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McNamara Papers

Statements  
1969

The World Bank Group  
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Robert S. McNamara Statements / Speeches - Statements 02

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~~draft~~ statement--Mr. McNamara

1-15-69  
\* In terms of no. of shares held  
China is surpassed only by  
the US, the UK, France + India

Your Excellency,

It gives me particular pleasure to welcome the Republic of China as the 91st member of the International Finance Corporation. The success of economic development in Taiwan stands as a model. We in the IFC are proud to have been associated with that progress. We have worked closely with the China Development Corporation in promoting the growth of your private sector, and now that you are becoming a member of the IFC, we are confident that our relationship will continue to be mutually rewarding.

I am, for example, delighted that two senior officials of your Council for International Economic Cooperation and Development are now here in Washington, studying under the auspices of the IFC. We are very happy to have them with us.

The remarkable rate of industrial growth in Taiwan leads me to hope that we can work with China's private sector to further both your industrial and export potential, and that the years ahead will continue to witness the unfolding of what is -- by any of half a dozen criteria -- one of the most encouraging and stimulating stories of economic development.

\* In terms of numbers of shares held, China is surpassed only by the US, the UK, France and India.

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February 4, 1969

Speech by Mr. Robert S. McNamara to the meeting of the Consultative Committee on Public Information

Mr. Chairman, Ladies and Gentlemen:

I am delighted to have this opportunity to welcome you here and to add my greeting to that which I know you have received from William Clark earlier today. I think it's particularly appropriate that we should be meeting in this building and in this institution at this time; appropriate because I hear that for some years our relationships with many of the institutions you represent and with the UN family were not as strong and cordial as they might have been, that my predecessor George Woods took steps to remedy that situation some time ago and I think now the fact that you are here symbolizes the recognition certainly by us and I hope by all others affected that we are a member of the UN family and one which is very anxious to cooperate with the other agencies in that group. I think it is also appropriate that you should be meeting here at this time because from our parochial point of view the greatest single public information problem the UN is facing today is the development problem. We feel this particularly perhaps because we are a development agency but I am sure all of you recognize it as well. We feel it also because we are sitting here in the capital of this country and this country the United States, perhaps more than others is passing through a rather traumatic re-examination of its development policies and

as I think you know the United States has failed to pass the legislation necessary to support the agreement that its president made to participate in the second replenishment of the International Development Association and for all practical purposes that left the Association bankrupt early in this fiscal year. By good fortune and some persistence we have managed to temporarily defer the bankruptcy; we have had voluntary contributions from many of the members of the International Development Association which in total have made it possible for us to resume lending operations but it is a precarious life and we won't be in a stable position in the IDA until the United States acts and it won't act until it begins to feel the pressure of its own people and the people of other nations in the world and this is just illustrative of one of the many barriers to development and to meeting the requirements of the developing nations; and all of these of course come down to the lack of information, lack of understanding. The facts are clear. The record is one of tremendous accomplishment by bilateral economic aid, by monolateral economic aid, by all of the agencies the UN participate in but certainly the United States Congress doesn't believe its a record of accomplishment and unfortunately the United States people don't believe its a record of accomplishment. It s also a record of great need and I don't think is known and its a record of great capacity to utilize resources effectively today. There is a considerable disenchantment with aid to certain

of the nations of the world, particularly some of the larger nations but I don't think anyone who feels that disenchantment has on the sight examined the aid that has been given, has examined the capacity to utilize additional aid and has examined the requirement in terms of human requirements for that additional aid so we here in the Bank feel very much the need for a more effective educational program, more effective information program, that's why we asked Prime Minister Pearson to head a commission to re-examine this entire problem and report independently of the Bank and for that matter independently of any institution, report to the people of the world upon what they found, what have happened, what was the requirement today and how might it be met for the future. So we solicit your help, we're delighted you're here and anything we can do to make your stay pleasant and effective we will do. Thank you very much Mr. Chairman.

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2-8-69

AIRPORT STATEMENT -- DAKAR

I am delighted that my first visit as President of the World Bank to Africa south of the Sahara should begin here in the Republic of Sénégal.

To President Senghor, one of the outstanding leaders of all Africa, whose acquaintance I do greatly look forward to renewing, I extend my warmest thanks for inviting me to make this visit.

The World Bank Group has been active in this country for several years. Our activities here will continue, for we intend to participate as willing and constructive partners in Sénégal's further economic development. Our goal is to help you achieve your goals, to contribute to the realization of those ideals of a progressive and prosperous African nation that have been so eloquently expressed by your President.

During my all too brief visit, I hope to see something of the historic and beautiful city of Dakar which, as the headquarters of the Organisation des États Riverains du Sénégal, reminds us of the significant strides being made in this part of Africa toward greater regional cooperation. But I also hope to get to know at first hand something of the agricultural development problems and potential of the countryside outside the cities. While here I shall sign a combined loan and credit agreement for an important project in the agricultural sector, a sector that is vital to Sénégal's

economy. As I told the World Bank's Governors in my speech last September the Bank Group intends to increase fourfold over the next five years, the volume of its agricultural lending. At the same time I said that we shall, over the same period, be tripling our total lending activities on this continent. Not all of this, by any means, will be devoted to agriculture, for economic progress depends on the development of other sectors as well as agriculture. Just what our contribution can be to the development of these several sectors will, I hope become clearer to me after this visit to Africa.

In the meantime, I want to assure you of our eagerness to help you to stimulate still further the already impressive growth of your nation's economy. Wise leadership and willing hands are steering this nation along the path of progress. In the words of your national anthem -- the words of President Senghor himself --

"The sword we shall place in the scabbard of peace,"

"For work will be our weapon and the word."

Work is our weapon too in the fight to improve the quality of life in the developing world. During my visit here, we shall discover, I am sure, still more ways in which we can work together for the continued economic development of this fortunate Republic.





Mr. President:

You said I hated speeches. That is not quite true. I hate giving them. But who could fail to enjoy hearing a speech by such a master of the language as yourself.

I am most deeply touched by your speech, by your good wishes to my wife and myself, and particularly by your expressions of confidence in me as President of the World Bank. It is my earnest determination to prove worthy of that confidence and trust.

I have long regarded the World Bank as something more than just a bank, as a development agency dedicated to the proposition that the wealth of some parts of the world could be used to lessen and finally to eliminate the poverty in other parts. When I came to the Bank it was with these ideals in mind, ideals which were not really new to me as you have indicated by your reference to the speech I made in Montreal as United States Secretary of Defense. The same thought has been put more succinctly than I did, and more eloquently by the Pope in his charismatic phrase "Development IS peace."

But since I have been at the Bank, I have had it borne in on me that development today -- like peace -- faces mountainous difficulties. On the part of many of the richer and more impatient nations there is a disillusionment and disenchantment with an aid effort which has cost many billions of dollars over two decades, and has still not achieved a final solution. Amongst many of the developing nations there is equally a deep sense of frustration that with all their own efforts, and with some external assistance, the gap between the rich nations and the poor nations grows. The standard of life in the developing nations rises, but rises so slowly that it is almost imperceptible to their people.

Faced with disillusionment and frustration amongst so many of our members I had to decide what the Bank could do in this unpromising situation. I have been determined on one thing: the Bank can and will act; it will not be paralysed by disenchantment. I believe that we CAN assist development, and I hope that by doing so we shall thus give a lead to which all the richer nations will respond.

For there is no cause for despair. There is every reason for hope. In my own country, in Europe from which I have just come today, in Japan which I visited a few months ago, I have witnessed the creation of a production machine which could abolish poverty from the earth by the year 2000 which you mentioned, Mr. President, as the year in which you hope to accede to the industrial society.

In Asia, which I visited at the end of last year, I have seen the beginnings of an agricultural revolution which, if it is not overwhelmed by a population explosion, could banish hunger from those lands in a few short years.

And now I have come to see Africa. Here, too, I come with hope, for I have heard much of achievements in this part of the world not only from my colleagues in the Bank but also from my wife who has visited here before, and from my daughter who has worked in the schools of one of your neighboring states.

And who, Mr. President, has not heard of you and your work as one of the great African leaders of thought and action.

I did not begin my adult life, Mr. President as a banker, nor as a Defense Secretary, nor even as an automobile manufacturer. At the University I studied philosophy, and I still remember that ideal Republic described by Plato, organized by its poets and ruled by its philosopher kings. I believe that in Senegal, under your Presidency, I shall find something of that ancient and enduring idea.

Ladies and gentlemen, I know you will wish to join me and my wife in a toast to a lovely lady, Madame Senghor, and to her husband, the President, who is leading his people forward with such intelligence and grace and such determination.

Dakar  
2/9/69

You said I hated speeches. That is not quite true. I hate giving them. But I could find it enjoyable hearing a speech by such a master of the language as yourself. 2-9-69

Mr. President

I am most deeply touched by your speech, by your good wishes to my wife and myself, and particularly by your expressions of confidence in me as President of the World Bank. It is my earnest determination to prove worthy of that confidence and trust.

~~I regard my present post as a position of trust for the whole world.~~ I have long regarded the World Bank as something more than just a bank, as a development agency dedicated to the proposition that the wealth of some parts of the world could be used to lessen and finally to eliminate the poverty in other parts. When I came to the Bank it was with these ideals in mind, ideals which were not really new to me as you have indicated by your reference to the speech I made in Montreal as United States Secretary of Defence. The same thought has been put more succinctly than I did, and more eloquently by the Pope in his charismatic phrase "Development IS Peace".

But since I have been at the Bank, I have had it borne in on me that development today -- like peace -- faces mountainous difficulties. On the part of many of the richer and more impatient nations there is a

..2/ (disillusionment)

disillusionment and disenchantment with an aid effort which has cost many billions of dollars over two decades, and has still not achieved a final solution. Amongst many of the developing nations there is equally a deep sense of frustration that with all their own efforts, and with some external assistance, the gap between the rich nations and the poor nations grows, and the standard of life in the developing nations rises, ~~yes~~, but rises so slowly that it is almost imperceptible to their peoples.

Faced with disillusionment and frustration amongst so many of our members I had to decide what the Bank could do in this unpromising situation. I have been determined on one thing: the Bank can and will act; it will not be paralysed by disenchantment. I believe that we CAN assist development,

~~I insist that we SHALL do so,~~

and I hope that <sup>by doing so</sup> we shall thus give a lead to which all the richer nations will respond.

For there is no cause for despair. There is every reason for hope. In my own country, in Europe from which I have just come today, in Japan which I visited a few months ago, I have witnessed the ~~maxim~~

...3/ (creation)

creation of a production machine which could abolish poverty from the earth by the year 2000 which you mentioned, Mr. President, as the year in which you hope to accede to the industrial society.

In Asia, which I visited at the end of last year, I have seen the beginnings of an agricultural *revolution* ~~production~~ which, if it is not overwhelmed by a population explosion, could banish hunger from those lands in <sup>a few short years</sup> ~~reasonable time~~.

And now I have come to see Africa, the ~~developing continent par excellence~~. Here too I come with hope, for I have heard much of achievements in this part of the world not only from my colleagues *in the Bank*, ~~Mr. Knapp and Mr. Rosen~~, but also from my wife who has visited here before, and from my daughter who has worked in the schools of one of your neighbouring states.

And who, Mr. President, has not heard of you and your work as one of the great African leaders of thought and action. ~~I have certainly heard and read so much that today is marked as a great day in my life -- the day I met President Senghor.~~

I did not begin my adult life, Mr. President, as a banker, nor as a Defence Secretary, nor even as an automobile manufacturer. At <sup>the</sup> University I studied philosophy, and I still remember that ideal Republic described by Plato, organised by its poets and ruled by its philosopher kings. I believe that in Senegal, under your Presidency, I shall find something of that ancient and enduring ideal. ~~I am proud that the World Bank can be a partner in your efforts; I am determined that we shall do our utmost to help you and the people you lead.~~

Ladies & gentlemen, I know you will wish to join <sup>with</sup> my wife in a toast to a lovely lady, Madame Senghor and her husband, the President, who is leading his people forward with <sup>such</sup> intelligence, grace and <sup>purpose</sup> determination.

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2-10-69

AIRPORT STATEMENT -- ABIDJAN

I am particularly happy to have this opportunity to visit <sup>to Ivory Coast,</sup>  
~~Côte d'Ivoire~~, and I want to thank <sup>you</sup> President Houphouët-Boigny  
most sincerely for inviting me here.

Throughout all Africa, it must be hard to find a nation  
that has made more significant progress toward prosperity than  
this great Republic. Thanks to the wise leadership of your  
distinguished President, and to the determined spirit of the  
people, full and fruitful advantage is being taken of the varied  
resources with which this Republic is endowed.

I have come here as President of the World Bank to learn  
at first hand something of the manner in which this remarkable  
development has taken place and to further my understanding of  
how the Bank can become a still stronger partner in your progress.

In my speech to the Governors of the World Bank in September,  
I told them of my intention to triple the volume of our activi-  
ties on this continent. To achieve this, we shall do everything  
we can to discover exactly where and how our ~~loan~~ funds can be  
put to the most effective use. This is one of the major tasks  
already being undertaken in this area by our Permanent Mission  
in Western Africa situated here in the magnificent city of Abidjan.

The problem of ensuring for the countries of Africa a  
steady and satisfactory rate of economic progress will keep those  
countries and those who will assist them busy for many years to  
come. Some will not progress as fast as others. But I hope that  
many will take heart from the splendid example set by <sup>the Ivory Coast</sup> ~~Côte d'Ivoire~~

and will see in the wisdom of its leadership and the energy of its people two essential ingredients for steady progress. To the rapid growers and to the less rapid alike we say: we want to help you. Above all we want to help you to help yourselves and each other. The countries of the Entente, by doing just that, are already making impressive strides in their economic development.

I greatly look forward to seeing something of your beautiful country and having fruitful discussions with your leaders.

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2-10-69

DRAFT REMARKS AT SIGNING OF SÉNÉGAL  
AGRICULTURAL LOAN AND CREDIT AGREEMENTS

Mr. President:

I am particularly pleased that during my first visit to Sénégal I <sup>have the opportunity</sup> ~~am able~~ to sign with <sup>you</sup> ~~Your Excellency~~ this ~~combined loan and credit~~ agreement. <sup>your</sup> The very important agricultural program, whose continuation we are helping to finance, affects more than a quarter of the Republic's population. How better can we show that the ultimate aim of our assistance is to touch the life of the people and improve it?

As you are aware, the World Bank ~~Group~~ has been active in this country for several years, and the fruits of our joint labors afford both borrower and lender a great deal of satisfaction. But the task <sup>as you have pointed out</sup> is far from finished. The goals of economic development are not reached overnight. But partnership quickens progress, and as President of the World Bank I intend that our partnership in your progress should be continuing and effective. I told the Governors of the Bank in September of my intention to triple the volume of our activities on this continent over the next five years. I hope and believe that Sénégal will share fully in this expansion of our operations. We will continue to make every effort to find out where and how <sup>we</sup> ~~our loan funds can be put to the~~ <sup>can</sup> most effective <sup>use</sup> in support <sup>of your</sup> ~~of this~~ country's development. World Bank <sup>loan</sup> ~~Group~~ <sup>finance</sup> is already at work in the transportation and industrial sectors of your economy. Today new funds go to work in the vital agricultural sector. In the months and years to come we shall, I am sure, ~~with~~

~~your continued energetic cooperation,~~ find new areas in which we can assist you.

A major task for us here in Africa is to work, together with the governments themselves and with other international agencies, to create a flow of important projects suitable for external financing. ~~Our Permanent Mission in Western Africa is already hard at work at this.~~ I am convinced that these ~~priority~~ projects will be forthcoming, otherwise I would not be talking to you today about tripling our lending on this continent, or for example, of quadrupling our world-wide assistance to agricultural development. These are not wishful thoughts but reasoned estimates. They are the realistic targets that we have set, and we have every intention of reaching them.

I cannot let this occasion pass, Mr. President, without noting how your own keen personal interest in every facet of Sénégal's economic development enhances our joint endeavors here. In the short time that I have been in this country, I have seen for myself something of the great progress already made, and I have gained a vivid impression of the energy and enthusiasm with which the people of Sénégal are meeting the development challenge. Your wise leadership and <sup>your</sup> eloquent encouragement guarantee the nation's continued determination to take full advantage of every development opportunity. I want you to know that we at the World Bank are <sup>ambitious</sup> ~~willing~~ to give you and your nation our ready support wherever and whenever we <sup>can find</sup> ~~feel~~ we have a constructive role to play in the economic development of this forward-looking Republic.



Mr. President I thank you for your kind words, and particularly for saying that you regarded me as a friend and ally.

Indeed I am determined that between the World Bank and the Ivory Coast there shall be a fruitful alliance; between ourselves there is already a long acquaintance ripening here in your <sup>lovely</sup> beautiful land into a warm friendship.

Mr. President I am delighted that my first visit to Africa south of the Sahara has brought me to this beautiful city, ~~with its splendid buildings set in the silver sea.~~ And tomorrow I <sup>look forward to seeing</sup> hope to see ~~more~~ of your famously fertile countryside.

But above all I have come here, as so many others have done before me to see you, Mr. President, and to find out the secret of your success. For your success, the steady economic growth in this country, and your wise political leadership in this region, these <sup>have</sup> ~~have~~ made you famous not only throughout Africa but throughout the world.

I thought that as we talked this morning I perhaps glimpsed a part of your secret. Was it <sup>not</sup> the combination of your experience as a <sup>professor</sup> ~~teacher~~ and a successful agriculturist <sup>and</sup> entrepreneur that has made you understand so well that development must be built first by the farmer and the teacher?

It is here in agriculture and education that the Bank proposes to expand its activities most rapidly, ~~as I told the Governors when I spoke to them in September.~~ And it is in these fields also that I see the greatest likelihood of a useful relationship between the Bank and your country.

<sup>when I spoke to them in September</sup> I also told the Governors that the Bank Group would hope to triple the extent of its activities in Africa ~~as a whole~~ over the next 5 years.

But in this country I foresee opportunities for an even greater increase,  
Indeed, it is probable that within a few weeks <sup>we</sup> I shall approve a loan  
which, in itself will represent three times the total of our past lending  
to you. I hope that this will lay the foundations of a partnership between  
the Bank and the great development effort of the people of this country  
under your leadership.

<sup>dear & gentleman,</sup>  
So I ask you to raise your glasses to the President, a great  
leader of this nation, of this entente, and of all of Africa; our staunch  
ally at the Bank in the battle for more speedy development, and my friend.





2-13-69

DRAFT STATEMENT ON ARRIVAL IN KINSHASA

I am extremely pleased that, on the occasion of my first visit to Africa south of the Sahara [as President of the World Bank,] I am able to come to the Democratic Republic of the Congo. I would like to extend to President Mobutu my warmest thanks for his very kind invitation.

During this visit, I look forward to [spending as much time as I can in seeing something of your country and to learning] at first hand about the significant progress that has been made here in the field of economic development. At the same time I expect to be able to further my understanding of how the World Bank can become a [still] stronger partner in your country's progress. This is [after all,] a nation of enormous potential, and we are anxious to help you see that potential realized for the benefit of all your people.

The Bank has not been very active here in the Democratic Republic for a variety of reasons in recent years. But this is something I hope to change. I told the Governors of the Bank at our last Annual Meeting in September 1968 that we intend to triple the volume of our lending in Africa over the next five years. I sincerely hope and indeed intend, that this country will be a beneficiary of our expanded effort. Our best efforts and your willing cooperation can make this hope a reality.

There are therefore a variety of matters of mutual interest and concern to discuss here. My meetings with the dis-

tinguished leaders of the Democratic Republic will enable me to familiarize myself with the problems and opportunities that they face in leading this great country along the path to prosperity. It will make this visit most interesting for me, and, I am confident, mutually constructive as well.

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As I leave the Congo after an enthralling visit I wish first of all to send my thanks to President Mobutu who so kindly invited me here, and who gave me so much of his time. In his toast at dinner the President was kind enough to refer to me as one who had in the past proved himself a friend. May I say that I hope, in the future as President of the World Bank, that I can again prove a true friend of this country with all its great potential.

I came to Africa to find out for myself what are the requirements for development, and how the World Bank can assist the African nations to meet those requirements. That was the objective of my visits to Senegal and the Ivory Coast-it is being my objective here.

As I told the Governors of the Bank last September the requirements for development capital in Africa have been growing and the ability of African nations to utilize such capital effectively has been increasing. Therefore we are planning to increase Bank Group lending to Africa by about three times. It is my sincere hope that this country will share fully in this increased activity.

I have been deeply impressed during my whole African tour by the great possibilities of agricultural development, and I am glad to report that the World Bank in cooperation with the FAO has just sent a mission to this country to examine the possibility of a loan for the development of your agriculture. Such an investment would contribute directly to the health and happiness of the great majority of your people who work on the land. In addition, the Bank is studying in detail the possibility of financial support for rehabilitation and expansion of your transport system.

In my few days here I have seen enough of your country to know that you can move forward and develop at a pace which will be ~~quite~~ exceptional even for Africa. I can only hope as I take my leave that the World Bank will be able to be a partner with you in this steady progress towards a nation united by a prosperity which is shared amongst all your people.



*From Tape*

DAHOMEY LOAN SIGNING  
March 5, 1969

Mr. Robert S. McNamara

Mr. President, gentlemen:

As you know until this moment the World Bank Group has not lent to Dahomey. The occasion of the first loan to a member country is always an important event in the life of this Bank. And we're particularly pleased, therefore, Mr. President, that you are honoring us today by personally participating in the signing of the loan agreement.

The Grand Hinbe project, the agricultural program that will be financed by this loan, will significantly expand the agricultural production of the country and it will add substantially to the incomes of the farmers participating in the project. I want to emphasize that our financing of the project is a joint venture with the French government and its another important step in the development of closer and closer relationships with that government and with the agencies of France which are doing so much to aid in the development of the countries of West Africa.

During my recent visit to your region, Mr. President, I, of course, saw the problems faced by the countries in that area. And they are great. But I saw also the opportunities for economic growth. Opportunities which we in the World Bank are determined to help you and the political leaders of your neighbors realize. And to aid in that effort, we have established a new department at the Bank that will concentrate solely and exclusively on economic aid to the countries of

West Africa. And to that department we have assigned one of our most distinguished executives, Mr. Chaufournier, who is here with us today. Already our loans to the French-speaking countries of Africa are increasing and I am confident that they will continue to increase in the future.

We welcome you here today, sir, and we're delighted to be your partner in the economic development of your country. Thank you very much for honoring us with your presence.



3/5/69

## Remarks at Signing of Dahomey IDA Credit

Mr. President, gentlemen

As you know, until this moment, the World Bank Group has not lent to Dahomey. The occasion of the first loan to a member country is always an important event in the life of our Bank. We are particularly pleased therefore Mr. President that you have honored us today by participating personally in the signing of this loan agreement.

The Grand Niamey project, the agricultural program to be financed by the loan, will significantly expand the agricultural production of <sup>your</sup> country & add substantially to the income of your farmers.

Our financing of this project is a joint venture with the French government. It marks another step in the development of closer <sup>working</sup> relationship with those agencies of France which are doing so much to aid the nations of West Africa.

During my recent visit to your region I of course saw the problems faced by so many of the countries in the area. But I also saw the opportunities for economic growth - opportunities which <sup>in the world</sup> we are determined to help you & the leaders of your neighboring states to realize. To aid you in this effort we have organized a new dept to help closely with West Africa & I am pleased to see Mr. Cheffouine, one of the ablest of our officers. Gladly our loans to the French speaking countries of Africa are rising and I would expect them to rise even more rapidly in the future. We are delighted to see to be your partner in the economic development of your country.



IRAN LOAN SIGNING

April 18, 1969

Mr. Robert S. McNamara

Mr. Ambassador and Your Excellency:

I am delighted to welcome you here today to join us in the signing of this \$30,000,000 loan to Iran for the Dez Irrigation Project. We in the Bank are always very pleased when one of our projects leads to another. And as you know in 1960 the Bank made a \$42,000,000 loan to Iran for an irrigation dam and a hydroelectric project, and in that project was a very small amount, but a very important one, some \$700,000 for a pilot agricultural project out of which, as I understand it, grew the program we are associating ourselves with today; from our point of view an extremely important program. This being but the first stage of a project that we think will have an immense effect, an immense impact, on the economic development of your country. And you have every cause, I think, to be very proud of what you have accomplished under the leadership of the Shah over the past several years.

I knew something of it before I came to the Bank, but I've come closer to it since that time. And I'm continually impressed by the agricultural reforms that have been undertaken, the distribution of land privileges, the expansion of the Gross National Product, the increase in per capita income, which has been truly remarkable particularly in view of the rather substantial increase in your population during that time, a very large investment in programs that are bound to benefit your future.

So we're very pleased to be a part of it. We look forward to playing an increasing role in your financing in the future. I would

*From tape ?*

anticipate that if the growth continues in the future as it has in the past, if your economic performance is as it has been, that your requirements for external capital will rise. And as they do, assuming other circumstances are favourable, we would expect to play a larger role than we have.

I was just glancing through the figures before coming down here and I wouldn't be surprised if our lending in the next five years, including this current fiscal year, exceeds in total the lending to Iran for the past twenty-two years of the Bank's history.

So this won't be the last occasion, I think, that we will be sitting in this room signing loan agreements with your country. We're very pleased to have you here.

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*From tape?*

IVORY COAST LOAN SIGNING

Mr. R. S. McNamara  
June 13, 1969

Mr. Minister:

It is a very great pleasure for me to welcome you here today if for no other reason than that it brings back such happy memories of my visit, earlier this year, to your country. But much more than the happy memories, it is important to me because this will formalize the initiation of a major project for you and an important undertaking for us. It is not only important because it is associated with the production of an important product for your export trade, an important addition to your GNP, but it signifies a major advance in the Bank's relationship with the Ivory Coast. As you are all aware, our past lending to the Ivory Coast has been small in magnitude. This loan substantially exceeds the total lending of the World Bank to the Ivory Coast for the past several years and I think it therefore is an indication of our great interest in your country and our great hopes for its development and a harbinger of things to come. We are engaged in a vast program of lending, vast in relation to your size and large for us. Its fulfillment, of course, depends upon the progress that your country makes in continuing along the road of economic development.

We are immensely impressed by the success you've had so far. We are pleased with the programs you are laying out for the future; they are not going to be easy to carry out, but we want to associate ourselves with you in every way possible to achieve the objectives you have in mind,

because those objectives are far more than economic advanced by themselves. The economic development that you have, we know, is but a foundation for the social progress which is your President's intention to achieve and which it is the clear requirement of your country to have. So we are very very pleased to have the opportunity to welcome you. We are pleased to have the opportunity to sign and formalize this major project in itself but we are even more pleased to be associated in the long run program of development in the Ivory Coast and we hope that we will be back in this room many many times in the future for similar ceremonies.

Thank you, Mr. Minister.

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*From tape*

INDONESIAN LOAN SIGNING  
June 20, 1969

Mr. McNamara

Mr. Ambassador, ladies and gentlemen:

This is a very pleasant occasion for me and I'm sure it is for the Ambassador. As all of you know, up until a year ago, the World Bank had played little or no part in the development of Indonesia. We've made no loan or credit up to that time, and I think the reasons for that situation are quite understandable to all of us. And yet, Indonesia, because of its vast size, its great physical wealth and its extraordinary human resources is certainly one of the most important areas in the developing world; and surely, because of past neglect, one which was in great need of external assistance. And so when the government of Indonesia asked the Bank to consider whether we could provide technical and financial assistance we leapt at the opportunity and, I think, the results are known to all of you. You've created them.

And the first result, of course, was the irrigation credit which the Ambassador and I signed in this room some eight or nine months ago. Credit to rehabilitate certain of the rice irrigation systems, to begin to eat away at that tremendous requirement for the importation of food grains which, if I recall correctly, amounted to something on the order of a million, one hundred thousand tons last year.

And the second and third results of this effort on our part are being formalized today; the credits to finance the rehabilitation of the oil palm and the rubber plantations, some 175,000 acres of plantations,

and the credits to finance the rehabilitation of some 2,000 miles of road. Roads to link the producing areas of their society, and could link their producing and marketing areas and contribute in that way to the expansion of their exports which ultimately will be the foundation of their own investment capabilities. So these three projects are representative of our efforts and they're major contributions amounting in total to some \$50,000,000 to the long term growth and reconstruction of that society.

I think the magnitude of that task was illustrated for me more forcefully than I've seen any other way by a comment that the Ambassador made in two extraordinarily perceptive lectures that he gave in Australia about a year, a year and a half ago. And he pointed out then that the lectures were devoted primarily to the analyses. Many of you know the political, social and economic trends in his society over centuries as a foundation for understanding it today and looking ahead to the future. But in the material he presented he said that the price inflation in the ten years from 1957 to 1967 had amounted to 167,000%, I believe, and I think this simply illustrated the complete destruction of the economy that had taken place during that decade, and the need to begin at the beginning in reconstructing it. And the magnitude of the advance, I think, since that time, is illustrated by the fact that in the last few months the rate of price increase, which if you recall, only fourteen months ago was at the rate of..or sixteen months ago was at the rate of 500% a year. In the last six months or so, I guess, it's averaged less than 1% a month. So there's been an immense effort and considerable

improvement, and we're very proud, Mr. Ambassador, to have contributed somewhat to that. And I'm sure that that will continue. And if it does, this will not be the last time that you or our successors sit in this room and formalize these agreements. So its a great pleasure to welcome you here and a great satisfaction to me to participate in this signing ceremony.

6/20/69  
Trends

INDONESIA - SIGNING OF CREDITS FOR  
AGRICULTURAL ESTATES AND HIGHWAYS

(Draft Statement for Mr. McNamara)

Mr. Ambassador (Mr. Soedjatmoko)

It is a particular pleasure to welcome you today to the International Development Association for the signing of two major credits for the Republic of Indonesia. As you know, these are the third and fourth contributions by the Association to Indonesia's economic progress and each will, I trust, make a distinct contribution to a key development sector.

The credit of US\$16 million for the rehabilitation and development of agricultural estates in North Sumatra is designed primarily to assist Indonesia to expand the production of two major export crops, rubber and palm oil. The direct benefits will be increased export earnings and higher government revenues, but the project should also provide a foundation for further estates development in which the Association may participate.

174,000 acres  
7,000 mi

The second credit to be signed will provide US\$28 million towards the improvement of highways in Indonesia. Because the expenditure under the project will concentrate on the rehabilitation and maintenance of high-priority roads, its economic impact should be rapid and far-reaching.

Together, these credits represent the establishment of a new and more substantial volume of aid to Indonesia by the Association, following the initial credits for irrigation rehabilitation (US\$5 million) and technical assistance (US\$2 million) in 1968. It is my hope that this level will be maintained and indeed increased as further projects, equally promising and soundly conceived, reach the stage at which financing can be considered. The agricultural estates and highway credits are the product of close and effective cooperation between our institutions, including the Bank's resident mission in Djakarta, and we look forward to further joint action in the interests of the development of Indonesia.

Jan 68 402

Indonesia - Agricultural Estates and Highway  
Projects

I. The Economy (see attachment)

II. Previous IDA Credits:

1968	No. 127	Irrigation Rehabilitation	\$5 million
1968	No. 135	Technical Assistance	\$2 million

III. The Projects:

1. Agricultural Estates

<u>1963:</u>	Total areas planted on estates (ha)	854,000
	Of which: Government estates	401,000 (47%)
	Planted with: Rubber	531,000
	Oil Palm	106,000

Estate Production

1966:	Rubber	210,000 metr. tons
	Palm Oil	161,000 metr. tons
	Palm Kernels	33,000 metr. tons

The Project

Area: 61,500 ha

Of which:

Rubber 27,000 ha

Oil Palms 31,500 ha

Purpose of the Project: To rehabilitate and develop two Government estate groups (PNPs V and VII) producing rubber and palm oil, in North Sumatra

Total cost: \$32 million

IDA credit: \$16 million

Rates of return: Rubber 18 - 25 per cent

Oil palm 26 - 36 per cent  
(based on current Bank price projections)

2. Highways

Total length of road network: 82,000 km  
Of which paved ca. 15,000 km  
Road transport fleet (1967) ca. 300,000 vehicles  
Of which: buses 18,800  
trucks 95,000

Density of roads .043 km/km<sup>2</sup>  
or .070 miles/sq. mile

Purposes of the Project: To rehabilitate 3,000 km of high-priority roads in five provinces (East and West Java, South and West Sumatra, South Sulawesi);  
To improve maintenance in all 20 of 26 Provinces with significant highway problems;  
To provide the administrative and technical basis for future highway development

Total cost: \$46.7 million over four years

IDA credit: \$28 million

Rate of return Over 40 percent (weighted average for rehabilitation work only)

			Actual Data						Projected Data						Period Growth Rates	
			1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1963-67	1970-74
Population - growth rate	%	1														
birth rate	per 1000	2	42	42	42	42	42	42							2.4	
Price Change - c.o.l. index	%	3	119	105	305	1,045	170	125								
exchange rate <sup>a</sup>	per US\$	4	428	1,299	1,843	88	198	326								
Means of Payment - change	%	5				873.3	235.9	229.8								
GNP at factor cost; 1964 prices - Total	\$ mil.	6	8,925	9,202	9,534	10,030	10,014	10,425	11,155	11,679	12,263	12,876	13,507	14,169		
per capita	\$	7	89	90	91	93	91	92							0.8/b	
GNP at constant market prices - real growth rate	%	8		3.1	3.6	5.2	1.1	4.1	7.0	4.7	5.0	5.0	4.9	4.9	3.2/b	
GDP at current market prices - Total	\$ mil.	9														
Production Growth (real) - agriculture	%	10		4.7	4.5	-0.9	-0.9									
food per capita	%	11		4.2	0.1	3.6	-3.4	2.4								
manufacturing	%	12		1.0	4.0	1.0	3.8									
GDP by Branch - agriculture	%	13	50.2	49.6		51.6	46.2									
mining	%	14	0.4	0.3			0.1									
manufacturing	%	15	9.6	9.4		9.2	12.1									
construction	%	16	2.7	4.4		1.9	2.1									
transport & communication	%	17	1.6	1.5		1.5	1.7									
public admin. & defense	%	18	2.9	3.2		6.0	5.4									
other branches	%	19	32.6	31.6		29.8	32.4									
Resource Gap	% of GDP	20	1.3	0.7	1.9	1.1	2.1	1.6	2.2	2.7	2.8	4.4	4.5	4.9		
Net Factor Payments	% of GDP	21	1.1	1.6	0.5	0.2	0.6	0.7	0.9	1.2	1.2	1.2	1.3	1.4		
National Saving - private	% of GDP	22														
public	% of GDP	23														
Total	% of GDP	24	3.8	5.3	4.9	6.4	3.2	2.5	3.9	4.1	4.7	5.1	5.6	5.7		
Marginal Saving Rate		25														
Consumption - private	% of GDP	26	89.0	86.9	88.9	87.5	90.7	92.3	91.3	91.1	90.0	89.0	88.0	87.4		
public	% of GDP	27	6.1	6.2	5.7	5.9	5.5	5.1	4.8	4.7	5.2	5.8	6.3	6.8		
Total	% of GDP	28	95.1	93.1	94.6	93.4	96.2	97.4	96.1	95.8	95.2	94.8	94.3	94.2		
Exports of Goods and Services	\$ mil.	29	616	632	634	719	770	861	953	1,111	1,124	1,199	1,387	1,500	6.9/b	
Imports of Goods and Services	\$ mil.	30	738	702	831	836	1,004	1,047	1,224	1,453	1,641	1,822	2,060	2,258	7.2/b	
Net Goods and Services	\$ mil.	31	-122	-70	-197	-117	-234	-186	-271	-342	-517	-623	-673	-758	13.0	
Interest on Public Debt, Gross: Outflow (-)	\$ mil.	32														
Other Investment Income, Net: Outflow (-)	\$ mil.	33	-106	-160	-51	-22	-64	-78	-107	-158	-166	-174	-197	-222		
Net Investment Income: Outflow (-)	\$ mil.	34	-106	-160	-51	-22	-64	-78	-107	-158	-166	-174	-197	-222		
CURRENT SURPLUS(+)-DEFICIT(-)	\$ mil.	35	-228	-230	-248	-139	-298	-264	-378	-500	-683	-797	-870	-980		
Long Term Private Capital, Net inflow	\$ mil.	36	10	25	18		50	-4	35	64	104	133	166	190		
Long Term Public Capital, Gross inflow	\$ mil.	37					264	284	402	613	780	862	910	1,000		
less: amortization	\$ mil.	38					19	46	59	177	201	198	206	210		
Net long term pub. cap. inflow	\$ mil.	39	113	103	30	57	245	238	343	436	579	664	704	790		
Short Term Capital, Net inflow	\$ mil.	40														
Other Capital, Net Inflow (incl. errors & cm.)	\$ mil.	41	-7	64	188	73	-6	20								
NET BALANCE	\$ mil.	42	-112	-38	-12	-9	-9	-10								
IMF Drawings(+) Repayments(-)	\$ mil.	43	20	--	--	--	-14	15								
Foreign Exchange Reserves, Inc.(+) Dec.(-)	\$ mil.	44	-92	-38	-12	-9	-23	5								
Foreign Exchange Reserves, Net - Total	\$ mil.	45	45	7	-5	-14	-37	-32								
Foreign Exch. Reserves, Gross - govt. entities	\$ mil.	46	68	35	34	58	28	50								
comm. banks	\$ mil.	47	51	46	55	28	19	19								
Total	\$ mil.	48	119	81	89	86	47	69								
External Debt <sup>c</sup>	\$ mil.	49					2,966									
Debt Service Ratio <sup>d</sup>	%	50							9	20	31	30	29	5,678/d		
Export Price Index	%	51		5.3	-3.8	-7.9									29	
Central Government - Current revenue	% of GDP	52														
Current expenditure	% of GDP	53														
Saving	% of GDP	54														
Capital revenue	% of GDP	55														
Capital expenditure	% of GDP	56														
Surplus(+)-Deficit(-)	% of GDP	57														
Military expenditure	% of GDP	58														
Education - expenditure (general government)	% of GDP	59														
school enrol., primary & second.	%	60	44													
literacy rate, adult	%	61	43													
Tax Revenue (general government)	% of GDP	62														
Public Saving (% of public fixed investment)	%	63														
Gross Investment - private fixed	% of GDP	64							3.6	4.0	4.4	4.7	5.0	5.2		
public fixed	% of GDP	65					1.3	1.3	3.1	3.7	5.1	5.7	6.2	6.5		
increase in stocks	% of GDP	66	-0.1	0.2	0.2	0.2		0.2	0.3	0.3	0.3	0.3	0.3	0.3		
Total	% of GDP	67	6.1	7.6	7.4	7.7	6.0	4.8	7.0	8.0	9.8	10.7	11.4	11.9		
Finance of Investment - National saving	%	68	61.4	69.7	67.2	83.2	54.2	52.0	55.8	51.2	48.1	47.6	48.7	47.5		
Foreign capital	%	69														
private	%	70	1.7	3.3	2.4		7.7	-0.7								
public	%	71	21.4	22.0	28.9	15.7	34.6	49.6								
Total	%	72	23.1	25.3	31.3	15.7	42.3	48.9	44.2	48.8	51.9	52.4	51.3	52.5		
Change in reserves	%	73	15.5	5.0	1.5	1.1	3.5	-0.9								
Public Investment by Sector - agriculture	%	74							30.1							
industry	%	75							14.6							
power	%	76							8.9							
housing	%	77							--							
transportation	%	78							22.0							
telecommun.	%	79							--							
education	%	80							8.1							
health	%	81							4.1							
other	%	82							12.2							

Note: Data are subject to revision.

<sup>a</sup> Data refer to new rupiah for the period 1966-68.<sup>b</sup> 1964-68.<sup>c</sup> Total maturities outstanding including interest.<sup>d</sup> Based on the assumption that there will be no further rescheduling after 1970.<sup>e</sup> Including tourism.





*From tape*

SPAIN LOAN SIGNING

Mr. R. S. McNamara  
July 17, 1969

Mr. Minister:

It's a very great pleasure for me to welcome you here today, particularly for the purpose of participating in the signing of the formal loan agreements. Even more so, because I know that your government and you, yourself, and the Bank have been working on this project for such a long period of time. But not only because it represents a considerable amount of thought and effort and work on the part of your government and our staff, but particularly because it represents such a major advance, I believe, in the agricultural development of your country, is it of interest to us. And if it is as successful, as we have every reason to believe it will be, I am confident that you will be followed by many other loans in the same field of livestock development.

But of even more importance than the contribution of this particular project to your economic growth, and of even more importance is the fact that it is the foundation of further lending in the field of livestock development. It's a major illustration of the basic policy which your government has asked that we follow in the development of your country and in lending to it, and a policy which we very, very much support. And that is, that our lending should be related to aspects of your economy which lend themselves to institutional reform. Certainly that was true of the transportation projects that we lent for in the middle of the 1960's,

and it's clearly exemplified by this particular livestock program, and it's even more true, I think, of the educational projects that we are working on with your government now, and which, I hope, will come to fruition in the months that lie ahead.

So we're very, very pleased with the relationships between your government and the Bank. And we have every reason to believe that as the months ahead, and years ahead unfold, these relationships will translate into an expansion of our lending to Spain, and, I hope, an increase in the contributions we can make to the development of your society.

It's very good to have you here, sir.

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Mr. Dean Acheson

*Front*  
*Lord Acheson Mr. Acheson*  
Mr. Acheson was an Assistant Secretary of State at the time of Bretton Woods. <sup>just</sup> All of you will remember him as one of that small band whom Lord Keynes singled out for special praise for having turned technical jargon into prose and prose into poetry. But I will always remember him as the most eminent American of my time.

*And now:* Dr. B. K. Madan

*Back*  
Whom you will remember was a member of the Indian delegation at Bretton Woods. He later became a member of the first Boards of Directors of both the Fund and the Bank and is now Executive Director for India in the Fund.

*W. H. P.* Mr. Wynne Plumptre

*W. H. P.*  
A former Executive Director of both the Fund and the Bank, author, teacher, imaginative counselor in international economic affairs, and now Principal of Scarborough College, the University of Toronto.

*W. H. P.* Dr. Luis Machado

Each of us needs a father confessor. Mine, to whom I turn for technical advice, organizational support, and policy guidance is Luis Machado -- a representative of Cuba at the Versailles Conference after World War I, a former Cuban Ambassador to the United States, and now Dean of the Bank's Executive Directors with whom he has served for 19 years.

*W. H. P.* Mr. Pierre-Paul Schweitzer

One of the great pleasures of my current assignment is association with my co-host, Mr. Pierre-Paul Schweitzer, a brilliant, witty, courageous leader of an organization he has dedicated to advancing the interests of all of its members. He will bid you farewell <sup>to you</sup> for both of us.

Good evening gentlemen:

It is a great pleasure for me and my co-host, Pierre-Paul Schweitzer, to welcome you here tonight, although I really feel an interloper.

When the Bretton Woods agreements were finally completed in July of 1944, I was otherwise engaged out of the country and I have only hazy recollections of that event which tended to be drowned out by the noise of the guns in Normandy and Guam.

Yet, I realize now, and I think we all realize now, that it was an event of very great importance for the future of the world.

I gather there was some confusion in the Mt. Washington Hotel, that the future was not entirely clear to any of you, and even the future role of the twin institutions was not crystal clear.

One of my colleagues tells me that towards the end of the conference Lord Keynes was prevailed upon to meet the press representatives for one of those background chats through which the British manage their news. Right at the beginning he was asked by a puzzled journalist to distinguish between the Fund and the Bank. His impish reply was: "It is all quite clear; the Fund is a sort of central bank for the world; yes, a world bank, and the Bank -- well, it is a sort of a fund for the reconstruction and development of this war-torn world."

In any event, you did produce extraordinarily sturdy offspring who, with assets in excess of \$35 billion, are flourishing today. And I think I know the reason for the strength of these institutions. What you were trying to do at Bretton Woods was to organize the economic relations of the post-war world on a rational, multilateral, cooperative basis to move away from the beggar my neighbor traditions of the 30's. I am happy and proud to be associated with the results of your labors.

We have prevailed upon four others present tonight to speak to us: Messrs. Acheson, Madan, Plumbtre and Machado.

Mr. Dean Acheson

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# *Boards of Governors · 1969 Annual Meetings · Washington, D.C.*



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE CORPORATION

INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL MONETARY FUND

Press Release No. 77

October 3, 1969

Concluding Remarks by ROBERT S. McNAMARA,  
President of the Bank, IFC and IDA,  
at the Closing Joint Session

Mr. Chairman, I am most grateful for the generous remarks that you and other Governors have made on the World Bank Group's operations this past year, and I have noted with care the points that have been raised during our sessions this week.

At the very outset, Mr. Chairman, you stressed the importance of beginning early discussions in connection with the third replenishment for the International Development Association. As you and the Governors know, our current resources, including the full Second Replenishment, will have been committed by June 30, 1971. To insure continued operations thereafter, a third replenishment will have to have become effective by that date.

Experience indicates that at least a full year is necessary for the contributing countries to complete legislative action within their own governments. This means that we have only nine months in which to complete the negotiation of the Third Replenishment. I have therefore informed the Executive Directors that I intend to initiate consultations with the Part I countries on this matter, with a view to reaching agreement among them by June 30, 1970. This would enable the Directors to consider an appropriate resolution for submission to governments in July 1970.

On a related issue, we have initiated a study within the Bank-- a study which we intend to complete by the end of this year--which will consider both the desirability and feasibility of improvements in our capital structure. This work will be going on concurrently with the discussions within the Fund of increases in Fund quotas.

I, of course, share the concern that many of you have expressed over the burden imposed by the present interest rate charged by the Bank. As you are aware, where we are able in our lending operations to blend Bank and IDA funds, the effective cost of Bank Group financing is considerably less than the Bank's lending rate itself. And



given an increase in the third replenishment of IDA funds, more blending--and blending in more countries--should become possible.

I recognize there is a division of opinion among the Governors as to whether there should be a formal link between the new special drawing rights and development assistance. However, I have taken particular note of the view of the Chancellor of the Exchequer of the United Kingdom, when he said: "Although no formal link has been established, I am hopeful that the contribution of the SDR scheme to the world's liquid resources may help to create more favorable conditions for the growth of development aid." A similar view was expressed by Governor Colombo of Italy. This thought was echoed by a number of other Governors and it is a view I share.

I have listened with great interest to the comments and suggestions that you have made on the issues of:

Further actions that may be helpful to reduce the burden imposed by commodity price fluctuations;

The feasibility of a third, or intermediate, loan window within the Bank Group;

The urgent need for a greater flow of concessionary finance;

The provision of greater opportunities for local suppliers to participate in loan projects;

The desirability of refinancing the export credits of those developing countries which are achieving the capacity to export capital goods;

The need to search for new ways to cope with the mounting level of external debt in a number of our member countries.

I assure you that we in the Bank will give the most careful attention to all these questions, as well as to the many other issues that have been raised.

I want to express my particular appreciation for the outstanding work that Mr. Lester Pearson and his Commission have completed. His eloquent and moving address in this assembly on Wednesday was an appropriate introduction to a document which should stimulate an historic step forward in the forging of a new and successful strategy for development in the last three decades of this century.

Mr. Pearson observed that "the road to nowhere is paved with good reports--and some not so good." I am confident, Mr. Chairman, that the Governors will join me in assuring Mr. Pearson and his colleagues

that this is one report that will not lead to nowhere. To this end, I urge you, as Governors for countries--all of which are Partners in Development--to make sure that the Report and its recommendations receive the most careful attention of your governments and political leaders.

Mr. Chairman, it has been a stimulating year--and a stimulating week. All of us in the World Bank Group look forward to an even more exciting year ahead--and to meeting with you all again next fall in the lovely city of Copenhagen.

Thank you very much.

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INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

1. Mc Namara

Suggested remarks  
for Rosen luncheon next  
Tues. Oct. 14.

M: M. MENDELS  
Secretary

OCT 16 1969

Used ?

EXECUTIVE DIRECTORS AND SENIOR STAFF LUNCHEON FOR MR. ROSEN  
October 14, 1969

SUGGESTED OPENING REMARKS BY MR. McNAMARA

The Chairman usually tries to have both the first and the last words, but today I must forego the pleasure of having the last word because I have an unavoidable engagement which I must keep and which will compel me to leave early. With your permission, therefore, I should like to have the first word on this occasion now and then leave you to continue with your tributes to Marty after my departure.

It is indeed a great pleasure to have this opportunity to say a few words about Marty and his work in the Bank and Corporation during more than 20 years. His career here has been among the most varied and most extensive of any Senior Officer the World Bank Group has had. This career has included, for example, the following positions:

Chief Economist, Economic Staff  
to  
Assistant/Director, Economic Staff  
  
Assistant Director, Department of Operations,  
Europe, Africa and Australasia  
  
Assistant Director, Technical Operations  
  
Director, Department of Operations, Far East  
  
Executive Vice President, IFC

Marty's contribution to development banking has won him friends all over the world and his achievements have given him an enviable reputation. In particular he can look back with satisfaction on having molded IFC during some of its most formative years, and on having given it an impetus which still continues. Under his leadership, the Corporation has grown outstandingly, especially in volume of operations and prestige. Talents such as his are rare qualities, and the world of investment banking will be the richer for them.

President has seen

We shall miss you, Marty, and we are sorry to see you go. But fortunately, you are not moving very far away, and we look forward to keeping in contact.

And now, as a mark of the high esteem in which you are held by the members of the IFC Board, I take great pleasure in presenting you with several tokens of our regard for you. These are the Resolution of Appreciation that was passed at your last Board Meeting, a more tangible gift, and finally, a collection of press items that you might like to thumb through from time to time so that you will not forget your days here. With these go our sincerest wishes for the future.

(Presentations)

\* \* \* \* \*

And now, Marty, I am sorry that I must leave but I am going to turn the proceedings over to Dr. Machado who, I know, has a tribute of his own to offer and I am sure everyone here would like to hear from you.

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11/5/69

In visiting Iran I am fulfilling a long standing ambition. As long ago as 1961 I had the good fortune to meet His Imperial Majesty the Shah when he visited President Kennedy in Washington.

I remember vividly how deeply impressed President Kennedy was by His Majesty's extensive grasp of every aspect of his country's life, and by his vision of its future development.

Since then I have watched with admiration, but from a distance, the rapid fulfillment of that vision, in the successes of the Third Plan and the progress so far in the Fourth Plan. Very few countries can match the steady 8% economic growth rate which Iran has had in recent years.

At the World Bank we are proud to have been associated in some small measure with these developments. In the past five years we have lent on average \$40 million each year. In the next five years we hope, on the average, our lending will double or treble that figure, for a total substantially in excess of \$400 million.

This doubling of the Bank's lending reflects our desire to be of greater assistance to your country and our confidence in the potential of Iran. We also intend to diversify the projects for which we make loans, just as the Fourth Plan calls for greater diversification of your economy.

We are currently beginning studies to see in what way we can best contribute to the development of such fields as transport, agriculture, electric power, education and tourism. At the same time we have just completed a systematic study of your industrialization program and we shall continue to cooperate and assist in this vital field.

I am looking forward in this brief visit to meeting H.I.M. the Shah again, and to making the acquaintance of many of his Ministers. I plan to see something of your beautiful country and of the famous monuments of your ancient and continuing civilization. I hope also to be able to learn more of the problems you face today and of the highly successful way in which you are dealing with them.

And as a result of my visit it is my earnest wish to see a closer and even more fruitful collaboration between Iran and the World Bank.



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خیابان تخت جمشید خیابان بندرپهلوی شماره ۱۲  
تهران

Press Release No. 206

11 November, 1969

Statement on Leaving Iran

by

THE WORLD BANK PRESIDENT ROBERT S. MCNAMARA

As I leave Iran, I wish to send my thanks to Their Imperial Majesties for their kindness and hospitality to my wife and myself. I am deeply grateful for the time which His Imperial Majesty, as well as His Excellency the Prime Minister and other Ministers, gave to explain and discuss with me their plans for the development of this country.

I have been deeply impressed by the success so far achieved in increasing the welfare of the Iranian people today, and in laying the foundations for further progress in generations yet to come. One of the main objects of my visit here was to see how the World Bank can help in bringing those plans to fruition. The Bank has long been

...../2

involved in this country's development, but I am determined that we shall be of greater assistance in the years ahead. Everything I have seen confirms my hope that we shall be able to double or triple the rate of our investment in your economy.

This has been a short visit but I have seen enough of your country and its leaders to know that you are well set on the path of speedy economic development. I was particularly struck by the emphasis you are placing on the requirement for increased productivity in the agricultural sector. Your industrial growth and the efforts being made to expand your dynamic private sector are also remarkable.

My associates and I were fortunate in having opportunities to talk to many of your educators and to learn of the many great advances being made at all levels from the Universities to the Literacy Corps. I hope that the unique way in which Iran has harnessed youthful idealism to national service will become better known and serve as an example to other parts of the world.

There were many other features of your development plan which impressed me, notably the population policy. I must say a word, too, about tourism. After visiting Persepolis, the very fount of our common civilization, I believe that this country will be a magnet to draw tourists from all over the world in rapidly increasing numbers.

I leave convinced that Iran, with all its ancient unchanging splendour and its changing modern skills, will see tomorrow a continuation of the dramatic progress of today, and I remain more than ever certain that the World Bank can expand its operations here to help you to attain that future and to achieve the goals of national development set forth by His Imperial Majesty the Shahanshah Aryamehr.

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11/11/69

SPEECH AT FINANCIAL TIMES DINNER

*Mr. Chapman, Mr. Paine, Mr. ...  
Lord ...  
indeed*

I am flattered to have been asked to be your guest at this memorable occasion, and I am delighted to have the opportunity to pay tribute, with a brevity that is the essence of sincerity, to the Financial Times. It is a paper in which I have long been interested, not merely since they announced my appointment to the World Bank before the Governors voted on it!

*I hope you will treat as the ...  
but which I confess is in part a function of the ...  
I read this morning ...  
I am delighted ...  
to pay tribute*

Since I became President of the World Bank, I have become increasingly aware that amongst all the myriad ties that bind the world's economies together, none is more important than information, and that a great fount of information, such as the Financial Times, with its world wide readership, is a major source of influence on world economies and politics.

The World Bank by the terms of its charter is a Bank for development, and it is in this area that I am most conscious of the need for more and better information. The falling off in the world aid effort reflects a falling off in the political will to help the developing countries.

*-- in the area of development --*

*I think,*

That in turn reflects a general public ignorance of the real successes of most aid programs and a certain public indifference to the desperate needs and <sup>to the</sup> dynamic opportunity <sup>es</sup> for investment in the developing countries. Telling the people about the world as it is and <sup>telling the public about the world</sup> as it will be if we do not act quickly is the supreme function of the newspaper. <sup>It is</sup> and a function which the Financial Times performs supremely well. <sup>holding some 200 million a short letter in the process.</sup>

As I travel about the globe, I am constantly made aware of the fact that Great Britain, and particularly the City of London, has been in this development business for longer than anyone else, and that we in the Bank are often building where you had laid the foundations. I realized this a year ago when I was riding the Argentinian railroads which the City financed a century <sup>ago,</sup> <sup>before I realized it</sup> again more recently <sup>side</sup> looking at the Indus river irrigation works, which we are <sup>now,</sup> financing and which are a continuation of the ~~great and~~ imaginative schemes begun in the days of the British Raj.

Today Britain continues to play a major part in



the development process, both through private investment and through <sup>government</sup> its aid programs. And I personally am conscious of a deep debt of gratitude to Her Majesty's Government, for the leading role they played during the past year in obtaining advance contributions to the International Development Association. It was this effort which enabled IDA to carry on its work in those dark days when, for <sup>more than</sup> almost eighteen months, ~~the Second Replenishment was held up in the U.S. Congress~~ <sup>refused to act on that Replenishment.</sup>

When I ask myself why it is that through all the economic ups and downs of the past decade you have maintained your flow of resources to the less developed world, I wonder if the answer is not simply this: you in London are the best informed people in the world and about the world.

<sup>ask you to join in the toast</sup>  
~~I raise my glass to one of the main agents of~~  
 that proud achievement - the Financial Times.

.....

*Blair*

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 that proud achievement - the Financial Times.

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Remarks at Airport upon Arrival in Morocco

11/12/69

I am delighted to be here in Morocco and look forward eagerly to meeting King Hassan, and to seeing something of this great historic country.

I have been particularly anxious to visit Morocco because the World Bank is becoming so deeply involved in your development efforts. In the current fiscal year, <sup>your country</sup> Morocco is likely to rank first among all the <sup>nations</sup> countries of Europe, Africa and the Middle East in terms of amounts lent by the World Bank group. In fact in this year loans are expected to reach ~~close to~~ <sup>90</sup> \$100 million -- which is substantially more than the total previous lending since operations began in 1962.

This large and growing program was made possible by the economic performance of this country, by its high and steady rate of growth in the past two years, and by the existence of projects of high economic priority such as the Sebou irrigation <sup>program</sup> ~~project~~ for which I shall be signing a loan agreement tomorrow.

For the future, we hope that the Bank will continue to play an increasingly effective part in the more and more diversified development program which your Government is carrying out. We are now preparing to give assistance quite soon to the industrial sector and to tourism; and we are further studying the possibility in subsequent years of assisting your efforts in education, in water supply, in developing the Port of Safi <sup>2</sup> and the power project at <sup>Sidi</sup> Sidi Cheho.

In the few days that I am here, I <sup>plan</sup> hope to meet the ministers who are concerned with your development program, and to see as much as I can of that program as it is working out on the ground. I <sup>that</sup> hope at the end, ~~that~~ that I shall know more of your country and of your people, so that the Bank can play a fuller part in helping you solve the problems -- of finance and employment for instance -- that undoubtedly lie ahead. In the long run, I am confident that there is a bright and prosperous future for Morocco.



11/12/69

Remarks for Morocco Signing

Mr. Minister:

I am intensely gratified to have the opportunity to participate in the signing of the two Bank loans and the IDA Credit for the Sebou Agricultural Program and the Highway Project. With these <sup>two</sup> projects, to which we will be contributing over \$60 million, we are opening a new phase in the relations between Morocco and the World Bank Group.

The Sebou <sup>P</sup> program seems to me one of the best ~~ones~~ in which the Bank has been a partner -- and I do wish to stress that we are only partners with your Government in this development effort. We are providing some \$46 million in foreign exchange, but you are providing the bulk of the resources -- some \$64 million -- for this great scheme.

Over the next twenty years this project should raise the productivity of a half million acres, <sup>and</sup> ~~and~~ should increase by five times both the agricultural production of the Rharb plain and the income of its more than 90,000 inhabitants. The produce of the area, when the irrigation development of the whole ~~Rharb~~ plain is completed and when full production is reached, will have a value of \$70 million per year, practically all in foreign exchange, ~~earnings or savings.~~

<sup>Subj</sup> In addition to the direct economic benefits which will flow from the <sup>Subj</sup> program, I hope very much that many secondary effects will be put in motion and that ripples of this experiment will be felt throughout the Kingdom. The project will provide all Morocco with an example of land development applying modern agricultural practices and new land tenure policies which should help prevent the <sup>migration</sup> ~~aimless draft~~ of country people into the cities.

It is for this reason that Sebou is a key project <sup>in</sup> ~~within the~~ ~~context of~~ your over-all development strategy. And it is in this area that the ideas expressed in the new Agricultural Charter, which was recently promulgated by His Majesty The King, will first be given effect. I am sure this Charter is an important step toward the modernization of agrarian structures and the improvement <sup>of</sup> in the standard of living of the rural population.

The ~~road~~ <sup>Highway</sup> project is also of great importance in the development of your country. Your ~~well-developed~~ network of some 24,000 k.m. of paved roads needs, ~~above all,~~ thorough and regular maintenance if this asset built over the years is not to deteriorate. Hence, the large part given to road surfacing and maintenance equipment in the project. <sup>In addition,</sup> ~~Furthermore,~~ the project provides for the new road section to be constructed between Agadir and Marrekech which will not only shorten the link between these cities by 65 k.m. but will also open up an area of fascinating interest to tourists.

To conclude, I am most happy to associate the World Bank with these two projects. As I said upon my arrival in Rabat, we hope this year to lend <sup>approx. \$90</sup> ~~close to \$100~~ million in Morocco and we wish to maintain this close association with Morocco in the coming years. I look forward to a continuing stream of projects contributing to the economic and social development of your nation.

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AIRPORT STATEMENT -- CARACAS

1/1 2/69

It is a great privilege for me to be in Venezuela, where I hope to see for myself some of the impressive evidences of the progress you are making in development. ~~I only regret that this visit will be brief, and I hope that on another occasion I will be able to stay longer.~~

In addressing the Bank's Governors in September 1968 I announced our intention of doubling our lending in Latin America by 1973. I am pleased to say that we are well on our way to doing so. In that same five year period, our plans also call for increased <sup>activity in</sup> lending in Venezuela. <sup>We started toward that objective with 4 loans, totaling \$51 million, in 1969 and</sup> In the early part of 1970, a World Bank economic mission will come here to make a thorough and comprehensive study, which will provide the guidelines for our lending program in Venezuela for the next several years.

Our loans in the Western Hemisphere during the fiscal year just passed came to over \$470 million, and I expect that this year we will <sup>substantially</sup> surpass that figure. <sup>To provide a capability to handle even larger volumes</sup> One internal evidence of our growing ~~procecu~~ <sup>of lending to Latin America in the future, expected January, we are dividing</sup> ~~tion with the Americas is the fact that we have divided our Western~~ Hemisphere operations into two departments, each headed by a senior officer of the Bank.

When one thinks of the continent of South America, one is literally staggered by its human and physical resources and by the tremendous job yet to be done in achieving full realization of its potential. We in the World Bank look forward to continuing to work with you as partners in your development effort.

AIRPORT STATEMENT - CARACAS

December 2, 1969

It is a great privilege for me to be in Venezuela, where I hope to see for myself some of the impressive evidences of the progress you are making in development.

In addressing the Bank's Governors in September 1968 I announced our intention of doubling our lending in Latin America by 1973. I am pleased to say that we are well on our way to doing so. In that same five year period, our plans also call for increased activity in Venezuela. We started toward that objective with two loans, totaling \$51 million, in 1969 and in the early part of 1970, a World Bank economic mission will come here to make a thorough and comprehensive study, which will provide the guidelines for our lending program in Venezuela for the next several years.

Our loans in the Western Hemisphere during the fiscal year just past came to over \$470 million, and I expect that this year we will substantially surpass that figure. To provide a capability to handle even larger volumes of lending to Latin America in the future, effective January 1 we are dividing our Western Hemisphere operations into two departments, each to be headed by a senior officer of the Bank.

When one thinks of the continent of South America, one is literally staggered by its human and physical resources and by the tremendous job yet to be done in achieving full realization of its potential. We in the World Bank look forward to continuing to work with you as partners in your development effort.

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Statement on leaving Venezuela -- December 5, 1969

I have greatly enjoyed my visit to this beautiful country and in leaving I would particularly like to thank the President for his hospitality and the illuminating conversation I had with him; also the Minister of Finance and his colleagues who made it possible for me to see so much in a short time.

In company with the President of C.V.G. I saw the industrial development in the Guayana which greatly impressed me. I then visited in the region of Valencia; the livestock area near Acarigua; and I have visited the Lake Maracaibo area.

In addressing the Governors of the World Bank in September 1968 I announced our intention of more than doubling our lending in Latin America by 1973. I am pleased to say that we are well on our way to doing so. In that same five year period, our plans call for increased activity in Venezuela. We started toward that objective with two loans totalling \$51 million in 1969. In the early part of 1970, a World Bank economic mission will come here to make a thorough and comprehensive study, which will provide a guideline for our lending program in Venezuela in the next several years.

Our loans in the Western Hemisphere during the fiscal year just passed came to over \$470 million, more than 50 per cent above the level of the previous five years, and I expect that this year we will substantially surpass that figure. To provide a capability to handle our larger volume of lending to Latin America in the future, we are dividing, effective January 1st., our Western Hemisphere operations into two departments, each to be headed by a senior officer of the Bank. This will permit a greater concentration on individual countries.

When one thinks of the continent of South America, one is literally staggered by its human and physical resources and by the tremendous job yet to be done in achieving full realization of its potential. We in the World Bank look forward to continuing to work with you as partners in your development effort.

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Statement by the President of the World Bank  
on leaving the office of the President of Mexico  
December 8, 1969

Lair  
Ritt B.

My associates and I came to Mexico to learn how we in the World Bank can best assist you in your plans to continue the highly successful development of your economy.

After even these few days I feel already that I am much better acquainted with this beautiful, friendly and progressive country with its ancient and still flowering culture.

I could not have learnt so much if it had not been for the warmth of welcome and the patience in explanation with which I was received by your President, by the Minister of Finance, by the Director General of the Bank of Mexico, by the Director General of Nacional Financiera, by the Governor of Morelos and by a host of officials who gave up their time -- on their week-end -- to make our visit more profitable.

When I arrived I already knew of the success of your development plans, and your remarkable and steady rate of economic growth. This visit has confirmed my view that the \$830 million which the World Bank has invested in Mexican development has been well invested, and we should both continue and expand our effort to assist your country. I can tell you that we are currently negotiating a loan for approximately \$125 million in the electric power sector which, if completed, will be one of the two or three largest development loans in the Bank's history. If and when this new loan is approved Mexico will replace Japan as the second biggest borrower from the World Bank.

All of this is some measure of the confidence we have in the future of the Mexican economy, and of your ability to deal with the problems which confront you. But while Mexico is a special and successful case, this expansion is part of the global strategy of the Bank. In my speech to the Governors in 1968 I proposed a doubling of Bank lending in the next five years. At the same time I proposed a much greater emphasis on Latin America as a whole. In the past fiscal year we lent \$470 million to Latin America, an increase of some 50% over the average for the preceding five years; and we hope to go well above that amount in the coming fiscal year.

I see a great future for Latin America, and most especially for Mexico in an expanding world economy. This visit has strengthened my determination to work out with you the practical means whereby we can be of maximum assistance to this great country and all its people in taking advantage of this opportunity.

México, D. F., 8 de diciembre 1969.

AIRPORT STATEMENT -- MEXICO

12/70

File

I am very glad to be in Mexico, and sorry only that my visit will be a brief one. As the world well knows, this country is one of the outstanding examples of development success. Mexico's leadership in industry, in education, in agriculture and in seeking fulfillment for its people have set an example for many other countries.

Here in Mexico you talk proudly about your continuing revolution. I can think of no better phrase to describe what is taking place in this remarkable, diverse and beautiful country.

In addressing the Bank's Governors in September 1968 I announced the Bank's intention of doubling its lending in Latin America by 1973 and I am pleased to say that we are well on our way to doing so. Our loans in the Western Hemisphere during the fiscal year just passed came to over \$470 million, and I expect that this year we will surpass that figure. One internal evidence of our growing preoccupation with the Americas is the fact that we have divided our Western Hemisphere operations into two departments, each headed by a senior officer of the Bank.

We at the World Bank are pleased and proud to have been associated with Mexico for the past two decades as partners in your development effort. To date, the Bank has lent over \$830 million here, and we expect to continue providing you with needed foreign exchange to help finance your priority development projects.