the Bank payroll and permit him to draw upon us for whatever he needs in the way of travel expenses.

RMcN

492/4/29

January 28, 1975

Dear Tom:

Thank you for sending along an advance copy of the latest part of your Committee's study on "Meeting America's Resource Needs: Problems and Policies." Both Wouter Tims and Duke Merriam have been following the work of the ad hoc committee. Your efforts have contributed greatly to a broader understanding of the complex and current issues.

I look forward to seeing your study of the plight of the less developed countries, and have asked Duke and Wouter to be in touch with you with any help we can offer.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Thomas M. Rees
Member of Congress
U.S. House of Representatives
Committee on Banking & Currency
2129 Rayburn House Office Building
Washington, D.C. 20515

bcc: Mr. Wouter Tims

JEM:rgw

492/428

JAN 27 1975

Dear Mr. Cooper:

This is to acknowledge with thanks your letter of January 21, 1975 regarding the United States notification to the Fourth Replenishment of the International Development Association. I very much appreciate the great interest you have shown and the help you have been in keeping IDA alive.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Charles A. Cooper
Assistant Secretary for
International Affairs
Department of the Treasury
Washington, D.C. 20220

cc: for Mr. McNamara's office (2)

LNurick:ew
1/27/75

492/4/27

HOBUTU SESE SEKO KUKU NGBENDU WA ZA BANGA
PRESIDENT DE LA REPUBLIQUE DU ZAIRE

January 24, 1975

Telex Ext. 3541

Republic of Zaïre -

J'AI L'HONNEUR D'ACCUSER RECEPTION DE VOTRE TELEGRAMME CONCERNANT LE PRET
EN FAVEUR DE LA GECAMINES ET DE VOUS EXPRIMER TOUS MES REMERCIEMENTS POUR
VOTRE MESSAGE. STOP JE ME REJOUIS AUSSI DE L'APPROBATION DE CE PRET SI
IMPORTANT POUR LE ZAIRE ET LA GECAMINES STOP JE SOUHAITE AVEC VOUS LE SUCCES
DE CE PROJET AINSI QUE LE RENFORCEMENT DE LA COLLABORATION ENTRE LE ZAIRE
ET LA BANQUE STOP VEUILLEZ AGREER, MONSIEUR LE PRESIDENT, L'ASSURANCE DE MA
HAUTE CONSIDERATION

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA
PRESIDENT

Unofficial translation (not for transmission)

It is my pleasure to acknowledge receipt of your telegram concerning the Loan
to Gecamines and to thank you for your message. I am also pleased at the approval
of this Loan so important to Zaïre and Gecamines. I join you in wishing for the
success of this project as well as the strengthening of the collaboration between
Zaïre and the Bank.

Robert S. McNamara
President

Michael Wiehen

Country Programs II, Eastern Africa

cc: For Mr. McNamara's Office (2)

492/4/26

JAN 24 1975

Estimado Sr. Ministro:

Le agradezco profundamente la cordial invitación que en nombre de su Gobierno se dignó extender a través del Dr. Elaspuru, a mi esposa y a mí para visitar su país. Su invitación ha aumentado mi deseo de tener un conocimiento personal y directo del desarrollo económico y social de su país y espero poder visitarle en un futuro próximo. Desafortunadamente no puedo en este momento sugerir una fecha concreta, pues mis planes de viaje están en gran medida condicionados a las visitas que debo realizar a los países exportadores de petróleo, lo que en la situación actual tiene una alta prioridad. Confío sin embargo, que una vez que mis planes en relación a esta actividad se concreten, podamos convenir una fecha que resulte mutuamente conveniente para visitar el Perú.

Agradeciéndole nuevamente su invitación, le ruego acepte, Señor Ministro, la expresión de mi más alta consideración y estima.

(Signed) Robert S. McNamara
Robert S. McNamara

General de Brigada E.P.
Aníscar Vargas Gavilano
Ministro de Economía y Finanzas
Ministerio de Economía y Finanzas
Avenida Abancay 5a cuadra
Lima, Perú

20 de enero de 1975

FMendoza:yan

492/4/25

JAN 24 1975

Dear Mr. Minister:

I am writing these few lines to express my appreciation for the very active and constructive role which the Yugoslav delegation, led by you, played during the recent Ministerial meetings in Washington.

Mr. Benjenk has told me about your conversations in Belgrade and Washington and I am very pleased that you have been able to give such strong public support to the Bank's five-year program which, as you know, is intended to give urgently needed and increased help to developing countries in these difficult times.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Momcilo Cenovic
Federal Secretary for Finance
Bulivar az Noja 104
11070 Belgrade, Yugoslavia

MPBenjenk/dm
Jan. 23 1975

492/4/24

January 24, 1975

MEMORANDUM FOR MR. CARGILL

The confusion over the recent Venezuelan loan payment leads me to ask the name of the senior official in your department responsible for follow-up of overdue loan payments and for designing a system to prevent a repetition of the Venezuelan experience.

Robert S. McNamara

cc: Mr. Knapp
Mr. Rotberg

RMcN:bmm

492/4/23

January 22, 1975

MEMORANDUM FOR THE RECORD

Today I told Chuck Cooper that we were examining the possibility of a loan to South Vietnam, but that we could not move ahead with such a loan unless it were for a project that could be completed given the present security problems in Vietnam, and one which when completed would significantly benefit large numbers of poor people.

He said he understood that these conditions would have to be met and that the problem of doing so was much greater now, of course, than it had been when the U. S. and we were discussing their participation in the 4th Replenishment of IDA.

RMcN

RMcN:mss

492/4/22

January 21, 1975

MEMORANDUM FOR MR. CARGILL

Please begin immediately to discuss with the International Monetary Fund the action that we and they should take to meet the pension funding issues outlined in your draft memorandum dated January 16, subject "Staff Retirement Plan -- Pending Financial Issues."

Robert S. McNamara

cc: Mr. Chadenet
Mr. Gabriel

RMcN:mss

492/4/21

January 21, 1975

MEMORANDUM FOR THE RECORD

During today's Board Meeting, Mr. Wahl asked when we would begin negotiations leading to a general increase in subscribed capital.

During the noon recess I explained to Wahl that I thought it would be undesirable to even establish a time schedule for such negotiations because such a statement would complicate the work relating to such matters as the Third Window, the Selective Capital Increases, and the 5th IDA Replenishment. He stated he understood my point, but his Government needed to know in relation to its own financial planning whether we anticipated significant increases in subscribed and/or paid-in capital from the Part I countries during the next several years. In reply I stated that while such increases would be desirable, I did not think they would be required within the next four years as a necessary foundation for the Bank's Financial Program which now lay before the Board.

Robert S. McNamara

cc: Mr. Cargill
Mr. Adler

492/4/20

January 20, 1975

BACK-UP DATA FOR JANUARY 21 BOARD MEETING

1. A table showing the years in which lending has been or will be phased out for high income countries, FY 69 through FY 79.
2. What is the estimated level of IBRD lending for FY 75? How much will it exceed the program; and why? What are the implications for future years?
3. As of June 30, 1973, what was the amount of IBRD retained earnings and of that amount how much was needed to maintain the "real value" of the equity? For each of the years, FY 74 through FY 79, what increments to retained earnings will be needed to maintain the real value of equity?
4. In relation to Isbister's questions on pensions: what are the implications of the new Pensions Act for the funding of the Bank Plan; what is our best estimate of the current deficit or surplus in the Pension Fund?
5. Isbister points out that the auditors recommended that the accounting system be strengthened: what specific action did the auditors want us to take; what are we doing about it; what are the cost implications, if any, of complying fully with the auditors' recommendations?
6. What are the pros and cons of the Bank using SDR's as a "unit of account"?
7. What are the current lending rates and commitment charges of IDB' ADB; the African Development Bank; EIB?
8. How do you propose to answer Hori's questions re: 1) His need for information on the lending programs for individual countries; 2) what is the optimum size of the Bank?
9. What has been or will be the share of the Bank Group in the total flow of aid, compared to the share of IDB, ADB, the total of bilateral programs, and other Sources: in 1968, 1973, 1978?
10. List by year FY 1975 through FY 79 IBRD lending to "rich" countries, i.e., those with incomes over \$850 per capita.
11. If liquid "reserves" were held constant at \$4 billion and the lending rate was held at 8%, what would be the estimated income in each of the years FY 75 through FY 80? List the countries to which IBRD will lend, in order of income per capita, starting with the lowest, and show for each the average annual IBRD lending, FY 75 through FY 79.
12. For each of the countries, Indonesia, Nigeria, and Algeria, for each of the years FY 75 through FY 80, show estimated income from petroleum exports, foreign exchange reserves, both in absolute amount and in "months of import coverage."

13. The income projected from January 1975 for FY 79 must be large enough to take account of risks not provided for in the projection. In 1979 such risks will have been fully reflected in the income level; what "actual" income would we consider satisfactory in FY 79? Note we spoke of \$230 million in the "June paper."
14. If in future years we wish to earn as a minimum the \$183 million earned in FY 73, adjusted for changes in price level, what would the earnings amount to in current prices for each of the years, FY 74 through FY 80? Show IBRD lending to each of the MSA's for each of the years 1969 through 1979 and show the totals for 1969-73 and 1974-78.
15. Prepare a revised TABLE III (i.e., a revised borrowing program) for the years through FY 79, supporting the revised Borrowing Program as stated in para. 16.
16. What is the cost in FY 76 of carrying the liquid reserves in excess of \$4 billion?
17. Revise my marked-up Table Ib to reflect the lending assumptions for FY 75 through FY 79.
18. What portion of the IMF's 32.5% quota increase is "general" and what portion is "specific"?
19. What is the outlook for LDB^C borrowings in the Euro Market in 1975, both in total and specifically for such countries as Brazil, Mexico, Korea?
20. What is the current Eurodollar lending rate and what are the projections for 1975?
21. What has been the "net transfer" by the IMF to each of the Part II countries for each of the years 1969 through 1974?

RMcN

RMcN:bmm

492/4/18

January 20, 1975

Dear Ray:

Thank you for the brochure on your Workshop. It seems to be taking shape very well.

I don't think I have any particular additional suggestions on your program. It does occur to me that for topic 2 and probably for topic 4 as well Ed Martin might make a useful contribution. As you know, he has been and I think will continue to be quite close to developments in the critical food sector.

With best wishes for a successful exercise,

Sincerely,

Robert S. McNamara

Professor Raymond Vernon
Director, Center for International
Affairs
Harvard University
6 Divinity Avenue
Cambridge, Massachusetts 02138

MLHoffman/pnn

cc: Mr. McNamara's files (2) ✓

492/4/17

WALDHEIM
UNATIONS
NEWYORK

JANUARY 17, 1975

TELEX

I HAVE TODAY SENT THE FOLLOWING CABLE TO BOERMA AND PETERSON. QUOTE I HAVE PROCEEDED AS WE AGREED RE CONSULTATIVE GROUP ON FOOD PRODUCTION AND INVESTMENT. INFORMATIVELY I AM MAKING FOLLOWING BRIEF ANNOUNCEMENT TODAY OF MARTIN'S ACCEPTANCE INVITATION TO CHAIR THE GROUP. TEXT FOLLOWS:

THE FOLLOWING ANNOUNCEMENT WAS MADE TODAY ON BEHALF OF THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS, UNITED NATIONS DEVELOPMENT PROGRAMME AND THE WORLD BANK:

PARAGRAPH 14 OF RESOLUTION XXII OF THE WORLD FOOD CONFERENCE REQUESTED THE FAO, THE UNDP, AND THE WORLD BANK TO ORGANIZE A CONSULTATIVE GROUP ON FOOD PRODUCTION AND INVESTMENT IN DEVELOPING COUNTRIES (CGPPI) WITH THE OBJECTIVE "TO INCREASE, COORDINATE AND IMPROVE THE EFFICIENCY OF FINANCIAL AND TECHNICAL ASSISTANCE TO AGRICULTURAL PRODUCTION IN DEVELOPING COUNTRIES." THE RESOLUTION INDICATES THAT THE MEMBERSHIP SHOULD CONSIST OF "BILATERAL AND MULTILATERAL DONORS AND REPRESENTATIVES OF DEVELOPING COUNTRIES." DISCUSSIONS RELATING TO THE ORGANIZATION OF THE CONSULTATIVE GROUP BEGAN IN NOVEMBER AMONG MR. BOERMA, DIRECTOR-GENERAL OF FAO, MR. PETERSON, ADMINISTRATOR

WALDHEIM

-2-

OF THE UNDP AND MR. MCNAMARA, PRESIDENT OF THE WORLD BANK.

ON JANUARY 10, 1975, AT A MEETING WITH THE SECRETARY-GENERAL OF THE UNITED NATIONS IN NEW YORK, MR. BOERNA, MR. PETERSON AND MR. MCNAMARA AGREED THAT THE ESSENTIAL FIRST STEPS WOULD BE TO APPOINT AN INDEPENDENT CHAIRMAN OF HIGH INTERNATIONAL STANDING FOR THE CONSULTATIVE GROUP AND TO ESTABLISH A SMALL SECRETARIAT. THE OFFICES OF THE CHAIRMAN AND OF THE EXECUTIVE SECRETARY WOULD BE LOCATED IN THE WORLD BANK. EACH OF THE THREE SPONSORING AGENCIES AGREED TO ASSIGN ONE OR TWO STAFF MEMBERS TO THE SECRETARIAT.

MR. EDWIN N. MARTIN HAS ACCEPTED THE PROPOSAL OF MESSAGES. BOERNA, PETERSON, AND MCNAMARA THAT HE SERVE AS CHAIRMAN OF THE CGPFI. MR. MARTIN WAS THE CHAIRMAN OF THE DEVELOPMENT ASSISTANCE COMMITTEE OF THE OECD FROM 1968 THROUGH 1973, AND IS WIDELY KNOWN AND HIGHLY RESPECTED IN DEVELOPED AND DEVELOPING COUNTRIES ALIKE. UNQUOTE

MCNAMARA

INTBAFRAD

ROBERT S. MCNAMARA
MICHAEL L. HOFFMAN

INTERNATIONAL RELATIONS

MLHoffman/pnn
cc: Mr. McNamara's files (2)
Mr. Yudelman

492/4/16

PETERSON

JANUARY 17, 1975

UNDEVPRO

TELEX (ext. 2001)

NEW YORK

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PETERSON

- 2 -

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MCNAMARA

INTBAFRAD

~~ROBERT S. MCNAMARA~~
MICHAEL L. HOFFMAN

INTERNATIONAL RELATIONS

MLHoffman:tsb

cc: Mr. McNamara's files (2)
Mr. Yudelman

492/4/15

BOERMA
FOODAGRI
ROME

JANUARY 17, 1975

TELEX

ITALY

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BOERMA

-2-

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MCHANARA

INTRAFRAD

ROBERT S. MCHANARA

MICHAEL L. HOFFMAN

INTERNATIONAL RELATIONS

HLHoffman/pun

cc: Mr. McNamara's files (2)
Mr. Yudelman

492/2/14

BOOK OF THREE

JANUARY 16, 1975

HIS EXCELLENCY
PRESIDENT JULIUS NYERERE
STATE HOUSE
DAR ES SALAAM
TANZANIA

HIS EXCELLENCY
PRESIDENT IDI AMIN
STATE HOUSE
ENTEBBE
UGANDA

LT (477-4037)

HIS EXCELLENCY PRESIDENT JOMO KENYATTA
STATE HOUSE
NAIROBI
KENYA

EYE HAVE BEEN INFORMED OF THE INABILITY OF THE ARUSHA MEETING HELD JANUARY
FOURTEEN AND FIFTEEN TO REACH AGREEMENT REGARDING TRANSFER OF FUNDS FROM
REGIONAL OFFICES TO HEADQUARTERS OF EACH CORPORATIONS STOP WE ARE DEEPLY
CONCERNED OVER THIS MATTER STOP THE CORPORATIONS PROVIDE SERVICES WHICH
ARE ESSENTIAL TO ALL SECTORS OF THE ECONOMIES OF THE PARTNER STATES AND
FAILURE TO PERMIT THEM TO OPERATE EFFICIENTLY AND CARRY OUT THEIR INVESTMENT
PROGRAMS WILL UNDERMINE ALL YOUR EFFORTS TO DEVELOP AGRICULTURE AND INDUSTRY
AT A TIME WHEN THE NEEDS OF KENYA TANZANIA AND UGANDA FOR INCREASED FOOD
PRODUCTION AND EXPANDED EXPORTS ARE CRITICAL STOP FAILURE TO REACH AGREEMENT
ALSO UNDERMINES EFFORTS OF THE WORLD BANK TO ASSIST BOTH DIRECTLY AND BY
ENCOURAGING OTHER EXTERNAL AGENCIES IN DEVELOPMENT OF YOUR ECONOMIES STOP
FURTHERMORE RESTRICTIONS ON TRANSFERS IS CONTRARY TO AGREEMENT REACHED AS
RECENTLY AS JULY 1974 ON BASIS OF WHICH THE WORLD BANK HAS TAKEN ACTIONS TO

(contd...)

PAGE TWO OF TWO

ASSIST THE RAILWAYS REHABILITATION STOP EYE DO HOPE THAT IMMEDIATE
ACTION CAN BE TAKEN TO RESOLVE THIS ISSUE STOP KIND REGARDS

MCNAMARA

S. Shahid Husain
E. Africa Regional Office

Mr. McNamara's Office (2)
Mr. Knapp

SSHusain:pe EAC

492/4 113

JAN 15 1975

Dear Mr. Vedovato: -

I am sorry to have delayed so long in responding to your kind invitation to address the Council of Europe, but as I asked M. Carriere to inform you I was trying to juggle dates to see if I could seize the opportunity you offered.

Unfortunately I cannot do so. The great majority of my travel is to our developing member countries, and arranging suitable times with the several governments is a formidable task. Unfortunately in April I shall be touring several of member countries, and this makes it impossible for me to visit Strasbourg.

Again my thanks for your thoughtfulness and interest in the work of the World Bank.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable G. Vedovato
The President
Consultative Assembly
of the Council of Europe
Strasbourg, France

cc: Mr. McNamara's Office (2)
Mr. Carriere

WDCClark:mmh
January 13, 1975

492/4/12

JAN 15 1975

Son Excellence
Le Général Etienne Eyadéma
Président de la République
Lomé, Togo

Monsieur le Président,

La délégation de la Banque, qui a participé à la réunion d'Abidjan du 18 décembre convoquée par les Gouvernements togolais et ivoirien au sujet de CIMAO, m'a fait part des décisions qui ont été prises par les Etats pour hâter la réalisation du projet. Ces décisions sont résumées dans l'Aide-Mémoire ci-joint.

Je suis personnellement très heureux que quelques-uns des problèmes qui avaient jusqu'à présent retardé l'évaluation définitive du projet et les négociations concernant son financement aient pu être résolus. Comme vous le savez, les services de la Banque collaborent depuis un certain temps avec les Gouvernements togolais et ivoirien à la mise sur pied du projet CIMAO. Je tiens à réitérer l'appui que nous continuons d'apporter à cette importante entreprise régionale et je puis vous assurer que nous sommes décidés à faire notre part de l'effort nécessaire pour respecter le calendrier mentionné dans l'Aide-mémoire. A cet égard, selon la promesse faite à Abidjan, nous avons télégraphié aux Etats intéressés les noms de quelques entreprises que nous pensons avoir les qualifications requises pour entreprendre la réalisation du projet d'exécution. Nous nous sommes également mis en quête d'un expert financier et technique compétent susceptible d'apporter son concours aux Gouvernements togolais et ivoirien - les promoteurs de CIMAO - pour lancer le projet. Enfin, nous informons les bailleurs de fonds qui n'étaient pas représentés à la réunion d'Abidjan des décisions prises à cette occasion et tiendrons vos Ministres régulièrement informés des progrès réalisés dans la mise en place d'un plan de financement adéquat.

Son Excellence
Le Général Etienne Eyadéma

- 2 -

Des progrès sont également accomplis dans d'autres domaines. C'est ainsi que nous croyons comprendre qu'un projet de contrat avec la Société SASIF pour l'exécution du maillage serré de sondages nécessaire en vue de déterminer les spécifications et l'emplacement de l'usine de clinker va être signé prochainement. La campagne de sondages pourrait donc commencer au début de février. Nous sommes également en relations avec la Société Ciments d'Origny, qui a confirmé son accord en vue d'une participation au capital de CIMAO à hauteur d'un milliard de francs CFA et va soumettre dans les plus brefs délais un projet de contrat d'assistance technique à CIMAO.

Nous avons pris acte du désir du Togo et de la Côte d'Ivoire d'associer le Nigéria et le Ghana à CIMAO, à condition que cette association ne retarde pas la réalisation du projet. Nous accueillons cette décision avec satisfaction en vue des possibilités d'expansion qu'elle ouvre à cette entreprise régionale.

Je vous prie d'agréer, Monsieur le Président, l'assurance de ma plus haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Pièce Jointe

Cleared with and cc: Messrs. Knapp
Chaufournier
Fuchs (Industrial Projects)
Cash " "
Walser (Legal)

cc: Mr. McNamara's Office (2) ✓
Mr. Thalwitz
Mr. Gué
Messrs. Dutt, WALDB
Povey, WALDA
Duvigneau/Roet (Industrial Projects)

cc: Mr. Razafindrabe (E)

XdelatRenaudière/FJAguirre-Sacasa:sjb

Unofficial Translation of Letters from
Mr. McNamara to Presidents Houphouet-
Boigny and Eyadema on the CIMAO Project

Dear Mr. President:

The Bank delegation which attended the Abidjan December 18 meeting on CIMAO called by the Ivorian and Togolese Governements has reported to me on the decisions taken by the states to hasten the execution of this project. These decisions are summarized in the attached aide memoire.

I am personally pleased to learn that certain problems which had, to date, delayed the final appraisal and negotiation of financing for this project have been resolved. We have, as you know, been working for some time, now, with the Ivorian and Togolese Government to mount CIMAO. I wish to take this opportunity to reiterate to you our continued support for this important regional venture and to advise you that we shall do our part to see to it that the processing timetable cited in the attached aide memoire is adhered to. In this regard, we have, as promised at Abidjan, already cabled to the states the names of firms **we feel are qualified to** undertake this project's detailed engineering. We have also initiated a search for a competent financial and technical expert who could help the Ivorian and Togolese Governments — CIMAO's promoters — to launch the project. Finally, we are informing those aid donors who were not represented at the Abidjan meeting of the decisions taken there and will keep your ministers regularly posted on our progress in putting together an appropriate financing package for this project.

Progress is being made on other fronts as well. We understand that a draft contract with SASIF for the execution of a detailed drilling program needed to determine the proposed clinker factory's location and specifications will be signed soon. The drilling program should, therefore, begin in early February. Based on our contacts with Ciments d'Origny, we also know that Origny has confirmed its willingness to contribute up to a billion CFAF to CIMAO's capital and will be submitting a draft technical assistance contract to CIMAO in a short time.

We have noted the desire of the Ivory Coast and of Togo to associate Nigeria and Ghana to CIMAO provided that this association does not slow down the project's implementation and we welcome this decision which enhances CIMAO's regional aspects.

Sincerely,

Robert S. McNamara

492/4/11

JAN 15 1975

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

Monsieur le Président,

La délégation de la Banque, qui a participé à la réunion d'Abidjan du 18 décembre convoquée par les Gouvernements ivoirien et togolais au sujet de CIMAO, m'a fait part des décisions qui ont été prises par les Etats pour hâter la réalisation du projet. Ces décisions sont résumées dans l'Aide-Mémoire ci-joint.

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Son Excellence
Monsieur Félix Houphouët-Boigny

- 2 -

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Je vous prie d'agréer, Monsieur le Président, l'assurance de ma plus haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Pièce jointe

Cleared with and cc: Messrs. Knapp
Chaufournier
Fuchs (Industrial Projects)
Cash "
Walser (Legal)

cc: Mr. McNamara's Office (2)
Messrs. Thalwitz
Gué
Dutt, WALDB
Bovey, WALDA
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cc: Mr. Razafindrabe (ED)

XdelRenaudière/Aguirre-Sacasa:sjb

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Sincerely,

Robert S. McNamara

492/4/10

JAN 14 1975

Dear Mr. Cressman:

I very much appreciate the honor you do me in inviting me to address the American Chamber of Commerce in London. Your list of previous speakers is indeed impressive.

However, I am afraid I must decline. As an international civil servant and head of an international agency I am compelled to limit my speaking engagements to the quite numerous official occasions at which I speak as President of the Bank.

I am sorry to miss the occasion, and to miss the opportunity of hearing from you about today's trials and tribulations of the largest Ford Dealer Group in Britain.

With best wishes for 1975.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Harry G. Cressman
President
American Chamber of Commerce (U.K.)
75 Brook Street
London, W1Y 2EB
England

cc: Mr. McNamara's Office (2)
Mr. William Clark

WDClark:mmh
January 10, 1975

492/4/9

January 9, 1975

Mr. A. H. Boerma
Director General
Food and Agriculture Organization of
the United Nations
Via delle Terme di Caracalla
00100 Rome, Italy

Dear Ad:

As you are probably aware, Mr. Huysar, Mr. Yudelman, Director of our Agriculture and Rural Development Department, and Mr. James Kearns, Director of the Bank's Organization Planning Department, have had occasional conversations over the past two years about a possible survey of FAO-CF/Bank management and coordination problems. They agree--and I now feel--that this is an appropriate time to conduct a joint FAO/IBRD review of our cooperative program.

The reorganization of the Bank has now been in effect long enough to permit an assessment of procedural or relationship changes it might have made advisable. The Bank and FAO will soon have to establish the joint budget for the CF covering 1976/77. Also, there is need to consider the possible effects on the program of any institutional changes that may result from the follow-up to the World Food Conference.

More generally, increasing demands are being placed on institutions such as ours to cope with the world's food needs while at the same time it is apparent that we will be operating under growing budgetary constraints. We, in the Bank, are examining all aspects of our operations to see how we can improve their quality and raise our productivity. I'm sure your organization has similar objectives.

I propose that to conduct the study we establish a three or four-man joint task force working full-time for at most five months. It would interview widely in FAO and the Bank, perform needed analyses and develop a joint report. The study would be overseen and the report reviewed by a

review group of seven or eight people which would include representatives from both our organizations. The group could be chaired by Mr. Kearns, Director of our Organization and Planning Department. We would expect Mr. Yudelman and our Senior Advisor on Agriculture as well as two or three representatives from other parts of the Bank to be on the Committee. We would hope that the representatives from FAO on the review group would match the seniority of the Bank representation.

The task force would be headed by Peter Richardson, the Organization Planning Department's senior management analyst. He was involved in the Bank's reorganization study and headed a subsequent study to assess remaining Bank management problems. He has also reviewed the role of the Bank's overseas posts. Mr. Kearns' department would supply a second experienced analyst to help Mr. Richardson and the Bank might also contribute an agriculture mission leader to the effort. FAO-CP would hopefully have a man on the task force, as might—I assume—FAO proper.

The review might well examine the following items:

- a) the effectiveness on resource use of having the FAO-CP concentrate almost exclusively on identification and preparation to the almost complete exclusion of participation in sector work, appraisal and supervision;
- b) the appropriateness of existing working arrangements for establishing priorities;
- c) the adequacy of coordination in the Bank with regard to CP;
- d) the effectiveness of relationship between the CP and FAO as a means of tapping the full knowledge of FAO in the task of improving the world agricultural situation;
- e) the efficiency of the internal organization of the CP both as it relates to the Bank's organization as well as to the contribution the CP can make to the work of both FAO and the Bank;
- f) the effectiveness of the relationship between the Bank and the Investment Center and maintaining CP's identity within the Investment Center;
- g) effectiveness of administrative and budgetary procedures with emphasis on expenditure reporting and billing arrangements.

As I mentioned above, I feel that this is an appropriate time for a review of the kind described above. I look forward to your views on this

and an early indication of who you would like to participate in the initial discussions on the terms of reference for the review. Thereafter we can arrange a mutually agreeable means of proceeding.

I am confident that the kind of review envisaged can contribute importantly to the quality and productivity of our future collaboration.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

CC: Mr. J. Kearns
Mr. M. Hoffman
Mr. S. Burmaster

NYudelman:JKearns:PRichardson:nw

422/4/8

JAN 8 1975

Dear Mr. Heuston:

Thank you for your letter of December 30, 1974, and the attached article on the use of the computer in elementary and secondary education, which I have called to the attention of our educational staff. I appreciate very much your interest in our work and your moral support of the Bank's modest efforts to improve the educational opportunities of the deprived populations of the world.

We fully expect that improved educational technology including computerized instruction, educational television, programmed learning and other of the more advanced methods will in due course take their place and make their contribution to the education systems of the developing world. At the moment our primary concern is with the poorest countries where less than half of the school age children are being enrolled in schools of any kind. In these most impoverished and often drought ridden areas you might agree that discussion of the more sophisticated techniques is probably premature. However, how to meet the need is the preeminent question to which the Bank and other agencies will be devoting their attention in the years to come, and we will need to keep our minds open to any method that may help to achieve the desired end.

To give you a fuller picture of the Bank's view of these problems I am enclosing a copy of the paper to which the New York Times article referred.

Thank you again.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Dustin H. Heuston
Headmaster
The Spence School
22 East 91st Street
New York, N.Y. 10028

DSBallantine/hl

6924/6

For Mr. McNamara's office

HIS EXCELLENCY
ERIC WILLIAMS
PRIME MINISTER
PORT OF SPAIN

January 8, 1975

LT

(TRINIDAD)

WITH REFERENCE YOUR LETTER DECEMBER TWENTYTHIRD REGARDING MEETING
DURING WEEK JANUARY THIRTEENTH ON BEST USE OF PETROLEUM RESOURCES COMMA
AM PLEASED TO INFORM YOU THAT FRANK J. EARWAKER COMMA SENIOR ECONOMIST
IN OUR CARIBBEAN DIVISION COMMA WILL BE AVAILABLE TO REPRESENT WORLD
BANK GROUP STOP WE SHALL CABLE LATER ON HIS DATE AND TIME OF ARRIVAL
PORT OF SPAIN STOP BEST REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA
INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Robert S. McNamara
Office of the President

cleared with and cc: Mr. Wiese, Director
LAC CPII
cc: Messrs. Knapp
Alter
Earwaker, LAC CPII 2C

OHCAlika:jsc

492/4/15

January 7, 1975

Dear Ernst:

Thank you for your personal letter of December 18, and for the very kind efforts you have made to prevent misunderstanding between Prime Minister Palme and the Bank.

I would certainly like to take advantage of your offer to arrange a meeting between us when I am next in Europe. But it may be some time before I get there, and I hate to leave a cause of dispute lying between the Bank and so good a friend as the Swedish Government. Would you think it wise for me to write a personal letter to the Prime Minister, quite outside the official Bank-SIDA channels? If you do so think, should I mention your good offices, or should I simply write because I know of his concern about certain of our policies?

Let me know your views on this and I will then consider appropriate timing.

Again thanks for your assistance and perennial goodwill.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Ernst Michanek
Director General
Swedish International
Development Authority
Stockholm, Sweden

WDCClark:mss

492/4/4

January 6, 1975

Dear Mr. van Lennep:

Thank you for your letter of December 19 (EL-1761), informing me that you are forwarding a copy of a report by the OECD Secretariat on long-term energy problems, entitled "Energy Prospects to 1985".

The French text of the two-volume report has been received, and will be brought to the attention of the appropriate officers of the Bank. Your courtesy in sending it to us is appreciated.

Sincerely,

Robert S. McNamara

Mr. Emile van Lennep
Secretary-General
Organisation for Economic
Co-operation and Development
2, rue Andre-Pascal
Paris XVI^e, France

SEBoskey:tsb
January 3, 1975
cc: Office of the President (2)

Incoming and report to Mr. Chenery

492/4/3

JAN 6 1975

Mr. William D. Ruckelshaus
Ruckelshaus, Beveridge & Fairbanks
One Farragut Square South
Washington, D.C. 20006

Dear Mr. Ruckelshaus:

Thank you for your letter of December 9, transmitting your draft report on the feasibility of an international environmental trust fund.

As you point out in your Introduction, the feasibility study approach did not assume that a Fund was desirable -- it was open minded. The report does not convince me that a strong case has been made for it.

The array of global, regional, and national problems which you so well describe are being addressed in a fashion by existing institutions. UNEP's supposed task is to weld these disparate efforts into something of a coordinated attack with emphasis on their "global" dimensions. How well UNEP will carry out this awesome responsibility remains to be seen. UNEP still must establish a track record and develop credibility with both the developed and developing countries. But, as you so correctly point out, "... it is the environmental perspective from the developing world that dominates UNEP's horizon," and unless UNEP can achieve the proper balance in its program, I am concerned that the truly global concerns of the developed countries may receive inadequate and insufficient attention. Should this occur, then UNEP's present donors to its fund may feel it necessary to review their pledges. Even if UNEP's funding remains at the levels pledged, the priorities being established for its use will be seen by the developed countries as not reflecting the truly global problems which initially gave rise to the Stockholm Conference.

I am of the opinion, therefore, that a Fund might properly address itself to urgently needed inquiries into threats to the biosphere which must be conducted in a scientifically dispassionate and non-political manner. The findings from such inquiries can and may be expected to have significant economic implications; therefore, it would be difficult, if not impossible, to entrust the conduct of such efforts solely within the UN system which, of necessity, is political.

In essence, what I am saying is that given the perspective of the developing countries, it could be expected that UNEP may not be able to adequately confront the larger problems of the biosphere. Yet without answers to them, vital life-supporting ecological systems of concern to all nations may be in peril. If the Fund can be addressed to this perceived need, it deserves further serious consideration. If not, then it should, perhaps, await a further testing of UNEP's performance.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. J.A. Lee ✓

JALee:on