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Sub-Fonds: Records of President Robert S. McNamara

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Washington, D.C.

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The World Bank  
1818 H Street NW  
Washington DC 20433  
Telephone: 202-473-1000  
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Brandt Commission - Correspondence 04

Folder 4

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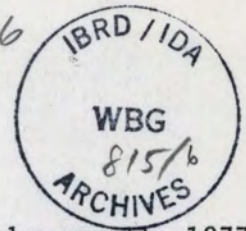
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815/6/16

WORLD BANK / INTERNATIONAL FINANCE CORPORATION

# OFFICE MEMORANDUM



DATE: February 11, 1977

TO: Mr. Hollis Chenery and  
Mr. Mahbub ul Haq

FROM: William Clark

SUBJECT: Brandt Commission

I am working up material for a McNamara -Egon Bahr meeting at 8.00 a.m. February 22 (please note the last working day before is Friday 18th).

The terms of reference that I read to Brandt and Bahr are clearly rather rough and ready and would need revision even if they had not said they were too "World Banky" and concentrated too much on the flow of financial capital resources.

I attach a copy of the paper I read from and would welcome suggestions for improvement. If at all possible I would like to have these before the probable meeting with Gamani Corea etc. on Wednesday 16th.

I should also be grateful if you would indicate whether, in your view, the Commission should be free to set up sub-groups to deal with specific items, e.g. population, trade or debt. I imagine there could not be more than, say, six such specialized groups. Which subjects do you think could be assigned to sub-groups of the Commission, in your opinion?

WDClark:sf

cc. Mr. McNamara



Prospectus for the "Brandt" Commission



The Commission would consist of a Chairman and twelve members drawn equally from Part I and Part II countries. They need to be people who command support in these main constituencies: OECD, Middle Income, OPEC and the poorest. They should be chosen primarily for their public influence; their open mindedness (and the influence of evidence and of the few experts) would be relied upon to ensure that they arrive at sound judgments about development problems. But no-one of their eminence will be quite open-minded so people must be chosen who are not dogmatic, and tend towards the centre. The Part I representatives will have problems carrying their conservatives, the Part II representatives will have more trouble with their Left. The Part II representatives must be able to get on with "western capitalists", but have the capacity to influence their more isolationist and radical fellow countrymen. They should be unofficial, i.e. not instructed by any Government or interest group; most important they should have open minds and be concerned with the creation of a more equitable world order.

These Commissioners would be chosen by the Chairman. A list of possibles which might be shown to him is appended.

The staff would also be international. On the model of Pearson it should be about a dozen people mostly under 45, and the brightest people available. The Executive Secretary (to be selected by the Chairman) would be responsible in consultation with the Chairman for selecting the other members, which should be done in consultation with a wide number of expert bodies with which the Secretariat will need to keep in touch.

Though final decisions remain with the Chairman and Executive Secretary it seems likely the staff will not do original research but will use existing and ongoing research which they will present with expert judgment to the Commission. They could also request or commission research from existing bodies (D.P.S., UNCTAD etc.)

The full Commission would meet only occasionally (say for 3 or 4 days every other month) and might decide to meet in several different locations including the Third World. But the staff would be constantly at work, and would need offices. Their location should be close to good sources of information on development. Certainly the best would be here in Washington (with Bank/Fund resources); alternatives are Paris (OECD/DAC and CIEC), Geneva (U.N. and GATT), London (Commonwealth Secretariat) and Berlin (Deutsche Stiftung).

To avoid all appearance of conflict with the ongoing North-South talks, whose success would be an invaluable basis for the Commission, its formal work will not begin before June.



The "terms of reference" of the Commission should be issued by its Chairman, on his own authority.

They could cover these points:

The ultimate objective is:

To identify politically feasible areas of action, which can command public and legislative support in rich and poor countries alike, and which will hasten the development process.

To this end it will need:

To examine:

- (i) the present state of economic relations between the developed and developing countries;
- (ii) the discussions and negotiations currently taking place on this subject, and how best they can be made successful in speeding development.

To determine:

- (i) the overall volume of additional aid and trade support that the developed nations should supply, and any policy changes which may be necessary for these developed nations to guarantee this support;
- (ii) the policy and structural changes that the developing nations need to undertake to make additional assistance contribute fully to development.
- (iii) the structural changes in prevailing international economic relations necessary to achieve greater global efficiency and equity.
- (iv) how to apply these mutually supporting efforts effectively to meeting the basic human needs of the absolute poor.

The report of the Commission should be published in about 12 months, should be written so as to appeal to a wide audience, and should seek to create the political will and commitment to make changes necessary to produce a long-term (5-10 year) drive to speed up the development process. It would be open to such bodies as the Development Committee (or U.N. ECOSOC) to put the report on their agenda for action.



The Cost

The Pearson Commission cost \$932,000. With inflation this would probably mean \$2 to 2.5 million for the "Brandt" Commission.

This amount should be guaranteed in advance by the sponsors and should be at the sole disposal of the Chairman. Should a prudently managed Commission exceed this amount the guarantors should be prepared to meet the deficit.

Pearson was paid \$1,700 per month plus travel expenses and the members of the Pearson Commission received \$200 per day plus expenses. This would translate into about \$3,000 a month for the Chairman and \$300 a day plus expenses for the Commission members.



895/ 6/95

To William Clark from Mr. Carriere

February 11, 1977



Today's Le Monde has a paper by Jean Schwoebel on CIEC. The following fragment deals with the Brandt Commission:

"Mr. McNamara for many years thundered against the paucity of US aid and obtuseness of the past Administration. He will certainly have an easier life with the new one. But LDCs are not merely seeking more aid -- they want better terms of trade and less economic dependence. Despite the esteem they have for McNamara, they gave a cool reception to his proposal of January 14: a commission including top people from rich and poor countries, having a wide experience in development but being out of government responsibilities, that will meet under the chairmanship of a man such as former Chancellor Brandt, in order to find a means to come out of the dead end of North-South negotiations, by drafting basic proposals "on which a global compact is essential and possible".

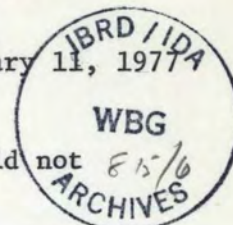
Mr. Perez Guerrero replied that "Unlike Mr. McNamara, I think that there is a chance of concrete results in North-South Dialogue, and that there is a need to strengthen the opportunity the governments have to express their political will in the positive atmosphere of this year. I am sure that Mr. McNamara will recognize that now it should be emphasized that the Paris Conference needs a happy end."

It is obvious by this reply that the 19 are well decided to test the US political goodwill. Nevertheless, it seems difficult that a ministerial meeting at CIEC will take place soon. Mr. Giscard d'Estaing in Riyadh wished that it would take place after the summit of developed countries, scheduled for May or June. Mr. MacEachen, Co-Chairman of CIEC for Developed Countries, just asked that the summit be held at the end of April or early May: the US indeed think that a Western summit before the ministerial North-South meeting will raise false hopes in LDCs and will give them the impression that there is an attempt to establish a five-member world directory. The 19 prefer to take a short cut."



Cable from Claude Cheysson to Mr. McNamara

805/6/74  
February 11, 1977



As I was due to meet Willy Brandt in Bonn on February 10, I did not reply immediately to your telegram dated February 3.

As I have cabled earlier, I agree with the demonstration in your Boston speech, stressing that financing action promoting development in the Third World is the least inflationary method to contribute to economic advance [?] at world level. This approach to which I attach great importance should be better understood (or even simply understood) by political forces, representatives of workers, public opinion. It is in that respect that a Willy Brandt Committee, composed of men of great authority, who have at present no direct executive responsibility, has a determinant role to play. It is not, therefore, adding another committee, however impressive, to draft another report, however intelligent. Willy Brandt seems to agree entirely with this argument and I know he will discuss it with you in a few weeks in Washington.

With regard to financing the costs, I cannot commit my institution for the time being, but I have already stated that I am sure that we can help in some way when the time comes. Personally, I do not think that it is proper to insist on that aspect now, as it may give the completely wrong feeling that one wants to set up still another institution. May I add that I am not personally convinced that a secretariat or standing group is needed. However, I shall reserve my position on this point until I have met you. I intend to be present at the Development Committee on April 27. Could we have a long discussion immediately before or after?



895/6/13

Zorigin + Drake April 1977

The World Bank

Brundt Commission

What lies ahead  
possible entry of 16

Egon Rehr, sp. Brundt, here April

Views of frontiers

3<sup>rd</sup> of negotiators cautious - fear CIEC etc.

Some skepticism among 1<sup>st</sup> World  
value

But my own set of contacts show  
enough base of construction  
and proposals to deal with 10-15 years  
and both sides intelligently asked -  
thoughtful answers on both sides  
(e.g. General DeLeon Brundt's  
dkt. in) see this + continue to  
value a properly constructed  
effort would be valuable

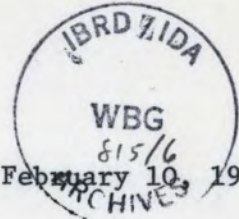
∴ I propose to carry out the entry  
+ then reappraise the situation  
Possibly at that time would be  
wise to discuss with our Board -

Future of BRK - approach?





## OFFICE MEMORANDUM



TO: Mr. Robert S. McNamara

DATE: February 10, 1977

FROM: William Clark *mk.*SUBJECT: Conversation with Mr. Magnussen and Mr. Aase

Magnussen told me of his visit to Oslo last week and his conversation with Stoltenberg (who attended the like-minded meeting for Norway) by phone this morning.

The net of it was that Norway was sceptical about Brandt Commission because it doubted results, but would support it in public and would be prepared to finance it in part. They wish they had been more fully informed of the purposes etc. and still wish to hear more so that they can support it.

They both felt a discussion in the Board at this time would be counter-productive, but wished they could have a piece of paper from you explaining the motives behind your personal initiative. (Making the same points I had been making about how do you get a strategy worked out which may command support; it cannot be done in adversary, official negotiation). They could use this paper with their Governments, which were frankly puzzled by the initiative.

I gather that one sore point is that several E.D.s did not notice nor inform their Governments of the sting in the tail of the Boston speech; therefore Governments were taken by surprise by the rather massive publicity it received in Europe.

I feel sure we could only gain by some such statement not for debate, because this is not yet a Board matter, but to clear up misconceptions.

WDClark:sf

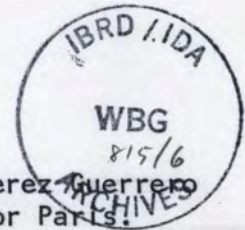


815 / 6 / 77

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: February 8, 1977

FROM: Mahbub ul Haq, Director, PP&PR *MH*SUBJECT: Conversation with Perez Guerrero

1. At the suggestion of William Clark, I got hold of Perez Guerrero and tried to see whether he could meet you before leaving for Paris. Unfortunately, his plane was leaving at 4:30 pm from Dulles and he was about to leave for the airport. He would have liked to speak to you on the phone but you were in the Board Room.
2. Perez Guerrero suggested that the best form of consultation at this time would be to arrange a meeting with Willy Brandt either on 13th evening or 14th when he, Gamani Corea and Akhund could get together with Brandt and you and your team. By then, he would also have a feedback from his Paris meetings on 10-12th February. He said that his present thinking was to take as given the idea of the Commission and Willy Brandt as Chairman but to discuss the form and timing for the implementation of this proposal which could best work in the interest of the Third World and help mobilize their support. When I pressed him that his negative stand was already hurting the chances of the Commission, he protested that he had absolutely no intention of embarrassing you or Brandt and that the idea of the Commission could emerge in a "more positive and stronger form" after there was a process of consultation on it.
3. It appears to me that a meeting in Europe with Willy Brandt on 13-14 February is becoming more and more crucial to clear the present confusion and conflicting statements and stands. If all goes well, it could result in Willy Brandt making a public statement about accepting to lead such a commission after having consulted the Third World representatives and with their full support. If the differences cannot be resolved, at least we would know much better as to what the various options are and how to chose between them.

cc: Mr. William Clark

MHaq:veb



## OFFICE MEMORANDUM

*815/6/10*  
Confidential

TO: Mr. Robert S. McNamara

DATE: February 8, 1977

FROM: William Clark

SUBJECT: The Hague Telegram

Since receiving Van Gorkom's telegram (copy sent to you in the Board) I have talked to Van Gorkom who is going to see Pronk as soon as he gets out of a Ministers' Meeting about noon our time.



I asked him why he thought the reactions had been so disappointing. He said it was the result of:

- (i) Real scepticism on the part of officials as to what non-officials could do. This was magnified on the part of those Governments (such as Norway) which do have the "political will" inside their existing Governments, and so feel rather left out. *That needs explaining.*
- (ii) The urgings of Perez Guerrero through Venezuelan Ambassadors.
- (iii) The pronounced and vocal scepticism of the German Government in private, and through Ambassadors and through press briefings. (Julian confirms this from U.N. I do not think Janssen is guilty - I am less sure about the alternate.) The scepticism was about Brandt, his ability, his real intentions etc.

Van Gorkom asked me what I thought should be done next. My reply was:

1. Delay could be fatal -- as I had said to Pronk the rats would get at the Commission once it was in the process of being born, *until it was established.*
2. Therefore I would still consider whether we could put out an announcement along the lines: *I need my draft of last night.*

Willy Brandt has indicated [to Mr. McNamara] that he is prepared to convene and chair this Commission. He will be undertaking consultations with all interested parties about the membership and the work of the Commission with a view to its meeting in the Mid Year.

There would have to be some opening reference to Pronk's meeting and financial guarantees. Was this possible? Van Gorkon said he thought it might be and that Pronk might well talk to Brandt about this, encouraging him to go ahead. But he was not sure and wondered whether Pronk was of sufficient stature in a McNamara/Pronk axis to launch this. He would talk to Pronk and one of them would consult back with Clark/McNamara, before any action.



February 8, 1977

He asked if there was any chance of other support in particular for the new American administration? It's silence was being interpreted as scepticism. Could not the Canadians be more forthcoming?

(Incidentally Julian reported that the article by Novak in yesterday's C.S.M. quoting from Fred Bergsten's Trilateral Commission pamphlet on the future of I.F.I.s was being used at the UN to show what the real Carter proposals for the Bank and aid would be.)

A further point that I did not raise with the Dutch is this:

Akhund, Perez Guerrero and Gamani Corea are planning to meet in Paris on February 14-15-16, and also plan to try and see Brandt. Akhund, at least, feels that he expects or hopes you to be there too (and has rearranged his return to Pakistan in that hope). Whether or not we nail Brandt down before then, you need to consider whether you cannot be in Europe for one of those days to meet with these people, Brandt and perhaps Pronk. It would be part of the process of consultation by Brandt.

WDC1ark:sf

Since writing above I hear P.G. is in Washington today seeing Dick Cooper. He now fears for CIEC's life & is less anxious about 'Brandt' interference.



815/6/9

# OFFICE MEMORANDUM

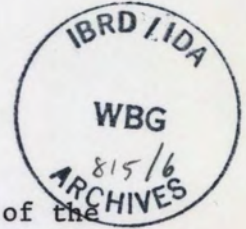
TO: Mr. Robert S. McNamara

DATE: February 7, 1977

FROM: J. Burke Knapp

SUBJECT:

*JBK*



This is to confirm that over the weekend Mr. Zandvliet of the Netherlands Embassy conveyed to me the following cable addressed to you by Mr. Pronk:

"Thank you for your cable of February 2. I shall do my utmost to persuade some of the like-minded countries during the meeting in The Hague to join in co-financing the Brandt Commission. In view of conflicting reports from Bonn and elsewhere I will be most grateful if you will cable over the weekend the full text of Brandt's acceptance letter of January 28. Latest reports indicate Perez Guerrero not yet convinced.

Sincerely,

Pronk"

cc: Mr. Wm. Clark

JBKnapp:isk



815/6/8

The World Bank

amb of Leaviths - 8/2/77  
Leaviths supports Pruditt Com.





Date? Probably  
2/4 or 5/77.



815/6/7

Imaginary Letter from Perez Guerrero to Mr. McNamara



Dear Bob,

I was sorry to miss you in my brief visit to Washington, but I had only just time to see some members of the new administration whose attitude was both unknown to me and crucial to the CIEC talks which are my main concern today. I did not need to see you so urgently because I know your attitude is steadily friendly to the Third World. As I said to the last meeting of my Group of 19 I shall always regard you as my friend.

But at that meeting we were discussing your initiative for setting up the so called Brandt Commission, and while there were general expressions of admiration for your published views on Development my colleagues could not agree that this proposal was correct in timing or even in principal. Because I hate disagreements between friends let me try to explain to you why there is suspicion of this initiative even though it was put forward by you.

First of all the timing. I telegraphed to you about this when you were kind enough to inform me of your Boston speech - (two days before you gave it which hardly allowed for the consultation you mentioned.) My first reaction was that an initiative which was designed to break "the official impasse" must be designed to break up the ongoing official talks. Your telephoned response to my cable very greatly reassured me, but when I spoke to my colleagues in the G.19 I found them all very suspicious of such an initiative out of Washington, just at the moment the Carter administration was coming to power.

They argued that the G.19 had very reluctantly postponed the final meeting of the CIEC from December to allow the new American Administration a chance to redeem the utterly negative record of the Ford administration. Though there were several at that time who said it was a mistake to delay, and that I was gullible to believe the U.S. would change its spots, we did avoid a confrontational breakdown and I had reason to believe from the French and Canadians that every effort would be made to make some progress at our resumed meeting.

The sudden initiative from Washington a few days before the new Administration took office, and a few weeks before our meetings were due to resume, reminded many of my sceptical colleagues of those much publicised initiatives by Henry Kissinger at the 6th Special General Assembly, and at the 4th UNCTAD which seemed designed to break the unity of the G.77 by making vague promises of partial remedies of gross international economic inequities, which were anyway dependent on the very dubious agreement of Congress.

I, of course, do not believe you had any such intention but many of my colleagues who do not know you as I do, thought that at least you were trying to take the pressure off the G.8. They also had objections



in substance (as well as timing) to the establishment of a non-official Commission.

Their argument was that only Governments could negotiate any meaningful restructuring of economic relations between the OECD countries and the Developing Countries. Currently those negotiations are in the CIEC context, where the G.19 feels that it has achieved some progress by remaining united in pressing its demands on a very reluctant G.8. Most of my colleagues feel very strongly that this hard bargaining is the only way to get anything out of the industrialised world, especially by using the new found power of the control of energy resources.

Certainly they feel that a group of non-officials however eminent cannot replace Governments in this business which is critical for our whole future. It is feared also that any Commission of the sort you suggest will tend to be dominated by the OECD powers who, for various reasons of the present world inequity, have a so much wider selection of eminent persons to draw on.

Further as my friend Ambassador Akhund once said to his group at the U.N.: we know what we want, and have formalised it in the Manila Charter and other documents of the N.E.O. We wish to hear from the industrialised countries that they will concede, not too slowly, our demands; we do not wish to hear what concessions the OECD powers have decided are convenient to them.

In sum my colleagues fear that however good the intentions behind the Brandt Commission it would be used by the OECD powers to escape from the impasse into which we have forced them in CIEC, in UNCTAD and in the General Assembly. Instead of conceding at least some of our just demands, and gradually more and more, the OECD would delightedly offer some voluntary concessions (as Dr. Kissinger so often did) that maintain their dominant market position while seeming to provide a basis for growth in the Third World. Even these concessions would be 'unofficial' and would be nibbled away by Governments, Parliaments and above all the U.S. Congress.

For all these reasons, my dear Bob, I hope you will understand my original reluctance to endorse the timing of your initiative, and my subsequent doubts about its real value.



Imaginary letter from Robert S. McNamara to Perez Guerrero

Dear P.G.

Thank you very much for your letter setting out your doubts and difficulties with the proposal for a Commission on Development. Let me respond frankly and privately by giving you my view on the development situation.

I have followed carefully the CIEC negotiations in Paris and the UNCTAD negotiations in Nairobi and Geneva. I described them in my Manila and Boston speeches as having reached an impasse. By this I did not mean that they would produce no result, nor that there would be no concessions by the OECD nations. I did mean that the high hopes of producing a mutually acceptable strategy for development had been lost.

I believed, as I have for some time even after the OPEC successes, that the Third World could not impose a worth while Development Strategy on the OECD nations by adversary negotiation at official or at ministerial level. I had considerable doubts about the viability of the N.I.E.O. in any case, but I was sure the OECD would not accept it voluntarily because they believed that it would definitely harm the developed market economies without corresponding long term benefits to the majority of the poorer nations. I hoped that there would be concessions of the OECD nations to the G.19, but I have never expected that they could form the basis of a strategy, for instance, for the Third Development Decade.

I have long thought and still believe that it is essential to have a strategy (an economic order, if you will) for the development of the various parts of the Third World, which is agreed and supported by the industrialised world. Unfortunately I do not think such an economic order can be produced by either side in isolation, nor will it emerge from adversary negotiation between Governments, for many of which the problems of development are secondary.

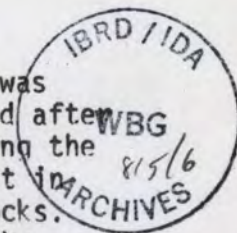
It is for this reason that I have suggested a Commission composed of personalities from both the OECD and the G.77 nations, who are not under instructions from Governments or groups of Governments. With the aid of a really expert staff of development experts it would be their prime task to find and agree amongst themselves on those political decisions necessary for development which can command public and legislative support in the rich and poor countries alike.

The implementation of the Commission's report would of course once again be a matter for Governments and for official negotiation. But how much greater the chances of success if they were presented with proposals that had the considered support of their peers in both the rich countries and the poor.



February 3, 1977

FREETOWN: Curfew Imposed in Sierra Leone. Sierra Leone was under a state of emergency today with a dusk-to-dawn curfew imposed after fighting between pro-government demonstrators and students demanding the resignation of President Siaka Stevens. Freetown was hit by unrest in which shops and offices shut down and schoolchildren built roadblocks. The emergency and curfew were ordered two days after students at the University of Sierra Leone demonstrated against the 71-year-old president. No deaths or serious casualties were reported in the disorders, but the Government ordered all schools and colleges closed until next week. (RWBS)



BUENOS AIRES: Cost of Living Rises in Argentina. The cost of living in Argentina rose by 344 percent in the 12 months to January 31, the Government announced. (RWBS)

WASHINGTON: Germany Welcomes McNamara Commission Proposal. In response to a question at a press conference at the World Bank Wednesday, the German Minister for Economic Cooperation, Mrs. Marie Schlei, disclosed that she had just received the news from the German Embassy here that a representative of the German Government had responded to a question in Parliament to the effect that the German Government welcomed the proposal. (World Bank News Service)

TOKYO: Fukuda Wants Western Economic Conference After May 28. Japanese Prime Minister Takeo Fukuda said in Tokyo he wanted the proposed economic conference of western industrialized nations to take place after May 28. He said he had conveyed his wish to U.S. Vice-President Walter Mondale when they had talks in Tokyo earlier this week. (RWBS)

- 0 -

PRESS REVIEW (Reuters-World Bank Service)

LONDON: The "Financial Times" today carried a brief news agency report from Washington stating that the German Government had notified World Bank President Robert McNamara it will contribute DM2 billion to IDA over the next two years.

The 200-word item quoted Mr. McNamara as saying Germany's decision was the first official action by a major aid-donor country to provide additional funds for the Bank's affiliate.

The dispatch, AP-Dow Jones, added it was expected aid-donor countries would meet in Vienna next month to complete arrangements to provide over a three-year period about \$9 billion to IDA.

- 0 -

The "Guardian" said in a report that ministers and senior officials of Britain's Overseas Development Ministry would be meeting this weekend to "rethink" the Government's aid policy in the light of the country's stringent economic situation.

The paper stressed, however, that the impromptu "think-tank" for a fundamental reappraisal of British aid plans would be "highly informal," without agenda and minutes of a final report.



# OFFICE MEMORANDUM

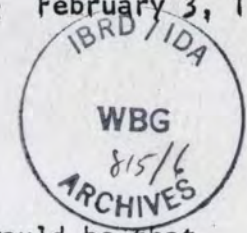
815/6/6

TO: Mr. William Clark, VPE

DATE: February 3, 1977

FROM: Mahbub ul Haq, Director, PP&PR *M.H.*

SUBJECT: Executive Secretary for the Brandt Commission



As we discussed this morning, my recommendation would be that the Executive Secretary for the Brandt Commission should be chosen definitely from the Third World if the Chairman is going to be Willy Brandt. My specific suggestions for this position, in order of preference, are as follows:

1. Lal Jayawardena. Currently Secretary of Treasury and Planning Departments in Sri Lanka. Extremely well-qualified with broad practical experience. He is well-known in the Third World, can be helpful with Gamani Corea and Perez Guerrero, knows G-77 Ambassadors on a personal basis, and has extremely good links with the World Bank and with institutions in the First World. ~~To my mind, he would be the ideal choice. As I informed you, I also learned through the grapevine last week that he may be wanting to get out of Sri Lanka at this stage.~~
2. K. N. Raj. Currently Director of the Kerala Research Institute in India. One of the most prominent economists in the developing countries. Has a wide range of experience. Also member of U.N. Development Planning Committee. ~~But is not keeping in good health. May not be able to travel much or take too strenuous a burden.~~
3. Jagdish Bhagwati. Currently professor of economics at MIT. He is analytically superior to ~~Lal~~, but does not have as much practical or policy experience and is not as well-known in the organized Third World. He has, however, the intellectual capacity to do such a job. *Jayawardena*
4. Ken Dadzie. Ambassador of Ghana to G-77. Currently chairman of the UN Restructuring Committee. Represents the new generation of Africans. Very intelligent, balanced and with a keen political sense. Don't know enough about his academic background. If there is a problem in finding a suitable commissioner from Africa, may become an attractive possibility as Executive Secretary. *good*
5. Carlos Diaz-Alejandro. He is presently professor of economics at Yale. Extremely bright, very articulate and familiar with the issues that the Brandt Commission will be dealing with. However, he has rather ~~poor~~ links with the organized Third World ~~and may not command broad confidence and support.~~ *limited*



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

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OFFICE OF THE PRESIDENT



Mr. McNamara:

February 3, 1977

Summary Translation

The speaker for the SPD National Committee,  
Mr. Lothar Schwartz, announces:

"The Chairman of SPD, Willy Brandt, has in a letter told the President of the World Bank, Mr. McNamara, that an international commission which should give recommendations for the further development of North/South questions of course could only work under the premise that the pending international North/South negotiations will be successful. If not, there would be no basis for the work of the commission.

"Naturally, in such a commission which would be similar to the Pearson Commission, representatives from the Third World would have to cooperate. It will not be correct to give such a commission a role as arbitor in current negotiations among governments."

Egon Bahr



815/6/2



WILLY BRANDT  
PRESIDENT, SPD  
OLLENHAUERSTRASSE 1  
5300 BONN  
GERMANY

FEBRUARY 2, 1977  
TELEX (E. 2001)

I HAVE TODAY MAILED THE FOLLOWING LETTER TO YOU.

QUOTE. I WAS DELIGHTED TO RECEIVE BY THE HAND OF WILLIAM CLARK YOUR LETTER OF JANUARY TWENTYEIGHT, AND HIS ACCOUNT OF HIS CONVERSATION WITH YOU CONFIRMING THAT YOU ARE PREPARED TO UNDERTAKE THE TASK OF HEADING A COMMISSION TO INQUIRE INTO THE PROBLEMS OF DEVELOPMENT. I KNOW OF NO ONE WHO WOULD COMMAND THE CONFIDENCE YOU DO AMONG DEVELOPED AND DEVELOPING COUNTRIES ALIKE, AND I BELIEVE THIS COULD PROVE TO BE AN IMPORTANT LANDMARK IN THE DRAWING TOGETHER OF TWO PARTS OF THE WORLD THAT ARE TODAY SEPARATED BY A WIDENING GAP.

I AM ALSO AWARE OF THE TREMENDOUS DIFFICULTIES THAT ARE ENTAILED IN THIS TASK AND I WOULD LIKE TO ASSURE YOU THAT ALL POSSIBLE ASSISTANCE WILL BE PROVIDED TO YOU IN THE SETTING UP OF THE COMMISSION. I LOOK FORWARD TO MEETING AGAIN EGON BAHR WHEN HE IS IN WASHINGTON TO DISCUSS HOW THIS CAN BEST BE DONE.

FINALLY, I HOPE YOU AND I CAN MEET IN MARCH TO DISCUSS FURTHER THE ARRANGEMENTS. I AM SURE IT WILL BE NECESSARY TO START RECRUITING BOTH STAFF AND COMMISSIONERS VERY SOON IF THE WORK OF THE COMMISSION IS TO BEGIN IN JUNE. WITH BEST WISHES, SIGNED MCNAMARA END QUOTE

Robert S. McNamara  
President

cc: William Clark-Vice President,  
External Relations

WDClark:RSMcNamara:bmm





CLAUDE CHEYSSON

FEBRUARY 2, 1977

EEC

TELEX (Ext. 2001)

BRUSSELS

BELGIUM

FIRST LET ME THANK YOU FOR YOUR VERY KIND CABLE ABOUT MY BOSTON SPEECH. I COUNT ON YOUR PERSONAL SUPPORT AND WISE ADVICE.

AS I HOPE YOU HAVE LEARNED FROM CONVERSATIONS WITH CARRIERE AND CLARK, IN THE LAST FEW DAYS, IT APPEARS PROBABLE THAT, IN THE LIGHT OF BRANDT'S ACCEPTANCE OF ROLE OF CHAIRMAN, THE COMMISSION CAN BE SET UP. IN THAT EVENT, I HOPE I MAY CONSULT YOU ON NAMES FOR THE COMMISSION AND ITS STAFF.

YOUR SUGGESTION THAT THE EUROPEANS SHOULD BE IN A POSITION TO HELP FINANCIALLY WAS MOST WELCOME. PRELIMINARY ESTIMATES INDICATE THE TOTAL SUM INVOLVED MIGHT APPROXIMATE \$2 - 2.5 MILLION, PLUS A CONTINGENCY ALLOWANCE. WHEN THE ESTABLISHMENT OF THE COMMISSION IS ANNOUNCED, THE ANNOUNCEMENT WOULD REFER TO ITS FINANCIAL SPONSORS AS FOLLOWS QUOTE THE COSTS OF THE COMMISSION HAVE BEEN GUARANTEED BY A CONSORTIUM OF THE FOLLOWING GOVERNMENTS AND INSTITUTIONS UNQUOTE. WOULD IT BE POSSIBLE FOR YOUR INSTITUTION TO BE ASSOCIATED WITH THIS FUND, AND TO BE LISTED IN THE ANNOUNCEMENT, BY PLEDGING A PORTION OF THE TOTAL COST?

PLEASE DO NOT HESITATE TO TELEPHONE OR TELEX ME IF YOU HAVE ANY QUESTIONS OR SUGGESTIONS.

MCNAMARA

Robert S. McNamara

President

cc: William Clark-Vice President,  
External Relations

WDClark:RSMcNamara:bmm



815/6/2



February 2, 1977

Dear Mr. Brandt:

I was delighted to receive by the hand of William Clark your letter of January 28, and his account of his conversation with you confirming that you are prepared to undertake the task of heading a Commission to inquire into the problems of development. I know of no one who would command the confidence you do among developed and developing countries alike, and I believe this could prove to be an important landmark in the drawing together of two parts of the world that are today separated by a widening gap.

I am also aware of the tremendous difficulties that are entailed in this task and I would like to assure you that all possible assistance will be provided to you in the setting up of the Commission. I look forward to meeting again Egon Bahr when he is in Washington to discuss how this can best be done.

Finally, I hope you and I can meet in March to further discuss the arrangements. I am sure it will be necessary to start recruiting both staff and commissioners very soon if the work of the Commission is to begin in June.

With best wishes,

Sincerely,

Robert S. McNamara

Mr. Willy Brandt  
President  
Sozialdemokratische Partei  
Deutschlands  
Ollenhauerstrasse 1  
5300 Bonn  
Federal Republic of Germany

RMcN:mss



The World Bank



February 2, 1977

Mr. Janssen:

For your information, I am sending to you a copy of a letter and cable which I have sent today to Herr Brandt.

R. S. McNamara



895/6/1



February 2, 1977

Dear Mr. Brandt:

I was delighted to receive by the hand of William Clark your letter of January 28, and his account of his conversation with you confirming that you are prepared to undertake the task of heading a Commission to inquire into the problems of development. I know of no one who would command the confidence you do among developed and developing countries alike, and I believe this could prove to be an important landmark in the drawing together of two parts of the world that are today separated by a widening gap.

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Sincerely,

Robert S. McNamara

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President  
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