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THE WORLD BANK
Washington, D.C.

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Washington DC 20433
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McNamara Papers

1969 (June) Vol 7


The World Bank Group
Archives



1771865

A1995-252 Other #: 1

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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 07

487/4/260

JUN 30 1969

Lord Howick
Chairman
Commonwealth Development Corporation
33 Hill Street
London W.1
ENGLAND

Dear Lord Howick,

I was very pleased to have your letter of May 29 about your proposals for assistance which CDC could give to the Bank, especially in project preparation. I can now confirm that we agree in principle to the proposals outlined in Mr. Totman's letter to Mr. Evans of December 5, 1968.

We have in 1969 succeeded in increasing our agricultural lending by over 100 percent compared with 1968. By the end of June, 1969, which is the end of our 1968/69 fiscal year, we shall have made 28 Bank Loans or IDA Credits, for a total amount of about \$370 million. We plan a further increase during the coming fiscal year to a level approaching 40 Bank Loans or IDA Credits for an amount of about \$400 million; and a further significant increase is planned for 1970 to 1971.

The planning of these agricultural lending programs for 1970 to 1971 within the framework of a longer term lending program for the Bank Group as a whole has been going on for the past several months. We are now able to assess the magnitude of the work in project identification and preparation that will be needed to support our lending program in the next few years. As you will appreciate, the maintenance of a pipeline of good projects to support lending on the scale which I have referred to above, will be no easy matter. We already have an arrangement under which FAO, using a special team of people in Rome wholly on Bank work, assists our member countries in the identification and preparation of projects which may form the basis of Bank Group lending.

In addition to the work done by FAO, our Permanent Missions in Western and Eastern Africa and Indonesia, we augment our staff resources by employing consultants. We have in mind to make arrangements with consulting firms and institutions to help us in maintaining a sufficient pipeline of good projects. It is in this connection that we would welcome assistance from CDC.

I am asking the Director of our Administration Department to correspond directly with you on the details of an agreement between us. As suggested by you we have in mind an arrangement under which CDC would undertake to provide us with experienced manpower up to a minimum amount a year to be agreed in advance. We believe that in the first instance we might agree to such an arrangement for a two year period. In agreeing with you for the provision of assistance of this kind, we would hope to benefit not only from the expertise of the particular individual assigned from time to time, but also from the know-how that CDC has acquired in planning and managing agricultural projects in several parts of the world, specially in Africa and the Far East.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Messrs. Aldewereld, Ripman, Adler, Chadenet, Christoffersen

LJCEvans:lkt

487/4/259

June 30, 1969

Dear Mr. Marland:

Mr. Robert McNamara has indicated that he will be happy to see you and Dr. Baldwin.

If your secretary could call our office (202-381-2001) when you and Dr. Baldwin are planning to be in Washington, we can work out a mutually convenient time for your meeting.

Sincerely,

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

Mr. S. P. Marland
President
Institute for Educational
Development
52 Vanderbilt Avenue
New York, N. Y. 10017

487/4/258

JUN 30 1969

Dear Mr. Ambassador:

Thank you for your letter of June 9, 1969, in which you inform me that both the Government of Costa Rica and the Instituto Costarricense de Electricidad have approved the loan documents recently negotiated with the Bank on the Power and Telecommunications Projects.

I am pleased to confirm that I will recommend a loan of \$12.0 million for the Third Power Project and a loan of \$6.5 million for the Second Telecommunications Project to the Board of Directors of the Bank for their consideration at a meeting on July 8.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Luis Demetrio Tinoco
Ambassador of Costa Rica
2122 S Street, N.W.
Washington, D.C., 20008

cc: Mr. Christoffersen
Mr. Schloss

HMirza:gbo
June 24, 1969

407/4/257

June 30, 1969

Dear Mr. Beheiry:

I very much appreciate your kind invitation to participate as an observer at the Fifth Annual Meeting of the Board of Governors of the African Development Bank to be held in Freetown, Sierra Leone, from August 26 to 30, 1969.

Unfortunately, other commitments will prevent me from being with you at that time. If acceptable to you, may I ask Mr. Roger Chaufournier, Director of the Bank's Western Africa Department, to represent us at the meeting.

With kindest regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Mamoun Beheiry
President
African Development Bank
B. P. 1387
Abidjan, Ivory Coast

Cleared w/and cc: Mr. Chaufournier (with cpy of incoming)
Mr. El Emary
Mr. Benjenk

cc: Mr. Shoaib
Files w/incoming correspondence

EFranco-Holguin:RSMcNamara:ml

487/4/256

Mr. Stanley Please

June 30, 1969

L.E. Christoffersen

Discussions with Professor Patrick in Bangkok

During my visit to Bangkok on May 21, I met with Professor Hugh Patrick. His study on financial intermediation in Japan will be completed by the end of this summer and should be of considerable interest to the Division. Because of prior commitments he could not accept our offer to act as a consultant to the Division for the summer months. However, he was very much interested in the work we are undertaking and said that on a personal basis he hoped that we could keep in close touch when he returns to Yale University in September. He would very much like to come to Washington some time in the fall, and asked us to give him a call in New Haven after the academic year has started in order to inform him as to which dates would be most convenient to us. May I suggest that Madhu take the initiative to call him some time in early October.

487/4/255

June 30, 1969

Dear Mr. President:

Thank you for your letter of June 18 about the recent Consortium meeting in Pakistan. We too felt that this meeting had been a particularly useful one and I much appreciate your references to the Bank's contribution in reaching this satisfactory conclusion.

There is, of course, a great deal more to be done, and I am glad to note that you are asking His Excellency the Ambassador in Washington, Mr. Agha Hilaly, to follow up matters with regard to foreign assistance. As you know, the level of foreign assistance which can be justified and used effectively by Pakistan depends very importantly on the steps your Government takes to mobilize the domestic resources required to complement foreign assistance, and to reallocate resources to accord with the current economic situation of Pakistan. We know from our consultations with Mr. Muzaffar Ahmad, that the magnitude of the problems to be faced and the action that needs to be taken are well understood by your Government, and we will follow with close attention and understanding the progress that is made under your direction.

Thank you for your invitation to visit Pakistan again. Other commitments make it unlikely that I shall be able to do so in the next few months -- I wish it were otherwise.

Sincerely,

Robert S. McNamara

His Excellency
General Agha Muhammad Yahya Khan, H.Pk., H.J.
President of Pakistan
President's House
Rawalpindi, Pakistan

cc: Mr. S. Osman Ali, Executive Director for Pakistan

cc: ^{Mr. Cargill} His Excellency Agha Hilaly, Ambassador of Pakistan to the United States
Cleared with and cc: Mr. Votaw

CGFFMelmoth:RMcN:mss

407/4/254

Mr. Stanley Please

June 30, 1969

L.E. Christoffersen

Joint Research Project with PIDE

Because of delays caused by poor communications between East and West Pakistan and because of Dr. Bose' commitment to attend the economic conference in Ceylon in early June, it was not possible for me to see him personally when I last visited Pakistan. He was very anxious to have me postpone my departure so that we could meet when he returned from Ceylon, i.e., around June 10. He said that he had arrived at a point when he thought it very important for us to sit down together and clarify our understanding of the important issues in the study. However, I had to inform him that, because of my commitments in Washington, I would not be in a position to stay on. In a letter to him I mentioned I might be returning to Pakistan in September. Due to my new assignment in the Bank, I shall obviously not be in a position to do so. I believe that our joint research project with the PIDE is at a stage where someone else from your Division should go to Karachi and finalize the preparatory stage of the project as soon as possible.

487/4/253

June 28, 1969

Dear President Lopes:

I very much appreciate having the portfolio edited on the dedication of the John Fitzgerald Kennedy Building of the Getulio Vargas Foundation in Sao Paulo.

The perpetuation of President Kennedy's name in this manner seems to me a fitting tribute to one whose interest in our Latin American neighbors was so great.

Sincerely,

Robert S. McNamara

Dr. Luiz Simoes Lopes
President
Getulio Vargas Foundation
Rio de Janeiro, Brazil

487/4/252

JUN 24 1969

Mr. Takeshi Watanabe
President
Asian Development Bank
Commercial Center
P. O. Box 126
Makati, Rizal D-708
Philippines

Dear Mr. Watanabe:

I, too, enjoyed our recent meeting and was glad of the chance to discuss with you the Mekong Basin and other subjects of mutual interest.

The Mekong Basin matter has progressed slowly since you were here. As you know, the Bank does not intend to take up the suggestion contained in the Secretary-General's letter unless the member countries with whom it has discussed the matter agree to its doing so. All replies received thus far have been favorable, but one country is still to be heard from.

Mr. Gaud and I may not have made the Bank's position as clear to you as we should have. From your letter of June 3, for example, I gather you received the impression that the World Bank had concluded that a comprehensive study of the Mekong Basin is necessary, and that a procedure for undertaking it jointly and with equal responsibility by our two institutions had been developed.

We are not that far along in our thinking. It may well be that such a study is needed. But if so, we have not advanced sufficiently far to see clearly either its content or the best way to organize for it. Before we could address either point, we would want to learn more about what has already been done by the Mekong committee, and see the Amplified Basin report that is due in the next few months and the Pa Mong report that is due in January.

We would certainly hope that the Asian Development Bank would participate with us in such a study if it is made. However, the question of how and by whom it should be made will have to be worked out with the Mekong committee--and, perhaps, with the United Nations as well. I think it is too soon to try to define the precise roles

JUN 24 1969

of the Mekong committee, the World Bank, and the Asian Development Bank in Mekong Basin affairs. Indeed, inasmuch as we have been informed that a new Executive Agent of the Mekong committee is to be appointed in the fall, I am inclined to feel we should wait until he takes office before trying to settle these matters.

Insofar as the financing of individual projects is concerned, we must certainly keep each other fully informed. I suspect it will turn out that some of these can best be handled by the Asian Development Bank alone, that some can best be handled by the World Bank alone, and that some might be handled jointly.

I will send you a copy of my reply to the Secretary-General's letter when it is sent, and will keep you fully informed on our thinking as it develops. I look forward to working with you on this important matter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

WSGaud:jl
June 23, 1969

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

487/4/251

JUN 24 1969

For Mr. McNamara's office

Dear Mr. Corman:

I am writing to acknowledge receipt of your letter of June 12 in which you call my attention to the candidacy of Mr. Mullavasal G. Raja Ram.

Although we have indeed been discussing with Mr. Raja Ram for several months his interest in an assignment with the Bank and have given considerable thought to this matter, we have not yet succeeded in finding a suitable place for him. In view of his senior position and professional background the prospects of our being able to use his talents do not appear very bright.

I appreciate your calling his continued interest in our work to my attention. We will certainly keep him in mind should an opportunity of interest to him develop.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
James C. Corman
House of Representatives
Washington, D. C. 20515

TMNoone:JETwining:ian
June 23, 1969

487/41 250

INTBAFRAD LONDON

JUNE 23, 1969

ATTN: READE

FULL RATE

154

WOULD IT BE POSSIBLE LORD CROMER TO MEET MR. MCNAMARA IN NEW YORK
WEDNESDAY 25TH AT 2:30, AT THE BROOK OR THE RIVER CLUB, 447 E. 52ND
STREET.

CHRISTOFFERSEN

INTBAFRAD

L.E. Christoffersen

Office of the President

487/4/249

DR ALI WARDHANA
MINISTER OF FINANCE
DJAKARTA

JUNE 18, 1969

FULL RATE

INDONESIA

EYE AM DELIGHTED TO INFORM YOU THAT THE ASSOCIATIONS EXECUTIVE DIRECTORS
YESTERDAY APPROVED 28 MILLION DOLLAR HIGHWAY CREDIT AND 16 MILLION DOLLAR
NORTH SUMATRA ESTATE CREDIT STOP THESE CREDITS ARE IMPORTANT STEPS IN OUR
CONTINUED JOINT EFFORT WHICH BEGAN JUST A YEAR AGO WHEN EYE HAD THE PLEASURE
OF VISITING YOU AND YOUR COUNTRY BEST REGARDS

ROBERT S. MCNAMARA
PRESIDENT
INDEVAS

ROBERT S. MCNAMARA
PRESIDENT, IBRD, IFC, IDA

cc: Messrs. T. Jones, Rowe,
Malone, Hakin

Wkaupisch:RBSteckhan/emce

487/4/248

JUN 18 1969

Dear Dr. Deshmukh:

Thank you for your kind invitation to the Bank to send representatives to the 11th World Conference of the Society for International Development to be held in New Delhi next November. From the founding of the Society to the present, members of the Bank's staff, individual Executive Directors, and successive Presidents have actively participated in the programs and administration of the Society. In addition, the Bank is a patron of the Society. You may feel sure, therefore, that we wish you, as General Chairman, every success with the 11th World Conference, at which the Bank will be suitably represented.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. C. D. Deshmukh
General Chairman
11th World Conference
Society for International Development
1346 Connecticut Avenue, N. W.
Washington, D. C. 20036

MLHoffman/pnn
June 17, 1969

cc: For Mr. McNamara's files (2)
Mr. Friedman

487/4/247

JUN 18 1969

Dr. Sigvard Eklund
Director-General
International Atomic Energy Agency
Kärntnerring 11
A-1010 Vienna 1
Austria

Dear Dr. Eklund:

Thank you for your thoughtful letter of June 4 setting forth some of the practical applications of nuclear energy to the needs of the developing countries and suggesting that consideration be given to an agreement between our two organizations along the lines of the agreements which the Bank has concluded with FAO and Unesco.

Let me say at once that the Bank is quite prepared to finance a nuclear power project in a developing country provided that the project is technically and financially sound and can be demonstrated to be the most economic method of satisfying the country's power needs. We would not be prepared, however, to participate in the financing of a nuclear power project which was not the most economic alternative, irrespective of whether our funds were being sought to finance the nuclear reactor or the non-nuclear part of the project, such as the generating equipment or transmission lines.

I have noted with interest the examples given in the attachment to your letter of the use of nuclear techniques for development purposes other than power and also your description of the nuclear raw materials project which IAEA is carrying out for the UNDP Special Fund. Should these or other similar IAEA studies or surveys result in the formulation of a priority capital investment project, we would of course be glad to consider a request from the government concerned to help finance the project. In any such case we would hope to work closely with IAEA in appraising the technical and economic merits of the project.

Dr. Sigvard Eklund

- 2 -

I do not believe, however, that it would be desirable at this stage to contemplate a formal agreement between the Bank Group and IAEA comparable to the agreements which we have with FAO and Unesco. Those agreements were entered into as part of a deliberate effort by the Bank to expand substantially its financing in the agricultural and education sectors which we consider to be of primary importance to most of our developing member countries. We became convinced that we could not accomplish this objective without arranging for a substantial increase in assistance to our developing member countries in identifying and preparing projects in those fields. It therefore seemed desirable to FAO, Unesco and ourselves to set up in each of the other two organizations a special unit to concentrate exclusively on helping developing countries to identify and prepare projects for Bank Group financing. FAO has some 40 professional staff members assigned to the FAO/Bank Cooperative Program and we are aiming at 46 lending operations in the next 12 months. Unesco has some 33 professional staff members in the comparable Unesco/Bank Program and we are aiming at 16 lending operations next year. I am not convinced at this juncture that the number of projects involving either nuclear power or other nuclear applications presented for Bank financing is likely to be sufficiently large to justify the Bank entering into an agreement with IAEA comparable to those which it has with FAO and Unesco.

I want to emphasize, however, that the absence of such an agreement in no way precludes close cooperation between our two organizations in the case of specific projects which are of mutual interest to us. For example, we have worked closely, without any formal agreements, with both WHO and ILO, on projects presented to the Bank for financing in fields in which those agencies have the technical responsibility. Similarly, we would be quite prepared to work with IAEA on any economically justifiable projects in the nuclear field which we may be asked to support.

I was glad to have had the opportunity of talking with you in Rome and I would welcome any opportunity which may arise for productive collaboration between our two organizations.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

RHDemuth:tsb
June 13, 1969

Cleared with and cc: Mr. Chadenet

487/4/246

JUN 16 1969

Dear Congressman MacGregor:

I have received your letter of June 6, 1969 asking to be informed of the reasons for the \$7.4 million interest-free credit to the Government of Bolivia, made by the International Development Association (IDA), and for allowing the Government to charge 6-1/2 percent interest on the proceeds which were reloaned to the electric power company. I have called your inquiry to the attention of Mr. Covey T. Oliver, United States Executive Director for IDA, who has suggested that he would wish to write to you directly in reply. You may expect, therefore, to have a complete reply from him shortly.

Very truly yours,

ROBERT S. McNAMARA

Robert S. McNamara

The Honorable
Clark MacGregor
House of Representatives
Washington, D.C.

cc: Mr. Covey T. Oliver
United States Executive Director
International Development Association

HPHavlik/ts:pa.

487/4/245

JUN 16 1969

His Excellency
Sr. D. Juan Jose Espinosa San Martin
Minister of Finance
Alcala 11
Madrid 14, Spain

Dear Mr. Minister:

Thank you very much for your letter of May 24 concerning a proposed loan for Livestock Development. It was very helpful to have this expression of your views and we have kept them in mind throughout the discussions which have proceeded here with your delegation under the able leadership of Sr. Ortiz Gracia. In particular we have been prepared to follow your suggestion that, at least in connection with this first loan, understandings respecting your Government's future policies be confined to "a declaration of intent" and do not appear as binding covenants in the Loan Agreement. As you know, this declaration of intent is qualified by a final paragraph which provides that should extraordinary social or economic circumstances occur which would materially affect the implementation of the program of liberalization, there would be an exchange of views between us to arrive at solutions for implementing the program.

As you know, there is now a pause in the negotiations for this loan which have been taking place during the past two weeks. I believe that we have reached complete agreement on objectives, both for the livestock project and for the broader policy changes required by the project. This agreement is reflected in the fact that virtually complete accord has also been reached with regard to the draft loan documents. There is, however, one issue on which it has not yet been possible to come to an agreement. This concerns the timing of the removal of quantitative restrictions on the importation of beef and veal.

We fully understand the difficulties that Spain may meet in respect of its international trade relations, and we have proposed measures which would preserve its trade with countries with which it has existing agreements. We also understand the difficulties that may arise in ensuring that farmers have confidence in the project and in seeking to prevent excessive and disorderly imports of beef. I should like to assure you that the Bank has given full consideration to all these matters. At the same time, I am sure that you share our view that one of the most important objectives in our joint efforts to launch the livestock project is to achieve significantly increased flexibility and competition in this important sector of your country's economy. It had been our hope that the negotiations could be brought to a satisfactory conclusion in such a way as to reconcile these preoccupations. Unfortunately, such a reconciliation has not yet been possible, and I should now like to explain the Bank's position in the context of its overall policies.

It is a fundamental aspect of the role of the Bank in the development of increased production of commodities traded internationally that it should participate only in those projects in which the country concerned has a reasonable comparative advantage in the production of the commodity concerned. The Bank must satisfy itself that the increased production will be economically successful without excessive protection against external competition. This principle is especially important in the case of a country as economically strong and well developed as Spain. Indeed, in our view the proposed protection of Spanish livestock production through import levies is acceptable only in the interest of giving this important sector of the Spanish economy time to absorb the new technologies and develop its efficiency. I am glad that during negotiations we have been able to agree on a level of protection adequate for the purpose but not unduly high in the broader context.

It is an important part of our policy that not only should protection be limited, but also that the ability of the project to produce economically should be successfully demonstrated during the early life of the project. This clearly could not be the case if the potentially absolute protection afforded by the present system of quantitative restrictions were to be continued for five or six years. Such a period would extend well beyond the time when all participants are expected to join the project, and even beyond the expected completion date for the investments to be made under the project. We have therefore felt that the Bank could participate only if quantitative restrictions were removed in a shorter period so that there can be time for a market test of the efficiency of beef production and, consequently, of the level of protection proposed.

Although we are convinced that a postponement to December 1974 is longer than is necessary to overcome most of the difficulties explained by your delegation, their arguments have persuaded us that December 1971 as originally discussed may indeed be too soon. We are now persuaded that the period for the removal of quantitative restrictions could be stretched further, while still leaving a sufficient balance of the period when farm investments are being made to test the market efficiency of the project. In an effort to accommodate you in dealing with the difficulties you now foresee, I am prepared to agree to ~~June 30, 1973~~ June 30, 1972 as the date by which your Government intends to eliminate quantitative restrictions of meat imports. We would not object to the average level of import duties rising somewhat above 15 percent during that period if this helps to give the farmers added confidence.

I very much hope that this proposal will make it possible for us to reconcile the one remaining difference respecting the proposed loan. If not, I can see no alternative than to postpone consideration of this project until some of the uncertainties which you have in mind have become

clarified, thereby enabling you to provide the assurances which we consider necessary. It would be most regrettable if we could not now reach agreement. However, I wish to assure you that even if agreement should not be possible, the Bank's interest in assisting the development of Spain will be undiminished and we shall continue to seek opportunities to collaborate with your Government for that purpose.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Messrs. Rota/Moro

NHorsley/MLLejeune/JBKnapp:jw
June 12, 1969

cc: Messrs. Chadenet
Wapenhans
Cancio
Gavin
Horsley

487/4/244

June 14, 1969

MEMORANDUM FOR MR. ALDEWERELD

Some months ago Tom Coughran proposed several joint activities to be carried out by the Bank and the Bank of America. What progress are we making on these matters?

(Signed) Robert S. McNamara

Robert S. McNamara

487/4/242

June 14, 1969

MEMORANDUM FOR MR. ADLER

When the FY 1970 budget was prepared, the Departments requested that the budgeted expansion of the staff take place during the first nine months of the fiscal year. I believe it is now clear that the planned increase in staff is so large that it should be spread evenly throughout the year. Therefore, in consultation with Hugh Ripman) please recalculate the costs associated with the personnel expansion and transfer to my contingency fund the savings which will accrue from completing the expansion at a slower pace.

Robert S. McNamara

487/4/247

Mr. David C. Fulton

June 13, 1969

Rainer B. Steckhan *RBS*

Today's Telephone Conversation on News Media Coverage of Signings

1. You were good enough to undertake to check with the President's Office before advising news media of any signing in which Mr. McNamara participates.
2. This is to confirm my understanding that you will also check with the President's Office before you grant a request for news media coverage of a signing in which Mr. McNamara takes part.

EMBASSY OF THE INDIA
UNITED ARAB REPUBLIC Interests Section
COMMERCIAL OFFICE
2215 WYOMING AVENUE, N. W.
WASHINGTON, D C. 20008

June 12, 1969

Mr. Rainer B. Steckhan
Office of the President
International Bank for Reconstruction
and Development
1818 H Street, NW
Washington, D.C.

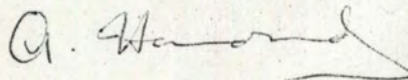
Dear Mr. Steckhan:

re: Enclosed Letter

It gives me great pleasure to enclose herewith
a letter to The Honourable Robert S. McNamara from His Excellency
Ibrahim Zaki Kinaway, Minister of Irrigation, which was enclosed
with Volume 4 of the Drainage Project.

With warmest personal regards,

Sincerely yours,



A. Hammoud
Commercial Counselor

Enclosure:

487/4/240

June 13, 1969

Dear Mr. Hammoud:

This is to acknowledge with thanks receipt of your note dated June 12 enclosing a letter to Mr. McNamara from His Excellency Ibrahim Zaki Kinawy, Minister of Irrigation dated May 30.

With warm personal regards.

Sincerely yours,

Rainer E. Steckhan

Mr. A. Hammoud
Commercial Counselor
Embassy of India
United Arab Republic
Interests Section
2215 Wyoming Avenue, N.W.
Washington, D.C. 20008

487/4/239

June 13, 1969

Dear Mr. Kharmawan,

This is to acknowledge receipt of your letter of June 13 transmitting a letter and paper on the problem of stabilization of prices of primary products.

As requested, I will circulate the paper attached to the letter of June 7 to our Executive Directors.

I am enclosing a copy of my reply to the June 7 letter from the Deputy Governor of the Bank of Indonesia, which you were kind enough to transmit to me.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Byanti Kharmawan
Executive Director
International Monetary Fund
Washington D.C. 20431

487/4/235

June 13, 1969

Dear Birch:

I, myself, have met with Herbert Hunsaker. He is, as you note, an able, experienced consultant in the field of international education. I told him that it was rather unlikely we would have need for his services in the near future because we have, within the last twelve months, doubled the size of the professional staff in our Education Projects Department. Also, within the last three months, I negotiated an arrangement with UNESCO under which they will supply professional assistance to us. However, our needs may exceed our capability, and if they do, we will surely take advantage of Mr. Hunsaker's experience.

With best wishes,

Sincerely,

RS/ Bob

Robert S. McNamara

The Honorable
Birch Bayh
United States Senate
Washington, D.C. 20510

RSMcNamara:pay

487/4/238

June 13, 1969

Dear Mr. Sudiarso:

Mr. Byanti Kharmawan has transmitted to me your letter of June 7 together with the attached memorandum regarding the commodity problem. I am sure that you are being kept informed by your Executive Director of the discussions we have been having in the Bank on this subject. I appreciate your sending these comments to me and you may be assured that we will keep them in mind in the future work of the Bank on the stabilization of commodity prices.

I am glad to note your support of the actions being taken with respect to diversification of production and strengthening of competitive prices of primary products, the assistance in administration of international commodity arrangements, and other suggestions. I also note your disappointment with some of the decisions under consideration.

I do hope that as a result of the further discussions which have been held by our Executive Directors there is a clearer understanding of what these decisions are intended to accomplish. I do feel they will make a significant contribution to dealing effectively with the very important problem of commodity stabilization. You may be assured that we will keep your views very much in mind when administering the decisions now being considered by the Executive Directors.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Sudiarso
Deputy Governor
Bank of Indonesia
Djakarta, Indonesia

487/4/237

June 12, 1969

Dear Madam Prime Minister:

Thank you very much for your letter of May 29, 1969, in which you kindly reiterated the invitation to Israel which I had accepted when it was extended last year by the late Prime Minister of Israel, Mr. Levi Eshkol.

In spite of a very busy schedule, I am still trying to include a visit to Israel in my travel plans for the next twelve months. I will be in touch with the Israeli Ambassador as soon as one or two possible dates can be determined, so that these can be submitted to you. My interest in getting acquainted with the economic achievements of your country remains as high as ever.

Sincerely,

ROBERT S. McNAMARA

Robert S. McNamara

Her Excellency
Mrs. Golda Meir
Prime Minister
Jerusalem, Israel

MPBenjenk:RMcn:mss

487/4/236

Mr. A. Tazi

June 12, 1969

Robert S. McNamara (Signed) Robert S. McNamara

MOROCCO - Local Currency Financing

1. Thank you for your memorandum of April 15, by which you relayed a request from the Minister of Finance of Morocco that the Bank should consider covering part of the local currency costs of the Sebou project.

2. We will certainly be prepared to give consideration to this request during the coming weeks, when we have in hand our Appraisal Report on the Sebou Project and when our present review of the Moroccan economy is completed. As you well know, I cannot recommend to the Executive Directors the financing of local currency expenditures on any project unless I can make a reasonable demonstration that this is justified by "exceptional circumstances." Perhaps it will be possible to make such a finding - I think this may depend to a substantial degree upon our appraisal of Morocco's economic performance and in particular upon the effectiveness of the efforts in your country to mobilize domestic savings and to devote them to sound development purposes. We must also bear in mind the fact that there are naturally overall limitations on the amount of financing that the Bank Group can provide for Morocco's development program over the next year or two and if we put more money into the Sebou Project we may have to cut out some other projects or reduce the amount of financing which we provide in connection therewith.

cc.: Messrs. Evans/Malone
Mr. Bart

MLLejeune/JBKnapp:lp

487/4 / 234

"For Mr. McNamara's Office"

JUN 13 1969

Dear Mr. Perera:

I am writing to acknowledge your letters of April 22, inviting the World Bank Group to designate a representative to the Twenty-second Plenary Assembly of the World Federation of United Nations Associations to be held in Nicosia from September 8 to 13, 1969.

While fully appreciating the importance of this occasion, I regret to inform you that due to the pressure of previous commitments it will not be possible for the Bank Group to be represented in person. I am pleased, however, to enclose a message to the Assembly.

With best wishes for a successful meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Encl.

Mr. L.H. Horace Perera
Secretary-General
World Federation of United Nations Associations
Case postale 39
1211 Geneva 20, Switzerland

GREETINGS TO THE WORLD FEDERATION OF UNITED NATIONS ASSOCIATIONS

I should like to make one major point in this message of greeting to the Twenty-Second Plenary Assembly of the World Federation of United Nations Associations:

If and when the world fully commits itself to economic and social development, all other problems on your agenda will become far more manageable.

I do not propose development as a panacea or final goal. Of itself, it will not create a world of understanding, disarmament and peace. But in our search for the resolution of ultimate issues, it is a first and inescapable task.

This is the central lesson from my experience in public service, and explains my own order of priorities.

The commitment required depends upon far better and broader understanding of both the complexities and opportunities of development.

Your Associations are ideally placed to promote such understanding, and I hope that you will continue to do so vigorously.

The World Bank Group extends its best wishes for a productive and successful Assembly.

Robert S. McNamara, President

THE WORLD BANK GROUP

487/4/233

JUN 13 1969

Dear Mr. Miljanic:

Thank you for your letter informing me that you have been appointed to a position in the Federal Government and will thus leave the office of Governor of the National Bank of Yugoslavia. I understand from Ambassador Crnobrnja that in your new position you will continue to be responsible for matters relating to Yugoslavia's economic policy and together with my associates I look forward to cooperating with you in your new capacity.

I am most grateful for your successful efforts in promoting good relations between the National Bank of Yugoslavia and the World Bank in the past years and wish to extend to you my best wishes for success in your new assignment.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Nikola Miljanic
National Bank of Yugoslavia
Belgrade, Yugoslavia

2 copies for Mr. McNamara's office ✓

JLUpper/DHartwich/MPBenjenk/Mllejeune:rpo
IBRD

June 11, 1969

"For Mr. McNamara's Office"

JUN 13 1969

487/4/232

Dear Dave:

Your report to ILO's Annual Conference, which you mentioned in your letter of May 14, reached me just a few days ago. I have thumbed through it, as you suggested, and even this quick review showed me that it is an excellent document.

I was impressed by the forcefulness with which you put forward the proposal for a World Employment Program and the stress you put on the attainment of the highest possible level of employment and improved conditions of work and life as necessary factors to reduce worldwide discontent.

I was, of course, particularly interested in the way in which you treat the problem posed by the rapid rate of population growth in the developing countries. I do not have to tell you that we very much welcome the attention that is being paid to this question by ILO. It is certainly appropriate for your organization to view the problem with particular concern for I believe, as you do, that population growth, if not properly dealt with, will have as one of its main effects a major adverse impact on world employment.

Our Economics Department is making a more detailed analysis of the report. With regard to population, as you probably know, Mr. E.K. Hawkins, who is in charge of our Population Studies Division, is scheduled to meet with staff members of ILO's Research and Planning Department during the first part of August of this year. That meeting should provide a good opportunity for lengthier discussions of the links between population growth and employment prospects.

It was also good of you to send me your book on ILO's origin and evolution and on its role in the world community, and I much appreciate your kind words in the inscription. I shall read the book with much interest.

With best regards,

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. David A. Morse
Director-General
International Labour Office
154, rue de Lausanne
Geneva, Switzerland

487/4/231

June 12, 1969

Dear Louis:

While I very much appreciate your invitation to dinner on Sunday, September 28, it will not be possible for me to accept.

Based on my experience last year, I know there are many last-minute chores to be done in connection with the Annual Meeting, and for that reason I cannot make any other commitments.

Thank you for thinking of me.

Sincerely,

Robert S. McNamara

His Excellency
The Ambassador of Belgium
3330 Garfield Street, N.W.
Washington, D. C. 20008

For Mr. McNamara's Office

487/4/229

**HIS EXCELLENCY
ABDUL SAMAD HANED
MINISTER OF PLANNING
KABUL
AFGHANISTAN**

JUNE 10, 1969

LT

**VERY PLEASED INFORM YOU EXECUTIVE DIRECTORS TODAY APPROVED HIGHWAY MAINTENANCE
CREDIT STOP MESSAGE ALSO SENT TO MINISTERS OF FINANCE AND PUBLIC WORKS STOP
LOOK FORWARD TO AN INCREASINGLY PRODUCTIVE RELATIONSHIP AFGHANISTAN AND BANK
GROUP STOP BEST PERSONAL REGARDS**

ROBERT S. MCNAMARA

**Robert S. McNamara
President**

**cc: Mr. Tazi, Executive Director
Mr. Akbar, First Secretary, Embas
of Afghanistan
Messrs. Cargill, Votaw, Asser, K
Grosvenor, Abdi**

HEschenberg:vr

487/4/227

For Mr. McNamara's Office

**HIS EXCELLENCY
MOHAMMED HUSSAIN MESSA
MINISTER OF PUBLIC WORKS
KABUL
AFGHANISTAN**

JUNE 10, 1969

LT

**VERY PLEASED INFORM YOU EXECUTIVE DIRECTORS TODAY APPROVED HIGHWAY MAINTENANCE
CREDIT STOP MESSAGE ALSO SENT TO MINISTERS OF FINANCE AND PLANNING STOP
LOOK FORWARD TO AN INCREASINGLY PRODUCTIVE RELATIONSHIP AFGHANISTAN AND BANK
GROUP STOP BEST PERSONAL REGARDS**

ROBERT S. MCNAMARA

PRESIDENT

INDEVAS

**Robert S. McNamara
President**

**cc: Mr. Taxi, Executive Director
Mr. Akbar, First Secretary, Embassy
of Afghanistan
Messrs. Cargill, Votaw, Asser, Kaden,
Grosvenor, Abdi**

HEschenberg:vr

487/4/226

June 10, 1969

Dear Randy:

Thank you for your early invitation to dinner on September 28.

I should like very much to accept. However, if things develop as they did last year on the evening before the opening of the Annual Meeting, I may be working on my speech and attending to last minute official details.

May we give you a firm response nearer the date?

Sincerely,

Robert S. McNamara

Mr. W. Randolph Burgess
The Per Jacobsson Foundation
International Monetary Fund Building
19th and H Streets, N.W.
Washington, D.C. 20431

/pay
cc: Mr. Mendels' office

487/4/225

MEMORANDUM FOR THE RECORD

June 9, 1969

Mr. McNamara's Meeting with Messrs. Demuth, Ballantine and Graves, June 5, 1969

Mr. McNamara complimented Mr. Graves on his paper of June 4 and encouraged him to pursue the study along the lines suggested in his paper. He hoped it would bring out the sources of expertise in the field of education and the gaps in the use of education for development.

Referring to Mr. Graves' statement that there was "a high correlation between education and development," Mr. McNamara felt that at least three questions were of crucial importance:

- (a) To what degree does a particular capability contribute to development?
- (b) To what degree is that particular capability lacking?
- (c) How could this capability best be obtained?

In particular, the study would have to identify the types of education with an impact on development. Mr. McNamara doubted, for example, that nuclear physics and liberal arts, however useful otherwise, were directly relevant to development. On the other hand, Mr. McNamara guessed that there might be a relationship between functional literacy and development, although Mr. Beheiry had quoted Sir Arthur Lewis as denying that. Consequently, the study should include a summary of the pros and cons of the relevance of functional literacy to development.

Mr. Graves and Mr. Ballantine pointed out possible inverse relationships between literacy and population growth and urbanization and population growth.

With respect to expertise in the field of education, Mr. Ballantine felt that very few people had taken the broad systems approach he and Mr. Graves were proposing. Mr. Ballantine fully agreed with Mr. McNamara on the usefulness of a biannual meeting with a "functional advisory group" of, say, five or six leading experts in the field.

ABS

Rainer B. Steckhan

487/4/224

June 9, 1969

Mr. Demuth:

Re our telephone conversation, attached cable gives some of the background. Mr. Alter has called Mr. Malick and found out in addition that Provesta Corporation is supported by General Mills and Phillips Petroleum and tries out a "systems approach to food" (Mr. Malick's words). Mr. Malick has just returned from a survey of prospects of applying new technology to food industrialization in Brazil.

Mr. Odell, Chairman of Provesta Corporation, participated in the FAO/Business Group which met with Mr. McNamara.

Would you be good enough to set up meetings with interested people in the Bank and IFC and kindly call Mr. Malick before the end of today on 918-FE6-6600 Ext. 8314.

I will ask Mr. McNamara whether he would wish to "shake hands" with Mr. Malick.

R.B. Steckhan

cc: Mr. Alter
Mr. Chadenet

For the office of Mr. McNamara.

487/4/223

JUN 6 1969

Dear Dr. Grzimek:

Thank you for your letter of May 22, 1969.

As indicated in my reply of May 15, 1969 to Mr. Short, I expect to visit Uganda sometime this year and I can assure you that I shall not miss the opportunity of visiting the Murchison Falls and the site of the proposed power station to acquaint myself with the pros and cons of the proposal in question.

Despite the numerous letters and articles written on this matter, we have no reason to think that the Ugandan Government does not realize the value of the natural and wild-life attractions in this area or that it is indifferent to the need for preserving these assets.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Professor Dr. Bernhard Grzimek
Zoologischer Garten
Frankfurt Am Main
Germany

CVRPanikar:dk
cc: Mr. Knapp
Mr. Kahangi
Mr. Davis, Tourism

487/4/222

JUN 6 1969

Dear Dr. Beecher:

Thank you very much for your letter of May 28, 1969, regarding the proposal to construct a hydroelectric station in the Murchison Falls National Park in Uganda.

The Uganda Government is seeking independent expert advice on all the aspects of the project - ecological, geological, engineering, wildlife and tourism - and intends to weigh fully the possible effects on wildlife and natural beauty of building a dam at Murchison Falls.

I hope to be able to visit Uganda this year to acquaint myself personally with the proposed project. Please accept my assurances that we will consider all the possible ramifications of the proposed Murchison Falls project before decisions are taken in this important matter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. W. J. Beecher
Director
The Chicago Academy of Sciences
Lincoln Park
2001 North Clark Street
Chicago, Illinois 60614

DRitchie:mk
June 5, 1969

487/4/221

June 6, 1969

Dear Congressman Hanna:

Thank you for your letter of May 26, 1969, on Bank lending to Greece, which you sent me together with the text of a speech by Mr. Demetracopoulos. I have taken note of its contents and discussed it with members of my staff.

In conformity with the Bank's practice as an international organization, I am asking the Bank's Executive Director representing the United States, Mr. Covey T. Oliver, to reply to you regarding the substance of this matter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Richard T. Hanna
House of Representatives
Washington, D.C. 20515

487/4/220

For Mr. McNamara's office
JUN 5 1969

Her Excellency
Indira Gandhi
Prime Minister
New Delhi, India

Dear Madame Prime Minister:

Thank you for your letter of May 17. We are now studying the memoranda enclosed with it, but as a first impression I wish to say that I am delighted to see the great emphasis given to the interrelationship between the use of high-yielding seeds, the availability of water and fertilizer, and the provision of credit facilities. We are also very much in agreement with your prudent approach to estimating future fertilizer consumption and the need to keep such estimates under continuing review.

I understand fully your concern that foreign financing for new fertilizer projects be on terms which do not add unduly to India's future debt servicing burden. There is, of course, great interest throughout the world in India's fertilizer program, and this was again confirmed at the recent Consortium meeting in Paris; however, as you have said, there remains a problem of converting this general interest into financial assistance on terms which are appropriate and which enable new fertilizer projects to go forward promptly.

I very much hope that the Bank Group will be able to contribute toward the financing of the Nangal and Cochin projects, and if the replenishment finally becomes effective we propose that this financing be on IDA terms. Toward this end we plan to send a mission in July to begin the detailed appraisal of these projects. Complex technical, financial and management problems will have to be solved before construction can start; but, if all goes well, I hope that by the end of 1969 India and the Bank will reach agreement on the main arrangements for carrying out the Nangal and Cochin projects. Meanwhile, we also stand ready to consider any additional privately sponsored projects you may wish to pose for Bank Group assistance.

I have asked Mr. Cargill to visit New Delhi before the appraisal mission, and he expects to arrive there toward the end of this month. I very much hope that you will be able to receive him during that visit, so that he will have an opportunity to consider with you personally some of the problems we foresee. In particular, I have asked him to discuss steps needed

Her Excellency Indira Gandhi

- 2 -

to strengthen the manpower resources available to implement the fertilizer program, since given the schedule of expansion now underway and planned, the shortage of experienced manpower seems to me to be the most difficult problem still to be solved.

I shall be interested in your suggestions and look forward to hearing from you again, either directly or through Mr. Cargill, on steps the Bank Group might take to assist in accomplishing the great task India has set herself.

With regards and good wishes.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Knapp
Mr. Jagannathan
Messrs. Hasan/H. Cash
Fuchs
Dodd
New Delhi Office (K. Bohr)
Kirk/Wiehen

GBVotaw/rwm

487/4/219

JUN 5 1969

Dear Mr. Ambassador:

Last January during our meeting I stated that we would make every effort to increase the number of Yugoslavs on our staff. This letter is to report on our progress.

Mr. Konrad Busse, Deputy to the Assistant Director of Administration - Personnel, visited Yugoslavia in the Spring. During his stay he had discussions with several Government officials and in particular with the Chief of Personnel of the Federal Secretariat of Finance, who has been designated to serve as our principal point of contact on recruitment matters. He explained the Bank's selection process and reviewed our plans for future recruitment efforts. In addition, thanks to the excellent cooperation of officials in Beograd, Mr. Busse was able to interview a number of individual Yugoslav candidates.

We have since been able to offer appointments to two of those he saw: Mr. Steven Silbiger, as Agricultural Economist in our Agriculture Projects Department; and Mr. M. Stojanovic, as Operations Officer in our South Asia Department. Both have accepted and will be joining us shortly.

Two further candidates are under active consideration at this time, and although it is too early to say what the outcome will be, we are impressed with their qualifications.

In addition, the Personnel Officer responsible for managing our Young Professional Program will visit Beograd on June 9 to 11 to interview candidates for this Program. I am most hopeful that this marks the successful start to a continuing relationship with your Government in this field.

With many thanks for your help in this matter, and with best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Bogdan Crnobrnja
The Ambassador of Yugoslavia
Embassy of the Socialist Federal
Republic of Yugoslavia
2410 California Street, N.W.
Washington, D.C. 20008

KBusse/TETwining:ss
June 4, 1969

For Mr. McNamara's Office

June 5, 1969

487/4/218

MEMORANDUM FOR THE FILES

Acting on Hankel's statement and request to Siem, I stated this morning to vom Hofe that:

a. I understood he was to retire from his position as Executive Director early next year.

b. I had been told that he would like to stay in this country after retirement until such time as his daughter finished her education some time in the spring of 1970.

c. We would be happy to have him serve us as a consultant during that period, working on such projects of mutual interest as, for example, a study of and report on the structure, characteristics, and outlook of the German capital market.

He replied that he would reach the age of 65 January 30, 1970 and therefore the German Government would retire him as Executive Director on January 31, 1970, and he would be very pleased to serve in the capacity I outlined until June 15, 1970, at which time his daughter would complete her college work.

RMcN

487/4/217

June 5, 1969

Lieber Herr Sacklowski!

Verzeihen Sie die Verspätung, mit der ich Ihre Briefe beantworte.

Ich bin sicher, dass Herr McNamara mit besonderem Vergnügen zu gegebener Zeit in Deutschland sprechen würde. Allerdings hat er es sich zur Regel gemacht, nicht mehr als etwa 4 Reden im Jahr zu halten, von denen zwei (ECOSOC und Jahrestreffen der Gouverneure) obligatorisch sind. Sie werden verstehen, dass es sich aus diesem Grunde empfiehlt, ein eventuelles Referat von langer Hand vorzubereiten. Ich oder einer meiner Kollegen sind gerne bereit, dabei zu helfen.

Mit freundlichen Grüßen.

Rainer B. Steckhan
Personal Assistant to Mr. McNamara

Regierungsassessor Dr. J. Sacklowski
im Bundesministerium für Wirtschaftliche
Zusammenarbeit
53 Bonn
Kaiserstrasse 185-197
GERMANY

Cleared w/and cc: Mr. Lars Lind

RBSteckhan:ml

487/4/296

June 4, 1969

Dear Chief Adebo:

Since Mr. Consolo wrote to you on May 12, we have been giving further consideration to your letter of April 21, 1969, dealing with the establishment of a United Nations Staff College and suggesting that, if the idea is accepted in principle, an investigation should be carried out, with financial assistance from the prospective participating agencies, to determine the advisability of creating such an institution.

The character of the Bank's operations requires it to have a staff composed primarily of highly specialized professionals who for the most part have technical skills and functions quite unlike those of the personnel of most other United Nations organizations. We believe, therefore, that the training provided by a Staff College designed to serve all the United Nations organizations is not likely to be closely enough related to the interests of the Bank to take care of our particular needs.

However, if a sufficient number of the other major specialized agencies support the idea of a Staff College in principle and are willing to provide their share of the cost of the preliminary work on this proposal, the Bank would also be prepared to make an appropriate contribution.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Chief S. G. Adebo
Executive Director
United Nations Institute on
Training and Research
501 United Nations Plaza
New York, N.Y. 10017

cc: Messrs. Consolo/Franco
Mr. Twining
Mr. G. Williams (IMF)

RFranco:JTwining:RHDemuth:RSMcNamara:ml

487/4/295

INTBAFRAD

JUNE 4, 1969

PARIS

TELEX

FRANCE

672

FOR KARASZ MR. MCNAMARA DELIGHTED TO MEET BRIEFLY WITH
AMBASSADOR LONG ON WEDNESDAY JUNE EIGHTEEN AT 1215 HOURS

STECKHAN

Rainer B. Steckhan
Office of President
RBS:ml

cc. Mr. Dennis

487/4/294

JUN 3 1969

Dear Mr. Maheu:

Thank you for sending me the Final Report of the Round Table of Bankers, Economists and Financiers. The Report seems to me to confirm that it was a useful idea to bring this group together, and I am glad that it was possible for the Bank to be represented.

As you point out, several recommendations in the Report are of direct interest to the World Bank Group. They are now being considered in the course of a staff study currently being made of the Bank's activities in the field of education.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Rene Maheu
Director-General
United Nations Educational,
Scientific and Cultural Organization
Place de Fontenoy
Paris VII^e
France

HG:ap

copies for Mr. McNamara (2) ✓
cleared with and cc: Mr. Ballantine

487/4/213

JUN 3 1969

Dear Mr. President:

I was very pleased to hear that you have been elected President of the Executive Council of the Socialist Republic of Serbia. I offer you my congratulations and those of my associates on this great honor which the National Assembly has bestowed on you, and I wish you every success in carrying out the heavy duties of your high office.

The good relations which we have had in the past with the Yugoslav Investment Bank have been due to a large extent to your personal efforts. I fully share your confidence that the future relationship between the Investment Bank and the World Bank will continue to be as satisfactory and mutually beneficial as in the past.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. M. Bojanic
President
Executive Council of the Socialist
Republic of Serbia
Belgrade, Yugoslavia

ELamers/DHartwich:rpo MPBenjenk/MLLejeune
IBRD
May 29, 1969

2 for Mr. McNamara's office ✓