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THE WORLD BANK
Washington, D.C.

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Washington DC 20433
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PUBLIC DISCLOSURE AUTHORIZED

McNamara papers

1972 (Nov. - Dec.)

Vol. 31

The World Bank Group
Archives



1771900

A1995-252 Other #: 3

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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 31

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490/3/228

December 22, 1972

Dear Bob:

Thank you for your letter of December 11 inviting us again to nominate candidates for the Center's Fellows Program. I consider this one of the best opportunities for a sabbatical year and I will endeavor to find a suitable candidate for next year's Program. We will send you our nominations by mid-February or shortly thereafter.

I am glad you are finding Martin Karcher a good addition to your group this year. I know that he is enjoying this experience and will profit from it.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Robert R. Bowie
Director
Center for International Affairs
6 Divinity Avenue
Cambridge, Massachusetts 02138

DWJeffries:mg:ml

490/2/227

December 22, 1972

Dear Mr. Annunzio:

Thank you for your letter of December 15 regarding the interest of Mr. Shamil Azis Al-Bazi in a position with the World Bank Group.

Although we do not create posts to be filled specifically by nationals of any particular member country, we will be very happy to consider Mr. Al-Bazi for employment in the Bank. Our Personnel Department is already in touch with him to obtain more details of his background and experience.

Sincerely,

Robert S. McNamara

The Honorable
Frank Annunzio
House of Representatives
Washington, D.C. 20515

RAClarke:RSMcNamara:ml

490/3/226

December 21, 1972

Dear Mr. Curtin:

This year's Christmas party was again a great success, and you and your staff should receive much of the credit for the excellent arrangements.

Please accept my congratulations and best wishes for a Happy Holiday.

Sincerely,

Robert S. McNamara

Mr. William F. Curtin
International Bank for Reconstruction
and Development
Washington, D.C.

ALjungh:ml

490/3/225

December 21, 1972

Dear Monique:

Everyone tells me how successful this year's Christmas party was, and I certainly agree.

You and the staff who worked so hard to arrange it deserve all the credit. Please accept my congratulations and best wishes for a Happy Holiday.

Sincerely,

Robert S. McNamara

Mrs. Monique Roche-Rainhorn
International Bank for Reconstruction
and Development
Washington, D.C.

ALjungh:ml

490/3/224

December 21, 1972

Dear Mr. Minister:

Please accept my apologies for the delay in replying to your letter of September 19, regarding Mr. Porfirio di Corpo. For some unaccountable reason, the letter arrived here only on November 27.

Appointments to the staff of the FAO/IBRD Cooperative Program are made by FAO and not by the Bank, although we are consulted over the choice of candidates. Mr. di Corpo was considered for a permanent appointment with the staff of the Program as an agricultural credit specialist in 1971. However, FAO concluded, and we concurred, that his qualifications and experience did not correspond to the staffing requirements of the Program.

I appreciate your bringing Mr. di Corpo's particulars to our attention. We will keep him in mind, should a future suitable opening appear.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Giovanni Malagodi
Minister of Finance
Rome, Italy

CJDenton:ALjungh:bmm
December 20, 1972

490/3/223

December 20, 1972

Dear Mr. Long:

Thank you for your letter of
December 11 regarding Mr. George Daniel.

As you have requested, we will
certainly keep him in mind as and when
an appropriate vacancy occurs in the
Bank.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Clarence D. Long
House of Representatives
Washington, D.C. 20515

RAClarke:RSMcNamara:m1

490/3/222

HIS EXCELLENCY
GEORGE PAPADOPOULOS
PRIME MINISTER
ATHENS

DECEMBER ²⁰ ~~19~~, 1972

FR

GREECE

HAVE LEARNED WITH SORROW OF DEATH OF HIS EXCELLENCY EMMANUEL
PAPENAKIS WHO HAS REPRESENTED GREECE AT THE BANK'S BOARD OF
GOVERNORS IN RECENT YEARS STOP PLEASE TRANSMIT MY CONDOLENCES
TO HIS WIFE AND FAMILY AS WELL AS OTHER MEMBERS OF GOVERNMENT

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA

Robert S. McNamara
President

cc.: Messrs. Fowler
Mendels

WESiebeck/MPBenjenk:ad GREECE-General

490/3/221

DEC 18 1972

Monsieur Pierre Billecocq
Secrétaire d'Etat aux Affaires Etrangères
20, rue Monsieur
75 - Paris 8e

Monsieur le Ministre,

J'ai l'honneur d'accuser réception de votre lettre du 27 novembre au sujet du chemin de fer transgabonais qui vous paraît de nature à aider le Gabon à assurer la mise en valeur de ses ressources minières et forestières.

Je tiens tout d'abord à vous confirmer que c'est dans le même esprit que nous étudions ce projet; tous les efforts que nous avons déployés en vue d'aider à sa préparation visaient à mieux définir les avantages que présenterait la construction de cette ligne de chemin de fer pour le développement forestier et minier du Gabon, et à faire en sorte que l'exploitation de ces richesses naturelles soit suffisamment rémunératrice pour le pays. C'est également dans le même esprit que nous procédons à l'évaluation de ce projet, comme suite à une mission effectuée l'été dernier au Gabon. L'objectif de ce travail d'évaluation est d'une part de déterminer la viabilité économique et financière du chemin de fer sur les bases actuelles, et d'autre part d'examiner les modalités d'une éventuelle participation de la Banque Mondiale au financement de ce projet.

Le fort accroissement du coût du projet, aujourd'hui estimé à près de 60 milliards de francs CFA (y compris le coût des routes de desserte et les intérêts intercalaires), et les difficultés que présente, dans la conjoncture mondiale actuelle, l'établissement d'un calendrier pour l'ouverture de la mine, ont sensiblement allongé et compliqué notre travail d'évaluation. Je puis néanmoins vous indiquer que nos services seront prochainement en mesure de formuler leurs conclusions, et je tiens à vous assurer que nous ferons tout notre possible pour vous les communiquer ainsi qu'aux autres bailleurs de fonds et aux autorités gabonaises au mois de janvier. Bien entendu, nous serons ensuite à la disposition du Gouvernement gabonais et des éventuels bailleurs de fonds pour participer activement et constructivement à toutes consultations qui pourraient être organisées par le Gabon et le FED, en tant que chef de file.

La question du montant des ressources extérieures mobilisables pour la réalisation de ce projet a été examinée par notre mission d'évaluation ainsi que le problème du volume de la contribution que le Gabon pourra faire au projet sans porter préjudice au développement économique général du pays. Nous avons donc noté l'écart existant entre le dernier devis du projet et le montant prévisible des contributions extérieures et nationales disponibles. Pour notre part, notre éventuelle participation à cette opération dépendra des résultats de notre évaluation; mais nous ferons certainement tout ce qui est en notre pouvoir pour apporter une contribution appréciable à un projet ferroviaire viable. Quant à la décision du Gouvernement français d'augmenter sa contribution, elle constitue sans nul doute une étape importante vers la solution du problème de financement du projet. En effet, même si l'évaluation peut démontrer que l'investissement est dans l'intérêt du développement économique du Gabon, un projet de cette taille comporte nécessairement des incertitudes dont les risques ne peuvent pas être tous laissés au Gouvernement gabonais. Il est donc essentiel que des aides comme celle de la France acceptent de prendre en charge une part importante du coût du projet à des conditions permettant de minimiser ces risques. Votre lettre est donc particulièrement opportune au moment où nous sommes en train d'achever notre examen du problème.

Pour conclure, je tiens à vous dire que nous nous félicitons d'avoir pu coopérer avec les services de l'aide française dans un nombre croissant de pays africains francophones et restons disposés à poursuivre cette coopération afin d'aider le Gabon à financer la mise en place de l'infrastructure nécessaire à l'exploitation de ses vastes ressources naturelles.

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

(Signed) Robert S. McNamara

Robert S. McNamara

RBSteckhan/XdeLaRenaudière:ys

cc: Mr. Viénot
Mr. Chauffournier
Mr. Erim

Cleared with and cc: Mr. Oursin

December 15, 1972

DEC 14 1972

Monsieur le Président,

J'ai bien reçu votre lettre du 7 novembre 1972 au sujet du Musée d'Art négro-africain que vous souhaitez construire et je tiens à vous dire combien je comprends votre souci de préserver et de mettre en valeur le patrimoine culturel des pays d'Afrique de l'Ouest.

Pour notre part, il ne nous est pas possible de vous indiquer à ce stade si nous pourrions participer à cette opération. Mais j'ai comme vous le sentiment qu'un projet de ce genre peut avoir une incidence, difficile à mesurer, mais tout de même appréciable sur le développement touristique du Sénégal.

Comme vous le savez, une mission de la Banque vient de se rendre au Sénégal et dans plusieurs autres pays d'Afrique de l'Ouest pour examiner les possibilités d'intervention de nos institutions pour le développement touristique de la région. Une deuxième mission est en principe prévue au début de l'an prochain en vue d'examiner avec les autorités sénégalaises les études détaillées qui permettront de compléter la préparation d'un projet d'infrastructure pour l'aménagement de la Petite Côte, auquel nous pourrions nous intéresser. Cette mission ne manquera pas de discuter avec vos collaborateurs du projet de Musée et de son impact éventuel sur notre programme.

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

(Signed) Robert S. McNamara
Robert S. McNamara

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

XdeLaRenaudière/RMéda:cjf

Cleared with and cc: Mr. Glaessner (Tourism Projects)
cc: Messrs. Ljungh
Kochman (Executive Director)
Lethem (Projects, West Africa)

December 13, 1972

His Excellency
Leopold Senghor
President of the Republic
Dakar, Senegal

Dear Mr. President,

I acknowledge receipt of your letter dated November 7, 1972, concerning the Museum of Negro-African Art you wish to establish and I would like to say that I share your concern for preserving and enhancing the cultural heritage of West Africa.

As far as we are concerned, we are not in a position to indicate at this stage whether we shall be able to participate in this operation. But I share your view that a project of this type may have a considerable impact, though difficult to estimate, on the development of tourism in Senegal.

As you know, a Bank mission recently visited Senegal and several other West African countries to examine the possibilities of involving our institutions in the development of tourism in the region. A second mission is, in principle, scheduled to visit your country early next year to discuss the detailed studies necessary to complete the preparation of an infrastructure project to develop the Petite Côte in which we might be interested. This mission will certainly discuss the Museum project with your colleagues and determine its possible impact on our program.

Sincerely,

Robert S. McNamara

490/3/219

December 13, 1972

Dear Mr. Minister:

I write to thank you for your cable of 12th December advising us that you have designated Dr. Claude Isbister as your representative in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
John H. Turner
Minister of Finance
Department of Finance
Ottawa, Ontario K1A 0G5
Canada

cc: Messrs. Mendels/Hilken
Adler

EHMcCrindle
IDA-IV

490/3/218

DEC 13 1972

Dear Mr. Reinhardt:

This is in reply to your letter dated November 24, 1972 regarding measures that might be taken to encourage the flow of private capital and technical knowledge to developing countries. In this connection, you refer to the discussion that my associates and I had with the delegation from APPI last July concerning this subject and state that you assume that in discussions you plan to have with selected governments you would be free to disclose to them on a confidential basis the substance of our July discussion, including the views I expressed on that occasion.

As you doubtless know, I have also received a letter from Dr. Abs enclosing comments of APPI on certain cases in which the Bank and IDA have made loans to countries which have nationalized or otherwise expropriated foreign interests. As I state in my reply to Dr. Abs, which is being sent today, implementation of the Bank's policy presents difficult problems, necessarily involves a large element of judgment and must allow the Bank to plot a course through controversial and highly sensitive issues raised by parties with diametrically opposed interests. In view of the highly sensitive nature of these issues, the basic disagreements involved and their political implications, as well as the nature of my relationships with the Executive Directors and the Governors of the Bank and IDA, I think it would be appropriate that our views on these issues be expressed directly to governments, rather than through APPI or any other third party. I should add that I already have made my views known to several governments and expect to make them known to others as suitable occasions arise.

If your Directors' Committee would like to discuss these matters further, one or more of my colleagues would be ready to meet with them again.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. E. Reinhardt
President, Association Internationale
pour la Promotion et la Protection
des Investissements Prives en
Territoires Etrangers
Paradeplatz 8
8021 Zurich, Switzerland

LNurick:RSMcNamara/vv

490/3/217

DEC 13 1972

Dear Dr. Abs:

This is in reply to your letter of September 7, 1972 to which you attached APPI's comments on certain cases in which the Bank and IDA have made loans to countries which have nationalized or otherwise expropriated foreign interests. We have carefully examined the comments and in accordance with your suggestions I am attaching to this letter comments by the Bank staff on the individual cases, summarizing the positions we have taken and the rationale for them. I trust that you and your colleagues will treat this material as being for your personal information only.

I regret, of course, that we have not yet been able to persuade APPI of the reasonableness and consistency of all the positions we have taken and I hope that the attached comments will resolve at least some of the doubts. The implementation of the Bank's policy presents difficult problems, necessarily involves a large element of judgment and must allow the Bank to plot a course through controversial and highly sensitive issues raised by parties with diametrically opposed interests. Given the nature of the issues involved, it is perhaps not surprising that both investors and expropriating countries on occasion criticize our action.

If you would like to discuss these matters further, either I or my colleagues would be happy to meet with you or your representatives again.

With best regards,

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Hermann J. Abs
Junghofstrasse 5011
Frankfurt (Main)
Germany

LNurick:RSMcNamara/vv

490/3/216

December 13, 1972

Dear Mr. Minister:

I was greatly touched by your thoughtfulness and generosity in sending the attractive scroll painting which arrived today. It is a fine example of traditionally inspired modern Sudanese art and will decorate a prominent place in our home. Mrs. McNamara joins me in sending our sincere thanks. Permit me also to say again how much we enjoyed the luncheon which you gave in your home during our stay in Sudan.

With best wishes for a happy and prosperous New Year,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mansour Khalid
Minister of Foreign Affairs
Ministry of Foreign Affairs
Khartoum, Sudan

ALjungh:ml

490/3/215

DEC 12 1972

Excellency,

I am very grateful for your letter of the 21st of November conveying an invitation from His Highness Sheikh Zayed Bin Sultan Al Nahayyan, Ruler of Abu Dhabi and President of the United Arab Emirates, for my wife and me to visit the United Arab Emirates early next year. It would be a great pleasure for us to visit Abu Dhabi, and we plan to do so some time in February 1973, if that is suitable. Mr. Mohamed Shoaib, Vice President, will be in touch with you in regard to the exact dates and other arrangements.

I am earnestly looking forward to a meeting with His Highness and yourself and other members of the Government and to further development of our existing cordial relationship.

Kindest regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ahmed Khalifa Alsowaidi
Minister of Foreign Affairs
Abu Dhabi, United Arab Emirates

MShoaib:hls

490/3/214

DEC 12 1972

Excellency,

I am thankful to you for your letter of the 15th of November and am very grateful for the kind invitation of His Highness The Amir of Qatar for my wife and me to visit Qatar if we travel to the Middle East in the near future. It would undoubtedly be a great pleasure to visit Qatar, and I shall certainly try to include Doha in my travel plans for the future. I am not sure, however, that it would be practicable to do so during my next visit to the area, and I hope the invitation so kindly extended by His Highness will remain open for the future in the event that I am unable to avail myself of it on this occasion. I shall, of course, let you know definitively as soon as my travel schedule becomes clearer.

I recall with great pleasure our meeting in Washington during the Annual Meeting of the World Bank.

Kindest regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Abdul Aziz Bin Khalifa Al-Thani
Minister of Finance & Petroleum Affairs
Doha, Qatar, Arabian Gulf

MShoaib:hls

490/3/213

December 12, 1972

Dear Mr. President,

Recent years have witnessed a marked increase in cooperation between the World Bank and Arab countries in the Middle East and North Africa. In our last fiscal year, which ended June 30, 1972, ten per cent of the total number of approved Bank/IDA lending operations consisted of projects in Arab countries, bringing to fruition many years of mutual efforts to serve the development needs of the Arab world. The total amount committed during that year was over \$210 million.

Most of the oil-producing countries in the region possess the financial base for development of their societies. But in several of these countries, too, the Bank has been able to provide assistance in the form of technical expertise and close cooperation and consultation with the Governments.

We are ready and willing to extend both our lending and technical development assistance still further to all States in the Arab world.

I am asking Mr. Ibrahim Nafie, a member of the World Bank staff, to call on you and members of your Government to discuss ways of strengthening the relations between your country and the World Bank Group and to explore ways in which we might be of assistance to you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Colonel Mouammar El-Qaddafi
President of Libya.

M. Shoaib/md
cc: Mr. Benjenk
Mr. Wm. Clark

490/3/212

December 12, 1972

Dear Mr. Minister:

I write to thank you for your letter of 7th November which we received today advising us that you have designated Mr. Lennart Klackenber, Under-Secretary of State in the Ministry for Foreign Affairs, as your representative, and Mr. Staffan Sohlman, Head of Department within the same ministry, as alternate representative, in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
G. E. Sträng
Minister of Finance
Kungl. Finansdepartementet
Fack 103 10 Stockholm 3, Sweden

cc: Messrs. Mendels/Hilken
Adler

EHMcCrindle
IDA-IV

490/3/211



OFFICE OF THE PRESIDENT

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



December 12, 1972

Dear Mr. Minister:

I write to thank you for your letter of 4th December advising us that you have designated M. Pierre-Brossolette, Director of the Treasury, as your representative in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,

Robert S. McNamara

Robert S. McNamara

Best wishes for a Merry Christmas and Happy New Year

His Excellency
Valery Giscard d'Estaing
Minister of Economy and Finance
Ministry of Economy and Finance
93 rue de Rivoli
F-75001 Paris, France

490/3/208

December 11, 1972

Dear Lindsay:

I have received your letter of resignation as Executive Director with effect from February 10, 1973, and shall proceed forthwith with the election of your successor. I regret that you must leave the Bank and I wish you well in your new assignment.

I cannot let this occasion pass without expressing to you my appreciation of the substantial contribution that you have made to the work of the Board during your term of office. The sharp and analytical character of your remarks and your frequent suggestions as to how we could improve our performance were always judicious and always most helpful.

It has been a pleasure to work with you, and I look forward to our paths crossing in future.

Warm regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. R. L. Knight
Executive Director
International Bank for Reconstruction
and Development
Washington, D. C.

DDFowler:MMendels:RsMcNamara:m1

490/3/207

OFFICE OF THE PRESIDENT

DEC 11 1972

Dear Mr. Secretary:

Reference is made to the letter dated September 27, 1968 from the National Advisory Council on International Monetary and Financial Policies, concerning the United States Government's approval of certain sales by the Bank of portions of its loans. That letter informed us of the approval of the United States Government to such sales by the Bank in an aggregate principal amount of not more than \$1,500,000,000. Under this authorization we have sold portions of loans in the aggregate principal amount of \$1,477,341,248.11. Thus, the balance in the authorization is \$22,658,751.89. In order to continue these sales and to avoid delay in completing any of them, we wish to obtain a further authorization from the United States Government prior to the full utilization of the present authorization.

We hereby request that the Government of the United States increase the amount of approval given in the Council's letter of September 27, 1968, by \$100,000,000 to an aggregate principal amount of \$1,600,000,000.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
George P. Shultz
Secretary of the Treasury
Treasury Department
Washington, D. C. 20220

cc: Secretary
National Advisory Council on
International Monetary and Financial Policies

cc: Mr. Wiersorowski
Mr. Aldersald
Mr. Rothberg
Mr. Pencia
Mr. Deely

490/3/206

DEC 11 1972

Dear Mr. Robson:

Thank you for your warm invitation to address your annual conference in mid-January.

The prospect of visiting the University, combined with the possibility of a weekend of skiing, is very attractive, and I regret having to decline. My problem is that the pressures of business here, compounded with trips to our developing member countries, make it necessary for me to restrict my speaking almost exclusively to official United Nations and World Bank meetings.

I do hope you will understand, and please accept my best wishes for what I am confident will be a stimulating conference.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. R. Thayne Robson, Executive Director
Division of Economic and Community
Research and Services
Room 410, College of Business Building
The University of Utah
Salt Lake City, Utah 84112

JLMaddux:dcc
December 6, 1972

FILE: ROBSON, R.T.
2-U. of #tah

490/3/204

December 6, 1972

Dear Mr. Minister:

I write to thank you for your recent letter advising us that you have designated Dr. Maria Pilz, an official of the Ministry of Finance, as your representative in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Dr. Hannes Androsch
Minister of Finance
Ministry of Finance
Postfach 2
A-1015 Vienna, Austria

cc: Messrs. Mendels/Hilken
Adler

IDA-IV
EHMcCrindae

490/3/203

DEC 6 1972

Dear Mr. Secretary:

Upon returning from my recent trip to Africa I am writing to thank you and your Government for the hospitality and kindness extended to my wife, myself and my associates during our visit to your country. I want particularly to thank you for taking the time to accompany us on our very interesting field trip to Afgoi, Merca and Genale which enabled us to appreciate your impressive development efforts, especially in agriculture, and for the interesting meeting which followed.

The wisdom and dedication of your President, the capability of your leaders and the motivation of the Somali people impressed me immensely and I assure you that we in the Bank will do our utmost to play a useful role in Somalia's economic and social development.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Mohamed Yusuf Weirah
Secretary of State for Finance
Ministry of Finance
Mogadiscio
Somalia

JMMalone:jl
December 1, 1972

cc: Mr. McNamara's Office

490/3/202

DEC 6 1972

Dear Mr. Vice President:

After returning from my recent trip to Africa I would like to thank you for the kindness and hospitality extended to my wife, myself and my associates during our recent visit to the Southern Sudan. This visit was one of the most interesting of my entire trip and I only wish it had been possible for us to have spent more time with you and your colleagues in Juba. Thank you particularly for the very pleasant lunch you gave for us at your home.

By now your discussions with the special World Bank mission led by Mr. Krishna will no doubt be in full swing. We are looking forward with keen interest to the mission's return. Its findings will guide us as we seek the most appropriate ways in which we can move quickly to assist in the reconstruction and development of the Southern Sudan's economy.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Abel Alier
Vice President and Chairman
of the Provisional High Executive Council
for the Southern Region
Juba, Sudan

JMMalone:jl
December 1, 1972

cc: For Mr. McNamara's Office

490/3/207

DEC 6 1972

Dear Mr. Minister:

Having recently returned from my trip to Africa I wanted to write you to thank you for all the kindness and hospitality you extended to me during my recent visit to Sudan and particularly for the very enjoyable dinner party you gave on our last night in Khartoum.

I have written a letter to His Excellency President Nimeiry thanking him for the kindness with which we were received in the Sudan and mentioning some of the items we discussed at our last meeting. As I indicated to the President, we hope that the Bank Group will be in a position once again to provide substantial assistance to your country.

I was greatly impressed with the achievements toward lasting peace and integration of your country and look forward to close cooperation in your efforts to tackle the economic problems which you face.

It was a great pleasure to meet you and I look forward to seeing you again.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Dr. Lawrence Wol
Minister of Planning
Ministry of Planning
Khartoum, Sudan

JMMalone:jl
December 1, 1972

cc: Mr. McNamara's Office

Mr. McNamara

490/3/200

DEC 6 1972

His Excellency
General Gaffar Mohamed Nimeiry
President of the Democratic Republic
of the Sudan
Peoples' Palace
Khartoum, Sudan

Dear Mr. President,

I have now returned to Washington and I wanted to write to you to thank you for the kindness and hospitality extended by your Government during my recent visit to the Sudan. The program arranged made it possible for me to learn at first hand a great deal about your country.

I thought I would also take this opportunity to summarize some of the main points we discussed during our meeting. First of all, let me repeat my heartfelt congratulations to you and your Government for the tremendous achievement of ending the armed conflict in the Southern Sudan. As you know, a Bank mission is presently visiting the Southern Region, and when we have their findings we shall consider the most appropriate ways in which the World Bank Group can assist in the reconstruction and development of this potentially productive region.

In fact, one of the most vivid impressions I gained from my visit was the great potential for further development of agriculture and irrigation in your country as a whole, and the high degree of efficiency and expertise displayed by your Government in the management of the existing development schemes in the agricultural sector. Among developing countries, particularly those in Africa, the Sudan is singularly well endowed with agricultural land, water and a large pool of trained and experienced manpower. These strong favorable impressions have confirmed my view that we should press ahead with the implementation of the Rahad Irrigation Project. We are actively assembling the remainder of the financing required for this purpose, and we expect to propose to your Government very soon a date for holding definitive negotiations for an IDA credit for this project.

Second, with the cessation of hostilities in the South, your Government is now well placed to turn its attention and resources to the economic development of the Sudan as a whole to an extent which may not have been possible previously. Moreover, the goodwill engendered, abroad as well as at home, by this very important achievement should make it possible to mobilize new resources, domestic and foreign. You asked me whether the Bank was ready to help the Sudan in its efforts to increase the amount of aid coming from other external sources, and I confirmed that we had been in contact with countries interested in membership in the Consultative Group and that we were planning a meeting of the Group under the chairmanship of the Bank in about six months to review your country's development needs and plans and to discuss possible sources of finance.

His Excellency
General Gaffar Mohamed Nimeiry

- 2 -

In this connection, Sudan's own capacity to finance its development will play an important part. While I was struck with the potential for further development in the Sudan, I also became aware during my visit that in managing the economy and the public finances your Government faces severe problems which inhibit the successful exploitation of this potential. Until the Sudan can achieve some significant public savings by stemming the growth of recurrent expenditure, obtaining additional revenues and increasing the profitability of the public enterprises, it will be difficult to find the domestic and foreign resources required for even the most sorely needed development investments.

Lastly, even given a greater effort on the part of both your Government and the donors of external assistance, the likely flow of resources will probably not be adequate to provide for all the investment plans which were discussed during my visit. There is thus a need to assign economic priorities to all the various competing demands for investment funds and other scarce resources. This need was particularly clear to me in the case of the transportation sector. Under the US\$7 million IDA credit for highway maintenance which was signed last September, a substantial sum of money is provided for technical assistance to your Ministry of Transport to help in the preparation of an investment plan for the transportation sector and to improve the coordination between various types of transport. Studies will also be undertaken to identify about 500 kms of roads having the highest economic priority, and feasibility studies of these roads will be carried out with a view to construction being financed by further lending by us or others. Thus we are already preparing to assist your Government in making some of the difficult choices which confront you in the field of transportation investment.

As I told you moreover, we are prepared to help your Government if necessary in obtaining expert advice and assistance in overall economic planning and the analysis of investment priorities on a broader scale. I understand your Government has already approached the United Nations Development Programme with a request for technical assistance for the Ministry of Planning. If you wish, the Bank is prepared to act as executing agency of this project to assist UNDP in recruiting experts of the highest possible qualifications and ability.

In conclusion, Mr. President, let me thank you again for a most interesting, informative and pleasant visit. I can see that a great opportunity exists for the Sudan to address itself to its economic development. The World Bank Group is ready to provide substantial help in this endeavor, though, as in any country, the most important element will be what the Sudan can do for itself in the stewardship of its own resources.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Messrs. Bell, Demeksa, Demuth, Kirmani, Krishna, North, Raphaeli, Riley, Walton.

JMMalone/MLLejeune:mb (December 1, 1972)

DEC 6 1972

490/3/199

Dear Mr. Minister:

I have now returned from my recent trip to Africa and I wanted to thank you for all your work and hospitality and in particular for the very enjoyable luncheon you gave in your home. It provided a very pleasant interlude during an otherwise hectic and altogether too brief visit.

I have written a letter to His Excellency President Nimeiry thanking him for the most interesting program arranged for me and my associates during our visit and discussing further some of the topics raised with him and you at our final meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Dr. Mansour Khalid
Minister of Foreign Affairs
Ministry of Foreign Affairs
Khartoum, Sudan

JMMalone:jl
December 1, 1972

cc: For Mr. McNamara's Office

490/3/198

December 6, 1972

Dear Governor Herzi:

After returning to Washington I would like to thank you for a most successful visit to Somalia. Mrs. McNamara joins me in thanking you for the very enjoyable evening we spent at your home in Mogadiscio.

My subsequent visits and discussions in Somalia confirmed the impression I gained from the film shown that evening that your country enjoys a particularly dynamic and progressive leadership which has succeeded in mobilizing Somalia's valuable human resources for the difficult tasks of developing the country's economy.

You can be assured that we in the World Bank will do all we can to support your valiant efforts towards economic and social prosperity.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Best wishes to Mrs. Herzi
Dr. Abdurahman Nur Herzi (Handwritten)
Governor, National Bank of
Somalia
Post Office Box 11
Mogadiscio, Somalia

JMMalone:ALjungh:ml

490/3/97

December 5, 1972

Dear Mr. Minister:

I have just returned from my recent trip to Africa and I want to thank you for what you did to make my visit to Zambia last month so useful and enjoyable. The opportunity to talk to you and your colleagues was very useful and gave me a better understanding of Zambia's development problems.

My wife, my colleagues and I also found the field trips to the Copperbelt, Livingstone and Choma a stimulating way of appreciating your country's great human and natural resource potential. I am convinced that the Bank should play an increasing role in assisting Zambia, not only in her long-term development, but also with the immediate financial difficulties which your country faces.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
J. M. Mwanakatwe
Minister of Finance
Ministry of Finance
P.O. Box RW. 62
Ridgeway, Lusaka
Zambia

cc: Mr. Demeksa

Mr. Husain

RMDean:ALjungh:ml

490/3/196

DEC 4 1972

Dear Mr. Governor:

Thank you very much for your letter of November 17 and the attached copy of an article from the "International Currency Review" on the Greek Drachma.

The article obviously used external debt calculations contained in the last two economic reports of the World Bank which have been discussed with the Greek Government (EMA 36a of May 28, 1971 and EMA 49a of March 22, 1972). However, the conclusions of both these reports are quite different from what the authors of the article seem to imply. In addition, the figures given by the authors on Greece's recent development would not in any way seem to constitute a "gloomy warning".

As you know, it is not the Bank's policy to enter into public discussions with publications and news media over conclusions it draws in reports, the use of which is restricted to its member governments. We very much regret that the authors of the article seem to have had access to the confidential reports. We can assure you that these reports were not given out by the Bank.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Demetrius N. Galanis
Governor
Bank of Greece
Venizelos Avenue
Athens, Greece

WESiebeck:vtw
December 1, 1972

Cleared with and cc: Messrs. Lind, Asfour
cc: Messrs. Hartwich, Benjenk
cc: Mr. McNamara's Office (2) —

490/3/195

DEC 4 1972

Dear Mr. Minister:

Thank you for your letter of November 24, 1972, which Mr. Severo kindly delivered to the Bank at the beginning of his recent visit to Washington.

I was very interested to learn of your efforts to strengthen transport planning and was pleased that our staff would have the opportunity to discuss with Mr. Severo GEIPOT's new responsibilities, the port and railway planning programs, and the proposed transport master plan development. The documents which you forwarded defining GEIPOT's future activities are under study; we will communicate to you shortly any comments we may have on them.

As you are well aware, the Bank shares your strong concern for the efficient development and improvement of means to meet Brazil's massive transport needs. We hope, in particular, in the coming year to be able to support the railway investment and rehabilitation program as a very important step in ensuring a continued, balanced growth in the transport sector.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mario David Andreazza
Minister of Transport
Ministry of Transport
Praça 15 de Novembro
Rio de Janeiro, GB,
Brazil

Cleared with and cc: Messrs. Fernandes, Geli

EESenner:jbv

Typed December 1, 1972

490/3/194

DEC 1 1972

Dear Mr. Inoue:

Your predecessor, Mr. Watanabe, was kind enough to send me a copy of his statement to your Board of Directors concerning the role to be played by the Asian Development Bank in the reconstruction and development of the war-torn countries in South East Asia. I enclose a copy of my reply to him.

I also take this opportunity to send you my best wishes on the occasion of your succession to the presidency of the Asian Development bank and to assure you that we look forward to a continuation of the close working relationship which has evolved between our two institutions.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Shiro Inoue
President
Asian Development Bank
2330 Roxas Boulevard
Pasay City
Philippines

cc: Messrs. Cargill)
Goodman/Fontein) with incoming

DJFontein/rf:go

490/3/193

DEC 1 1972

Dear Mr. Watanabe:

Thank you for your kind letter of November 14 and the copy of the statement you made to your Board about the role to be played by the Asian Development Bank in the reconstruction and development of the war-torn countries of South East Asia.

I have read your statement with interest and fully agree with it. I specially endorse your third point about the immensity of the task ahead and the need for cooperation and coordination between the multi-lateral institutions, the specialized agencies of the UN and the bilateral agencies of aid-giving nations. For our part, when we are asked to do so by the countries concerned, we stand ready to help and we look forward to working closely with the Asian Development Bank.

I also take this opportunity to express once more my appreciation of all that you and the Asian Development Bank under your leadership have done and to convey my best wishes to you for the years ahead.

I am sending a copy of this letter to your successor.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Takeshi Watanabe
Asian Development Bank
2330 Roxas Boulevard
Pasay City
Philippines

cc: Messrs. Cargill
Goodman

DJFontein:rf:go

Mr. McNamara's office

490/3/192

DEC 1 1972

Dear Mr. Malikyar:

Thank you for your letter of November 22. I was very pleased to learn that the Khanabad Irrigation Project has now been ratified by the Parliament and am sure that your authorities will soon complete other necessary steps, so that IDA can declare the credit effective.

As I mentioned during our discussions in October with your Foreign Minister, Afghanistan can derive full benefit from development projects only if these projects are implemented promptly and efficiently. It therefore seems to us a matter of some urgency that appropriate action be taken to resolve the general ratification problem in order to avoid in future the type of delay which the Khanabad Project has experienced.

As promised in our meeting, the Bank's legal staff has recently conveyed to your authorities some information on how other countries have streamlined their ratification procedures, and I would hope that similar action will soon be taken in Kabul. If this is done, projects scheduled for consideration by our Executive Directors in the next few months will not experience the same delay in ratification which has been so costly in the case of Khanabad.

With kind personal regards,

Sincerely yours,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Abdullah Malikyar
Ambassador of Afghanistan
Embassy of Afghanistan
Washington, D.C.

cc: Messrs. Davar, Myint

ADavar/GBVotaw:saw

4910/3/191

December 1, 1972

Dear Mr. de Seynes:

Thank you for reminding me in your letter of November 15, 1972 about the January meeting of the ICC-UN, GATT Economic Consultative Committee and for the draft agenda which you attach.

Unfortunately I will not be able to attend the meeting but I am asking Mr. Jean Carriere, Director of the European Office of the Bank, to represent me on the assumption that this will be agreeable to you.

Sincerely,

Robert S. McNamara

Mr. Philippe de Seynes
Under-Secretary-General for
Economic and Social Affairs
United Nations
New York, 10017

MLH:pa

cc: Office of the President (2)

490/3/190

DEC 1 1972

Dear Mr. Minister:

I wish to thank you for your letter of November 7, 1972 on the subject of the interest rate charged by Banco Agricola de Bolivia on loans made to ranchers under the Government's livestock development program supported by International Development Association's Credits 171-BO and 261-BO.

In my absence, Mr. Gunter K. Wiese advised you by cable on November 15, 1972 that the Association would consider the points raised in your letter. In addition, Mr. Wiese informed you that any change in the interest rate agreed upon between the Government of Bolivia and the Association may only be made by agreement between the Government and the Association, and that any loans to ranchers made at an interest rate of less than 12 percent would not, for the time being, qualify for reimbursement from the credit accounts.

We have now reviewed the situation, and propose to initiate discussions with the Government of Bolivia on the possibility of introducing a system of indexing on the loans being made to the ranchers. For this purpose, a mission will visit La Paz in the course of the next week.

I very much hope that these discussions will result in an early resolution of the interest rate problem in Bolivia.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Idc. Luis Bedregal Redo
Minister of Finance
Ministry of Finance
La Paz, Bolivia

cc: Messrs. Alter, Knox, Goffin/Sutherland, Cabezas/Walser
Wiese, Ljungh

JFajans:HvdHeijden:cf

490/3/109

November 30, 1972

Dear Mr. Minister:

I write to thank you for your cable of 22nd November advising us that you have designated Mr. Abdlatif Al-Bamad as your representative in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Abdul Rahman Salim Al-Ateeqy
Minister of Finance and Oil
Ministry of Finance and Oil
P.O. Box 9
Kuwait, State of Kuwait

cc: Messrs. Mendels/Hilken
Adler

JHAdler:emcc
IDA-IV

490/3/188

November 30, 1972

Dear Mr. Minister:

I write to thank you for your letter of November 17th advising us that you have designated Mr. Waldemar Müller-Enders as your representative in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Dr. Helmut Schmidt
Minister for Economic Affairs and Finance
Ministry for Economic Affairs and Finance
D-5300 Bonn
Federal Republic of Germany

cc: Messrs. Mendels/Hilken
Adler

JHAdler:emcc
IDA-IV

490/3/187

November 30, 1972

Dear Mr. Minister:

I write to thank you for your letter of November 20th advising us that you have designated Mr. H.E. Kastoft, Executive Director of the International Bank for Reconstruction and Development, and Miss Inger Nielsen, Head of Department, Danish International Development Agency, Ministry of Foreign Affairs, as your representatives in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ivar Nørgaard
Minister for Foreign Economic Affairs
Ministry for Foreign Economic Affairs
Stormgade 10
DK-1470 Copenhagen K, Denmark

cc: Messrs. Mendels/Hilken
Adler

JHADler:emcc
IDA-IV

490/3/186

November 30, 1972

Dear Mr. Minister:

I write to thank you for your letter of November 9th advising us that you have designated Mr. Albert Dondelinger, Alternate Governor to the International Bank for Reconstruction and Development, as your representative, and Mrs. Weides-Schaeffer, deputy counselor, as alternate representative, in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Son Excellence
M. Pierre Werner
Ministre d'Etat, President du
Gouvernement, et Ministre
des Finances
3, rue de la Congregation
Luxembourg
Grand-Duche de Luxembourg

cc: Messrs. Mendels/Hilken
Adler

JHADler:emcc
IDA-IV

490/3/185

November 30, 1972

Dear Jean:

I read your paper on the Paris Office with interest. Generally, I feel you are heading in the right direction, but I'd like some more details before making a decision.

I have asked Jim Kearns to visit the Paris Office to work out a more detailed proposal jointly with you. I have gone over the paper with Jim, and he knows the questions and reservations I have. After I have had a chance to review a revised proposal, I suggest you come here for a discussion with me, Dick Demuth and William Clark.

Jim will get in touch with you to work out the timing of his visit when you return to Paris on the 10th.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jean Carriere
I.B.R.D.
Paris Office

cc: Mr. Demuth
Mr. Clark

JMKearns:DW

490/3/184

H.E. ATO MAMMO TADESSE
MINFINANCE 21147
ADDIS ABABA

NOVEMBER 28, 1972

TELEX

ETHIOPIA

WE HAVE CAREFULLY CONSIDERED THE PROPOSALS IN YOUR NOVEMBER 20 TELEX CONCERNING THE MELKA SADI-AMIBARA PROJECT. AS YOU KNOW WE WOULD LIKE TO PROCEED AS QUICKLY AS POSSIBLE TO PROVIDE FINANCE FOR THIS PROJECT AND HAVE BEEN PREPARED FOR SOME TIME TO DO SO. WE DO NOT BELIEVE, HOWEVER, THAT WE CAN PROCEED ENTIRELY ON THE BASIS WHICH YOU SUGGEST, AT LEAST AS WE UNDERSTAND YOUR PROPOSAL. WE SEE NO IMPORTANT PROBLEM IN MOVING ON THE AMIBARA PORTION IMMEDIATELY BUT YOUR PROPOSAL WITH RESPECT TO THE FULL DEVELOPMENT OF THE MELKA SADI PORTION APPEARS TO CONFLICT WITH OUR PROCUREMENT POLICY NORMALLY REQUIRING INTERNATIONAL COMPETITIVE BIDDING AND ALSO POSES QUESTIONS WITH RESPECT TO THE FINANCIAL AND TECHNICAL ARRANGEMENTS FOR THIS PORTION AND THE ROLE OF AIDB.

AT LEAST ONE ALTERNATIVE SUGGESTS ITSELF IMMEDIATELY. WE HAVE RECENTLY RECEIVED A SUB-PROJECT APPLICATION UNDER THE EXISTING IDA CREDIT TO AIDB FOR FINANCE OF AIDB'S INVESTMENT IN MAESCO'S PROJECT FOR DEVELOPMENT OF 1,000 HECTARES OF THE MELKA SADI AREA. WE COULD PROCEED IMMEDIATELY

/z.

H. E. ATO MAMMO TADESSE
MINFINANCE
ADDIS ABABA

NOVEMBER 28, 1972

ETHIOPIA

PAGE TWO

TO PROCESS A CREDIT TO FINANCE THE AMIBARA PORTION OF THE PROJECT AND SIMULTANEOUSLY WE COULD PROCESS THE AIDB SUB-PROJECT APPLICATION COVERING 1,000 HECTARES OF THE MELKA SADI PROJECT SUBJECT TO OUR REACHING A SATISFACTORY UNDERSTANDING ON CERTAIN KEY ISSUES SUCH AS THE MARKETING ARRANGEMENTS AND THE FINANCING PLAN, INCLUDING THE APPROPRIATE RELATIONSHIP BETWEEN DEBT AND EQUITY. THIS ALTERNATIVE WOULD LEAVE THE SUBSEQUENT DEVELOPMENT OF MELKA SADI FOR LATER CONSIDERATION. YOU MAY WISH TO APPROACH THE IFC ON THIS SUBSEQUENT DEVELOPMENT WITH A VIEW TO THEIR APPRAISING IT FOR FINANCING ONCE MAESCO'S TECHNICAL AND FINANCIAL STUDIES ARE READY.

WE WOULD LIKE TO ADHERE TO THE TIME SCHEDULE YOU INDICATE. WITH THAT OBJECTIVE IN VIEW WE PROPOSE TO SEND A SMALL MISSION IMMEDIATELY TO DISCUSS THE POSSIBILITY WE HAVE SUGGESTED ABOVE AS WELL AS ANY OTHER ALTERNATIVES WHICH YOU MAY WISH TO SUGGEST, AND TO UPDATE TECHNICAL INFORMATION INCLUDING COST ESTIMATES IN THE NEW CIRCUMSTANCES. IT CAN ARRIVE IN ADDIS ABABA THE MIDDLE OF NEXT WEEK. I HOPE THIS IS CONVENIENT.

SINCERELY
ROBERT S. MCNAMARA
PRESIDENT

Robert S. McNamara
Office of the President

cleared with and cc: Messrs. Walden
Konigson
cc: Messrs. Bell, Kirmani, Lejeune,
Cohn (IFC), Dixon, Walton,
Jalil

MAJalil/HETolley/MLLejeune/BBell:tj
ETHIOPIA: Melka Sadi-Amibara Project

Mr. Demeksa, Executive Director

490/3/183

Members of the President's Council

November 28, 1972

Robert S. McNamara

Designation of Officials to Act in the Absence of Bank Officials

It should be Bank standard practice to designate an acting official whenever managers at the Section Chief level and above (through and including the Vice Presidents and the President) are away from the office.

The acting official will assume the authority vested in the person for whom he is acting and his signature will therefore be honored on all Bank documents such as personnel forms, travel requests, expense accounts and the like.

JMKearns:DW

(Signed) Robert S. McNamara

49013/182

November 28, 1972

Dear Sir Ronald:

Thank you for your letter of November 20, responding to my invitation to take part in the Bank seminar on mining policy.

The invitation was indeed extended to you in your individual capacity. We hoped to benefit from the breadth of your experience and the soundness of your judgment, and were not concerned with representation of Roan Selection Trust as such. The problem in addressing you, in fact, was to make a selection among the many positions you hold, and I regret that we chose one which had, however recently, been overtaken by events.

I am pleased to note from your letter that, with the reassurance I now offer you, you are disposed to accept the invitation. I hope that you will find it possible to do so.

Sincerely,

Robert S. McNamara

Sir Ronald L. Prain
One Noble Street
London EC2V 7DA
England

SEBoskey:tsb
Office of the President (2 cc.) ✓

DEPARTMENT OF STATE

UNCLASSIFIED

REA125

490/3/101

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ACTION EA-04

ANZ

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R 270600Z NOV 72
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 9911

UNCLAS CANBERRA 6330

DEPARTMENT OF STATE TELEGRAM

PLEASE PASS FOLLOWING MESSAGE TO:
MR. ROBERT S. MCNAMARA
PRESIDENT
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
1818 H STREET, NW
WASHINGTON, D.C. 20433

"RUSH CLARK, PRESIDENT OF AMERICAN CHAMBER OF
COMMERCE IN AUSTRALIA CONSULTED ME REGARDING HIS
INVITATION TO YOU TO SPEAK AT ANNUAL CHAMBER DINNER
FRIDAY, MARCH 23. EMBASSY SUPPORTS THIS INVITATION.
YOUR APPEARANCE IN AUSTRALIA WOULD RECEIVE WIDE
ATTENTION INCLUDING RADIO AND TELEVISION. PROSPECTS
OF ACCELERATED INDUSTRIAL DEVELOPMENTS AND PARTICI-
PATION OF MULTI-NATIONAL CORPORATIONS ESPECIALLY IN
LARGE IRON ORE, BAUXITE, NICKEL, COPPER AND URANIUM
WOULD MAKE VISIT ESPECIALLY TIMELY. EMBASSY GLAD TO
ASSIST IN PREPARING MATERIAL FOR YOU.

WOULD BE DELIGHTED TO HAVE YOU AND MRS. MCNAMARA
STAY WITH US AT THE EMBASSY RESIDENCE IN CANBERRA.
AND WOULD PLAN BLACK TIE DINNER TO MEET PROMINENT
GOVERNMENT OFFICIALS AND LEADERS.

WALTER L. RICE, AMERICAN EMBASSADOR"

RICE

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEE.

UNCLASSIFIED

NOV 23 1972

RECEIVED



DEPARTMENT OF STATE TELEGRAM

Handwritten notes at top left, including "10/2/51" and "10/2/51".

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UNCLASSIFIED REA125

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INFO OCT-01 1965 W

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R 270600Z NOV 75
FM AMEMBASSY CANBERRA
TO SECSTATE WASHDC 9011

UNCLAS CANBERRA 0330

PLEASE PASS FOLLOWING MESSAGE TO:
MR. ROBERT S. MCNAMARA
PRESIDENT
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
1818 H STREET, NW
WASHINGTON, D.C. 20433

"RUSH CLARK, PRESIDENT OF AMERICAN CHAMBER OF
COMMERCE IN AUSTRALIA CONSULTED ME REGARDING HIS
INVITATION TO YOU TO SPEAK AT ANNUAL CHAMBER DINNER
FRIDAY, MARCH 23. EMBASSY SUPPORTS THIS INVITATION.
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AND WOULD PLAN BLACK TIE DINNER TO MEET PROMINENT
GOVERNMENT OFFICIALS AND LEADERS.
WALTER L. RICE, AMERICAN EMBASSY DR."

RICE

NOTE BY OCT: NOT PASSED ABOVE ADDRESSEE.

SECTION
COMMUNICATIONS
UNCLASSIFIED

1972 NOV 28 AM 8:43

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DEPARTMENT OF STATE

DEPARTMENT OF STATE TELETYPE

DEPARTMENT OF STATE TELETYPE

*Mr. McNamara's
Signature file*

COPY OF CABLE

RUSH S. CLARK, PRESIDENT
AMERICAN CHAMBER OF COMMERCE
SYDNEY
AUSTRALIA

NOVEMBER 27, 1972

LT

I APPRECIATE VERY MUCH YOUR KIND INVITATION TO ATTEND
THE 11TH ANNUAL GENERAL MEETING OF THE CHAMBER IN MELBOURNE
IN MARCH AND TO ADDRESS THE MEETING STOP I REGRET VERY MUCH
THAT THE PRESSURE OF MY DUTIES AT THE WORLD BANK INCLUDING
PRIOR COMMITMENTS FOR TRAVEL TO MEMBER COUNTRIES IN THAT
PERIOD OF THE YEAR MAKE IT IMPOSSIBLE FOR ME TO JOIN YOU
WITH BEST WISHES

ROBERT S. MCNAMARA

William Diamond
Director, South Asia Dept.

cc Mr. Cargill
Mr. Goodman
Mr. William Clark

WDiamond:dg

490/3/182

Copy for Mr. McNamara

BOOK OF TWO

NOV 27 1972

LAMPONT
MINIFINANZAS
GUATEMALA CITY

GODOY
INDE

IBF GOVT

GUATEMALA

HAVE TODAY CABLED PRESIDENT ARANA OSORIO AS FOLLOWS QUOTE I WISH TO INFORM YOU OF OUR DEEP CONCERN OVER REPEATED DELAYS IN RECEIVING APPROVALS OF LOAN DOCUMENTS FOR \$24.0 MILLION ESCUINTLA POWER PROJECT FROM GOVERNMENT AND INDE STOP SUCH DELAYS MAKE IT IMPOSSIBLE TO PRESENT LOAN FOR APPROVAL TO OUR BOARD OF DIRECTORS STOP WE DO NOT BELIEVE THAT THERE ARE ANY OUTSTANDING ISSUES IN RELATION TO THE LOAN DOCUMENTS STOP WE THEREFORE DO NOT UNDERSTAND REASON FOR DELAY IN APPROVAL OF LOAN DOCUMENTS STOP IN THESE CIRCUMSTANCES WE WOULD APPRECIATE RECEIVING APPROVALS OF THE DOCUMENTS FROM GOVERNMENT AND INDE AS SOON AS POSSIBLE STOP UNQUOTE REGARDS

(Signed) Robert S. McNamara

ROBERT S. McNAMARA
PRESIDENT
INTRAFRAD

Robert S. McNamara
President, IERD

Mr. McNamara's office (2)
Mr. Knapp
Mr. Alter
Mr. Gutierrez
Mr. Sheehan

DDowsett/RSMcNamara:fas

490/3/181

Copy for Mr. McNamara

NOV 27 1972

ARANA OSORIO
PRESIDENTE DE LA REPUBLICA
GUATEMALA CITY

IBF GOVT

GUATEMALA

I WISH TO INFORM YOU OF OUR DEEP CONCERN OVER REPEATED DELAYS
IN RECEIVING APPROVALS OF LOAN DOCUMENTS FOR \$24.0 MILLION ESCUINTLA
POWER PROJECT FROM GOVERNMENT AND INDE STOP SUCH DELAYS MAKE IT
IMPOSSIBLE TO PRESENT LOAN FOR APPROVAL TO OUR BOARD OF DIRECTORS
STOP WE DO NOT BELIEVE THAT THERE ARE ANY OUTSTANDING ISSUES IN
RELATION TO THE LOAN DOCUMENTS STOP WE THEREFORE DO NOT UNDERSTAND
REASON FOR DELAY IN APPROVAL OF LOAN DOCUMENTS STOP IN THESE
CIRCUMSTANCES WE WOULD APPRECIATE RECEIVING APPROVALS OF THE
DOCUMENTS FROM GOVERNMENT AND INDE AS SOON AS POSSIBLE STOP
REGARDS

(Signed) Robert S. McNamara

ROBERT S. McNAMARA
PRESIDENT
INTRAFRAD

Robert S. McNamara
President, IBRD

Mr. McNamara's office (2)
Mr. Knapp
Mr. Alter
Mr. Gutierrez
Mr. Sheehan



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

490/3/180

OFFICE OF THE PRESIDENT

NOV 24 1972

Dear Mr. Minister:

I was pleased to have had the opportunity during the Annual Meetings to have an exchange of views with you on a number of issues of mutual interest, including the possibility of New Zealand becoming a member of IDA. On that occasion, I advised you that because of the long delays and involved procedures required for increases in IDA resources to become effective, we proposed to request Part I members to appoint Deputies before the end of the year to discuss IDA's Fourth Replenishment covering our fiscal years (ending June 30) 1975, 1976 and 1977. Letters have already been sent to IDA's Part I members requesting them to appoint Deputies, and Sir Denis Rickett in a letter written to you in my absence has invited New Zealand to appoint an Observer. We do hope, however, that New Zealand would see its way to becoming a member of IDA and thus be able to participate as a Part I member in these discussions.

During our recent conversation, you mentioned that despite the fact that New Zealand's foreign exchange reserves are at their highest level ever, an obstacle to New Zealand's membership in IDA arises from the uncertainties regarding the impact on New Zealand's balance of payments of Britain's entry into the Common Market. Actually, the effect of IDA contributions on New Zealand's balance of payments would be rather small because, as Attachment I shows, actual calls on contributions are likely to take place over a period of some 10 years.

We plan to hold the first meeting of the Deputies designated by Part I members in the middle of December. We hope that New Zealand would find it possible to make an early decision to join IDA, thereby expanding the multi-national and co-operative character of the Association and increasing its resources. I look forward to hearing from you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

The Honorable Robert J. Muldoon
Deputy Prime Minister and
Minister of Finance
The Treasury
Wellington, New Zealand

cc: Sir Denis Rickett
Messrs. Cargill/Goodman
Nurick
Gabriel

FXColaço/JHADler:mah

ATTACHMENT I

CALLS FOR DISBURSEMENTS OF THIRD REPLENISHMENT (FY1972-74)

Calls for Disbursements
As % Total Replenishment

FY1972	1.5
FY1973	8.3
FY1974	14.7
FY1975	16.0
FY1976	14.7
FY1977	13.8
FY1978	11.0
FY1979	10.1
FY1980	6.4
FY1981	3.5
	<hr/>
	<u>100.0%</u>

490/3/178

ROBERT S. INGERSOLL
AMERICAN AMBASSADOR
AMERICAN EMBASSY
TOKYO

NOVEMBER 24, 1972

NLT

JAPAN

HARVARD PROFESSOR PAUL DOTY VISITING JAPAN NOVEMBER 29 TO DECEMBER 7
STOP HOPES FOR OPPORTUNITY TO MEET YOU STOP HE IS LONG TIME PARTICIPANT
IN PUGWASH CONFERENCE AND INSTRUMENTAL IN LAYING GROUNDWORK FOR SALT
TALKS STOP I THINK YOU WOULD FIND HIM INTERESTING STOP BEST WISHES TO
YOU AND ELLIE STOP

ROBERT S. MCNAMARA
INTBAFRAD

Robert S. McNamara

President

RMcN:bmm

49013/177

November 24, 1972

Dear Mr. Ervin,

In your letter of November 15, 1972 you say that you have been considering the possibility of associating volunteer personnel with World Bank projects. We have often thought about it too, and have discussed it with voluntary agencies, including discussions with some of your predecessors.

So far it has proved to be one of those ideas that sound admirable in the abstract but turn out to be difficult, and often expensive in terms of staff time, to implement. However, as you have been thinking about the matter perhaps you have some new ideas, and if so, we certainly ought to learn about them. I suggest that if you are interested in exploring the matter you should get in touch with Mr. Michael L. Hoffman, Associate Director of our Development Services Department.

Sincerely,

Robert S. McNamara

Mr. Charles Ervin
Associate Director
Office of Policy and
Program Development
ACTION
Washington. D.C. 20525

MLH:pa

cc: Office of the President (2)

490 | 3 | 176

November 24, 1972

Dear Mr. Malozemoff:

I thank you for your thoughtful letter of November 17. I am pleased that you will be able to take part in the Bank's seminar on mining policy.

Mr. Richard Demuth, who, as I said in my letter of November 7, will serve as Chairman of the seminar, will be in touch with you concerning details of the arrangements and your offer to enlarge upon the comments made in your letter.

Sincerely,

Robert S. McNamara

Mr. P. Malozemoff
Newmont Mining Corporation
300 Park Avenue
New York, N.Y. 10022

SEB:pa

cc: Office of the President (2)

490/3/173

OFFICE OF THE PRESIDENT

NOV 24 1972

Dear Dr. Stopper:

Thank you very much for your letter of November 10, 1972 in which you were kind enough to authorize a borrowing of the International Bank for Reconstruction and Development of 100 million Swiss francs in the markets of Switzerland.

As you may know, an issue in Swiss francs has been the subject of discussions with representatives of your institution and our underwriters in Switzerland for some time. During discussions with our underwriters on November 14, 1972 it was mutually agreed that, because of the difficulties encountered in the placement in Switzerland of several recent bond issues, it would be appropriate to postpone the proposed issue.

We are keeping this matter under continued consideration and, when conditions in the Swiss capital market are improved, we would wish to contact you again in the hope that we can then avail ourselves of your approval for a World Bank Issue.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. E. Stopper
President
Banque Nationale Suisse
8022 Zurich
Switzerland

c.c. Mr. Aldewereld
Mr. Broches
Mr. Rotberg
Mr. Gabriel
Mr. Walser
Mr. Deely
Mr. Uhrig

JP Uhrig:ERotberg:pjw
November 21, 1972

490/3/172

NOV 24 1972

Dear Tony:

Thank you for your letter of November 9 regarding the appointment of your Deputy to the negotiations on the Fourth Replenishment of the International Development Association.

I have noted that Her Majesty's Government will be represented by the Right Hon. Richard Wood, M.P., Minister for Overseas Development, in discussions at Ministerial level, by Mr. R.B.M. King, Deputy Secretary in the Overseas Development Administration, in negotiations in Europe and elsewhere, and by the Executive Director of the United Kingdom in negotiations in Washington.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

The Rt. Hon. Anthony Barber, M.P.
Chancellor of the Exchequer
Treasury Chambers
Great George Street
London, S.W.1, England

cc: Mr. Mendels
Mr. Adler

Mr
JHADler:emcc
IDA-IV

490/3/171

NOV 24 1972

Dear Mr. Minister:

This is to acknowledge your letter of November 1 in which you advised me of the appointment of Mr. A.Y.A. Looijen, Director of Foreign Financial Relations at the Ministry of Finance, as your Deputy for the forthcoming negotiations on the Fourth Replenishment of the International Development Association.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
R. J. Nelissen
Minister of Finance
Ministry of Finance
Kneuterdijk 22
The Hague, The Netherlands

cc: Mr. Mendels
Mr. Adler

JHADler ^{MA}emcc
IDA-IV

490/3/170

NOV 24 1972

Dear Mr. Minister:

The purpose of this letter is to express my appreciation of your letter of October 16, 1972, confirming the content of your cable of the same day according to which the Government of Spain has released, in convertible form, the remainder of \$6,393,000 (in 1960 dollars) of the 90% of the initial subscription to the International Development Association and the first instalment of \$833,333.33 (in 1960 dollars) of the contribution of \$2.5 million from Spain to the Third Replenishment. I warmly welcome this action of your government which, together with similar action taken by Ireland and Yugoslavia, has significantly increased the number of countries contributing to the resources of IDA and thus emphasized the cooperative character of the Association and given recognition of the need for providing development assistance to the low-income countries by the members of the Association which are enjoying higher and rising levels of income.

A few days ago, Sir Denis Rickett, Vice-President of the Association, wrote to ask you to nominate an official of your government as an observer in the negotiations for the Fourth Replenishment. I hope this nomination will be forthcoming shortly.

I also hope that your government will give serious consideration to the possibility of changing the status of Spain from a Part II to a Part I country, thus giving formal expression to its growing financial strength and recognition of the commitment of the international community to assist in the development of poor nations. If this should not prove possible at present, I trust that Spain will nevertheless make again a contribution to the replenishment of the resources of the Association.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Su Excelencia
D. Alberto Monreal Luque
Ministro de Hacienda
Ministerio de Hacienda
Madrid 14, Spain

Copy to Mr. Moro
cc: Messrs. Rickett
Adler
Nurick
Gabriel

JHADler:emcc
IDA

490 / 3 / 169

DECLASSIFIED

NOV 14 2012
CONFIDENTIAL

WBG ARCHIVES

November 22, 1972

MEMORANDUM FOR MR. GAUD

Please consult with me before IFC proceeds to prepare any investment in the Sudan or elsewhere involving Mr. Khalil Osman.

Robert S. McNamara

490/3/168

SIR MAURICE MAWBY
CONRIO
MELBOURNE
30108 CONRIO

November 21, 1972

TELEX

AUSTRALIA

BANK MINING SEMINAR WILL BE CONCERNED WITH POLICY ISSUES RATHER THAN
OPERATIONAL MATTERS STOP WE WISH TO BENEFIT FROM YOUR EXPERIENCE,
KNOWLEDGE AND JUDGMENT, SO FACT OF YOUR RETIREMENT FROM EXECUTIVE
DUTIES IS UNIMPORTANT STOP THEREFORE HOPE YOU WILL AGREE TO
PARTICIPATE.

MCMAMARA

INTBAVRAD

Robert S. McNamara

President

SEB:pa

cc: Office of the President (2)

h90 3/1/66

November 9, 1972

Dear Mr. Minister:

In the absence of Mr. McNamara I write to thank you for your letter of 31st October telling us that you have appointed Mr. Thomas Løvold, Director General of the Foreign Exchange Department of the Ministry of Commerce and Shipping, as the Deputy to represent your government in the forthcoming negotiations on a Fourth Replenishment of the resources of the International Development Association.

Yours sincerely,
Sir Denis Rickett

D. H. F. Rickett
Vice President

His Excellency
Hallvard Eika
Minister of Commerce and Shipping
Ministry of Commerce and Shipping
Oslo - Dep., Norway

cc: Mr. McNamara's Office ✓
Mr. Mendels

DHFRickett:emcc
IDA-IV

490 / 3 / 165

MINISTER CIRNE LIMA
MINISTERIO DA AGRICULTURA
BRASILIA
BRAZIL

NOV 8 1972

LT

GREATLY APPRECIATE YOUR RENEWED INVITATION TO AMAZON CONFERENCE AT BELEM
BUT REGRET THAT STAFF COMMITMENTS MAKE IT IMPOSSIBLE TO DESIGNATE A
REPRESENTATIVE STOP WE ARE NEVERTHELESS DEEPLY INTERESTED IN OBJECTIVES
OF CONFERENCE AND WOULD GREATLY APPRECIATE RECEIVING SUMMARY RECORD OF
ITS PROCEEDINGS REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA

INTBAFRAD

Robert S. McNamara
President

cc: Messrs. Escobar
Storarr

RFSkillings:iap

490/3/164

November 7, 1972

Dear Mr. Speaker:

Thank you very much for your letter of November 2, 1972, bringing to my attention the project which Dr. Green and his associates in Oklahoma are undertaking in Harar Province in Ethiopia. Although the project appears to be one which should make a valuable contribution to economic and social progress in this area of Ethiopia, I do not see any means by which we can at this time directly provide the type of assistance which Dr. Green requests.

You and Dr. Green, however, will be interested to know that we have recently completed negotiations for an IDA Credit to the Government of Ethiopia which will finance activities directly complementary to those which Dr. Green and his associates are planning to undertake. Our Credit will assist in establishing facilities for the marketing and slaughtering of livestock in a large area of the country, including part of the Province of Harar. The Government of Ethiopia has not itself, however, proposed that any part of our Credit be used to provide the specific assistance which Dr. Green requests. I note, however, that AID has agreed to investigate the possibility of providing grant assistance for the purpose and I hope that they will be able to do so. If it should turn out that neither AID nor any other source within the United States should prove able to provide the relatively small amount of assistance required, and if the Government of Ethiopia should then request that we provide it within the framework of a future livestock development credit, we would of course be prepared to give serious consideration to such a request.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Honorable Carl Albert
The Speaker
U.S. House of Representatives
Washington, D.C. 20515

cc: Office of the President (2)
BRBell:ea

490/3/163

November 7, 1972

The Honorable Jomo Kenyatta
President of the Republic of Kenya
State House
P.O. Box 530
Nairobi, Kenya

Dear President Kenyatta:

In June 1971, you were kind enough to write me a letter in which you expressed a strong interest in the proposal to organize an international research effort directed to the development of animal production in Africa, and offered to give all possible encouragement to the establishment in Kenya of an animal disease laboratory which would be part of that effort. As I wrote you at the time, the proposal was then being considered by the Consultative Group on International Agricultural Research.

The Group subsequently entrusted the development of the proposal to an African Livestock Subcommittee; the Subcommittee consists of governments and organizations interested in giving financial support to the proposal, and the World Bank provides the Chairman. The Subcommittee, in turn, selected a team of scientists, headed by Dr. William Pritchard of the University of California, to make recommendations concerning the scope and organization of such an animal disease laboratory, and to carry on discussions with the authorities of the East African Community looking toward its establishment at Muguga in Kenya in such a way as to benefit from Community facilities there.

During the spring and summer of 1972, the Pritchard mission, as you know, carried on discussions with representatives of the Kenya Government, and with representatives of the East African Community and of the Governments of Tanzania and Uganda. At a meeting of the Community Council on July 20, however, the conclusion was reached that the Community was not in a position to be host to the proposed laboratory. More recently, the Consultative Group has considered the matter further and has decided that efforts to establish the laboratory in Kenya should be continued.

As you know, the Consultative Group is also studying proposals to establish an integrated African Livestock Research Institute at some appropriate location or locations within Africa. The Consultative Group is of the view that the proposed animal disease laboratory

November 7, 1972

in Kenya, which would concentrate on development of vaccines to protect cattle against East Coast fever and trypanosomiasis should be so organized that it would become a sub-unit of the integrated Livestock Research Institute, if and when established. This conforms to your own view of the character of the laboratory, as set forth in your letter to me of June 16, 1971. Obviously, the laboratory once established would maintain close cooperation with related research efforts in the East African Community as well as other parts of Africa.

I hope, Mr. President, that you maintain your interest in having this laboratory established in Kenya. Upon your confirmation that this is so, I will be glad to arrange for an appropriate delegation representing the Consultative Group, including a senior official of the Bank, to visit Nairobi promptly to pursue discussions of this matter further with your authorities. I will await your reply, Mr. President, with keen interest.

Sincerely,

Robert S. McNamara

FHKaps/HGraves/RHDemuth:tf
November 6, 1972

cc: Office of the President(2) ✓
Sir John Crawford
Dr. John A. Pino, Rockefeller Foundation
Mr. W. A. C. Mathieson, Overseas
Development Administration, London
Mr. L. J. C. Evans

480) 3/162

NOV 7 1972

Dear Mr. Minister:

I write to thank you for your letter of October 26th in which you told me that Mr. Osmo Kalliala, Governmental Counselor in the Ministry of Finance, had been appointed to represent your government in the negotiations relating to the Fourth Replenishment of the International Development Association.

May I say how much I share your views about the need for reaching an early agreement on this important subject.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Johannes Virolainen
Minister of Finance
Ministry of Finance
Helsinki, Finland

cc: Mr. McNamara's Office
Mr. Mendels

DHFRickett:emcc
IDA-IV

490/3/161

NOV 7 1972

His Imperial Majesty
Mohammad Reza Shah Pahlavi
The Shahanshah of Iran
Tehran, Iran

Your Imperial Majesty:

I am deeply indebted to you for the very cordial reception Sir John Crawford received from you and your Government. I am particularly grateful for the time Your Majesty took to have an audience in which Sir John could learn directly of your aspirations for agriculture in Iran and your comments on how the Bank could more effectively assist in its development.

I have reviewed the proposals Sir John presented to you, the Prime Minister and your Ministers and am in full agreement with them. He proposes a pragmatic and comprehensive approach which views agriculture and rural policy as a whole. The special emphasis on agriculture in the Fifth Plan is seen as a priority for the total program encompassing the production, welfare and employment aspects. All the elements of the program are seen as interacting with and being complementary to each other. We believe that such an approach is valid and would provide a context in which particular elements can be seen in proper perspective.

If Your Majesty agrees, we intend proceeding with the establishment of a Task Force, which we expect will commence its operations in January. The Task Force will not be a unilateral Bank effort, but rather Bank staff working with Iranian officials on joint studies on key issues of mutual concern, bringing to bear their experience where this is considered feasible and helpful. The Study Teams should help to develop a closer working relation and understanding on agricultural and rural sector policies between the Government of Iran and the Bank and would endeavour to produce practical proposals for implementing these policies. An outline of these study proposals in the terms which were discussed and agreed in Tehran is being sent to the Managing Director of the Plan Organization and the Ministers concerned.

I am particularly pleased that agreement has been reached on the nature and scope of the Task Force's activities and the manner in which it will operate. This, of course, would not have been possible if it were not for the assistance given Sir John by your Ministers and their officials. It is my hope that the Task Force will make a constructive contribution to dealing

with some of the farm and non-farm problems of the agricultural sector and thereby improve rural living standards.

Sir John will visit Iran periodically to supervise the work of the Task Force. It would be most useful if he could have an occasional opportunity of reporting to Your Majesty on its progress, and I should be most grateful if this could be arranged when it seems appropriate.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Yahia Khelif
H.E. Dr. Amuzegar, Chief, Iranian Economic Mission

DLoos/GBVotaw/Sir John Crawford:emc

490/3/160

NOV 7 1972

Dear Mr. Minister:

Thank you very much for your letter of October 26, 1972, which Dr. Tersoglio kindly handed to me, and in which you announce the Government's decision to introduce monetary correction on the sub-loans made under the Balcarce livestock development project, with which the World Bank is associated. We greatly welcome this decision. As you know, we in the Bank place great importance on the proper pricing of capital, in the interest of efficient resource allocation, employment creation and social justice.

I look forward to continued close cooperation with the Government of Argentina in the execution of programs for agricultural development, as well as in other critical fields of development activity.

Please accept my congratulations on your recent appointment and my very best wishes for the continued success in the efforts you are undertaking for the development of Argentina.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Dr. Jorge Wehbe
Minister of Finance
Ministry of Finance
Hipolito Yrigoyen 250
Buenos Aires, Argentina

cc: Dr. Tersoglio

cc: Messrs. Knapp, Alter, Wiese, Knox, van der Heijden, Ljungh (2)

FJaspersen: ach

490/3/159

November 7, 1972

Dear Mr. Minister:

I write to thank you for your letter of the 30th October from which I am glad to learn that you have designated Mr. Ludovicus Meulemans as your representative in the negotiations which will take place between the Part I members of the International Development Association on the subject of the Fourth Replenishment of the resources of the Association.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
M. Andre Vlerick
Minister of Finance
Ministry of Finance
12 Rue de la Loi
B-1000 Brussels, Belgium

cc: Mr. McNamara's Office
Mr. Mendels

DHFRickett:emcc
IDA

OFFICE OF THE PRESIDENT

490/3/158

NOV 7 1972

Dear Dr. Stopper:

The International Bank for Reconstruction and Development proposes to sell in Switzerland an issue of bonds in an aggregate principal amount of One Hundred Million Swiss Francs (SwF 100,000,000) to be offered for public subscription in Switzerland in November 1972.

The Banque Nationale Suisse is hereby requested, in accordance with Section 6 (i) of the Agreement dated June 29, 1951 between the Swiss Federal Council and the International Bank, to approve the borrowing by the International Bank in the Swiss market of such amounts as may be raised by the issue of not exceeding One Hundred Million Swiss Francs (SwF 100,000,000) aggregate principal amount of bonds.

The Banque Nationale Suisse is further requested to agree that the International Bank may freely convert the proceeds of such borrowing into any foreign currency. On its part, the International Bank agrees that it will pay the interest on and the principal of the bonds in free Swiss francs.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. E. Stopper
President
Banque Nationale Suisse
8022 Zurich
Switzerland

c.c. Mr. Aldewereld
Mr. Broches
Mr. Rotberg
Mr. Gabriel
Mr. Walser
Mr. Deely
Mr. Uhrig

JPuhrig

-HMoya:pjw
November 2, 1972

490 / 3 / 157

NOV 7 1972

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

Monsieur le Président,

Permettez-moi de vous remercier de votre lettre du 9 octobre écoulé par laquelle, en des termes dont je mesure l'importance, vous avez voulu appeler mon attention sur le problème de la détérioration continue des conditions climatiques de la zone soudano-sahélienne.

Ici à la Banque, nous sommes pleinement conscients, comme vous-même, des conséquences dommageables que pourrait avoir sur les économies de la région, le phénomène de l'insuffisance des pluies sur une longue période. Toutefois, nous n'avons pas le sentiment d'en savoir suffisamment sur la question pour apprécier si la récente succession d'années de sécheresse doit être considérée comme le signe définitif d'une nouvelle tendance climatique. J'ai par suite demandé à mes services de discuter du problème avec la FAO et d'autres institutions intéressées afin de faire le point des études disponibles et déterminer si elles peuvent servir de base à la formulation d'un programme d'action.

Nous reprendrons donc contact avec votre gouvernement aussitôt que nous aurons réuni les éléments d'un échange constructif. Nous restons toutefois attentifs dans l'intervalle à toutes autres informations que vous jugeriez bon de nous transmettre en vue de nous aider à mieux cerner encore ce problème crucial pour le développement économique des pays concernés.

Je vous suis fort obligé de l'intérêt que vous voulez bien porter à mon discours d'ouverture de notre récente Assemblée Annuelle et il m'est agréable de vous en transmettre, comme souhaité, une copie en français et en anglais.

Veillez, Monsieur le Président, croire à l'assurance de ma plus haute considération à laquelle je joins l'expression de mon meilleur souvenir.

(Signed) Robert S. McNamara

Robert S. McNamara

Pièces jointes.

Stephen Denning/Jacqueline Noël/André Maillard/Marc Bazin/EPeter Wright:seb
November 2, 1972

Cleared with and cc: Mr. Roger Rowe

cc: Mr. Kochman (ED)

cc: Mr. Ljungh
Mr. Huber
Mr. Wilkinson

490/3/155

NOV 2 1972

Dear Mr. Minister:

I thank you for your letter dated October 11, 1972, which requested the assistance of the World Bank in financing of technical assistance for establishing a national system of agricultural research.

I was very pleased that you have brought this project to our attention. I am sure that the intensification of agricultural research is an important objective. I have requested our staff to make a review of the documents you have submitted and you may expect to hear from us in the near future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Luiz Fernando Ciarne Lima
Minister of Agriculture
Ministry of Agriculture
Esplanada dos Ministerios, Bloco 8
Brasilia, D.F., Brazil

cc: Messrs. Ljungh (2)
Goffin
Fransen

DJSteel/RFSkillings:iap

490/3/154

November 1, 1972

Mr. Chairman:

At the Conference of Ghana's creditors held in London on 9-11 October, 1972, officials representing the Governments of Belgium, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, Switzerland, the United Kingdom and the United States of America formulated a proposal which the Governments concerned have now asked the World Bank to transmit to the Government of Ghana on their behalf. I am accordingly transmitting the proposal herewith for your Government's consideration.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Enclosure

The Honorable
Colonel I.K. Acheampong
Chairman
National Redemption Council
The Castle
Osu, Accra
Ghana

E. Peter Wright:jo'd
November 1, 1972

cc: Mr. Knapp (Vice President)
Mr. Chaufournier (Western Africa Region)
Mr. McGibbon (Western Africa Region)
Mr. Reitter (Resident Mission)
Mr. Christoffersen (Western Africa Region)
Mr. Ljungh (Office of the President) ✓

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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WBG ARCHIVES

PROPOSAL FOR SETTLEMENT OF GHANA'S EXTERNAL DEBT

(Formulated at Meeting of Creditor Governments
in London, October 9-11, 1972)

1. Following the decision made at the end of the 1970 Ghana Debt Conference, the representatives of Belgium, France, the Federal Republic of Germany, Italy, Japan, the Netherlands, Norway, Switzerland, the United Kingdom and the United States of America have met again. They have studied with interest the IBRD Updating Memorandum on Ghana's Current Economic Situation and Prospects, and have reviewed developments in the economy since the beginning of the year, and including the recent budget statement.
2. They recognize the constraints imposed on Ghana as a result of economic policies in the past. They are sympathetic with the Ghanaian objective of growth through self-reliance, and are encouraged at the indications of progress in carrying out these intentions. They wish to reassure Ghana of their continuing goodwill towards her.
3. They note in particular the large volume of external debt accumulated by Ghana and the limited volume of prospective foreign exchange resources available for debt service, imports and other payments.
4. They are anxious to assist Ghana in dealing with her problems and in achieving an adequate rate of growth and an early restoration of normal external economic and commercial relations.
5. In the light of the above considerations the Governments of the countries concerned make the following proposals for a settlement of the problem of the medium-term debt incurred before 24 February 1966:
 - a) All payments, other than moratorium interest, due under medium-term contracts covered by the Agreed Minutes of the 1966, 1968 and 1970 Debt Conferences which fall due on or after 1 July 1972 shall be rescheduled and there shall be a grace period of 5 years from 1 July 1972 to 30 June 1977.
 - b) The rescheduled amounts would be paid in thirty equal semi-annual installments starting on 1 July 1977 and ending on 1 January 1992.

- c) Interest during the grace and repayment periods would be payable on the outstanding amounts thus rescheduled at the concessionary rate of 2 1/2 percent per annum, and the higher moratorium interest rates provided for under the Agreed Minutes of the 1966, 1968 and 1970 Debt Conferences would no longer apply.
 - d) For the purpose of ensuring equity between medium-term creditors Ghana would as a matter of priority bring up to date until 30 June 1972 payments due under the Agreed Minutes arising out of the 1966, 1968 and 1970 Debt Conferences.
 - e) For administrative convenience and in accordance with customary practice in rescheduling arrangements, the creditor countries recommend that the Government of Ghana should not request measures of relief from countries for whom total payments due as defined in paragraph 5a) amount to less than \$2 million.
 - f) The creditor countries expect that, in accordance with customary practice, the Government of Ghana will not make rescheduling arrangements with other creditors at terms less favorable to Ghana than those set forth in this proposal.
6. The Ghanaian authorities would for their part continue and intensify their efforts to improve the economic situation, thereby facilitating their access to the IMF's credit facilities.
7. They would also clear the arrears of short-term external debt as quickly as possible strictly on a non-discriminatory basis as between creditors, and would for the future limit the amount of short-term external debt to be contracted.
8. The creditor countries, noting the declared intention of the Government of Ghana to negotiate participation in foreign-owned industries, assume that prompt, fair and effective compensation will be offered to the nationals of the countries concerned.
9. The creditor countries believe that these measures should contribute to the restoration of normal aid relations. Ghana's need to attain a reasonable rate of economic growth and to improve her capacity to meet her international obligations over the longer run are recognized. The potential donors among them would welcome an early meeting to consider in the light of the debt settlement the provision of increased development aid, consistent with Ghana's self-help efforts.

10. The participants agreed to ask the IBRD to transmit these proposals on their behalf to the Government of Ghana and expressed the hope that the IBRD would continue to use its good offices in the search for a solution to this problem.

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NOV 1 1972

His Imperial Majesty
Haile Selassie I
Jubilee Palace
Addis Ababa
Ethiopia

Your Imperial Majesty:

In your speech from the throne at the opening of the 1971/72 Session of the Ethiopian Parliament, you referred to the draft law defining the relationship between landlords and tenants and expressed the hope that the deliberations already started on the draft law would be successfully concluded during that parliamentary session and that the draft law would be promulgated.

Those of us in the World Bank Group involved in assisting agricultural development in Ethiopia shared your hope and have followed with interest the progress of the draft law in Parliament. We saw the proposals not only as a welcome beginning in reforming land tenancy and other land use arrangements, but also as an effort to implement the country's Third Five-Year Development Plan which observes that "very little progress in agrarian reconstruction and development, particularly in peasant agriculture, can be made under the existing conditions of tenure and farm size".

Our interest and concern with this problem has been heightened by the findings of a substantial mission from the Bank which made a survey of the Agricultural Sector in Ethiopia in the Fall of 1971. The need for the mission arose out of the recognition of the critical importance of agriculture to the development of Ethiopia and to improving the welfare of the majority who live in the rural areas and depend directly on the land for a living. So close was the cooperation between Ethiopian Government ministers and officials and the members of the Bank's Mission that the resulting report can rightly be regarded as a joint product.

The draft report of the Agricultural Mission is being studied by the appropriate authorities in Ethiopia and will be discussed with them by members of the Bank's staff towards the middle of November. The report proposes a strategy, policies, and projects for agricultural development. It also confirms that the slow rate of progress in agriculture is likely to persist until improvements in the tenure system are made, and it recognizes the great difficulties faced in solving this fundamental

His Imperial Majesty
Haile Selassie I

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impediment to Ethiopian social and economic progress. All of us appreciate that in a matter of such high national importance your personal support and leadership are the main hope for achieving the needed changes.

In my recent address to the Board of Governors of the Bank, I stressed that our assistance must increasingly be geared to economic development which will benefit the masses of the mainly rural poor in our less developed member countries. We are already assisting the development of agriculture in Ethiopia through a growing number of projects, and I expect the Agriculture Sector Report to provide the vehicle for an expanded program of further assistance.

I am therefore writing to let you know that I strongly share your concern for bringing about changes in the tenure system as soon as possible, and I very much hope that the present Parliament will act favorably on the legislation before it and thereby make possible the expanded assistance to Ethiopian agriculture which we stand ready to provide. We shall follow with interest the progress of the draft law during the parliamentary session.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: The Prime Minister
Prime Minister's Office
Addis Ababa, Ethiopia

Minister of Finance
Ministry of Finance
Addis Ababa, Ethiopia

Minister of Land Reform
Ministry of Land Reform
Addis Ababa, Ethiopia

Minister of Agriculture
Ministry of Agriculture
Addis Ababa, Ethiopia

Minister of State for Planning
Planning Commission
Addis Ababa, Ethiopia

Office of the President (2) ✓
Messrs. Evans, Kirmani, Sonley

CPCacho/HETolley/MLLejeune:tj

October 30, 1972