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Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

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Washington, D.C.

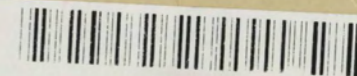
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PUBLIC DISCLOSURE AUTHORIZED

McNamara Papers

1977 (Nov.-Dec)

THE WOODS BOND GROUP
Archives



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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 63

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WBG Archives

493/3/396

DEC 23 1977

Dear Mr. Chairman:

Thank you for your letter of December 12, 1977 enclosing correspondence from Mr. Tom Breed, President of Trans World Mercantile & Development Corporation in Honolulu.

Neither the World Bank nor its affiliates have made any loans for housing in Barbados. I have checked with Caribbean Development Bank and the Inter-American Development Bank. They have not made loans for this purpose either.

During a conference on the Caribbean held in the World Bank last week, the possibility of external financing for low-cost housing was raised informally. However, to date there has been no formal negotiations with us to finance such a project.

I will be happy to keep you informed of any future agreement with Barbados for a low-cost housing project.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

The Honorable
Daniel K. Inouye
United States Senate
Washington, D.C. 20510

PRiddleberger:apz

493/3/395

DEC 23 1977

Dear Ray:

Thank you for your letter of November 21, with its information about a conference which the Center will be holding on Mexico from March 2-4 next year.

My own schedule would not permit me to take part but I would recommend D.R. Clarke, who was a senior member of the Jamaican Government Service and now works in External Relations in the Bank. He would be available if you wished and could I feel make a useful contribution.

I appreciate your thinking of me and of the Bank.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

WDClark:sf

493/3/394

December 23, 1977

Dear Minister Ushiba:

I am sorry I was out of the office when the Japanese Embassy called to try to arrange a meeting between us during your recent visit to Washington. I understand you would like to receive from me my estimate of possible co-financing by Japan of World Bank projects. I believe the Bank could handle up to \$1 billion a year in additional concessional funds from Japan through co-financing mechanisms. Such a program would be a source of encouragement for world development and at the same time help achieve two objectives recently announced by your government: 1) to substantially expand financial assistance to the developing countries; and 2) to correct current imbalances in Japan's international payments position.

Your government's decision to untie aid funds as part of its eight-point balance of payments program is an important step in this direction. With untied funds, Japan could quickly share in the financing of high priority projects that the Bank has already identified or appraised and which it would have responsibility for supervising on a day-to-day basis. By such joint financing Japan could disburse increased aid funds efficiently and rapidly and at the same time improve coordination and promote the more effective use of all external resources for borrowing countries.

A major initiative by Japan along these lines would contribute to adjustment and healthy expansion in the world economy. If the Government of Japan would be interested in considering a large co-financing program with the World Bank as part of its new foreign aid and international adjustment measures, either I or one of my senior associates would be pleased to explore how the Bank could facilitate matters, in Tokyo or Washington, at your convenience.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Nobuhiko Ushiba
Tokyo, Japan

RMcN:bmm

cc: Mr. Knapp
Mr. Cargill

(Delivered via Mr. Murayama)

493/3/393

DEC 21 1977

Dear Halfdan:

Thank you for your letter of December 13, with its kind invitation to the meeting of governments and agencies co-operating in the Special Programme for Research and Training in Tropical Diseases, to be held on February 1 and 2 in Geneva. I should like to be present but it will not be feasible for me to go to Europe at that time. The World Bank will be ably represented by Dr. James Lee, and I shall be receiving a report on the meeting from him. I have, however, been thinking for some while that I should sit down with you at some time convenient for both of us, so that I might become more familiar with the full scope of WHO activities and so that we might together consider how the work of each organization might better reinforce the work of the other. I hope to be able to follow up on this before very long.

I understand that Dr. Flache and some of his colleagues had a useful discussion with Bank staff last week on arrangements for discharge of the Bank's fiscal agent role. I am pleased that matters are progressing satisfactorily, and I hope that the meeting with current and proposed contributors to the Special Programme will prove most successful.

With kind regards and Season's Greetings,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Dr. Halfdan Mahler
Director-General
World Health Organization
1211 Geneva 27, Switzerland

December 19, 1977

SEBoskey/rob

cc: Dr. Lee (w/cc: of incoming)

493/3/392

DEC 21 1977

Dear Sayed El Din Mustafa:

I am writing to congratulate you on the occasion of the award to you by President Nimeiry of the high honor of the Order of the Devoted Son of the Sudan in recognition of your contribution towards the execution of the Rahad Irrigation Project. I wish equally to share with you, the joy and happiness that comes with this well-deserved honor.

May I also take this opportunity to wish you the compliments of the Season and a Happy New Year.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Sayed Nasr El Din Mustafa
Minister for National Planning
and Governor of the Bank
P.O. Box 2092
Khartoum, Sudan

EBWakhweya:bb
December 19, 1977

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

493/3/390

DEC 19 1977

Dear M. Cheysson:

I wish to thank you for your letter of November 29, 1977, concerning the Afgoi-Baidoa Road and Mogadishu Port projects in Somalia.

We have once again reviewed your proposals to assist in the financing of the settlement of disputes with contractors under the above projects. We are, of course, fully conscious of the importance of settling these claims as rapidly as possible. However, we have found no new arguments or facts which should cause us to change the conclusions to which we had previously come and the reasons for which I had conveyed to you in my cables dated July 13 and September 12, 1977. Any supplementary financing for cost overruns would have to be diverted from other projects in the pipeline and could not be additional in view of the scarcity of highly concessionary IDA funds. Under our credit agreements, the contingent responsibility for the funding of cost overruns always rests with the borrower. It also is his responsibility to carefully assess and negotiate any claims submitted by contractors. In the circumstances, we do not consider it beneficial to Somalia if we were to divert IDA funds from new projects to the financing of cost overruns. Members of my staff have fully discussed the implications of such actions with representatives of Somalia. We do hope, however, that Somalia will, with your willingness to assist, be in a position to settle the disputes in due course.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

M. Claude Cheysson
Commissioner of Development
European Communities
200, Rue de la Loi
1049 Brussels
BELGIUM

cc: for Mr. McNamara's Office (2)
Cleared with & cc: Messrs. Tolley, Bickers, Fontein, Kathuria, Mead
cc: Messrs. Please, Adler, H., Cacho (Somalia)

WAWapenhans:rs
December 14, 1977

493/3/389

DEC 19 1977

Dear Ambassador Al-Sudeary:

I write to congratulate you on your appointment as the first President of the International Fund for Agricultural Development, and to welcome IFAD to the ranks of the Specialized Agencies of the United Nations. I am confident that the cordial and cooperative relationship which was established by the Bank and the Preparatory Commission of IFAD will continue, for the benefit of the developing countries of our membership.

With kind regards and New Year's greetings,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ambassador Abdelmuhsin Al-Sudeary
President
International Fund for Agricultural
Development
Via delle Terme di Caracalla
00100 Rome, Italy

December 19/1977

SEBoskey/rob

cc: Mr. Knapp/Mr. Hornstein
Mr. Yudelman

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

493/3/385

DEC 19 1977

Your Excellency,

I wish to thank you for your letter of December 7, 1977 and would like to extend my congratulations and good wishes to you upon your accreditation as Ambassador Extraordinary and Plenipotentiary of Finland to the United States of America. I am particularly grateful for the gracious offer of the assistance of your good offices in questions relating to activities of the World Bank in Finland, and to questions relating to Finland. I look forward to calling upon you for assistance in such instances as the need arises.

I take this opportunity to likewise extend an invitation to you to call on us in questions relating to the World Bank.

I have the honor of your acquaintance.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Jaakko Iloniemi
Ambassador
Embassy of Finland
1900 24th Street, N.W.
Washington, D.C. 20008

cc: Mr. Benjenk

DJSteel:cg
December 16, 1977



Record Removal Notice



File Title President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 63	Barcode No. 1771950
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Document Date December 16, 1977	Document Type Memorandum
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Correspondents / Participants
 To: Mr. Khelif
 From: Robert S. McNamara

Subject / Title
 Recruitment of Mr. Rachid Hassam, from Algeria.

Exception No(s).

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Reason for Removal
 Personal Information.

Additional Comments

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Withdrawn by Shiri Alon	Date Nov 19, 2012
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493/3/383

DEC 16 1977

Major-General J.J. Oluleye
Commissioner for Finance
Federal Ministry of Finance
FMB 12591
Lagos, Nigeria

Dear General Oluleye:

I would like to express, once more, my appreciation for the opportunity which was afforded me through the invitation of your Government to visit Nigeria for the second time. I am grateful for the many efforts which must have been made in assuring the success of my visit and also, for the very useful discussions which I had with you and the various key officials of your Government.

As I stated in my discussions with you and your colleagues, the Bank values its relations with Nigeria and regards it as one of a partnership. We particularly appreciate the support Nigeria has given the Bank over the years. Similarly, the Bank has always held itself ready to respond to Nigeria's needs, in support of its economic development efforts.

My recent visit did provide me with an invaluable opportunity to assess first hand the magnitude of the tasks confronting your Government and also, to form an impression of the likely areas in which the Bank could be of greater assistance in support of your Government's efforts to achieve its development objectives.

Obviously, there are no easy solutions to the many urgent problems requiring attention in a country as large and diversified as Nigeria, and consequently, the need for external assistance on a substantial scale is equally apparent. As the leading agency for long-term concessionary financing, it is reasonable for Nigeria to continue to look to the Bank as a major source for the assistance it requires in support of its development efforts.

We have noted your Government's interest in an expanded program of Bank assistance and, in particular, for an annual level of commitment of about US\$500 million to support its projected requirements under its Third Development Plan (1975-1980). As I stated in our discussions during my recent visit, this is an objective towards which we should work, but it will require time to establish an adequate pipeline of projects to meet your requirement. I am happy to inform you that a number of missions are presently being scheduled to visit Nigeria over the next several months, in order to identify suitable projects that may be considered for assistance

and hope that we could count on the cooperation of you and your colleagues in this regard.

I would, however, like to emphasize the importance the Bank attaches to the various issues discussed in our draft Report No. 1690-UNI entitled "Nigeria: Recent Economic Developments and Short-Term Prospects" dated July 27, 1977 and which, I believe, clearly suggests the need for the Bank and Nigeria to collaborate more closely in the area of macro-economic and sector policies, in order to achieve a more balanced economy and long-term growth prospects.

I was particularly encouraged to learn of your Government's positive reaction to the broad recommendations made in the draft Report and, in particular, of the various steps already being taken to implement its recommendations.

We would also shortly be reviewing with the officials of your Ministry and those of the Federal Ministry of Economic Development and Planning, a suggested economic program in support of your Government's planning and policy-making needs.

While we are intensifying our efforts to identify suitable projects that could form the basis of our program for the next two to three years, it would seem equally important to keep under constant review, the status of those projects for which considerable work has already been done with a view to lending in the current fiscal year. A project to assist the Nigerian Industrial Development Bank (NIDB) with a possible loan of US\$50 million has already been identified and would be appraised in January 1978, with a view to Board presentation later in June this year.

The negotiation of a proposed loan of US\$29 million to assist with oil palm development in Rivers State has been delayed because of problems related to the acquisition of land required for the development of a nucleus estate, which is a prerequisite for loan negotiations. However, I am pleased to hear that progress is now being made with regard to this issue and I hope that our target of loan negotiation in March can be met. Processing of the Bida Agricultural project for food crop development in Niger State and for which a proposed loan of US\$20 million is envisaged has encountered difficulties at the State level where no provision has been made for either the inclusion of the project in the State Development Plan or, the provision of the required State counterpart funds. We understand the Federal Commissioner of Agriculture has written to the Niger State authorities and we hope to hear of positive response in the near future. We are pleased that the Bank and the Federal Government agree on the scope and content of the proposed Agricultural Management Training Institute which was appraised in February/March 1977 and for which

US\$6.5 million is proposed. However, it is important that an early decision on the location of the institute and the appointment of management consultants be made soon, both of which are prerequisites for loan negotiation scheduled for April 1978.

I do hope that early progress would be made in resolving the outstanding issues relating to these projects so as to facilitate their further processing and submission to our Board of Executive Directors for consideration within the current fiscal year as scheduled. I believe that your officials and ours will need to monitor progress on all future projects closely, on the basis of a realistically prepared timetable, if the expansion of our program is to materialize as quickly as we both wish.

I would also like to refer briefly to the question of late service payments on Bank loans which has increasingly become an issue of some concern and to express my appreciation for your personal intervention in expediting payments of the various amounts which were very much overdue up to the time of my visit. In accordance with the provisions of our Statutes, it is mandatory to report to our Board of Executive Directors, all delays in excess of thirty days. Such reports are taken extremely seriously, in view of their possible implications for the Bank's continued ability to raise much needed funds from the World Capital Markets. This issue has been discussed on a number of occasions with the officials of your Ministry and, as the delays experienced so far in receiving service payments would appear to stem mainly from administrative and procedural factors, you may wish to give some thought to possible ways in which your existing procedures could be streamlined, so as to facilitate future payments on a more timely basis and obviate the embarrassment often associated, all round, from a delay in making such payments.

Let me assure you once more, Mr. Commissioner, that the Bank attaches every importance to your Government's request for an expanded program of assistance and that steps are already being taken to respond to this need. The realization of the program envisaged would no doubt entail substantial staff input both on your side and ours. However, with the necessary cooperation at all levels I am fairly confident that we will be able to achieve our common objective in meeting your expectations.

Finally, I would like to extend to you and Mrs. Oluleye, my personal thanks and those of Mrs. McNamara for the very warm hospitality extended to us during our visit to your delightful country.

Major-General J.J. Oluleya

- 4 -

With hopes and best wishes for your continued well being and success.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

c.c. H.E. Olujimi Jolaoso
Ambassador of Nigeria to the
United States

Cleared w/& c.c. Messrs. Chaufournier, Gue, Koch-Weser

c.c. Messrs. Thalwitz, Van Gigch, Pouliquen, Thahane

c.c. for Mr. McNamara's office (2)
December 14, 1977

PTaylor-Lewis:js

R. McK. Chason

493/3/382

DEC 16 1977

H.E. Lieutenant-General Obasanjo
Head of State and Commander-in-Chief
of the Armed Forces
Federal Republic of Nigeria
Lagos, Nigeria

Your Excellency:

I would like to take this opportunity to express, once more, my deepest appreciation and gratitude for the opportunity afforded me, through the invitation extended by your Government, to visit Nigeria for the second time.

Coming at the time it did, my recent visit provided me with a valuable opportunity to assess first-hand, the magnitude of the problems involved in your Government's efforts to realize the many objectives of its current Third Development Plan and also, the likely areas in which the Bank could be of additional assistance to Nigeria.

In congratulating you on the results you have been able to achieve so far, I would like to assure you that, as one of its important members, Nigeria could continue to count on the support of the Bank in its efforts to further the economic development of its people. The Bank is proud to have been associated with Nigeria's economic development efforts and equally grateful for the strong support it has received from Nigeria over the years.

We have noted your Government's interest in an expanded program of assistance from the Bank that would provide for an annual level of commitment in the order of US\$500 million. As I stated in my discussions with the Commissioner for Finance and later reiterated in our discussions, it is evident that Nigeria would require external capital inflows on a substantial scale to supplement its domestic resources, if the many development objectives of your Government are to be realized. Accordingly, we do not consider your Government's request for an annual commitment of US\$500 million as an issue, even though it is doubtful that this level could be achieved quickly, in view of the dearth of adequately prepared projects in the Bank's current program for Nigeria.

It is against this background that I have suggested that immediate steps be taken to build up an effective pipeline of projects that would provide for a long-range program of assistance and over the next several months a number of Bank staff would be visiting Nigeria to discuss and agree with your officials on a program along these lines.

I was happy to note that we were in complete agreement with regard to the likely areas in which the Bank could continue to play an effective role in support of your Government's development efforts and encouraged to learn of the priority which your Government attaches to agriculture and rural development. It was also reassuring to hear that your Government considers the assistance which the Bank has been extending to this sector, as being both valuable and worthwhile. Let me assure you that the Bank will continue to attach every importance to its program of assistance to the agricultural sector which, as Your Excellency puts it, represents development at the grass roots and does not involve the uprooting of people from their natural habitat. It is my considered belief that if we succeed in improving the levels of productivity, incomes and living standards of the masses in the rural areas, then we would have gone a long way in making an effective contribution towards the overall economic development efforts of Nigeria.

The Bank's objective in relation to the industrial sector is similar to that in agriculture and will be directed at spreading the benefits of Bank assistance through employment opportunities, preferably among the lowest income groups. Consequently, while we are prepared to treat, as an exception, support for the proposed fertilizer project because of its linkages effect and relevance for agriculture, we would find it difficult to justify Bank assistance for projects which are capital intensive and are not sufficiently employment generating. Accordingly, the Bank would be particularly interested in assisting with the development of small scale industries because of the significant contribution it could make towards Nigeria's long-term industrial development efforts through its employment-generating potential. In assuring you of continued Bank support for the Nigerian Industrial Development Bank (NIDB), which we regard as playing a useful role, it is nevertheless doubtful that Nigeria would be able to mobilize the resources needed to provide employment on the scale envisaged, on the basis of NIDB's current investment cost of N 40,000 per job created. It would therefore seem necessary to develop an additional strategy for the small scale sector which would provide for say, an investment cost of under N 5,000 per job created. Admittedly, this is an area in which the Bank's in-house expertise is limited and for which the creation of new institutions in Nigeria may even be necessary. However, I believe the experience of collaborating in this area would be worthwhile, as indeed has been the case in agriculture, and that the results of our efforts could prove equally rewarding.

As I explained during the course of our discussions, the power sector seems to offer immediate prospects and scope for Bank assistance on a massive scale. We would shortly be reviewing with your officials, the Nigerian Electricity Power Authority's (NEPA) total investment program with a view to assessing the overall needs of that sector, in relation to the resources that could be mobilized through domestic and external sources to

meet such needs. Assuming that we can agree on a balanced program, there would appear to be no reason why the Bank should not be in a position to make a substantial contribution to the power sector, including assistance in support of an expansion of NEPA's generating capabilities.

We would also be prepared to review with your officials, as necessary, possible assistance to other infrastructural sectors such as water supply; transportation (including port and feeder road developments and highway maintenance); education; urban development; and training needs in support of your overall manpower development program. In addition, the Bank has accumulated useful experience through the financing of a number of projects in the social sector in a wide range of geographically dispersed countries and which could prove relevant in Nigeria. Nutrition, population and family planning are examples that readily spring to mind, and we would be prepared to discuss with your officials the possibilities of extending assistance in any of these sectors in the event your Government is so interested and also, assuming we can agree on the various sector objectives to be pursued.

Because of the magnitude and complexities of the many problems requiring solution and, the limited resources, all round, to meet such needs, there would appear to be an urgent need for a clear definition of priorities and also, closer cooperation among the various agencies of Government, in ensuring that their respective programs adequately reflect the limits of total available resources. It is the Bank's primary role to be of service to its members in helping to solve the fundamental problems of development and, where necessary, we would be prepared to assist in the development of such a strategy.

My discussions in Nigeria have also confirmed that there is need for Nigeria and the Bank to collaborate more closely in the area of macro-economic and sector policies, aimed at achieving a more balanced economy and long-term growth prospects. I was encouraged to learn that your Government is in broad agreement with the findings and recommendations of the Bank's economic mission that visited Nigeria earlier in April/May this year, and that various steps are already being taken to implement the mission's recommendations. I do hope we would be able to continue the dialogue already begun on a fairly systematic basis that will facilitate timely solutions to be reached in response to new needs, as and when they arise.

In conclusion, I would like to reassure you that the Bank believes it can continue to play an important role in support of Nigeria's development efforts and is prepared to increase significantly, its program of assistance to Nigeria to a level consistent with your Government's expectations. However, in view of the lead time necessary to build up an adequate pipeline of projects to support the level of commitments envisaged, I would suggest

H.E. Lieutenant-General Obasanjo - 4 -

that priority consideration be given to the development of a long-range program. We expect to move quickly with the development of a program along these lines and hope we could continue to count on the necessary cooperation of your officials in this regard.

With hopes of your continued well-being and best wishes in the coming year.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

c.c. H.E. Olujini Jolaoso
Ambassador of Nigeria to the
United States

Cleared w/& c.c Messrs. Chaufournier, Gue, Koch-Weser

c.c. Messrs. Thalwitz, Van Gigch, Pouliquen, Thahane

c.c. for Mr. McNamara's office (2)

ETaylor-Lewis:js7

December 14, 1977

493/3/381

DEC 16 1977

Monsieur le Président,

De retour à Washington je tiens à vous écrire pour vous exprimer mes plus vifs remerciements pour l'accueil très chaleureux que vous avez bien voulu nous réserver à moi-même et à mes collaborateurs lors de notre récent passage à Dakar.

J'ai été particulièrement heureux de l'occasion qui m'a été donnée de reprendre les échanges de vue intellectuellement très stimulants que nous avons eus à plusieurs reprises sur les problèmes de l'heure, la politique africaine, les aspirations politiques, économiques et sociales de votre pays et ses perspectives de développement.

Nous savons la gravité de certains problèmes économiques et financiers que rencontre actuellement le Sénégal; mais la lucidité de l'analyse que le Sénégal fait de ces problèmes et la détermination dont vous-même et vos collaborateurs entendez faire preuve dans leur examen et leur solution sont le meilleur gage d'espoir et de confiance que nous pouvons avoir en l'avenir de votre pays et le succès de votre politique. Vous pouvez en tout cas être assuré que nous ne manquerons pas d'apporter notre soutien à votre politique de développement dans le cadre des relations de travail très cordiales et harmonieuses qui existent depuis longtemps entre le Sénégal et la Banque Mondiale et qui ne pourront que se renforcer.

Ma femme se joint à moi pour vous exprimer à nouveau nos plus vifs remerciements et vous envoyer tous nos voeux ainsi qu'à Madame la Présidente.

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

(Signed) Robert S. McNamara
Robert S. McNamara

Son Excellence
Monsieur Léopold Sédar Senghor
Président de la République
Dakar, Sénégal

XdelaRenaudière:ja
December 15, 1977

cc: for Mr. McNamara's Office (2), Mr. Gillette, (Mr. Razafindrabe)

TRANSLATION

Dear Mr. President:

On my return to Washington, I would like to express my deep gratitude for the warm welcome you accorded my colleagues and myself during our recent stay in Dakar.

I was particularly grateful for the opportunity to resume our intellectually enriching dialogue on current issues, especially those concerning African political trends and the social, economic and political aspirations of your people and the development prospects of your country.

We are very much aware of the seriousness of certain financial and economic problems that Senegal is now experiencing but the clear and careful analysis Senegal is undertaking of these problems and the determination manifested by you and your colleagues to solve them cause us to hold the utmost confidence in the future of your country and the success of your policies. Rest assured that we will continue to support your development efforts through the very close and constructive working relations which have existed for a long time between Senegal and the World Bank and which could only become stronger.

Mrs. McNamara joins me in the warmest of good wishes to you and Madame Senghor.

Sincerely,

Robert S. McNamara

His Excellency
Léopold Sédar Senghor
President of the Republic of Senegal
Dakar, Senegal

493/3/380

DEC 16 1977

Dear David:

Here is the commentary on the Trilateral Commission report on food production in Asia, which you requested. It has been prepared speedily but thoroughly by Mr. Yudelman, the Director of Agriculture and Rural Development, in conjunction with other interested parties in the Bank.

Monty Yudelman thinks highly of the project and, as you will see in the last paragraph, hopes that the Japanese Government may continue this initiative.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Enclosure

Mr. David Rockefeller
North American Chairman
The Trilateral Commission
345 East 46th Street
New York, N. Y. 10017

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

WDClark:mmh
December 15, 1977

493/3/379

DEC 16 1977

Dear Fred,

Thank you very much for your constructive letter of December 6, offering to help the Brandt Commission.

I have been very careful to keep out of the staffing of the Brandt Commission, so as to preserve its independence of the Bank. But I would certainly urge you to write directly to the Executive Secretary, Professor Goran Ohlin, who at present can be reached at Strandpromenaden 10, S-130-11 Saltsjo Duvnas, Sweden. He is at the moment assembling the staff and a wider range of consultants, and should be interested in your offer of assistance.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. Frederick G. Dutton
1140 Connecticut Avenue, N.W.
Suite 505
Washington D.C. 20036

WDClark:sf

493/3/378

December 15, 1977

Dear Drag:

I was very sorry indeed to get your letter of resignation from the Bank this morning. But I could not help admiring your determination to pursue the course where you felt you could be of most value to the cause of the developing countries.

I know, perhaps better than you realize, how single-minded your devotion to that cause has been, and the Bank also has benefited from it. As you know, I was sorry that you could not put your talents to work in the South Asia region which would have benefited immensely, but I did have great hopes of your Directorship of the Development Economics Department.

But as you know I attach the greatest importance to the Brandt Commission and its report, in which you will now have a large part to play. I hope you will be able to give it of your best, as a sort of climax to your long years of service to development.

With best wishes for a happy, productive future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Dragoslav Avramovic
Director
Development Economics Department
K4000

WDCClark:RMcN:mss

493/3/377

DEC 12 1977

Dear Mr. Ambassador:

In response to your letter of December 5, I will be glad to allow Dr. Haq to visit Islamabad for about a week for consultations with General Mohammad Zia-ul-Haq on the economic policies and programs of the Government of Pakistan. Dr. Haq will be in touch with you shortly to work out a concrete program for his visit towards the end of this month.

Please convey my very best regards to General Mohammad Zia-ul-Haq and my earnest desire to contribute to the economic progress of Pakistan.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Sahabzada Yaqub-Khan
Ambassador of Pakistan
Embassy of Pakistan
Washington, D. C.

cc: Mr. McNamara's Office (2)
Mr. Chenery, Mr. Stern
Mr. Karaosmanoglu
Mr. Haq

MHaq:HBChenery:di
December 7, 1977

493/3/376

DEC 12 1977

Dear Dr. Fordwor:

I am writing to thank you for your attention during my last visit to Abidjan.

I enjoyed the opportunity of discussing with you, your senior staff and the Executive Directors of your Institutions, problems of mutual concern.

I understand that Mr. Chaufournier has already followed up on some of the matters you raised, with your Vice President Mr. Gondwe during his recent visit.

I can assure you that I shall continue to give my personal attention to the further strengthening of the relations between the World Bank Group and your Institutions.

With best regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Kwame Fordwor
President
African Development Bank
Boite Postale 1387
Abidjan, Ivory Coast

RChaufournier:dpl

December 6, 1977

493 13 1375

DEC 12 1977

His Excellency
Mr. A. Musa Camara
Minister of Finance and Trade
Banjul, The Gambia

Dear Mr. Minister:

I should like to thank you for the excellent program you organized for my colleagues, my wife and me during our recent visit to The Gambia. I found particularly interesting the discussions we had on the economic and financial policies of the Gambian Government, and on the role the World Bank should play in assisting your development efforts. I wish to reiterate our desire to strengthen our cooperation with your country and to help mobilize the resources necessary to achieve your development objectives within the framework of the sound financial policies that your Government has always maintained.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

cc: Mr. Gillette

cc: for Mr. McNamara's Office

SO no: jcv
December 6, 1977

493/3/374

DEC 12 1977

His Excellency
Alhaji Sir Dawda Kairaba JAWARA
President
The Gambia

Dear Mr. President:

Upon my return to Washington I wish to thank you for the warm welcome and generous hospitality you extended to me and my associates during our recent visit to The Gambia.

I am very pleased to have had this opportunity to see your country and discuss with you and your Government The Gambia's development objectives and the problems you are confronting in pursuing them.

I was impressed by these discussions, and by the determination and skill with which your Government has been able to promote development, while at the same time following prudent financial policies.

I can assure you that we are ready to promote and strengthen our cooperation with your country and to provide additional support to your development effort. I look forward to a productive exchange of ideas through which we both can learn and in the best way achieve these development goals.

I would like to express my sincere thanks once again for the gracious reception you gave me and my colleagues.

Sincerely,
(Signed) Robert S. McNamara,

Robert S. McNamara

cc: Mr. Gillette

cc: for Mr. McNamara's Office

SOno:jev
December 6, 1977

493/3/373

DEC 12 1977

His Excellency
Mr. M. C. Cham
Minister of Economic Planning and
Industrial Development
Banjul, The Gambia

Dear Mr. Minister:

I wish to express to you how pleased I was with my recent visit to The Gambia and the discussions I had with you and your colleagues on the development objectives of your country and on the Government's investment programs. I have noted with great interest the comments you made on past and future Bank operations in your country, the priority sectors and projects in which you would like us to intervene, and the nature of our cooperation. I want to assure you that we shall make every effort to expand and diversify our lending activities in The Gambia, taking into account the priorities established by your Government.

Finally, I wish to thank you for the most interesting program that was organized for me and my colleagues during our visit. It enabled me in a very short time to get a rather comprehensive view of The Gambia's social and economic environment.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Gillette
cc: for Mr. McNamara's Office

SONo:jev
December 6, 1977

493/3/372

DEC 12 1977

Son Excellence
Monsieur Abdoulaye Koné
Ministre de l'Economie,
des Finances et du Plan
Abidjan
République de la Côte d'Ivoire

Monsieur le Ministre,

De retour à Washington, je tiens à vous écrire pour vous remercier de l'accueil que vous avez bien voulu nous réserver lors de notre récent passage en Côte d'Ivoire.

Mes collaborateurs et moi-même avons été très intéressés par la qualité des entretiens que nous avons pu avoir avec vous et avec les autres membres du Gouvernement. Nous comprenons vos aspirations et vos préoccupations, savons quels efforts ont été faits et continuent d'être faits pour que se poursuivent les succès très remarquables obtenus par la Côte d'Ivoire dans le domaine du développement, et pour notre part restons décidé à vous apporter tout l'appui dont vous pourrez avoir besoin dans l'exécution de cette politique.

Veillez agréer, Monsieur le Ministre, l'expression de ma haute considération.

(Signed) Robert S. McNamara
Robert S. McNamara

cc: Mr. Chaffey

XdelaRenaudière: flm

TRANSLATION

His Excellency Abdoulaye Koné
Minister of Economy, Finance
and Planning
Abidjan, Ivory Coast

Dear Mr. Minister:

Upon my return to Washington I would like to take this opportunity of writing to thank you personally for the very warm reception you extended to my colleagues and me during our recent visit to The Ivory Coast.

My colleagues and I were very pleased with the exchange of views we had with you and the other members of the Government. We understand something of your aspirations and the problems which you face. We know that you will continue to take all the steps necessary to sustain the remarkable success achieved by The Ivory Coast as a developing country. For our part we remain prepared to give you all the help you need in pursuing this path.

With kindest regards,

Sincerely yours,

Robert S. McNamara

cc: Mr. Chaffey

493/3/371

DEC 12 1977

Son Excellence Sékou Touré
Président de la République de Guinée
Conakry, Guinée

Monsieur le Président,

De retour à Washington, je tiens à vous exprimer mes plus vifs remerciements pour l'accueil très chaleureux que vous avez bien voulu nous réserver et l'hospitalité très généreuse dont nous avons été l'objet, mes collaborateurs et moi-même, lors de notre récente visite en Guinée.

J'ai été très heureux de ce premier séjour en Guinée qui m'a donné l'occasion d'apprendre beaucoup sur le pays, la diversité de son économie et le dynamisme de son peuple. J'ai été particulièrement sensible à toutes les attentions que vous avez eues à mon égard, la visite que nous avons faite ensemble de l'important projet minier de Boké et les entretiens au cours desquels vous avez bien voulu me faire un exposé détaillé de la politique économique que vous poursuivez, ce qui m'a permis d'en mieux comprendre les principes et les méthodes.

Je suis également heureux de constater la qualité du dialogue qui existe déjà entre les autorités guinéennes et la Banque Mondiale, et qui a permis d'initier une coopération très fructueuse dans un petit nombre de secteurs prioritaires et augure favorablement de l'avenir de nos activités que je souhaite plus nombreuses et plus variées tant en ce qui concerne leur répartition géographique que sectorielle.

Connaissant maintenant votre pays et ses dirigeants, je ne manquerai pas de suivre avec la plus grande attention les progrès de cette coopération à laquelle j'attache une très grande importance.

Veillez agréer, Monsieur le Président, l'expression de ma haute considération.

(Signed) Robert S. McNamara,

Robert S. McNamara

cc: Mr. Gillette
RRabeharisoa/
XdelaRenaudière:flm

TRANSLATION

His Excellency Sékou Touré
President of the Republic of Guinea
Conakry, Guinea

Your Excellency:

I would like to take this opportunity to express my sincere gratitude for the warm reception and generous hospitality which you provided for my colleagues and myself during our recent visit to Guinea.

This first trip to Guinea provided me with a chance to learn a great deal about your country, the diversity of its economy and the dynamism of its people. I am especially grateful for the thoughtful care which you took in organizing my visit, for our trip together to the important mining project at Boké and for our valuable discussions during which you kindly provided me with a detailed description of your economic policies which has enabled me to better understand the principles which underline your economic and social system.

I was also delighted to note the productive level of communication between the Guinean authorities and the World Bank, which has enabled us to cooperate successfully in a small number of key sectors and which augurs very favorably for future joint ventures which I hope will be broader both in their geographical and sectoral scope.

Now that I have come to know your country and its leaders I will follow our continued productive cooperation with the utmost interest.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Gillette

DEC 12 1977

Son Excellence
Monsieur El Hadj Moussa Diakité
Ministre du Domaine Intérieur,
Justice et Sécurité
Conakry, Guinée

Monsieur le Ministre,

De retour à Washington, je tiens à vous remercier pour l'accueil très chaleureux que vous avez bien voulu réserver à mes collaborateurs et à moi-même lors de mon récent séjour en Guinée, ainsi que pour tout ce que vous avez bien voulu faire pour organiser ce séjour d'une façon particulièrement agréable et profitable.

J'ai été très heureux de ce voyage et de tout ce qu'il m'a permis d'apprendre sur votre pays et sur la politique et les objectifs de développement du Gouvernement et du peuple guinéen sur les succès obtenus et les problèmes rencontrés dans l'exécution de cette politique.

J'ai été particulièrement impressionné par le tour d'horizon que nous avons pu faire avec le Comité d'Etat des activités présentes et futures de la Banque Mondiale en Guinée et sur les secteurs prioritaires auxquels vous souhaitez que nous nous intéressions.

Je suis très sensible à la volonté du Gouvernement guinéen de faire bénéficier toutes les régions du pays et toutes les couches de la population des effets des programmes de développement que vous désirez entreprendre et je peux vous assurer que la Banque a le même objectif et fera tout ce qui est en son pouvoir pour vous aider à réaliser progressivement ce but dans tous les secteurs dans lesquels nous serons amenés à intervenir.

Veillez agréer, Monsieur le Ministre, l'expression de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Gillette

Xde la Renaudière: flm

TRANSLATION

His Excellency
El Hadj Moussa Diakité
Minister of the Interior,
Justice and Security
Conakry, Guinea

Your Excellency:

I would like to take this opportunity to thank you most sincerely for the warm reception which you provided for my colleagues and myself during our recent visit to Guinea as well as for all the preparatory work you carried out for the visit which helped to make it so profitable and enjoyable.

I was delighted that the trip enabled me to learn so much both about your country, its economic policies and the development objectives of the Government and the Guinean people, as well as about the successes and problems encountered in carrying out these policies.

I was especially pleased that we were able to conduct with the Committee of State a comprehensive review of present and future Bank operations in Guinea and of the priority sectors in which you would like the Bank to become involved.

I am very well aware of the Government's wish that all regions of the country and all sectors of the population should benefit from the development programs which you would like to undertake and I can assure you that the Bank shares this wish and will do all in its power to help you to realize this goal in all the sectors in which we become involved.

Sincerely,

Robert S. McNamara

cc: Mr. Gillette

493/3/369

DEC 12 1977

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

Monsieur le Président,

De retour à Washington je tiens à vous remercier pour l'accueil très chaleureux que vous avez bien voulu nous réserver et l'hospitalité très généreuse que vous avez bien voulu nous offrir à moi-même et à mes collaborateurs lors de notre récent voyage en Afrique de l'Ouest.

J'ai été particulièrement heureux de cette occasion que j'ai pu avoir de retrouver la Côte d'Ivoire et de pouvoir évoquer avec vous-même et votre Gouvernement quelques-uns des importants problèmes politiques, économiques et sociaux qui se posent actuellement à votre pays comme à l'ensemble des pays du continent africain. La longue expérience que vous avez de ces problèmes, les succès remarquables que vous avez obtenus depuis près de vingt ans dans l'orientation de la politique de développement de votre pays portent en eux-mêmes un important message sur lequel tous ceux qui participent à l'oeuvre de développement pourront longtemps méditer.

Je n'ai pas besoin de vous redire que la Banque Mondiale fera tout ce qui est en son pouvoir pour soutenir les efforts que vous faites pour que non seulement la croissance économique de la Côte d'Ivoire se poursuive et s'accélère, mais encore pour que les bénéfices du développement soient répartis d'une façon de plus en plus harmonieuse entre toutes les régions du pays et toutes les couches de la population.

Ma femme se joint à moi pour vous exprimer à nouveau nos plus vifs remerciements et vous envoyer tous nos voeux ainsi qu'à Madame la Présidente.

Veillez agréer, Monsieur le Président, l'expression de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Chaffey

XdelaRenaudière:flm

TRANSLATION

His Excellency
Félix Houphouët-Boigny
President of the Republic
Abidjan, Ivory Coast

Dear Mr. President:

Upon my return to Washington from West Africa, I would like to take this opportunity of thanking you for the very warm welcome you extended to my colleagues and me during our recent visit to your country.

I was particularly pleased to be able to visit The Ivory Coast once more to discuss with you personally and your Government the many important political, economic and social issues which are presently of concern both to your country and to many other countries on the African continent. The long experience you have had with these problems and your remarkable success in dealing with them over the past 20 years has in itself set a fine example which all those who share in the task of guiding development policies will long admire.

You may rest assured that the World Bank will continue to do all in its power to support your efforts not only in promoting economic growth in your country but also in ensuring that the benefits of this progress are shared more evenly between the different regions of the country and among all classes of the population.

Mrs. McNamara joins with me in sending to you and to Madame Houphouët-Boigny our most heartfelt thanks and good wishes.

Most sincerely yours,

Robert S. McNamara

cc: Mr. Chaffey

493/3/368

TRANSLATION

His Excellency Ousmane Seck
Minister of Planning and Cooperation
Dakar, Senegal

Dear Mr. Minister:

On my return to Washington, I would like to take this occasion to thank you for the friendly welcome to Dakar and the smooth arrangements made by you for me and my colleagues during our recent trip to Africa.

I particularly enjoyed the discussion we had with you on the morning of November 14th during which we surveyed current and future activities of the World Bank in Senegal. I was impressed once again by the constructive, high quality dialogue which characterizes relations between Senegal and the World Bank; this dialogue has enabled us in the past to increase our common activities across a broad range of economic sectors. It also augurs well for the further strengthening of our ties and intensification of our assistance to the economic and social development of your country in the future.

Sincerely,

Robert S. McNamara

cc: Mr. Gillette

DEC 12 1977

Son Excellence
Monsieur Ousmane Seck
Ministre du Plan et de la Coopération
Dakar, Sénégal

Monsieur le Ministre,

De retour à Washington je tiens à vous remercier pour l'efficace amabilité avec laquelle vous avez bien voulu nous accueillir mes collaborateurs et moi-même lors de notre récent voyage en Afrique et organiser notre séjour à Dakar.

J'ai été particulièrement heureux de l'entretien personnel que nous avons eus avec vous dans la matinée du 14 novembre et du tour d'horizon que nous avons fait des activités présentes et futures du Groupe de la Banque Mondiale au Sénégal. J'ai constaté encore une fois à quel point les relations entre le Sénégal et la Banque Mondiale sont dominées par un dialogue constructif et de haute qualité qui nous a permis dans le passé de développer nos activités communes dans un grand nombre de secteurs économiques variés, et nous permettra à l'avenir de resserrer encore nos liens et d'intensifier notre assistance en faveur du développement économique et social de votre pays.

Veuillez agréer, Monsieur le Ministre, l'expression de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Gillette

XdeLaRenaudière:flm

493/3/367

DEC 12 1977

Monsieur le Président,

Je vous prie de bien vouloir m'excuser de ne pas avoir répondu plus tôt à votre lettre du 29 octobre, par laquelle vous attirez mon attention sur M. Anwarul Haq, l'Ambassadeur du Bangladesh au Sénégal. Mon retard à vous répondre est dû au fait que votre lettre est arrivée alors que j'étais en Afrique de l'Ouest.

Nous nous ferons un plaisir d'examiner la possibilité d'offrir un poste à la Banque à M. Haq, et j'ai demandé au Directeur du Personnel de se mettre directement en rapport avec lui à ce sujet. Soyez certain que nous étudierons la candidature de M. Haq avec le plus grand intérêt.

Je tiens à vous remercier d'avoir porté le nom de M. Haq à mon attention, car la Banque est toujours à la recherche de candidats de valeur.

Je vous prie d'agréer, Monsieur le Président, les assurances de mon profond respect.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Monsieur Léopold Sédar Senghor
Président de la République du Sénégal
Dakar (Sénégal)

cc: for Mr. McNamara's Office (2)
RAClarke:jlb

December 6, 1977

493/3/363

DEC 5 1977

Mr. Claude Cheysson
Communautes Europeennes
rue de la Loi, 200
1049 Brussels
Belgium

Dear Claude:

Many thanks for your letter of October 29 about the Caribbean, which was only received on November 22.

I do share your concern regarding the problems being faced by the Caribbean Community (CARICOM) and the Regional integration movement in the Caribbean. Unfortunately, this follows a pattern in many developing countries where regional cooperation is proving very difficult to achieve. As you suggest, the reasons for this trend may well be a complex of political, development and economic factors which are worth careful study.

The Bank has always given support to regional groups which could strengthen economic development of the member States. In the Caribbean, we have provided financial assistance to the English-speaking region through the Caribbean Development Bank by a \$20 million loan in 1975 also acting as Executing Agent for a UNDP technical team on the establishment of the CDB.

On your specific enquiry about the proposal for the formation of a donor group for an extended Caribbean region, the Commission should have received by this time an invitation from the Bank to attend, in Washington, on December 14-15, 1977, a Conference of member countries and international agencies interested in the economic development of the region. We hope that the Commission will accept the invitation to attend the meeting and give support to the proposal for the formation of the Caribbean Group some time in the Spring of 1978. As you will see from the attached memorandum sent to the participants, we are aiming at such flexibility in the proposed Caribbean Group arrangements -- with the creation of ad hoc working groups -- that the EEC should have no difficulty adjusting the scope of its intervention to Caribbean countries who are signatories to the Lome Convention.

I might mention that Andrew Young jointly with Governor Gilligan, the Administrator of USAID, will be heading the US Delegation to the December meeting which is a good indication of the importance and interest which the United States attaches to a successful launching of a group to foster economic development in the Caribbean.

Warmest regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

Cleared with & cc: Mr. Lari
Mr. Wright

cc: Mr. Wm. Clark
Mrs. Boskey

DRClarke:dpw

493/3/362

DEC 2 1977

Dear Sheikh Mohammed Abalkhail,

Thanks for your letter dated November 9, 1977 which was handed to me by Mr. El Fishawy on November 28, 1977 upon his return from a mission to the Middle East.

I am sure that you will be pleased to know that IDA Fifth Replenishment has now become effective. This would not have been possible at this point without your official notification of the Saudi Arabian contribution.

Let me once again personally and on behalf of the World Bank community and those poor countries which would benefit from the Fifth Replenishment express thanks and gratitude.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Sheikh Mohammed Abalkhail
Minister of Finance and National Economy
Riyadh, Saudi Arabia

c.c. Mr. Robert McNamara (2)
S. El Fishawy/as.
12/1/77

493 13/360

NOV 30 1977

Dear David:

Thank you for sending me the Trilateral Commission's draft report on Food production in Asia. I have looked at it hastily and think it seems well worth careful study.

I have asked William Clark to coordinate the views of various interested and expert parties in the Bank and we will try to get a preliminary response to you in the next few weeks.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. David Rockefeller
North American Chairman
The Trilateral Commission
345 East 46th Street
New York, N.Y. 10017

WDClark:sf

Telex
0886306

November 30, 1977
2467

493/3/359

ERICH OLLENHAUER HAUS, OLLENHAUERSTR 1
5300 BONN, GERMANY

WILLY BRANDT. I AM DELIGHTED BY THE PRESS ANNOUNCEMENT
OF TUESDAY MORNING ESTABLISHING YOUR COMMISSION. I AM
CONVINCED THAT YOU HAVE A GREAT OPPORTUNITY TO HELP THE
WORLD FORWARD ONCE AGAIN, AND I AM PROUD TO HAVE BEEN
ASSOCIATED WITH THE ORIGINS OF THIS ENDEAVOUR.

2. UNFORTUNATELY I CANNOT ATTEND THE OPENING CEREMONY
TO WHICH YOU HAVE SO KINDLY INVITED ME BUT I AM DELIGHTED
THAT WILLIAM CLARK WILL BE ABLE TO BE PRESENT AND WILL
CARRY ALL MY GOOD WISHES FOR THE SUCCESS OF THE BRANDT
COMMISSION. MOST SINCERELY BOB MCNAMARA

William Clark

Robert S. McNamara

External Relations

493 / 13 / 358

NOV 29 1977

Dear Mr. Husén:

As you may know, Mr. Duncan Ballantine who has served for some years on the Board of Governors of the International Institute for Educational Planning (IIEP) as the nominee of the World Bank, will be retiring from the Bank effective November 30 and plans to submit his resignation from the Board during its meetings which will be taking place at that time. As his replacement the Bank wishes to nominate Mr. Aklilu Habte, who has succeeded Mr. Ballantine as Director of the Education Department.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Torsten Husén
Chairman of the Governing Board
International Institute for
Educational Planning
7-9, rue Eugène-Delacroix
75016 Paris
France

DSBallantine/rcm

cc: The President's Office (2)

493/3/357

Mr. Adalbert Krieger, Vice President, LAC

November 23, 1977

Robert S. McNamara

FY78 Lending Program

You will recall that in September 1976 you requested resources from the FY77 Contingency for additional LAC lending work to be able to prepare 55 board presentations in FY78 instead of the then current program for FY78 of 47 board presentations. Six positions plus 4.0 consultant man-years were provided to the LAC Region in December, as well as 0.5 consultant man-year to the Tourism Projects Department. The two year lending program (FY77 + FY78) for LAC was increased accordingly from 94 to 102 board presentations; 48 projects were presented in FY77 and currently 50 (of which you estimate only 10 are to be presented in the first half year) are planned for FY78. Should the personnel budget be cut back to conform to the reduction in the project program?

1/23

cc: Mr. Knapp

493/3/356

NOV 21 1977

MEMORANDUM FOR MR. BROCHES

Officers of IFC have been informed of rumors said to have been circulating in Paraguay concerning alleged improper actions of Mr. Fawzi Habib, Senior Adviser, Portfolio, of IFC, in connection with an IFC investment in Paraguay.

I have asked you, as an officer of the World Bank Group, independent of IFC, to investigate these rumors and allegations and to take any steps that you consider necessary or desirable to that end.

I have instructed IFC to cooperate completely in your investigations. You are to carry on the investigation free of instructions from anyone, including myself, and in reaching and presenting your conclusions should consider yourself entirely independent.

(Signed) Robert S. McNamara

Robert S. McNamara

493/3/355

NOV 18 1977

Dear Mr. Ambassador:

I am honored to have been invited by your Government to attend the ground breaking ceremony and state banquet in Accra on November 30 and December 1 respectively in connection with the Kpong hydro-electric project.

Unfortunately, I will not be able to attend. I have just returned to Washington from a visit to West Africa and my schedule in the weeks immediately ahead is fully committed.

Please convey my regrets to your Government and my wishes for every success with the Kpong project.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Samuel E. Quarm
Ambassador of Ghana
Embassy of Ghana
2460 16th Street, N.W.
Washington, D. C. 20009

TABlinkhorn:aqr
November 16, 1977

- cc: Mr. K. Gyasi-Twum
- Mr. Chaufournier
- Mr. Thalwitz
- Mr. Gue
- Mr. Clift
- Mr. Salazar
- Mr. Munthali

Class of Service: **TELEX**

Date: **NOVEMBER 17, 1977**

493/3 /354

Telex No.:

Originators Ext: **2001**

12

10

0 START
HERE

1 TO

PEHR GYLLENHAMMAR

CITY/
COUNTRY

PRESIDENT AB VOLVO

MESSAGE
NO.:

GOTEBORG SWEDEN

4

YOUR OCTOBER TWOSEVEN LETTER WAS ON MY DESK WHEN I RETURNED FROM

5

AFRICA YESTERDAY. I SHALL TRY TO CONTACT YOU IN THE US TOMORROW BUT

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ASSUMING I FAIL I SHALL LOOK FORWARD TO VISITING WITH YOU WHEN YOU

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RETURN HERE IN JANUARY OR FEBRUARY NEXT YEAR. WITH BEST WISHES BOB

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END
OF

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TEXT

NOT TO BE TRANSMITTED

SUBJECT:

DRAFTED BY:

Robert S. McNamara

CLEARANCES AND COPY DISTRIBUTION:

AUTHORIZED BY (Name and Signature):

Robert S. McNamara

DEPARTMENT:

President

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH

493/3/352

November 16, 1977

Dear Mr. Chairman:

Thank you for your letter expressing concern over possible World Bank lending to certain countries or to projects for the production of sugar, citrus and palm oil for sale on world markets.

Mr. Edward R. Fried, the U.S. Executive Director, has informed me fully of the position taken on this matter by the United States Government and the committees of the Congress. I have assured him that I shall be available for consultation with U.S. Government officers to discuss any aspect of the World Bank's operations.

Accordingly, I am taking the liberty of giving a copy of this correspondence to Mr. Fried.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Clarence D. Long
Chairman
Subcommittee on Foreign Operations
Committee on Appropriations
House of Representatives
Washington, D. C. 20515

Clearances and cc:
Mr. Lester Nurick, Legal
Mr. I.P.M. Cargill
cc: Mr. Fried

JEMerriam/PBRiddleberger:RMcN:mss

Class of Service: **TELEX**

Date: **NOVEMBER 10, 1977**

493/3/351

Telex No.:

Originators Ext: **2001**

12

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0 START
HERE

1 TO

MR. ROBERT MCHANARA

CITY/
COUNTRY

CONAKRY UNDP OFFICE

MESSAGE
NO.:

GUINEA

4

VICE PRESIDENT MONDALE INVITES YOU BOTH TO LUNCHEON ON WEDNESDAY

5

NOVEMBER SIXTEEN IN HONOR OF SHAH AND SHAHBANOU. PACIFIC CONSULTANTS

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LUNCH COULD BE SHIFTED TO NOVEMBER EIGHTEEN.

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SUBJECT:

DRAFTED BY:

BLANCHE M. NOORE

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493/3/350

His Excellency
Rauf R. Denktash
President of the Turkish
Federated States of Cyprus
Lefkosa, Mersin 10
Turkey

November 1, 1977

Excellency:

Thank you for your letter of October 4, 1977, regarding the Bank's recent loan to Cyprus for the Pitsilia Rural Development Project and the possibility of future Bank help to finance specific projects in the Turkish Cypriot part of Cyprus.

In my previous letters of January 20 and March 22, 1977, I had explained the legal and administrative framework in which the Bank is required to operate vis-a-vis its member countries, and how these apply to the current situation in Cyprus. As you also know, over the last two years, Bank staff have tried, and will continue trying, to develop projects benefiting both Cyprus communities, within this framework. However, the fructification of these efforts into Bank-financed projects, requires both communities to make arrangements which would facilitate the identification, preparation and implementation of projects, in a manner whereby the Bank can, in accordance with its Articles of Agreement, provide financial assistance through, and with the guarantee of, the government which represents Cyprus as a member of the Bank.

While we fully realize the difficulties of making such politically delicate arrangements at this time, I remain hopeful that both communities can and will find a way. You can rest assured, as Mr. Davar reaffirmed during his recent meeting with you, that the Bank would be prepared to respond as quickly as possible to an appropriate request, reflecting agreement between the Turkish Cypriot and Greek Cypriot authorities, for Bank assistance benefiting both communities.

I was very pleased to learn of the break-through recently achieved with regard to the Nicosia Sewerage Project, which will hopefully allow this long delayed project to be completed and benefit both communities. I was also glad to learn that discussions have taken place, whereby an arrangement might be worked out for the use of monies which the Bank has provided to the

His Excellency
Rauf R. Denktash

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Cyprus Development Bank, to also help finance private industrial enterprises in the Turkish Cypriot part of Cyprus. The substantial goodwill and cooperation which you personally as well as the Greek Cypriot authorities have shown in finalizing these arrangements, suggests that with similar goodwill and effort, ways and means can be found, as a result of which, within the Bank's present legal framework, new projects of the nature mentioned in your letter, could be considered for the benefit of all peoples of Cyprus. I sincerely hope that it may prove possible to find such means and develop such requests in the near future.

Sincerely,

Robert S. McNamara

cc: Mr. A. IJ. Lozjen, Executive Director
✓cc: Mr. McNamara (2 copies)
Cleared with and cc: Messrs. Benjenk, Bart, Sella, Sella
cc: Messrs. Knox, Maung/Shalizi

AJDavar/MTBaig:hr

October 26, 1977