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THE WORLD BANK  
Washington, D.C.

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McNamara Papers

Chronological files, 1970 (Jan. - Mar.)

The World Bank Group  
**Archives**



1772418

A1995-257 Other #: 1

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Robert S. McNamara Personal Chronological Files - Chrons 08

8

**DECLASSIFIED**

WBG Archives

489/2/42

March 31, 1970

Mr. William W. Marvel  
President  
Education and World Affairs  
522 Fifth Avenue  
New York, New York 10036

Dear Mr. Marvel:

Mr. and Mrs. McNamara regret that they will not be able to attend the reception on Thursday, April 9, for the Advisory Committee of EWA's Universities Service Center of Hong Kong. They will be travelling at that time.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

489/2/41

March 31, 1970

Mr. Sargent Kennedy  
Secretary  
Board of Overseers of  
Harvard College  
Massachusetts Hall  
Cambridge, Mass. 02138

Dear Mr. Kennedy:

Mr. Robert McNamara has asked me to let you know that because of a trip out of the country, he will not be present at the meeting of the Visiting Committee on Thursday, April 9.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

489/2/40

March 30, 1970

Rector  
St. Paul's School  
Concord, New Hampshire  
03301

Dear Sir:

Enclosed is Mr. McNamara's second payment  
on his pledge of \$10,000 to the Matthew Warren  
Fund.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

Enclosure

489/2/39

March 30, 1970

Mr. Howard R. Dressner  
Secretary  
Ford Foundation  
320 East 43rd Street  
New York, New York 10017

Dear Mr. Dressner:

Following are the expenses of Mr. and Mrs. McNamara during the recent Ford Foundation meeting:

1-way air fare Wash. to NY (Mrs. McN.)	23.10
1-way rail fare Wash. to NY (Mr. McN.)	15.75
lunch for 2	9.50
dinner for 2	29.00
dinner for 1	9.25
taxis	17.50
tips	5.50
total	<u>109.60</u>

The River Club bill will be submitted upon receipt.

Return rail fare for the McNamaras was paid for by the Foundation.

Thanks so much.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

489/2/38

POTENTIAL LUNCHEON GUESTS

Abel, Elie  
Acheson, Dean  
Aldewereld, Siem  
Alsop, Joseph  
Alsop, Stewart  
Amouzegar, Dr.

Halperin, Morton  
Hamilton, Ed  
Harriman, Averell  
Helms, Richard  
Henkin, Dan  
Herrera, Felipe  
Hillenbrand, Martin (AstSecState-Europe)  
Hoffman, Paul

Barr, Joseph  
Bartlett, Charles  
Black, Eugene  
Brandon, Henry  
Broches, Aron  
Bundy, William

Jagannathan, S.  
Javits, Senator  
Johnson, U. Alexis

Califano, Joseph  
Cargill, Peter  
Cater, Douglas  
Chadenet, Bernard  
Chancellor, John  
Clark, William  
Clifford, Clark  
Cutler, Lloyd

Kafka, Alexandre  
Katzenbach, Nicholas  
Kearns, Henry  
Kennedy, Secretary  
Kissinger, Henry  
Kleiman, Robert (NYT)  
Knapp, Burke  
Kraslow, David (LATimes)  
Kuchel, Thomas

Demuth, Richard  
Donovan, Robert  
Draper, General  
Dutton, Fred

Laird, Secretary  
Lieftinck, Dr.  
Lilienthal, David  
Lilley, Tom  
Linowitz, Sol

Enthoven, Alain  
Executive Directors

Machado, Luis  
Macy, John  
Martin, Ed  
Mason, Prof. Ed  
Meyer, Charles (AstSecState-Inter-American)  
Mitchell, Derek  
Monroney, Mike  
Morse, Cong. Brad

Freeman, Orville  
Friedman, Irving  
Fulbright, Senator

McGhee, George  
McIntyre, Senator

Gaud, William  
Geyelin, Philip  
Gilpatric, Roswell  
Goulding, Phil  
Graham, Mrs. Philip  
Grant, James  
Green, Marshall (AstSecState-EA and Pacific)  
Greenberg, Sanford

Nathan, Robert  
Neustadt, Prof.  
Newsom, David D. (AstSecState-Africa)  
Newsweek - Jim Bishop, Robert  
Christopher, Russell Watson  
Nitze, Paul

Warnke, Paul  
Wieczorowski, Robert  
Woods, George

Yarmolinsky, Adam

O'Brien, Lawrence  
Oliver, Covey  
Osborne, Stanley

Zuckert, Eugene

Pearson, Lester

Quesada, General Pete

Reid, Patrick  
Reuss, Henry  
Rickett, Sir Denis  
Rosen, Martin  
Rosenstein-Rodan, Prof.  
Rusk, Dean

Schultze, Charles  
Schweitzer, P-P.  
Sevareid, Eric  
Shoaib, M.  
Sisco, Joseph (AstSecState-NE and S.Asia)  
Smith, Gerard  
Solomon, Anthony  
Sommers, Davidson  
Sorensen, Ted  
Strong, Maurice  
Sylvester, Arthur  
Symington, Senator

Train, Russell  
Trehitt, Henry  
Tydings, Senator

Udall, Stewart

Volcker, Paul



March 24, 1970

489 / 2/37

Mr. Shepard Stone  
President  
International Association for  
Cultural Freedom  
104, Boulevard Haussmann  
Paris 8<sup>e</sup>, France

Dear Shep:

I feel highly complimented by your invitation to address a dinner meeting of the "Social Goals and Cultural Options" conference. It will not be possible for me to accept, however, for two reasons:

1. Our Board of Directors is in recess for the two weeks ending Friday, August 28, and will resume operations at the beginning of the following week.
2. Even though this were not the case, I do not feel qualified to deliver a speech on the subject.

There is a bare possibility that I will be in Aspen on the weekend of August 29 for a day or two. If this be the case, I hope you will permit me to sit in on one or more of your seminars.

With best wishes,

Sincerely,

Robert S. McNamara

March 23, 1970

489/2/36

Mr. David L. Wolper  
President  
Wolper Pictures, Ltd.  
P.O. Box 900  
Beverly Hills, Calif. 90213

Dear Mr. Wolper:

Mrs. McNamara and I are delighted to have  
the film, "The Journey of Robert F. Kennedy."  
You were most kind to send it to us so  
promptly.

With best regards,

Sincerely,

Robert S. McNamara

489/2/35

March 23, 1970

Dear Mr. Robin:

Mrs. McNamara and I greatly appreciate your sending us "Africa -- a Natural History" with its spectacular photographs.

I continue to profit from our visit. Many thanks for taking the time to meet with me.

Sincerely,

Robert S. McNamara

Mr. John P. Robin  
The Ford Foundation  
P. O. Box 1081  
Nairobi, Kenya

3/19/70

489 / 2 / 34

Irving Friedman has informed me that after his serious illness last year, he has decided that he should ask to be relieved of the heavy burden of administering the increasing volume of economic work in the Bank.

It is with very great regret, and after long discussions with Mr. Friedman, that I have reluctantly concluded I should accept his request.

I have asked Mr. Friedman to continue in his present position for the time being until the Bank is able to make other arrangements. It is my hope that he then will accept a long overdue sabbatical leave.

On a more appropriate occasion I shall try to put on record the deep debt of gratitude that I personally, and my predecessor as President of the Bank, owe to Irving Friedman's wisdom and devotion to the ideals of economic and social development.

489/2/33

2412 Tracy Place, N.W.  
Washington, D.C. 20008

March 9, 1970

Gentlemen:

I have just received a notice indicating that the assessment of my home at 2412 Tracy Place, N.W. has been increased from \$74,823 to \$86,823. I believe the last change in assessed valuation of the property occurred approximately two years ago. I know of no factor which has significantly affected the value of the property since that time, and, therefore, I would be most grateful if you could explain the basis for the 16% increase in valuation.

Sincerely,

Robert S. McNamara

Department of Finance and Revenue  
Assessment Services Division  
Room 2010 - Municipal Center  
300 Indiana Avenue, N.W.  
Washington, D.C. 20001

489/2/32

March 6, 1970

Dear David:

As you suggested, I saw David Nunnerly and much enjoyed reliving with him the days of the Kennedy Administration.

Upon conclusion of the interview, I felt quite virtuous because I refused to answer his questions on my opinion of Thorneycroft.

Do allow time for a visit with Margaret and me when you are next in Washington.

Sincerely,

Robert S. McNamara

The Right Honorable  
The Lord Harlech  
14a Ladbroke Road  
London, W. 11, England

489/2/31

March 5, 1970

TO WHOM IT MAY CONCERN

I have known Dr. Frank Trinkl since 1962. We worked together from May 1962 to December 1965. During that period, Dr. Frinkl had the major responsibility for the analysis and review of the United States strategic nuclear forces which at that time was the area of defense to receive the most thorough analysis and the most widespread attention. Dr. Trinkl's job involved analysis of deep intellectual content, questions of strategy of the highest level, and technical considerations of considerable depth. Because of the acute interest shown by so many people and agencies, the job also demanded tact and diplomacy.

Dr. Trinkl mastered this varied and difficult subject matter and had a key role in clarifying strategic issues for public debate.

I can recommend Dr. Trinkl for his intelligence, his understanding of economic analysis, his ability to work with people in a difficult environment, and his knack for simplifying and clarifying complex technical questions.

Robert S. McNamara

Sent to: Dr. Frank Trinkl  
4800 Grantham Ave.  
Chevy Chase, Md. 20015

489/2/28

March 2, 1970

Dear Mr. Minister:

Thank you for sending the African Regal Bonnet especially made for me. I deeply appreciate your kindness, and particularly the symbolism you so generously related in your letter.

With best regards,

Sincerely,

Robert S. McNamara

Mr. Virgile-Octave Tevoedjre  
Minister Counselor  
Embassy of the Republic of  
Dahomey  
2737 Cathedral Avenue, N.W.  
Washington, D.C. 20008

/pay



489/2/26

Propositions Underlying a U.S. Approach to  
Strategic Offensive and Defensive Nuclear Force Issues

1. Under all circumstances and regardless of other objectives, we must maintain a nuclear "deterrent." I define "deterrent" as a U.S. nuclear offensive and defensive force structure, relative to that of the Soviets, such as to convince the Soviets that they cannot initiate the use of strategic nuclear weapons against the U.S. without suffering unacceptable damage to themselves.
2. The risk and danger to the U.S. in nuclear war increases as the number and "sophistication" of nuclear weapons increase. Therefore we should seek to obtain "deterrence" with the smallest possible forces.
3. Assuming it can be accomplished without loss of the "deterrent", we should minimize the possibility that other nations, beyond those presently possessing nuclear weapons, will obtain nuclear weapons or that those presently possessing them will increase the strength of their nuclear forces.
4. It is inconceivable to me that the U.S. and the Soviet Union can for a hundred years in the future proceed as they have in the past twenty years, increasing both the number and complexity of their nuclear forces, without stimulating other nations to obtain nuclear forces and without greatly increasing the risk and danger of nuclear war to themselves. Therefore, it is in the interests of the U.S. at some point, and I believe sooner rather than later, to initiate action to stop this spiral of arms.
5. The present U.S. deterrent is insensitive to substantial variations in the relative size and quality of U.S. and Soviet forces. For example, the deterrent today would not be affected by either a decrease or an increase of 100 missiles in the present MINUTEMAN force of 1,000. It is not clear to me why the Soviets are continuing to expand their intercontinental missile force, but within certain limits the expansion does not add to their strategic strength. Because the deterrent or strategic balance is today relatively insensitive to substantial changes in the balance of forces, it should be possible for the U.S. to initiate action which might act to dampen future increases in the quantity and quality of the Soviet forces and which would therefore increase the chances of achieving objectives 2 and 3 above without weakening the deterrent.
6. We should recognize that our children, our grandchildren and our great-grandchildren will be living in a world of nuclear weapons. To minimize the risks of such an environment, we should be making our arms control decisions of today within the context of a long-term arms control strategy rather than on the basis of short-term force structure decisions.

RMcN  
2/27/70

489/2/25

February 27, 1970

Dear Dr. Prezioso:

I have now checked my calendar for September and find that the Annual Meeting of our Board of Governors will be taking place in Copenhagen at the same time the Congress for Recreation and Parks will be meeting in Philadelphia. For this reason I will not be able to accept your invitation to address the opening general session on Sunday, September 27.

Sincerely,

Robert S. McNamara

Dr. Sal J. Prezioso  
President  
National Recreation and  
Park Association  
1700 Pennsylvania Avenue, N.W.  
Washington, D. C. 20006

489/2/24

February 26, 1970

Dear Mr. Zoller:

Mr. McNamara has received your letter in which you requested information for use in your doctoral thesis. He regrets that it is not possible for him to comply. Since becoming President of the World Bank, he deems it inappropriate to comment on policy matters which pertain to his tenure as Secretary of Defense.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

Mr. Walter Zoller  
8 Munchen 60  
Rothenfelferstrabe 15  
West Germany

489/2/23

February 26, 1970

Dear Mr. Feldmeth:

Mr. McNamara has received your letter in which you requested information for use in your paper on the national service plan. He regrets that it is not possible for him to comply. Since becoming President of the World Bank, he deems it inappropriate to comment on matters of a military nature.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

Mr. Greg Feldmeth  
Box 384  
Occidental College  
Los Angeles, Calif. 90041

489/2/22

February 26, 1970

Dear Miss Barnes:

Mr. McNamara has received your letter in which you requested an appointment to discuss the Cuban missile crisis. He regrets that it is not possible for him to comply. Since becoming President of the World Bank, he deems it inappropriate to comment on matters of this nature.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

Miss Kathie Barnes  
331 S. Grant Street  
West Lafayette, Indiana 47906

489/2/20

February 18, 1970

Dear John:

There is a bare possibility I may have to depart for Paris late in the evening on Thursday, March 12. If, under those circumstances, you would not object to my leaving your dinner party early, I would be delighted to accept your invitation to join you at 7:30 on that evening at the "21" Club. It would be good to see both you and Terry Sanford again.

Many thanks for thinking of me.

Sincerely,

Robert S. McNamara

Mr. John L. Loeb  
42 Wall Street  
New York, N.Y. 10005

489/2/19

February 14, 1970

Dear Rob:

It was good to hear from you, and I am honored that you asked me to speak at your Commencement. I wish I could be there but, unfortunately, it will not be possible because of a previously planned foreign trip at that time.

Our very best wishes to you and your fellow graduates. We shall be very interested to hear where you will be going next Fall.

Sincerely,

Mr. Robert Slaymaker  
65 Halliwell Drive  
Stamford, Conn. 06902

489/2/77

February 7, 1970

Dear Mr. Koenig:

You were most thoughtful to remember my dinner conversation with your wife. I found Monty Atwater's book so fascinating I couldn't put it down once I had started on it last weekend.

Many, many thanks.

Sincerely,

Robert S. McNamara

Mr. Robert P. Koenig  
President  
Cerro Corporation  
300 Park Avenue  
New York, N. Y. 10022



489/2/76

February 6, 1970

Dear Mr. Lamm:

While I appreciate your invitation to appear before the Finance Committee of the Colorado Legislature, I must regretfully decline.

Since I have come to my present position, I have had many requests to appear before various committees of the United States Congress. I have declined, feeling that it was inappropriate for me to appear since I am now an international civil servant. For the same reason, I do not believe it would be appropriate to appear before a State Legislature.

Sincerely,

Robert S. McNamara

Honorable Richard D. Lamm  
2500 South Logan  
Denver, Colorado 80210

mss

489/2/15

February 6, 1970

Mr. Kostas Vlahos  
502 East 81st Street  
New York, New York 10028

Dear Mr. Vlahos:

Mr. McNamara has asked me to thank you for your letter and to tell you that if at any time he is interested in having property in Greece he will be in touch with you.

In regard to your desire to work for the American Red Cross, Mr. McNamara suggests that you apply direct. The World Bank has no official connection with them. Therefore, I am returning your application.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

489/2/13

January 30, 1970

Mr. Richard W. Carlson  
Columbia Travel Service  
514 West 113th Street  
New York, New York 10025

Dear Mr. Carlson:

Mr. McNamara appreciates your sending  
tickets for his trip to New York in February.  
His travel will be at World Bank expense.  
Therefore, I am returning the tickets to you.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

489/2/72

January 29, 1970

Mr. Howard R. Dressner  
Secretary  
Ford Foundation  
320 East 43rd Street  
New York, New York 10017

Dear Mr. Dressner:

Attached is a copy of the River Club statement which includes the expenses of the McNamaras during the December Ford Foundation meeting.

Mr. McNamara has already paid the \$120.21. Thus, reimbursement should be sent direct to him.

Thanks for all your help.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

I.D.A. REPLENISHMENT

NOTE FOR VISIT OF M. POMPIDOU

1/26/70  
489/2/11

1. The International Development Association (IDA), which is the affiliate of the World Bank which grants credits to developing countries on concessionary terms, relies for its funds on appropriations by governments, principally the governments of Western Europe, Japan, and the United States.
2. IDA is presently operating on funds received under the terms of the Second Replenishment. This provides \$400 million per year (of which the US share is 40%) for commitment during the fiscal years 1968, 1969 and 1970 -- all funds to be received under the terms of the Second Replenishment will have been committed by June 30, 1971.
3. The US Government has accepted that it is of the utmost importance that a Third Replenishment of IDA should be agreed upon by governments and brought into effect no later than July 1, 1971. To provide for the necessary legislative action, this requires that the executive branches of the governments involved complete their negotiation of the Third Replenishment agreement by June 30, 1970.
4. The US Government has said that it favors a substantial increase in the amount of funds to be provided in the Third Replenishment above the \$400 million per year level of the Second Replenishment. Such an attitude is in accordance with the President's statement to Congress in May 1969 endorsing an expansion in multilateral aid.
5. For the US, the advantage of giving aid through the IDA is that since the US contributes 40% of the total, for every dollar which it makes available, other countries will contribute \$1.50.
6. Negotiations between governments have recently begun to determine the amount and conditions of the Third Replenishment of IDA. The discussions which have taken place so far have not yet led to a consensus on the amount. A number of governments, however, (including those of Canada, the Scandinavian countries, the Netherlands, and the United Kingdom) have indicated in informal discussion that they would favor a figure of the order of \$1 billion annually or something closely approximating that level.
7. The French Government has shown little enthusiasm for the replenishment of IDA and appears to wish to keep the figure as close as possible to the level of \$400 million a year of the Second Replenishment. They argue that the present scale of contributions to IDA takes insufficient account of the bilateral aid programs of the contributing governments and the extent to which they have already achieved the target of giving official development assistance amounting to .70% of their GNP. The French Government does have a large bilateral aid program (\$817 million in 1968) and they point out that their official development assistance in that year amounted to .72% of GNP, compared to .38% of GNP for the US.
8. These developments repeat to some extent the history of the negotiations for the Second Replenishment. At that time, George Woods, the President of the World Bank, proposed a replenishment of IDA at a level of \$1 billion a year. The US agreed to support replenishment at the rate of \$600 million, \$800 million and \$1 billion in the three years of the period and the US proposal was supported by

the governments of Canada, Denmark, Finland and Sweden. France strongly argued the replenishment should not exceed \$375 million annually and eventually persuaded a number of others to support her position, with the result that the Second Replenishment was finally set at \$400 million per year.

9. It is too soon to predict where the consensus will be found to lie in the present negotiations, though there are grounds for believing that the majority of governments on this occasion are ready to accept a substantial increase in the level of replenishment of the resources of IDA. The main difficulty lies in the attitude of the French Government.

10. It would clearly be unjustifiable that the views of the French Government should determine the level on which the governments of the other 17 donor countries will finally agree to contribute. It should indeed be recognized that there is some substance in the French case and that because of their large bilateral program they would have greater difficulty than other governments in contributing to a Third Replenishment at a substantially higher level. It might be possible to reach agreement on a high level of replenishment if it were possible to reduce the French contribution from their present share of 8.1% of the total to a somewhat smaller figure. It is possible that if the French share were reduced in this way, the deficit could be made up by securing an increased share for some other country or countries. There have, for example, been indications that the Japanese Government, with a present share of 5-1/2%, would be prepared to accept a larger share if its voting power in IDA were increased accordingly.

11. It is quite clear that to embark on any extensive revision of the percentage shares contributed by the various governments would be extremely dangerous for the success of the negotiations. The United Kingdom Government, for example, has indicated informally that, while they might accept some reduction in the French share, if there were to be changes in the shares of any other important contributors, they would be compelled to press their claim for a reduction in the UK share which is already disproportionately large. It is likely that a similar attitude would be adopted by other countries. The whole scale of contributions would thus be thrown into the melting pot and a prolonged delay in reaching agreement would result.

12. It can be seen that the French Government could very easily provide a major stumbling block to the success of the Third Replenishment negotiations. It is, therefore, suggested that an attempt be made to convince President Pompidou that the French Government should accept a high level for the Third Replenishment of IDA, on the order of \$1 billion annually, provided that the US Government agrees to use its best endeavors with the other contributing governments to secure some reduction in the French share, a reduction to be offset by increases in other shares.

CLERON  
689/2/9

January 22, 1970

Dear Mr. MacRostie:

Mr. McNamara has just returned from a trip to East Africa and has asked me to respond to your letter of January 8.

Since Mr. McNamara is now associated with an international organization, he feels it is inappropriate for him to become involved in matters concerned with his previous responsibilities at the Defense Department. For this reason it will not be possible for him to accede to your request.

Sincerely,

(Miss) Margaret S. Stroud  
Secretary to Mr. McNamara

Mr. Thomas A. MacRostie  
Chairman, Political  
Research Organization  
Occidental College  
Los Angeles, Calif. 90041

Chen  
489/2/8

January 22, 1970

Dear Mrs. Wilson:

You have asked whether I would be willing to permit the National Kidney Foundation to list my name as a member of your "Honorary Committee."

I am happy to do so.

Sincerely,

Robert S. McNamara

Mrs. J. Randolph Wilson  
President  
National Kidney Foundation  
1145 - 19th Street, N.W.  
Washington, D. C. 20036



*Chen*  
489/2/7

January 22, 1970

Dear Mr. McKinney:

Mrs. McNamara and I will be happy to loan "Reclining Figure" for the Henry Moore exhibition and you may refer to our name in the catalogue.

Do you wish for us to arrange for the shipment of the bronze to New York, and if so, whom would you recommend in Washington for this purpose?

Sincerely,

Robert S. McNamara

Mr. Donald McKinney  
Vice President  
Marlborough-Gerson Gallery Inc.  
41 East 57th Street  
New York, N. Y. 10022

489/2/6

1. Egypt became a member of the World Bank in 1945 and, in accordance with the Bank's Articles of Agreement, since that date has been eligible to borrow from the Bank. In the intervening 24 years, the Bank has made but one loan to Egypt.
2. The Bank, in 1956, was forced to withdraw its intended participation in the financing of the Aswan Dam which had already been publicly announced. This action, which in spirit, if not in fact, came close to a violation of the Bank's Articles, led to a break in relations between the Bank and Egypt.
3. In more recent years, the Bank has been unwilling to lend to the UAR because of the UAR's default on its international debts and because of the UAR's unwillingness to conform to the Bank's requirement that, under such circumstances, the debtor demonstrate a willingness to negotiate a reasonable settlement of such debts.
4. In June 1968, after consultation with Dean Rusk, Bob McNamara informed the UAR that he would be willing to visit Cairo if they wished him to do so -- there was a clear indication that an invitation from the UAR for such a visit would imply a willingness to proceed with the settlement of arrears on their international debts, particularly the debt held by the U.S. (the UAR had settled some of the arrears prior to June 1968; arrears still outstanding at that time totalled approximately \$72 million in principal and \$15 million in interest, including \$42.8 million in principal and \$8.6 million in interest owed to the U.S.). The UAR quickly responded with a request that McNamara come to Cairo for meetings with Nasser and the members of his Cabinet.
5. During McNamara's discussions in Cairo, Nasser and his Ministers stated they had made considerable progress in moving toward debt settlements with a number of countries and they were anxious to begin negotiations with the U.S. McNamara urged the Egyptian Government to push forward with these negotiations on all fronts. Upon his return to the U.S., McNamara informed the U.S. Government of Nasser's position.
6. Beginning in September 1968, during the meeting in Washington of the Governors of the World Bank and the International Monetary Fund, representatives of the UAR began a series of discussions with representatives of the U.S. relating to debt settlement. By means of offers and counter-offers, the UAR reached a point where, in December 1969, it submitted to the U.S. an offer of settlement that differed in only minor respects (a six-month delay in starting of payments and an approximate \$1 million difference in first-year payments) from the latest U.S. proposal. Further, the UAR offer to the U.S. represented a substantial advance over the offers which it had made to other creditors and on the basis of which it has to date settled approximately \$185 million of claims which such nations as Federal Republic of Germany, United Kingdom, France, Italy, and Japan, representing all arrears other than those owed to the U.S.
7. Under these circumstances, the World Bank is forced to conclude that the UAR has now met the Bank's requirement for debt settlement and is eligible to borrow from the Bank Group. A \$26 million IDA credit to the UAR has been under study by the Bank for some time. It would be used to expand agricultural production on 986,000 acres, affecting the lives of about 250,000 farm families and would yield an annual economic return of 18%. There is every reason to believe the project would contribute significantly to the development of the country. The Bank does not believe it can continue to withhold this project from consideration by the Executive Directors.

489/2/5

January 19, 1970

Mr. David T. Button  
Box 322, Pinewood Road  
Guilderland, New York 12084

Dear Mr. Button:

Mr. McNamara has received your letter in which you requested information on the TFX program. He regrets that it is not possible for him to comply. Since becoming President of the World Bank, he deems it inappropriate to comment on matters of a military nature.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

489/2/70

Tanzania - January 1970

1. With but 5% of secondary age children in school today, how will they deal with the other 95% three decades from now?
2. The stated results of the Nordic experiment in adult literacy education are impressive: ability to read and write in 3 to 6 months of two or three 1-1/2 hour sessions per week (i.e., 60 to 120 hours of instructions) using, in part, secondary school students as teachers.
3. The orientation of the students and faculty of the University was typified by the fact that the law school has 300 students and the agricultural school, recently started, 30. The agricultural school, 10 years from now, is expected to have an enrollment of 300. The only question asked by the chairman of the student body was whether we would finance such "advanced types of instruction" as "pilot training."
4. Apparently, the orientation of much secondary school education is similarly ill-adjusted to the country's needs: we were told that 61% of the students of the Nordic pilot-model secondary school passed the "Cambridge" university entrance exams.
5. The "self-help" philosophy, in word and deed, expressed by the people of Soza village who had built their own school, dispensary, well, etc., was quite impressive, apparently a reflection of Nyerere's Aruba declaration of 1967. Similarly, the obvious air of austerity and "dedication to work" of the ministers was unique. How far and how deep these attitudes extend is not clear.
6. The words "rural development" and "Ojaama village" are on everyone's tongue (as they should be with Dar doubling in population every seven years), but so far it seems more talk than action.
7. Nyerere: "We have the ideas; we need the people; we can get along with ideas without substance for perhaps another three years; beyond that, the ideas will boomerang unless they are translated into a program of action. We must put an economic N.C.O., as well as a defense N.C.O., into each village or group of villages. If we want our ideology to be an instrument of social change, we must put substance behind the words."
8. Nyerere: "Tanzania is stronger politically than Kenya or Uganda and therefore it can take action, both in relation to internal economic development and to the EAC, which the other two nations cannot."
9. Re "small holder agriculture": 2 million farmers, tilling on the average 2 acres each, are serviced by 1700 cooperatives whose peak seasonal borrowings total \$4 million. Obviously, the Ojaama village, agricultural extension service, and agricultural financing have far to go before they affect the majority of farmers and achieve optimum yields.
10. The Minister of Agriculture; Director of Tourist Corp.; and Agricultural Credit Bank appeared very weak.

### East African Community

1. A unique experiment (200,000 employees, including 45,000 in the railroad corporation, 60,000 in the community, and 4,500 in the airline; a total of \$3 billion in operating assets) needing and deserving our support.

2. Those associated with it state it is stronger today than 2 years ago, but it suffers from lack of a constituency: the Ministers of each partner-state quarrel over the division of "spoils"; without the strong support of the three Presidents it would not have progressed as far as it has. Whether they and their successors will continue to support it in the future as it faces increasingly complex questions (e.g., industrialization) is not certain. Headquarters office facilities in Arusha might help freeze its shape and may, therefore, warrant our assistance.

3. The Ministers, Secretaries General, and Chairman of Corporate Boards differed widely in ability: Minister of Communications Malacela (Tanzania) and Minister of Finance Ouko (Kenya) were bright, able, articulate, decisive; Minister of Marketing and Cooperatives Dr. Babumba (Uganda) was stupid, vacuous, and ineffective. Almost universally the representatives from Uganda were a second-class lot.

4. The Community has yet to adopt an industrialization policy or program. Decisions regarding particular industries for particular countries are, as reported by the Ugandan Permanent Secretary, handled by a "barter" process.

### Uganda

1. Obote: I saw him under unfavorable conditions: he was recovering from an attempt on his life which put a bullet through his teeth and tongue. But discounting this, he is not nearly as bright, articulate, or charismatic as Nyerere; somewhat pretentious (e.g., the Dr. before his name on the photographs which abound in Kampala represents an honorary degree from Long Island University); not always candid (he alleged that it was Parliament, "over which he had no control", which was holding up action on the railroad loan); and somewhat autocratic (while professing his support of democracy, he has detained five former cabinet ministers since 1966, and, during our stay in Kampala, he released a list of names of 26 new detainees including two former ministers). He is less strong politically than Nyerere, but part of the difference in power reflects tribal differences between the two countries: the Bugandese remain a strong, dissident force. He is not one of the most outstanding political leaders of the developing world.

2. In contrast to Obote, who appeared not unfriendly toward me and the Bank, most of his ministers (particularly the Minister of Planning, Minister of Agriculture, Agricultural Permanent Secretary, and Vice President) were uncooperative, quarrelsome, carpishly critical, and unappreciative of Bank support.

3. The Ministers were an unimpressive group: ill-informed, long on complaints and generalities, and short on practical plans and action. Rarely did they disclose or admit their own deficiencies. For every problem they came back to one cause: a failure of the Bank.

4. It is clear that we have allowed too many complaints (unwillingness to finance an asphalt road-surface; insistence on a 7¢ tea levy; unanswered requests, over a six-year period, for agricultural credit; long delays in processing the tobacco project; unanswered questions as to whether we will support the tea, livestock, and Development Corporation projects, etc.) to fester too long. We must meet their complaints and answer them once and for all.

5. The Agricultural Minister (Kakonge) is young and headstrong: "We must pour money into agriculture; perhaps without complete study; the Finance Minister appeared friendly but weak professionally.

6. The government was aware of and concerned about the flow of people to the cities, but had no program to stem it.

7. Their behavior illustrated that socialization, while acceptable philosophically, imposes severe penalties, as an alternative to private enterprise, if it substitutes civil servants, with little sense of economics, for shrewd, aggressive, Asian entrepreneurs.

8. The Foreign Minister, one of the most perceptive officials said:

a. They could see the Arab-Israeli conflict coming to their borders via the Sudan. Khartoum wanted to create a triumvirate of UAR, Libya, and the Sudan; Israel, in retaliation, would try to keep the Sudan in a turmoil by supporting the southern blacks against the Arabs of the north.

b. The Arabs of the Sudan are contemptuous of the blacks, holding them in psychological slavery.

c. Before the war in the Congo, it was a bigger market for Uganda than Tanzania; he would like to see the Bank finance roads to link the two countries to expand trade.

9. The Vice President emphasized that Obote's "The Common Man" stated "economic power has yet to be transferred into the hands of the citizens." Therefore, he said, the citizens want to avoid foreign control of industry, including tourism. I replied economic investment need not carry with it political power. Their attitude on this point is handicapping their development.

10. They exhibited a very low level of entrepreneurial sense: a) Complaining of high prices for electrical power, they blamed the problem on the Bank which had insisted that the power price be raised to cover costs plus a reasonable profit (presently 9%); later they admitted that the site was inherently high cost, fixed investment was excessive, and 1/3 of the power was sold to Kenya at 20% of the average cost. b) The textile plant requires 100% protection on 65% of the added-value and no one had thought to ask why. c) The Chief Accountant of the Development Corporation could not hazard a guess as to the percent of long-term capital supplied by the Corporation to their 35 subsidiaries.

11. They lack a clear-cut definition of the role of the public vs. the private sector in industrialization. Mehta says it is a time of political rethinking of roles.

12. There is clearly a lack of local entrepreneurship -- another point emphasized by Mehta.

13. It was sad to leave Uganda, a potentially rich agricultural land, with such a feeling of despair over the incompetence of the government and the future of the country -- a feeling more than confirmed later that day by Mackenzie who said the government was not only incompetent but shot through with corruption. He related several instances (sale of jobs; granting of coffee quotas, etc.) involving the President, Ministers, and others. He added: The Vice President is frequently drunk; the Finance Minister is a Bugandese stooge afraid of his shadow; The Agricultural Minister was caught in bed with a corporal's wife and his skull was creased by a shot from the corporal; and Obote had conspired with the Red Chinese to fun guns into Uganda, through Tanzania (and lied to Kenyatta when caught in the act), both for internal use and to export to dissident rebels in the Congo. In sum, Mackenzie stated Obote and his government are so corrupt they can only go from bad to worse.

Dr. Leakey

1. "Nyerere is charming but neither a politician nor a statesman. During the first two years of his presidency he devoted himself to translating Julius Caesar into Swahili (an excellent translation)."

2. "Tanzania has two armies, one run by Canadians and one by Chinese; one day they will clash. Nyerere is worried to death by this but he finds it too late to take action."

3. "Because he is a poor politician, Nyerere has introduced 'crazy laws' which are arousing opposition; e.g., males without underpants under their outer garments will be arrested because tourists may laugh when taking pictures."

4. "Uganda is beginning to settle down. Obote is handling the situation fairly well, and, barring unforeseen developments (e.g., an assassination), the situation will improve."

5. "For 2-1/2 years the communists in Tanzania have tried desperately to cause trouble in Kenya (e.g., they put a youth with compromising papers in a car with Odinga, who was cooperating, sent it across the border believing it and the occupants would be impounded by police and that this would touch off a riot by Odinga's supporters who had been alerted).

6. "Mboya's murder was instigated by the communists who chose a man with a personal grudge against Mboya to do the job."

7. "Kenyatta dares not choose a Kikuyu as a successor. Instead, he has decided he should be followed by a President (Vice President Moi) and a ruling triumvirate." (Leakey doubts Kenyatta's death will be followed by a Luo outbreak because the "Establishment" of both main tribal groups has witnessed the economic penalties tribal wars have imposed elsewhere in Africa and they do not themselves wish to suffer the penalties in Kenya.)

8. "Most peasant agriculture is dominated by women who dislike taking instructions from men, and therefore women agriculturalists should be trained in the universities."

9. "The proportion of the slum population in Nairobi today is not greater than in colonial days" (but he agreed the tolerance was less).

10. "Much of economic life in Africa continues to be affected by the concept of the 'extended family'."

### Kenya

1. The Planning Minister emphasized that the Bank's insistence on a five-year program was the strongest lever he had for pushing toward creation of a five-year development program for Kenya.

2. The Planning Minister stated unemployment was the most serious problem faced by Kenya (note the facts and projections re Nairobi: 1970 population 500,000 doubling in 10 years; current labor force 205,000, of which 60,000 or 30% is unemployed; squatters total 60,000 now, will be 175,000 in 1980 and 1,000,000 in 2000).

3. The leadership of the economic and political institutions depends on expatriates to a far greater degree than I had realized (recall the meeting in the Mayor's office or the meeting with Bruce's department heads at the livestock project) and yet Africanization is a political necessity (recall Leakey's statement that he could bring in Dr. Chalmers only if he agreed to replace him with an African in 2 years; the staff of the sugar factory; Bruce's 2-year extension; and Robin's estimate of the time remaining to Owens as no more than 3 years) -- a combination of circumstances that may lead to disastrous setbacks.

4. How can the social and political gains of "small holder" agriculture be obtained without excessive economic penalties: Recall the Ugandan tobacco scheme with 1-acre holdings, a cooperative to finance and buy, and one government agriculture expert per 150 famers; the Kenyan small-holder tea plan, similarly organized with a Government Corporation ( a semi-autonomous institution managed by a board of directors, including business experts, operated without subsidy on a profit-basis with a manager paid more than Ministers) fulfilling the role of the cooperative, owning the plant, buying the product, supplying the farmer with technical assistance, and requiring he follow it; and the Kenyan rice-settlement scheme with tenant farmers without ownership but with the right to till the land (transferable to son) so long as they followed the technical advice of the government project-managers who provided financial and technical assistance.

5. The best-directed agricultural project I have visited in any country was the livestock project at Nykuru directed by Dr. Creek. He and his associates are approaching the problem of adapting feed-lot technology (using maize) to native breeds and peasant agriculture with a combination of theoretical economics, veterinary science, Nebraska farm skill, and entrepreneurial sense which is unique. Creek himself was bright, articulate, imaginative -- he would be an excellent addition to the Bank. The outlook for the project is very favorable if the non-uniform native breeds can fatten at rates even half that realized on more uniform breeds and if they can overcome the hygiene problem; prospects are good on both counts.



6. The current census is showing Kenya's population problem to be worse than they anticipated (probably 3.4% growth per year). They have no effective program to deal with it, but at least they are concerned and searching for a solution. No government official was willing to even discuss the subject in Uganda.

East Africa

1. In sum, the combination of tribalism, population explosion, rising expectations (fueled by the communications revolution), and accelerating Africanization assure an unstable political foundation for economic development during the next decade.

489/2/4

January 9, 1970

Subscription Service Office  
SKIING  
Portland Place  
Boulder, Colorado 80302

Gentlemen:

Please note that Mr. Robert S. McNamara's  
address is no longer Department of Defense.  
SKIING Magazine, which has been going to that  
address, should be sent to The World Bank,  
1818 H Street, N.W., Washington, D.C. 20433.

Thank you for your cooperation.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara

489/2/3

January 6, 1970

Dr. Walter Orr Roberts  
NCAR  
Boulder, Colorado 80302

Dear Dr. Roberts:

When Margaret and I arrived in Aspen at Christmastime we found "The Mountain of My Fear" awaiting us. It is a beautifully written, gripping story. You must be very proud of a son who could write with such sensitive insight into both men and mountains.

Many, many thanks for your thoughtfulness.

Sincerely,

Robert S. McNamara

489/2/2

January 5, 1969<sup>70</sup>

Dear Dr. Brown:

Mr. McNamara has asked me to tell you that he leaves tomorrow on a ten-day trip to East Africa and unfortunately will not be able to attend the Cal Tech meeting on January 12.

Happy new year!

Sincerely,

(Miss) Margaret S. Stroud

Dr. Harold Brown  
President  
California Institute  
of Technology  
Pasadena, Calif. 91109

489/2/1

January 5, 1970

Mr. Thomas Herterich  
3739 Linda Vista Drive  
San Marcos, Calif. 92069

Dear Mr. Herterich:

Mr. McNamara has received your letter in which you requested information for use in a term paper. He regrets that it is not possible for him to comply. Since becoming President of the World Bank, he deems it inappropriate to comment on matters of a military nature.

Sincerely,

(Miss) Polly Yates  
Secretary to  
Mr. McNamara