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VOL. III

RECORDS MANAGEMENT SECTION

## OFFICE MEMORANDUM

TO: Files

DATE: December 29, 1970

FROM: Suzanne Henneman *ssh*SUBJECT: Guidelines for Preparation of Mathematical Equations and Labeling Figures

1. The following notes have been prepared as a guide to any authors and secretaries who might find them of use. The notes are based on comments from staff members of the Sector and Projects Studies Division of the Economics Department, and from Mrs. Betty Easter, on my earlier draft of these notes (August 20, 1970).
2. My hope is that these guidelines may fill a gap in the information now available to secretaries and authors. From the secretary's point of view, no information on equations and figures is currently included in the Bank secretary's handbook; information included in other guides such as the University of Chicago's Manual of Style does not deal with the limitations of the office typewriter, nor with the particular demands of economics. From the author's point of view, there is seemingly no one set of "accepted" notation to refer to: the American Economic Review editor has written me that "the Review uses no guidelines on the presentation of equations."
3. While it would be unnecessary and futile to present these guidelines as a universal standard, it is still useful, I believe, to make them available, as they contain whatever experience in the matter I can offer after some two years as a division editor of Bank research papers.

SHenneman:jlh

Attachment: Guidelines for Preparation of Mathematical  
Equations and Labeling Figurescc: Mr. S. Reutlinger  
Mr. A. Stevenson  
Miss G. MacKenzie

1. Precisely typed equations, symbols and figure labels may be more easily produced by a publishing company with elaborate equipment, but most equations used by Bank economists can be adequately typed on a normal typewriter, if author and secretary will follow a few simple rules.
  
2. The key word is teamwork. An author should be willing to write his equations and draw his figures even more clearly and carefully than he writes his text, bearing in mind that mathematical notation will always be less familiar to both secretary and reader than will written language, and that a line or page of equations is much more difficult and time-consuming to type than the same amount of text, even when the draft is clear. Likewise, a secretary should be willing to give equations and figures extra attention, and to return an author's draft with her questions if the positions of the elements are not clearly indicated.
  
3. Both author and secretary should remember that the parts of an equation are much more crucial than the letters of a word, and therefore that greater care is required with equations than with text. With a word, a typo or mistake is often easily corrected in the reader's or secretary's mind by looking at the letters around it and at the context. But in an equation, a mistake is not easily identified by anyone other than the author and always changes the meaning of the equation. Even more than with the text, the author must rely on his secretary to produce an exactly accurate picture of what he has written, and the secretary must rely on the author to provide an accurate, readable draft.

MATHEMATICAL EQUATIONS

Powers, Superscripts and Subscripts

4. Superscripts and subscripts are added to a letter or symbol to identify it more precisely. A power indicates a mathematical operation. Superscripts and powers belong no more than half a line above the line in which the letter is typed. Superscripts and powers should be typed in the space following the symbol; if there is both a superscript and a power, the superscript comes first. The subscript belongs in the same space as the superscript (directly below) but half a line below the letter line. Care should be taken that letters with sub- and superscripts in text material (  $S^O_A$  ) do not extend so far below or above the letter line that they interfere with neighboring lines.
  
5. One space should be left between symbol groups (letters with their accompanying sub- and superscripts, powers, etc.) when no mathematical sign separates them. One space should be left on either side of a mathematical sign ( = + - · ≠ ≤ ≥ ).

<u>Examples</u>	<u>Correct</u>	<u>Too crowded</u>	<u>Too open</u>
superscript:	$a^1, a^0$	$a^1, a^0$	$a^1, a^0$
power:	$a^2$	$a^2$	$a^2, a^2$
subscript:	$a_1$	$a_1$	$a_1, a_1$

	<u>Correct</u>	<u>Too crowded</u>	<u>Too open</u>
superscript and power:	$a^1 2$	$a^1 2 , \cancel{2}$	$a^1 , a^1 2$
superscript and subscript:	$a_m^0$	$\cancel{a}_m^0$	$a_m^0 , a_m^0$
subscript and power:	$a_m^2$	$\cancel{a}_m^2$	$a_m^2 , a_m^2$
all three signs:	$a_1^1 2 , (a_1^1)^2$	$\cancel{a}_1^1 2$	$a_1^1 , a_1^1 2$

Equations

6. Equal and inequality signs ( $=, \neq, \leq, \geq$ ) should line up in a vertical line on the page. This applies to equations both in the text and in footnotes. EXCEPTION: When equations on the same page are of very different lengths, it may look better to center the whole equation rather than the equal sign (see Examples A and B on pp.5-6).

7. The equal or inequality and the minus and plus signs, and also the lines of fractions, should line up exactly on a horizontal line. Unfortunately, there is no way to achieve this on a regular typewriter without moving the carriage up and down and from side to side by hand. The underline and period keys on a regular typewriter are set too low to line up properly with the equal and plus signs if they are typed without moving the carriage:

$$x = \frac{A}{B} \cdot \frac{C}{D} + E - F$$

The carriage must be moved up by about half a line to line up the fraction line with the equal, plus and minus signs (a quarter line for the period), and the upper and lower parts of the fraction must be positioned by hand also so that they are about the same distance from the fraction line.

$$x = \frac{A}{B} \cdot \frac{C}{D} + E - F$$

8. One way of handling the alignment problem is to type what belongs on the base line, then reset the carriage to the line which will hold all upper parts of fractions and type all those, and finally set and type the lower parts of the fractions. In the example just given, only one resetting is necessary because upper and lower fraction parts fall exactly one line apart.

On first base line, type:

$$x = \quad + E - F$$

On second base line, type:

$$x = \frac{A}{B} \cdot \frac{C}{D} + E - F$$

If the upper and lower parts of the fractions had sub- or superscripts, they would fall more than a line apart and would have to be typed on separately set base lines.

9. There should be one full line between the text and the nearest part of an equation and between the highest part of an equation and the equation above it.

10. In the example below, also notice that fraction lines are just one space longer on each end than the longest part of the fraction; that the numerators and denominators (upper and lower fraction parts) are centered with respect to the fraction line, and that one space is left between symbol groups (  $E(D_A)$ ;  $P_B^0$ ;  $K_A$ ;  $\theta$ ;  $T$  ), between signs ( = - ), and between symbols and signs.

Example

If  $E(T)$  is the elasticity of the transport demand curve,  $E(D_A)$  and  $E(S_A)$  are the elasticities of demand and supply for the commodity in region A; if we call  $D_A^0$  and  $S_A^0$  the initial demand and supply volumes in A, and if we define

$$K_A = D_A^0 E(D_A) + S_A^0 E(S_A)$$

and  $K_B$  analogously, then

$$\begin{aligned} E(T) &= \frac{\theta^0}{T^0} \cdot \frac{T}{\theta} \\ &= - \frac{\theta^0}{T^0} \cdot \frac{K_A K_B K}{P_B^0 K_A + P_A^0 K_B} \end{aligned}$$

11. If you should have occasion to insert by hand signs not made by the typewriter, such as Greek letters or absolute value signs ( $|a|$ ), they should line up with the typed letters. If possible, borrow a stencil and special pen for drawing Greek letters and inequality signs.

12. Two frequent problem-makers are the summation sign:  $\sum$  and the integral sign:  $\int$  Regarding the former, the author should indicate clearly whether the terms following the sign are simple enough to use the smaller:

$$\sum_{m=1}^6 I_{mt} + (FRS_{t+1} - FRS_t)$$

or complex enough to warrant the larger version, which is three lines, rather than one line, high.

$$\sum_{j=1}^J \sum_{i=1}^I \frac{PT_{ink}}{T_{ijk}} \cdot \frac{V_{ijkn}}{VT_{ijkn}} - LM_{nk} \leq 0$$

Regarding the integral sign, the upper limit (T in this case) is two set lines above the equation base line and the lower limit ( $-\infty$ ) is on the line below the equation base line.

$$C(x) = C \int_{-\infty}^T (T - z) N(z; x + t, \sigma) dz$$





Example A, taken from "Consumption Taxes and Compensatory Finance," The Economic Journal, March 1967 (A. T. Peacock and J. Williamson).

Note: Equation signs are lined up vertically as guidelines recommend.

An obvious step beyond this is to seek to derive a formula for the inflation that would be caused by using indirect rather than direct taxes to achieve price stability. Intuitively, one might expect to find a multiple type formula such as  $\Delta \bar{P} = (\Delta P)_o / (1 - \lambda)$ , where  $\Delta \bar{P}$  is the (proportionate) excess inflation and  $(\Delta P)_o$  is the (proportionate) impact effect of the increase in indirect taxes on the price level. It turns out, however, to be a great deal more complicated than this.

Assume that inflation is proceeding at the positive equilibrium rate  $r$  and that in period  $n = -1$  the Government decides to increase taxes in order to raise unemployment to the level  $U^*$ . It is necessary to restrict analysis to the case where  $dA/dP = 0$ , since otherwise there would be a need for tax reductions after the initial increase in order to hold unemployment at level  $U^*$ . Assume for convenience that  $t_i$  is zero prior to period  $n = -1$ .

By assumption, one has  $P^{c_{-2}} = (1 + r)P^{c_{-3}}$ , and also  $f(U) = f(U^*)$  from period  $n = -1$  onwards, so that equation (11) yields

$$W_{-1} = [(1 - \lambda + s) + \lambda(1 + r)]W_{-2} = (1 + s + \lambda r)W_{-2}$$

Equation (13) therefore gives

$$P^{c_2} = \beta W_{-2} (1 + s)^2$$

and 
$$P^{c_{-1}} = \frac{\beta W_{-1} (1 + s)}{1 - t_i} = \frac{\beta (1 + s) (1 + s + \lambda r) W_{-2}}{1 - t_i}$$

Substituting in (11) gives

$$\begin{aligned} V_o &= \frac{W_o}{W_{-1}} = (1 - \lambda + s) + \frac{\lambda \beta (1 + s) (1 + s + \lambda r) W_{-2}}{(1 - t_i) \beta W_{-2} (1 + s)^2} \\ (15) \quad &= (1 - \lambda + s) + \frac{\lambda (1 + s + \lambda r)}{(1 - t_i) (1 + s)} \end{aligned}$$

From equation (14), one has

$$\frac{P^{c_n}}{P^{c_{n-1}}} = 1 + \left( \frac{\lambda}{1 + s} \right)^n \left( \frac{V_o}{1 + s} - 1 \right)$$

By iteration, one obtains

$$\frac{P^{c_n}}{P^{c_{-1}}} = \prod_{n=0}^N \left[ 1 + \left( \frac{\lambda}{1 + s} \right)^n \left( \frac{V_o}{1 + s} - 1 \right) \right]$$

and so 
$$P^c_\infty = P^{c_{-1}} \prod_{n=0}^{\infty} \left[ 1 + \left( \frac{\lambda}{1 + s} \right)^n \left( \frac{V_o}{1 + s} - 1 \right) \right]$$

$$= P^{c_{-1}} \prod_{n=0}^{\infty} \left[ 1 + \left( \frac{\lambda}{1 + s} \right)^{n+1} \left( \frac{\lambda r + t_i (1 + s)}{(1 - t_i) (1 + s)} \right) \right]$$

on substituting from (15).

the price level of...  
taxes are used to elimi...  
one may measure the...  
taxes by

$$E = \frac{P^{c_\infty}}{P^{c_{-1}}} = \frac{P^{c_{-1}}}{P^{c_{-1}}}$$

$$= \frac{1}{1 - t_i} \prod_{n=0}^{\infty} \left[ 1 + \left( \frac{\lambda}{1 + s} \right)^n \left( \frac{V_o}{1 + s} - 1 \right) \right]$$

$$= \frac{1}{1 - t_i} \prod_{n=0}^{\infty} \left[ 1 + \left( \frac{\lambda}{1 + s} \right)^{n+1} \left( \frac{\lambda r + t_i (1 + s)}{(1 - t_i) (1 + s)} \right) \right]$$

$$= \frac{1}{1 - t_i} \prod_{n=0}^{\infty} \left[ 1 + \left( \frac{\lambda}{1 + s} \right)^{n+1} \left( \frac{\lambda r + t_i (1 + s)}{(1 - t_i) (1 + s)} \right) \right]$$

It is obvious that  $\partial E / \partial t_i > 0$ . The sufficient condition for  $\partial E / \partial r > 0$  is that  $\partial F / \partial r > 0$ . Differentiating  $F$  one finds that  $\partial F / \partial r$  is ambiguous. The cost (in terms of a higher tax rate) of a higher tax rate is the necessary tax rate. The more rapid is the initial increase in the productivity factor, the more we have also calculated. The value of the parameters. If the tax rate is sufficient deflationary, the value of  $E$  that would see... The value of  $E$  that would see... The value of  $E$  is 1.0776.

It is interesting to compare the formula,  $\Delta \bar{P} = \dots$  with  $\Delta \bar{P} = E - 1$  and  $\Delta \bar{P} = \dots$ , it would seem to be a reasonable approximation to the value of  $E$  and  $s$ , but it depends on the values of the

Example B, taken from "On Estimation of Production Functions from International Cross-section Data," *The Economic Journal*, June 1967 (P. K. Bardhan). Note: Equation signs are not lined up vertically, but equations themselves are centered to balance visually.

REFERENCES

1. K. J. Arrow, "Economic Implications of Learning by Doing," *Economic Studies*, June 1962.
2. K. J. Arrow, H. B. Chenery, B. S. Minhas, and R. M. Solow, "Labour Substitution and Economic Efficiency," *Review of Economics and Statistics*, August 1961.
3. G. C. Harcourt, review of Minhas' book [5] in *ECONOMIC JOURNAL*, 1961.
4. R. C. O. Matthews, "The New View of Investment: A Comment," *Journal of Economics*, February 1964.
5. B. S. Minhas, *International Comparisons of Factor Costs and Factor Use* (1961).
6. M. Nerlove, "Notes on Recent Empirical Studies of the CES and Production Functions," Technical Report No. 13, Institute for Mathematical Studies in the Social Sciences, Stanford University, July 19, 1965.
7. E. S. Phelps, "Substitution, Fixed Proportions, Growth and Distribution," *International Economic Review*, September 1963.
8. J. Robinson, "Factor Prices Not Equalised," *Quarterly Journal of Economics*, May 1964.

APPENDIX

The Sign of  $\frac{dT}{dW}$  for the Cobb-Douglas Case

If  $r$  is the rate of interest at which future quasi-rents are discounted and assumed constant, the present value of the output of a machine of vintage  $v$  over its life is given by

$$F(v, t) \cdot \frac{[1 - e^{-rT}]}{r} \dots \dots \dots$$

The present value of the cost of labour employed with the machine of vintage  $v$  over its life is likewise

$$W(v) \cdot L(v, t) \cdot \frac{[1 - e^{-(r-g)T}]}{(r-g)}, r > g \dots \dots \dots$$

Maximising the excess of (20) over (19) leads to

$$\frac{\partial F(v, t)}{\partial L(v, t)} = W(v) \cdot \frac{r[1 - e^{-(r-g)T}]}{(r-g)[1 - e^{-rT}]} \dots \dots \dots$$

A machine of vintage  $v$  is scrapped when

$$W(v) \cdot e^{gT} = \frac{F(v, t)}{L(v, t)} \dots \dots \dots$$

Substituting for  $W(v)$  from (21),

$$\frac{F(v, t)}{L(v, t) \cdot \frac{\partial F(v, t)}{\partial L(v, t)}} = e^{gT} \cdot \frac{(r-g)[1 - e^{-rT}]}{r[1 - e^{-(r-g)T}]} = \frac{[e^{rT} - 1]}{r} \cdot \frac{(r-g)}{[e^{(r-g)T} - 1]}$$

Or,  $\frac{1}{a} = \frac{Z(m)}{Z(n)} = N(r, T) \dots \dots \dots$

the exponent  
of  $m = rT$   
and  $Z(n)$   
  
 $\frac{\partial Z}{\partial m}$   
 $\frac{\partial Z}{\partial T}$   
  
find out the s  
  
 $p(x) = \frac{Z'}{Z}$   
 $\text{sgn } p'(x) = \text{sgn}$   
 $= \text{sgn}$   
  
expansion in Tay  
 $\frac{Z'(m)}{Z(m)} > \frac{Z'(n)}{Z(n)}$   
 $\frac{1}{N}$  and  $\frac{\partial N}{\partial T} \cdot \frac{1}{N}$   
this model it can b

EC - Dept - gey  
ce

Mr. R. H. Demuth

December 14, 1970


Hollis B. Chenery

initialled  
HBL (Dec. 15)

Reorganization of Economic Staff

1. Regarding your memo of November 2 and my subsequent conversation with Mr. Hoffman, I should like to take up further your paragraph 1. I quite agree that another look at the mission and report writing schedule is needed, and this ranks high on my agenda of work for the EPD. But I want to concentrate on the content of the work program designed for each country, in the context of the economic diagnosis and lending program. This is why my revised memo in paragraph 6 includes the review of the economic work program among the functions of the Program Review Division. I think that this should help achieving some of the objectives listed in your memo.

2. On the other hand, as long as the Area Departments have the responsibility for carrying out the program, I think that we will fare best if we also give them sufficient flexibility and discretion in deciding how they are to go about it. If they don't do it well, they will be accountable - and the review process should pinpoint what was done poorly or not at all - but I want to do what I can to help them. And detailed supervision, e.g. of their timing and composition of missions, coordination with UNDP, etc. would, I think, result in unnecessary friction while at the same time tying down much of the Central Economic Staff's time.

 ELerdau:jd

Ec. Dept. gen

Mr. Harold W. Messenger

December 2, 1970

Robert McPheeters *RM*

External Debt Section Organization and Activities

Attached as per our conversation last week are:

1. A breakdown of the time spent by personnel of the External Debt Section on various major categories of work for the six-month period May-October, 1970. These data were taken directly from the monthly time sheets (with a few adjustments) prepared regularly for the Economics Department front office. A copy of the time sheet is attached; an explanation of the categories is on printed on the reverse of the form.

2. Several documents describing the organization and staffing of the External Debt Section, including:

a. Summary job descriptions for the professional positions in the Section, and more detailed job descriptions for the position of debt analyst and for statistical assistant in the creditor group; these were prepared over the past few months chiefly to assist Personnel Division in their recruiting efforts for us;

b. An organization chart of the Section as it will be operating with the inauguration of the revised debt system (and as we would like to see it established on a formal basis if that is required);

c. An outline of the flow of work in the Section, drawn up in connection with our budget preparation earlier this year.

3. A copy of the report of the External Debt Review Committee. (This is one of the few copies we have left; may we have it back when you have finished with it?)

The section of the EDRC report in which you will be most interested is that on Organization and Personnel, beginning with paragraph 125 on page 32. A great deal could be said about this part of the report, because much has changed since the report was issued (over two and a half years ago). I think the following points are particularly pertinent:

Para. 129 and rec. 3, p.37. Major systems redesign, started about a year and a half ago, is approaching completion. Although there remains a great deal of work to be done, we expect to begin large-scale, testing of the data file programs and report generators this weekend, and hope to begin partial production of global data by the middle of the month. As the system is completed, the balance between the types of work described in paras. 130 and 131 will shift sharply, with emphasis on the latter.

To some extent, this has already happened; the debt analysts and processing supervisors are spending an increasing amount of time on such things as sorting out debt relief operations, terms and capital flow analysis, balance of payments reconciliation and data preparation for modeling and policy analysis.

Paras. 132, 133, 135-140, 145-146, recs. 1, p.36 and 4, p.37. The personnel situation and its manifestations as described in these passages have changed for the better to a remarkable degree. All of our assistants are in the "grey area" (special services), and several of our professionals have been promoted through special services to their present positions. Turnover has fallen sharply and morale, as indicated in this year's personnel evaluation, has improved steadily. We have brought in some new blood from other parts of the Bank for the debt analyst positions (one country economist and one voucher examiner), and we are currently trying to fill a recent vacancy with a debt specialist from the planning organization of a major Bank developing member country. Salaries are more equitable and the assistants are dealt with on the same basis as professionals. The routine clerical aspects of the job should diminish further with the installation of the new system, although interim improvements have already helped.

Para. 134. We have developed a much closer relationship with Personnel Division, and are satisfied that they are filling our requirements adequately. Some of the attached documentation was put together as part of this effort.

Paras. 141-144, recs. 2(b)-(d), p.36. As a result of the growing complexity of debt analysis going on in the Bank, Debt Section personnel have perforce become more involved with area and other user departments. In some cases these contacts have become quite close and our staff have spent a great deal of time with country economists on particular projects such as, for example, preparation of data for the recent round of debt relief discussions among Ghana's creditors. On the other end of the system much the thing has been happening. During the past year or so, Debt Section personnel have participated in missions to Israel, Pakistan, Iran, Yugoslavia, Peru, Brazil, Uruguay and Ghana; several missions are scheduled during the coming months. In addition, Debt Section staff have conducted intensive briefing for country economists planning to investigate debt problems during the course of economic missions for which we have been unable to provide personnel.

Rec. 2(a), p.36. The Debt Evaluation Unit went into operation last May, after a search of more than a year for the right person to get it started. The Unit is currently engaged in a variety of tasks: design and running of debt models for area departments and P&B, preparation of a summary paper on debt projection work in the Bank, a study disbursement patterns underlying projections of service on existing debt, and work on balance of payments reconciliation.

Mr. H. W. Messenger

- 3 -

December 2, 1970

I realize that the attached documentation provides only a rather cursory picture of the external debt operation. If you have further questions please let us know.

Atts.

cc: Messrs. Kamarck/Stevenson  
Henderson  
Tiemann  
Mmes. Paulson/Slappey

RMcPheeters:ra

Estimated Allocation of Staff Time, May - October, 1970

External Debt Section  
(Percentages)

	Chief	Deputy Chief	Other professionals	Statistical Assistants	Total Staff
<u>Service</u>	<u>15.3</u>	<u>17.2</u>	<u>45.7</u>	<u>84.6</u>	<u>67.7</u>
Direct Service	1.6	0.8	15.2	60.1	42.1
Indirect Service	13.7	16.4	30.4	24.5	25.6
<u>Non-Service Functions</u>	<u>73.0</u>	<u>73.0</u>	<u>40.9</u>	<u>2.4</u>	<u>19.3</u>
Management	48.4	59.4	27.9	2.4	14.0
Liaison and Missions	16.0	13.7	6.2	-	3.0
Research	8.6	-	6.8	-	2.4
<u>Leave, Training and Misc.</u>	<u>11.7</u>	<u>9.8</u>	<u>13.5</u>	<u>13.1</u>	<u>13.0</u>
<u>Total Time</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Items may not add due to rounding.

Direct service includes preparation of tables and other statistics at the specific request of users in other parts of the Economics Department and other departments and offices in the Bank. Indirect service includes work on and maintenance of reporting systems and preparation of data for Bank-wide applications such as the Annual Report and published tables on bonds and equities. Management includes planning and organization of work, supervision and training of personnel, and personnel evaluation. Liaison and missions includes liaison with member governments and other international organizations, principally IMF and OECD, attendance at international meetings and participation in economic and debt missions. Research includes chiefly work on international capital markets and reconciliation of debt data with balance of payments and other capital flow statistics.

Brief job descriptions for professional and supervisory positions in the  
External Debt Section

- Chief - Directs the Section and the operation of the three reporting systems (debtor, creditor and capital markets). Formulates policy on methods of collecting data, definition of areas covered by the reporting systems, and treatment of various debt items in the collection and processing. Plans work in new fields being undertaken by the Section. - recent examples include reconciliation of debtor data with IMF balance of payments, strategy and methodology for checking debtor and creditor data. Liaison with international organizations, e.g. with OECD on creditor reporting system, with regional banks on debtor reporting system, with Ad Hoc Group of Financial Statisticians on capital markets. Supervises, trains and evaluates professional staff of the Section.
- Systems Deputy - Plans, coordinates and supervises implementation of the systems design and the technical data processing aspects of the Section's work, including revision of debtor system. Provides specifications for computer programs, defining input and output. Liaison with the Programming Section, the Joint Computer Center, and data processing personnel in the OECD and reporting countries. Acts as Chief of the Section in the Chief's absence.
- Debt Analyst (debtor groups) - Directs activities relating to the study of the external debt of developing countries and processing of data reflecting this debt. - Researches difficult country problems, such as those arising from inadequate debt administration and debt rescheduling; organizes the problems which these situations present in such a way that the Processing supervisor can interpret them into coding. Liaison with Area Department on these problems and on the needs of economists for special tables and calculations. Missions to countries to advise on debt administration, reporting problems and to obtain data. Reconciliation of debt data with information from other sources, especially with the IMF balance of payments. Assembles area and world compilations making estimates where necessary under direction of the Chief.
- Debt Analyst (creditor group) - Directs activities connected with Expanded Reporting System on External Lending and with capital markets reporting system. Research on lending policy of creditor countries and assists processing supervisor in interpretation of reporting practices of particular countries as they affect coding and compilation of data. Participation in the formulation of reporting requirements. Assists chief in reconciliation of creditor and debt data. Missions to creditor countries to advise on reporting problems and on cross-checking of debtor and creditor data. Liaison with OECD on reporting problems and processing. Supervises compilation of data on capital markets.



Processing Supervisor (debtor groups and creditor group) - Directs and participates in editing and coding of forms and other data received, pilot tables on their steps through the computer to produce tables. Following research on country problems, implements the solution through coding. Occasionally goes on technical missions to obtain data or to work with counterpart personnel in countries on filling out forms. In creditor group, operates capital markets reporting system. Supervises and trains statistical assistants.

Processing Supervisor (initial processing) - Directs and participates in initial coding (this will comprise the codes which usually have little relations to a debtor country's individual problems) of both debtor and creditor forms. Requires familiarity with requirements of both systems and knowledge of uses and relationships of data, which are different for each system but eventually are coordinated. Maintains fast production line of coding to move reporting forms quickly to the debtor or creditor groups concerned. Supervises and trains statistical assistants.

Debt Analyst, External Debt Section, Statistical Services Division

Duties and Responsibilities

1. General administrative supervision of debtor or creditor country group including, with the cooperation of the processing supervisor of each group, annual evaluation of the performance of personnel in the group and training of new personnel. Should become thoroughly familiar with all phases of the processing carried out by the group and assist the processing supervisor in the allocation of assignments and production of tables.
2. Study in depth special debt problems such as those arising from poor reporting, revised or special reporting requirements, and debt re-scheduling and renegotiation. Undertake missions to investigate such problems, to obtain or clarify data, and to provide technical assistance and training to statistical personnel of reporting countries.
3. Effect reconciliation of debt data with related international and country statistical series; in particular, investigate and reconcile differences between debtor and creditor reporting, and between debt data and the balance of payments statistics produced by the IMF. In connection with the latter, maintain contact with appropriate staff of the IMF for the purpose of exchanging and clarifying information.
4. Establish and maintain contact with Area Department economists for the purpose of planning work priorities, transmitting data for economic reports and other studies, preparing for missions, and communicating with reporting country authorities, including, as necessary, the preparation of the debt representation letters required for loan documentation. Also establish and maintain contact with Creditworthiness Studies Group and Economics Department economists for the transmission of data for special studies and for models.
5. Prepare and maintain regional aggregate and analytical data, and assist the Chief of the Section in preparing global tabulations and analyses.

Job Description for Statistical Assistant in the Creditor Group  
of the External Debt Section, Statistical Services Division

The Creditor Group is responsible for the processing of the data received from creditor countries on their external lending and the production of tables based on these data. This group is also responsible for the collection of statistics on capital markets. This work is almost entirely performed by the statistical assistants under the direction of a professional in charge of the group. For the personnel working on data received under the Expanded Reporting System, these duties consist of the following:

1. Editing and coding of the forms received from the participants in ERS. The more routine codes, such as country, currency etc., are entered by another group (Initial Processing Group) before the forms are received in the ERS Group. The statistical assistants in the ERS Group are responsible for entering the more complex codes such as purpose code and the codes which relate to the payments terms of the loan or credit. A sight edit of the forms for consistency, logic, relationship of items, and completeness is performed by the statistical assistants in this group. A knowledge of country lending procedures and policies is useful for this.
2. Correction of the computer edit. After the data are punched a computer edit is performed to test the logic and consistency of both the coding and the data. This edit is intended to catch errors in the data which are not noted in the sight edit. The statistical assistant must correct the errors or if essential items are missing from the basic data, enter estimated data which will serve until firm information can be obtained. Usually at least two edits are necessary to insure that the tape is in proper order.
3. Drafting of letters to participating countries on errors, omissions and unclear data on the forms. This involves not merely the listing of items but a clear and concise explanation of conceptual problems which we may have in interpreting the data.
4. Preparation of tables on the lending of the participating countries and on the credit received by individual recipient countries. Our new integrated debtor/creditor processing system makes possible the production of a wide variety of analytical tables. A few of these will be produced routinely and distributed both inside and outside of the Bank. Others of a more detailed nature will be produced on request for special purposes. Although the tables will be produced by the computer on order, the statistical assistant, if capable, will discuss with Bank economists their needs and be responsible for ordering appropriate analyses from the computer.

5. Cross-check creditor data with data received by the Bank from debtor countries on their indebtedness. The checking of forms on individual official loans with the corresponding forms received from debtor countries is largely performed by the staff working on the debtor countries. However, the cross-checking of the aggregate data received from creditors on private lending with comparable detailed information received from debtors will largely be performed by the Creditor Group. The reason for this is that the full detail of the contents of the debtor information is known, whereas, the aggregate figures reported by the creditors must be studied and analyzed. This also involves staff consultation on the reason for the differences in the two sets of data and correspondence with ERS participants. The statistical assistants will perform the preliminary analysis and will participate in drafting correspondence. They will also be required to become familiar, with the assistance of the debtor groups, with the debt problems of the individual debtor country which is being checked.

We expect very shortly to divide the functions of the Creditor Group into personnel who are responsible for the statistics on official lending and those responsible for the statistics on private lending insured and guaranteed. Statistical assistants will specialize in either field but will co-operate in the production of tables and analysis which involve both types of lending.

## Flow of work in External Debt Section

### I. Debtor data processing and production of tables

1. Forms received, registered and acknowledged by Records Clerk.
2. To geographic debt unit to determine if any special problems involved. If there are, problems will be studied and sorted out by the Debt Analyst.
3. To Initial Processing Group to have certain codes entered.
4. To Processing Supervisor of geographic group for remaining codes.
5. To Computer Center for punching, editing and running of tables. After each of these steps the listings will return to the geographic group.
6. If memo to Area Dept. necessary, will be prepared by geographic group.
7. To geographic processing group for layout of table.
8. To typists for typing and distribution.
9. Debt Analyst will use final tables in making area and world compilations.
10. Forms to Records Clerk for filing.

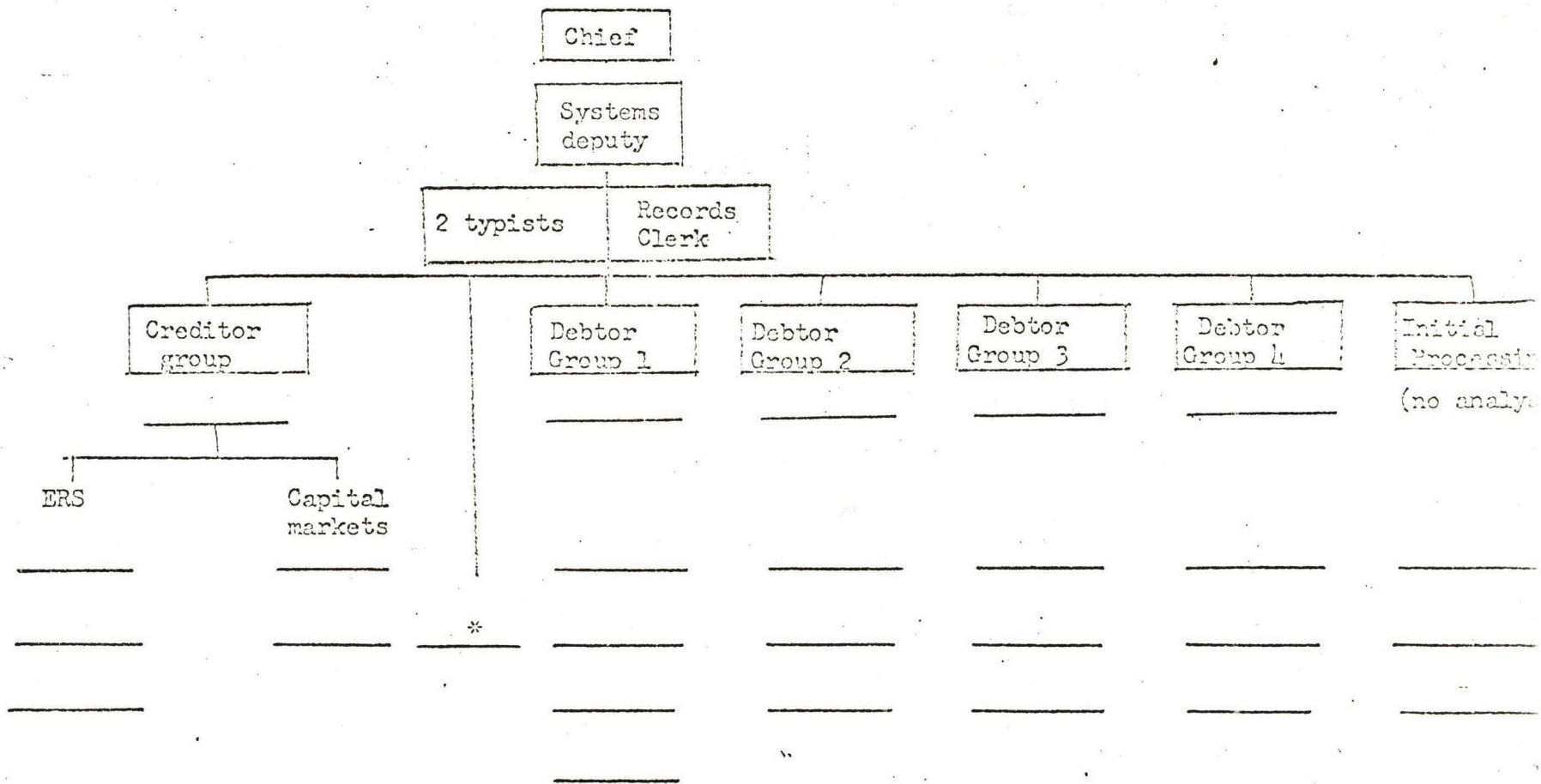
### II. Creditor data processing and production of tables

1. Forms received, registered and acknowledged by Records Clerk.
2. To Initial Processing Group to have certain codes entered.
3. To ERS Processing Group for remaining codes.
4. To Computer Center for punching, editing and production of (a) creditor tables and (b) cross-checking tables. After each of these steps the listings will return to the ERS Group.
5. If letter to country necessary, will be prepared by ERS Group.
6. To ERS Group for layout of tables.
7. To typists for typing and distribution.
8. Forms to Record Clerk for filing.

### III. Other jobs

1. Area and world compilations of debt data --- each Debt Analyst will contribute for the countries in his area and compilation will be made under the direction of the Chief.
2. Research on countries and missions --- Debt Analysts.
3. Capital markets --- under direction of the Creditor Group Debt Analyst.
4. Systems --- under direction of Systems Deputy in cooperation with programmers from Programming Section.
5. Management of debtor system, implementation of new system, etc. (includes liaison with regional banks) --- Chief.
6. Management of creditor collection (ERS) and Liaison with OECD --- Chief.
7. Balance of payments reconciliation --- Debt Analysts.
8. Amortization schedules and miscellaneous calculations --- processing groups as appropriate.
9. Administration --- Chief.

EXTERNAL DEBT SECTION



Debt analyst

Processing supervisor

Statistical assistants

32 positions:

15 professional:

Chief  
Systems deputy

5 debt analysts

7 processing supervisors

18 non-professional:

15 statistical assistants  
2 typists  
1 records clerk

\* Statistical assistant assigned to help the Chief and Systems Deputy

Mr. Hollis B. Chenery

November 27, 1970

Timothy King

Mr. Repetto's Research on Son-Preference and Fertility Rates

1. I understand that at a recent meeting between Dr. Kanagaratnam and yourself, Dr. Kanagaratnam mentioned the fact that this study was in the budget of the Population Studies Division to illustrate that our resources were not being optimally used. The purpose of this note is to record:  
1) the study was originally contracted by the South Asia Department, but as a result of a recent change in budgetary practice was transferred to our budget; and also 2) our view that the study is of much greater usefulness to the operations of the Bank than its title might suggest, and also complements other research that we are doing.
2. After learning from Robert Cassen of the Bank's concern with the Indian family planning program and our general interest in the determinants of fertility, Mr. Repetto approached the Bank in May with a proposal to use existing data on fertility histories to examine the proposition that fertility behavior is directly affected by the desire for a minimum number of sons. Suitable data existed in research centers in both India and Chile which he planned to visit. Repetto visited the Bank to discuss his proposal with the Economics Department and particularly with this Division, with the Population Projects Department and with the South Asia Department. Our view was that the study was a useful one, but as Mr. Stevenson pointed out in a memorandum to Mr. Votaw (May 28) our budget for supporting research was limited, and since we were proposing to commit some of our internal resources to studying the determinants of fertility, using Indian data, we could not also finance Repetto's study. This Division did, however, welcome the idea that it should be done by the South Asia Department. On the other hand, Dr. Kanagaratnam expressed doubts about the operational use of the study (memo to Files, May 26). The South Asia Department had the money to finance that part of Mr. Repetto's proposal that dealt with India and made arrangements to do this in a somewhat modified form.
3. Subsequently the Programming and Budgeting Department decided that, after July 1, 1970, for budgetary purposes like functions should be budgetted under the same account numbers. In consequence funds for the project were transferred by Programming and Budgeting to this Division.
4. The research is not so esoteric as it may sound. One of the most controversial issues surrounding the design of family planning programs is the extent to which the apparent relative lack of success of certain programs (particularly the Indian one) can be attributed to a lack of demand for the services of the program rather than to deficiencies in facilities or information. If the former, and fertility is high primarily because large families are desired, then it is important to discover why this is. A common hypothesis is that fertility is high in order to ensure

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cc Budget  
cc population

the survival of at least one son. Testing this hypothesis may throw light on (1) the extent to which families are large because parents desire large families, but then having had desired number of children, they then practice primitive but effective population control and (2) the extent to which the motives for large families can be attributed to a desire for sons. This information would be of considerable use not only in explaining the performance of the program, but perhaps also in the future design of the incentives offered to encourage small families.

<sup>RTPK</sup>  
TKing:pmrr

cc: Messrs. Kamarek  
Stevenson  
Henderson  
Hawkins



EC Dept - gen  
12

Mr. W. A. Wapenhans

November 20, 1970

Leslie Helmers

Commodity Assignments - Shipping

1. The Economics Department devotes a considerable amount of staff time to commodities, but it does not have anyone working on shipping rates. Since shipping rates can vary very widely, and since the economics of our projects depend on FOB values, rather than the CIF values for which we usually have price projections, it seems to me important that we have someone in the Bank who understands shipping and can make future forecasts. The need for this has been recently confirmed in conversations with members of the Commodities Division of the Economics Department, principally in connection with Brazil Santos Port Grain Storage.
2. I wondered if we might not make a suggestion about this to Economics Department.

SD:les:ah

Ec. Dept gen  
e

Mr. Bela Balassa

November 20, 1970

Arthur E. Tiemann *AET*

Publications by Staff Members

In response to your memorandum of November 16, 1970, the following papers were prepared by me or members of my division and were published or accepted for publication as indicated:

"World Bank Statistics on External Debt" by Arthur E. Tiemann, presented at the IX Meeting of Central Bank Technicians in November, 1969, and summarized in Spanish in the CEMLA Monthly Bulletin, December 1969.

Book review by Arthur E. Tiemann of M. Michaely's "Balance of Payments Adjustment Policies; Japan, Germany and the Netherlands" in Review of the International Statistical Institute, Vol. 37, No. 3, 1969.

"Foreign and International Bond Issues in Europe" by Helen W. Paulson, to appear as a chapter in "Corporate Bond Financing in the 1960's", edited by Mr. Robert King, to be published by the Investment Dealers Digest in collaboration with the Investment Bankers Association.

cc: Mr. Stevenson

AETiemann:ra

November 19, 1970

Mr. Edwin T. Haeefele  
Resources for the Future  
1755 Massachusetts Avenue, N.W.  
Washington, D.C. 20036


Dear Ed:

I find it desirable to continue the luncheon meetings,  
but it might be useful to have a subject to be discussed which  
we could know of in advance.

Greetings.

Sincerely yours,

Arturo Israel  
Sector and Projects Studies Division  
Economics Division

  
AIsrael:phm

B.T.

Ec. Dept - gan

Mr. Bela Balassa

November 18, 1970

Ugo Sacchetti

U.S.

Publications by Staff Members

I refer to your memorandum of November 16, 1970 on the above subject. The following study and paper have been prepared by the staff of Development Finance Studies at the Bank and have been published or accepted for publication:

Possible Improvements in Techniques of Lending, a study issued by the Bank in 1970 as being prepared by the IBRD staff. However, Mr. Jo Saxe has been to a very large extent responsible for its preparation.

"Discussant's Comments" in Universities - NBER Conference on Capital Movements and Mobility, Fritz Machlup and Lorie Tarshis, editors (forthcoming), Elinor B. Yudin

cc: Mr. Stevenson

V Ec Dept - gen  
cc Computer program

Mr. Hollis B. Chenery (through Mr. A.M. Kamareck)

November 18, 1970

Robert McPheeters

Economics Department Data Processing Program

At your meeting with the professional staff of Statistical Services Division we discussed the problem of allocating the limited computer and programming resources available to support the Bank's research and operations. The attached note sets out in detail the allocation of these resources for the current fiscal quarter. It also provides an indication of the variety of the demand for computer services in the Bank. The consolidated budget for the quarter (also attached) puts Economics Department applications into Bank-wide perspective.

This is the first time that we have attempted such a detailed budgeting procedure for data processing activities. As this exercise will probably become, in one way or another, part of a routine budgeting procedure, the following comments might be kept in mind:

1. The current budget provides for the allocation of every hour of the available time of every programmer and programmer/analyst position authorized in the Bank's personnel roster. Further, the computer time budgeted will push the use of the in-house B5500 close to the maximum level of utilization which we can expect from the machine.
2. A very large proportion of the budget (over 90%) provides for continuation of projects which, for the most part, have already been under way for some time and in which we have considerable sunk costs. There is thus very little leeway for taking on new applications unless we are prepared to increase the budget (at least for personnel) or to reconsider the current level of expenditure for ongoing applications.
3. Several major items in the current budget are as large as they are because the projects have fallen behind schedule due to past shortages of programming personnel. This is true, in particular, of the external debt systems, the world tables (economic data bank), and the various cash flow and financial models for D.F.C., I.F.C., P&B and the projects departments. Our inability to use these data and analytical tools at full operational level no doubt has an effect on the efficiency of much of the Bank's work.
4. The current budget excludes a number of applications which are reasonably well-specified but which have been waiting in the wings because there simply have not been resources available to handle them. A minimum list would include work on statistical packages and on models for education planning, international migration and family planning management (Economics Dept.), an IDA financial model (P&B), models for

fisheries, power pricing, telecommunications traffic forecasting, urban and regional projects, the Mekong Basin, East Pakistan, tourism hotels, bridge evaluation, port queuing, the Malaysia rail system, railway single line capacity (various projects depts.), and a management model for I.F.C. There are a number of other applications which are less well-specified but in which economists in several departments have indicated definite interest.

5. In addition to the systems analysis and programming carried out in direct support of the Bank's research and operations, we are receiving an increasing number of inquiries regarding technical assistance in this field. Over the past year, we have been asked to consider helping several countries establish computerized debt and/or national accounting information systems, and we currently are considering a request to convert and put into operation the windex (crop-weather analysis) model in India. Although we have conducted training in debt systems in Washington (most recently for a group from Nacional Financiera in Mexico), we have not been able to staff missions for this purpose. We have senior programming staff with language capabilities in both French and Spanish as well as several other languages, and we would very much like to be able to provide technical assistance at least in the external debt field for reasons of pure self-interest, i.e., better debt reporting.

6. Utilization of the B5500 is considerably enhanced by the fact that several major users are now running their own programs. This is particularly the case, for example, with the country models which Mr. Hicks and his staff are running for the area departments and P&B, and for Mr. Goreux' staff in the Basic Research Center, but Mr. Kundu's staff as well as a number of people in the projects departments also use the computer without programming assistance.

7. Finally, I should point out that we are essentially passive in the allocation of these resources. We accept and act on requests for assistance primarily on a first-come, first-served basis, and we generally turn away requests when our staff is fully committed. The latter has occurred with increasing frequency during recent weeks.

In view of the foregoing, I would suggest that consideration of the requirements for and the allocation of resources for the Bank's research activities include a careful assessment of the supporting requirements for statistics and data processing, and that whatever priorities are developed for the research program be applied equally to these supporting activities where relevant.

Atts.

cc: Messrs. Kamarck, Henderson, Stevenson, Balassa, Tiemann, Slade

EMcPheeters:ra

Operational Dept - gen  
✓ cc Economics Dept - gen  
cc Country Ec. Briefs

November 18, 1970

Hollis Chenery  
David Henderson  
L.J. Malinsky (1)

Reactions to Chenery (Henderson) Presentation -  
(Southeast Asia Department Staff Meeting, November 5)

1. I liked the presentation, as far as it went. Clearly, the economic report(s) should provide a solid basis for the country program paper, and the latter should relate to it in substance and, to the extent feasible,\* chronologically. Lurking in the background however are fundamental questions as to what the economic report, the country program paper and the Bank, for that matter, should really be after, and some operational problems they raise.
2. In reverse order, I suppose that the Bank is after economic development, the country paper formulates the Bank's program for assisting that development, and the economic report analyses development progress, problems and prospects. But it is my impression that development has in the past been equated more or less with economic growth, that economic reports have concentrated mainly on growth and the problems of internal and external instability generated by growth efforts, and that lending programs have been formulated on the assumption that the greater the volume of external financial assistance for investment, the faster the economic growth rate and hence, the more economic development there would be. A corollary assumption seems to be that the greater the volume of Bank lending, the better the Bank's performance of its development assistance mission.
3. To be sure, Mr. Hellebrand's public statements during the last year envision broader horizons and criteria than these. Development, he has been emphasizing, means rightly much more than economic growth. Social as well as economic indicators, he has affirmed, are essential to the development concept. Among the latter, criteria previously neglected - e.g., income distribution - should be taken into account. Qualitative as well as quantitative measures and goals need also to be taken into account in development efforts. To all of this I heartily - even enthusiastically - subscribe.
4. But if concepts and approaches such as these are to be incorporated into the Bank's procedures and are to be reflected in its lending policies and programs, what are the implications of this for the objectives, competencies and character of the Bank's economic missions, and for their assessment of country development strategies, performance and problems? What are the further implications for the character and volumes of the country lending and other programs which might logically follow from such assessments? And may it not be likely that these might well come into basic conflict with lending patterns and volumes motivated chiefly, as they have been, by growth considerations?

\* It seems to me however that since economic reports are scarcely *de novo*, a country program paper which anticipates the latest economic report is not necessarily unfounded, or even necessarily inadequately based.

Mr. Hollis Chenery  
Mr. David Henderson

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November 13, 1970

prepared for with the greatest care, if they were to be dealt with in anything approaching a reasonable degree of success.

8. I see two kinds of danger in the present situation: one, that excessive reliance may be placed on a time- and energy-consuming series of studies which - however enlightening - would not contribute importantly towards effective solution of the really significant and essentially political developmental problems; and two, that unequivocal frontal attack along lines of the new objectives (admittedly less likely) might have negative and embarrassing outcomes. As against these, it seems to me that a step-by-step exploratory approach is a preferable alternative. One useful experimental step might be to call for two economic reports, rather than one. The first would be (a perhaps modified version of) the familiar report. The second would experiment freely with the broad and delicate assessments and prescriptions called for by the new objectives, and would be for at least some time for internal consideration only. Three or four selected experimental reports of this kind should go a long way towards illuminating the kinds of problems the new objectives will inevitably raise, and future actions could be tempered or guided accordingly, including decision as to whether it would be diplomatic for an international organization to distribute to member governments its views on delicate domestic issues of an essentially political nature which concern individual member governments. At the same time, country lending programs might begin to bridge the awkward gap between economic growth and development more broadly conceived by seeking out, shaping and giving priority to projects and programs which promise to serve broader developmental objectives.

9. It is not necessary to be able to define precisely what is meant by economic development in the broad sense to illustrate the kinds of projects and programs which would serve such ends. It is necessary however to agree at least in general terms on what we conceive the objective to mean. Surely, economic development in its broad sense must embrace not only economic growth, but an economic growth the benefits of which, in consumption and/or ownership, are increasingly diffused among the whole population. Increasingly widespread opportunities, security and well-being are essential components of such a picture.

10. Crudely stated, I conceive people-centered projects and programs as being the general variety which would most directly serve these ends. Projects and programs which extend land ownership and strengthen tenant and share cropper tenure, which help to increase the productivity and income of small farmers, which provide off-season employment for sub-marginal farmers and farm laborers in useful ways (improving local roads, building dykes, digging wells and drainage ditches, reclaiming land, re-planting forests, etc.), which utilize unemployed and under-employed man-power resources to build low-cost housing, improve environmental sanitation and build essential community facilities, which foster and assist small scale and rural industries, which improve labor skills, and so on, would be accorded a far more sympathetic consideration and even priority, even though they might not be the most obvious or quickest ways to stimulate economic growth, or require relatively little foreign exchange, or posed difficult problems of domestic resource mobilization, or fostered corruption rather than savings.



5. Mr. Hollman addressed himself to some of these questions in his Columbia University speech, February 20, 1970.<sup>1/</sup> Here, I am left uneasy by his belief that "the only trouble" with such basic issues as unemployment, (the distributional aspects of) the green revolution and over-rapid urbanization "is that we do not know enough about them", and by his apparent confidence that "new instruments of research and analysis" will suffice to help us to formulate a more comprehensive strategy for the decade ahead." I wonder also about how far the "new and expanded program of Country Economic Missions" will go toward serving the broader development objectives the Bank is undertaking to pursue.

6. A brief comment is in order, it seems to me, about these positions. No matter how inadequate the state of our knowledge about these and other fundamental questions like wealth and income distribution, and what we might do to remedy these ills, surely the more difficult questions which inhere in these problems arise out of questions of group interests, relationships and conflicts within the respective societies, so that the effort to cope with them involves almost necessarily the taking of essentially political positions. If "we want to know the range of policies and options which are open to governments, international agencies and the private sector" to deal with these basic problems - as we undoubtedly should - we cannot overlook the likelihood that this range will extend well beyond those with which the Bank has traditionally been concerned, that it will embrace considerations which touch upon vested and sensitive political, social and economic interests, and that it will raise or even concentrate highly controversial issues. I ignore for the moment the question of the Bank staff's (supplemented by UNCTAD specialists) competence to diagnose the social inequities and strains which commonly accompany economic growth, and to prescribe for them in ways which would promote healthy development, broadly conceived. Even given such competence, however, there would be serious questions as to what the Bank might wish to try to do about such analyses and prescriptions. And even more serious questions, I suppose, about how much influence the Bank might be able to exert, even if it tried.

7. Having started out by saying that I subscribe enthusiastically to Mr. Hollman's new and broader objectives, I must appear now to be backsliding rapidly. I really don't mean to do this. What I am trying to emphasize is a) that the new and desirable enterprise formulated by Mr. Hollman is, in my opinion, more complicated, problematic and thorny than he appears to have realized; b) that it requires competencies, not all of them technical, in which the Bank staff does not visibly abound; c) that its various pursuit would require a wholesale revision in the character of the Bank's economic missions and reports, and in their assessment of development strategies, performance and problems; and d) that the translation of such assessments into lending programs and policies might create new difficulties which would need to be anticipated, analyzed and

<sup>1/</sup> Pages 10-12, printed version.

Mr. Hollis Churnoy  
Mr. David Henderson

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November 18, 1970

11. I am not sure it is vital, at this time, to establish or speculate how large a volume of such projects and programs could be readily generated, or the degree to which expanded programs of these kinds might require a transfer of investment resources from more conventional growth-oriented projects, or whether and in what degree such projects might involve a trade-off between economic growth and present welfare, or on any number of other questions of a similar kind which might suggest themselves. Given a serious intent to pursue the broad development objective as well as economic growth, it seems to me that these become lesser questions, subject to ascertainment to a higher and governing priority. Surely the potentials at the project and program level are sufficiently large to permit the host to experiment constructively for a period of time without confronting governments head-on in the highly controversial basic strategies and policies fields, with the sensitive political issues these involve.

Mr. Bela Balassa

November 17, 1970

Richard Westebbe

Publications by Staff Members

In response to your memorandum of November 16, I will list below papers by the Economics of Urbanization Division which have been published or which are accepted for publication.

Richard Westebbe

1. Mauritania: Guidelines for a Four-Year Development Program, IBRD, 1968.
2. The Economy of Mauritania, book accepted by Praeger Publishers, New York, for 1971.
3. "Urbanization: Some Implications for Resource Allocation and Mobilization". Paper delivered at the UN Interregional Seminar on Financing of Housing and Urban Development, June 1970. To be published in the proceedings (United Nations, New York).
4. "Urbanization: Problems and Prospects". Article to be published in December 1970 issue of Finance and Development (Washington, D.C.).

Samir Bhatia

"The Current Costs of Urbanization in Pakistan: A Cost Model for Urban Planning"(Draft). The Head of the Economics Department at the University of Valle, Cali, Colombia has asked for permission to publish this paper. We have advised Mr. Bhatia that there would be no objection once an acceptable draft had been produced for the Bank's working paper series.

Koichi Mera

To my knowledge none of the papers done by Mr. Mera while he was assigned to this Division from June 1969 to June 1970 are to be published. While with us he did finish work on two papers he had largely completed for the Harvard Program on Regional and Urban Economics and which may be published.

RMWestebbe:bn

cc: Mr. Bhatia

Ec. Dept gln  
10

Mr. E. Lerda

November 16, 1970

Alexander Stevenson

Your Draft Memorandum on the Economic Program Department (EPD)

As I said to you on the phone, although your draft of November 12 bears no title, it is about the new department. If this is so I think it would be better to eliminate the material which refers to other matters - paragraphs 4 - 8. One could make the transition simply by saying something like "to make this possible, a new department, Economic Program Department, is being organized," and then go straight to paragraph 9 saying that the Department will consist of five divisions; 2 formerly in the Economics Department, 1 taking the place of the Development Finance Studies Group, and 2 new ones - Program Review and Comparative Analysis and Projections. Perhaps some of the material in paragraph 4, e.g. the part on the responsibilities of the Area Departments for country economic work probably should be retained and put in the introduction.

I have one or two additional small comments. In paragraph 1, do you need "and be seen to be"? If you do, who do you consider to be the viewer, the Bank or the outside world or both?

In paragraph 10, I think the last sentence is unfortunately phrased. Could one not simply say "To this end, in appropriate cases, personnel of the Division may participate in the work of economic missions in a manner to be agreed with the Area Departments concerned."

Paragraph 18: I do not understand the second sentence.

AStevenson:js



cc: Mr. Chenery, Mr. Henderson

Ec Dept ge

Mr. Hollis B. Chenery

November 12, 1970

Alexander Stevenson

The Brazilian questionnaire prompted me to look up the statement that Ed Lindblom made about "leverage," which I have always thought left little to be said.

Att.



AStevenson:js

Ec. Dept. gen

Mr. Hollis B. Chenery

November 12, 1970

Alexander Stevenson

Social Aspects of Choice between Smallholders and Plantation Type  
of Agricultural Development (Reutlinger to Chenery, Memorandum of  
November 10)

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I think Mr. Reutlinger's suggestion about a special organizational unit to handle non-conventional projects is an interesting one. In giving it further consideration, one should remember that the process of working out such projects is heavily experimental, will take time, will involve setbacks and even eventual failures. If the Bank is going to go in for that sort of experiment, and I think it should, it should not expect quick results, nor should the projects be closely tied to "performance" of lending targets or five-year programs. If they are so tied, they are apt to get caught up in a welter of quick re-evaluation and constant change, not to mention inevitable failures. This in turn has a very severe effect on staff attitudes and morale. OEO is perhaps an apt analogy. The Bank also had some analagous experience with this sort of thing when we tried to finance irrigation in East Pakistan some years ago and backed off for the wrong reasons when the going got rough and disbursements of scarce IDA funds slowed.

cc: Messrs. Kamarck, Henderson, Reutlinger

AStevenson:js



yellow

## OFFICE MEMORANDUM

Ec. Dept - gen

TO: Mr. Hollis B. Chenery

DATE: November 12, 1970

FROM: Stanley Please

SUBJECT: Domestic Finance Division

1. I have spoken to Enrique Lerdaun regarding the implications for the work of this Division of its location in the new Programme Review Department. I believe we have similar general notions of what these implications are and I would like to recommend to you that the Division be formally transferred.
2. I do not think it useful to lay down "conditions" for this transfer -- even if I had the impertinence to pretend to have the right or power to do so. I think it better, on the contrary, to work within the confines of a general understanding on the matter. Nevertheless there are certain points which it is useful to make clear at this stage. This is because I think the Division has successes to its credit (as well as many failures) and that it has gained respect in the Bank. I would not, therefore, wish to be party to a change which failed to recognize the lessons to be drawn from these successes.
3. Firstly, I would like to see the preamble to the terms of reference of the Department include a statement to the effect that the servicing of other parts of the Bank is one of the "primary responsibilities" of certain Divisions. As matters stand at the moment, only the reviewing function plus projection work and the preparation of policy papers, are listed as "primary functions." Area Departments are justifiably concerned that when the pressures are on, "non-primary" functions will automatically be rejected. Experience suggests that we must be able to convince area departments of the seriousness with which we take their work by giving it priority both in terms of words and deeds. Already some chief economists and others have expressed apprehensions to me on this matter.
4. Secondly, and pursuing the first point, the depth of involvement which effective servicing of area departments implies, should be clearly recognized. One-shot affairs are rarely productive in the field of policy as opposed to technical assistance assignments. There are, on the contrary, increasing returns to labour input at least up to a given point.
5. Thirdly, I would hope that our research programme would remain primarily problem-oriented -- e.g., earmarking as a revenue device, agricultural taxation, the differential revenue impact of extending and contracting the band of income subject to income taxation in a situation in which administrative capacity is a bottleneck factor, the impact of expatriate teachers on expenditure on education, etc., etc. I consider that a large part of any success we have had in recent years has been based on the isolation of problems for further study which are important from both a Bank and from a development point of view. The messages from these studies have then been fed into country/project work by direct participation in this work and have also provided the basis for position papers and other general papers prepared for the management and for professional audiences outside the Bank. It is,

incidentally, for this reason that I interpret most of the changes which have been discussed since you arrived as more evolutionary than revolutionary -- but nonetheless welcome on that account.

6. Fourthly -- and where I anticipate more of a departure from the past -- is the need to develop work in the area of comparative fiscal structures and changes in these structures over time as a basis for the review function. This is to my mind a research-type function and in any case takes research-type economists to carry it forward. The Fiscal Affairs Department of the Fund has and is doing good work on the tax side of this problem and a large part of the Division's role should be to feed the results of this work into Bank operations. The Division itself should concentrate more on government expenditure levels and structures.

7. Finally, let me say that I cannot accept for the Division the constraint on staffing under which you are working for the central economic staff as a whole. This Division is no larger than it was four years ago despite the very rapid increase in total Bank economic country work and the acceptance of additional responsibilities by the Division in the fields, for instance, of public utility pricing and capital market development. This is not the time and place for a budget exercise to pursue the problem in terms of precise numbers. I think, however, that de Vries' memorandum on the needs of his Department (3 man-years), is an indicator of our absurd inability to meet anything near our responsibilities with 1+7 (our present strength) or with 1+9 (our "authorized" strength before the centralizing of economic staff vacancies).

SPlease/lo

cc: Messrs. Kamarck, Stevenson, Henderson and Lerdau.



## OFFICE MEMORANDUM

TO: Mr. Hollis Chenery

DATE: November 10, 1970

FROM: Raymond J. Goodman and William M. Gilmartin

SUBJECT: Reorganization of the Economic Staff

There has been a perennial concern in the Bank since its earliest days that "something should be done about the economic work of the Bank." The concern has outlasted numerous changes of organization. Its persistence suggests that dissatisfaction with the economic work may arise from reasons apart from particular organizational arrangements.

The Bank has probably never been too clear about what the nature of its economic work should be, and especially about the relation of this work to its "main" activity which was making loans for projects. It was perhaps more clear in the earlier days when economists focused on a country's capability to provide the local share of project financing and on "credit-worthiness" as measured by a debt service ratio. These were the times when development was thought to be lying in wait to spring forth as the way was cleared of infrastructure bottlenecks and controls.

It was in recognition of the inadequacies of this innocent view of development, that the Bank became increasingly conscious of a need for better explanations of the development process, for prescriptions which would facilitate the process, and for an operational framework in which economic and project work might be integrated. These needs were felt more intensely as the Bank became increasingly involved in multilateral aid coordination and assumed a posture of international arbiter of development performance and assessor of aid requirements. IDA whetted the needs with a new role for performance and creditworthiness as rationing devices.

The difficulty has been that these needs for an operationally useful body of knowledge and prescription have not been very fully met by development economics as practiced within the Bank (or outside it, for that matter). The available analytic and prescriptive tools are limited and blunt. They include fiscal and monetary methodology but without any very clear delineation between short- and long-run application. They also include measures of performance based on inter-country comparisons of relationships which are considered significant, but essentially descriptive. <sup>1/</sup> Finally there are the techniques of macro-economic model building but at a level of generality and simplification which limits their usefulness to the testing of hypotheses for plausibility and consistency.

The point of all this is that the limitations, as well as the capabilities, of the Economics of Development in an operational context need to be recognized and accepted. This is a matter of substance. It is not

<sup>1/</sup> It is interesting that the Pearson Commission's discussion of "performance" becomes rather vague on specifics and reaches the rather modest conclusion "that if the purpose of economic aid is movement toward financial independence, it has only two direct manifestations ... increases in the ratio of savings to national income and in the ratio of exports to imports."

peculiar to the Bank. But it does underlie the persistent concern that something needs to be done about the economic work of the Bank. Why the response to this concern always seems to concentrate on organization and procedure rather than substance is not, however, very clear. Perhaps this stems from a notion, which economists have not been notably vigorous in contesting, that there is a key to satisfactory development progress which can be discovered case by case through the rational application of Development Economics.

There is obvious room for debate about the applicability of Development Economics, but its strongest advocates would hardly question that country economic work must necessarily be highly pragmatic if it is to be operationally relevant and effective. This presupposes a fairly thorough country knowledge and an ample complement to economics expertise of judgments and insights, based on country knowledge, which transcend economics.

If this is the situation, it does not suggest the desirability of an organizational division in which the functions of supervising and guiding country economic work are separated from the detailed country knowledge on which such work must necessarily be based. It would seem undesirable, therefore, that Area Department responsibility for the guidance and supervision of specific country economic work should be shifted or even diluted.

Perhaps much of the issue here arises out of the vague content of such words as "supervise," "provide guidelines," "review," etc. and from the ambiguity outside a particular country context of such terms as "economic performance," "overall development strategy," "lending policy," etc. There is obviously an essential place for guidelines, supervision and review at a level above that of particular country missions, reports and papers. The object of this supervision would presumably be to establish standards of purpose, focus and substance, and to guide, supervise and review the economic work according to these standards. For this, close consultation with the Area Departments and periodic evaluation of their work would seem a preferable procedure to review of this work on a country-by-country and report-by-report basis. The form and content of this procedure is an important problem, not touched on here, which deserves further consideration and consultation. An aspect of this problem which also merits consideration is the difficulty of maintaining standards of country economic work despite the present voluminous, all-purpose, multiple-reporting system. It would seem that supervision along this broader line would accord with an organizational arrangement which accepts the substantive limitations of Development Economics and the large element of knowledge, experience and art in good country economic work.

In summary then, it is suggested that the particular organizational form of the Bank's economic work is not so important as an understanding of the pragmatic and eclectic nature of such work if it is to be operationally useful. The only organizational constraint this would seem to suggest is that the routine supervision of country economic work, including the analytical and strategic aspects of the work, should not be organizationally separate from the focus of country contacts in the Bank. Beyond this, the substance of the work does not argue for one organizational form over another. There is a need for general, as distinct from routine, supervision of the economic

work and this could well, and probably should, be outside the Area Department in order to bring in Bank-wide standards, approaches and points of view, as well as special expertise.

But what are these Bank-wide standards, approaches and points of view? It is not much of an exaggeration to say that they hardly now exist. Nor does the paper describing the new Economic Program Department and its Divisions make it very evident how they are likely to materialize. At present, and in the absence of substantive clarification, there is a kind of catch-all approach to the economic work which is probably best exemplified in the Operational Manual on Country Economic Reports. And it is an expanding catch-all. It would be an encouraging change if country economic work were to concentrate explicitly on an identification of particular country difficulties which are both crucial and at the same time possible of improvement.

This would provide the focus for the mobilization of information, and for analysis leading to a suggested specific strategy which might have real impact in a particular country. But this requires selective rather than comprehensive economic work, including careful choice of the important problems of concentration and of the materials and methodology to be mobilized in their amelioration. 1/ This is a job which could hardly be done in isolation from direct country involvement. The great contribution of the Economic Program Department might be, not in prescribing for the Area Departments the key problems to be attacked and the selective approach to this end, but rather in ensuring that the Area Departments are doing this for themselves.

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1/ Whether, because of varied audiences, the compendium type economic work is also necessary, and if so how it should be done and by whom are also important questions of substance and organization deserving further consideration.

cc: Messrs. Knapp, Cope, Area Directors, Economics Director, Chief Economists

Ec Dept gly

Mr. Douglas J. Fontein

November 4, 1970

D. A. de Silva

Establishment of Economic Program Department

Division B has the following comments on Mr. Chenery's memorandum of October 26.

General Comments

1.- We welcome the proposed reorganization of the Economics Department provided there is a clear delineation of functions among the various new divisions of the Economic Program Department (EPD) and effective coordination is established between EPD, the other Economic staff sections and P.&B.

2.- As regards relations with Area Department:-

- (a) I presume steps will be taken to avoid duplication of effort. For instance, the Program Review Division's work is to include analysis of specific countries. Area economists too are continuously working on specific country problems. Close consultation is obviously desirable if duplication is to be avoided.
- (b) Requests for, and supply of country information should continue to be routed through Area, to ensure orderly contacts with Government officials.
- (c) Area economists will be called upon to service an increasing number of requests for information. This should be kept to tolerable levels.

3. It is essential that EPD economists have sound field experience and participate in economic missions as the memorandum states. This will help to maintain a balance between the more general approach induced by the comparative analysis and especially the standardization of performance criteria, and the knowledge of specific country circumstances in Area.

Specific Comments

4. Program Review Division - It would appear that Area will not be involved in the preparation of the so-called "major economic policy issues" paper which is to be written by this division subsequent to Economic Committee's review of the CFP. It is essential that we receive a copy of this well in advance of the Review Meeting in order that we might be able to comment on it at the Review.

5. International Finance Division, Comparative Analysis and Projections Division and National Accounts and Data Analysis Division - I can see problems of overlapping among these divisions and on the debt question between International Finance Division and P.&B. which according to the Administrative

November 4, 1970

Circular of September 2 is to be charged with the primary responsibility of preparing debt projections and capital inflow projects for individual countries. I presume however, that in working out these projections they will rely on Area Department for the formulation of the underlying assumptions.

6. National Accounts Data Analysis Division, Data Bank - In addition to the tasks described in the memo, we presume there will be updating of the principal data from time to time. Area Department may in certain cases want to obtain these figures on a quarterly basis. Subject to this qualification we welcome the data bank as this would leave country economists more time to devote to special studies of economic sectors and problems.

cc: Mr. Street

DadeSilva | HJGoris:pe  
IBRD

Excerpt gen

Mr. Hollis B. Chenery

November 2, 1970

Alexander Stevenson

Establishment of Economic Program Department

I have one or two small additional comments on your draft of October 26.

Page 3, line 4: "sectoral allocations" - I do not understand exactly why this should be referred to here. If what is intended is that P&B should be concerned with the impact on the Bank's staff (Projects Department) and financial resources, then this should be stated.

Domestic Finance Division: If the issue of this Division's location is still not settled, this should be made clear. The same point would apply to Page 6, line 5 (eliminate "six") and to the table on page 7.



AStevenspn:js

BC Dept gln

Mr. Hollis B. Chenery

November 2, 1970

Arthur E. Tiemann *AT*

Organization of a Statistical Methods and Analysis Group

The attached memorandum represents Mr. Kundu's views on the statistical functions his section should be performing and on a general description of the organization for such functions. If you agree that such an organization is desirable, we will prepare drafts of memoranda and administrative directives to implement the decision. An appropriate time interval for implementation would have to be determined so that statistical clerical staff could be authorized for and acquired by the user organizations in the Bank. The skills and expertise in the General Statistics Section are probably adequate to staff the functions described in Mr. Kundu's memorandum. Additional capability could be acquired through development and professional growth of existing staff and through replacement of vacancies as they arise.

cc: Messrs. Ksarck  
Stevenson  
McPheeters  
Kundu

AT/ta

*Ec - Dept gen*

Mr. Hollis B. Chenery

November 2, 1970

Richard H. Demuth

Proposed Reorganization of Economic Staff

In general, I think your new structure for the Economic Staff is sensible, even though, as you note, there will still be some uncovered subjects, the most important, to my mind, being employment. I have only a few comments, but to the first, in particular, I attach considerable importance.

1. As I understand it, Mr. McNamara wants the new Economic Program Department to be responsible for reviewing not only "economic missions' terms of reference, economic reports and country program papers," but, more broadly, to establish a strong unit that can get the whole mission program under some kind of control. I think you should indicate what unit in the Economic Program Department is to have this responsibility. As I see it, in addition to the things you mention, this unit ought to be responsible for reviewing the composition and timing of Bank missions (including a much stronger effort to coordinate our timing with that of other agencies, including in particular the Fund) and the selection of at least the mission chief.<sup>1/</sup> I think it should also be responsible for seeing to it that our missions conform much more rapidly than they are now doing to the various objectives that have been laid down for them by the President -- coverage of issues such as unemployment, preinvestment requirements, environmental problems, inadequacies of planning machinery, drawing on the expertise of the other specialized agencies, associating the Resident Representative of the UNDP with Bank missions, etc.

2. I think it would be helpful if you would insert after the first sentence something to the effect that these three units are referred to collectively as the "Central Economic Staff," since you introduce that term in the second paragraph.

3. I think you should add to the general functions of the Central Economic Staff, referred to in the third sentence of the second paragraph, the "provision of supporting services to carry out the Bank's commitments to assist and cooperate with other organizations," or words to that effect.

4. You give, as a function of the International Finance Division in numbered paragraph 3, to maintain liaison with DAC and other agencies on the topics assigned to the Division. As my Department has general responsibility for the Bank's relations with other international organizations, I think you should insert "in consultation with the Development Services Department" in this sentence.

5. I don't suggest that you change the description of the work of the Comparative Analysis Projects Division, but I do hope that in due course the Division will endeavor not only to make our projections consistent internally but also to tackle the much tougher problem of trying to get some consistency into the projections used and promulgated by the entire international community.

<sup>1/</sup> I think a case can be made that for some important missions we ought to look for mission chiefs outside of, and perhaps at a higher level than, the area department division responsible for the country.

*WCH*



*yellow*

## OFFICE MEMORANDUM

*Ec. Dept - gen*

TO: Mr. Douglas J. Fontein

FROM: Peter Streng *PS.*

SUBJECT: Establishment of Economic Program Department

DATE: October 30, 1970

Mr. Gibbs has asked me to let you have our comments on Mr. Chenery's memorandum of October 26, 1970.

We welcome the assistance in area economic work which the divisions of the new Economic Program Department are to provide. To reap the full benefits of the proposed collaboration, it will be indispensable that members of the EPD participate in country missions. In the past, Thailand data supplied by the Economics Department were frequently outdated and inconsistent with information brought back by economic missions. The main reason for this appeared to be that the work load in the Economics Department did not permit the checking of UN figures used within the Department against those presented in country economic reports.

Ec Dept - gen

Mr. H. B. Chenery (through Mr. Kamarek)  
Mr. A. M. Kamarek  
A. Kundu (through Mr. Tiemann)

October 27, 1970

Organization of a Statistical Methods and Analysis Group

In our meeting with you last Friday we got the impression that you would like the General Statistics Section concentrate on statistical advice and technical supporting activities rather than clerical work which could be taken care of by the Divisions or Departments concerned.

In view of this we propose that the General Statistics Section be reorganized to form a new Statistical Methods and Analysis Group. This group will be responsible for a) statistical policy, standardization and coordination of statistics; b) participation in International Activities, Technical assistance and statistical review missions; c) quantitative analysis; d) review of quantitative work and methods of scientific computer programs; e) advice on methods in statistics, econometrics and operations research; and f) conducting training programs. The emphasis will be on supporting the quantitative work of the Bank, by participating in planning, execution and analysis at all stages rather than pure servicing functions.

The present work of General Statistics Section with regards to checking of reports, data compilation and tabulation for mission reports, coding of data, collection of macro-economic data from standard sources, etc. would be done by assistants in the originating office. If this decentralization is not practicable, probably a new unit - a clerical pool - should be set up to perform these activities. The group will train them and if necessary supervise.

Finally, we would prefer that Statistical Services Division do not have the word Services anymore to emphasize the upgraded functions. We might further suggest that the Statistical Methods and Analysis Group be completely separated from the External Debt Group because of their different nature of work.

cc: Mr. Stevenson  
Mr. McPheters

AKundu:ss

Ec. Dept - gen

Messrs. Balassa, Bohr, Carter, Goreux, Hawkins,  
Henderson, Levy, Macone, Please, Reutlinger,  
Sacchetti, Tiemann, Westebbe

October 27, 1970

Hollis B. Chenery

Consultant Funds

As you know, the consultant budget of the Economic Staff for Fiscal 1971 is very slim and most of the funds are already committed. In order to make the most of the available funds I would like to treat as a single pool the funds allocated to the Economics Department, Studies Groups and the Basic Research Center. Funds already committed (Forms 11.01 on consultants processed) will remain unchanged. Requests for new commitments will be furnished to me for approval through the Office of the Director of the Economics Department. In the course of the mid-year budget review we will examine the status of commitments and the utilization of these funds, and if it should be appropriate, reallocate on the basis of current needs any funds likely to remain unspent at the end of the fiscal year.

cc: Mr. Ruddy/Mrs. Fabiette

AStevenson:js



*Yellow*  
*Ec. Dept - gen*

## OFFICE MEMORANDUM

TO: Mr. Nicholas Carter

DATE: October 26, 1970

FROM: A.G. Nowicki *AN*SUBJECT: Preliminary Ideas Concerning Economic Analysis in Country Reports

1. I have thought a little about the Bank's economic reporting induced by conversation with Professor Chenery and by the two papers you have given me to read over the weekend.<sup>1/</sup> There was no time for this thinking to mature sufficiently, but as I will be away for some time, I decided to put it in writing even in its present form.

Building blocks of the economic reports

2. I think that our economic reports will gain in clarity and purpose if the country economists started to distinguish between three separate parts of such reports:

- i. Business cycle aspect of economic development (mainly short-term)
- ii. Economic performance
- iii. Long-term structural shifts and the strategy of development.

3. As things stand at present, the first part foreshadows the other two. What is, however, even worse from the methodological point of view, creditworthiness assessment in economic reports is based at present on the business cycle analysis and not on the long-term proportions of growth, despite the fact that the country's capacity to use aid and to repay it depends exclusively on the character of its long-term changes.

Analysts

4. Each above mentioned part of the report would call for different authorship. The business cycle analysis can be easily performed by the country economist, and if he consistently keeps in touch with the economic events in the country, a short annual visit to the field should sometimes suffice to complete this part.

5. Analysis of the economic performance calls for a participation of sectoral experts, who should concentrate on the sectoral allocation and use of factors of production.

6. Long term structural shifts and development strategy require more attention. This does not imply that they could be discovered only by in-depth

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<sup>1/</sup> Testing comprehensive measurements of the development process (interim report) and administrator's review of development performance.

missions, composed of a platoon of economists. Such analysis requires rather a small group of economists with experience of other countries and a knowledge of patterns of development. I think that the role of the new department would be crucial here. Those country economists who deal with the business cycle part may not be capable of tackling structural shifts properly. Their knowledge is basically an extrapolative one, and their objective function is to restore short-term equilibria.

### Content

7. The business cycle part would contain almost all usual components of the economic report: review of public finance, balance of payments analysis, resource gap problems, etc. Offhand, I think that these analyses should be enriched by an analysis of the saving-investment-consumption behaviors of the private sector of the economy. Economic reports of the IBRD were until now mainly limited to the public sector. This is why they could not concentrate on such important issues as the trade-off between tax collection and private savings (which is a necessary complement to the "Please effect"). This is also why the import forecasts were often meaningless, because they were not based on the structure of private consumption and investment.

8. The performance part should consist of the analysis of the use of production factors. To do this the analyst should be aware of the country's economic potential: human and natural resources, existing productive capacities, domestic and foreign markets, comparative advantage. He should also distinguish between constraints on the use of this potential, which could be quickly removed or relaxed through use of capital increments (Bank loans) or a change in the current policies (Bank's advice), and constraints, which would disappear only through long-term structural shifts.

9. The long-term structural change is the study of the properties of an economic model of the country. Only some parameters of such a model could be standardized between countries. Other parameters would be proper only to a given country or, better, to a whole group of countries within a certain range of income per head and population size. These parameters could be established by "comparative economists" after a brief visit to the country concerned, where (unlike the country economists) they would discuss the subject also with planners, university professors and businessmen.

10. A structural shift, posited in such models, will be based on at least two elements. The analysis of the country potential (prepared in the "performance part" by sectoral specialists) and international comparisons. The latter will include not only experience within a similar "pattern", but also experience of countries which preceded the analysed country and which are now in a higher stage of development. For the last reason, an inter-temporal analysis is of paramount importance.

11. Only this last part of the report, i.e. long-term analysis, offers through changes in parameters of the model a possibility of choice. Since such a model involves (empirically estimated) structural relations and

behaviorial functions, a change in parameter will entail a change in other parameters at given behaviorial functions or a change in behaviorial functions at fixed parameters. The latter is possible through the use of appropriate economic policies. A long-term model offering development alternatives, together with a set of policies accompanying each alternative becomes, therefore, a strategy package, which the Bank could present to the country concerned.

12. A choice of future structure and of the path leading to it should also involve social variables. For instance a shift in the income distribution structure entails a change of the consumption pattern which could be inferred from a more advanced country. This would entail a choice between alternatives of supply from domestic and foreign sources, and a choice of taxation-saving alternatives. A similar choice could be made with respect to another fundamental social variable, employment. The country will, therefore, be confronted with a choice between allocative efficiency and distributive justice with a number of trade-off points.

13. There will be a continuous bi-directional flow of information between the intertemporal cross-country patterns of development and each country's model. Patterns will help to determine basic proportions of the forecasting model, while periodic checks of divergencies between the model and the actual development would permit to explain deviations from the pattern. These deviations could be induced by various reasons, such as a newly discovered comparative advantage, and a change in strategy, a bad performance, or finally such endogeneous reasons as the world market fluctuations.

#### Bank Lending

14. Bank lending program may be different for each part of the report. The business cycle lending is of the least importance - it could involve mainly a project lending to relax a short-term debt constraint. Performance lending has a wider scope. It may include both a lending to sectors with a high but unutilized development potential (agriculture, industry) and a lending to remove some constraints (inadequate infrastructure).

15. Structural shift lending may be the most difficult but also the most rewarding. It could involve a complex "package" lending to a number of sectors. If a structural shift involves, for example, a development of a backward region which should specialize in steel production largely for exports,<sup>1/</sup> Bank financing may involve a lending to an urban development transport expansion, steel project, and even a purchase of ships.

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<sup>1/</sup> Which implies three structural shifts: change in regional distribution of income, in composition of industrial output, and in the structure and importance of exports. This could be planned for at least three countries: Brazil, Venezuela, India.

Timing

16. Business cycle analyses could be performed annually, for A countries after a field trip, for B and C countries as a desk task. Performance analysis could be carried every two years for A countries, every three years for B and C countries. Structural analysis could be carried every five years for most countries.

AGNowicki:yib

cc: Messrs. Chenery, Stevenson, Bohr, Henderson, Beier

HE Dept -  
cc Disbursements

Mr. A. F. Geolot

October 23, 1970

Charles G. Goor *CGG*

Disbursement Profiles - Transportation  
Projects Department

1. Enclosed as you requested in your memorandum of October 7, 1970 are 15 sets of "Disbursement Profiles of Bank Loans and IDA Credits" dated August 17, 1970 for Railroads, Ports, Roads and Highways and General Transportation. These Profiles, which were worked out from experience (from all the loans and credits fully disbursed or in process of disbursement as of March 31, 1970) are intended to assist the staff in preparing estimates of disbursements for future projects. They are not to be used as schedules of disbursements, but as background material, indicative of a probable distribution of disbursements, to complement the specific information available on the project.

2. I refer to your comment, in your memorandum, on the usefulness of the profiles with the present grouping and our telephone conversation on this subject in which we further explored this topic. We can, of course, with your help in classification, make Profiles by the kind of groupings you set out in your memo but I would need to discuss this matter with you in greater detail. As I indicated on the telephone I will contact you very soon. Since our goal is to make the Profiles a more useful tool your suggestions for changes in the format or groupings based on your experience are welcome.

Enclosures (15)

cc: Mrsrs. Rovani  
Chenery  
Kamarck  
Stevenson  
Tiemann  
Gabriel (memo only)



Disbursements  
r/c Ec Dept - gen

Mr. Y. Rovani

October 22, 1970

D. S. Ballantine

D<sup>85</sup>

Disbursement Profiles

We have now had an opportunity to review sample profiles which you sent with your memorandum of October 1. These profiles provide a very useful guideline for architects working on both the implementation of existing projects and also on the preparation of appraisal reports for new projects. Although this Department has very few projects where disbursement is completed, we would appreciate it if Mr. Goor could prepare profiles for all projects for which data was supplied during the recent disbursement review exercise and in addition, prepare a standard profile for education projects as a whole.

I note that Mr. Goor expects to modify the format and groupings. However, because of the diverse composition of this Department's projects, I do not think that there are any obvious groupings into which education loans and credits could be divided at this stage.

We would be grateful if fifteen copies were made available for this Department.

Cleared with: Mr. Thint

R/S Fennell:mc

Cleared with: Mr. Calika

Ec Dept - gey

Mr. Alexander Stevenson

October 21, 1970

Arthur E. Tiemann *act*

Agenda for Statistical Services Division

Because of the size of the Statistical Services Division and the wide variety of functions performed by this division, I suggest, subject to approval, that the following agenda be used on the Friday afternoon meeting with Mr. Chenery. The purpose of the agenda is to assure that all the organizational units in the division have an opportunity to present their programs within the total time allocated.

Schedule

- 3:30 General description of division - Tiemann
- 3:35 External debt function - Paulson
- 3:50 Debt evaluation - Hicks
- 3:55 Bank disbursements and financial flow model - Goor
- 4:05 Questions and discussions
- 4:30 Special assignments - McPheeters
- 4:35 Statistical advisory and support-function - Kundu
- 4:45 Programming and computer support-function - Slade
- 4:55 Questions and discussion

Ec Dept - gen

Mr. Alexander Stevenson (through Mr. Tiemann)

October 22, 1970

Charles G. Goor

Review of Personnel Needs

- References:
1. Memo on "My Work Program" to Mr. Stevenson, dated Sept. 9, 1970.
  2. Memo on "Personnel needed to carry on my work program" to Mr. Adler, dated Sept. 10, 1970.

1. Beginning in April 1970, when the President and the Executive Directors began to raise questions about the growing undisbursed balance of loans, the pressure for additional work on "disbursements" increased sharply. I was requested at that time, by the Projects Departments, to engage in two major studies, the production of "Disbursement Profiles" and the processing of the "Disbursement Questionnaire as of March 31, 1970." To handle these projects four temporary statistical assistants were added for the summer to the one statistical assistant regularly assigned to this work. The other person regularly assigned to this work area, a junior statistician, was fully engaged in work on the Bank Financial Model and other work.

2. Before the work on the Profiles and the Questionnaire was completed, the Projects Departments were instructed to report on a "continuing" basis their quarterly estimates of disbursements by individual loan. The Controllers Department summarizes these estimates and compares them with the actual quarterly data as they become available. Some data produced by the Disbursement Model have been requested for this project but it is not clear as to how they will be used.

3. Now, because of the increasing concern about an unusual lag in disbursements, including recent press articles in part reflecting Bank Executives' questions, the Projects Departments and the Controllers have been requested to undertake another study. This is to determine whether there is in fact a lag and if so, why there should be one, whether it has been increasing in recent years with the specific reasons for any such increase and finally a review of possible remedies.

4. In connection with this study, as a member of the "working party" I have been requested to furnish within the next few weeks much of the data needed to make the analyses. This project will require additional personnel amounting to approximately five man-weeks of statistical assistant time and at least 2 man-weeks of programmer time. This programming time and the needs for the Disbursement Model shown in paragraph 7 below are over and above the requirements for the Bank Financial Model and the Portfolio Model for which a programmer-analyst and programmer have already been assigned on a priority basis.

5. In addition to the above series of emergency personnel demands there are the regular and continuing requirements to keep up with the normal processing of the Models, the collection and manipulation of data

October 22, 1970

needed for research leading to the improvement of the Models, particularly the Disbursement Model which is of critical importance now and will continue so in the future. Also, there have already been requests for further work on the refinement and reclassification of the data on the Profiles from some of the Projects Departments and there will probably be more.

6. Instead of trying to meet these needs by emergency ad hoc measures, it is recommended that the staff requested in my memorandum of September 10, 1970 be provided as soon as possible. Also, since the demands have increased since that date and a part-time statistical assistant is available for hire, it is recommended that this 2-day per week assistant be added to the list for use in the continuing research activities on the Models, particularly the Disbursement Model.

7. Also, the Disbursement Model must be reprogrammed as soon as possible to utilize the latest available disbursement rate structure and make other improvements. The programmer assigned to handle this program on a caretaker basis is heavily involved in the Transport Model and cannot devote any time to the Disbursement Model. Furthermore, the Basic Data System of the Disbursement Model is being used heavily to meet the current demands but in its present form it is inefficient and needs to be systematized and expanded to provide automated maintenance and retrieval capabilities. Although some of the information of this data base may be made available in an improved accounting system, as suggested by P&B, that may be sometime in the future and probably would not satisfy all the data base requirements particularly for research. With a relatively small effort, while considering whether other arrangements are feasible and then implemented, the existing data file can be converted to a more flexible system to meet growing demands. This action would not exclude the possibility of coordination or amalgamation with a broader system. Constant use of this Data Base makes its systematization a high priority. Full-time programming assistance will be needed for the balance of this fiscal year for this work and the revision of other sections of the Disbursement Model.

8. In summary the additional personnel needs covered in this and the previous memorandum are:

- a. A middle-level statistician
- b. A statistical assistant
- c. A part-time (2 days per week) statistical assistant
- d. Use of a full-time programmer-analyst.

cc: Messrs. Chenery  
Hamarek  
Tiemann

✓ Ea. Dept - gen -  
cc Appraisal X Prep of Projects

Mr. Kenneth Bohr

October 20, 1970

A.G. Nowicki AN

Study Projects leading to Future Bank Operations

1. You asked me last week what "study projects" l/ could be singled out from a few of my recent missions. I believe that each mission furnishes us an occasion to seek for such projects. Let me enumerate a few:

Argentina. There are at least three study project possibilities there. As I understand it, we have to find a solution to an economic issue first, and then the Bank's operation would eventually follow.

i. Preference margin.

Issue: Domestic producers of capital goods are granted 15 percent preference margin over the foreign suppliers when submitting a tender. The belief in interested countries is that this margin is too thin and foreign suppliers are winning all bids as a rule. With our current insistence on "effective protection" of domestic production, we are running here against our new official policy, because an across-the-board preference margin reflect plainly "nominal protection" only: My suspicion is that a 15 percent preference margin may not leave any protection on the domestic suppliers' value added, considering that steel prices in Argentina are higher than international prices.

Solution: The problem deserves a study, because Argentina capital goods industry loses to foreign suppliers about \$100 million worth of orders annually. We could focus on two things here. The first is the cost structure of domestic suppliers, to see whether some cost elements are not pushed upwards by factors beyond the producer's influence. The second is to see whether the foreign supplier's price is not influenced downwards by indirect export subsidies.

I guess that India, Brazil, Colombia, Korea and Taiwan will also be interested in results of such study. While the absolute amount of our project financing may not go up as a result of our findings, the effect of our project financing on the balance-of-payments of these countries may change significantly and therefore the nature (although not the volume) of our aid would change accordingly.

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l/ I invented this word. It sounds better than a "research" which is really not a research, or a "service" which is really not a service.

ii. Export industries.

Issue: Argentina has a natural resource-linked comparative advantage in exports (meat packing, leather goods, etc.). This advantage remains largely untapped because incentives, incorporated into the economic policy of the Government, deflected capital from these industries into others which supplied exclusively the domestic market.

Solution: The problem here is not to set adequate export incentives. I suspect we tackle the whole issue of export incentives wrongly. Export incentives may work wherever we deal with "switching" of industrial goods from domestic to foreign market, and these goods are produced from already existing capacities. Classical export incentives are not adequate, however, when we have to create new, largely export oriented capacities. The long-term risk of having a capital tied-up in such ventures offsets the current advantage classical export incentives may promise. The project study would focus on this subject, and if we find that Argentina export advantage is worth to be exploited on a wider scale, the Bank may move in to finance it.

iii. Steel and Fertilizer Sectors and Market Sharing in Latin America.

Issue: Despite the existence of the LAFTA Agreement, Latin American countries pursue their industrialization process as if the Treaty of Montevideo did not exist. There is not much we can do about it, except for one thing: we can channel our loans to industry in Latin America bearing in view a continent-wide market.

Solution: Principal branches to concentrate upon are steel and fertilizers. Some countries in Latin America have an undoubted cost advantage - Brazil in steel, Venezuela in fertilizers. To find the best way to utilize this advantage, the study project should focus on a few factors - demand projections for principal countries, production costs in "best" locations compared to other locations, transportation possibilities, maximum production which could be obtained from existing capacities and from projects about to be completed. We can use information accumulated in the (Industrial Division of the) LAFTA headquarters in Santiago de Chile, and also utilize industrial concentration schemes prepared by the Brookings Institution (study on the Latin American Integration, unpublished). The Bank can then come out with its industrial credit proposals, limited to industrial units which were found most economical and should use also some of its leverage to assure that production from these units is sold in a number

of countries of Latin America, so as to impede a proliferation of less economic units there. To do it, we can put forward new proposals, such as long-term contracts with indexed prices, compensatory agreements, etc.

2. Korea. Development of Mechanical Industries.

Issue: Korea has found itself in a situation, similar to a number of other developing countries, where a number of obvious import-substitution activities came to a close. Korea's demand for cement, textiles or fertilizers is now fully supplied from the domestic production. Further process of industrialization could, therefore, be based on three possibilities only: (a) Growth of production for the domestic market by already existing industrial branches; (b) Growth of production as above, but accompanied by a growth of exports of industrial products; (c) Move into new industrial branches, such as the mechanical industry. Growth (a) is necessarily constrained by the domestic market; growth (b) is limited by some rigidities of the international market (inelasticities, quantitative restrictions, other countries' dumping), and by the fact that increasing export effort entails increasing import component in exports,<sup>1/</sup> and increasing percentage of export incentives.<sup>2/</sup>

Solution: Korea could serve as an excellent laboratory to test how a country should start its mechanical industries. I think that a number of other developing countries are confronted with the same problem and run a risk of ending with idle capacities and high-cost production. The project study will have, as an objective, to find on the demand side whether some types of machinery cannot be standardized, if possible over a larger territory (ranging from Taiwan to Thailand, or even India). It will also have to find whether developed countries relinquish some types of machinery, leaving supply to foreign exporters, in the same way it happens in commercial electronics. On the supply side it will have to enquire into the choice of techniques, mechanical industry being one of the few branches where substitution of labor for capital is still possible, i.e. the same final product could be obtained through different production function. It will also have to investigate the world trade in moderately simple (low-efficiency) machines. The Bank will have an ample opportunity for development financing here, considering especially that in developing countries, private foreign credits and domestic resources to establish mechanical industries are usually difficult to find.

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<sup>1/</sup> In other words, net export grows slower than gross export.

<sup>2/</sup> Marginal costs of new exports have a tendency to rise.

3. I have chosen only a few subjects. They were selected basically for three reasons: (a) They are in the center of developing countries. There are barely any problems more important than domestic suppliers' possibilities to win international contracts, than possibilities to achieve some international integration, than possibilities to develop exports and finally, than possibilities to have industry grow quicker than the GDP; (b) They have never been tackled theoretically or practically before, and we may therefore add something to our body of knowledge; (c) They offer ample opportunities for creative and reasonably secure Bank's lending.

AGNowicki:yib



Ec. Dept -

Mr Alexander Stevenson

October 13, 1970

Grant Slade *GS*

Economics Department Data Processing Budget

Attached is a table showing the Department's budgetary status as of the end of the 1st Quarter. As can be seen from the table, the Department has substantially underspent its allocation of resources. This is true of other departments as well.

I think that this underspending is attributable to the shortage of programming staff in the Bank. Our recent recruitment of two new personnel should improve the situation to some degree. However, until more budgetary positions for programmers are authorized, or a sizeable portion of the allocation is earmarked for contractual programming, the Bank will continue to underspend the data processing budget.

The preparation of tables to show progress made on the budget is quite tedious and must be done by hand. However, all of the data is gathered and put into machine readable form by the Data Processing Division, but no attempt has been made to present the data in an organized fashion which is useful to management. It seems to me that the Data Processing Committee could allocate resources to the Data Processing Division for the development of a management report. This is in the interest of all Departments, especially Economics and Administration, and should be given high priority.

GSlade:ms

cc: Messrs. Tiemann/McPheeters

Economics Department Computer Charges

1st Quarter FY1971 (dollars)

Div. Code	DIVISION	J U L Y					AUGUST					SEPTEMBER					Cumul. Total	Total Alloc.	Remaining Allocation
		Manpower	CCU	KP	Other	Total	Manpower	CCU	KP	Other	Total	Manpower	CCU	KP	Other	Total			
05	Office of Director				2761	2761			340	340				3137	3137	6238	15000	8762	
10	Industrialization			1		1										1	103	102	
20	Urbanization															0	0	0	
30	Domestic Finance											6	55		61	61	1369	1308	
40	Population							168		168				291		291	459	1902	
50	Quantitative Techniques		3354	425		3779		2000	122	2122		400	147		547	6448	4620	-1828	
60	Sector & Projects	865	1599	176		2640	2000	3168	105	5273	1881	3360	641		5882	13795	44150	30355	
70	Statistical Services	2549	5115	943	370	8977	4000	5020	483	9503	3923	3939	1733	490	10085	28565	35262	6697	
80	Trade Policies		36	8		44		12		12				18		66	2430	2364	
85	National Accounts	2958	3354	426		6738	426	808		1234	436	101			537	8509	2361	-6148	
TOTAL		6372	13458	1978	3131	24939	6426	11176	1050	18652	6240	8115	2576	3627	20558	64149	107656	43507	
	Outside KP, overtime, unallocated amounts			1823		26762	240	4263		23155		107	74		20739				
GRAND TOTAL						26762				23155					20739	70656	107656	37000	

October 13, 1970.

*yellow*

## OFFICE MEMORANDUM

*Ec. Sept 1970*

TO: Mr. Hollis B. Chenery

DATE: October 13, 1970

FROM: Stanley Please

SUBJECT: Annotated and Selected List of Studies by Members of the Domestic Finance of Developing Countries Division

1. The following is a selection of the main studies undertaken in the Division in the last few years. I have grouped them around subjects in order to provide the background to their preparation and in particular to indicate the reason why they came to be undertaken in this Division.

I. The Mobilization of Incremental Agricultural Incomes

2. A combination of forces converged in the mid-1960's which made this problem a central one in the area of resource mobilization in many countries (the so-called green revolution, the greater emphasis given to investment in agriculture, the phasing out of food aid, etc.). The problem had a close link, of course, with the Bank's growing involvement in agricultural lending. A series of studies were undertaken which were primarily focussed on the problem as it manifests itself in India-Pakistan. These studies have comprised the following:

Francisco Abbate: "The Taxation of the Agricultural Sector in India" (A critical survey of the various proposals for increasing the burden of direct taxation on agriculture in India.)

Jean-Pierre Amselle: "The Taxation of the Agricultural Sector in Pakistan" (A statistical study of household budgets to determine whether the structure of indirect taxation could be adapted both to offset the assumed under-taxation of the agricultural sector and to capture a larger proportion of incremental agricultural incomes.)

3. Extracts from these two papers constituted a large part of a paper (attached) I presented to the International Seminar on Fiscal Incentives to Promote Agricultural Development (Istanbul, November 1968).

4. These specific studies have been supplemented by many other pieces of work on the mobilization of agricultural incomes particularly in relation to the repayment capacity of farmers who are the beneficiaries of agricultural investments in East Pakistan (including World Bank investments). The studies have been the outcome of the Division's direct participation not only in country economic work but also in project work in the fields of agricultural credit and irrigation and in the major and continuing sector study of water and agriculture in East Pakistan.

5. On the basis of this work the Division prepared a paper (attached) on "Capital Flows and Income Transfers Within and Between Nations to Sustain the

"Agricultural Revolution" which Mr. McNamara presented as a staff paper to the Bellagio Conference in April 1969. This paper and one which reviewed the wider field of "The Disposition of the Increment to Agricultural Income" also provided the basis for a special Bank Board Seminar on the subject.

## II. Government Expenditure and Savings in Developing Countries

6. I presented a somewhat polemical paper entitled "Savings Through Taxation -- Mirage or Reality" to the Cambridge Conference in Problems of Economic Development (1965). The hypothesis presented in the paper (that increases in savings through increases in taxation have been thwarted in many countries by current expenditure growth which has been causally related to tax effort) has been the focus of several pieces of quantitative research undertaken both within and outside the Bank. The documentation and results of these studies were presented to an AID Seminar in April of this year under the title "The 'Please Effect' Revisited" (copy attached).

7. Over the past year Ved Gandhi has immersed himself more deeply in this subject particularly in African countries. For this purpose he is combining cross-section studies with intensive time series studies related to his servicing of economic missions. A sector study on education expenditure which placed particular emphasis on the levels of teacher salaries provided the basis for his addressing the Education Projects Department. I am attaching two other studies which he has recently undertaken:

Ved Gandhi - "Wagner's Law of Public Expenditure: Do Recent Cross-Section Studies Confirm It?" (This is to be published in "Finances Publiques.")

Ved Gandhi - "Are There Economies of Size in Government Current Expenditures in Developing Countries?"

8. Also as part of the Division's involvement in government expenditure problems, Per Eklund has undertaken a theoretical and empirical study of earmarking of government revenues. The empirical part of this study has been closely linked with his area department assignments particularly to the Philippines. Apart from the intrinsic importance of the subject (an importance which is not reflected in public finance literature), the study was also addressed to the Bank's schizophrenic attitude on earmarking as a fiscal device (whilst at the macro level it is in general deplored at the level of Bank projects, it is accepted and even encouraged). I am attaching the summary to the study.

## III. Public Utility Pricing

9. The Division has had a continuing involvement in this problem particularly in the fields of road and electricity pricing. A major study of road user charges in Central America was undertaken by Tony Churchill, assisted by

George Beier and Elke Meldau and with further assistance from the Transport Projects Department and the area department. The study is essentially an application of the methodology developed by Professor Alan Walters in a previous Bank study. The major thrust of this methodology was to develop a structure of prices which makes sense from the point of view of both investment decisions (where possible) and decisions relating to the utilization of existing productive capacity. Considerations of financial return to the operating agency and of broad fiscal policy should be dovetailed on subsequently. In fact the Central American study demonstrated, to most people's surprise, that a system of road charges which was optimal from the point of view of the sector was consistent with the needs of fiscal policy. Walters acted as a consultant for the Central American study. The study had direct operational significance as well as research significance. Furthermore it appears to be influencing the Bank's attitude in regard to road user charges in several other countries (e.g., Venezuela). I am attaching a copy of the Summary and Conclusions of the study. I am also attaching copies of the terms of reference for the Caracas Road User Charges Study which stand in marked contrast to those for a similar study which were also drawn up in the Bank as part of a Revised Plan of Action related to transport coordination in Spain (also attached).

#### IV. Private Savings Mobilization

10. The Division has attempted in the past few years to raise certain policy issues in this area both at the country level and at the level of Bank operations (industrial finance company lending and agricultural credit lending). This has been backstopped by research including an on-going study in Pakistan which the Bank is jointly financing with PIDE.

11. The broad intention of these studies is to avoid the encyclopaedic-descriptive-type studies which tend to be undertaken in the field of so-called "capital markets" and instead to concentrate upon the importance of particular policy variables (most obviously interest rate levels and differentials), of particular institutional roles (e.g., contractual savings, industrial finance companies, etc.) and of the role of particular instruments (e.g., value-linked financial paper).

The following papers have been prepared so far:

- M. Joshi - "The Role of Contractual Savings in Mobilization of Savings"
- E. Meldau - "Mobilization of Private Savings through the Banking System: A Case Study of Taiwan"
- S. Please/M. Joshi - "Industrial Financing and the Mobilization of Private Savings in China"
- M. Joshi - "Financial Institutions and Financial Policy for Economic Development"
- L. Christoffersen - "Interest Rates and the Structure of a Commercial Banking System Under Inflationary Conditions -- A Case Study of Brazil"

L. Christoffersen/S. Please - "Value-Linking of Financial Contracts"

13. I am attaching the study of Madhusudan Joshi on Contractual Savings and the Christoffersen study on Brazil. We can, of course, make the other studies immediately available if you wish to peruse them.

V. Country Studies

14. The following list of country fiscal studies prepared in the Division covers the range of "types" of country work which has been undertaken as an outcome of participation in area department economic work. I am attaching the first of these studies (that on Iran); the others are immediately available if you wish to have them.

Please/Schebeck - "Aspects of the Problem of Internal Resource Mobilization in Iran"

Sciolli - "Economic Growth and Tax Elasticity -- the Tunisian Experience"

Ved Gandhi - "The Current Economic Position and Prospects of Ghana" (1970), Vol. IV - Public Finance

George Beier - "Economic Position and Prospects of Malawi" (1969), Chapter IV.

Anthony Churchill - "Economic Position and Prospects of Colombia" (1967), Vol. II, Public Finance

Montek Singh Ahluwalia - "Current Economic Position and Prospects of the U.A.R." (1970), para. VI

SPlease/lo

cc: Messrs. Kamarck and Stevenson

Ec - Dept - gen

Mr. Hollis B. Chenery (through Mr. A. Kamarck)

October 12, 1970

E.K. Hawkins

Economist Assignments in the Bank

There are certain general points about the use of economists in the Bank and in the Economics Department, in particular, which I would like to make before departing on a mission. The first is a general point that has been a concern for some time, but which arises more forcibly at a time like the present when you contemplate a number of alterations in people's assignments. The Bank has now reached the size in which it would be desirable to have a more formal system for making known the existence of vacancies within the organization. I believe that some of the other international agencies have a requirement that vacancies (including promotions) be made known to the staff and those who wish to be considered for the post are able to put their names forward.

This would have the advantage of indicating the field of those interested in being considered to those responsible for filling the post. (It would be desirable in the case of the more senior positions, if it could also be established that the Economic Adviser to the President be consulted on all such appointments.) An obligation to publicize the existence of vacancies would place no limitation on the freedom of choice of the person who has to make the final decision. It would, however, have the effect of making sure that job descriptions were made explicit. It would also provide some kind of barometer of the extent to which staff are seeking a change of post.

I would relate this proposal to the implications of the creation of a new Economic Programming Department, under the constraint you mentioned that there must be no increase in the total number of economists in the "economic complex". If, as we all hope, this new department is to include experienced and senior economists from the area departments, the change implies a number of re-assignments both within the present Economics Department and in the rest of the Bank. I hope that the widest possible field will be reviewed for these changes, without prejudicing any persons chance of being considered who has the necessary ability and background. It has been noticeable that there has been a tendency in the past to fill vacant senior positions from within the department in which the vacancy occurs.

The above thoughts are linked to the point which a number of us have made to you verbally, which is the need to try and eliminate the feeling still extant within the Bank that the economists in the Economics Department are doing less important work than those in area departments, or in the projects departments. The creation of a second economics department may well strengthen this feeling, since the new department will attract some of the better economists and proceed to eclipse the present Economics Department (presumably reduced in size) because of its central role in policy discussions.

Mr. Hollis B. Chenery  
(through Mr. A. Kamarck)

- 2 -

October 12, 1970

One way to diminish this possibility would be to try and associate the functional divisions who will remain in the reduced Economics Department with the policy and programming activity. I hope that it will also continue to be recognized that they have a research function to perform which is distinct from that performed by the Basic Research Group under its present mandate.

It will still be difficult, however, to prevent a decline in the prestige of the reduced Economics Department unless some way can be devised for integrating service in that Department into the regular career structure of the Bank, so that it is expected that economists will spend part of their careers in a functional division. My own experience is a case in point, although it is, unfortunately, not typical; after working in an area department I transferred to the Economics Department where I have been responsible for two divisions in functional areas in which I was not personally a specialist. The justification was that I should be able to relate the work of the specialists to the operational activities and needs of the Bank. In population studies I consider that the evidence is already clear, after only eighteen months, that the most progress is made by people who are first of all good economists, but who are interested in the subject and have specialist advice to draw upon, rather than by specialists alone. On the other hand such economists may not want to spend their whole working life in this field, as I certainly do not wish to do, either, nor do they necessarily want to stay in the Economics Department forever.

EKHawkins/gah

cc: Mr. A. Stevenson



Bo Dept gen

Mr. Arthur E. Tiemann

October 7, 1970

Leta L. Fairall

Preparation of DFC Tables

Early last week I had a conference with Mr. Shin of the DFC Department regarding the twelve tables transferred from his department to ours in February. During our conversation I learned that this section will eventually be expected to take over all of the Operational Data Tables now prepared in the DFC Department.

Approximately thirty tables are involved, each of which includes data for all Development Finance Companies. Sources used in compiling data and calculating the tables are DE annual reports and audits, income statements, appraisal reports prepared by members of the DFC Department, reports from the Controller's Office and a few IFC reports. Sources are not uniform in presentation of material, making it necessary to ascertain procedures used in calculating previous years by re-working earlier data before proceeding to present data.

Miss San Lin of the DFC Department estimates that with at least three years' experience in this work, a greater part of the year will be required to update the tables each year.

I find the work challenging and enjoyable, but extremely tedious and difficult, because it involves accounting rather than statistics. As I do not have an accounting background, it is necessary at this time for me to make a separate calculation for each item on each table, sometimes involving as many as three hundred or more calculations for a specific table.

Two of the twelve tables have been completed and approved by Mr. Shin. Approximately half of each of the ten remaining tables outlined in Mr. Shin's memorandum of September 30 has been completed.

In order to do this work more efficiently, it is going to be necessary for me to work more closely with Mr. Shin, who planned the original tables. From experience and a thorough knowledge of each DFC, Mr. Shin knows the problems peculiar to each company and table. Hopefully, with Mr. Shin's help, I will complete the balance of the ten tables mentioned above by mid-November.

As this is going to be a continuous assignment, I believe it will be advisable for someone to work with me on these tables, preferably someone with some accounting background. In this way, work can be continued not only when I am on leave, but when I am working on other assignments.

cc: Messrs. Stevenson  
Gulhati  
Kundu  
Shin

L Fairall:ss

Ec-Dept-gen

Mr. Hicks, Mr. Kundu, Mrs. Paulson, Mr. Slade,  
Mr. Goor  
Robert McPheeters *RMG*

October 5, 1970

Meetings with Mr. Chenery

During the course of the meeting of division chiefs, following the staff meeting last Friday, Mr. Chenery indicated that he plans to meet with all professional staff in the Department and Studies Groups over the next two weeks. The purpose of these meetings is two-fold: to get to know professional staff and to hear our views on our work on one hand, and, on the other, to tell us something of his plans and objectives for the Bank's economic work.

Statistical Services Division is tentatively scheduled to meet with Mr. Chenery on Monday, October 19, beginning at 4:00PM, in room D556. In order to keep the meetings to a manageable size, Mr. Stevenson has suggested that we meet with Mr. Chenery in two groups. Accordingly, the following schedule has been arranged:

- 4:00 p.m. Messrs. Hicks, Goor, Slade  
Mrs. Paulson and professionals in the External  
Debt Section
- 4:45 p.m. Messrs. Kundu, Slade and professionals in the  
General Statistics and Programming Sections

Mr. Tiemann and I will join both groups. In preparation for these meetings, I would ask that you give some thought to what you would like to tell Mr. Chenery at this first direct exposure. You might want to include reference to both our current operations and our prospects for the immediate future. Mr. Chenery will be particularly interested in our supporting role in the Bank's economic research activity.

cc: Mr. Stevenson  
Mr. Tiemann

/ta

Mr. Hicks, Mr. Kundu, Mrs. Paulson, Mr. Slade,  
Mr. Goor  
Robert McPheeters *RMCP*

October 1, 1970

Economics Staff Meeting, Friday October 2

Mr. Chenery is in the Bank and has assumed his functions as Economic Advisor to the President. He will conduct the monthly meeting of Economics Department professional staff tomorrow morning. I urge you to see that all your professionals attend the meeting; it should be both interesting and important. The meeting will take place at 9:30AM in the Board Room.

For your information, Mr. Chenery plans to have the Economics Department and the Studies Groups function as a single staff. Studies Groups staff will be present at the meeting tomorrow, and the Studies Groups Directors will henceforth be included in the weekly Division Chiefs meetings which Mr. Kamarck has held in the past for Economics Department alone. In addition to his present role as Director of the Department, Mr. Kamarck has been asked by Mr. Chenery to act as his deputy with regard to the Groups.

cc. Mr. Tiemann

RMCP/ta

Des. Fin. Cos. Div  
↳ cc Ec. Dept. gen

Mr. Diamond

September 30, 1970

B. H. Shin

Statistical Tables updated by the Economics  
Department

1. As you know, the Statistics Division of the Economics Department agreed with us early this year that in the first instance, they would undertake the updating of a dozen tables hitherto prepared by Miss San Lin and myself. (Ref. Mr. Gulhati's memo to you of January 9, 1970).
2. Of the dozen tables, Mrs. Fairall of the Statistics Division, updated two (drafts) and handed them over to me for review, on which I have made a few minor corrections and suggestions.
3. Judging from the drafts reviewed, I should say that the Statistics Division has made a good beginning in their undertaking of the work for us.
4. I expect to receive in due course drafts of the following ten tables from the Statistics Division.
  - (1) Aggregate Financial Assistance, Extended by Development Finance Companies by Industry
  - (2) Rate and Amount of Net Profit Before Tax and Allocations to Provisions of Development Finance Companies
  - (3) Annual Financial Commitments of Development Finance Companies
  - (4) Reserves, Provisions and Equity as Percentages of Total Portfolio of Development Finance Companies
  - (5) Annual and Cumulative Yield on IFC Investment in Development Finance Companies
  - (6) Yield on Equity Investment of Development Finance Companies
  - (7) Dividends received by IFC from Development Finance Companies
  - (8) Status of IFC's Shareholdings in Development Finance Companies
  - (9) Date of Agreement, Effective Date and Dates of Last Commitment and Disbursement of IBRD/IDA Loans to Development Finance Companies
  - (10) Number of Loans and Investments under Supervision by Development Finance Companies Department

cc: Messrs: Gulhati  
Stevenson, *Tie mann*  
Kundu &  
*18* (Mrs.) Fairall  
Buchanan

Projects Dept - gen  
✓ CC Ec. Dept - gen

Mr. A. Stevenson

September 21, 1970

W. A. Wapenhans

Commodity Work for Appraisal Reports

1. I refer to your memo of September 15 addressed to Mr. Evans. As you know we have been instructed by Mr. McNamara to report on regular consultations with other international commodity organizations. I plan to issue an instruction to that effect to the Division Chiefs of this Department. Since it involves close collaboration with the Economics Department I would be grateful for any comments you may care to make on the attached draft instructions.

2. You will note that the instruction would also cover the quarterly reporting to you of projects with commodity aspects, the commodity in question, and the approximate appraisal date. I believe that quarterly revisions of the first list attached hereto should be sufficient to keep you abreast of any changes in time, deletions or additions.

Attachment

WAWapenhans:fh



*Ec. Dept gen*

Mr. Alexander Stevenson

September 18, 1970

Arthur E. Tiemann *act*

Revisions in Fiscal Year 1971 Budget

The revised budget estimates for fiscal year 1971 for the Statistical Services Division which are provided below reflect the change in staff requirements from the presently authorized levels. Some of these changes had been anticipated in earlier budget requests but were not authorized. Now that the first quarter of the current fiscal year is newly completed, the proposed revisions in the authorized budget have a more solid basis.

The requirements for the projects supervised by Mr. Goor has been put forth in his memorandum to you and to Mr. Adler and reflect demands by P&B, Projects and Controller. These requirements are not included below.

EXTERNAL DEBT SECTION

Attached are two organization charts for the External Debt Section. Chart I gives the organization of the Section along lines which I believe will be most efficient for our assignment for this year. Chart II is the same except that the names of the persons presently occupying the professional positions are filled in in the appropriate places on the chart.

According to this proposal the Section would have a total of 33 positions compared with the 32 now in the budget. However, the make-up is somewhat different as can be seen from the following comparison

	<u>Present</u>	<u>Proposed</u>
Professionals		
Chief	1	1
Systems Deputy	1	1
Operations Deputy	-	1
Debt Analysts	4	5
Processing Supervisors	4	7
Sub-total	<u>10</u>	<u>15</u>
Non-professionals		
Statistical assistants	19	15
Typists	2	2
Records clerk	1	1
Sub-total	<u>22</u>	<u>22</u>
Total of Section	<u>32</u>	<u>33</u>

The proposal can be carried out by the up-grading of 3 statistical assistants to the level of processing supervisor and by the creation of one new position, Operations Deputy. Of the 5 new professional positions, 4 would be recruited from staff already in the Section. The fifth is Mr. Merayo who is coming to the Section from the Western Africa Department with the loan of a position.

The work of the debtor system has for several months been divided among four groups, as against 3 groups formerly. The reason for the change is that the number of countries per group was so large that the production of tables could only be accomplished superficially. Responsibility for a fewer number of countries makes possible and more individual handling of debt problems. However, with only 10 professional positions, two of the groups have been left with inadequate direction. Group 2 has been without a Debt Analyst and in Group 4 the Debt Analyst has had to delegate many of the processing supervisor duties to a statistical assistant.

The creditor group has never had a processing supervisor. Until a few days ago the creditor group was only responsible for the Expanded Reporting System. The work on capital markets has been carried out by a statistical assistant under the direct supervision of the Chief. The person working on the capital markets, who has now been with the Bank for 14 months, is now capable of operating rather independently but at the same time this work has increased so that another statistical assistant has been assigned to work with her on it. This function has now been assigned to the Creditor Group so as to relieve the Chief from the burden of its direct supervision. I recommend that this group have two Processing Supervisors, each one in charge of the two separate functions of the group.

The totally new position of Operations Deputy is designed to fill a need which has been felt for some time. Both the Chief and the Systems Deputy spend a good deal of time on operational and administrative functions which keep them from the formulation of policy, the exploration of new fields, and the designing or improvement of systems and procedures. They also are forced to perform some duties which should be carried out by staff members on a much lower level. However such staff members are not available because of the pressure of production, lack of experience in these duties and a need for careful supervision.

The Operations Deputy will assist the Chief in administration, the direction and assembly of world debt compilations, handling of correspondence, the improvement and direction of operating procedures in the various groups, and participate in the formulation of policy. The Operations Deputy would also become familiar with the specifications of the various computer programs used for debt tables and would assist in the direction of assignments which require non-routine manipulation of these programs. This latter, strictly operational function, now falls to the Systems Deputy and distracts her from her proper work in designing and maintaining systems.

The above recommendations are based on a realistic assessment of the requirements necessary to satisfy the expected demands to be put on our resources. To the extent that we are unable to realize this proposal, we will have to neglect important work which will contribute to the quality and quantity of our production, particularly the former. Although at present we have some staff capable of performing the more advanced work, failure to reward them with appropriate grades and salaries will undoubtedly lead them to seek opportunities elsewhere in the Bank or outside the Bank.

#### STATISTICS SECTION

During the past few months, the requests for statistical work have exceeded the capability of our permanent staff. It may be noted that during May-September 1970 we have utilised 13 $\frac{1}{4}$  man-months of temporary help to take care of the increasing work-load. About half of this work has been at professional level, taken care of by a consultant and one of the summer employee. We had quite a few extensive studies during the above period viz., mission reports for China and Nigeria, Industrial employment in Southern Europe, Industrial Structure of Latin America, Pakistan Load Control Study, Thailand Transport Model and Livestock project in Guyana. Some of these studies are still in progress. We have also received requests for future work on Latin American trade analysis and Commodity studies.

In view of the above, it will become exceedingly difficult to continue to perform our functions without additional permanent staff. I would also stress on the qualitative aspect of our service, since this tends to get neglected while working under pressure. I would, therefore, reiterate my request for 5 additional professionals for this Section. This increase would be partially offset by converting two statistical assistant positions to Grade E assistant statisticians.

Attached is a copy of the request of April 8, 1970, in which more detailed justification appears. The projected workload appears to be borne out by actual demands for statistical assistance.

#### DEBT EVALUATION UNIT

The newly formed Debt Evaluation Unit presently consists of one professional and one research assistant. From the outset, the Unit has worked almost full-time in developing and programming country models for economic and debt projections for P&B and the area departments. It is anticipated, however, that the further additions of programmer assistants to the staff of the Programming Section will relieve the head of the Debt Evaluation Unit from current tasks involving data preparation and computer programming, and additional staff in P&B and improvements in the debt model projection program will lessen the work load of the research assistant. It is hoped that by the end of FY 1971 only 25% of the professional's time, and 50% of the statistical assistant's will have to be devoted to this work, at most.



The Unit requires an expansion of staff, however, so that it may begin to cope with the many areas of debt evaluation work currently being neglected, as outlined by the External Debt Review Committee. These areas include: reviewing economic reports and country program papers to check on the use of debt statistics and the methodology of debt analysis undertaken by the area departments; developing a new approach for estimating future disbursements on undisbursed debt; developing methodology for the reconciliation of creditor and debtor reports, and balance of payments data; continuing analysis of trends in global and regional indebtedness and debt service; research in depth on countries with special debt problems; and the construction of debt tables for countries which have only recently begun to report debt statistics.

Since all of these activities involve substantial statistical gathering and compilation, it will be necessary to add immediately one statistical assistant to supplement the efforts of the present statistical assistant. This would bring the Unit up to the level originally anticipated in the budget request for its establishment during the current fiscal year. However, both statistical assistants may be occupied 50% or more of their time with country model programs if the number of countries desiring such work increases as planned and there is no offsetting increase in staff in P&B or elsewhere. In addition, it is apparent that if all of the above areas are to be competently handled by professional staff in this section, one more professional will have to be added to the staff during the latter half of FY 1971. This would raise the total complement of the section to two professionals and two statistical assistants; we regard this as the minimum satisfactory size of the Unit for the balance of FY 1971.

#### PROGRAMMING SECTION

The Programming Section is currently authorized 14 positions. These are filled by the section chief, 4 programmers, 6 programmer/analysts, 2 programmer/analyst recruits (reporting about October 1), and 1 position as yet unfilled. We are engaged in an effort to fill this last position.

Although the authorized staffing of the section is 14, only 13 are doing programming and systems analysis. The section chief's job requires a full-time manager, and only on rare occasions can he devote his energies to programming applications. Therefore, the shortage of personnel is to be measured against 13, not 14, programmers.

The FY 71 Demand for Data Processing Resources and Initial Budget Allocation prepared by the Programming and Budgeting Department shows a demand for \$412,260 worth of staff time for those users serviced by the Economics Department Programming Section:

Area Departments	\$ 10,920
Projects Departments	173,280
Economics Department	173,460
P&B (Economics dept. portion)	40,740
IFC	<u>13,860</u>
	\$412,260

These demand figures were then arbitrarily cut by P&B 20% across the board to arrive at the budget authorization. Still, this leaves approximately \$329,800 which has been given to our users based upon their need. Given that the weighted average of programmer/analyst and programmer charges is \$390 per week, our users have funds available for 846 man weeks of programming. On the other hand, our supply of resources is equal to 47 weeks times 13 programmers or 611 man weeks. This is a shortage of 235 man weeks which is equal to 5 programming positions. We are therefore 5 positions short in the Programming Section, even after the 20% across the board cut in the demand figures by P&B, and even after we gain our full complement of staff.

The Programming Section made an independent survey of user demand in addition to that made by P&B. Our survey shows an estimated requirement of 857 man weeks of programming required throughout the year. This would indicate that the final P&B demand figure is fairly accurate. But given that the demand projection is realistic, then the Programming Section's shortage of manpower must be realistic, too.

Many of the user projects originally expected to be started in the first quarter have slipped to the second and third. This means that we can expect a greater need for programmers in the second, third and fourth quarters than in the first. In other words, while on the average for the whole year we are five programmers short, we were only about 3 short at the start of the first quarter. As the second quarter approaches, old staff are returning from vacations and missions. They are beginning to generate demand. New staff are availing themselves of the Bank's computer and are trained in its use. It is increasingly difficult to assign a new project to a programmer as he already has three or four jobs going. The only way we can solve this problem of course, is to bring our supply of people more in line with the demand for their services.

In addition to the need for professional programmers/analysts, the section now has a requirement for two programmer assistants who would be Special Services personnel. Their function would be data preparation but they would have an opportunity to perform basic programming under close supervision. Currently programmer/analysts and programmers are performing this function in connection with programs such as ALPS, DAM, P&B's country models and related programs. Users such as economists and econometricians are also performing basic data preparation, including coding and simple manual computations. Aside from the inefficiencies resulting from the use of scarce manpower resources when professionals perform data preparation, the morale effect is so serious that it may jeopardize retaining good programmers. Also, the use of programmer assistants for data preparation will eliminate a constant source of friction between users and programmers. The programmer assistant positions will provide an excellent source for programmers and give a relevant training for future application in the Bank.

Ec. Dept - gen

Mr. Alexander Stevenson (through Mr. A. Tiemann)

September 16, 1970

Robert McPheeters *RM*

Functions of the Debt Evaluation Unit

We have never formally defined the role of the Debt Evaluation Unit; now would appear to be an opportune <sup>time</sup> to do so.

Establishment of the Unit was one of the central recommendations of the report of the External Debt Review Committee. Although the work of the Unit was not set out in great detail in the report, the outlines are quite clear. To quote from the report:

"In order to achieve greater cooperation between the users and producers of statistics...a Debt Evaluation Unit should be established consisting perhaps initially of one staff member who has worked as a country economist and is intimately acquainted with the use of external debt statistics. This Unit would be located in the Statistical Services Division in parallel to the Debt Section and would have responsibility for reviewing all external debt work to ensure its appropriateness." (p.36)

"(The Unit's) purpose would be to evaluate the information emerging from the External Debt Section in the light of the two sources within the Section itself and any other sources available. In passing the information on to the area department responsible, the Evaluation Unit should note what judgments it can make on the debt situation of the country. The Unit should as a matter of course always read those sections of economic reports dealing with debt to see what use is made of the information; such sections are usually very short. The Unit would be available for advice on problems of definition and treatment of debt in difficult cases." (p.15)

The report also suggests that the Unit could help in providing a basis for estimating service on unprojected debt (p.20) and "in coming to agreement with the area department concerned" on more realistic estimates of disbursements from the pipeline (p.21).

The External Debt Review Committee apparently realized that if this mandate were interpreted broadly the task of the Unit would be overwhelming. In particular, it was clear that much of the ongoing evaluation of data and reporting would have to be carried out by the Debt Section. Accordingly the Committee made a number of recommendations concerning personnel and organization, all of which have been or are being carried out. Principal among these was that there be created a supervisory level of staff in the Section which could devote more time to analytical work and participation in economic missions. This has been done and all but

one of the four positions are filled; the fourth will be filled next week with the arrival of Mr. Merayo. As you know, the three incumbents have already undertaken a number of debt missions.

With the above in mind, we interpreted the mandate of the Debt Evaluation Unit as being chiefly analytical, i.e. concentrating on those most difficult countries and on a more limited range of problems mentioned in the report - particularly multisource data comparison, "reviewing all external debt work for its appropriateness," making "judgments...on the debt situation of (a) country," reviewing "those sections of economic reports dealing with debt" (and by extension of the country program papers), and offering "advice on problems of definition and treatment of debt in difficult cases."

Our budget justification for the establishment of the Unit was based on the EDRC report, and our recruiting was done on this basis. In the closest thing that we have to a description of the functions of the Unit, I described the job of the chief of Unit for you and the Personnel Division last December as follows:

"Working with the three current sections as required, and reporting to the Chief and Deputy Chief of Division, he will be responsible for in-depth analysis of problem country debt situations and global indebtedness trends, for the analysis, design and maintenance of debt models, for the evaluation and analysis of debt data and reporting, and for the reconciliation of debt, capital flow and other balance of payments statistics at country and global levels. He will be expected to undertake occasional missions to deal with particularly important problems. He will be required to coordinate his work with that going on in certain other organizations, principally the OECD and the IMF. He will be the chief point of contact at the working level with the major analytical users of debt data in the Bank, e.g., the consortia and consultative groups, the Economic Study Groups, and Programming and Budgeting. His staff will consist initially of one or two statistical or research assistants, but he will be free to call on the help of the other Sections of the Division as necessary. He will assume some of the responsibility for preparing major periodic presentations of debt data, such as those in the EC series and the Annual Report. Finally, he will be asked to keep abreast of and contribute to the formulation of debt policy in which the Bank is involved, either independently or in concert with other agencies."

cc: Mr. Tiemann

RMcPheeters/ta

Ec - Dept - gen -

Messrs. Lionel Evans and Hans Fuchs

September 15, 1970

Alexander Stevenson

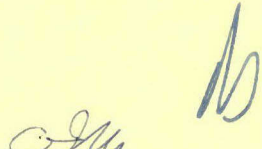
"Market annexes" for project appraisal reports

1. As you know, in the case of certain Bank projects that are aimed at increasing the production for export of particular primary commodities, the appraisal reports often include an annex on the world supply-demand and price outlook for that commodity and the effect of the Bank project on future prices. These annexes are prepared by the Trade Policies and Export Projections Division of the Economics Department.

2. In order to help that Division to plan its work program, and particularly to make suitable provision for meeting future demands for these annexes, I would appreciate receiving from you a list of the project appraisal reports you expect to be completed by your Department during the current fiscal year which in your opinion should contain a market annex prepared by us. It would help if you could indicate in each case the commodity and country involved, and the estimated date by which the annex should be completed. To insure complete coverage, the projects covered should include any for which a market annex has been requested but not yet received by your Department.

3. When we get this list we will let you know if we see any problems and how the work will be allocated.

cc: Mr. Maccone

  
AJMaccone/ASTevenson/hl

Mr. Arthur Tiemann

September 14, 1970

N. L. Hicks *AA*

A short history of the debt evaluation unit

At present, the debt evaluation unit consists of Miss Dacumos and myself. We have been spending almost all of our time in the programming and development of country economic models for the area departments and P & B. As you are aware, I was given the responsibility of coordinating this work in late July and Miss Dacumos joined me in August. The type of work done for each country has varied somewhat, generally depending on the abilities of the country and area department economists to formulate their models. In general, I have worked with Mr. Landau and Mr. Vibert in the formulation of the models, offering advice on the construction of the equations and the types of models most suitable. Since Miss Dacumos has joined us, she has been responsible for coding the data and equations on the forms developed by Mrs. Condliffe, and developing equations for the debt sections of the models. On occasion Mr. Vibert and I have also done some of the coding.

Once the program is coded and keypunched, Miss Dacumos and I usually work together on debugging the program for syntax errors and data input errors. When there are "bugs" that neither Miss Dacumos or I can locate, we turn to Mrs. Condliffe for advice. I would hope that gradually this debugging operation could eventually be handled completely by Miss Dacumos and Mrs. Condliffe, or someone else in the programming division. Miss Dacumos is also responsible for checking the input data in the program to see that it agrees with what was submitted by the area department and the External Debt Section.

When the initial program does not produce reasonable results, or does not operate the way the area departments intended, Mr. Vibert or Mr. Landau and I usually discuss with the area departments, and/or among ourselves, ways in which the model and the program should be modified. The following are some examples of the ways in which country models have been developed between this section, P & B, and the area departments:

**Ethiopia:**

Before I was given the responsibility of coordinating this work with P & B I developed a simple debt projection model for Ethiopia. Later, under the encouragement of P & B, the area department decided to develop a full fledged model for the Ethiopian economy. After talking with the area economists, Mr. Landau asked me to draw up a preliminary model for Ethiopia based on our discussions. Later, he also decided to draw up a preliminary model. The two models were discussed with the area department and a combination of the two was decided upon as the final version. After we had obtained results from running this first model, Mr. Collier, the chief economist for Western Africa, decided that he wanted to use a slightly different approach. I made the appropriate changes in the model after Mr. Landau and I had met with Mr. Collier. We are presently debugging this second model.

**Turkey:**

A model for Turkey had been agreed on between Mr. Billington, the country economist for Turkey, and Mr. Landau, shortly before I became involved with this work. This model was programmed and run but produced output of questionable value due to the initial construction of the model. Mr. Landau and I made several suggestions for improvements in the model, which Mr. Billington accepted, and in addition we have programmed changes desired by Mr. Billington. The latest version of this model is presently being coded for keypunching.

**Iran:**

Mr. Vibert sent me a model which represented the wishes of Mrs. Hardy, the country economist for Iran. Although we both had reservations about the model, it was programmed and run. Since the resulting output produced clearly useless projections, Mr. Vibert and I made some mutually agreed upon changes in the program which improved the quality of the output to a certain degree. These runs were presented to Mrs. Hardy upon her return from annual leave, and we are presently awaiting her reaction.

**India:**

After attempting to do a macro-model by hand, the country economist for India asked us for assistance in programming a more complicated model, particularly for the debt equations. Miss Dacumos and I developed the equations for this model, including a simple macro model, at the request of P & B. This model is presently being debugged.

GSLade:ms

cc: Mr. R. McPheeters

Ec. Dept. gen  
yellow

## OFFICE MEMORANDUM

TO: Mr. Andrew M. Kamarck

DATE: September 14, 1970

FROM: Stanley Please

SUBJECT: Review of 1970/71 Budget -- Domestic Finance DivisionStaff Position

1.	<u>Present</u>	<u>Estimate Oct. 1, 1970</u>	<u>Budget Authorization</u>
Economists (including Division Chief)	10	8	10
Research Assistants	0	-	1
Secretarial	4	4	5

2. The latest estimate of commitments to area departments to provide fiscal economists for economic missions stands at twenty-seven. This is below the original projection of 34 partly because of cancellation and postponement of missions and partly because of our inability to staff the original number of missions. Six missions will be serviced by the IMF under the collaborative arrangement and budgetary authorization has been given for three missions to be serviced by consultants. Eighteen missions remain, therefore, to be serviced by the Division: viz.

IMF	6
Consultants	3
Division Staff	<u>18</u>
Total Commitments	27

3. Two particular problems arise in meeting the 18 mission requests falling on the Division. Firstly is the manner in which they are bunched in the two periods, October to December and February to April. Secondly, and most importantly, is the Division's lack of experienced staff. Of the eight staff members, only the Division Chief and his deputy have been in the Bank more than two years. Given the central importance of the fiscal issues in most countries, area departments correctly expect that the work undertaken in this field will either be undertaken by experienced people or by less experienced people who are effectively backstopped by others in the Division. If the ratio of senior to less senior people falls, then our standing with other departments will also fall and I am unwilling to see this happen. The Division must, therefore, be permitted to replace the two staff members who are leaving (Eklund and Beier) by, at least, two equally senior people. This raises clear issues of staff-salary-grading policy. The Division must be given authority to recruit people who, whatever their formal title, are recognized to be "senior economists" and given an appropriate grading. Such people would not necessarily have line



management responsibilities but would have comparable responsibilities in their capacities as fiscal economists.

4. Apart from the servicing of economic missions, the Division has also committed itself to provide 6 man-months of staff time to service missions from the Urbanization Division of Special Projects Department. The Division is also intending to develop its involvement with those in IFC and the DFC Department who are concerned with the mobilization of resources for industrial development. Furthermore the Division has again been requested to involve itself in the problems of public utility pricing policy.

5. It is apparent that, even if the two authorized positions soon becoming vacant were rapidly filled, the Division will be stretched to meet these direct requests for assistance from other Departments of the Bank. There is little scope for the development of research-type studies and the undertaking of other more general papers which are requested from, or volunteered by, the Division. For instance, the commitment by Mr. McNamara to the ILO to prepare a paper for the Geneva Conference on Fiscal Policy and Employment in Developing Countries, is a major assignment in a field in which both the Bank and the profession have done virtually no work in the past. These responsibilities and the growing demand -- which I welcome -- to service country and other missions require, as I have stated previously, both a larger Division -- 12 to 13 economists immediately rising to 15 in a few years -- and a strengthening of its composition by the recruitment of senior people. Two to three research assistants will also be required. Our prospect is a smaller number and a fall in seniority. I am about to reverse this in the recruiting I am doing. I expect to be backed by the Administration Department in these efforts. I will draw appropriate conclusions if this is not forthcoming.

SPlease/lo

cc: Mr. Stevenson

Mr. John Adler (through Mr. Stevenson)

September 10, 1970

Charles G. Goor *CG*

Personnel Needed to Carry on My Work Program

1. At the meeting /1 at which, among other matters, this subject was discussed, you agreed that additional technical help for me was needed. I indicated that a "middle-level" statistician was the type most suited for my needs. You expressed approval and asked me to furnish you with a job description of the person needed and a formal request for a position. The job description is attached and the formal request is herewith made and endorsed by the Economics Department.
2. At the same time, you asked whether I needed other help in carrying on my program of work. I herewith request an additional statistical assistant, similar to those currently in the General Statistics Section.
3. In summary, the group of people working directly on that program of work (attached) assigned to me would be:
  1. A middle-level statistician (requested)
  2. A junior statistician (on duty)
  3. A statistical assistant (on duty)
  4. A statistical assistant (requested)
4. In addition, there may be need for more statistical assistant help at peak periods and specialized technical assistance for special problems. Hopefully, this help would be obtained from elsewhere in the Statistical Services Division.
5. Also, qualified programmers should be assigned in the number and the level of skill (including at least one senior analyst) indicated by my detailed requirements officially submitted on the forms titled "Economics Department Request for Data Processing Services" dated June 15, 1970 (copies attached). Although these requirements were submitted for the 1st Quarter 1971, only a portion has been completed and most of the requirements are still outstanding. In addition, new requirements as they arise are constantly being added to increase the workload.

/1 Present at the meeting were: Mr. J. Adler, Mr. G. Gabriel, Mr. J. Blaxall, and Mr. C. Goor (held at end July 1970).

Attachment

- cc: Messrs. Kamarck  
 Stevenson  
 Gabriel  
 Blaxall  
 Tiemann

CGoor/ta

EC Sept 9

cc

Mr. Alexander Stevenson (through Mr. Tiemann)

September 9, 1970

Charles G. Goor

*CGG*

My Work Program

1. Attached, as you requested, is a brief description, by project, of the scope of the work on each project that I am handling and the requestor and/or user.
2. The overall outline is fairly stable although some of the details may change during the development of the projects. These changes, however, may have a significant effect on the workload.
3. Accompanying this memorandum is another addressed to John Adler, at his request, outlining my personnel needs, the level of new personnel and a job description of the professional needed.

Att.

cc: Messrs. Kamarck  
 Tiemann  
 Adler  
 Blaxall  
 Gabriel

CGoor/ta

Ec. Dept. - gey

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

September 4, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending September 4, 1970

<u>Total:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Professionals:	119 auth., 108 filled, 5 comm.	147 auth., 129 filled, 7 comm.
Special Services:	55 auth., 47 filled, 0 comm.	60 auth., 52 filled, 0 comm.

Professionals:

1. Mr. van der Tak began a one year sabbatical on September 1, 1970. During his absence Mr. Oliver (on a one year fixed term appointment in Urbanization) will occupy his budget position.
2. Mr. Eklund, Domestic Finance of Developing Countries Division, will terminate on September 30, 1970.
3. Mr. Peter Cook has accepted an offer to join the Programming Section of the Statistical Services Division on September 15, 1970.
4. Mr. Stoujesdijk arrived in the Basic Research Center on September 1, 1970.
5. Mr. Devaux transferred from the Creditworthiness Study Group to the South America Department on September 1, 1970.
6. Mr. Budhoo of the Creditworthiness Study Group will terminate on October 1, 1970.

Special Services:

1. Mr. King of the Sector and Projects Studies Division terminated on August 31, 1970.
2. Mr. Reitze transferred from the External Debt Section of the Statistical Services Division to the Development Finance Study Group on September 1, 1970.
3. Mr. Barton of the External Debt Section of Statistical Services Division will terminate on October 2, 1970.
4. Mr. Baird of the General Statistics Section of the Statistical Services Division will terminate on October 27, 1970.
5. Mr. Rossel of the Domestic Finance Study Group will terminate on September 30, 1970.

Current Tables are attached.

Attachments

cc: Messrs. Friedman (2), Dyck, Chaffey, Lowther  
Mrs. Thomas (P&B), Mrs. Armstrong

JLLowther:so

Projects Dept -  
✓ Economics Dept -

Mr. A. Kamarck

-2-

September 2, 1970

Mr. A. Kamarck

September 2, 1970

B. Chadenet ~~B. Chadenet~~

Respective Functions of the Economics of Urbanization Division and the Urbanization and Regional Projects Division

At the meeting which we attended on the above subject on June 22 it was decided that the two Divisions should prepare a joint memorandum which would (i) define their respective responsibilities, and (ii) outline procedures for cooperation and coordination. Pursuant to this decision, Messrs. Elkouby and Westebbe have met several times; the attached draft reflects generally the area of agreement reached (although I understand that Mr. Westebbe has not yet approved this particular draft).

While it appears that considerable progress has been made by Messrs. Elkouby and Westebbe in defining their respective roles, three important issues are not adequately treated in the draft reflecting unresolved differences of opinion. The issues concern:

- (i) which Division has primary responsibility for supporting economic and preinvestment studies missions;
- (ii) how coordination will be achieved between the Divisions' work programs; and
- (iii) the appropriate roles for the respective Divisions with regard to operational contact with present and prospective borrowers.

If these three issues can be resolved between you and me, it should be possible for Messrs. Elkouby and Westebbe to finish this memorandum. As a basis for our discussions, I offer the following views regarding the issues.

Support to Economic and Preinvestment Studies Missions

The principal responsibility for providing support to economic and preinvestment studies missions should rest with the Urbanization and Regional Projects Division of the Special Projects Department (Special Projects). Because of particular expertise of staff members in the Economics of Urbanization Division (Economics) and because of shortages of staff in Special Projects, the latter may be expected to request from Economics staff assistance with respect to specific missions. Special Projects should be the channel for requests from Area Departments for assistance. This is, I believe, the normal procedure where Projects and Economics Departments have divisions concerned with the same sector, and is in line with the Friedman to Chadenet memo of November 17, 1969.

Mr. Kamarck

-2-

September 2, 1970

Coordination of Divisions' Work Programs

In new fields for the Bank, it seems especially important that research and operational efforts be closely coordinated. Urban problems, which by definition are large and complex, cut across many disciplines and the methodology for analyzing the problems and structuring solutions does not exist to any appreciable extent. The research work program of Economics should in part be related to problems being encountered by Special Projects and conversely, the operational work program of Special Projects should take into account the views of Economics with respect to the kinds of problems involved and the strategies proposed. Beginning with the work program for Special Projects which essentially comes from the Five-Year Plan, the two Divisions should meet to discuss and agree upon the research support required for the program, and whether some projects should best be deferred pending the completion of particular research work. Special Projects has primary responsibility for the program of lending operations and economic mission support; Economics has the primary responsibility for creating and carrying out a work program of research. It is important that these be coordinated. This is the pattern followed and is working reasonably well in practice in the case of other Projects Departments-Economics Department relations.

Sub-Operational Contacts with Borrowers

The Bank, on operational as well as other matters, should speak to its borrowers with one voice. Special Projects, in liaison with the appropriate Area Department, should be the channel of contact to borrowers for urban matters. In those instances where research jobs require field studies, Economics should ensure that advice to the borrower on urban matters is first cleared with Special Projects. Again, this is in accordance with Mr. Friedman's November 17, 1969 memorandum.

Paragraph 9 of the attached draft memorandum suggests that an Urbanization Policy Committee be established for urban matters similar to the Industrialization Policy Committee which guides Bank/IDA/IFC work on industry matters. It seems to me that such a Committee is not needed. In the case of industry, the IFC, the DFC, and the Industrial Projects Department all are actively engaged in lending operations in the same sector. More than 100 staff and many projects are involved and the lines separating the areas of responsibility of the various Departments are not clearly drawn. By contrast, the Economics of Urbanization Division and the Urbanization and Regional Projects Division have fewer than ten staff members and only a few projects, all of which are clearly the primary responsibility of Special Projects.

I will be pleased to discuss these matters with you at your convenience.

HWMessenger:plm

Attachment

*Ec Dept - gen*

## OFFICE MEMORANDUM

TO: Files

DATE: August 31, 1970

FROM: Andreas Tsantis *AT*SUBJECT: Education Projects Department - Comparative Data

1. A meeting was held on August 25, 1970, with Messrs. Levy and Novak of the Comparative Data Unit, Department of Economics, and Mr. Johanson and I, to discuss the EPD comparative data collection and to explore ways for coordinating the collection of such data between EPD and the Comparative Data Unit.

2. Only limited overlapping was found to exist, namely, in the reporting of general indicators (GDP, GDP/Capita, Population, Literary Rate and Government Expenditure on education per capita). The Comparative Data Unit collects a voluminous amount of data in time series which include only two educational indicators, based on Unesco sources (total government expenditures and enrollment ratios).

3. It was agreed that:

(a) if it will be decided to include a comparative data table in all appraisal reports, Education Projects Department will use the information compiled by the Comparative Data Unit for the above general indicators;

(b) should Education Projects Department start collecting comparative data in series, discussions would be held with the Comparative Data Unit for inclusion of important educational indicators in the World Tables compiled by that Unit.

Cleared with and cc: Mr. Johanson  
cc: Messrs. Hultin, King, Lethem

Ec Dept gey

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
S.M. Armstrong

August 28, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending August 28, 1970

<u>Total:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Professionals:	119 auth., 109 filled, 4 comm.	147 auth., 130 filled, 7 comm.
Special Services:	55 auth., 49 filled, 0 comm.	60 auth., 53 filled, 0 comm.
<u>Professionals:</u>		

Mr. Zachariah has accepted a position with the Population Studies Division and will commence duty in December 1970.

Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Lowther  
Mrs. Thomas (P&B)

SMArmstrong:so



Ea. Dept gen

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
S.M. Armstrong

AUG 31 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending August 21, 1970

<u>Total:</u>	<u>Economics Department</u>	<u>Economic Complex</u>
Professionals:	119 auth., 109 filled, 4 comm.	147 auth., 130 filled, 7 comm.
Special Services:	55 auth., 49 filled, 0 comm.	60 auth., 53 filled, 0 comm.

Professionals:

Mr. Zacharaih has been offered a position with the Population Studies Division.

Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Lowther  
Mrs. Thomas (P&B)

Projects Dept -  
~~VCC EC. Dept~~  
cc Budget

Mr. John Blaxall

August 20, 1970

Alexander Stevenson

Your memorandum to Mr. Baum on FY1971 Budget for Consultants

I am afraid that your memorandum solves the problem in principle but not in practice. As a result of the FY1971 budget decisions there is a shortage both of money, and of supervisory capacity in the Sector and Projects Studies Division. After the budget discussions the Division agreed with Transportation Projects Department what should be done and what should be dropped, taking into account not only the amount of money available but also the capacity of the Division to supervise consultants' work. If we were now to try to supervise these additional studies in the immediate future it would have to be at the expense of something else from among the items already agreed with Transportation Projects Department for this fiscal year. We do not think we should spread our resources any thinner and we do not think, and I believe Transportation Projects Department understands this, that switching our available human resources to the supervision of these jobs would be a good use of these resources.. While you were writing your memorandum to Mr. Baum, Mr. de Weille and Mr. Hogg were trying to work out a satisfactory solution, which is set out in the attached memorandum from Mr. de Weille to me. On the assumption that the money can be made available and the Transportation Projects Department has unused supervisory capacity which can be suitably set to these jobs perhaps this would be a way out.

AStevenson:js

Att.

A

✓ Econ. Dept - gen  
cc Project Dept - gen

Mr. B. Chadenet (through Mr. Sadove)

August 20, 1970

J. Elkouby

*JE*

Respective Functions of the Economics of Urbanization Division and the Urbanization and Regional Projects Division

1. As you requested in our meeting of June 29, 1970, Mr. Westebbe and myself have discussed how to clarify the responsibilities and coordinate the work of the two Divisions. The attached draft memorandum is the result of our discussions. Although it is not yet finalized and may require minor adjustments, it shows that general agreement has been reached as to the basic orientation and scope of work of each Division. There remains, however, some potential overlap, particularly in the phases preceding project identification.
2. Both Divisions concur in suggesting the establishment in the Bank of an Urbanization Policy Committee, with composition and scope similar to those of the Industrialization Policy Committee.

JElkouby:bc

Attachment

Subject: Functions of the Economics of Urbanization Division and  
the Urbanization and Regional Projects Division of  
Special Projects Department

### Introduction

1. Projects and Economics Department staff members met on June 22 to discuss the assignments of the Economics of Urbanization Division and the Urbanization and Regional Projects Division in Special Projects Department.<sup>1/</sup> At the conclusion of the meeting the participants agreed that the two Divisions should prepare a joint memorandum which would (i) define their respective responsibilities, and (ii) outline specific procedures for cooperation and coordination. The objective of this memorandum is not simply to divide and allocate functions, but rather to assure that the activities of the two Divisions will be mutually reinforcing.
2. The term "urban sector" was used frequently during the meeting and it reappears in this paper, despite its recognized shortcomings. Foremost among these is that "sector" connotes a vertical specialization and organization with a single field (e.g., education, transportation, public utilities) while urbanization cuts across many of these fields. The term is used here to describe the broad area of Bank involvement in urbanization in which the two Divisions share common interests but have various responsibilities for specific activities and study areas.

### Functions and Responsibilities Defined

3. Organization Bulletins 1.04 and 1.07, both dated January 1, 1970, are the basic documents which define the respective responsibilities of the Projects and Economics Departments and provide a point of departure for

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<sup>1/</sup> Attending were Messrs. Chadenet, Kamarck, Baum, Stevenson, Sadove, Elkouby, Westebbe, Mera and Strombom.

understanding the respective functions of the two Divisions. Consideration also has been given to the Friedman-Chadenet memorandum dated November 17, 1969 on the division of functions between Economics and Projects Departments, and to the memoranda describing the work programs of the two Divisions; particularly the Westebbe-Kamarck memorandum of May 19, 1970 and the Elkouby-Sadove memorandum of April 10, 1970.

4. The functions of the Divisions have distinct differences in orientation at the level of description contained in the Organization Bulletins, as illustrated by these excerpts:

For Economics Department

- undertake operational research
- advise the Bank Group on urbanization problems to provide a basis for judgments on policies and investment priorities

For Projects Department

- provide advice on sector problems and policies
- prepare pre-investment study programs for sector
- carry out sector studies to identify projects and determine priorities within sectors
- prepare terms of reference for consultants and supervise studies
- prepare, appraise, and supervise projects

Mr. Friedman's memorandum aptly explains " ... the Projects Departments are operating or line units and ... dealing with governments is one of their responsibilities, while the Economics Department is a support or staff unit dealing (except as regards research or similar matters) mainly with other departments of the Bank." It is understood that the functions of the Projects and Economics Departments regarding relations with the governments will be performed with the agreement of the Area Departments.

5. In practice, a need still exists for further clarification of operational responsibilities. It is clear from the Organizational Bulletins that both Divisions are involved in the task of advising on policies and investment priorities regarding urbanization. Therefore, potential overlaps occur in early-stage activities in the urban sector, up to and including activities involving urban project identification and priority determination. Project preparation and subsequent activities should cause no problems as these responsibilities are clearly spelled out in the Organization Bulletins.

6. Several recurring activities comprise a large share of the Bank's early-stage involvement in the urban sector. These include:

- (a) Country Economic Missions and Reports<sup>1/</sup>
- (b) Country Pre-Investment Study Surveys
- (c) Urban Review Missions, Reconnaissance Missions and Special Missions.

Setting aside for the moment the question of staff resources and availability, the basic responsibility of each Division for these activities is as follows:

The Urbanization Division of the Projects Department has the urban sectoral responsibility when the Bank considers the potentials, problems, targets, projects, and policies of any specific country. The responsibility includes providing urban specialists for country economic missions and writing urban sector reports, supervising urban pre-investment studies, and

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<sup>1/</sup> Operational Memorandum 4.02, dated September 30, 1969, does not list urbanization as a subject to be included in country economic work, but it has been incorporated in recent missions and should become a standard element in future missions. Subsequent versions of the Operational Memorandum should specify this interest.

staffing and supervising any other missions which relate to the urban sector project cycle of a particular country.

The Economics of Urbanization Division of the Economics Department

has the responsibility to advise on analytic procedures for investigating the urban sector, to undertake research on problems and issues which may bear on general Bank policies towards urbanization; and to review the reported findings on urban problems for the Economic Committee. It may carry out its functions through operational research, economic missions or special missions as it deems appropriate.

7. Neither Division has sufficient staff to carry on these functions for all countries and all missions. Both Division's work programs stress the need to concentrate on a limited number of cities and study areas in order to achieve significant results. In actual performance, there will be few occasions when each Division will be able to provide staff for missions which are concerned both with broad policy issues or research and with urban sector programs and projects. The frequent, perhaps even typical situation will be that the same mission members will be responsible for both categories of work regardless of the Division to which they are assigned. There will undoubtedly be many missions where urban responsibilities affecting both Divisions will be carried out by Area Department staff members or by individual consultants retained especially for that purpose. These necessities and expediencies of assignments to missions do not alter the basic functional responsibilities of the two Divisions; they merely make it especially important that there be a clear understanding and agreement about the nature of the assignments.
8. Mr. Chadenet suggested that, for at least the next year, each Division should review with the other all work related to economic missions.

Both Divisions strongly support this suggestion and propose that it be extended to include discussions of their respective work programs and general policy issues of interest to both. Without setting a rigid format for these reviews and discussions, the Divisions agree that they should include at least the following:

- (a) notification concerning proposals and requests from Area Departments or others for urban-related missions;
- (b) mission planning discussions to clarify the interests and participation of each Division;
- (c) recommendations on urban consultant selection;
- (d) recommendations and comments on draft terms of reference for urban studies and missions;
- (e) the planning and supervision of preinvestment and technical assistance studies where a joint interest exists;
- (f) discussions of policy issues and circulation of draft papers bearing on Bank policies for comment;
- (g) discussions of proposed work programs and research; and
- (h) exchanges of information on new developments in the urban sector.

9. The effectiveness of both Divisions can be improved by following the functional guidelines presented in this memorandum. However, work on urbanization does or should involve many other units in the Bank. Moreover, urbanization is a new field for the Bank, with only a thin accumulation of procedural guidelines and policy precedents. It is suggested, therefore, that consideration be given to establishing an Urbanization Policy Committee, similar in composition and scope to the Industrialization Policy Committee, to guide and assist urbanization work throughout the Bank.



EC - Dept - gen

Mr. N. Carter

August 20, 1970

Alexander Stevenson

Mr. Narasinhham, whom you saw the other day, called me again as to how he should proceed. I reiterated your proposal to him that he study the Working Papers that you had given him and write a proposal indicating how he thought he could fit his work to the Division's program. He said he was going to a conference in England early in September but we could expect to hear from him in the next three to four weeks.

AStevenson:js

js

EC - Dept - gen

Mr. Irving S. Friedman

August 19, 1970

Ugo Sacchetti <sup>U.S.</sup>

Development Finance Studies -- Work complete or under way during year ending in July 1970.

Following your request I summarize below the studies complete or under way in D.F.S. since July 1969..

1. Preparatory work for the Third IDA Replenishment (completed)

This consisted of twentyfour separate papers dealing with both the traditional issues of IDA replenishments (amounts, burden sharing, etc.) and with such other broader issues as the methods of replenishment (periodically negotiated versus permanent arrangements; links to macro-economic quantities such as GNP, etc.), specified versus general (budgetary) sources of finance; and so forth. This work was coordinated by me under the over-all supervision of Sir Denis Rickett. It was condensed in a briefing paper for the President of the Bank which suggested a strategy for the Third Replenishment.

2. Study on Possible Improvements in Techniques of Lending

This study was requested by UNCTAD II and Mr. Jo W. Saxe, now a staff member, prepared the first draft of it as a Consultant. The second draft was prepared in February and March, and completed at the end of March 1970. The study was transmitted to UNCTAD by the President of the Bank in June 1970. The purpose of the study is to take stock of the techniques of lending in use and to show what improvements can be brought about in them. This includes consideration of the possibility of introducing on a broad basis a provision, similar to that of the Anglo-American Agreement of 1945, to waive or postpone service payments whenever predetermined circumstances materialize. The study does not attempt to suggest changes in policies. More precisely, lending at market or near market rates by financial institutions; or lending at concessionary terms, based on policies of the lenders to require repayment and to charge some interest, are accepted as facts. The possibility of introducing improvements in lending is discussed on the basis of: (a) the grant element, and (b) the incidence of service payments over time. The conclusions of the study focus on possible changes in the usual terms of loans (i.e. interest rate, grace period and maturity) and on possible adoption on a broader basis of certain practices now in use such as deferment and waiver of interest during the grace period, varying amortization schedules, etc. The Study was well received by members of the Committee on Invisibles and Financing related to Trade of the UNCTAD. Detailed discussion on it is expected in 1971.

3. Study on a new Scheme for Supplementary Financing

This study was prepared at the request of the President in response to a resolution of the Trade and Development Board of UNCTAD. The proposed

scheme is discretionary in nature and reflects other "constrictions" emerging from discussion of Supplementary Financial Measures in UNCTAD bodies. This study was transmitted to the President in December 1969, but it was not discussed pending the completion of negotiations for the Third Replenishment of IDA with which it had close relationships. The subject was recently discussed by the Executive Directors on the basis of a paper prepared in response to a recommendation of the Pearson Commission. As a result of these discussions the President of the Bank wrote a letter to the Secretary General of UNCTAD which concluded as follows: ".....it appears that, for the time being, we should defer further detailed consideration within the Bank of a scheme for supplementary financial measures. We shall, however, keep the matter under study."

4. Study on "Early Warning System"

This Study was requested by the Development Services Department on the basis of a recommendation contained in the report of the Pearson Commission. The Study is based on a retrospective statistical analysis of cases of debt reschedulings, particular reference being made to the level of the debt service ratio. The Study shows that the use of this ratio does not lead to firm conclusions and points out the possible adverse implications of an "early warning system" on the payments situation of the countries concerned. In some cases the feared crisis may be triggered or precipitated by the "warning". The recommendations which flow from this Study are confined to improvements in statistical records and to possible confidential action by the Bank and the Fund vis-a-vis those LDCs which may appear approaching difficulties in servicing their debt. The Study was completed in March 1970 and the essence of it was incorporated in a memorandum by the President to the Executive Directors in the series of similar memoranda prepared in response to the Pearson Commission recommendations. The Executive Directors have discussed this memorandum and were on the whole in agreement with the President's recommendations. Some further work on this matter in connection with the OECD is expected.

5. Study on Refinancing Suppliers' Credits by Developing Countries

This Study was requested by UNCTAD II and work had started belatedly in the Fall of 1969 due to the unavailability of a staff member. The Study, which is well under way, when completed would be composed of four parts as follows: (i) general considerations related to the changes over time of the industrial structure of developing countries towards more complex industries, including capital goods industries; (ii) a brief description of the changing trends in export credits by developed countries and particularly the softening of the terms under strong competition; (iii) an analytical study of the dimension of the problem insofar as developing countries are concerned with an attempt to forecast changes in such a magnitude in the next five years or so. The purpose of this chapter is to assess the total amount of suppliers' credits by LDCs outstanding in e.g. 1975; (iv) conclusion as to the most appropriate ways of solving the problem including

the possibility of participation by the World Bank. This Study is expected to be completed some time towards the end of this year. A careful treatment of part (iii) may well require field studies of at least the most advanced less developed countries, since inquiries through Area Departments produced limited results.

6. Study on the possibilities for the World Bank to engage in refinancing suppliers' credits by developing countries.

This study was requested by the President and had originated in a proposal by the Europe, Middle East and North Africa Department related to the problem faced by Yugoslavia. This paper was completed at the end of March and was distributed to members of the President's Council early in April and sent to the President of the Bank in June 1970. It examines the problem discussed in the Study described in 5 above, specifically from the point of view of the World Bank. In addition to assessing the magnitude of the problem it discussed the issues involved in engaging in lending activity in that field. The study's conclusion is in favor of such a lending on a marginal and conditional basis as it points out that the Bank could be able to lend for that purpose only if "special circumstances" justified it. Alternative solutions, including the participation of the IFC and participation by regional Development Banks, are briefly outlined. No further consideration has been given to this study, but the Bank's position was discussed in the context of a paper submitted to the Executive Directors in response to a Pearson Commission Recommendation. The attitude of the Executive Directors as to Bank participation was divided and because of this the President concluded: "I am not yet prepared to take a position myself, frankly, on action that I can't quite visualize, but if significant action comes up, if it appears in the interest of one of our members that we do move in a certain way, even though I may feel strongly we should move in that way, I will come back to the Board and discuss it with you before we get ourselves even partially committed."

7. Implications of SDRs for development finance

A study was prepared on the implications for the less developed countries of the first distribution of Special Drawing Rights (SDR) by the IMF and of the increase of their quotas in the Fund. This paper was initiated in DFS and its main purpose was to show the size of the resources going to LDCs as a result of SDRs distribution, and to assist economists of the Area Departments in their assessments of the availability of resources of LDCs during the coming years. It indicated the flow of SDRs to individual LDCs in 1970 and estimated flows in 1971 and 1972, together with a description of the main features of the SDR system, particularly those aspects which are of interest to the less developed countries. It also gave indications of the possible net impact of the increases in Fund quotas, under different types of drawings. Further work on this subject is planned to review the experience of LDCs with SDRs use, and its relationship with real resources transfers.

8. Study on the prospective trends of the capital market in Germany

This paper was originated in DFS in line with the arrangements for collaboration with the Treasurer's Department. It was finalized in June 1970. Its main conclusions were that the availability of funds will

gradually improve in Germany's capital market in the near future (8-12 months) though the interest rate will remain in line with those in other major capital markets.

9. Export Credit Study

This study which is concerned with export credits extended by developed to developing countries was requested by Programming and Budgeting. It should eventually fit into a picture of total flows of finance to LDCs. It consists of three parts. The first part presents the information currently available for major creditor and selected debtor countries; it shows conceptual and, where possible, quantitative differences in the data which appear in various reporting systems; it identifies reasons for these differences and, on the basis of this, proposes steps which could lead to a reconciliation of data from different sources into a consistent time series. This part of the study has been drafted as an interim report and sent to various Bank experts in this field for comments. The second and third parts of the study, which include the analysis of short-term and non-guaranteed export credits, the determinants of the flow of export credits and the projection of their possible future development are to be treated on an individual creditor country basis. Currently these problems are being examined for the United Kingdom.

10. (Participation in a) Study of external debt problems of LDCs

One staff member of DFS worked almost full time for about three months with an ad hoc group which was formed at the request of Mr. McNamara to prepare a study of problems of external debt in the 1970s. Other members of DFS assisted the ad hoc group in various ways. The purpose of the study is to identify countries which are likely to have difficulty in servicing external debt in the 1970s and to indicate approaches to alleviating these difficulties. Those portions of the study which deal with the position, policies and prospects of the creditors were done by the DFS full time staff member. In doing so, he designed and supervised the preparation of new statistical materials on debt as well as analyzing the composition of flows of resources to developing countries and the prospects for these flows from the major donor countries. The purpose of this portion of the study is to determine to what extent new lending is likely to assist borrowers in dealing with their problems as well as to indicate what forms of relief on what types of debt may be feasible. Mr. Friedman, assisted by Mr. Saxe, is at present reviewing the statistical materials prepared for the study, as well as the text, with a view to its transmittal to CIAP. Further work to be undertaken afterwards in the form of projections of new lending and of the preparation of new statistical materials is under consideration.

11. In addition to the above major studies, members of the staff of DFS have prepared a variety of papers on different subjects dealing with the flow of finance to LDCs; have attended international meetings as Bank representatives or observers, and have participated in work done elsewhere in the Bank. Most of these activities are of a recurrent nature and are, thus, expected to arise in the future. Examples of them are given below:

(i) Preparation of briefing papers on 18 Part I countries for the President and members of the President's Council on the occasion of the 1969 Annual Meeting, to serve as a basis for discussions with Finance Ministers. Preparation of similar papers on France for the President's visit in March 1970. This included elaborate descriptions of French aid policies and management, flows, etc., besides traditional background material.

(ii) Preparation of a paper on (prospective) U.S. AID economic aid program for 1970 and 1971, mainly for the use of Area Departments.

(iii) A paper for Mr. Irving S. Friedman on the relationships between monetary stability and economic growth in less developed countries.

(iv) A first paper (not yet issued) on a broader study on availability of funds in capital markets. This paper analyzes in retrospect the access of the World Bank to national capital markets and proposes further work in that area.

(v) Preparation of a paper describing the main features of the Second Yaoundé Convention which provides for development financing of 17 African States and the Malagasy Republic (\$1,000 million over a five-year period) and for special trade arrangements.

(vi) Preparation of a technical memorandum for the President on current trends and future prospects in the use of GNP in the United States, as background for his Columbia University address (February 1970).

(vii) Participation as Bank representative in such meetings as the Berne Union's, that of Experts on Monetary Problems, dealing with the "link" between SDRs distribution and development finance, meetings of UNCTAD bodies, such as CIFT for various aspects of flow and terms of development finance, etc.

(viii) Participation in Seminars (Tilburg Colloquium on Monetary Issues, Agnelli Foundation etc.).

(ix) Analysis of major documents on development finance (Peterson Task force).

(x) Contacts with WFP as a part of a program of analysis of the significance of commodity aid in the picture of total flows.

(xi) Participation in work on Aid Untying.

12. It is to be noted that the above activities were carried out with reduced staff due to transfers during the year, lending of one staff member to another department and resignation of one professional.

Ec - Dept - gen

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

July 31, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending July 31, 1970.

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	119 auth., 107 filled, 7 comm.	147 auth., 129 filled, 9 comm.
Sp. S.:	55 auth., 49 filled, 3 comm.	60 auth., 54 filled, 3 comm.

1. Professionals:

Mr. Merayo will transfer from the Western Africal Department to the External Debt Division of the Statistical Services Division in October, 1970.

2. Special Services:

Mr. King will terminate his work with the Sector and Projects Studies Division on August 31, 1970.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong  
Mrs. Thomas (P&B)

JLLowther:so

ECONOMICS DEPARTMENT  DIVISION/ STUDY GROUP	Status of Recruitment:					Week Ending:	
	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			
	July 31						
Office of Director	7	7	0	0	0	0	0
Sector & Proj. Studies	21	17	3 <u>1/</u>	0	1	0	1
Econ. of Industrialization	9	8	1 <u>2/</u>	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	1 <u>3/</u>	1
	8	8	0	0	0	0	0
Population Studies	6	3	0	0	3	0	3
T Pol. & Export Proj.	12	11	1 <u>4/</u>	0	0	0	0
Domestic Finance	10	9	1 <u>5/</u>	0	0	0	0
Urbanization	4	5	0	0	-1	0	-1
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	12	12	(0)1 <u>6/</u>	0	(0)-1	0	(0)-1
	11*	11*	0	0	0	0	0
	14	11	0	0	3	0	3
ECONOMICS DEPARTMENT TOTAL	119	107	(6)7	0	(6)5	1	(7)6
Basic Research	9	8	1 <u>7/</u>	0	0	0	0
Creditworthiness Studies	6	4	0	0	2	0	2
Development Finance Stud.	9	6	1 <u>8/</u>	0	2	0	2
Development Programs Stud.	4	4	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	147	129	(8)9	0	(10)9	1	(11)10

1/ Mr. Donaldson, EOD September, 1970.

Mr. Jallade, EOD November, 1970.

Mr. Kanbur, EOD August 3, 1970.

2/ Mr. Baranson, EOD August, 1970.

3/ Mr. Cheetham will transfer to East Asia  
& Pacific Department, August 1, 1970.

4/ Mr. Grilli, EOD September 8, 1970.

5/ Mr. Churchill, EOD August, 1970.

6/ Mr. Merayo will transfer from Western  
Africa Department to External Debt in  
October.

7/ Mr. Stoutjesdijk EOD September, 1970.

8/ Mr. Westphal accepted a position with  
Development Finance Studies Group  
EOD November, 1970.



ECONOMICS DEPARTMENT  DIVISION/ STUDY GROUP	Status of Recruitment:					Week Ending:	
	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services		July 31	
Office of Director	3	2	0	0	1	0	1
Sector & Proj. Studies	6	6	0	0	0	(0)1 <u>1/</u>	(0)1
Econ. of Industrialization	3	3	0	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0
	8	6	1 <u>2/</u>	0	1	1 <u>3/</u>	2
Population Studies	1	2	0	0	-1	0	-1
T. Pol. & Export Proj.	5	3	0	0	2	0	2
Domestic Finance	1	1	0	0	0	1 <u>3/</u>	1
Urbanization	0	0	0	0	0	0	0
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	19	(17)18 <u>4/</u>	(2)1 <u>3/</u>	1 <u>5/</u>	-1	1 <u>6/</u>	0
	7	6	0	0	1	0	1
	0	0	0	0	0	0	0
ECONOMICS DEPARTMENT TOTAL	55	(48)49	(3)2	1	3	(3)4	(6)7
Basic Research	1	1	0	0	0	0	0
Creditworthiness Studies	2	2	0	0	0	1 <u>7/</u>	1
Development Finance Stud.	1	1	0	0	0	0	0
Development Programs Stud.	1	1	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	60	(53)54	(3)2	1	3	(4)5	(7)8

1/ Mr. King will terminate August 31, 1970.

2/ Mr. Moon EOD August 3, 1970.

3/ Mr. Aspinwall terminates August 12, 1970.

4/ Mr. Sharma EOD August 3, 1970.

5/ Miss Fisher.

6/ Mr. Reitze will transfer out of Statistical Services August 1, 1970.

7/ Mr. Rangachar will transfer out of Creditworthiness Studies on August 1, 1970.

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

July 24, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending July 24, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	119 auth., 107 filled, 6 comm.	147 auth., 129 filled, 8 comm.
Sp. S.:	55 auth., 48 filled, 4 comm.	60 auth., 53 filled, 4 comm.

1. Professionals:

Mr. Kanbur will arrive on or about August 3, 1970, for a three months temporary appointment with the Sector and Projects Studies Division.

2. Special Services:

Mr. Aspinwall will terminate his work with Quantitative Techniques and Analysis Division on August 12, 1970.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong  
Mrs. Thomas (P&B)

JLLowther:so

ECONOMICS DEPARTMENT  DIVISION/ STUDY GROUP	Status of Recruitment:					Week Ending:	
	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services		July 24	
Office of Director	7	7	0	0	0	0	0
Sector & Proj. Studies	21	17	3 <u>1/</u>	0	(2)1	0	(2)1
Econ. of Industrialization	9	8	1 <u>2/</u>	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	1 <u>3/</u>	1
	8	8	0	0	0	0	0
Population Studies	6	3	0	0	3	0	3
Int. & Pol. & Export Proj.	12	11	1 <u>4/</u>	0	0	0	0
Domestic Finance	10	9	1 <u>5/</u>	0	0	0	0
Urbanization	4	5	0	0	-1	0	-1
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	12	12	0	0	0	0	0
	11*	11*	0	0	0	0	0
	14	11	0	0	3	0	3
ECONOMICS DEPARTMENT TOTAL	119	107	(5)6	0	(7)6	1	(8)7
Basic Research	9	8	1 <u>6/</u>	0	0	0	0
Creditworthiness Studies	6	4	0	0	2	0	2
Development Finance Stud.	9	6	1 <u>7/</u>	0	2	0	2
Development Programs Stud.	4	4	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	147	129	(7)8	0	(11)10	1	(12)11

\* Includes Division Chief, Assistant Division Chief, and Adviser.

- 1/ Mr. Donaldson, EOD September, 1970.  
Mr. Jallade, EOD November, 1970.  
Mr. Kanbur, EOD August 3, 1970.
- 2/ Mr. Baranson, EOD August, 1970.
- 3/ Mr. Cheetham will transfer to East Asia  
& Pacific Department, August 1, 1970.

- 4/ Mr. Grilli, EOD September 8, 1970.
- 5/ Mr. Churchill, EOD August, 1970.
- 6/ Mr. Stoutjesdijk EOD September, 1970.
- 7/ Mr. Westphal accepted a position with  
Development Finance Studies Group  
EOD November, 1970.

ECONOMICS DEPARTMENT	Status of Recruitment:					Week Ending:	
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services		July 24	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	3	2	0	0	1	0	1
Sector & Proj. Studies	6	6	0	0	0	0	0
Econ. of Industrialization	3	3	0	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0
	8	6	1 <u>1/</u>	0	1	(0)1 <u>2/</u>	(1)2
Population Studies	1	2	0	0	-1	0	-1
Pol. & Export Proj.	5	3	0	0	2	0	2
Domestic Finance	1	1	0	0	0	1 <u>3/</u>	1
Urbanization	0	0	0	0	0	0	0
External Debt ) Gen. Statistics ) Stat. ) Ser. Data Processing )	19	17	2 <u>3/</u>	1 <u>4/</u>	-1	1 <u>5/</u>	0
	7	6	0	0	1	0	1
	0	0	0	0	0	0	0
ECONOMICS DEPARTMENT TOTAL	55	48	3	1	3	(2)3	(5)6
Basic Research	1	1	0	0	0	0	0
Creditworthiness Studies	2	2	0	0	0	1 <u>6/</u>	1
Development Finance Stud.	1	1	0	0	0	0	0
Development Programs Stud.	1	1	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	60	53	3	1	3	(3)4	(8)7

- 1/ Mr. Moon EOD August 3, 1970.
- 2/ Mr. Aspinwall terminates August 12, 1970.
- 3/ Miss Dacumos Transfers from Domestic Finance to Statistical Services, August 1, 1970.  
Mr. Sharma EOD July 27, 1970.
- 4/ Miss Fisher.
- 5/ Mr. Reitze will transfer out of Statistical Services August 1, 1970.
- 6/ Mr. Rangachar will transfer out of Creditworthiness Studies on August 1, 1970.

Mr. Andrew M. Kamarck

July 23, 1970

Emanuel Levy

Operational Report for the Comparative Data Division for Fiscal Year 1969/70

The Division's efforts in FY 1969/70 were concentrated in 3 major fields: design and establishment of the computer data bank; preparation and development of the CPP basic data sheets; and country data studies in depth via participation in IBRD country missions and the mounting of special statistical review missions. These and other activities of the Division are reviewed under the following three headings:

- I. Continuing Projects
- II. Recurring Projects
- III. Missions

I. Continuing Projects

Data Bank: Through the end of FY 1969/70, the large bulk of the basic data input for the World Tables had been compiled and developed and sent down for punching. In addition to the gathering and consolidation of data from the various available sources, considerable effort was invested in preparing "dummy" estimates for years for which data were lacking and in adjusting series to make them consistent both over time and among countries.

At the present time, the World Tables data base subsystem consists of 167 time series covering a period of 20 years (1950-69) and embraces 140 countries. Provision has been made for the addition, as necessary, of a further 132 series. An additional 50 countries are included in the World Bank Atlas subsystem which covers a total of some 190 countries.

Parallel with the development and preparation of the basic data input, a system of computer programs was developed in cooperation with the Statistical Services Division of the Economics Department. Through the end of FY 1969/70, these programs were still in process of being tested and it is clear that a great deal of additional checking and "debugging" remains to be done. However, it is hoped that the system will become operative by the end of December 1970 so that it will be possible to run off a revised and updated set of World Tables. The computations for the World Bank Atlas and IBRD Annual Report have also been carried out, in part, with the aid of the computer.

CPP Basic Data Sheets: Work was continued on the systematic

revision and updating of the basic data sheet attachments to the country program papers.

In addition, considerable time and effort was invested in designing a revised format for the data sheet which is both simpler in form and self-checking in content. A final version was agreed upon with the Area Departments and submitted to P&B for presentation to the President.

In response to numerous requests in the Bank, a detailed set of definitions and methodological procedures was prepared and circulated among interested parties.

Country Data Files: Work was continued ad hoc on the preparation of detailed data files for a number of countries of interest.

## II. Recurring Projects

World Bank Atlas: Revised and updated estimates of population and GNP per capita are in process of preparation for all countries through 1968. Revised population and GNP per capita growth rates are similarly being compiled.

IBRD Annual Report: The requisite regional summary tabulations of population, GDP, and other indicators were computed for inclusion in the forthcoming IBRD Annual Report.

## III. Missions

The Division's participation in regular and special missions expanded considerably in FY 1969/70 and accounted for a major part of the available time of the professional staff. This expansion took place primarily at the request and initiative of the Area Departments which turned increasingly to the Comparative Data Division for advice and assistance in the field of national accounts and basic statistics.

Work was carried out during the year in the following 8 countries: Cambodia, Iran, Pakistan, Turkey, UAR, Uganda, Yugoslavia and Yemen. The Division was able to assume this increased burden thanks to its reorganization during the year along the lines of regional specialization of the professional staff.

The mission to Pakistan is worthy of special note, since it represented the first large-scale mission mounted by the Bank for the purpose of reviewing an entire statistical system and advising the Government on its improvement and rationalization. Among the fields covered by the mission were: statistical organization and priorities, basic data series and national accounts, government sector accounts, data processing, and demographic and family planning

July 23, 1970

statistics. Similar missions are scheduled during FY 1970/71 to Indonesia, Uganda and Iran.

In mission countries other than Pakistan, the efforts of the Division were concentrated primarily on the identification of deficiencies and biases in major statistical series and national accounts and on the introduction of adjustments and corrections, as necessary. The revised estimates thus prepared served as the basis for the analysis presented in the respective economic reports.

ELevy:eb

cc: Mr. Stevenson

Ec. Dept. - Gen.

Mr. Adler

July 22, 1970

Andrew M. Kamarck

Transfer of Rosalinda Dacumos

On or about July 27, 1970, we would like to transfer Miss Rosalinda Dacumos from the Domestic Finance of Developing Countries Division to the Statistical Services Division. She will vacate position #8226 in Domestic Finance and will occupy a newly authorized position in the Statistical Services Division.

cc: Msrs. Please  
Tiemann/McPheeters  
Hicks  
Billington  
Aguirre Sacasa

A. M. Kamarck (signed)

JLowther:so





Division Chiefs

July 22, 1970

Andrew M. Kamarck

Official Contacts with the Federal Republic of Germany (FRG)

Attached is a memo from the Secretary re-emphasizing the need for all Bank correspondence and official visits with the FRG to be routed through the office of the Executive Director for the FRG.

*July 16.*

In this Department the proper procedure for complying with the Secretary's memo is as follows:

**For Correspondence:**

- 1. Address the correspondence to the desired Agency within the FRG.
- 2. Have it completed and signed as you would any other Bank correspondence.
- 3. Prepare a brief memo to the German Executive Director thru me, asking him to please forward the attached correspondence.
- 4. Send the memo and all copies of the correspondence to my office.

**For Official Visits:**

- 1. Prepare a memo indicating the purpose of the visit and the Agencies and individuals to be visited. Forward this memo to the German Executive Director thru me.
- 2. Upon arrival in Germany, establish contact with Department VI of the Federal Ministry of Economics as indicated in the attached Secretary's memo.

I wish to emphasize that no contact with the Federal Republic of Germany should be made without following these procedures.

SecM70-327

FROM: The Secretary

July 16, 1970

Visits of World Bank Group Staff with the German  
Government: Exchange of Correspondence between the  
World Rank Group and the German Government

1. The German Executive Director has drawn attention to another recent case in which the procedures described in my memorandum dated January 13, 1969 (SecM69-20) concerning visits of Bank Group staff to the German Government and exchange of correspondence between the Bank Group and the German Government were not followed.
2. Accordingly, the staff of the Departments concerned are reminded that:
  - (a) all business between the World Bank Group and the Government of the Federal Republic of Germany should be channeled through the Office of the German Executive Director;
  - (b) irrespective of the internal division of labor within the German Federal Government and within the German Economics Ministry, Department VI of the Federal Ministry of Economics serves as the link between the Federal Republic and the World Bank Group; and
  - (c) the Head and Deputy Head of this Department (Department VI of the Economics Ministry; Assistant Secretary Hankel and Deputy Assistant Secretary Mueller-Enders or Mr. Koinzer, respectively) attach great importance to meeting the members of the World Bank Group staff who visit Bonn for discussions with agencies of the German Federal Government.
3. These standing procedures supplement, but are not superseded by the general arrangements announced in the President's memorandum dated July 1, 1970 (SecM70-309) regarding notification of impending missions and visits to member countries.

Distribution:

President  
President's Council  
Executive Vice President, IFC  
Vice President, IFC  
Department Heads, Bank and IFC

Mr. Goreux

July 22, 1970

Richard H. Demuth

Publication Program

I have your memorandum of July 17 concerning the four monographs that you say you plan to complete for publication by the summer of 1971.

According to Organization Bulletin No. 1.07, paragraph (8), the Economics Department has the responsibility "Where appropriate, to select, edit, and make ready for publication for the economic professional audience economic reports and studies written in the Bank on development problems." There has been set up in the Bank an Editorial Committee that has the function of reviewing economic material being considered for publication from the technical point of view. After the economic material has been passed by the Editorial Committee, the Economics Department recommends it to the Publication Committee for its consideration.

I believe that, if you want to propose the four monographs for publication, you should follow the procedures which have been established for purposes of passing on proposed publications.

RHD:tf

cc: Mr. Kamarck

*Ec Dept - gen*

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

July 17, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending July 17, 1970

Totals:

Prof.:	119 auth., 107 filled, 5 comm.	147 auth., 129 filled, 7 comm.
Sp. S.:	55 auth., 48 filled, 4 comm.	60 auth., 53 filled, 4 comm.

1. Professionals:

- a. Mrs. Isaac, Sector and Projects Studies Division, terminated July 15, 1970.
- b. Mr. Bohr commenced duty with the Economics of Industrialization Division July 13, 1970.
- c. Mr. Oliver commenced duty with the Economics of Urbanization Division July 16, 1970. *This will be a one year fixed term appointment.*

2. Special Services:

- a. Miss Morris commenced duty with the Office of the Director on July 13, 1970.
- b. Miss Dacumos transfers from Domestic Finance Division to Statistical Services Division, August 1, 1970.
- c. Mr. Sharma will commence duty with the External Debt Section of the Statistical Services Division on July 24, 1970.
- d. Miss Fisher has been made an offer to join the External Debt Section of the Statistical Services Division.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong  
Mrs. Thomas (P&B)

JLLowther:so

ECONOMICS DEPARTMENT DIVISION/ STUDY GROUP	Status of Recruitment:						Week Ending:
	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	July 17
Office of Director	7	7	0	0	0	0	0
Sector & Proj. Studies	21	(18) 17 <u>1/</u>	2 <u>2/</u>	0	(1)2	0	2
Econ. of Industrialization	9	(7)8 <u>3/</u>	(2)1 <u>4/</u>	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	1 <u>5/</u>	1
Population Studies	8	8	0	0	0	0	0
Pol. & Export Proj.	6	3	0	0	3	0	3
Domestic Finance	12	11	1 <u>6/</u>	0	0	0	0
Urbanization	10	9	1 <u>7/</u>	0	0	0	0
External Debt ) Gen. Statistics ) Stat. Data Processing ) Ser.	4	(4)5 <u>8/</u>	0	(1)0	-1	0	-1
	12	12	0	0	0	0	0
	11*	11*	0	0	0	0	0
	14	11	0	0	3	0	3
ECONOMICS DEPARTMENT TOTAL	119	(106)107	(6)5	(1)0	(6)7	(2)1	8
Basic Research	9	8	1 <u>9/</u>	0	0	0	0
Creditworthiness Studies	6	4	0	0	2	0	2
Development Finance Stud.	9	6	1 <u>10/</u>	0	2	0	2
Development Programs Stud.	4	4	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	147	(128)129	(8)7	0	(10)11	(2)1	12

\* Includes Division Chief, Assistant Division Chief, and Adviser.

1/ Mrs. Isaac terminated July 15, 1970.  
2/ Mr. Donaldson, EOD September, 1970.  
 Mr. Jallade, EOD November, 1970.  
3/ Mr. Bohr commenced July 13, 1970.  
4/ Mr. Baranson, EOD August, 1970.  
5/ Mr. Cheetham will transfer to East Asia  
 & Pacific Department, August 1, 1970.

6/ Mr. Grilli, EOD September 8, 1970.  
7/ Mr. Churchill, EOD August, 1970.  
8/ Mr. Oliver commenced July 16, 1970.  
9/ Mr. Stoutjesdijk EOD September, 1970.  
10/ Mr. Westphal accepted a position with  
 Development Finance Studies Group  
 EOD November, 1970.

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			July 17	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	3	(1)2 <u>1/</u>	(1)0	0	1	0	1	
Sector & Proj. Studies	6	6	0	0	0	0	0	
Econ. of Industrialization	3	3	0	0	0	0	0	
A. Q. T. ) ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0	
	8	6	1 <u>2/</u>	0	1	0	1	
Population Studies	1	2	0	0	-1	0	-1	
Trade Pol. & Export Proj.	5	3	0	0	2	0	2	
Domestic Finance	1	1	0	0	0	(0)1 <u>3/</u>	(0)1	
Urbanization	0	0	0	0	0	0	0	
External Debt ) ) Gen. Statistics ) Stat. ) Ser. Data Processing )	19	17	(0)2 <u>3/</u>	(0)1 <u>4/</u>	(2) -1	1 <u>5/</u>	(3)0	
	7	6	0	0	1	0	1	
	0	0	0	0	0	0	0	
ECONOMICS DEPARTMENT TOTAL	55	(47)48	(2)3	(0)1	(6)3	(1)2	(7)5	
Basic Research	1	1	0	0	0	0	0	
Creditworthiness Studies	2	2	0	0	0	1 <u>6/</u>	1	
Development Finance Stud.	1	1	0	0	0	0	0	
Development Programs Stud.	1	1	0	0	0	0	0	
Special Studies	0	0	0	0	0	0	0	
GRAND TOTAL	60	(52)53	(2)3	(0)1	(6)3	(2)3	(8)6	

1/ Miss Morris commenced July 13, 1970.

2/ Mr. Moon EOD August 3, 1970.

3/ Miss Dacumos transfers from Domestic Finance to Statistical Services, August 1, 1970.  
Mr. Sharma EOD July 24, 1970.

4/ Miss Fisher.

5/ Mr. Reitze will transfer out of Statistical Services August 1, 1970.

6/ Mr. Rangachar will transfer out of Creditworthiness Studies on August 1, 1970.

Ec Dept - gen

/ Mr. Kamarck

July 17, 1970

Jack L. Lowther

Funds for Temporary Help

The FY71 Budget allows us \$31,000 for hiring temporary assistants. \$15,110 has been committed as follows: (1) 11 summer employees - \$12,360, (2) field assistance for Mr. Thias (Mr. Sak) - \$1,500, and (3) field assistance for Mr. Diane (Mr. Lal) - \$1,250. The Balance uncommitted is \$15,890. Based on past experience, we should hold about \$7,500 for temporary secretaries, and \$2,500 for summer research assistants in the month of June, 1971. We should also hold \$2,500 to cover field assistance for Mr. Richard Manning (Mr. Manning is now in Pakistan arranging for data collection). The Balance uncommitted minus the amounts we should hold for the future leaves \$3,390.

Messrs. McPheeters and Ablasser have requested temporary assistants to place data on coding sheets in preparation for key punching (it saves key punching time for which there is great demand). Mr. Ablasser's work relates to the Brazil Agriculture Sector Study and Mr. McPheeter's work relates to the reappraisal of the Tunisian Education Project. In all, we will need about two man-months of assistance. The probable cost for the two man-months would be about \$1,000. I recommend using \$1,000 of the remaining \$3,390 for this purpose.

With your approval, I will make the necessary arrangements to hire one or two temporary assistants.

JLLowther:so 

EC Dept gen

Mr. Andrew M. Kamarck

July 17, 1970

R. M. Westebbe

Administration of the Division

In my absence on a mission to Brazil, any questions related to this Division should be referred to Mr. Bhatia until my return on July 27.

R Westebbe

cc: Messrs. Bhatia  
Lowther



Ec. Dep - gen

Mr. Arthur E. Tiemann

July 15, 1970

Humayun Mirza

NIGERIA - Statistical Help

Further to our telephone conversation, I would appreciate it if you would assign a statistician to work with this Division from now until the end of August. As I explained to you, we are producing an economic report on Nigeria and are short of staff. We, therefore, need someone to help us out on the statistical work so that our economist can concentrate on the preparation of the report within a very tight schedule.


I would appreciate it if you would assign someone to this Division at your earliest convenience for this purpose.

cc: Messrs. Cheek  
de Vries  
Osgood  
Miss Datar

HMirza:gbo

Mr. Bruce M. Cheek

July 14, 1970

Humayun Mirza 

Program of Economic Work

I had a meeting with Messrs. Schmedtje and Osgood and Miss Datar just before Mr. Schmedtje left on Home Leave to draw up a timetable and work responsibility allocation for the economic work to be done between now and the Annual Meeting. There are three things that we have to do:

- (i) Review of the Development Plan in anticipation of Mr. Ayida's visit. Arising out of this will be a memorandum to be sent to Mr. Knapp summarizing our observations regarding Nigeria's draft Plan and highlighting those issues that he may want to discuss with Mr. Ayida;
- (ii) The Country Program Paper; and
- (iii) The Economic Report.

Development Plan

Mr. Osgood and Miss Datar, assisted by Mr. Nimrod Raphaeli, are engaged in the review of the Development Plan. Mr. Osgood will prepare the memorandum for Mr. Knapp, based on this review. This memorandum will be used for briefing Mr. Knapp on his discussion with Mr. Ayida who may come to Washington during the first week of August. The review of the Plan and the preparation of the memorandum for Mr. Knapp will be done consecutively. The latter will only highlight issues of importance to be discussed with Mr. Ayida by Mr. Knapp.

We have asked the various Projects Departments to give us their comments on the relevant sections of the Plan by July 21. The first draft of the memorandum to Mr. Knapp, taking into account any issues arising out of the Projects Department's review, should be ready by July 22 and the final by July 27 for submission to Mr. Knapp. This will give him one week to review it and to discuss any points that he might want to with us. In addition, we will prepare a more detailed memorandum for discussions at the staff level with Mr. Ayida which should also be ready for submission to the Front Office by July 27. The two memoranda should thus be ready for discussions with Ayida when he arrives during the first week of August.

Country Program Paper

Miss Datar has primary responsibility for the preparation of the Country Program Paper. Mr. Osgood has had to forego one week of his vacation in order to review the Development Plan, but will be on vacation during the weeks of August 10 and August 17. Therefore, he will not be able to contribute to the Country Program Paper during this period.

Mr. Bruce M. Cheek

July 14, 1970

The Country Program Paper review for Nigeria has been set for September 15. Since this is a Tuesday, when there is generally a Board Meeting and a Senior Staff Meeting, I suspect the Presidential review would have to be on Monday, September 14. In order to meet this deadline, we would have to have a draft ready for transmission to the Programming and Budgeting Department by Monday, August 17. This deadline will be very difficult to meet because, during the week of August 3, very little can be done on the Country Program Paper in view of the prospective discussions with Mr. Ayida. However, the critique of the Development Plan should help considerably in the preparation of the Country Program Paper and we will try and have that paper ready by the end of the following week, namely Friday, August 14. It would mean, therefore, that the Front Office may have to review this paper at the same time as it is being reviewed by the Programming and Budgeting Department. If this schedule can be met, then the paper will be circulated to the Economic Committee on August 24 for a meeting on August 31. After making the amendments that may become necessary after the Economic Committee review, we will resubmit the Country Program Paper to the Programming and Budgeting Department on September 7 for the Presidential review on September 14.

#### Economic Report

Since Miss Datar has written the bulk of the report herself, she will be responsible for putting this report together and writing the yellow cover draft, together with the Summary and Conclusions by August 21 for Front Office clearance. Mr. Schmedtje is expected to be in the Bank on August 24. He should take into account the Front Office comments and put the report in green cover early in September, but not later than September 9. We may then want to discuss this report with the Nigerians, in which case the report can be sent in the green cover to Nigeria sometime before the Annual Meeting for discussion in October, with the final grey report coming out in October.

As you can see, the above schedule is very tight and puts a tremendous workload on both Tedd Osgood and Asha Datar. It is unfortunate that during this crucial period, Mr. Schmedtje will not be in Washington, which is the single factor that places the additional burden on this Division. Mr. Riden, I understand, will be around and will help Miss Datar on the Public Finance Section during the balance of this month.

Finally, while we will do our best to meet these deadlines, because of the very heavy workload and the tightness of the schedule, some slippages should not be ruled out.

cc: Messrs. Chauffournier  
de Vries  
Osgood  
Miss Datar  
Mr. Schmedtje o/r

Econ dept.

July 10, 1970

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

Status of Professional and Special Services Staff Recruitment  
for the week ending July 10, 1970.

Totals:

Prof.:	119 auth., 106 filled, 7 comm.	147 auth., 128 filled, 9 comm.
Sp. S.:	55 auth., 47 filled, 2 comm.	60 auth., 52 filled, 2 comm.

1. Professionals:

- a. Mr. Cheetham will transfer out of Quantitative Techniques and Analysis Division to East Asia and Pacific Department, August 1, 1970.
- b. Mr. Zaidan transferred to Population Projects Department from Population Studies Division July 1, 1970.
- c. Mr. Westphal has accepted a position with Development Finance Studies Group.

2. Special Services:

- a. Miss Morris will commence duty with the Office of the Director on July 13, 1970.
- b. Miss Harahap commenced duty with the Economics of Industrialization Division on July 9, 1970.
- c. Mr. Baird has been confirmed as a permanent member of the Statistical Services Division. He has been carried on the tables for some time but was double-slotted with another staff member. He now occupies his own slot. There will be no change in the figures.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong  
Mrs. Thomas (P&B)

JLLowther:so



ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			July 10
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	7	7	0	0	0	0	0
Sector & Proj. Studies	21	18	2 <u>1/</u>	0	1	1 <u>2/</u>	2
Econ. of Industrialization	9	7	2 <u>3/</u>	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	(0)1 <u>4/</u>	(0)1
Population Studies	6	(4)3 <u>5/</u>	0	0	(2)3	0	(2)3
de Pol. & Export Proj.	12	11	1 <u>6/</u>	0	0	0	0
Domestic Finance	10	9	1 <u>7/</u>	0	0	0	0
Urbanization	4	4	0	1 <u>8/</u>	-1	0	-1
External Debt ) Gen. Statistics ) Stat. ) Ser. Data Processing )	12	12	0	0	0	0	0
	11*	11*	0	0	0	0	0
	14	11	0	0	3	0	3
ECONOMICS DEPARTMENT TOTAL	119	(107)106	6	1	(5) 6	(1) 2	(6) 8
Basic Research	9	8	1 <u>9/</u>	0	0	0	0
Creditworthiness Studies	6	4	0	0	2	0	2
Development Finance Stud.	9	6	(0)1 <u>10/</u>	(1)0	2	0	2
Development Programs Stud.	4	4	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	147	(129) 128	(7)8	(2)1	(9)10	(1)2	(10)12

\* Includes Division Chief, Assistant Division Chief and Adviser.

- 1/ Mr. Donaldson, EOD September 1970.
- Mr. Jallade, EOD November 2, 1970.
- 2/ Mrs. Isaac, July 15, 1970.
- 3/ Mr. Bohr, EOD July 1970, Mr. Baranson  
EOD August 1970.
- 4/ Mr. Cheetham will transfer to East Asia  
& Pacific Department, August 1, 1970.
- 5/ Mr. Zaidan transferred to Population  
Projects, July 1, 1970.

- 6/ Mr. Grilli, EOD September 8, 1970.
- 7/ Mr. Churchill, EOD September, 1970.
- 8/ Mr. Oliver, (Special 1 year fixed term).
- 9/ Mr. Stoutjesdijk EOD September 1970.
- 10/ Mr. Westphal accepted a position with  
Development Finance Studies Group.

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			July 10	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	3	1	(0)1 <u>1/</u>	0	(2)1	0	(2)1	
Sector & Proj. Studies	6	6	0	0	0	0	0	
Econ. of Industrialization	3	(2)3 <u>2/</u>	0	0	(1)0	0	(1)0	
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0	
	8	6	1 <u>3/</u>	0	1	0	1	
Population Studies	1	2	0	0	-1	0	-1	
Pol. & Export Proj.	5	3	0	0	2	0	2	
Domestic Finance	1	1	0	0	0	0	0	
Urbanization	0	0	0	0	0	0	0	
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	19	17	0	0	2	1 <u>4/</u>	3	
	7	6	0	0	1	0	1	
	0	0	0	0	0	0	0	
ECONOMICS DEPARTMENT TOTAL	55	(46) 47	(1) 2	0	(8) 6	1	(9)7	
Basic Research	1	1	0	0	0	0	0	
Creditworthiness Studies	2	2	0	0	0	1 <u>5/</u>	1	
Development Finance Stud.	1	1	0	0	0	0	0	
Development Programs Stud.	1	1	0	0	0	0	0	
Special Studies	0	0	0	0	0	0	0	
GRAND TOTAL	60	(51) 52	(1)2	0	(8)6	2	(10)8	

1/ Miss Morris, EOD July 13.

2/ Miss Harahap commenced July 9, 1970.

3/ Mr. Moon EOD July 15, 1970.

4/ Mr. Reitze will transfer out of Statistical Services on July 15, 1970.

5/ Mr. Rangachar will transfer out of Creditworthiness Studies on August 1, 1970.

*Econ dept gen*

Mr. Knox

July 6, 1970

Jack L. Lowther

Economics Department Staff Meeting on July 10, 1970

This is to confirm the Economics Department invitation for you to speak at our Department Staff Meeting on July 10, 1970, at 9.30 a.m. in the Board Room.

Mr. Kamarck has suggested that you might speak to our staff members on the subject "Problems of Projects Departments", if this is agreeable to you.

cc & cleared with: Mr. Kamarck

JLLowther:so

*Econ. Dept given*

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

July 3, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending July 3, 1970

Totals:

Prof.:	119 auth., 107 filled, 7 comm.	147 auth., 129 filled, 9 comm.
Sp. S:	55 auth., 46 filled, 1 comm.	60 auth., 51 filled, 1 comm.

Changes in Economic Complex

1. FY71 Changes: This report includes the following changes in authorized positions:

Professionals

- a. One advance position for External Debt Section confirmed.
- b. One advance positions for Data Processing confirmed and two new ones added.
- c. One new position added to Basic Research Center.
- d. Two positions in Special Studies deleted.

Special Services

New positions added as follows:

- a. One in Office of the Director.
- b. One in Economics of Industrialization.
- c. Two in Trade Policies and Export Projections.
- d. One in External Debt.
- e. One in General Statistics.
- f. One in the Basic Research Center.

2. Professionals:

- a. Mr. Haissman, Sector and Project Studies Division, terminated on June 30, 1970.
- b. Mr. Jallade will commence duty with the Sector and Project Studies Division on November 2, 1970.
- c. Mr. Hansen commenced duty with the Economics of Industrialization Division on June 29.
- d. Mr. Grilli will commence duty with the Trade Policies and Export Projections Division on September 8, 1970.



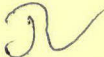
Memo to Mr. Kamarck, Mr. Stevenson, dated July 3, 1970.

- e. Mrs. Angel, Statistical Services Division, terminated on June 30, 1970.
  - f. Mr. Westphal has been offered a position with the Development Finance Studies Group.
  - g. Messrs. de Vries and Dubey, Creditworthiness Studies Group, transferred on July 1, 1970.
3. Special Services:
- a. Miss Sullivan, Office of the Director, terminated on June 29, 1970.
  - b. Mr. Kutcher commenced duty with the Basic Research Center on July 1, 1970.
4. Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong  
Mrs. Thomas (P&B)

JLLowther:so



ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			July 3	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	7	7	0	0	0	0	0	
Sector & Proj. Studies	21	(19)18 <u>1/</u>	(1)2 <u>2/</u>	(1)0	(0)1	1 <u>3/</u>	(1)2	
Econ. of Industrialization	9	(6)7 <u>4/</u>	(3)2 <u>5/</u>	0	0	0	0	
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0	
	8	8	0	0	0	0	0	
Population Studies	6	4	0	0	2	0	2	
Pol. & Export Proj.	12	11	(0)1 <u>6/</u>	0	(1)0	0	(1)0	
Domestic Finance	10	9	1 <u>7/</u>	0	0	0	0	
Urbanization	4	4	0	1 <u>8/</u>	-1	0	-1	
External Debt )	12**	12	0	0	0	0	0	
Gen. Statistics ) Stat. ) Ser.	11*	11*	0	0	0	0	0	
Data Processing )	(12) 14**	(12)11 <u>9/</u>	0	0	(0)3	(1) 0	(1)3	
ECONOMICS DEPARTMENT TOTAL	(117)119	(108)107	(5)6	(2)1	(2)5	(2)1	(4)6	
Basic Research	(8)9**	8	1 <u>10/</u>	0	(-1)0	0	(-1)0	
Creditworthiness Studies	6	(6)4 <u>11/</u>	0	0	(0)2	(2)0	2	
Development Finance Stud.	9	6	0	(0) 1 <u>12/</u>	(3)2	0	(3)2	
Development Programs Stud.	4	4	0	0	0	0	0	
Special Studies	(2)0**	0	0	0	(2)0	0	(2)0	
GRAND TOTAL	(116) 147	(132)129	(6)7	2	(6)9	(4)1	10	

\* Includes Division Chief, Assistant Division Chief and Adviser.

\*\* Includes FY71 changes.

1/ Mr. Haissman terminated June 30, 1970.

2/ Mr. Donaldson, EOD September 1970.

Mr. Jallade, EOD November 2, 1970.

3/ Mrs. Isaac, July 15, 1970.

4/ Mr. Hansen commenced June 29, 1970.

5/ Mr. Bohr, EOD July 1970, Mr. Baranson  
EOD August 1970.

6/ Mr. Grilli, EOD September 8, 1970.

7/ Mr. Churchill, EOD September 1970.

8/ Mr. Oliver, (Special 1 year fixed term.)

9/ Mrs. Angel Terminated June 30, 1970.

10/ Mr. Stoutjesdijk EOD September 1970.

11/ Messrs. de Vries & Dubey transferred  
on July 1, 1970.

12/ Mr. Westphal has been offered a position  
with Development Finance Studies Group.

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			July 3
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	(2)3*	(2)1 <u>1</u> /	0	0	(0)2	(1)0	(1)2
Sector & Proj. Studies	6	6	0	0	0	0	0
Econ. of Industrialization	(2)3*	2	0	0	(0)1	0	(0)1
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0
	8	6	1 <u>2</u> /	0	1	0	1
Population Studies	1	2	0	0	-1	0	-1
Pol. & Export Proj.	(3)5*	3	0	0	(0)2	0	(0)2
Domestic Finance	1	1	0	0	0	0	0
Urbanization	0	0	0	0	0	0	0
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	(18)19*	17	0	0	(1)2	1 <u>3</u> /	(2)3
	(6)7*	6	0	0	(0)1	0	(0)1
	0	0	0	0	0	0	0
ECONOMICS DEPARTMENT TOTAL	(49)55	(47)46	1	0	(1)8	(2)1	(3)9
Public Research	(0)1*	(0)1 <u>4</u> /	0	0	0	0	0
Creditworthiness Studies	2	2	0	0	0	1 <u>5</u> /	1
Development Finance Stud.	1	1	0	0	0	0	0
Development Programs Stud.	1	1	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	(53)60	51	1	0	(1)8	(3)2	(4) 10

\* Changes for FY71.

1/ Miss Sullivan, terminated June 29, 1970.

2/ Mr. Moon EOD July 15, 1970.

3/ Mr. Reitze will transfer out of Statistical Services on July 15, 1970.

4/ Mr. Kutcher commenced July 1, 1970.

5/ Mr. Rangachar will transfer out of Creditworthiness Studies on August 1, 1970.

Ec-dep- gen  
June 29, 1970

Mr. Andrew M. Kamarck

Stanley Please

Annual Report of Activities of the Domestic Finance of Developing Countries Division

Country Economic Missions

1. During FY 1970 approximately 60 percent of the staff time of the Division was devoted to servicing country economic missions to ten countries -- Pakistan, Malawi, Iran, Yugoslavia, Ethiopia, Ghana, Mexico, Morocco, Sudan and the U.A.R. In the case of economic missions to a further nine countries the Division arranged for fiscal economists to be supplied by the Fiscal Affairs Department of the IMF and in the case of two other country missions, consultants were hired for the purpose. The determination of the precise country economic mission to be serviced by the Division has been based on one or more of several considerations -- (i) the Division's continuing involvement in a large and important country (e.g., Pakistan); (ii) the central importance of the fiscal issues to the Bank's judgment on the economic performance of a country (e.g., Malawi, Iran, Sudan and Ghana); (iii) the complexity of the fiscal analysis (e.g., Yugoslavia and the U.A.R.); and (iv) the relationship of country economic work to the Division's research interests (e.g., Pakistan, Iran, Morocco and Ghana).

Mobilization of Agricultural Incomes

2. The Division has continued to maintain its involvement in problems relating to the mobilization of incremental agricultural incomes. A general paper on this subject was prepared for the Board (Sec. M 70-38), dated January 30, 1970, and this paper formed the basis of a Board seminar. More specifically Mr. Eklund has been assigned throughout FY 1970 to work on Pakistan and to concentrate upon the problems associated with the mobilization of agricultural incomes. In this connection he has been concerned with Bank work at the country, sector and project levels. He has been a member of the economic mission to Pakistan, a member of the East Pakistan Agricultural and Water Development Program team and a member of the appraisal mission for the Chandpur Irrigation project.

Other Tax Studies

3. A study of the elasticity of the Tunisian Tax Structure was undertaken by Mr. Sciolli. This was both of direct operational significance to the Area Department which had initially suggested the study and also of interest from a methodological point of view.

Public Expenditure Levels, Growth and Structure in Developing Countries

4. Research work has been started in the Division during the year on problems of government expenditure. This is focussing primarily, though not entirely, on African countries with Messrs. Gandhi and Stolber being directly

concerned in the work. Two working papers have been produced: firstly, one entitled: "Wagner's Law of Public Expenditure; Do Recent Cross-Section Studies Confirm It?" and a second entitled: "Are There Economies of Size in Government Current Expenditures in Developing Countries?". Work is being related to that undertaken by Gandhi and Stolber on regular economic missions to African countries -- Ghana and Morocco during FY 1970.

#### Mobilization of Private Savings

5. The Division's work in this area has been primarily motivated by an attempt to make it more effective in terms of Bank operations. The problems to which it gives rise have been raised in the context of some of the country economic missions in which the Division has participated (e.g., Iran, Pakistan and the Philippines). A special study on "Aspects of the Resource Mobilization in Iran" gave particular emphasis to this matter. Secondly the Division has raised these problems as they impinge on Bank lending particularly to the specialized lending institutions in the agricultural and industrial sectors. A paper was prepared by Mr. Joshi on "Development Banks and the Mobilization of Savings" which emphasized the disappointing performance of these institutions as direct mobilizers of domestic private resources. Subsequent discussions with the DFC Department led to a letter being sent by Mr. Diamond to the chief executives of most of the industrial development banks to which IERD lends, to alert them to the intention of the World Bank to give more attention to this aspect of their policies in the future. The Division has subsequently been involved in responding to replies received to this letter. Messrs. Please and Joshi also undertook a specific study of the China Development Corporation and its role in the mobilization of funds for industrial development in Taiwan. This study was undertaken in association with the appraisal mission for a further IERD loan to CDC. Messrs. Schebeck and Joshi assisted the appraisal mission to IMDBI in preparing that part of its report which was concerned with the role of IMDBI in mobilizing domestic resources in Iran. In general throughout the year the Division has been developing closer and substantive links with the DFC Department in regard to these matters of common interest.

6. Apart from these operational activities the Division has also undertaken more general studies in this area. A study of interest rates and the mobilization of savings in Taiwan has been prepared by Miss Meldau, and Mr. Joshi has prepared a paper on the "Role of Contractual Savings in Mobilization of Savings." In addition, in collaboration with the Pakistan Institute of Development Economics, a study of the interest elasticity of bank deposits in Pakistan is being undertaken.

  
SPlease/10

Mr. Andrew V. Urquhart

June 25, 1970

Alexander Stevenson

Creation of the National Accounts and Data Analysis Division (NADA)

In our budget request for Fiscal Year 1971, we asked that the Comparative Data Unit of the Quantitative Techniques and Analysis (QTA) Division be established as a separate division. I understand that no objection has been raised. I wish, therefore, to set out the separation of personnel and budgeted funds for the new division and the existing QTA Division.

NADA - National Accounts and Data Analysis

<u>Position No.</u>	<u>Title</u>	<u>Incumbent</u>
1512	Division Chief	Levy
1541	Economist	Eory
1589	"	Leoni
1548	"	Novak
1562	"	Vial
1567	"	Franchet
1592	"	Lee
1617	Assistant Economist	Laffey
8208	Research Assistant	Aspinwall
8215	" "	Adebo
8220	" "	Vacant
8211	" "	Khalil
8213	" "	Anochie
8217	" "	Francisco
8228	" "	Vacant
8221	" "	de Campos
9011	Secretary	Vacant
9028	"	Balagot
9035	"	Rathan-Raj

QTA - Quantitative Techniques and Analysis

1629	Division Chief	Henderson
1532	Economist	Holland
1555	"	Carter
1587	"	Cheetham
1573	"	Shourie
8229	Research Assistant	Ramiscal
8230	" "	Malik
9021	Secretary	Bowen
9507	Clerk/Typist	Maningas

Mr. Andrew V. Urquhart

- 2 -

June 25, 1970

	<u>NADA</u>	<u>QTA</u>
Temporaries:	\$ 4,500	\$ 1,500
Overtime:	\$ 1,000	\$ 1,000
Operational Travel:	\$ 42,000	\$ 14,000
Consultants:	\$ 20,000	\$ 5,000

JL:jg





# Record Removal Notice

<b>File Title</b> Bank Administration and Policy - Economic Department - 1969 / 1971 General - Volume 2		<b>Barcode No.</b> 1526194		
<b>Document Date</b> June 16, 1970	<b>Document Type</b> Memorandum			
<b>Correspondents / Participants</b> To: Mr. Stevenson From: Jack L. Lowther				
<b>Subject / Title</b> Temporary Help				
<b>Exception(s)</b> Personal Information				
<b>Additional Comments</b>		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.</p> <table border="1"><tr><td><b>Withdrawn by</b> Ann May</td><td><b>Date</b> July 22, 2022</td></tr></table>	<b>Withdrawn by</b> Ann May	<b>Date</b> July 22, 2022
<b>Withdrawn by</b> Ann May	<b>Date</b> July 22, 2022			



✓ EC - Dept - gen  
CC - Computer Program

Mr. Jan de Weille H.A.

June 12, 1970

Huguette Angel

Use and abuse of Programming Staff

As per Mr. Harral's request to me (May 21, 1970), Mr. Krishna has devoted most of his time since beginning of June 1970, to study the documentation furnished by CIM.

It is unfortunate that the program deck of the new version was not submitted to Mr. Krishna on time to have that new version working on the B5500 by Monday, June 15. As you know from past experience, Mr. Krishna will do his best to get that program converted to the B5500, debugged and tested but a minimum amount of time is, of course, necessary to reach that goal.

At this occasion, I would like to explain to you the organization of work of the programming staff. When a request for programming services has been made and approved, a Programmer Analyst is assigned to the job (not to a person or to a division) for a given period of time. In case a programmer analyst is assigned Full time to a job, the implication is that, that Programmer Analyst will not engage himself in developing a new program for anyone else during that period. However, it is definitely his duty to give assistance in using one of the programs he is the author of or is responsible for. I would also like to remind you that work assignment is to be discussed with the Programming Section Chief and that no economist can directly assign jobs to a Programmer Analyst.

HAngel:ms

cc: Mr. A. Stevenson  
Messrs. Tiemann/McPheters  
Mr. G. Slade  
Mr. B. Krishna

Ec. Dept - gen

Mr. Alexander Stevenson

June 12, 1970

R.M. Westebbe

Administration of the Division

In my absence on a mission to Onoway, Michigan, any questions related to this Division should be referred to Mr. Ehatia until my return on June 18.

RMWestebbe:bn

cc: Messrs. Ehatia  
Lowther

*Ec Dep - gen*

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

Status of Professional and Special Services Staff Recruitment  
for the week ending June 12, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	117 auth., 108 filled, 7 comm.	146 auth., 132 filled, 8 comm.
Sp. S.:	49 auth., 47 filled, 1 comm.	53 auth., 51 filled, 1 comm.

Changes in Economic Complex

1. Professionals:

Mr. Mera transferred out of the Urbanization Division to the Special Projects Department on June 1, 1970.

2. Special Services:

Mrs. Mijares resigned from the Sector and Project Studies Division effective June 12, 1970.

Mr. Rangachar will transfer out of Creditworthiness Studies Group on August 1, 1970. He will be going to the Middle East, North Africa Department.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman  
Dyck  
Chaffey  
Mrs. Armstrong  
Mrs. Thomas (P&B)

JLLowther:sm

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			June 5	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	7	7	0	0	0	0	0	
Sector & Proj. Studies	21	19	1 <u>1/</u>	0	1	1 <u>2/</u>	2	
Econ. of Industrialization	9	6	3 <u>3/</u>	0	0	0	0	
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0	
	8	8	0	0	0	0	0	
Population Studies	6	4	0	0	2	0	2	
e Pol. & Export Proj.	12	11	1 <u>4/</u>	0	0	1 <u>5/</u>	1	
Domestic Finance	10	9	1 <u>6/</u>	0	0	0	0	
Urbanization	4	(5)4 <u>7/</u>	0	1 <u>8/</u>	-1	(1)0	-1	
External Debt )	12**	12	0	0	0	0	0	
Gen. Statistics ) Stat. ) Ser.	11*	11*	0	0	0	0	0	
Data Processing )	12**	12	0	0	0	1 <u>9/</u>	1	
ECONOMICS DEPARTMENT TOTAL	117	(109)108	6	1	(1)2	(4)3	5	
Basic Research	8	8	(0)1 <u>10/</u>	(1)0	-1	0	-1	
Creditworthiness Studies	6	6	0	0	0	2 <u>11/</u>	2	
Development Finance Stud.	9	6	0	0	3	0	3	
Development Programs Stud.	4	4	0	0	0	0	0	
Special Studies	2	0	0	0	2	0	2	
GRAND TOTAL	146	(131)132	(6)7	(2)1	(5)6	(6)5	11	

\*Includes Division Chief, Assistant Division Chief and Adviser.

\*\*Includes one FY71 Advanced Authorization.

- 1/ Mr. Donaldson, EOD September 1970.
- 2/ Mrs. Isaac, July 15 1970.
- 3/ Mr. Bohr, EOD July 1970, Mr. Hansen EOD June 29, 1970, Mr. Baranson EOD August 1970.
- 4/ Mr. ul Haque, EOD June 25, 1970.
- 5/ Miss D. Ryan, June 22, 1970.

- 6/ Mr. Churchill, EOD September 1970.
- 7/ Mr. Mera transferred June 1 to Sp. Pro. Dept.
- 8/ Mr. Oliver, (Special 1 year fixed term.)
- 9/ Mrs. Angel, June 30, 1970.
- 10/ Mr. Stoutjesdijk EOD September 1970.
- 11/ Messrs. de Vries & Dubey will transfer in July 1970.

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			June 12
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	2	2	0	0	0	1 <u>1/</u>	1
Sector & Proj. Studies	6	(7)6 <u>2/</u>	0	0	(-1)0	(1)0	0
Econ. of Industrialization	2	2	0	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0
	8	6 <u>3/</u>	1 <u>4/</u>	0	1	0	1
Population Studies	1	2	0	0	-1	0	-1
e Pol. & Export Proj.	3	3	0	0	0	0	0
Domestic Finance	1	1	0	0	0	0	0
Urbanization	0	0	0	0	0	0	0
External Debt ) Gen. Statistics ) Stat. ) Ser. Data Processing )	18	17	0	0	1	1 <u>5/</u>	2
	6	6	0	0	0	0	0
	0	0	0	0	0	0	0
ECONOMICS DEPARTMENT TOTAL	49	(48) 47	1	0	(0)1	(3)2	3
Basic Research	0	0	0	0	0	0	0
Creditworthiness Studies	2	2	0	0	0	(0)1 <u>6/</u>	1
Development Finance Stud.	1	1	0	0	0	0	0
Development Programs Stud.	1	1	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	53	(52) 51	1	0	(0)1	3	(3) 4

- 1/ Miss Sullivan, June 29, 1970
- 2/ Mrs. Mijares resigned effective June 12, 1970.
- 3/ Mr. Adebo arrived June 1, 1970
- 4/ Mr. Moon EOD July 15, 1970.
- 5/ Mr. Reitze will transfer out of Statistical Services on July 15, 1970.
- 6/ Mr. Rangachar will transfer out of Creditworthiness Studies on August 1, 1970.

Ec Dept - gen

Mr. E.K. Hawkins

June 12, 1970

Alexander Stevenson

Terms of Reference -- Visit to the United Nations

You should proceed to New York to take part in the meeting of the Ad Hoc Committee of Experts on Programmes in Demographic Aspects of Economic Development. The Committee has been convened by the Secretary-General and you should attend as an observer on behalf of the World Bank Group. The meeting will be held from June 29 to July 3, 1970.

On your return to the Bank you should report on the conclusions of the meeting, with particular reference to the Bank's interests in the relationships between demographic and economic developments.

*EKH*  
EKHawkins:gah

cc: Messrs. Demuth  
Kanagaratnam

*AS*

EC Dept gen

Mr. Ruddy

June 11, 1970

Alexander Stevenson

FY70 Authorized Positions List, May 31, 1970

I would like to recommend the following changes in the authorized positions list:

(1) Position #1611, Economic Editor, occupied by Mr. Silcock, should be transferred from the Domestic Finance of Developing Countries Division to the Office of the Director.

(2) The name of the Domestic Finance of Developing Countries Division should be corrected (it is currently shown as Fiscal Policies of Developing Countries).

JLLowther:sm

Ec Dept - jey

Mr. Tiemann

June 10, 1970

Alexander Stevenson

New Special Services Positions

I have allocated two of the new Special Services positions to your Division. One for the General Statistics Section and one for the Debt Evaluation Unit. You may begin recruiting for these positions.

JLLowther:sm

*JL*

*12*



Ec. Dept - gen

Mrs. Hughes

June 10, 1970

Alexander Stevenson

New Special Services Positions

I have allocated one of the new (FY71) Special Services positions to your Division. You may begin recruiting for it.

D.

JLLowther:sm



✓ Ec Dept gen  
cc Agriculture gen

June 10, 1970

Mr. T. S. Minhas

Stanley Please

Rural Poverty, Land Redistribution and Development Strategy

1. David Henderson has passed me your paper and I have enjoyed reading it. I must say that if your package of policies can justifiably be classified as realistic radicalism, then both the willingness of the government to take radical action and its ability to administer changes in the complex area of agriculture (this is a different animal from commercial banking) have markedly changed. I can only hope that your optimism is justified. At the same time I must express some scepticism.
2. For instance, the cash element of the resource needs of the program are proposed to be met in part out of a progressive local levy on land holdings (page 30(4)). The history of the many proposals in the field of land taxes, agricultural income tax, betterment levies, etc., since independence can hardly make one sanguine on this matter. On the contrary the evidence suggests that the power structure in rural society is loaded in favour of those who would be hit hardest by the proposal.
3. I was a little unhappy about your cavalier rejection of rural works programs (p. 29). It would be easy for those opposed to the use of anything less than 1970 western technology to interpret your reference to "make-work" projects as a rejection of labour-intensive techniques. A balanced examination of experience in East Pakistan suggests that despite its problems the rural works program there had a positive benefit-cost ratio. In any case the administrative shortcomings which lead to a failure of rural works do not disappear simply by introducing terms such as "integrated programs", "adequate machinery" and matters being assigned to "the joint responsibility of the State and Panchayats."
4. These comments should not be permitted to detract from my general enjoyment of your paper. I particularly liked your emphasis on the land consolidation problem which, as far as I can judge, is rarely considered.

SPlease/10

cc: Mr. Henderson

*Ec. Dept - gen*

Mr. Richard Taylor

June 9, 1970

Kenji Takeuchi *KP*

The Outlook for Economic Growth in the OECD, May 1970

1. The "Outlook for Economic Growth in the OECD" sets out the main conclusions of a much larger and more extensive study of the problems of economic growth and policy for the period 1960-1980. The full report is now in the course of final revision and is expected to be published in the summer of 1970.

2. Our contact at the OECD Secretariat in Paris is Mrs. Mary Garin-Painter, Organization for Economic Co-operation and Development, 2, Rue Andre Pascal, Paris XVI<sup>e</sup>, France.

KTakeuchi:dfb

Mr. Alexander Stevenson

June 5, 1970


Stanley Please

Institute of Tax Administration

1. A letter dated April 23, 1970, from Mr. Mars, Director of the School of Public Administration, University of Southern California, to Mr. McNamara was received in the Bank on 27 April 1970. It was sent on to the Information Department and a reply over Mr. McNamara's signature was despatched on 30 April 1970. I have discovered the existence of this correspondence today.

2. The purpose of the letter from U.S.C. was to inform Mr. McNamara of a proposal to establish an Institute for Tax Administration in the University and to seek financial support for it. The reply expresses Bank interest in the proposal but discourages any hope of financial assistance from us.

3. I do not want to question the reply which was made by the Bank. I am, however, concerned that a letter which so clearly falls in my field of interest and responsibility should have been dealt with without any prior or even subsequent contact with me.

  
SPlease/lo

cc: Mr. W. Clark (through Mr. Stevenson)

Ec. Dept - gen

Messrs. Andrew M. Kamarck  
Alexander Stevenson

June 5, 1970

Jack L. Lowther

Status of Professional and Special Services Staff Recruitment  
for the week ending June 5, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof. :	117 auth., 108 filled, 7 comm.	146 auth., 132 filled, 8 comm.
Sp. S.:	49 auth., 48 filled, 1 comm.	53 auth., 52 filled, 1 comm.

Changes in Economics Complex

1. Professionals:

Mr. Stoutjesdijk accepted the Bank's offer of a position with the Basic Research Center, and will commence in September, 1970.

2. Special Services:

Mr. Adebo commenced duty with the Comparative Data Unit on June 1, 1970.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman  
Dyck  
Chaffey  
Mrs. Armstrong

JLLowther:sm

ECONOMICS DEPARTMENT  DIVISION/ STUDY GROUP	Status of Recruitment:					Week Ending:	
	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	7	7	0	0	0	0	0
Sector & Proj. Studies	21	19	1 <u>1/</u>	0	1	1 <u>2/</u>	2
Econ. of Industrialization	9	6	3 <u>3/</u>	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0
Population Studies	6	4	0	0	2	0	2
Trade Pol. & Export Proj.	12	11	1 <u>4/</u>	0	0	1 <u>5/</u>	1
Domestic Finance	10	9	1 <u>6/</u>	0	0	0	0
Urbanization	4	(5)4 <u>7/</u>	0	1 <u>8/</u>	-1	(1)0	-1
External Debt ) Gen. Statistics ) Stat. ) Ser. Data Processing )	12**	12	0	0	0	0	0
	11*	11*	0	0	0	0	0
	12**	12	0	0	0	1 <u>9/</u>	1
ECONOMICS DEPARTMENT TOTAL	117	(109)108	6	1	(1)2	(4)3	5
ic Research	8	8	(0)1 <u>10/</u>	(1)0	-1	0	-1
Creditworthiness Studies	6	6	0	0	0	2 <u>11/</u>	2
Development Finance Stud.	9	6	0	0	3	0	3
Development Programs Stud.	4	4	0	0	0	0	0
Special Studies	2	0	0	0	2	0	2
GRAND TOTAL	146	(131)132	(6)7	(2)1	(5)6	(6)5	11

\*Includes Division Chief, Assistant Division Chief and Adviser.

\*\*Includes one FY71 Advanced Authorization.

1/ Mr. Donaldson, EOD September 1970.

2/ Mrs. Isaac, July 15 1970.

3/ Mr. Bohr, EOD July 1970, Mr. Hansen  
EOD June 29, 1970, Mr. Baranson EOD  
August 1970.

4/ Mr. ul Haque, EOD June 25, 1970.

5/ Miss D. Ryan, June 22, 1970.

6/ Mr. Churchill, EOD September 1970.

7/ Mr. Mera transferred June 1 to Sp. Pro. Dept.

8/ Mr. Oliver, (Special 1 year fixed term.)

9/ Mrs. Angel, June 30, 1970.

10/ Mr. Stoutjesdijk EOD September 1970.

11/ Messrs. de Vries & Dubey will transfer in  
July 1970.

ECONOMICS DEPARTMENT  DIVISION/ STUDY GROUP	Status of Recruitment:						Week Ending:	
	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	2	2	0	0	0	1 <u>1/</u>	1	
Sector & Proj. Studies	6	7	0	0	-1	1 <u>2/</u>	0	
Econ. of Industrialization	2	2	0	0	0	0	0	
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0	
	8	(5)6 <u>3/</u>	(2)1 <u>4/</u>	0	1	0	1	
Population Studies	1	2	0	0	-1	0	-1	
the Pol. & Export Proj.	3	3	0	0	0	0	0	
Domestic Finance	1	1	0	0	0	0	0	
Urbanization	0	0	0	0	0	0	0	
External Debt )	18	17	0	0	1	1 <u>5/</u>	2	
Gen. Statistics ) Stat. ) Ser.	6	6	0	0	0	0	0	
Data Processing )	0	0	0	0	0	0	0	
ECONOMICS DEPARTMENT TOTAL	49	(47)48	(2)1	0	0	3	3	
Basic Research	0	0	0	0	0	0	0	
Creditworthiness Studies	2	2	0	0	0	0	0	
Development Finance Stud.	1	1	0	0	0	0	0	
Development Programs Stud.	1	1	0	0	0	0	0	
Special Studies	0	0	0	0	0	0	0	
GRAND TOTAL	53	(51)52	(2)1	0	0	3	3	

- 1/ Miss Sullivan, June 29, 1970.
- 2/ Mrs. Mijares, June 12 1970.
- 3/ Mr. Adebo arrived June 1 1970.
- 4/ Mr. Moon, EOD July 15, 1970.
- 5/ Mr. Reitze will transfer out of Statistical Services on July 15, 1970.

Mr. Kamarck  
Mr. Stevenson  
Jack L. Lowther

June 4, 1970

Department Staff Meeting - June 5, 1970

Speaker

I have confirmed with Mr. Shahid Husain that he will speak at the Staff Meeting.

Introductions

I recall that during the Division Chiefs of Department Staff Meetings there was some indication that Introductions were not required. However, if you wish to continue Introductions the following staff members have reported since the last Staff Meeting:

Mr. Silcock - Economic Editor

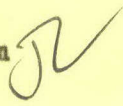
Mr. Norman Hicks - Debt Evaluation Officer in  
the Statistical Services Division

Mr. A. Mannan Durrani - Advance Programmer in the  
Statistical Services Division

Points of Interest from Senior Staff Notes

1. Mr. McNamara has approved an administrative budget for FY71 totalling \$77 million, an increase of 22% over the current year. The budget provided for increases for over 20% in the staff of Project Departments and from 7 to 8% for the rest of the Bank. The Economics Department received an increase of one (1) professional, six (6) special services and one (1) general services position (the Data Processing Unit i.e. programmers received an increase of three (3) professionals).

2. Mr. Chadenet has indicated to the Senior Staff that he is searching for a suitable adviser on the Environmental Aspects of Projects.

JLLowther:sm 



Mr. Alexander Stevenson

June 4, 1970

Stanley Please

Opportunity Costs Under a Budgetary Constraint

1. As you know, after discussing the matter with Mr. Kamarck, I have undertaken to be responsible for preparing a paper for the ILO meeting of Experts on Fiscal Policies for Employment Promotion. I accept the institutional need for undertaking this but I wish to reiterate on paper the concern I have expressed orally, for the embarrassment which might be caused to those who will be responsible for undertaking the assignment. They will be undertaking it without the preparation required to make certain that a respectable job has been done which does credit to their abilities.

2. In fairness to the people concerned -- and particularly to George Beier -- I would like to be certain that the implications of the preparation of this paper are fully recognized. I have already withdrawn Beier from the preparation of a paper on toll roads which has been requested (not for the first time) by the Transportation Projects Department. If by the Fall it is clear that the ILO paper will require Beier's full-time attention I will have no hesitation in withdrawing him from the undertaking I have given to Mr. Thompson that he will be available to service the Economic Mission to Yugoslavia. I cannot, furthermore, see any possibility of providing a replacement should this occur and certainly not from my Division. Mr. Thompson has already expressed his concern that I am failing to provide him with fiscal economists from this Division and he is extremely unhappy with the performance of those we recruit from the Fund for his economic missions. He will no doubt, with qualified justification, be even more concerned if Beier has to be withdrawn from the Yugoslavia assignment. The problem remains that labor in this Division is not a free good and that something has to give in order to prepare the ILO paper. The labor input required for this being uncertain, the alternatives which will have to be foregone are also uncertain at this stage. This memorandum is to alert you to the possibilities.

SPlease/lo

cc: Mr. Kamarck

Ec Dept - gen

Mr. A. E. Tiemann

June 4, 1970

A. Kundu *AK*

Acting Chief of Statistics Section

Mr. J. Gholl will be in charge of the Section from June 8 to June 21, 1970 while I am away from Washington, D.C. on official business.

A Kundu:sls

cc: Mr. Stevenson  
Mr. McPheeters  
Mr. Gholl

Ec-Dept-gen

Mr. Alexander Stevenson

June 3, 1970

R.M. Westebbe

Administration of the Division

In my absence on a mission to Copenhagen, any questions related to this Division should be referred to Mr. Bhatia until my return on June 10.

RMW-

RMWestebbe:bhn

cc: Messrs. Bhatia  
Lowther

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

May 29, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending May 29, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.	117 auth., 109 filled, 7 comm.	146 auth., 131 filled, 10 comm.
Sp. S.:	49 auth., 47 filled, 2 comm.	53 auth., 51 filled, 2 comm.

Changes in Economics Complex

1. Professionals:

- a. Professor Silcock commenced duty in the Office of the Director on May 25, 1970.
- b. Mr. Heiss refused the Bank's offer of a position with the Sector and Projects Studies Division.
- c. Mr. Norman Hicks commenced duty with External Debt Section of the Statistical Services Division on May 25, 1970.
- d. Mr. Duloy commenced duty with the Basic Research Study Group on May 28, 1970.
- e. Mr. Stoutjesdijk has been offered a position with the Basic Research Study Group.

2. Special Services:

Mrs. Savas resigned from the External Debt Section of the Statistical Services Division on May 28, 1970.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman  
Dyck  
Chaffey  
Mrs. Armstrong

JLLowther:sm

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			May 29	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	7	(6)7 <u>1/</u>	(1)0	0	0	0	0	
Sector & Proj. Studies	21	19	1 <u>2/</u>	(1)0 <u>3/</u>	(0)1	1 <u>4/</u>	2	
Econ. of Industrialization	9	6	3 <u>5/</u>	0	0	0	0	
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0	
	8	8	0	0	0	0	0	
Population Studies	6	4	0	0	2	0	2	
Je Pol. & Export Proj.	12	11	1 <u>6/</u>	0	0	1 <u>7/</u>	1	
Domestic Finance	10	9	1 <u>8/</u>	0	0	0	0	
Urbanization	4	5	0	1 <u>9/</u>	-2	1 <u>10/</u>	-1	
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	12**	(11)12 <u>11/</u>	(1)0	0	0	0	0	
	11*	11*	0	0	0	0	0	
	12*	12	0	0	0	1 <u>12/</u>	1	
ECONOMICS DEPARTMENT TOTAL	117	(107)109	(8)6	(2)1	(0)1	4	(4) 5	
Basic Research	8	(7)8 <u>13/</u>	(1)0	(0)1 <u>14/</u>	(0) -1	0	(0)-1	
Creditworthiness Studies	6	6	0	0	0	2 <u>15/</u>	2	
Development Finance Stud.	9	6	0	0	3	0	3	
Development Programs Stud.	4	4	0	0	0	0	0	
Special Studies	2	0	0	0	2	0	2	
GRAND TOTAL	146	(130)131	(9)8	2	5	6	11	

- 1/ Mr. Silcock arrived May 25, 1970.
- 2/ Mr. Donaldson, EOD September 1970.
- 3/ Mr. Heiss refused the Bank's Offer.
- 4/ Mrs. Isaac, July 1970.
- 5/ Mr. Bohr, EOD July 1970, Mr. Hansen EOD June 29, 1970, Mr. Baranson EOD August 1970.
- 6/ Mr. ul Haque, EOD June 25, 1970.

- 7/ Miss D. Ryan, June 22, 1970.
- 8/ Mr. Churchill, EOD September 1970.
- 9/ Mr. Oliver, (Special 1 year fixed term.)
- 10/ Mr. Mera will transfer June 1 to Sp. Pro. Dept.
- 11/ Mr. Norman Hicks, arrived May 25, 1970.
- 12/ Mrs. Angel, June 30, 1970.
- 13/ Mr. Duloy arrived May 28, 1970.
- 14/ Mr. Stoutjesdijk.
- 15/ Messrs. de Vries & Dubey will transfer in July 1970.

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			May 29
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	2	2	0	0	0	1 <u>1/</u>	1
Sector & Proj. Studies	6	7	0	0	-1	1	0
Econ. of Industrialization	2	2	0	0	0	0	0
A. Q. T. )	2	2	0	0	0	0	0
Comp. Data ) Q. T. A.	8	5	2 <u>3/</u>	0	1	0	1
Population Studies	1	2	0	0	-1	0	-1
Trade Pol. & Export Proj.	3	3	0	0	0	0	0
Domestic Finance	1	1	0	0	0	0	0
Urbanization	0	0	0	0	0	0	0
External Debt )	18	(18)17 <u>4/</u>	0	0	(0) 1	(2) 1 <u>5/</u>	(1)2
Gen. Statistics ) Stat. Ser.	6	6	0	0	0	0	0
Data Processing )	0	0	0	0	0	0	0
ECONOMICS DEPARTMENT TOTAL	49	(48)47	2	0	(-1)0	(4)3	3
Basic Research	0	0	0	0	0	0	0
Costworthiness Studies	2	2	0	0	0	0	0
Development Finance Stud.	1	1	0	0	0	0	0
Development Programs Stud.	1	1	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	53	(52)51	2	0	(-1)0	(4)3	3

- 1/ Miss Sullivan, July 1970.
- 2/ Mrs. Mijares, June 12, 1970.
- 3/ Mr. Adebo, EOD June 1, 1970, Mr. Moon, EOD July 15, 1970.
- 4/ Mrs. Savas, resigned effective May 28, 1970.
- 5/ Mr. Reitze.

*Ec - Dept - gen*

Mr. J. Lowther

May 25, 1970

A. E. Tiemann *AE*

Miss Elizabeth Scafuro: Statistical Assistant

In order to prepare a detailed study of unit costs of construction, equipment, etc., the Education Projects Department requested some statistical assistance. Since the study would require about 3 man months of work, we could not assign anyone for the complete job, and therefore the Projects Department indicated that they would recruit some summer help. In the mean time we have agreed to provide the assistance of Miss Scafuro to enable them to start the study immediately.

Miss Scafuro will work solely for the Education Projects Department till the end of June, and I understand from Mr. Fennell that the Personnel Division is going to transfer her from Economics to Education Projects Department.

Miss Scafuro is leaving the Bank after this assignment. She has been an excellent worker, and we would be willing to consider her for reappointment in September 1970 to work in the Statistics Section.

*AK*  
AKundu:sls

cc: Mr. Fennell  
Mr. Kunda

Ec. Dept - gen

All Personnel

May 25, 1970

A. C. Egbert

Items of interest from the Monday morning Economics Department Staff Meeting

A reminder - please complete necessary Medical Insurance forms by the end of the month.

All people scheduled for orientation sessions should make every effort to attend.

ACEgbert:rlb

A. C. E.



Ec. Dept gen

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

May 22, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending May 22, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	117 auth., 107 filled, 10 comm.	146 auth., 130 filled, 11 comm.
Sp. S.:	49 auth., 48 filled, 2 comm.	53 auth., 52 filled, 2 comm.

Changes in Economics Complex

1. Professionals:

Miss Dorothy Ryan has submitted her resignation effective June 22, 1970. Miss Ryan is assigned to the Trade Policies and Export Projections Division.

2. Special Services:

Mrs. Savas has submitted her resignation effective May 31, 1970. Mrs. Savas is assigned to the External Debt Section of the Statistical Services Division.

3. Current Tables are attached.

Attachments

Messrs. Friedman  
Dyck  
Chaffey  
Mrs. Armstrong

JLLowther:sm



Ec. Dept - gen

Mr. Shahid Husain

May 22, 1970

Jack L. Lowther

Economics Department Staff Meeting, June 5, 1970

Mr. Stevenson has advised me that you will speak on "How the Lending Program is put together" at the June 5, Economics Department Staff Meeting.

The meeting will be held at 9:30 a.m. in Room C1006.

J.L. Lowther:sm



## OFFICE MEMORANDUM

TO: Messrs. Andrew M. Kamarck  
Alexander Stevenson

DATE: May 22, 1970

FROM: Jack L. Lowther *JL*

SUBJECT: Status of Professional and Special Services Staff Recruitment  
for the week ending May 22, 1970

<u>Totals:</u>	<u>Economics Department</u>			<u>Economics Complex</u>		
Prof.:	117 auth.,	107 filled,	10 comm.	146 auth.,	130 filled,	11 comm.
Sp. S.:	49 auth.,	48 filled,	2 comm.	53 auth.,	52 filled,	2 comm.

Changes in Economics Complex1. Professionals:

Miss Dorothy Ryan has submitted her resignation effective June 22, 1970. Miss Ryan is assigned to the Trade Policies and Export Projections Division.

2. Special Services:

Mrs. Savas has submitted her resignation effective May 31, 1970. Mrs. Savas is assigned to the External Debt Section of the Statistical Services Division.

3. Current Tables are attached.

## Attachments

cc: Messrs. Friedman  
Dyck  
Chaffey  
Mrs. Armstrong

JLLowther:sm

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			May 22	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	2	2	0	0	0	1 <u>1/</u>	1	
Sector & Proj. Studies	6	7	0	0	-1	1 <u>2/</u>	0	
Econ. of Industrialization	2	2	0	0	0	0	0	
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0	
	8	5	2 <u>3/</u>	0	1	0	1	
Population Studies	1	2	0	0	-1	0	-1	
Int'l. Pol. & Export Proj.	3	3	0	0	0	0	0	
Domestic Finance	1	1	0	0	0	0	0	
Urbanization	0	0	0	0	0	0	0	
External Debt )	18	18	0	0	0	(1) 2 <u>4/</u>	(1) 2	
Gen. Statistics ) Stat. ) Ser.	6	6	0	0	0	0	0	
Data Processing )	0	0	0	0	0	0	0	
ECONOMICS DEPARTMENT TOTAL	49	48	2	0	-1	(3)4	(2)3	
Basic Research	0	0	0	0	0	0	0	
Creditworthiness Studies	2	2	0	0	0	0	0	
Development Finance Stud.	1	1	0	0	0	0	0	
Development Programs Stud.	1	1	0	0	0	0	0	
Special Studies	0	0	0	0	0	0	0	
GRAND TOTAL	53	52	2	0	-1	(3)4	(2)3	

1/ Miss Sullivan, July 1970.

2/ Mrs. Mijares, June 12, 1970.

3/ Mr. Adebo, EOD June 8, 1970, Mr. Moon, EOD July 15, 1970.

4/ Mr. Reitze, Mrs. Savas, May 31, 1970.

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			May 22	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	7	6	1 <u>1/</u>	0	0	0	0	
Sector & Proj. Studies	21	19	1 <u>2/</u>	1 <u>3/</u>	0	1 <u>4/</u>	1	
Econ. of Industrialization	9	6	3 <u>5/</u>	0	0	0	0	
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0	
	8	8	0	0	0	0	0	
Population Studies	6	4	0	0	2	0	2	
Int. Pol. & Export Proj.	12	11	1 <u>6/</u>	0	0	(0)1 <u>7/</u>	(0)1	
Domestic Finance	10	9	1 <u>8/</u>	0	0	0	0	
Urbanization	4	5	0	1 <u>9/</u>	-2	1 <u>10/</u>	-1	
External Debt )	12**	11	1 <u>11/</u>	0	0	0	0	
Gen. Statistics ) Stat. ) Ser.	11*	11*	0	0	0	0	0	
Data Processing )	12**	12	0	0	0	1 <u>12/</u>	1	
<b>ECONOMICS DEPARTMENT TOTAL</b>	<b>117</b>	<b>107</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>(3)4</b>	<b>(3)4</b>	
Basic Research	8	7	1 <u>13/</u>	0	0	0	0	
Creditworthiness Studies	6	6	0	0	0	2 <u>14/</u>	2	
Development Finance Stud.	9	6	0	0	3	0	3	
Development Programs Stud.	4	4	0	0	0	0	0	
Special Studies	2	0	0	0	2	0	2	
<b>GRAND TOTAL</b>	<b>146</b>	<b>130</b>	<b>9</b>	<b>2</b>	<b>5</b>	<b>(5)6</b>	<b>(10)11</b>	

\*Includes Division Chief, Assistant Division Chief and Adviser.

\*\*Includes one FY71 Advanced Authorization.

- 1/ Mr. Silcock, EOD May 25, 1970.
- 2/ Mr. Donaldson, EOD September 1970.
- 3/ Mr. Heiss.
- 4/ Mrs. Isaac, July 1970.
- 5/ Mr. Bohr, EOD July 1970, Mr. Hansen, EOD June 29, 1970, Mr. Baranson EOD August 1970.
- 6/ Mr. ul Haque, EOD June 25, 1970.

- 7/ Miss D. Ryan, June 22, 1970.
- 8/ Mr. Churchill, EOD September 1970.
- 9/ Mr. Oliver, (Special 1 year fixed term.)
- 10/ Mr. Mera will transfer June 1 to Sp. Pro. Dept.
- 11/ Mr. Norman Hicks, EOD May 25, 1970.
- 12/ Mrs. Angel, June 30, 1970.
- 13/ Mr. Duloy, EOD May 27, 1970.
- 14/ Messrs. De Vries & Dubey will transfer in July 1970.

Mr. A. Randa

May 20, 1970

Alexander Stevenson

Terms of reference: attendance of meetings in Geneva, June 8-12, 1970

You will proceed to Geneva on June 6, 1970 to attend the following meetings:

1) June 8-10: UN ACC Subcommittee on Statistics -

You will represent the Bank in the subcommittee's deliberations and participate in discussions on the coordination of statistical programs of international organizations associated with the UN;

2) June 8-12: Meeting of Experts on Methods for International Trade Projections -

You will attend the meeting, specially on June 11-12, as an observer and take part in technical discussions as appropriate. Mr. A. Maccom is designated to represent the Bank, but he may not be able to do so. In that case you will be prepared to describe the Bank's trade projections work;

3) June 15-19: Conference of European Statisticians -

You will attend the conference as an observer and may take part in their statistical discussions.

On your return you will submit a back-to-office report on the above meetings highlighting matters of interest to the Bank.

<sup>an</sup>  
Attachments

cc: Mr. Tiersman (cleared with)  
Mr. Console  
Mr. Maccom

*[Handwritten signature]*

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

May 15, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending May 15, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	117 auth., 107 filled, 10 comm.	146 auth., 130 filled, 11 comm.
Sp. S.:	49 auth., 48 filled, 2 comm.	53 auth., 52 filled, 2 comm.

Changes in Economics Complex

Professionals:

a. Mr. Norman Hicks accepted our offer to join the External Debt Section of the Statistical Services Division, and will commence duty during June 1970.

b. Mr. Landau transferred out of Creditworthiness Study Group during April 1970.

2. Special Services:


a. Miss Coye joined the Population Studies Division on May 15, 1970.

b. Mrs. Sarel joined the External Debt Section of the Statistical Services Division on May 14, 1970.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong

JL Lowther: sm 

ECONOMICS DEPARTMENT  DIVISION/ STUDY GROUP	Status of Recruitment:						Week Ending:
	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	May 15
Office of Director	2	2	0	0	0	1 1/	1
Sector & Proj. Studies	6	7	0	0	-1	1 2/	0
Econ. of Industrialization	2	2	0	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0
	8	5	2 3/	0	1	0	1
Population Studies	1	2 4/	(1) 0	0	-1	0	-1
Trade Pol. & Export Proj.	3	3	0	0	0	0	0
Domestic Finance	1	1	0	0	0	0	0
Urbanization	0	0	0	0	0	0	0
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	18	(17) 18 5/	(1) 0	0	0	1 6/	1
	6	6	0	0	0	0	0
	0	0	0	0	0	0	0
ECONOMICS DEPARTMENT TOTAL	49	(46) 48	(4) 2	0	-1	3	2
c Research	0	0	0	0	0	0	0
Creditworthiness Studies	2	2	0	0	0	0	0
Development Finance Stud.	1	1	0	0	0	0	0
Development Programs Stud.	1	1	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	53	(50) 52	(4) 2	0	-1	3	2

- 1/ Miss Sullivan, July 1970.
- 2/ Mrs. Mijares, June 12, 1970.
- 3/ Mr. Adebo, EOD June 8, 1970, Mr. Moon, EOD July 15, 1970.
- 4/ Miss Coye, EOD May 15, 1970.
- 5/ Mrs. Sarel, EOD May 14, 1970.
- 6/ Mr. Reitze.



ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			May 15	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	7	6	1 <u>1</u> / <sub>1</sub>	0	0	0	0	
Sector & Proj. Studies	21	19	1 <u>2</u> / <sub>2</sub>	1 <u>3</u> / <sub>3</sub>	0	1 <u>4</u> / <sub>4</sub>	1	
Econ. of Industrialization	9	6	3 <u>5</u> / <sub>5</sub>	0	0	0	0	
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0	
	8	8	0	0	0	0	0	
Population Studies	6	4	0	0	2	0	2	
le Pol. & Export Proj.	12	11	1 <u>6</u> / <sub>6</sub>	0	0	0	0	
Domestic Finance	10	9	1 <u>7</u> / <sub>7</sub>	0	0	0	0	
Urbanization	4	5	0	1 <u>8</u> / <sub>8</sub>	-2	1 <u>9</u> / <sub>9</sub>	-1	
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	12**	11	(0) 1 <u>10</u> / <sub>10</sub>	0	(1)0	0	(1) 0	
	11*	11*	0	0	0	0	0	
	12**	12	0	0	0	1 <u>11</u> / <sub>11</sub>	1	
ECONOMICS DEPARTMENT TOTAL	117	107	(7) 8	2	(1)0	3	(4) 3	
Basic Research	8	7	1 <u>12</u> / <sub>12</sub>	0	0	0	0	
Creditworthiness Studies	6	(7) 6 <u>13</u> / <sub>13</sub>	0	0	(-1)0	2 <u>14</u> / <sub>14</sub>	2	
Development Finance Stud.	9	6	0	0	3	0	3	
Development Programs Stud.	4	4	0	0	0	0	0	
Special Studies	2	0	0	0	2	0	2	
GRAND TOTAL	146	(131) 130	(8) 9	(1) 2	(5) 5	(2) 5	10	

\*Includes Division Chief, Assistant Division Chief and Adviser

\*\*Includes one FY71 advanced authorization.

- |  |  |
|--|--|
| 1/ Mr. Silcock, EOD May 25, 1970.  | 7/ Mr. Churchill, EOD September 1970.                        |
| 2/ Mr. Donaldson, EOD September, 1970.   | 8/ Mr. Oliver (Special 1 year fixed term.)                   |
| 3/ Mr. Heiss.  | 9/ Mr. Mera will transfer to Special Proj. Dept.             |
| 4/ Mrs. Isaac, July 1970.  | 10/ Mr. Norman Hicks, EOD June 1970.                         |
| 5/ Mr. Bohr, EOD July 1970, Mr. Hansen,<br>EOD June 29, 1970, Mr. Baranson EOD<br>August 1970. | 11/ Mrs. Angel, June 30, 1970.                               |
| 6/ Mr. ul. Haque, EOD June 25, 1970.   | 12/ Mr. Duloy, EOD May 1970.                                 |
|  | 13/ Mr. Landau transferred out, April 1970.                  |
|  | 14/ Messrs. De Vries & Dubey will transfer in<br>July, 1970. |

Ecs: Dept - gen  
cc - Budget

Mr. Alexander Stevenson

May 15, 1970

Arthur E. Tiemann *AET*

Budget request, 1970-71

The budget request by the Statistical Services Division for four statistical assistants for 1970-71 was based on a requirement of two in General Statistics and two in Debt Evaluation. With budgetary allocation of one statistical assistant in each of these two units, the service provided by the division will have to be reduced.

In the General Statistics Section, the increase in staff was based on the projected increase in workload, particularly from the Projects Departments and Economics Department, where the demands require technical statistical expertise. With only one additional statistical assistant, the section will be forced to turn down requests for non-technical statistical assistance to Area Departments in preparing tables for economic reports. Such requests are usually for several man weeks of effort and reduce our capability to provide the technical statistical service which is unique to this section. Consideration will also have to be given to transferring back to the Development Finance Department a statistical job which they recently requested us to do and which takes up about one-half a manyear.

The Debt Evaluation Unit is just being organized; and by providing the newly recruited professional with one statistical assistant rather than two, the Bank will acquire a capability for debt evaluation at a much slower rate than planned. The assistants will have to build a data base and prepare the inputs to models so that debt evaluation can be performed in a systematic and thorough manner. With a reduced staff, the Debt Evaluation Unit will be able to study only those countries with the most critical debt problems and may well miss countries in which the debt situation is potentially bad. In addition the effectiveness of the professional will be reduced if he has only one assistant to the extent that he will not be able to handle as many missions because he will have to carry out more of the ongoing operations of the Unit himself.

cc: Mr. McPheeters  
Mr. Kundu

AETiemann:ra

ECs Dept - gen

Mr. E. Franco

May 14, 1970

A. E. Tiemann *AT*

Participation in June 1970 meetings.

Mr. A. Kundu is being designated to represent the Bank in the following meetings:

- (1) June 8-10: ACC Subcommittee on Statistics -

We received the invitation directly from UN and already accepted on behalf of the Bank. (Vide our letter of March 27, 1970)

- (2) June 8-12: Meeting of Experts on Methods for International Trade Projections -

Mr. A. Macone has been designated to attend this meeting, but may not be available to do so. He has suggested that Mr. Kundu, who would be there that week, also be designated to attend so that either both or one of them would be able to participate.

- (3) June 15-18: Conference of European Statisticians -

We participated last year and plan to do so again.

It is requested that you notify the appropriate organizations that Mr. Kundu will also attend the latter two meetings.

*AK*  
AKundu:sls

cc: Mr. Stevenson  
Mr. Macone  
Mr. Kundu

✓ EC Dept - gen  
cc Budget

Mr. van der Tak

May 12, 1970

D. Anderson

Staff and Computing Requirements for  
June 1970 and June 1971

1. In answer to your request yesterday here is a listing of my requirements for the next year.

A. Ex-Post Evaluation of Power Demand Forecasts

Work completed, except for redrafting. No further assistance required.

B. Power Planning Models

2. Over the next 12 months, I am to review (phase 1) test (phase 2) and apply (phase 3) power planning models. For the review, which is nearly complete, I shall need no extra staff. But for testing and application the following is essential:- either

- (a) the full time and valuable assistance of Mr. Thananart who is an assistant in Mr. Kundu's section or
- (b) full time assistance of a professional, skilled in operational research or quantitative economics.

3. When we first planned this study the following were the estimated requirements for phase 2 alone:

Anderson	6 man months
A professional	9 man months
2 programmers	18 man months
2 research assistants	12 man months
Consultants	\$3,000
Computing	\$15,000

This would be considered to be a small team of workers by the standards of most countries. The typical size of a team working on these problems is at least a dozen of what we would consider to be professionals and semi-professionals. However, from a purely research view point I do think some progress can be made if I have the full time assistance of one professional who has programming and operational research skills - as mentioned above. For application (phase 3) we should need an expansion of staff.

4, Thus I think we over-estimated our requirements for phase 2 for everything except expenditure on computing and consultancy. I think the \$3,000 for consultancy is realistic. If I am to be allowed \$25,000 for consultancies I would prefer to use this for computing expenses, which may be in excess of \$15,000.

C. Econometric Analyses of Electricity Demand

5. The assistance I need for this study is about half to three-quarters of Miss Villaflores' time. No further assistance required.

D. Water Projects

6. I think we mentioned two projects in connection with water supply:

(a) a study of demand projections for water

(b) an ex-post evaluation of a water supply project.

I think the new professional economist, backed-up with the help of Miss Villaflores should make the study of (a) or (b) possible. If he were to undertake both, further research assistance would probably be required.

E. Pricing of Electricity

7. I do not think we could do any work on this subject unless

(a) I were given some additional professional assistance elsewhere in my research programme to leave me some time for this work on this topic,

or (b) we employed another professional economist.

F. Economic Benefits of Electricity Supply

8. Mr. Weiner, Mr. Berrie, Mr. Yamaoka and one division Chief in the Public Utilities division have all suggested that I might do some research on this matter. They believe (and I agree with them) that the present knowledge of the economic rate of return on a power investment is non-existent. The present rate of return calculations are financial rate of return, and the present power system planning models avoid the issue by purely minimising costs.

9. Unless we have the full time of one economist to work on this problem, (he could also work on pricing), we could do no work of any substance on this topic within the next year.

G. Economic Benefits and Pricing Studies for Water Supply Projects

10. Mr. Ray is at the moment attempting to clarify the nature of benefits and costs of urban water supply projects and their relation to pricing policies.

11. I do not think we can substantially build upon Mr. Ray's suggestions this year unless there is another professional economist to work on these problems. It is possible however that the ex-post evaluation of the urban water supply project will make some progress in this direction.

DAnderson:gb

MAY 11 1970

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

Status of Professional and Special Services Staff Recruitment  
for the weekending May 8, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	117 auth., 107 filled, 9 comm.	146 auth., 131 filled, 10 comm.
Sp. S.:	49 auth., 46 filled, 4 comm.	53 auth., 50 filled, 4 comm.

Changes in Economics Complex

1. Professionals:

a. Mr. Baranson will transfer in from the South Asia Department to the Economics of Industrialization Division in August 1970.

b. Mr. Robert Oliver has been made an offer to serve as a special consultant to the Economics of Urbanization Division for one year. Mr. Oliver will be assigned to the Urbanization Division, but will not occupy one of their authorized positions.

c. Mr. Mera will transfer to Special Projects Department from the Urbanization Division in June 1970.

d. Mr. Durrani joined the Data Processing section of the Statistical Services Division on May 5, 1970.

e. Mr. De Vries will transfer out of Creditworthiness Study Group in July, 1970.

f. Mr. Dubey will transfer out of Creditworthiness Study Group in July, 1970.

2. Special Services:

Miss Coye accepted our offer to join the Population Studies Division, effective May 15, 1970.

3. Current tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong

JLLowther:sm



ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			May 8	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	7	6	1 <u>1/</u>	0	0	0	0	
Sector & Proj. Studies	21	19	1 <u>2/</u>	1 <u>3/</u>	0	1 <u>4/</u>	1	
Econ. of Industrialization	9	6	(2) 3 <u>5/</u>	0	(1) 0	0	(1) 0	
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0	
	8	8	0	0	0	0	0	
Population Studies	6	4	0	0	2	0	2	
Pol. & Export Proj.	12	11	1 <u>6/</u>	0	0	0	0	
Domestic Finance	10	9	1 <u>7/</u>	0	0	0	0	
Urbanization	4	5	0	(0) 1 <u>8/</u>	-2	(0) 1 <u>9/</u>	-1	
External Debt )	12**	11	0	0	1	0	1	
Gen. Statistics ) Stat. ) Ser.	11*	11*	0	0	0	0	0	
Data Processing )	12**	(11)12 <u>10/</u>	0	0	0	1 <u>11/</u>	1	
ECONOMICS DEPARTMENT TOTAL	117	(106)107	(6) 7	2	1	3	4	
Basic Research	8	7	1 <u>12/</u>	0	0	0	0	
Creditworthiness Studies	6	7	0	0	-1	(0) 2 <u>13/</u>	1	
Development Finance Stud.	9	6	0	0	3	0	3	
Development Programs Stud.	4	4	0	0	0	0	0	
Special Studies	2	0	0	0	2	0	2	
GRAND TOTAL	146	(131)131	(7) 8	(1) 2	(8) 5	(2) 5	10	

\*Includes Division Chief, Assistant Division Chief and Adviser

\*\*Includes one FY71 advanced authorization.

1/ Mr. Silcock, EOD 25 May 1970.2/ Mr. Donaldson, EOD September, 1970.3/ Mr. Heiss4/ Mrs. Isaac, July 1970.5/ Mr. Bohr, EOD July 1970, Mr. Hansen,  
EOD June 29, 1970, Mr. Baranson EOD  
August 1970.6/ Mr. ul Haque, EOD June 25, 1970.7/ Mr. Churchill, EOD Fall 1970.8/ Mr. Oliver (Special 1 year fixed term).9/ Mr. Mera will transfer to Special Proj. Dept.10/ Mr. Durrani arrived May 5, 1970.11/ Mrs. Angel, June 30, 1970.12/ Mr. Duloy, EOD May 1970.13/ Mssrs. De Vries & Dubey will transfer  
in July, 1970.



ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			May 8
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	2	2	0	0	0	1 <u>1/</u>	1
Sector & Proj. Studies	6	7	0	0	-1	1 <u>2/</u>	0
Econ. of Industrialization	2	2	0	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0
	8	5	2 <u>3/</u>	0	1	0	1
Population Studies	1	1	(0)1 <u>4/</u>	0	(0)-1	0	-1
Trade Pol. & Export Proj.	3	3	0	0	0	0	0
Domestic Finance	1	1	0	0	0	0	0
Urbanization	0	0	0	0	0	0	0
External Debt ) ) Stat. Gen. Statistics ) Ser. ) Data Processing )	18	17	1 <u>5/</u>	0	0	1 <u>6/</u>	1
	6	6	0	0	0	0	0
	0	0	0	0	0	0	0
ECONOMICS DEPARTMENT TOTAL	49	46	(3) 4	0	(0)-1	3	(3) 2
Basic Research	0	0	0	0	0	0	0
Costworthiness Studies	2	2	0	0	0	0	0
Development Finance Stud.	1	1	0	0	0	0	0
Development Programs Stud.	1	1	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
GRAND TOTAL	53	50	(3) 4	0	-1	(0) 3	(3) 2

1/ Miss Sullivan, July 1970.

2/ Mrs. Mijares, June 12, 1970.

3/ Mr. Adebo, EOD June 8, 1970, Mr. Moon, EOD July 15, 1970.

4/ Miss Coye, EOD May 15, 1970.

5/ Mrs. Surel, EOD May 1970.

6/ Mr. Reitze.

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JUL 26 2022

WBG ARCHIVES

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Mr. Andrew M. Kamarck

May 7, 1970

Alexander Stevenson

Economics Department Budget

You asked for my comment on the effect of the proposed budget decisions with regard to staff and consultants. I understand that the figure mentioned for the latter for the Department as a whole is \$175,000. This would represent, making allowance for rising costs and for items which last year were included in other departments' budgets but this year are to be in the Economics Department, a net decrease from last year. As your memorandum of today's date states, the support, indirect as well as direct, which the Department will be able to provide to the rest of the Bank will not be at a level or I am afraid in some cases of the quality that the Bank should receive. The squeeze will be particularly acute in Sector and Projects research where, e.g. a couple of large studies strongly supported by Projects Departments will not go forward, in Trade and Export Projections, where our commodity work will continue to be spread too thinly so that quality will suffer, and in general statistical support, the need for which continues to be adequately recognized and under-rated in the Bank. Domestic Finance will be better off, provided it gets the position tentatively allocated to it. On the other hand, no substantial work can be done on employment and we will not be able to make much of an impact in the field of urbanization.

AStevenson:js

cc: Mr. Friedman

*js*

✓ Ec Dept - per  
cc Budget

Mr. Arturo Israel

May 7, 1970

A. Stevenson

Thailand Mission. Terms of Reference.

1. On June 3, 1970, you will visit Bangkok for about 10 days to discuss with the executives of the State Railways of Thailand the preliminary conclusions of the reappraisal study now in progress of Bank Loan 280 TH to the State Railways. During your stay in Bangkok, you will also complete and revise data necessary for the analysis of road/rail competition in Thailand, an important aspect of the reappraisal study.
2. On your way to Thailand, you will briefly stop over in Nepal, arriving Friday May 29 in Katmandu. Following a suggestion of Mr. B. B. King to the South Asia Department, you will discuss with the Nepalese authorities and other interested agencies the possibility of cooperation in a pilot appraisal study of feeder road investments and regional development in the northern region of Nepal.
3. Mr. van der Tak will join you in Katmandu and Bangkok. On your return, you will prepare a brief back-to-office report.

AIsrael:jln *AI*

cc: Mr. H. G. van der Tak  
Mr. J. de Wille

*AI*

✓ Bc Dept - gen  
cc Budget

DECLASSIFIED

Mr. Andrew M. Kamarck

May 5, 1970

Alexander Stevenson

JUL 26 2022

FY71 Budget

WBG ARCHIVES

CONFIDENTIAL

I understand from Mr. Adler with whom I talked this morning that Mr. McNamara has decided that the economic staff should be held to its FY70 authorized strength, and that the two slots allocated to the Special Studies Unit should be reallocated. One of these is already taken up by the advanced authorization of one position to the Statistical Services Division (External Debt). Mr. Adler and I agreed that in view of the acute pressure on the Development Finance Division for support for area departments work the second of these two slots would be allocated to that Division, subject to confirmation by Mr. Friedman.

AStevenson:js



✓ Ec. Dept - gen  
cc Budget

Mr. John Blaxall

May 4, 1970

Alexander Stevenson

FY 71 Budget for Data Processing Services; Minutes of Meeting of April 30

I would like to repeat one comment on the outcome of the Data Processing Committee meeting. The Committee assumed that the major constraint would be in manpower rather than computer time and agreed that when better data is available on the various categories of resources required the Committee would consider the priorities of various applications, make preliminary allocations for the first quarter of the financial year and modify these in the light of experience. Since such variations may point towards changes in the Data Processing Services budget allocations between, say, expenditures on staff and those on contractual services, the maximum freedom should be retained to make such changes should they be required.

AStevenson:s

cc: Members of the Committee  
Mr. Tiemann  
Mrs. Angel



Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

May 1, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending May 1, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	117 auth., 106 filled, 7 comm.	146 auth., 130 filled, 8 comm.
Sp. S:	49 auth., 46 filled, 3 comm.	53 auth., 50 filled, 3 comm.

Changes in Economics Complex

1. Professionals:

a. Mr. Heisse has not accepted our offer to join the Sector and Projects Studies Division effective June 29, 1970 (as indicated last week).

b. Mrs. Isaac has submitted her resignation effective July 1970. Mrs. Isaac is from the Sector and Projects Studies Division.

c. Mr. Magaud rejected our offer to join the Population Studies Division.

2. Special Services:

Miss Sullivan, Office of the Director, submitted her resignation effective July 1970.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong

JLLowther:sm

Ec. Dept - jlu

Mr. J. C. Leeming


May 1, 1970

Alexander Stevenson

Programming Staff

Apropos our conversation about the shortage of programming staff, here are the forecasts I was looking for which Mrs. Angel had prepared in connection with the budget.

	<u>1970</u>	<u>1971</u>	<u>1972</u>
Economics Dept.	7.10	8.40	8.50
Projects Dept.	2.00	5.30	6.00
Others	<u>1.40</u>	<u>3.80</u>	<u>5.00</u>
Total	10.50	17.50	19.50

  
AStevenson:js

cc: Mrs. Angel

Ec. Dept gen

Mr. Bela Balassa

April 28, 1970

Alexander Stevenson

Terms of Reference

You are requested to attend the Conference on International Comparisons of Prices and Real Income to be held at York University, Toronto, on May 22-23, 1970 as a discussant on "Uses of International Price and Output Data".

c.c. Mrs. Armstrong

*EB* EBalassa:alj

*B*



✓ Eco. Dept - gen  
cc Budget

Mr. Chaffey

April 28, 1970

Alexander Stevenson

Budget Preparation

The preparation of the Economics Department budget for FY71 is still going on. The main factors delaying its completion have been:

- 1) the difficulty of establishing firm figures on levels of mission support needed by area departments;
- 2) the difficulty of establishing the budget for consultants.

The latter item has also been complicated by the new need to make provision in the Economics Department budget for consultants to support area economic missions. Hopefully, these problems will be resolved in the next day or two and immediately thereafter we will be having discussions with P & B.

cc: Mr. Kamarcik  
Mr. Lowther

AStevenson:sm

h

Messrs. Andrew M. Kamarck  
Alexander Stevenson  
Jack L. Lowther

April 24, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending April 24, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	117 auth., 106 filled, 8 comm.	146 auth., 131 filled, 9 comm.
Sp. S.:	49 auth., 46 filled, 3 comm.	53 auth., 49 filled, 3 comm.

Changes in Economics Complex

1. Professionals:

- a. Mr. Silcock accepted an offer to join the Office of the Director, effective 25 May 1970, as an Economic Editor.
- b. Mr. Heisse accepted an offer to join the Sector and Projects Studies Division effective June 29, 1970.
- c. Mr. Hansen accepted an offer to join the Economics of Industrialization Division, effective June 29, 1970.

2. Special Services:

- a. Mr. Noon has accepted an offer to join the Comparative Data Unit, effective July 15, 1970.
- b. Mrs. Sural has accepted an offer to join External Debt Section of the Statistical Services Division, effective May 1, 1970.

3. Current Tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Dyck  
Chaffey  
Mrs. Armstrong

JLLowther:sm

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			April 24	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	2	2	0	0	0	0	0	
Sector & Proj. Studies	6	7 1/2	(1)0	0	-1	1 2/2	0	
Econ. of Industrialization	2	2	0	0	0	0	0	
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0	
	8	5	2 3/4	0	1	0	1	
Population Studies	1	1	0	0	0	0	0	
Trade Pol. & Export Proj.	3	3	0	0	0	0	0	
Domestic Finance	1	1	0	0	0	0	0	
Urbanization	0	0	0	0	0	0	0	
External Debt )	18	17 1/2	(0)1 5/4	0	0	1 6/4	1	
Gen. Statistics ) Stat. ) Ser.	6	6	0	0	0	0	0	
Data Processing )	0	0	0	0	0	0	0	
ECONOMICS DEPARTMENT TOTAL	49	(45)46	(2)3	0	0	2	2	
Basic Research	0	0	0	0	0	0	0	
Creditworthiness Studies	2	2	0	0	0	0	0	
Development Finance Stud.	1	0 1/2	0	0	1	0	1	
Development Programs Stud.	1	1	0	0	0	0	0	
Special Studies	0	0	0	0	0	0	0	
GRAND TOTAL	53	(48)49	(2)3	0	(2)1	2	(4)3	

- 1/ Miss Bundi, commenced April 20, 1970.
- 2/ Mrs. Mijares, resignation effective Sept 1970.
- 3/ Mr. Adebo, EOD June 8, 1970, Mr. Moon, EOD July 15, 1970.
- 4/ Mrs. Hall, terminated April 17, 1970.
- 5/ Mrs. Sural, EOD May 1, 1970.
- 6/ Mr. Reitas.
- 7/ Miss Smith, terminated on April 10, 1970.

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:	
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			April 24	
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)	
Office of Director	7	6	(0)1 <u>1/</u>	(1)0	0	0	0	
Sector & Proj. Studies	21	19	(1)2 <u>2/</u>	0	0	0	0	
Econ. of Industrialization	9	6	(1)2 <u>3/</u>	0	1	0	1	
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0	
	8	8	0	0	0	0	0	
Population Studies	6	4	0	1 <u>4/</u>	1	0	(3)1	
T. Pol. & Export Proj.	12	11	1 <u>5/</u>	0	0	0	0	
Domestic Finance	10	9 <u>6/</u>	1 <u>7/</u>	0	0	0	0	
Urbanization	4	5	0	0	-1	0	-1	
External Debt ) Gen. Statistics ) Stat. ) Ser. Data Processing )	12**	11	0	0	1	0	1	
	11*	11*	0	0	0	0	0	
	12**	11	0	0	1	1 <u>8/</u>	2	
ECONOMICS DEPARTMENT TOTAL	117	106	(4)7	(2)1	3	1	4	
Basic Research	8	7	1 <u>9/</u>	0	0	0	0	
C. Worthiness Studies	6	7	0	0	-1	0	-1	
Development Finance Stud.	9	7	0	0	2	0	2	
Development Programs Stud.	4	4	0	0	0	0	0	
Special Studies	2	0	0	0	2	0	2	
GRAND TOTAL	146	131	(5)8	(2)1	6	1	7	

\* Includes Division Chief, Assistant Division Chief and Adviser.

\*\*Includes one FITI advanced authorization.

- 1/ Mr. Silcock, EOD 25 May, 1970.  
 2/ Mr. Donaldson, EOD Sept 1970, Mr. Heiss,  
 EOD June 29, 1970.  
 3/ Mr. Bohr, EOD July 1970, Mr. Hansen, EOD  
 June 29, 1970.  
 4/ Mr. Magaud.

- 5/ Mr. ul Haque, EOD June 25, 1970.  
 6/ Mr. Ahluwalia, commenced April 1, 1970.  
 7/ Mr. Churchill, EOD Fall 1970.  
 8/ Mrs. Angel will resign effective June 30, '70  
 9/ Mr. Duley, EOD May 1970.

V Eo - Dept - gen  
cc - Budget

Mr. Alexander Stevenson

April 17, 1970

Huguette Angel H.A.

Justification for Time Sharing Request by Economics Department

The experience acquired by the Economics Department in the use of time sharing has shown it to be useful in particular in getting fast turnaround in rate of return calculations, especially when sensitivity analysis is required, in running statistical packages with a data base that once created can easily be manipulated as the results of a previous run are examined and in developing very simple models where the researcher interacts with the computer using it in a manner analogous to a sophisticated desk calculator.

For Fiscal Year 71 and based on the work program of the Economics Department as outlined in the data processing requests collected by P and B Department, time sharing would be used as described above, i.e. for rate of return calculations, running statistical packages and development of simple models.

If the turnaround time of the IBM computer became more responsive to the needs of scientific users, it might be that some of the foreseen uses of time sharing could be handled more efficiently on the B-5500 inhouse. This is something on which the Peat, Marwick-Mitchell study should give us guidance.

cc. Messrs. Tiemann/McPheeters  
Mr. Fraser  
Mr. T. Husain  
Mr. Kundu

HAngel/kr

✓ Ec - Dept - gen  
cc Budget

Division Chiefs

April 14, 1970

Alexander Stevenson

Priorities for Mission Support

During the next week or so, we will be finalizing our mission support requirements for the FY71 Budget. In view of the fact that Area Department requests are likely, in some cases, to exceed our ability to provide support, I should like you to form, in your own minds, a priority ranking of the missions you can and think you should support (with present staff). You need not submit anything in writing to me, but, you should be able to apply the priorities when Area Department requests come in.

Based on previous discussions, we have estimated we can support the following number of missions:

DF	18	(including Fund)
Pop	9	
QTA	7	
Ind	8	
C.D.	12	
TP & EP	9	
S.S. (debt)	13	
S & P	5	
Urb	5	

JLowther:sm

*JL*

*R*

✓ EC Sept. - Jan  
cc Budget

## OFFICE MEMORANDUM

TO: Division Chiefs, Economics Department

DATE: April 14, 1970

FROM: Tariq Husain

SUBJECT: Budget for Time Sharing - April 1, 1970 to June 30, 1970

1. Mr. Stevenson has indicated (see attached memoranda from him and from John Blaxall) that controls be introduced on the use of time sharing. It is proposed that controls be exercised at the Division level - each Division would be allotted a portion of the time sharing budget and shall be responsible for controlling its use among its staff members. This shall be done by giving a set of unique user numbers to each Division which must be used to access the various time sharing systems. Subsequently, this system could also be extended to include allotting user numbers to individual staff members.

2. The user numbers allotted for your Division are:

	<u>Telephone No.</u>	<u>User No.</u>
Telecomputations, Inc.	589-4816	
Service Bureau Corporation	293-1710	
Comnet	338-9800	

The time sharing budget for your Division is based on (a) the extent to which your Division used the terminal during the month of March, (b) the estimates your Division has made for expected use of time sharing during FY 1971, and (c) the budget constraint. Of the \$2,000 available for time sharing, about \$300 are reserved for renting the terminal (\$90 per month), another \$150 are reserved as contingency funds. This leaves \$1,550 for actually using the terminal. Of these funds \$ is allocated to your Division. These funds are intended for covering your use for the balance of FY 1970.

3. Based on the previous two months experience, the following unit costs (including connect time, CPU time and storage cost) were incurred for the three systems:

	Unit Cost	
	Per Minute	Per Hour
1. Telecomputations, Inc. (TI)	\$ .076	\$ 4.58
2. Service Bureau Corporation (SBC)	\$ .287	\$ 17.2
3. Comnet (CM)	\$ .247	\$ 14.8

The three systems, however, differ in terms of computing speed, reliability, program library and technical support. SBC offers a relatively fast machine (IBM 360/50), a good program library and adequate technical support. So far, their system has been average in reliability. TI is a slow machine, with a small program library and weak technical back-up, but their system is quite reliable. CM has a B 5500 which makes programs developed on their system easily transferable to our B 5500, but their system is quite unreliable. They, however, have a reasonable program library. The choice of which system to use may best be made by looking at the specific problem and the objectives and constraints of the user. Given the limited budget, users should exercise considerable care in using the systems.

Attachments: 2

THusain:bs0



✓ Ec - Dept - gen  
cc Budget

Mr. Alexander Stevenson

April 13, 1970

Arthur E. Tiemann *AT*

Budget Justification for 1970-71

The attached budget of the Statistical Services Division for fiscal year 1971 shows a net requirement for 8 additional positions over the 53 positions authorized for fiscal year 1970. Besides the additional positions, there is a requirement for conversion of 7 positions from Special Services to Professional. The additions include the following: one professional and two special services personnel for a new function to be performed by a Debt Evaluation Unit; a deputy chief (professional) and a statistical assistant (Special Services) in the External Debt Section to assist the Section Chief in meeting the Bank's demands for overall debt statistics as contrasted with individual country statistics and to relieve the Section Chief and Systems Analyst of the increasing administrative duties; two statistical assistants (Special Services) and a statistical typist (General Services) to take care of the growing workload generated by the increase in proposed loans and project studies and the more sophisticated statistical analysis being used by economists in analyzing these proposed loans.

The External Debt Review Committee under Mr. King made a series of recommendations which could be handled by the existing type of staff, and these recommendations have already been implemented. However, the debt evaluation function which the Committee recommended required different skills and a staff located outside the External Debt Section. The Committee specifically recommended the establishment of the Debt Evaluation Unit to help achieve greater cooperation between users and producers of statistics and proposed that the professional staff member should be one "who has worked as a country economist and is intimately acquainted with the use of external debt statistics." The role of the deputy to the Division Chief and the location of the unit outside the External Debt Section are also specified in the recommendation. Efforts were made to set up such a staff under the Division Chief, and the Deputy Chief made a beginning in carrying out debt evaluation in addition to his regular responsibilities. Based on the Deputy Chief's preliminary work in this field, it now appears that a staff consisting of one professional and two statistical assistants will be able to carry out the function during the first year. The increased interest by the Bank in the significance of external debt and debt management in developing countries makes the requirement for this function an urgent one.

The addition of two statistical assistants and one statistical typist in the General Statistics Section is based on the added workload associated with the increased number of loans and missions scheduled for fiscal year 1971; the new workload of supporting the DFC Department in their statistical requirements; the providing of personnel for statistical missions; the further development of the Bank's Financial Flow Model, disbursement

April 13, 1970

model and related models; and the performance of applied statistical research to meet the Bank's needs. The failure to add staff in the past has created problems of being unable to provide statistical support for Area Department mission reports. These problems were partly met by hiring temporary personnel on an ad hoc basis but with a resulting demand for training and a lack of continuity. Potentially useful research has been deferred because of more pressing operational requirements. It should be noted that the increase in workload during the past three years has been accomplished with the increase in positions from 14 to only 15.

The addition of a deputy and a statistical assistant in the External Debt Section is based on the increased complexity of the operations of that Section. It is estimated that the number of loans reported under the debtor system will increase by about ten percent, from 20,000 to 22,000. At the same time approximately 10,000 credits will be handled under the newly initiated creditor reporting system. Work on international issues will become more demanding as we establish better coordination with the countries in which the financial international markets are located. The improvement in coverage will permit more meaningful regional and world statistics to be developed in response to the demands of the Bank's management staff. This overall analysis, coupled with management of a more sophisticated operation, requires that the Section Chief have assistance. The Systems Analyst who has served from time to time as deputy will be required to spend a larger proportion of her time on systems work and will therefore not be as available for assisting the Section Chief on administrative and analytical functions.

AETiemann:ra

✓ Ec Dept - gen  
cc Budget

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April 13, 1970

Mr.S. R. Cope

WBG ARCHIVES

Alexander Stevenson

Economics Department Staff Time Available for Country  
Economic Missions

CONFIDENTIAL

I attach a table giving a rough estimate of staff time available from Economics Department staff for economic missions. It is based on the assumption of present authorized positions - all filled - and maintaining on-going research and other activities. Since the average time required per man varies from division to division because of the nature of their work one has to look at the number of man-missions as well as man-months total. In some cases the attached comments on the individual divisions may be more helpful than the table because people are neither fungible nor divisible.

The table indicates that Area Department requests are considerably higher than present available staff could meet in the Domestic Finance and Urbanization Divisions. It is not possible to make sensible comparisons for Quantitative Techniques and Analysis, Comparative Data or Statistical Services because the Area Department requests are not clearly differentiated. It is nevertheless obvious that there is more capacity, and indeed we think more need for support, in the areas of Comparative Data and Statistical Services (External Debt) than present Area Department requests would indicate. In both cases the Divisions are only now in a position to give substantial mission support.

AStevenson:js

cc: Messrs. Adler, Baum

TABLE 1.

## AMOUNT OF STAFF TIME AVAILABLE FOR COUNTRY ECONOMIC MISSIONS

---

<u>DIVISION</u>	<u>MAN-MISSIONS</u>	<u>MAN-MONTHS</u> <u>1/</u>
Domestic Finance	18	54
Population Studies <u>2/</u>	9	18
Quantitative Techniques and Analysis	7	21
Economics of Urbanization	8	24
Comparative Data	12	36
Trade Policies & Export Projections	18	13.5
Statistical Services (External Debt)	13	26
Sector and Projects Studies	5	5
Economics of Urbanization <u>2/</u>	5	12.5

1/ Includes preparation, field work and report writing.

2/ Assumes present authorized strength.

ATTACHMENT TO TABLE 1.

Domestic Finance of Developing Countries

Allowing 3-man-months per mission the Division can handle about 18 missions, or 54 man-months. This is rather less than 2 missions per man per year. As regards the selection of countries there is a fairly high degree of coincidence of view between the Division and the Area Departments concerned on the appropriateness of the countries selected. Moreover, the Division has had long experience in working out suitable arrangements with the Area Departments.

It should be noted that this estimate does not take account of participation of IMF staff members in Bank economic missions, in accordance with the established arrangements.

Population Studies

Given its present staff of 5, i.e. assuming Mr. Zaidan's return, the Division should be able to handle 9 missions. On the basis of its experience, the typical mission length is 2 man-months. The following are countries in which Division personnel might appropriately be used. Underlining indicates that Area Departments have requested the Division's participation.

India, Iran, El Salvador, Malaysia, Mexico, UAR

It should be noted that because the Population Projects Department has not been able to provide mission staff in the past for project work, the Division has had to bear that burden. In view of its previous involvement it might, reluctantly, have to help complete particular jobs in a number of countries.

Quantitative Techniques and Analysis

In this case it is very difficult to make sense of the Area Departments' requests because the data confuse Comparative Data, QTA, and perhaps Statistical Services. Assuming a mission of 3 man-months, the Division could undertake 21 man-months on country work. There are listed below opposite the staff member names countries where their experience might be well used. Those underlined signify that the Division has been requested to provide support. It should be noted that in the past Area Department requests for participation by members of this Division have frequently been at the last minute.

Henderson	1
Cheetham	<u>Korea</u> , Taiwan
Shourie	<u>Ceylon</u>
Carter	<u>Argentina</u> , Uganda, E. Africa
Holland	Mexico or Venezuela

Economics of Urbanization

With its present strength and research emphasis, and assuming all slots filled, the Division could cover at most 5 missions next year. Allowing 10 weeks per mission, this would give 12.5 man-months. The following countries might be considered: Indonesia, India, Pakistan, Colombia, Kenya. Underlining notes that the Area Departments have requested the Division's participation.

Comparative Data

Here again, the data on Area Department requests are confused and it is not possible to identify the requests very clearly. With 6 professional staff members on duty and allowing 2 missions per man per year, the Division could provide 36 man-months on mission support.

Trade and Export Projections

In the case of this Division, the average length of time required on a mission is shorter than normal. We have used a figure of 3 weeks in the field and three weeks before and after the mission. Given the nature and volume of their work, each of the following staff members might handle on the average one mission per year. Listed opposite them are countries where their specialty should make them particularly useful. Countries underlined indicate that their services have been requested by Area Departments. Requests for missions to China and Malaysia have also been listed by the Area Departments.

		<u>Country Priority</u>
Singh	1	Ethiopia, Uganda, Indonesia
Elz	1	Argentina(meat), Ceylon(tea, fats & oils)
Geer	1	<u>Indonesia</u> (tin and rubber), Peru (fish meal) or Korea
Huang	1	<u>Iran</u> (petroleum), Jamaica(bauxite)
Takeuchi	1	Chile(copper), Philippines(forest products)
Taylor	1	Thailand(rice), UAR(rice),A Argentina(wheat)
Varon	1	Korea(textiles), Sudan(cotton), China(textiles)
White	1	Ghana or Nigeria(cocoa), Morocco(vegetables, wine)
ul Huque	1	
	<hr/>	
		9 missions

Statistical Services: External Debt

Here it may be noted that in FY1969 there were 5 missions involving External Debt personnel; in FY1970, 11; while in FY1971, Area Departments have requested only 4. This seems particularly surprising in view of the increase in the number of countries having external debt problems, and it may be worthwhile recalling that at this time last year only 3 missions had been requested by Area Departments for FY1970. With its present upgraded staff, the Division will be able to handle about 13 missions each of 2 man-months, which is the typical length.

Sector and Projects Studies

Economic mission support constitutes only a very small proportion of the Division's activity, which is heavily research-oriented.

Economics of Industrialization

With nine staff members on duty, the Division could, given the present research emphasis, be in a position to allow for one mission per staff member, assuming 3 man-months per mission.

✓ EC Dept- gen  
cc Budget

Mr. H. G. van der Tak

April 13, 1970

Tariq Husain T.H

Allocation of the Time Sharing Budget within the Sector and Projects  
Studies Division

1. Attached is the suggested divisional allocation of the total time sharing budget (memo to Mr. Stevenson). If no objections are raised the Sector and Projects Studies Division would get \$1,150 to spend over the next twelve weeks (including the first two weeks of April). Table 1 gives the actual use pattern for the Division for the month of March. It also gives the estimated requirements for the next twelve weeks; when these requirements are translated into dollars the cost is about twice the allotted amount. I have, therefore, arbitrarily suggested an allocation for you to consider. If this allocation is acceptable to you, the various members could be so informed.

2. I do not know how strictly you would like to control the individual usage. It is possible to give each individual a user number, or one could just have a user number for the Division with individual members monitoring their own usage. I prefer the latter arrangement at this stage.

Attachment

THusain:bsc



Table 1: Use of Time Sharing During March 1970

Name	A	B	C	D		Suggested Allocation
	Total Connect Time for All Three Systems	Total Variable Cost	$= \frac{\text{B}}{\text{Total Cost}} \times 100$	Requirements for the Balance of FY 1970		
	Minutes	\$	%	Minutes	Cost \$	\$
G. Ablasser	654	90.4	8.7	1,500(TC)/ <sup>1</sup>	114.0	75
P. Duane	31	2.4	0.2	300(TC)	22.8	25
A. Egbert	1,254	357.5	34.8	3,000(SBC)/ <sup>2</sup>	861.0	300
T. Husain	30	3.6	0.3	--		
I. Isaac	200	49.5	4.8	500(COM)/ <sup>3</sup>	124.0	100
H. Kim	1,061	252.8	24.6	1,500(COM/)/ <sup>4</sup> (SBC)	400.0	100
P. King/S. Reutlinger	865	66.3	6.4	1,500(TC)	114.0	100
R. Manning	728	208.9	20.2	1,500(SBC)	431.0	300
V. Villaflores	0	0	0	1,000(COM)	247.0	150
TOTAL	4,823	1,031.4	100	9,800	2,313.8	1,150

<sup>1</sup> TC = Telecomputations at approximately \$0.076 per minute of connect time. (Includes CPU and storage cost.)

<sup>2</sup> SBC = Service Bureau Corporation at \$0.287 per minute of connect time. (Includes CPU and storage cost.)

<sup>3</sup> COM = Comnet at \$0.247 per minute of connect time. (Includes CPU and storage cost.)

<sup>4</sup> At approximately 0.267 per minute of connect time.

✓ Ea - Dept gen  
cc - Budget

Mr. A. Stevenson

April 13, 1970

Tariq Husain

Management of Time Sharing

1. The arrangements suggested in my memo of April 7, 1970 could be put into effect starting Friday, April 17. Each Division would be given a portion of the time sharing budget along with a set of user numbers. The Divisions would allocate and control their allocated shares.

2. Table 1 gives the proposed allocation of the time sharing budget. The net funds available for use are:

Gross Amount	\$ 2,000
Rent for Terminal (\$90 per month)	270
Reserves for Emergency	<u>180</u>
Net Amount Available	<u>\$ 1,550</u>

The available funds are allocated essentially on the basis of expected use of the facility in the next 10 weeks. For those Divisions that have steadily used the facility (Sector and Projects Studies Division and Domestic Finance Division) the allocation was based on past usage, but constrained by the budget. For the remaining Divisions the allocation was based on the Divisions' forecast usage for FY 1971.

3. If the attached allocation is acceptable to you, it may be used as the basic control device.

THusain:bsc

Attachment

cc. Messrs. J. Blaxall  
H. G. van der Tak  
S. Reutlinger

Table 1: Allocation of Time Sharing Budget Among Divisions

Division	Actual Use During March 1970		Forecast use <sup>/1</sup> for FY 1971		Funds Allocated <sup>/2</sup> for the Balance of FY 1970	
	Hours	% of Total	Hours	% of Total	\$	% of Total
1. Domestic Finance	20.0	19.0	102	5.5	200	12.9
2. Urbanization	1.1	1.0	100	5.4	50	3.3
3. Industrialization	3.4	3.2	0	0	0	0
4. Sector and Projects	81.0	76.8	1,500	80.6	1,150	74.0
5. Quantitative Analysis	0	0	102	5.5	100	6.5
6. Population	0	0	57	3.0	50	3.3
7. Statistical Services	0	0	0	0	0	0
8. Trade Policies	0	0	0	0	0	0
Total	105.5	100	1,861	100	1,550	100

<sup>/1</sup> Estimates made by the various Divisions for the Data Processing Budget.

<sup>/2</sup> For Divisions 1, 2 and 4 the allocation is essentially based on past usage; for Divisions 5, 6, 7 and 8 it is based on forecast use; for Division 3 the past usage appears to be incidental as it has not asked for a time sharing budget for FY 1971.

Mr. Alexander Stevenson

April 10, 1970

Robert A. McPheeters, Jr. *Rmp*

Attached Memo from Mrs. Fairall

Mrs. Fairall wrote the attached memo at my request primarily to get onto paper a summary of the problems involved in this type of exercise. We have learned a great deal from it. I hope that we can avoid most of these mistakes when the time comes to process the Economics Department time sheets (which, by the way, I would regard as both desirable and feasible). To this end, I would suggest that we begin planning for this immediately. In summary, the main steps that I feel are necessary now are:

1. Establishment of a uniform activities code;
2. Providing for careful monthly editing of time sheets at the division and front office levels;
3. Drawing up concise plans for the output, analytical as well as statistical, which will be derived from the time sheets now being submitted;
4. Commencing plans for the coding, punching and programming which will be required;
5. Consideration of the way in which the output can be used for budgeting, staffing, etc.;
6. Coordination with other departments, including Programming and Budgeting, engaged in this sort of business.

I would like to discuss this further with you and Mr. Lowther when I am back from Mexico. My main concern is that we do not, as with the Projects Department, have to begin editing and processing a mass of time sheets for the entire year at the very last minute.

Att.

cc: Mr. Tiemann  
Mr. Lowther  
Mrs. Fairall

RMcPheeters:ra

Messrs. Andrew M. Kuzarek  
Alexander Stevenson  
Jack L. Lowther

April 10, 1970

Status of Professional and Special Services Staff Recruitment  
for the week ending April 10, 1970

<u>Totals:</u>	<u>Economics Department</u>	<u>Economics Complex</u>
Prof.:	117 auth., 105 filled, 8 com.	146 auth., 130 filled, 9 com.
Sp. S.:	49 auth., 46 filled, 1 com.	53 auth., 50 filled, 1 com.

Changes in Economics Complex

1. Professionals:

Mr. Donaldson accepted our offer to join the Sector and Projects Studies Division.  
BOD as yet unknown.

2. Special Services:

Miss Ela arrived in the Sector and Projects Studies Division on April 6, 1970.

3. Current tables are attached.

Attachments

cc: Messrs. Friedman (2)  
Lyck  
Chaffey  
Mrs. Armstrong

JLLowther:sa *JL*

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:
	<input checked="" type="checkbox"/> Professional			<input type="checkbox"/> Special Services			April 10, 1970
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	7	6	0	1 1/2	0	0	0
Sector & Proj. Studies	21	19	(0) 1 2/3	(2) 1 2/3	0	0	0
Econ. of Industrialization	9	6	1 1/2	0	2	0	2
A. Q. T. ) ) Q. T. A. Comp. Data )	5	5	0	0	0	0	0
	8	8	0	0	0	0	0
Population Studies	6	4	0	1 5/8	1	0	(2) 1
e Pol. & Export Proj.	12	11	1 6/8	0	0	0	0
Domestic Finance	10	8	2 7/8	0	0	0	0
Urbanization	4	5	0	0	-1	0	-1
External Debt )	12**	11	0	0	1	0	1
Gen. Statistics ) Stat. ) Ser.	11*	11*	0	0	0	0	0
Data Processing )	12**	11	0	0	1	0	1
<b>ECONOMICS DEPARTMENT TOTAL</b>	<b>117</b>	<b>105</b>	<b>(4) 5</b>	<b>(4) 3</b>	<b>4</b>	<b>0</b>	<b>4</b>
Basic Research	8	7	1 8/8	0	0	0	0
Creditworthiness Studies	6	7	0	0	-1	0	-1
Development Finance Stud.	9	7	0	0	2	0	2
Development Programs Stud.	4	4	0	0	0	0	0
Special Studies	2	0	0	0	2	0	2
<b>GRAND TOTAL</b>	<b>146</b>	<b>130</b>	<b>6</b>	<b>3</b>	<b>7</b>	<b>0</b>	<b>7</b>

\*Includes Division Chief, Assistant Division Chief and Adviser.

\*\*Includes one FY71 advanced authorization.

- 1/ Mr. Silcock
- 2/ Mr. Donaldson - accepted, EOD?
- 3/ Mr. Hallak.
- 4/ Mr. Bohr, EOD May 1970

- 5/ Mr. Magand
- 6/ Mr. ul Haq, EOD June 1970
- 7/ Messrs. Ahluwalia, EOD April 7, 1970 -  
and Churchill, EOD Fall 1970.
- 8/ Mr. Daloy, EOD May, 1970.

ECONOMICS DEPARTMENT	Status of Recruitment:						Week Ending:
	<input type="checkbox"/> Professional			<input checked="" type="checkbox"/> Special Services			April 10, 1970
DIVISION/ STUDY GROUP	(1) Authoriz. Positions	(2) Positions Filled	(3) Offers Accept But Not Yet Joined	(4) Offers Made and Under Consideration	(5) Net Vac. (1-2) - (3+4)	(6) Projected Losses	(7) Recruitment Goal (5+6)
Office of Director	2	2	0	0	0	0	0
Sector & Proj. Studies	6	(5)6 1/2	(1)0	0	0	0	0
Econ. of Industrialization	2	2	0	0	0	0	0
A. Q. T. ) ) Q. T. A. Comp. Data )	2	2	0	0	0	0	0
	8	5	1 2/3	0	2	0	2
Population Studies	1	1	0	0	0	0	0
Int'l Pol. & Export Proj.	3	3	0	0	0	0	0
Domestic Finance	1	1	0	0	0	0	0
Urbanization	0	0	0	0	0	0	0
External Debt )	18	18	0	0	0	2 3/4	2
Gen. Statistics ) Stat. ) Ser.	6	6	0	0	0	0	0
Data Processing )	0	0	0	0	0	0	0
<b>ECONOMICS DEPARTMENT TOTAL</b>	<b>49</b>	<b>(45)46</b>	<b>(2)1</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>4</b>
Basic Research	0	0	0	0	0	0	0
Creditworthiness Studies	2	2	0	0	0	0	0
Development Finance Stud.	1	1	0	0	0	0	0
Development Programs Stud.	1	1	0	0	0	0	0
Special Studies	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>53</b>	<b>(49)50</b>	<b>(2)1</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>4</b>

1/ Miss Ela arrived April 6, 1970  
 2/ Mr. Adabo EDD June 8, 1970.  
 3/ Mr. Reitse; Mrs. Hall (April 15, 1970).

EC Dept - gen  
✓ cc Budget

Mr. W. D. S. Fraser

April 7, 1970

F. Lynn Alexander *FLA*

FY 1971 Budget

We have discussed the need for an apprentice to the Software Programmer. Such a position is definitely required. Not only must we have a back-up for the person who maintains the software, but also we easily have enough important work to occupy two people in the areas of in-house consulting on software problems and usage, of software development, and of programming support to the JCC.

There is also a very real need in the Bank for someone to be well versed in the software applicable to management sciences and statistics. We have recently seen a surge in interest in modeling and simulation. There are software packages available to make such efforts much easier. Also, we know that linear programming work often bogs down because no one in house is expert both with linear programming per se and with the ALPS programs, as programs. BASIS and BIPS go virtually unused because no one has the time or responsibility to unlock their secrets. I feel that unless we take action now to promote a position to fill this need, the Bank will go another full year "doing it the hard way" in modeling, simulation, and some statistical work.

In commercial programming work, we are sometimes "doing it the hard way" also. Without a reasonable RPG, we find ourselves writing tailored programs for every report (except in the case of general accounting, for which we wrote a specialized "RPG"). We need to have a good package to use in generating report programs (and other simple programs) more or less automatically. SCORE, WORK TEN, and others come to mind. I should think \$20,000 would be enough to buy one. Considering that it costs about \$1,000 to write an ordinary COBOL report program, such a package would soon pay for itself.

cc: General Files

FLAlexander:wa



✓ Ec. Dept - Gen  
cc Budget

Mr. W. D. S. Fraser

April 7, 1970

F. Lynn Alexander *fla*

FY 1971 Budget

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cc: General Files

FLAlexander:va

Mrs. H. Angel  
E.C.  
Eugenia Comer

April 7, 1970

Work done to date on "Tunisian Education Evaluation Study"

Mr. Martin Cornoy's request for data processing services was received for this project on July 17, 1969. Since that time, the following services have been provided:

- 1) Approximately 22,000 cards were punched from the approximate 5,500 questionnaires received. (4 cards/questionnaire)
- 2) The cards were sorted and listed. I did this myself as special care had to be taken in handling the cards - due to card number within questionnaire being omitted from the keypunch instructions on the questionnaire.
- 3) The student identification was found to be duplicated on several questionnaires. Following Mr. Cornoy's instructions, the duplicates were changed to unique codes. (Approximately 1,000 cards were changed.)
- 4) The data was transferred to tape.
- 5) Various means were done on the student test scores.
- 6) Frequency distributions were done for each of the 90 questions.
- 7) Some test scores for one school were found to be missing. These were added and the tape was updated.
- 8) The data was cleaned to eliminate erroneous and illegal answers to all questions.
- 9) A new set of frequency distributions was run.

This brings us up to date on manipulation of data. In early December, I received a set of instructions for scaling and combining variables for future analyses. The program was written (approximately 700 statements) and debugged as of February 12. On April 1, the scaling procedures were changed to the point that this program may as well be discarded.

Other programs written for this project include:

- 1) Program to put data on tape with preliminary editing.

- 2) Program to sort tape on any combination variables.
- 3) Program to clean data for item 8) above.
- 4) Program to calculate means by groups.

cc. Mr. Van der Tak

EC:kr

✓ EC - Dept - gen  
cc Budget

Mr. Alexander Stevenson

April 7, 1970

A.G. Nowicki *AN*

Foregone Opportunities because of Staff Shortages

1. In relation to the budget, you asked us to review the past experience of the Division to see what urgent claims on personnel's time remained unsatisfied and how the opportunity loss could be assessed.

2. All requests were screened in the past by Mr. Kalmanoff, who is away until early May. I am therefore unable to supply hard facts. Instead, I will try to systematize our foregone opportunities in three groups:

i. Mission Support. Despite the creation of the Industrial Projects Department, mission support remains a major activity of this Division. While the Industrial Projects Department will assume much of the work in the fields of project identification and sub-sector analysis, our Division will still have to provide the analyses necessary to situate the industrial sector within the national economy, in terms of its overall efficiency and comparative advantage, its links with other sectors of the economy, its trade relations with the world market, and its system and sources of financing. In the absence of this general framework, any project assessment would be practically meaningless and, moreover, the country economic report would be largely incomplete. Despite the importance of an industrial sector review, however, the Division has had to refuse a number of requests during the last few months. We turned down a request for an industrial economist for Morocco (March 1970 mission), and another for the United Arab Republic (May 1970 mission). For some countries with large and important industrial sectors, Argentina for example, we have to abbreviate time spent in the field and in writing up the report, because of other demands on our time, and this naturally is at the expense of the quality of analysis.

ii. Synthesis of accumulated experience. In each developing country there are a few issues which merit in-depth study, discussions with outside experts, and careful comparison to the past experience of other countries. Results of such analysis, if conducted, would certainly deserve a wide circulation among the developing countries which look to the World Bank for such advice. To mention only a few issues: How to make the industrial sector efficient in international terms in a situation where neither the exchange rate nor the tariff level can be changed (Venezuela)? What comes next after "easy" import substitution possibilities such as cement, fertilizers, textiles, have been exhausted (Korea)? How does a country plan industrial development priorities to take full advantage of the comparative efficiency of existing industries (India)? How should industrial performance be assessed in countries with a high rate of inflation (Brazil, Argentina)? Although members of the Division

April 7, 1970

have visited all of these countries, they were unable to devote sufficient time to any of these issues to furnish comprehensive and well documented solutions, let alone to publish the results of such investigations.

iii. Research. In past years research undertaken by Division members has been frequently interrupted. It has taken almost three years to complete research on import-substitution in heavy electrical and automobile industries and research on heavy mechanical industries is still unfinished after more than three years. The Division started two new research projects (Industrialization of Latin America; Cotton Textile Industries in Developing Countries), but their progress was also interrupted by missions unrelated to the above subjects. Time invested in research which is frequently interrupted loses its economic justification since the final results will not reflect the current situation.

AGNowicki:ymb

Mr. Irving S. Friedman

April 6, 1970

Alexander Stevenson

Staffing of Fiscal Affairs Department of IMF

You asked me this morning to find out how large a staff Mr. Goode has. He tells me that he has 56 people all told, of whom 39 are professional and 17 non-professional. This does not include the so-called "fiscal panel" of people who are on technical assistance assignments but are not on the regular staff.

AStevenson:js



✓ Ec. Dept - gen  
cc Budget -

Mr. William D. S. Fraser

March 31, 1970

Arthur E. Tiemann *AET*

Estimated Mission Requirements - Programming Section

The missions projected by the Statistical Services Division for FY 1971 are primarily concerned with external debt statistics and require personnel from the External Debt Section. However, requests from Area Departments indicate a requirement for programmer analysts to participate in missions. During the current fiscal year a mission to Brazil has been planned, and for the budget year FY 1971, missions to Tunisia, Iran and Ghana are under consideration.

It is requested that your budget for FY 1971 provide for three man/missions for programmer analysts during FY 1971.

cc: Mr. Stevenson  
Mr. McPheeters  
Mrs. Angel

AETiemann:ra

Ec. Dept. gey

Mr. A. E. Tiemann

March 30, 1970

A. Kundu

*Am*

Acting Chief of General Statistics Section

Mr. J. Gholl will be in charge of the Section from March 31  
to April 3, 1970 during my absence from office.

cc; Mr. Stevenson  
Mr. Gholl

AKundusls



✓ Ec. Dept gen  
cc Budget

Mr. Alexander Stevenson

March 30, 1970

A.G. Nowicki AGN

Industrialization Division - Summary Budget Justification FY 1971

1. This is a brief supplement to previous memoranda from Mrs. H. Hughes to Mr. Kamarck, "Target Level of Economics Department Support for Country Economic Missions", March 17, 1970; and to Mr. Stevenson, "Preliminary Budget Memorandum", March 25, 1970. The principal considerations which I feel should underlie the budget estimates are:

i. Research. The choice of Africa as a field for research by the Industrialization Division is justified by the lack of studies on African industrialization, and supported by the Bank's decision to give more consideration to overall economic development in Africa. Operational significance of the research may be quite important, if its findings help African countries to avoid the costly mistakes of an inward-looking industrial orientation made by many developing countries and would, moreover, lead to fuller and more economical use of the infrastructure (dams, roads, ports) which some African countries acquired during the last decade. It is intended that most, if not all, members of the Division, participate jointly in this project. The Division has budgeted 8 sixweek trips to West and East Africa, which will have to be undertaken by our economists in order to identify the field of analysis and to conduct field research on conditions of African industrialization.

ii. Mission Support. The Division's research program will absorb approximately two-thirds of its time. This leaves, roughly, three man years for Mission Support. By subtracting annual leave and time necessary for administration, etc., the Industrialization Division should be capable of servicing about ten to eleven country economic missions. The Area Departments have filed eight requests, most of which should be met. The Industrial Projects Department has requested that we staff eight missions which exceeds the balance of two to three possibilities for mission support. The Division will give priority to requests for Missions involving:

- a) In-depth analyses, which may imply the revision of opinion regarding the economic performance and development opportunities of a country;
- b) Structural shifts, i.e., countries emerging from a major disaster (war) or long-term stagnation (fundamental change of the Government and/or policies);
- c) Basic industrialization issues, where expertise, and not a simple stock-taking, is called for.

2. The above-mentioned tasks will be pursued effectively only if the personnel requirements of the Division are satisfied. In case of personnel shortages, priorities will have to be decided.

AGNowicki:yib

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Messrs. Hopkins, Messrs, Levy

March 27, 1970

Arthur E. Tennen *AT*

Chart Book

With reference to our memo of January 29, 1970 related to the Chart book, we would appreciate your help in providing us with the data by April 3, so that we will be able to prepare charts and tables.

As mentioned earlier, we would welcome your suggestions as to updating or additions to the previous charts. We have already begun work on the new Chart book and are ready to receive data. We would welcome suggestions to speed up this new issue so it will be ready for distribution well in advance of the 1970 Annual Meetings.

- cc: Messrs. Kuznetsov
- Stevenson
- Hoffmeyer
- Kush
- Chall

JChall/sls  
*sls*

✓ Ec. Dept - gen  
cc Budget

Mr. W. A. Wapenhans

26 March, 1970

J. B. Hendry *JBH*

BUDGET ESTIMATE FOR FISCAL YEAR 1970/71 - ECONOMICSDIVISION

The attached work sheets show the initial program outlined for the fiscal year 1970/71 for the Economics Division. The basis for selection of the countries to be covered was a review of the countries where agricultural specialists were requested by Area Departments considered in the context of ADP lending programs, pre-investment mission schedules and the general state of knowledge about the agricultural sectors. The reasons for individual country selections are given in a separate annex.

The coefficients and assumptions used in estimating the time which would be required are based on the experience of the past year, and may be summarized as follows:

Sector Reviews: There should be two men from the Division on sector reviews, one to head the mission and one to serve as deputy. Time requirements for the head of mission would be slightly greater than for the deputy to allow for follow-up activities and for seeing the final report through the production process. It was further assumed that all additional personnel on Sector Reviews would be consultants.

	<u>Preparation</u>	<u>Field</u>	<u>Hq. Write-Up</u>
	(Man Days)		
Head of Mission	15	35	75
Deputy	15	35	60
Consultants	5	35	35

In addition to the time which is specifically allocated to those taking part in the Sector Review, the experience of the past year has been that it requires additional support time by other members of the Division to read and comment on drafts, take part in meetings on specific points, and generally help to supervise and review the work being done by the mission members. A general allowance for this diffused time requirement therefore has been added to the total Headquarter's time at the flat rate of 20 man days for each Sector Review.

Economic Missions: Participation in economic missions was assumed to be carried out principally by personnel from the Division, with consultants to be used primarily for situations where the timing of the economic missions would not fit with the probable availability of Division staff, or where it seems reasonable to plan for more than one agricultural specialist on an economic mission. The basic time allowance for this has been made the same, whether Division staff or consultants are used, and is as follows:

Preparation    Field    Hq. Write-Up  
(Man Days)

Economic Mission participant	5	25	35
---------------------------------	---	----	----

As in the case of the Sector Reviews, an additional allowance is made for Headquarters supervision and review, to cover the generalized requirement that there be a time allocation to enable the Division as a whole to provide the support and guidance on preparation of reports that improved report writing requires. This allowance has been added at the flat rate of 15 man days per economic mission.

Special Follow-Up Missions: The budget submission also provides for three special missions throughout the year, as follow-up to the sector reviews (Portugal, Brazil and Iran) conducted in the current fiscal year of 1969/70. These would be made by the men who headed the sector reviews, plus a consultant in two cases for special problems, and the timing would not necessarily coincide with the economic missions. Rather the time of the special mission would depend on when the Division staff member concerned was best able to arrange it in the light of other duties and commitments. The total manpower allowance for such mission work ranges from 45 to 60 man days, depending on the size and complexity of the sector in the different cases.

The Totals for the Division program, in summary form, are as follows:

Type of Mission	Division Staff			Consultants		Grand Total
	H.Q. Time	Field Time	Total	Number	Total Time	
Sector Reviews	740	280	1020	26	1950	2970
Economic Missions	1435	625	2060	9	585	2645
Follow-Up Missions	70	35	105	2	50	155
<b>Totals</b>	<b>2245</b>	<b>940</b>	<b>3185</b>	<b>37</b>	<b>2585</b>	<b>5770</b>

Taking only the Division staff requirement (3185 man days), and adding the 18% allowance for leave and other non-mission duties (573 man days), gives a total of 3758 man days for the year. Dividing this by the allowance for a full man year (5 man days per week x 52 weeks = 260 man days) gives a Division staff requirement of 14.4 man years in the fiscal year 1970/71.

$$\frac{3185 + 573}{260} = 14.4 \text{ man years}$$

In trying to foresee how this mission schedule could be provided for under the budget allocations given above, it was assumed, with one exception, that all new staff required would be available for mission work by September 1970. (The exception was Mr. Nelson, assumed to be available only after January 1971.) This is an unrealistic assumption, however, because the number of consultants required will be larger than shown. If several of the staff do not join the division until later in the fiscal year, consultants will have to be used for a part of the time represented by a budget position for staff.

An important part of the budget is the allowance for generalized participation by the Division as a whole in the task of reviewing drafts, commenting on them, helping in briefing and related tasks. Where the number of new staff will be substantial, and where there may be steady use of consultants, the experience of the past year has been that we have allowed far too little time for the important work of trying, by close supporting activity, to make the reports more useful and operational documents. In fact, this has been a very serious weakness in the work of the Division, and the allowances made in this budget estimate are an attempt to avoid the kinds of time pressures which, in the past, have forced us to neglect this aspect.

JHendry:mal

MAN POWER BUDGET F.Y. 1970/71

Economic Missions and Sector Reviews

Division: ECONOMICS

Resource Absorption F.Y. 1970/71 (man days)

Nr.	Country	Activity <sup>1/</sup>	Planned Field Dates F.Y. 1971	Engineer	Agricul- turist	Economist	Financial Analyst	Total Staff Time	H.Q. Time	Field Time	Consultants <sup>2/</sup>	Total Manpower
1.	Tunisia	Sector Rev.	Sept/Oct 1970			2			165	70	6	685
2.	Ceylon	Sector Rev.	Jan/Feb 1970			2			165	70	6	685
3.	Malaysia	Sector Rev.	Oct/Nov 1970			2			165	70	6	685
4.	Turkey	Sector Rev.	Mar/April 1970			2			165	70	8	835
	<del>Ecuador</del>					2			165	70	4	535
Sector Reviews - HQ supervision and review: 4 missions x 20 man days									80			80
Sub Total						8			<del>740</del>	<del>280</del>	<del>26</del>	<del>2970</del>
									705	350	30	3505
1.	Ghana	Economic Mission	May 1971			1			40	25		65
2.	Ivory Coast	Economic Mission	Nov. 1970								1	65
3.	Nigeria	Economic Mission	April 1971			1			40	25	<del>2</del> 3/	195.65
4.	Argentina	Economic Mission	April 1971								1	65
5.	Chile	Economic Mission	Feb. 1971			1			40	25		65
6.	Colombia	Economic Mission	Feb. 1971			1			40	25		65
7.	Peru	Economic Mission	April 1971			1			40	25		65
8.	Ecuador	Economic Mission	Oct. 1970			1			40	25	1 3/4	130
9.	Paraguay	Economic Mission	Oct. 1970			1			40	25		65
10.	Uruguay	Economic Mission	Aug. 1970			1			40	25		65
11.	China	Economic Mission	March 1971			1			40	25		65
12.	Korea	Economic Mission	Sept. 70			1			40	25		65
13.	Philippines	Economic Mission	April 1971			1			40	25		65
14.	Thailand	Economic Mission	May 1971			1			40	25		65

<sup>1/</sup> Economic or sector review mission.  
<sup>2/</sup> Consultants to be employed by Bank only.

~~3/~~ 1 Agriculturist, 1 Livestock Sp.  
 3 ~~4/~~ 1 Agriculturist

MAN POWER BUDGET F.Y. 1970/71

Economic Missions and Sector Reviews

Division: ECONOMICS

Resource Absorption F.Y. 1970/71 (man days)

Country	Activity <sup>1/</sup>	Planned Field Dates F.Y. 1971	Resource Absorption F.Y. 1970/71 (man days)					H.Q. Time	Field Time	Consultants <sup>2/</sup>	Total Manpower
			Engineer	Agriculturist	Economist	Financial Analyst	Total Staff Time				
Mexico	Economic Mission	April 1971			1						
El Salvador	Economic Mission	Feb. 1971					40	25	4	1 5/1	130
Honduras	Economic Mission	May 1971								1	65
Congo (K)	Economic Mission	April 1971								1 5	65
Ethiopia	Economic Mission	Feb. 1971			1		40	25	2	1 6/1	130 195
Uganda	Economic Mission	Oct. 1970			1		40	25			65
Morocco	Economic Mission	April 1971			1		40	25			65
Spain	Economic Mission	Oct. 1970			1		40	25			65
U.A.R.	Economic Mission	Feb. 1971			1		40	25			65
Iraq	Economic Mission	Sept. 1970			1		40	25			65
Israel	Economic Mission	Sept. 1970			1		40	25			65
Greece	Economic Mission	Oct. 1970			1		40	25			65
Lebanon	Economic Mission	Jan. 1971			1		40	25			65
Afghanistan	Economic Mission	May 1971			1		40	25			65
Pakistan	Economic Mission	March 1971			1		40	25			65
Economic Missions - H.Q. supervision and review 29 missions x 15 =							435				
Sub Total				25	24		1435	625	8		2645
							1395	600	8		2515

<sup>1/</sup> Economic or sector review mission.  
<sup>2/</sup> Consultants to be employed by Bank only.

<sup>4</sup>  
<sup>5/1</sup> Agriculturist  
<sup>5/2</sup> Agriculturist

MAN POWER BUDGET F.Y. 1970/71

Economic Missions and Sector Reviews

Division: ECONOMICS

Resource Absorption F.Y. 1970/71 (man days)

<u>Country</u>	<u>Activity</u> <sup>1/</sup>	<u>Planned Field Dates F.Y. 1971</u>	<u>Engineer</u>	<u>Agriculturist</u>	<u>Economist</u>	<u>Financial Analyst</u>	<u>Total Staff Time</u>	<u>H.Q. Time</u>	<u>Field Time</u>	<u>Consultants</u> <sup>2/</sup>	<u>Total Manpower</u>
Iran	S.R. Follow-Up				1			20	10	1	50
Portugual	S.R. Follow-Up				1			30	15		45
Brazil	S.R. Follow-Up				1			20	10	1	60
		Sub Total			<u>3</u>			<u>70</u>	<u>35</u>	<u>2</u>	<u>155</u>
GRAND TOTAL					<u><del>36</del></u>		<u><del>2245</del></u>	<u><del>940</del></u>	<u><del>17</del></u>	<u><del>5770</del></u>	
					39		2370	985	40	6175	

<sup>1/</sup> Economic or sector review mission.  
<sup>2/</sup> Consultants to be employed by Bank only.



Ec. Dept - gler yellow

## OFFICE MEMORANDUM

TO: Mr. Andrew M. Kamarck

DATE: March 24, 1970

FROM: Stanley Please

SUBJECT: The Work and Future Role of the QTA Division -- A Comment

1. I have enjoyed reading David Henderson's memorandum to you, dated March 20, 1970. It raises many of the issues which some of us have discussed in a less systematic manner on previous occasions. These are issues which are crucial to an understanding of the role of some of the Divisions in the Economics Department, including my own, and also to an understanding of how this role should be undertaken. As you can imagine, I particularly enjoyed David's exposition of the need for units lying between the extremes of Area Departments and of the Basic Research Centre.

2. More specifically, in paragraph 13 of his memorandum, David refers to the possibility of joint research proposals between his Division, Ted Hawkin's Division and my own. I would mention in this connection that some steps in this direction have already been taken. Montek Singh will shortly be joining me and will be working on the general problem of the determinants of aggregate savings behaviour in developing countries. Some work along these lines was undertaken in the Department by K. Krishnamurty of QTA in 1967/68. I am intending that an early emphasis of Singh's work should be on the savings implications of employment policy. This was a matter which was raised in David's initial paper on the "Bank and Unemployment" and I have subsequently talked to both David and Ted about having Singh pursue it. This is, of course, somewhat short of the conception of a joint research project as visualized by David. It will, however, require that Singh work closely with the other Divisions and I would hope that it might provide the seed from which the more ambitious idea of joint research activities could grow.

SPlease/lo

cc: Messrs. Stevenson, Henderson and Hawkins

Ec. Dept - gen

March 20, 1970

Miss Margaret M. Fisher  
Exports Credits Guarantee Department  
Aldermanbury House  
London E.C. 2, England

Dear Miss Fisher:

Thank you for sending in your application. I have given it to the Personnel Division and have placed copies of it with several persons in the Economics Department who are responsible for decisions on recruiting.

While the administrative machinery is grinding, I might describe to you in some detail the situation in which you would find yourself if you were employed by the Bank for the External Debt Section. This Section consists of about thirty people and has the responsibility for the collection and processing of data on external debt of member countries of the Bank. The primary source of the data is the debtor countries themselves and we have a long established reporting system for this. The Bank's interest in the ERS is primarily as a check and a supplement to the debtor data. However, I am sure that once we get rolling with it, the data will be increasingly used as a source of knowledge on lending activities and policy in which the Bank, as a large lender, is also very interested.

At present the staff handling ERS is quite small. I give it about a third of my time. Kevin Caden is fully in charge and is assisted by two statistical assistants. Present activities consist primarily of editing and coding the forms already received, ironing out reporting problems and the revisions of the System which were the subject of last December's Annual Review and are now involving us in a great deal of work on new forms and instructions. We expect that our computer programs for the processing and production of tables will be completed in a couple of months. At that time we will engage in much more active and extensive activities in putting out tables of various kinds for the participating countries. Up to the present our cross-checking of creditor and debtor data has been limited. Once the new forms and instructions are out of the way, I expect, personally and with the assistance of both the ERS and the people who work on the individual debtor countries, to do intensive work on cross-checking. I expect that it will be a job at the same time fascinating and frustrating, but ultimately very fruitful in yielding more exact knowledge of country debt situations. I expect that we will have to make a few further visits to reporting countries, both debtor and creditor, to reconcile the differences.

March 20, 1970

At present there is no division of duties among the small ERS group. We expect, however, later this year to divide the functions into two groups, one for official lending and the other for export credit. Your experience would prove valuable to us in the latter. Your duties might consist of coding, tracing the errors and inconsistencies turned up by the computer edit of the information, compilation of tables, correspondence with the countries on reporting problems, assisting with cross-checking, and, as the staff assigned to ERS expands, the supervision of personnel.

I shall be interested in your reaction to the work I have described and expect that Personnel Division will be in touch with you soon.

Sincerely yours,

Helen W. Paulson  
Chief  
External Debt Section  
Statistical Services Division  
Economics Department

cc: Messrs. Stevenson  
Dyck  
Tiemann  
McPheeters  
Caden  
Mrs. Paulson

HWPaulson:ra

✓ EC Dept - gen  
cc Budget

Mr. J. H. Adler

March 18, 1970

Alexander Stevenson

Reaction to Mid-Year Budget Review

Reference: Your memorandum to Mr. Kamarck, dated February 25, 1970, on the subject "Action on Advance Recruitment Authorizations".

Mr. Kamarck and I appreciate being informed of the comments made by Mr. McNamara in connection with the disapproval of requests for research assistants in the Economics Department. In this connection, I would like to make the following points:

1. Regarding Mr. McNamara's impression that the Economics Department staff was 13 below the authorized level:

(a) I assume this figure came from the monthly report on Actual vs. Budgeted Personnel through January 31, 1970. Our records indicate that, as of this date, there were 13 vacancies but 9 of these were committed (5 offers had been accepted but the new staff members had not arrived and 4 offers were under consideration). The gross number of vacancies was thus 4 and not 13. Taking into account one overage, the net number of vacancies was 5. Two of these were in the Industrialization Division, where we were awaiting the arrival of the new Division Chief and the re-structuring of the work program based on the establishment of the new Industrial Projects Department before we began actively recruiting. One vacancy was in the Population Studies Division and two were in the Domestic Finance of Developing Countries Division. We were actively recruiting for those positions.

(b) In any case, these figures were for the professional staff only and, therefore, had limited value in relation to requests for special services staff. The status for special services staff on January 31 was: 54 positions authorized, 49 filled, leaving five vacancies, two of which were committed (offers had been accepted but staff members had not yet joined). Thus the actual number of vacancies was only three. Active recruitment for these vacancies was in progress.

2. As of March 13, the situation regarding vacancies is as follows:

(a) In the professional staff there are 134 positions (including advanced authorization for one position) and 118 of these are filled. Of the 16 vacancies remaining, 11 are committed (7 offers accepted but staff members not yet joined, and 4 offers under consideration). The gross number of vacancies is thus 5. Counting three overages -- one in Economics and two in the Study Groups -- there are 8 net vacancies. Two of these are in Industrialization, where we are waiting, as indicated above; one is in Population, where we are still actively recruiting, with a candidate coming for an interview on March 23; and two, including one advanced authorization, are in External Debt, where we are actively recruiting. The remaining three are in the Study Groups.

Mr. J. H. Adler

March 17, 1970

(b) In the special services category, there are 54 positions authorized; 50 are filled. Two vacancies are committed (offers accepted but staff members not yet joined). We are actively recruiting for the other two (one of which just occurred on March 13). An intradepartmental transfer scheduled for March 30, 1970 will give us a temporary overage in one division and create an additional net vacancy (for a total of five, with two committed and three under active recruitment).

3. With regard to Mr. McNamara's comment about it not being clear why the existing staff cannot handle the present "Coffee" workload, nor how long it will last, could I perhaps see the explanation of this problem that went forward from Programming and Budgeting to Mr. McNamara?

cc: Mr. Kamarck

JLLowther:dj

Mr. Alexander Stevenson

February 25, 1970

Joseph E. Gholl (thru Mr. Tiemann)

Chartbook

With reference to January 29 memo related to the Chartbook, and your remarks about Mr. McNamara's preference of including tables in the next issue, we see no objection for such addition. But if tables are to be added, we suggest that they are presented on the left side of the charts with the respective notes, comments and sources. Actually, the Information Department already suggested that Notes and Sources be presented in the above manner.

Since we are preparing the draft of the next issue for Mr. Kamarek and your approval, we are submitting two exhibits so that you might let us know your decision.

JEGholl:ss

Files

March 16, 1970

Grant Slade *JS*

Visit to Washington Data Processing Center,  
U.S. Dept. of Agriculture, on March 9, 1970

1. At the invitation of Mr. Ray Long, the Director of the Washington Data Processing Center (WDPC), I formed a small group of interested persons and we paid a visit to the installation. Those in the group were Tariq Husain, John Kieser, Harald Schneider, and myself.
2. Mr. Long gave us a briefing on the operation of the center, introduced his top staff, and showed us a short film on time sharing. He pointed out that the WDPC has no budget, that its financial viability depends entirely upon reimbursements it receives for the use of the WDPC facilities by other government agencies. The operation appeared to be efficient, organized, profitable and staffed by competent personnel.
3. The most valuable part of the visit came from being exposed to the time sharing and remote batch processing capabilities of the WDPC. It seems to me, in the light of the current computer review project being undertaken by the Bank, that these two facilities - time sharing and remote batch processing - would be of interest to the review committee as possible aids in the solution of problems being generated by excessive demand upon our own computer.
4. The time sharing services offered by the WDPC appear to be superior, in terms of cost and comprehensiveness, to comparable commercially available service. Tariq Husain, who has recently investigated a considerable number of time sharing companies joins in my view that if the Bank decides to install time sharing terminals on a permanent basis, it ought to investigate fully the services offered by the WDPC.
5. Our group was shown the remote batch processing facilities available from the center. In fact, we visited a user of the center who had a remote batch processing terminal. This terminal consists of a card reader and a line printer and has greatly improved the turnaround time for the user. This user told us of another who was getting turnaround on up to 65 jobs in an 8-hour period. A couple of these remote batch terminals located in the Bank at approximately \$1,000 each per month could do wonders for program turnaround and consequently for morale of frustrated programming staff. Additionally, this might be less expensive than the alternatives of either increasing the capacity for our own B-5500 or limiting the Bank's demand for computer services.
6. Mr. Long expressed some reservations as to whether the Bank could negotiate directly with the WDPC. Under present policy it is able to deal only with U.S. government users. However, Mr. Long suggested that these problems could most likely be overcome if the Bank became inclined to avail itself of the WDPC services.

March 16, 1970

7. In summary, I feel the visit to the WDPC was fruitful because it exposed us not only to a favorably priced time sharing service, but perhaps more importantly, to the availability of a remote batch processing alternative in the search for solutions to our own data processing problems.

cc: Mr. Stevenson  
Mr. Tiemann/McPheeters  
Mrs. Angel

GSlade:ra

*gas*



Mr. Jack Lowther

March 16, 1970

Stanley Please

Target Level of Economics Department Support for Country Economic Missions

1. The numbers exercise which is undertaken below is based on the following assumptions relating to the role of the Domestic Finance of Developing Countries Division and the manner in which this role should be implemented.

- (a) Responsibility for undertaking the fiscal and other domestic resource mobilization studies of "Annual" countries should reside with the Division (or with the Fiscal Affairs Department of the IMF).
- (b) Responsibility for undertaking the fiscal and other domestic resource mobilization studies of "Biennial" and "Triennial" countries should be accepted by the Division only in those cases in which (i) assistance is specifically requested in view of the importance or technical complexity of the work, and (ii) involvement of the Division in the country is desirable for research purposes. It is assumed that in both these cases the responsibility would imply an annual involvement even though the countries are classified as biennial and triennial. However in the "non-reporting" years the manpower input is assumed to be half that required in "reporting" years.

SPlease/lo

cc: Messrs. Kazarck and Stevenson

March 16, 1970

<u>Country Classification</u>	<u>Manpower Requirement</u>	<u>Man-Mission Requirement</u>	<u>Man-Year Requirement</u>
Annual Countries	1 man every report	32 man-missions	11 man-years
	An additional 1 man in those countries (assumed to be one quarter) in which either the nature of the assignment makes this desirable or a junior member of staff requires to work along with a more experienced person.	8 man-missions	3 man-years
Biennial and Triennial Countries	1 man for 6 of these countries (this number is an assumption)	6 man-missions	1 man-year
			<u>15</u> man-years

Mr. M. E. Ruddy

March 16, 1970

Jack L. Lowther

List of Economists and Statisticians

In the Economics Department we carry out several functions which require communication with all the economists in the Bank. To facilitate this communication, we would like to establish an addressograph list of all economists and statisticians on the staff. Could you assist us in this effort by providing a print-out of the names of all staff members whose position numbers fall between 01500-01999 and 04500-04999.

If this is not feasible, let me know and we will find another way to develop the list.

JLLowther:dj

Ec Dept - gen

Mr. Andrew M. Kamarck

March 5, 1970

Jack L. Lowther

Department Staff Meeting, March 6, 1970

For your consideration with regard to the agenda for the Friday staff meeting, may I offer:

1. Introductions:

Mr. Holm arrived in the Sector and Projects Studies Division on March 3.

2. Speakers:

(a) Mr. King on "The Population and Employment Problems discussed at the recent Columbia University Conference on the Pearson Commission Report".

(b) Yourself on "Country Program Papers".

3. Administration:

There are no significant administrative matters which need to be brought to the attention of the group.

JLLowther:dj

✓ Ec. Dept - gen  
cc - Budget

Division Chiefs

March 4, 1970

Jack L. Lowther

Note on Points of Interest, Division Chiefs' Meeting, March 2, 1970


I The FY 1971 budget guidelines had not been received as expected from Programming and Budgeting. You are urged to begin budget planning with the following guidelines, pending receipt of further instructions from Programming and Budgeting.

- (1) Large increases in the Economic staff will not be considered. An increase on the order of 5% for the Department as a whole may be used as a bench mark, though the position of individual divisions will of course vary.
- (2) Requests for positions and funds (i.e., consultants, temporaries, etc.) will be considered in relation to specific work scheduled. When requesting positions or funds, specifically identify the work planned for them. The history of past activities will be useful only as background for future planning. The emphasis in your presentation should be on future workload.
- (3) Requests for new positions have, in the past, been turned down because existing positions were not filled. To avoid misunderstandings on this, always indicate the status of recruitment regarding current vacancies when requesting new positions. When a position is being held vacant for a specific reason, indicate the reason.
- (4) Budget requests this year will be submitted on forms provided by Programming and Budgeting. Explanatory texts submitted with the forms should be similar to those submitted last year but shorter and more succinct.

II Mr. McPheeters indicated that Programming and Budgeting Department is preparing a system for budgeting computer utilization. Computer users will be asked to estimate their requirements for the remainder of this fiscal year and all of fiscal year 1971. These estimates should be made very carefully as they will be used to allocate computer resources. Copies of forms for submitting the estimates will be distributed to all divisions. Those divisions requiring computer services should check their needs with Mrs. Angel prior to submitting the forms. In addition to budgeting future computer time, the estimates will be used by the consultants conducting the review of the Bank's computer management.

cc. and cleared with Messrs. Stevenson  
McPheeters

cc. Mr. Kamarck

JLLowther:dj 

Mr. Irving S. Friedman

February 27, 1970

Barend A. de Vries

Review of Economic Reports

*key*

I am afraid that we are not on the right track following our discussions on Wednesday. It seems to me that there are in effect two reviews: one by the Area Department itself and one by the functional economic staff. The latter will look at the quality of economic analysis and the adequacy of coverage, particularly on *key* items. We cannot get away from exercising this latter function, it seems unfair to divert it to the Area Departments, and unless we face up to this responsibility and organize ourselves for it, the job will simply not get done. It is all right to resurrect the old SSC as a working party of the Economic Committee, but this will only work if some hard ongoing functional work stands behind it. I will be glad to discuss this further with you.

cc: Messrs. Kamarek  
Stevenson

BAdV:ya

*BdV*

Mr. A. Stevenson

February 17, 1970

E.K. Hawkins

*ekd*

Candidate for work on Population and Employment.

Please find attached papers provided by Bela Balassa concerning an American who is interested in working in the Bank on population growth and questions of urban unemployment. I feel that in principle this is the kind of man we should be looking for if we get permission to hire people to work on employment. Even if we do not get that consent he would also be suitable for any vacancy which arose as a result of our present slots not being filled. As you will see from the incoming letter he is requesting a reply by cable and I would like your advice as to whether we can send such a cable indicating our interest in an application from him.

Professor Balassa comments that there may be a personality problem, indicating a need to interview rather carefully. There is also the problem that he is a U.S. citizen. I would point out, however, that there are no U.S. citizens in this Division so far. On paper this man offers an unusual combination of theoretical ability with an interest in applying it to development problems, plus actual experience of developing countries. Given the scarcity of such talent, particularly for population work, I hope that we can pursue this enquiry further.

EKHawkins :pmrr

Mr. Alexander Stevenson

February 16, 1970

R. M. Westebbe

Urbanization and Employment and Economic Development

As I suggested to you last week, I think an artificial distinction is being drawn between urbanization and economic development and employment and economic development. In connection with the recent draft discussed at the Economic Committee, I wonder whether it is feasible to ask the Area Departments to separate work they do on urbanization and unemployment. There is also the problem of how two parts of the Economics Department can be coordinating virtually the same thing as far as urban-regional analysis is concerned. I suggest this is a matter which needs some further thought and discussion within the Department.

RWestebbe cc

cc: Messrs. Mera/Bhatia  
Miss Brigg



✓ Ec. Dept - gen -  
cc Budget

Mr. John H. Adler

February 10, 1970

Alexander Stevenson

Budget: 1971

I recall that in the mid-year budget review mention was made of forthcoming guidelines for the preparation of the fiscal 1971 budget. I believe that these were to be forthcoming early in February, but I have so far not received anything on the scope and format of the information required. It seems to me that if we are to get a first fix on the 1971 budget, say sometime in April, we ought to be preparing the required information in a consistent way by now.

ASStevenson:js



Mr. Alexander Stevenson

February 5, 1970

R. M. Westebbe

UN Seminar on Slums and Uncontrolled Settlements in Medellin, Colombia

1. I agreed to attend a few sessions of this UN seminar while in Colombia in conjunction with the economic mission. Now that we are not going with the mission I do not want to spare the time to make a special trip to Colombia to hear and discuss technical papers, no matter how interesting they may be. Accordingly, I propose to inform the Development Services Department that we cannot represent the Bank at the seminar. I also understand that Mr. Elkouby of Special Projects will be unable to fit the seminar in his schedule.

  
RMWestebbe:cc

Mr. Alexander Stevenson

February 4, 1970

Jack L. Lowther

Notes for Department Staff Meeting, February 6, 1970

I offer the following for your consideration:

1. Introductions: Mr. Steubenitsky, a Young Professional, will be with the Quantitative Techniques and Analysis Division until January of 1970.

2. From Senior Staff Meeting Notes:

(a) The Bank will enter negotiations to purchase the existing Fund buildings. The Fund is expected to move into its new building in late 1972.

(b) Mr. McNamara had a visit from representatives of the Vatican on January 25, 1970: Archbishop Benelli, Papal Undersecretary of State; Monsignor Gremillion, Executive Secretary of the Pontifical Commission Justice and Peace; and Monsignor Bordelon of the UN Catholic Conference held a 40-minute conversation with Mr. McNamara. They warmly endorsed the Bank's activities. At our working level, Mr. Hawkins recently held discussions with Father McCormack, of the Pontifical Commission Justice and Peace, on population problems. Generally, Mr. Harold Graves handles Bank/Church relations.

3. Housekeeping:

(a) Party on Friday, February 20, 1970. Invitations have gone out - hope to see everyone there.

(b) Activity Reporting Forms. They will be an important part of our work planning and management system. Please give them due consideration. Direct any questions regarding these to Mr. Lowther.

(c) Computer Time Sharing. We are currently conducting experiments with a time sharing unit located in Room D-553. Please feel free to use it. Contact Tariq Husain for information.

4. Speaker - Mr. Hoffman: (If he is unable again, may I suggest that Mr. Henderson discuss the deliberations of the Committee on Development Planning.)

JLLowther:dj



EcDept - gen

Mr. Walter D. Zollinhofer

February 3, 1970

Gordon M. Street *MS*

Authorization for Overtime by Print Shop Staff

Due to the late submission of the Economic Report Draft, Volume I, Korea, it will be necessary to work overtime Tuesday evening, February 3, 1970, to print the report. I hereby authorize this overtime.

ah

Mr. Richard Westebbe

February 2, 1970

George Beier

J. Robert Lindsay's Research Proposal

1. The general thrust of the proposal is surely welcome; in my opinion, to treat capital markets as an economics of information problem is an excellent idea which has a fair chance of generating useful policy guidance. I was disappointed by the latter part of the proposal, paragraph 5, in which Mr. Lindsay seems to be limiting himself to home building cooperatives as the focus of his field work. Granted that coops "may be viewed...as a device for reducing the cost of economic exchange" by lowering the cost of search on both sides of a financial market, it still seems to me that it would be more useful to explore other possible institutions where legitimacy of the financial institution might be borrowed from an existing accepted institution.

2. It appears that the present proposal is preliminary. I would suggest that when you speak with Mr. Lindsay you at least suggest that he reorient the paper toward a broader question, e.g., the costs of search for qualified borrowers (or suppliers of funds) in particular financial markets in an underdeveloped country. Incidentally, on the topic of costs of search, the Stigler article cited on page 5 strikes me as a poor and pale imitation of some real work (with empirical content) that was going on at about the same time. It rather surprises me that Mr. Lindsay could regard that particular Stigler pot-boiler as "seminal".

  
GBeier/lo