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McNamara Papers

Contacts
South Africa (1969-1977)

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Contacts with member countries: South Africa - Correspondence 01

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SOUTH AFRICA

SOUTH AFRICA

1. 10/1/69 N. Diedrichs, Minister of Finance
G.W.G. Browne, Secretary for Finance
Dr. T.W. de Jongh, Governor of the South African Reserve Bank
2. 9/19/70 Nicolaas Diedrichs, Minister of Finance
(Copen.) G.W.G. Browne, Secretary for Finance
Dr. Theunis Willem de Jongh, Governor, South African Reserve Bank
3. 9/26/73 N. Diederichs, Minister of Finance
(Nairobi) Dr. T. W. de Jongh, Governor, South African Reserve Bank
R. van S. Smit, Alternate ED, IMF
G. W. G. Browne, Secretary for Finance
G. P. C. de Kock, Deputy Governor, South African Reserve Bank
4. 9/16/74 R. van S. Smit, Alternate ED, IMF and Principal Resident Representative of South Africa at the IBRD and IMF
5. 9/16/75 R. van S. Smit, South African Principal Resident Representative to the IMF and IBRD
Joh. H. de Loor, Principal ResRep-Designate
6. 9/16/77 Ambassador J. H. de Loor, Principal Resident Representative to the IMF and IBRD
Mr. Groenewald, Principal ResRep-Designate



ANNUAL MEETING 1969

MEETINGS WITH GOVERNORS OF PART I COUNTRIES

SOUTH AFRICA

The South African Minister of Finance, Mr. Diederichs, called to see Mr. McNamara on Wednesday, October 1st, at 5:30 p.m. He had with him Mr. G.W.G. Browne, Secretary for Finance, Dr. T.W. de Jongh, Governor of the South African Reserve Bank, and Mr. J.O. Stone, Executive Director.

The Minister said that this was a courtesy call and that he had no specific business to discuss with Mr. McNamara. He would like to say with what admiration he had watched the progress of the World Bank Group since Mr. McNamara took office.

Mr. McNamara thanked the Minister and said that he would be interested in any comments he had on the problems of development in the African continent.

The Minister said that he was more familiar with the situation in the East African countries than in the West. Progress in Zambia and in Kenya was impeded by inter-tribal troubles which produced a difficult political situation. The principal handicap of the African peoples was their lack of know-how and their very low managerial ability. South Africa had faced similar problems in raising the standard of living in its own underdeveloped areas. Capital was not the most important need though naturally additional investment would be required. The main problem was a human and psychological one arising partly from the low standard of education. It was most important to encourage independence and self-help in dealing with the Africans who were not apt to value anything they got for nothing.

D. H. F. Rickett
Vice President
October 8, 1969

December 1, 1970

Meeting of South African Delegation in Copenhagen, September 19, 1970

Present: Mr. McNamara, Minister of Finance
Diedrichs, Secretary for Finance
Browne, Governor of South African Reserve Bank
de Jongh and Messrs. Stone and de Kock

The meeting was largely a courtesy call by the Minister of Finance. The Minister said that, despite pressing internal development needs and a tighter budget position in South Africa, he was glad that South Africa could participate in the Third IDA Replenishment. Mr. McNamara outlined Bank Group assistance to Lesotho, Swaziland and Botswana and pointed to the need for South African support for the projects concerned. The Minister said that his Government appreciated these efforts and promised that he would do his best to see to it that Bank and IDA projects were properly supported.

LEChristoffersen

MEMORANDUM FOR THE RECORD

Meeting with Mr. N. Diederichs, Minister of Finance, South Africa
September 26, 1973

Present: Mr. R. McNamara
Mr. N. Diederichs
Dr. T.W. de Jongh
Dr. G.P.C. de Kock
Dr. R. van Smit
Mr. S.T. McLeod

Mr. McNamara thanked the Minister for South Africa for the increase in its contribution to the Fourth IDA Replenishment which was important although small. The legislative problems remain, of course, particularly in the US.

Mr. Diederichs asked whether Mr. McNamara had found the meetings successful so far. Mr. McNamara responded that with a few exceptions the speeches had been constructive. Mr. Diederichs felt that not much new was coming of the meeting but agreed with Mr. McNamara that monetary reform in particular will take considerable time.

One of the delegates asked whether Mr. McNamara was satisfied with the use of the Bank's loans. Mr. McNamara said that the Bank was careful and hard-nosed in assessing investment - in 1972 those projects for which a rate of return was calculated showed an average return of 19%. Mr. McLeod questioned the need for Bank lending to Brazil in view of the high reserves. Mr. McNamara said that the reserves are off-set by short term debt and that the Bank is endeavoring to lend for projects in new areas and where it could influence policy, such as the level of interest rates. He agreed that Brazil and Mexico need sophisticated debt management in future years.

Another visitor asked how Mr. McNamara sees the absorptive capacity of Africa and progress of population programs there. Mr. McNamara said that most countries in Africa could accept considerable increase in lending. Several governments are accepting family planning as an objective but the growth in population is not likely to decrease for another 25 years and stable population is a century away.

AL

September 26, 1973

BIOGRAPHICAL STATEMENT

Robert van Schalkwijk Smit

Date of Birth: July 13, 1933

Place of Birth: Boshof, Orange Free State, South Africa

Nationality: South Africa

Marital Status: Married, two children

Education: University of the Orange Free State,
B. Co.Hons., 1951-54
Rhodes Scholarship, 1955
Oxford University, B. Litt., 1958
University of Stellenbosch, D. Comm.,
1968

Experience: 1955 Economic Research, Department of
Agriculture
1959 Teacher, Grey College, Bloemfontein
1960-61 Economic Research, Board of Trade
and Industries
1961-67 Head of Foreign Trade Relations
Division (1962-67), Department
of Commerce and Industries
1968 Deputy Secretary for Finance, Treasury
1971 Alternate Executive Director, International
Monetary Fund
1974 Ambassador: Principal Resident Representative
of South Africa at the IBRD and the IMF

Other: 1964-67 Participated in UNCTAD and GATT
conferences and negotiations in Geneva

MEMORANDUM FOR THE RECORD

Meeting with the South African Principal Resident Representative to the IMF and the IBRD, Ambassador Robert van S. Smit, and his Successor, Dr. Johannes H. de Loor, September 16, 1975

Present: Messrs. McNamara, Smit and de Loor

Mr. Smit said that South Africa would like to undertake joint and parallel financing with the Bank. The principles had been cleared by the Government but there was a problem with some countries which were hesitant towards joint Bank/South African financing. He specifically mentioned Malawi where the Government had been interested in joint Bank/South African financing but some problems still remained. Mr. McNamara said that he would talk to Mr. Husain about this. Mr. de Loor said that the Swaziland power project might be the first example of joint South African financing with the Bank. He wondered what the status of the power project was. Mr. McNamara said that he was not familiar with the project but would ask his associates to inform Mr. de Loor.

Mr. Smit said that South Africa had large experience in agriculture, veterinary medicine, forestry and hoped to make an input in Bank projects in these fields in an unobtrusive way. Mr. McNamara said that he would like to take advantage of this suggestion.

Mr. Smit said that South Africa would like to participate with its appropriate share in future capital subscriptions to the Bank.

Finally Mr. Smit said that, if any group of countries in the Board needed the support of South Africa to retain its seat, South Africa would be willing to accommodate almost any group in this respect.

cc: Mr. Knapp
Mr. Cargill

SB
September 17, 1975

MEMORANDUM FOR THE RECORD

Meeting with South African Ambassador, Mr. de Loor, Resident Representative for South African Mission to IMF and IBRD, and his successor Ambassador Groenewald, September 16, 1977

Present: Messrs. McNamara, de Loor, Groenewald

Mr. de Loor said that Mr. Groenewald was from the Central Bank and would take over as Resident Representative for South African Mission to IMF and IBRD on November 1. Mr. de Loor would himself return to South Africa to become Permanent Secretary for Finance. Before leaving, he wanted to express his gratitude for the parallel financing that was now taking place with private sector companies in South Africa guaranteed through the South African Export Credit Guaranty Corporation; for the cooperation between the Bank and the Iron and Steel Corporation in South Africa; and for being kept informed very well of what was happening in the Bank. He would hope that at some appropriate time the South Africans could normalize their relationship as far as representation was concerned and return to a group of countries. Finally he hoped that Mr. McNamara would find time during the Annual Meeting to meet with the Minister of Finance from South Africa.

Mr. McNamara said that he was extremely busy during the Annual Meeting week and gave priority to appointments with Part II countries. If at all possible, he would like to see the South African Minister of Finance but he thought that this might be very difficult.

SB
September 19, 1977