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THE WORLD BANK  
Washington, D.C.

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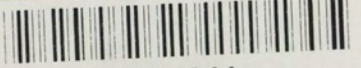
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McNamara Papers

1974 (Jul. - Aug.)

Vol. 42

The World Bank Group  
**Archives**



**1771911**

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President's papers - Robert S. McNamara Chronological files - (Outgoing) - Chron 42

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491/4/80

August 16, 1974

Dear Mr. Chairman:

Thank you for your letter inquiring about the expropriation dispute between the Sea Oil & General Corporation of New York and the Government of Indonesia.

I have been in touch with the Bank's representative in Djakarta and have asked him to look into the matter. Since I shall be away from Washington in the next few weeks, I have arranged that you be promptly informed of the results of the inquiry.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable  
Henry B. Gonzalez, Chairman  
Subcommittee on International Finance  
House Banking & Currency Committee  
U.S. House of Representatives  
Washington, D.C. 20515

cc: Mr. Wm. Clark o/r  
Mr. B. Bell  
Mr. Lester Nurick  
Mr. Riddleberger

JEM/PR:rgw  
August 14, 1974

491/4/79

AUG 16 1974

Dear Dave:

I completely agree with your suggestion that selected staff members of the Bank Group be seconded to less developed countries to participate in policy oriented research and analysis. At the same time, this would provide capable officials of developing countries with experience in the Bank Group's operations. In fact, we are already engaged in such an exchange to a limited extent, although not on a reciprocal basis.

At the present time, approximately 25 staff members are on assignment to planning ministries and other agencies in a number of developing countries, for periods of two to three years. This staff provides technical assistance while gaining valuable grass roots experience in the development process. We have also launched a program in recent years whereby competent government officials from less developed member countries join the Bank as full-fledged staff members for an agreed period of two to five years. They share with colleagues in the Bank their country experience and, at the same time, gain a broader perspective of economic development. This exchange has been quite successful and is certain to expand in the future.

You will appreciate that a direct exchange of Bank staff and developing country officials is difficult to arrange, but it has my full support. Thanks again for your thoughts on this interesting and important subject.

With best regards.

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. David E. Bell  
The Ford Foundation  
320 East 43rd Street  
New York, N.Y. 10017

HJDyck:jr  
cc: Mr. McNamara's office (2)

Mr. Kearns

(August 16, 1974)

491/4/78

AUG 16 1974

Excellency:

I wish to thank you for your letter of July 14, 1974, which fortunately arrived prior to our meeting on July 29. I very much appreciated your coming to Washington and the opportunity your visit provided for discussing with you the substance of your letter. I shall continue to follow with interest the progress of the Sudan's economic development and look forward to hearing from you from time to time about the measures you are taking to overcome the problems you encounter.

You suggested that it would be beneficial to maintain a dialogue between the Bank and your government on financial and economic development policies and to consult on these matters at regular intervals. I welcome this suggestion and we will make arrangements to this end.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

H. E. Ibrahim Moneim Mansour  
Minister for Finance and National Economy  
P. O. Box 298  
Khartoum, Sudan

JTDucker/MLejeune:mmm  
August 15, 1974

cc: Messrs. Demeksa, Executive Director  
Kaji, Resident Representative

cc: Mr. McNamara, President

491/4/77

AUG 16 1974

The Honorable  
Mwai Kibaki  
Minister for Finance and Planning  
Ministry of Finance and Planning  
P. O. Box 30007  
Nairobi, Kenya

Dear Mr. Minister:

Thank you for your letter of July 22, 1974, which enclosed an application for program loan assistance. Since your letter was received you will, I know, have discussed this matter at length with Mr. Shahid Husain during his visit to Nairobi.

Let me assure you that there is clear recognition in the Bank of the particularly severe impact of changes in world prices upon Kenya's balance of payments. You are, however, aware that the World Bank very rarely engages in program lending. It is our view that to justify program loan assistance, not only must a need from a balance of payments point of view be established, but, in addition, there must be a program of policies and investment plans which justify financial support. The economic analysis contained in our Basic Economic Report had already suggested that fundamental changes are required in the structure of Kenyan economic development if its impressive growth rate is to be maintained and at the same time the balance of payments gap is to be kept within manageable limits. It is our view, therefore, that the changes in international prices has aggravated an already worrying balance of payments problem in Kenya. Your letter and its enclosure confirm that this is also the view of your Government. You confirm that the Government has taken very determined steps in the budget and in other policy statements to deal with the country's short-run problem. Since, however, there are elements of the problem which can only be solved over the longer term, we shall need to have a clearer understanding of the policy measures which are being taken or are being considered to bring about the structural changes contemplated.

I understand that our staff have already held preliminary discussions with your Ministry on some of these matters, and that they will be writing to Mr. Ndegwa shortly to suggest specific actions to be taken in preparation for the appraisal and negotiation of the proposed loan. If we can obtain understandings on these important policy and program issues, I would hope to recommend a loan to the Executive Directors of the Bank in the first half of 1975.

I note that the application enclosed with your letter is for a program loan of \$100 million. While I recognize that Kenya's resource gap is large, in the context of the sizeable lending program we are planning to finance projects which are already under consideration, the amount of the program loan will have to be limited to the range of \$30-40 million which I understand Mr. Husain has already discussed with you.

Please be assured, Mr. Minister, of my very genuine concern over the serious balance of payments problems which confront Kenya and of our intention to be of maximum assistance to you in solving these problems within the financial constraints imposed upon us.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SPlease/RAHornstein/MLLejeune:rb  
August 15, 1974

cc: Messrs. Demeksa, Executive Director  
Creyke, Resident Representative

497/4/74

AUG 16 1974

Your Highness,

I should like to thank you for your letter of July 21, 1974 and the attached paper outlining the development package for the Rift Valley. I am delighted that the World Bank will have the opportunity to cooperate with your Government to mobilize technical and financial assistance for these projects which we sincerely hope will contribute further to Jordan's already impressive economic and social progress. We shall write soon regarding arrangements with the Jordanian authorities for the formulation of a program of action.

I was most pleased by your kind invitation to visit Jordan and by our discussion last May. I am glad to have had the opportunity to learn first hand how your Government intends to tackle the problems of Jordan's economic development and I am looking forward to my visit to your country, which will give us occasion to discuss further the most appropriate ways for the Bank Group to assist. I will be in touch with you soon to agree on a mutually convenient time for my visit, which I still envisage during the coming November.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

His Highness  
Prince Hassan  
The Royal Palace  
Amman, Jordan

eg EGonella:sh

cc: Mr. McNamara's Office (2)

Messrs. Benjenk o/r; Bart o/r; Eccles o/r;  
Richardson (with copy of incoming letter)



COPY

491/4/72

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360

AUG 15 1974

Dear Mr. Minister,

I was most pleased to receive and gladly accept your kind invitation to visit Damascus and development projects in your country. I have been greatly impressed by Syria's economic and social progress in recent years, and I look forward to learning first hand how your government tackles the difficult problems of development. This would also give us occasion to discuss the most appropriate ways for the Bank Group to assist.

My wife is also delighted by the prospect of visiting your country and has asked us to convey her warmest thanks to Mrs. Inady for her kind invitation. I will be in touch with you soon to agree on a mutually convenient time for the visit to take place, which I tentatively envisage for November.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

His Excellency  
Mohammed Inady  
Minister of Economy of the  
Syrian Arab Republic  
Damascus  
Syria

EGonella:jd

cc: Mr. McNamara's Office

491/4/69

August 13, 1974

Shrimati Indira Gandhi  
Prime Minister  
Government of India  
New Delhi, India

Dear Madam Prime Minister:

As you know, I have been deeply concerned about the disastrous effects of the changes in the international economic situation on the prospects of many developing countries. Among these, India stands out both because of the serious impact of the deterioration in its terms of trade on the virtually stagnant economy and because of the vast number of human beings involved. India's external capital requirements have risen sharply just to assure maintenance of the present economic level; external assistance at a level substantially above recent years will be necessary to achieve even a minimum rate of economic growth and to bring about modest economic improvement for the benefit of the Indian people. Unfortunately, the prospects for mobilizing the required additional external resources on appropriately concessionary terms are more remote today than they have ever been before.

It is against this background that I told the Minister of Finance some weeks ago that I have been considering recommending to our Executive Directors a significant increase in the amount of World Bank lending to India in addition to the IDA resources which we hope to be able to continue to make available. But I am concerned, as you must be, that borrowing on Bank-type terms from the World Bank or from other sources would mean an increase in India's already heavy debt service burden and foreign exchange requirements in the future.

I have given considerable thought to the circumstances in which India could prudently incur substantial additional debt on Bank-type terms and in which it would be prudent for the World Bank and other lenders to increase their lending to India on such terms. Our analysis of these questions has led me to conclude that it would be indeed beneficial for India to borrow from the Bank -- and reasonable for the Bank to lend -- if such actions were in support of a systematic and effective program of adjustment to the present crisis, more specifically a program of economic and financial measures to increase the volume of exports and the domestic production of foodgrains, fertilizer and energy. It would seem that only such a program could give reasonable prospect of

.../

August 13, 1974

narrowing India's external payment gap in due course while investment is being maintained at a level which would permit a moderate rate of growth. It is in support of such a program that the additional Bank lending could serve to facilitate essential economic adjustments while strengthening at the same time India's ability to service a significantly larger volume of external debt.

It is clear, however, that even with substantial additional Bank borrowing India must still look to other sources to cover a large part of its substantial additional resource requirements. It must look to increased assistance from other members of the Consortium and to large sums from the Rupee bloc and from oil producing countries. There is sympathetic understanding of India's problems among Consortium countries and willingness to continue to help; however, there is also considerable disappointment with the progress achieved in recent years and a feeling that continued and increasing development assistance would be sensible only in support of effective adjustment programs. This concern is therefore relevant to the sustained flow of bilateral assistance from the Consortium, and to the mobilization of continuing support for the size of our IDA program in India.

I know that these matters already weigh heavily on your mind. Aside from making the adjustments required in general economic and financial policies, I am told your Government is now in the process of defining programs to increase rapidly the production of foodgrains, fertilizer, and energy, and to accelerate the growth of exports. It is only on the basis of such programs that India can afford substantial new borrowing from the Bank and others, and it is only on the basis of such programs that India's many friends may be persuaded to increase their aid efforts. I have asked our representative Mr. Gilmartin to explore with your officials how we can provide concrete assistance to your Government in formulating and refining relevant policies and programs of action designed to overcome specific problems affecting food and energy production and the operations of India's export industries. If you wish me to pursue the matter further, the Annual Meeting of the Bank and Fund in September would present an opportunity to discuss with your Finance Minister how the Bank Group's lending can most effectively support your objectives in these critical areas.

With kind regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: The Ambassador of India  
Minister of Finance  
Dr. Sen

cc: Messrs. Knapp, Weiner, Chenery, Kraske  
JKraske/WDiamond/RMcNamara:at

491/4/68

August 13, 1974

Dear Ad:

Thank you for your letter of July 30 and the attached Resolution of the FAO Council establishing an International Fertilizer Supply Scheme.

I have noted Item 9 of the Resolution requesting you to collaborate closely with the Bank to assist developing countries, at their request, to increase domestic production of fertilizer and improve its supply, distribution and use.

I have recently established a special Fertilizer Unit in the Bank to ensure that adequate attention is given by the Bank Group to issues such as those raised in the Resolution. I note that you have created a similar coordinating unit for this purpose. I am instructing the Head of the Fertilizer Unit in the Bank to contact Mr. Steiner to ensure that our two agencies work in harmony in dealing with the very grave problem of fertilizer shortage.

Sincerely,

((Signed)) Robert S. McNamara

Robert S. McNamara

Dr. A.H. Boerma  
Director-General  
Food and Agriculture Organization  
of the United Nations  
Via delle Terme di Caracalla  
00100-Rome, Italy

cc: for Mr. McNamara's office (2)

MYudelman/HFuchs:mta

August 9, 1974

491/4/66

MUHAMMAD ZAROUK  
MINISTER OF TREASURY  
MINISTRY OF TREASURY  
TRIPOLI

AUGUST 12, 1974

FR (2001)

LIBYA

UPON MY RETURN TO WASHINGTON I WANT TO SAY TO YOU AGAIN HOW MUCH I ENJOYED MY VISIT TO LIBYA AND HOW GRATEFUL I AM FOR YOUR HOSPITALITY STOP PLEASE TELL YOUR PRIME MINISTER AND YOUR OTHER COLLEAGUES HOW IMPRESSED I WAS BY THEIR EFFORTS TO ADVANCE THE WELFARE OF ALL OF YOUR PEOPLE STOP WE WILL BE HAPPY TO HELP IN ANY WAY WE CAN STOP I LOOK FORWARD TO SEEING YOU AT THE ANNUAL MEETING STOP  
BEST WISHES

ROBERT S. McNAMARA

Robert S. McNamara  
President

cc: Mr. Cargill

RMcN:mss

491/4/63

August 6, 1974

Mr. Johannes H. Witteveen  
Managing Director  
International Monetary Fund  
700 19th Street, N. W.  
Washington, D. C. 20431

Dear Mr. Witteveen:

On July 8, I received a message from Mr. Nurul Islam, the Deputy Chairman of the Bangladesh Planning Commission, stating that he was writing "in response to the suggestions which have been made from time to time by the Bank as well as by the bilateral donor countries in the course of the last two years about the need for constituting an Aid Group/Consortium for Bangladesh". He said his Government was now prepared to accept that suggestion and he asked the Bank for "concrete proposals" on this subject, "including the composition of and procedure for the formation and effective action of the proposed Aid Group."

On July 10, I replied to Mr. Islam, saying that it had been "a matter of mounting concern to us and to Bangladesh's many other friends that there does not exist a formal organization to assist in mobilizing external resources for the development of Bangladesh." I said that I was gratified that his Government had taken the initiative in asking for the establishment of an Aid Group and that I would undertake to do everything possible to assure the creation and effective operation of an Aid Group.

Since then we have had further exchanges of communication with Mr. Islam, as a result of which we have agreed on a list of countries and international institutions which should be invited to participate, as members or as observers, in an Aid Group, and Mr. Islam has asked the World Bank to act as its chairman.

This is a particularly important moment for creation of an Aid Group for Bangladesh, for that country faces not only an immediate and serious payments problem but the long-run need for a greatly enlarged capital inflow, if its minimum development needs are to be met. An Aid Group should play an important part, not only in coordinating the efforts of Bangladesh's friends, but also in raising additional external resources to assist in the economic development of Bangladesh. Accordingly, I have accepted Bangladesh's invitation to organize an Aid Group, to be convened at an early date, and am pleased to have the Bank accept the responsibility of chairmanship of the Group.

Attached is a list of the countries and institutions which Bangladesh and we have agreed should be invited to participate in the Aid Group. The countries have been selected because there is reason to believe they will be interested in assisting the economic development of Bangladesh, and because it is hoped that they will be prepared to do so through the concessional development aid which Bangladesh will require over the coming years. Among the institutions is the IMF. The object of this letter (similar communications have gone to the countries and other institutions) is not simply to inform you of the actions being taken towards creation of an Aid Group, but more particularly to invite the IMF to participate in the Aid Group. I would appreciate a response at the earliest moment. If, as I hope, the decision is taken to participate in the Aid Group I would be grateful to know the name of the official to whom we should address future correspondence on this subject.

I am in consultation with the Government of Bangladesh concerning the timing of the first meeting. Meanwhile, we shall be circulating to interested parties within the next week or ten days an extensive report on the economy of Bangladesh. Moreover, we have in preparation a note on the current financial and economic position of the country, which we hope to circulate in September. In due course these will be followed by a recommendation with respect to the aid requirements of Bangladesh.

Sincerely,

Robert S. McNamara

Attachment

WDiamond/DADunn

Countries and Institutions Invited to  
Participate in the Aid Group  
for Bangladesh

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Mr. M. M. Ahmad	Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates
Mr. Jacques de Groote	Austria and Belgium
Mr. Taro Hori	Japan
Mr. Claude M. Isbister	Canada
Mr. Hans Janssen	Germany
Mr. Yahia Khelif	Iran
Mr. Poul H. Kryger	Denmark, Finland, Norway and Sweden
Mr. Stanley A. McLeod	Australia and New Zealand
Mr. Anthony K. Rawlinson	United Kingdom
Mr. A. Rinnooy Kan	Netherlands, Yugoslavia and Romania
Mr. Giorgio Rota	Italy
Mr. Charles O. Sethness	United States
Mr. Jacques-Henri Wahl	France
Ambassador Klaus Jacobi Division of Commerce Bundeshaus - Ost 3000 Berne, Switzerland	Switzerland
Mr. Shiro Inoue	Asian Development Bank
Mr. Emile van Lennep	DAC/OECD
Mr. Francois Xavier Ortoli	European Economic Community
Mr. Johannes H. Witteveen	International Monetary Fund
Mr. Rudolph Peterson	UNDP



491/5/62

Mr. M.M. Ahmad

August 6, 1974

Robert S. McNamara

Establishment of an Aid Group for Bangladesh

On July 8, I received a message from Mr. Nurul Islam, the Deputy Chairman of the Bangladesh Planning Commission, stating that he was writing "in response to the suggestions which have been made from time to time by the Bank as well as by the bilateral donor countries in the course of the last two years about the need for constituting an Aid Group/Consortium for Bangladesh". He said his Government was now prepared to accept that suggestion and he asked the Bank for "concrete proposals" on this subject, "including the composition of and procedure for the formation and effective action of the proposed Aid Group."

On July 10, I replied to Mr. Islam, saying that it had been "a matter of mounting concern to us and to Bangladesh's many other friends that there does not exist a formal organization to assist in mobilizing external resources for the development of Bangladesh." I said that I was gratified that his Government had taken the initiative in asking for the establishment of an Aid Group and that I would undertake to do everything possible to assure the creation and effective operation of an Aid Group.

Since then we have had further exchanges of communication with Mr. Islam, as a result of which we have agreed on a list of countries and international institutions which should be invited to participate, as members or as observers, in an Aid Group, and Mr. Islam has asked the World Bank to act as its chairman.

This is a particularly important moment for creation of an Aid Group for Bangladesh, for that country faces not only an immediate and serious payments problem but the long-run need for a greatly enlarged capital inflow, if its minimum development needs are to be met. An Aid Group should play an important part, not only in co-ordinating the efforts of Bangladesh's friends, but also in raising additional external resources to assist in the economic development of Bangladesh. Accordingly, I have accepted Bangladesh's invitation to organize an Aid Group, to be convened at an early date, and am pleased to have the Bank accept the responsibility of chairmanship of the Group.

Attached is a list of the countries and institutions which Bangladesh and we have agreed should be invited to participate in the Aid Group. The countries have been selected because there is reason to believe they will be interested in assisting the economic development of Bangladesh, and because it is hoped that they will be prepared to do so through the concessional development aid which Bangladesh will require over the coming years. Among them are Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates, which you represent in the

Board of Executive Directors. The object of this memorandum, which I am addressing as well to other relevant Executive Directors (similar communications are being sent to the institutions) is not simply to inform you of the actions being taken towards creation of an Aid Group, but more particularly to transmit through you to the Governments of Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates an invitation to participate in the Aid Group. I would be grateful if you would call this matter to the attention of your authorities and would appreciate having a response at the earliest moment. If, as I hope, the decision is taken to participate in the Aid Group I would be grateful to know the name of the official to whom we should address future correspondence on this subject.

I am in consultation with the Government of Bangladesh concerning the timing of the first meeting. Meanwhile, we shall be circulating to interested parties within the next week or ten days an extensive report on the economy of Bangladesh. Moreover, we have in preparation a note on the current financial and economic position of the country, which we hope to circulate in September. In due course these will be followed by a recommendation with respect to the aid requirements of Bangladesh.

Attachment

WDiamond/DADunn

Countries and Institutions Invited to  
Participate in the Aid Group  
for Bangladesh

---

Mr. M. M. Ahmad	Iraq, Kuwait, Saudi Arabia, and the United Arab Emirates
Mr. Jacques de Groot	Austria and Belgium
Mr. Taro Hori	Japan
Mr. Claude M. Isbister	Canada
Mr. Hans Janssen	Germany
Mr. Yahia Khelif	Iran
Mr. Poul H. Kryger	Denmark, Finland, Norway and Sweden
Mr. Stanley A. McLeod	Australia and New Zealand
Mr. Anthony K. Rawlinson	United Kingdom
Mr. A. Rinnooy Kan	Netherlands, Yugoslavia and Romania
Mr. Giorgio Rota	Italy
Mr. Charles O. Sethness	United States
Mr. Jacques-Henri Wahl	France
Ambassador Klaus Jacobi Division of Commerce Bundeshaus - Ost 3000 Berne, Switzerland	Switzerland
Mr. Shiro Inoue	Asian Development Bank
Mr. Emile van Lennep	DAC/OECD
Mr. Francois Xavier Ortoli	European Economic Community
Mr. Johannes H. Witteveen	International Monetary Fund
Mr. Rudolph Peterson	UNDP

491/4/61

AUG 13 1974

Dear Philippe:

I think the suggestion in your letter of August 1, 1974 to organize some discussions between UN agencies and the major Trade Unions organizations is a good one and I hope you will invite the Bank to participate in the experiment.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Philippe de Seynes  
Under-Secretary General for  
Economic and Social Affairs  
United Nations  
New York, New York 10017

cc: Mr. Merriam  
Mr. Clark  
Paris Office  
Mr. McNamara's files (2)  
MLHoffman/eb  
August 13, 1974

497/4/67

AUG 6 1974

Her Excellency  
Sirima R.D. Bandaranaike  
Prime Minister  
Colombo  
Sri Lanka

Dear Madam Prime Minister:

I would like to thank you for your letter of July 15, 1974, which was delivered by Ambassador Kanakarathne. I appreciate very much your kind comments about the Bank staff's work in Sri Lanka's behalf. As you may know, I personally follow the affairs of Sri Lanka with particular interest.

I am very much aware of the impact on Sri Lanka of the unprecedented increases in the prices of essential imports and also of the important measures your Government has taken to combat their adverse effects. I am glad to learn that you are giving attention to the measures needed to improve development prospects in the longer run. In this connection, I quite agree that a sound program for expanding food production rates a very high priority and I share your view that adequate and timely supplies of fertilizer are essential to the success of such a program. It is indeed the fact that the progress of the agricultural sector lies at the heart of Sri Lanka's development prospects - through both substituting local production for imported foodstuffs and earning foreign exchange by exports - that led us in the past month to intensify our discussion of agricultural policy with your officials, a dialogue which I hope will before long have beneficial results.

Regarding the Bank's participation in financing the proposed urea fertilizer plant, the matter has been the subject of considerable discussion between your officials, the Asian Development Bank and our Bank. We have reviewed the feasibility study by the Japan Consulting Institute, which was made available to us in June 1974. Unfortunately, as you note, construction and operating costs, as well as fertilizer prices, have increased dramatically since the study was completed in January 1973. Thus, the data on which the study is based, particularly investment and operating costs and financing requirements, need thorough revision and the economic benefits of the project must be reassessed. I understand that the British firm, Scientific Designs, has been employed by the Asian Development Bank to revise the cost estimates of the project, and that it has been proposed that representatives

of the Asian Development Bank, the World Bank and other prospective lenders meet with Government officials in Colombo around the middle of August to review various aspects of the proposed project, including the new cost estimates. I am pleased to inform you that the Bank will be represented at this meeting.

Once the economic viability of the project is established, we will be willing to consider participating in the financing. I fully appreciate your desire that we move forward on the same schedule as the Asian Development Bank, which I understand would like to make a commitment by the end of this calendar year. I can assure you the Bank will proceed as expeditiously as possible. On the other hand, I understand from my staff that a number of questions remain, including those related to feedstock, project size and markets. In view of this, and because appraisal work in the field will not be completed until Fall at the earliest, it is most unlikely that I would be in a position to propose this project to the Executive Directors by the end of this calendar year.

As for the order of magnitude of possible financing by the Bank Group, I think we must await the revised cost estimates and economic benefit calculations before discussing figures. However, given the severe constraint on IDA funds from which allocations will have to be made to Sri Lanka, our participation will necessarily have to be modest. I wish to assure you nonetheless that, if the Bank Group does participate and additional financing is still required, we will make every effort to assist the Government and the other partners in this venture in finding other sources of funds to fill the remaining financing gap. Indeed, when your Ambassador called on our Senior Vice President on June 28 to discuss this subject, the latter specifically suggested that some of the oil-surplus countries, which were showing interest in investment in fertilizer capacity, ought to be approached and involved in the project in Sri Lanka. I hope that this matter is being pursued.

Mr. Weiner has seen your invitation to visit Sri Lanka. I know he plans to do so at the earliest opportunity.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Messrs. Fuchs, Dewey, Ferram, Evans, Wittusen

AS/Cleveland/AH/Shibusawa/W/Diamond:dp  
August 5, 1974

491/4/60

August 6, 1974

Mr. Nurul Islam  
Deputy Chairman  
Planning Commission  
Ministry of Planning  
Dacca, Bangladesh

Dear Mr. Deputy Chairman,

I am writing in response to your Government's Aide Memoire about Bangladesh's requirement for additional foreign assistance, and the requests you made in your covering letter dated July 16, 1974. Let me say immediately that we agree with your basic assessment of the situation, especially as it concerns the next few months. While there may be some scope for easing the situation by cancelling expiring letters of credit, through short-term assistance from commercial banking channels, and through other measures, it is apparent that, above and beyond what you can achieve through these means, Bangladesh still will need substantial additional cash foreign exchange resources to meet bills for goods already ordered.

In your letter, you made two specific requests. First, you asked for speedy establishment of an Aid Group, and a first meeting as soon as possible. You have, since then, asked us to convene a meeting at the time of our Annual Meeting in Washington in late September. Unfortunately, this is not feasible. Both immediately before and during the Annual Meeting our staff, and those attending the Annual Meeting, would simply be unable to give adequate time and attention to an Aid Group meeting. In any case, an Aid Group meeting in late September would not help to raise the resources required to help Bangladesh over the next two or three months. As Mr. Diamond has already cabled to you, we propose to hold the first Aid Group meeting as soon as possible after the Annual Meeting. Incidentally, I am today informing the countries and institutions agreed upon between us, of the decision of Bangladesh to have an Aid Group and of its wish to have the World Bank chair it; I am stressing the urgency of such a Group to your country's development and urgently soliciting their interest in participating in it. I am giving a copy of this invitation to your Ambassador in Washington.

Your second request was to accelerate the processing, and to increase the amount, of our next program credit. As for timing, we will put the credit to our Board in November, perhaps earlier. As for the amount, you have already been informed that we will increase

the amount to US\$50 million, and that we will consider a further increase, subject to the requirements of vital projects. Unfortunately, the availability of IFA funds in the first half of this fiscal year precludes the possibility of our going beyond US\$50 million at this time. If, in the second half of this fiscal year, the rest of the IFA funds become available, we shall be prepared to consider an additional program credit. Whatever the size of the program credit, however, Bangladesh cannot possibly benefit from disbursements from it in time to meet the problems of the next few months. Thus it would seem that neither of the two proposals you made, even if it were possible to pursue them, would really assist Bangladesh in its immediate crisis.

Meanwhile I understand that Bangladesh is seeking short-term commercial accommodation. More importantly, I understand that you expect to have negotiations with the Fund this month, and that, if agreement is reached, additional cash resources will be at Bangladesh's disposal. Obviously such an agreement is of key importance but the Fund resources are not likely to meet all of Bangladesh's immediate needs. I would like to propose a way in which we might try to help supplement what Bangladesh is already doing.

I suggest that I invite representatives of a small group of countries to meet with us in Washington in mid-August to consider ways to provide emergency cash loans. I have in mind inviting representatives of Canada, Germany, Iran, Iraq, Japan, Kuwait, the United Kingdom and the United States. I think you will agree that it would be unfortunate if in finding an escape from the present crisis, Bangladesh trapped itself into the beginning of a long-term debt problem in the form of a large short-term debt burden which might have to be continuously rolled over. Consequently, I would propose to advise potential lenders that later on we would try to arrange some sort of refinancing facility through the Aid Group, if suitable terms cannot be provided from the outset.

I assume you will agree that it would be necessary, before I could arrange such a meeting or expect an appropriate response, for me to be able to assure those whom I invite on two points: first, that your Government was resolved to reach an understanding with the Fund and that the prospects for it were good and, second, that your Government would do its utmost to maintain the imports bill at the feasible minimum and to pursue policies which will place the country on a sound path to recovery and future development.



I would be grateful if you would convey to me by cable as soon as possible both your reactions to this proposal, and if they are favorable, your assurances on the matters covered in the preceding paragraph.

With best wishes.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

cc: Mr. Matial Islam  
Executive Director

Mr. Mahith  
Bangladesh Embassy

cc: Mr. McNamara's Office (2) ✓

WDiamond/DADunn:lhv

491/4/59

AUG 6 1974

Dear Mr. Secretary-General:

Thank you for your letter of July 17, with attachments, on the proposed Caribbean aluminum complex to be established in Trinidad and Tobago.

As I indicated to Dr. Eric Williams, during the dinner meeting with him in New York on July 15, the Bank is most interested in the scheme and is prepared to consider ways to assist in its realization. However, as a first step we need to be provided with additional information from the three governments concerned so that we can study the proposal in more detail. I enclose for your information a copy of a letter dated June 18 from Dr. Williams on this project and of my reply.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachments

His Excellency  
Kurt Waldheim  
Secretary-General  
United Nations  
Room 3800  
United Nations Plaza  
New York, NY 10017

WStruben:ub  
August 5, 1974

cc: Messrs. Knapp  
Alter  
Knox/Glaessner, Projects, LAC  
Fuchs/Jaffe, Industrial Projects  
Awunyo, Lawyer  
Earwaker, Economist, LACIIC

491/4/58

August 6, 1974

Dear Chuck:

Thank you for your letter of July 27. I very much agree with you that it would be desirable for countries and agencies interested in providing reconstruction development and assistance to Indochina to consult together at an early date. Partly to explore the best means of organizing effective consultations, I have asked Bernie Bell, who assumed his new duties as Vice President for East Asia and Pacific Region only last month, to discuss this matter with the Asian Bank, Japan and interested governments in Europe; he is currently traveling, partly in connection with those discussions.

We have been thinking that there could be advantages in arranging a meeting of donors at the time of our Annual Meeting of Governors, when a number of the officials concerned may be visiting Washington. It is clear that several donors will insist on maintaining the informality and low profile of last October's meetings if they are to attend.

Our objective is to meet together with as many donors as possible with a view to maximizing development assistance for the countries of Indochina, and I believe you share this view. August is not an easy month for some governments, particularly those in Europe, to focus on a delicate problem such as aid to Indochina. Nevertheless, I do expect progress toward organizing an international meeting within the next few weeks and will be in touch with you again as soon as there are further developments to report.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable  
Charles A. Cooper  
Assistant Secretary for  
International Affairs  
Department of the Treasury  
Washington, D. C. 20220

cc: Mr. Knapp  
Mr. Votaw (Bell)

GBVotaw:RSMcNamara:bmm  
August 6, 1974

491/4/57

August 5, 1974

Dear Mr. Secretary-General:

Thank you very much for your letter of July 25, calling to my attention the sentence in the draft report of the Technical Group on the Transfer of Real Resources which suggests that a fund might be established to provide quick-disbursing concessionary assistance to the poorest countries. The draft report is as suggested by the Chairman and will form the basis of discussion at the meeting on August 12-13. I am certain that it will not be the intention of the Technical Group to in any way suggest that the center of gravity for the emergency operation be shifted from UN Headquarters to any other UN agency.

As I understand it, the members of the Technical Group fully recognize the important role the UN Emergency Fund has to play. They are concerned, as am I, that the best efforts of the United Nations and its Agencies, regional organizations and bilateral contributors, may fall short of the requirements of the poorest countries. The study of the prospects of the developing countries, which we released recently, highlights the very large requirements for additional capital. In our estimate, the requirements of the low income countries for additional capital will rise from the approximately \$3-4 billion for the two-year period 1974-1975 to approximately \$8 billion in 1980. Against this requirement we must consider that the present projections of Official Development Assistance from OECD countries show a continuing decline as a percentage of GNP.

I am certain that the Technical Group will take full account of your concerns and will wish to assure that no suggestion they make could be interpreted as being in competition with the UN emergency operation. I will instruct my representative to the meeting accordingly.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Kurt Waldheim  
The Secretary-General  
The United Nations  
New York, N.Y. 10017

EStern:mss

499/4/56

PAGE 1 of 2

AUGUST 5, 1974

M.Y. KHELIF  
SOUS COUVERT  
M. AOUI  
MINISTERE FINANCE ET PLAN  
ALGIERS

TELEX NO. 52062 ALGIERS  
(Bank: 4265)

ALGERIA

RE YOUR MEMORANDUM OF AUGUST 2 HAVE GIVEN CAREFUL CONSIDERATION YOUR CONCERN ABOUT STATUS FIVE YEAR PROGRAM STOP THE FOLLOWING ELABORATION OF MY STATEMENTS AT THE BOARD ON JULY 30 AND AUGUST 1 WILL EYE HOPE CLARIFY POSITION AND ALLAY YOUR FEARS STOP NOTING THAT THE FY75 PROGRAM HAD BEEN APPROVED BY THE BOARD EYE AFFIRMED THAT EYE INTEND TO CONTINUE THE PROGRAM FOR THE SUCCEEDING THREE YEARS AS ORIGINALLY PROPOSED STOP ANNUAL REVIEWS OF THE FIVE YEAR PROGRAM IN LIGHT EMERGING SITUATION HAD ALWAYS BEEN CONTEMPLATED AND MY STATEMENT LEAVES BANK'S WORK PROGRAM UNCHANGED STOP PLANNED PROGRAMS AND OPERATIONS FOR YOUR CONSTITUENT COUNTRIES AS PROPOSED BY REGIONS AND AGREED BY MANAGEMENT THEREFORE REMAIN UNALTERED AT LEVELS MUCH HIGHER THAN IN THE PAST STOP APPROVAL OF FY75 BUDGET WILL ENABLE REGIONS TO OPERATE AT LEVEL ORIGINALLY CONTEMPLATED STOP RE INTEREST RATE WOULD NOT CONSIDER EIGHT PERCENT UNDULY BURDENSOME AND AM GLAD THAT BOARD ACCEPTED THIS RATHER THAN PRESSING FOR HIGHER RATE AT THIS TIME STOP

Robert S. McNamara  
President

Cleared with & cc: Mr. Knapp  
Cleared in substance & cc: Mr. Damry  
cc: (on return) Mr. Benjenk

WAWapenhans:mss

2-17/4/74  
PAGE 2 of 2

AUGUST 5, 1974

FR

KHELIF

9 RUE DU HOGGAR

ALGIERS HYDRA

ALGERIA

A STAFF PAPER WILL BE PREPARED FOR BOARD CONSIDERATION ON OPTIONS FOR ESTABLISHMENT OF THIRD WINDOW FROM WHICH CONCEIVABLY SOME OF YOUR CONSTITUENT COUNTRIES COULD BENEFIT STOP FINALLY EYE ACKNOWLEDGE WITH THANKS THE UNRESERVED AND THOUGHTFUL SUPPORT YOU WERE ABLE TO GIVE TO THE PROGRAM AS RECOMMENDED

M McNAMARA

Robert S. McNamara

Cleared with & cc: Mr. Knapp  
Cleared in substance & cc: Mr. Danry  
cc: ( on return) Mr. Benjenk

WAW/penhans:rs

OFFICE OF THE PRESIDENT

*JF*

4911/4/55

To Mr. Cargill

Today, during a critical  
period of negotiation with  
Venezuela all three of the  
top financial officers  
were absent from Washington  
*Drew*

491/4/52

AUG 3 1974

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow an aggregate principal amount, not exceeding \$200,000,000, in markets outside the United States of America through an issue of Two Year Bonds of the Bank. The bonds are to be dated September 15, 1974 and to mature September 15, 1976. The interest rate of the bonds has not yet been determined.

The Government of the United States of America is hereby requested, in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement, to approve the borrowing by the Bank in markets outside the United States of America of such amounts as may be raised by the issue of not exceeding \$200,000,000 aggregate principal amount of bonds. The Government of the United States of America is further requested to agree, pursuant to the same provisions of the Articles of Agreement, that the proceeds of such borrowing may be exchanged for the currency of any member of the Bank without restriction.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable  
William E. Simon  
Secretary of the Treasury  
Treasury Department  
Washington, D.C. 20220

cc: Mr. Sethness, Executive Director  
Cleared with and cc: Mr. Mwine, Legal Dept.  
cc: For Mr. McNamara's office (2)

Messrs: Rotberg, Treasurer  
Hittmair, Deputy Treasurer  
Gabriel, Controller  
Deely/Sec.Div. Files

DEHarris:mef  
July 31, 1974



491/4/51

AUG 3 1974

Dear Mr. President:

The International Bank for Reconstruction and Development proposes to borrow four hundred and thirty million bolívars (Bs 430,000,000) and four hundred million dollars of the United States of America (US \$400,000,000) from the Fondo de Inversiones de Venezuela.

The Government of Venezuela is hereby requested, in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement, to approve the proposed borrowing by the Bank, and to agree that the proceeds of such borrowing may be exchanged for the currency of any member of the Bank without restriction.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Alfredo Lafée  
President  
Banco Central de Venezuela  
Caracas, Venezuela

cc: Mr. Guarnieri, Executive Director  
Mr. Hittmair  
for Mr. McNamara's Office (2)

FCabezas/mr  
July 31, 1974

491/4/50

August 1, 1974

Dear Judith:

I much enjoyed our talk Monday evening and it was good to have an opportunity to discuss so many matters of interest to us both.

Since then we have received the formal notification that your Government will make the subscription and contribution authorized for it under the Fourth Replenishment Resolution. In acknowledging this, I should like particularly to express our thanks for the willingness of the United Kingdom, in concert with a number of other governments, to make an advance contribution. As a result, we are now assured of sufficient commitment authority to keep IDA's operations going for some little while to come.

I would also like to tell you how tremendously impressed we all were by the British statement to the Board in the discussion on our budget and five-year plan. Anthony Rawlinson's brief speech gave me that assurance of solid support for our basic aims, combined with careful, critical, examination of our means, which has been the United Kingdom's most valued contribution to the working of the Bank through all my time here.

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

Mrs. Judith Hart  
Minister  
Ministry of Overseas Development  
Eland House, Stag Place  
London SW1E 5DH, England

cc: The Rt. Hon. Denis Healey  
Chancellor of the Exchequer  
Treasury Chambers  
Great George Street  
London SW1P 3AG, England

Gordon Richardson, Esq., M.B.E.  
Governor  
Bank of England  
Threadneedle Street  
London EC2R 8AH, England

Mr. Rawlinson

Messrs. Cargill, WClark, Nurick, Adler

DHFRickett:ml 3rd paragraph added by WClark

491/4/49

AUG 1 1974

Dear Professor Mayer:

We appreciate your taking the time to give us your impressions about last month's PAG meeting in Rome. Also, we are aware of your discussions with Mr. Boerma, as well as his meeting with Dr. Cravioto, concerning the difficulties present at that meeting. I may say that we have shared many of your misgivings.

However, our understanding is that the problems have now been sorted out and that in the future the PAG will limit itself to the discussion of policy issues concerning nutrition. As the World Bank was an initiator of this change, we welcome this decision as a means of increasing the importance and usefulness of PAG. Also, related administrative steps affecting both the Secretariat and the PAG itself soon will be taken that should add to the effectiveness of the Group.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Jean Mayer  
Professor of Nutrition and  
Master of Dudley House  
Department of Nutrition  
School of Public Health  
Harvard University  
665 Huntington Avenue  
Boston, Massachusetts 02115

ABerg/MLHoffman/pnn  
July 29, 1974

cc: Mr. McNamara's files (2)

491/4/47

JUL 31 1974

Dear Mr. Boerma:

This is in reply to your letter of July 19, 1974, proposing the appointment of Dr. Jacobo Schatan as Scientific Secretary and Director of the PAG. I am happy to concur in this nomination and also in the proposal to change the title of the Assistant Secretary to Deputy Director, PAG Secretariat.

Incidentally, I have not received your letter of June 28 referred to in the first sentence of your letter of July 19, 1974, but I understand that the recent Secretariat meeting led to a general agreement about priorities and emphasis for PAG's future activities.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A. H. Boerma  
Director-General  
Food and Agriculture Organization  
of the United Nations  
Via delle Terme di Caracalla  
00100 Rome, Italy

MLHoffman/pnn  
July 29, 1974

Cleared in principle and cc: Mr. A. Berg  
cc: Mr. McNamara's files (2)

491/4/46

JUL 31 1974

Dear Mr. Hori:

As you know, the Executive Directors have now approved a Draft Resolution which provides for acceptance of advance contributions to the Fourth Replenishment from a number of governments, including the Japanese Government.

I should be grateful if you would convey to your Minister our warm thanks for the action of the Japanese Government which will be of the greatest help to us in maintaining the continuity of the operations of the International Development Association.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Taro Hori  
Executive Director  
International Bank for Reconstruction  
and Development  
Washington, D.C. 20433

cc: Mr. Cargill  
Sir Denis Rickett  
Mr. Adler  
Mr. Nurick  
Mr. Damry  
Mr. McNamara's Office (2)

DHFRickett:emcc

491/4/45

JUL 31 1974

Dear Mr. Minister:

We have received your letter of 17th July transmitting to us the notification that the Netherlands Government will make the subscription and contribution authorized for them under the Resolution relating to the Fourth Replenishment.

We were also very glad to learn that your Government would be willing to pay the first instalment of its contribution in advance. The conditions to which you refer have been embodied in a Resolution which has now been approved by the Executive Directors.

May I say how grateful we are to you and to your Government for your willingness to help us in this way. As a result of their action and that of other governments, we now have available commitment authority which will enable IDA to continue to operate for some time ahead.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Copy to Mr. Rinnooy Kan

His Excellency  
Dr. W. F. Duisenberg  
Minister of Finance  
Ministry of Finance  
Kneuterdijk 22  
The Hague, The Netherlands

c: Mr. Cargill  
Sir Denis Rickett  
Mr. Adler  
Mr. Nurick  
Mr. Damry  
Mr. McNamara's Office (2)

DHFRickett:emcc

491/4/44

July 31, 1974

Price Waterhouse & Co.  
1801 K Street, N. W.  
Washington, D. C. 20006

Dear Sirs:

We confirm, to the best of our knowledge and belief, the information and opinions set forth below which we have given you during the course of your examination of the financial statements of the International Development Association for the year ended June 30, 1974:

1. All payments to the Association required under the Development Credit Agreements, at the date of this letter, had been made except payments amounting to the equivalent of \$169,720, as per the list attached.
2. At June 30, 1974 all effective development credits arising on or before that date were recorded in the accounts. Credits approved but not yet effective at June 30, 1974 amounted to the equivalent of \$520,300,000.
3. All liabilities of the Association, of which we are aware, are included in the appropriate classifications in the financial statements at June 30, 1974, and we have no knowledge of any litigation, pending or threatened against the Association, or any other contingent liabilities, of any important consequence.
4. We consider the grants for agricultural research projects to be appropriately disclosed in IDA's financial statements. It is not considered necessary to report the disbursed amount of these grants as an expense in the financial statements of the Association.
5. The Association has not entered into any contracts or agreements not in the ordinary course of business, nor have any other matters come to our attention up to the present time, which would materially affect the financial statements for the year ended June 30, 1974. In addition, we know of no event since June 30, 1974 which although not affecting such financial statements has caused or is likely to cause any material change, adverse or otherwise, in the financial position or results of operations of the Association.

July 31, 1974

6. Effective July 1, 1974, the IMF adopted a new method of valuing currencies in terms of the special drawing right (SDR). The new method is based on a standard basket system of 16 currencies and will apply for a period of two years. At the end of June 1974, the US dollar as used in the Association's accounts was equal to 0.828948 SDR. As from July 1 the dollar's value in terms of the SDR will change daily.

The agreement reached by the Committee of Twenty, which resulted in the change in the IMF's procedures, has specific application to the IMF. The question of its applicability to the Association is presently being considered by the General Counsel and the Controller; for the time being the Association is continuing to base its maintenance of value procedures on the present par value of the US dollar.

7. To the best of our knowledge and belief, all accounting and financial records and related data of the Association, including all minutes through July 31, 1974, have been made available to you, and as far as we know, none of them were withheld from you.

Sincerely,

(Signed) Robert S. McNamara  
President

Vice President and General Counsel

Controller

Attachment

cc: for Mr. McNamara's Office (2)



100/143

INTERNATIONAL DEVELOPMENT ASSOCIATION

List of Payments Due but not Received Under Credit Agreements

As of July 31, 1974

<u>Credit No.</u>	<u>Due Date</u>	<u>US\$ Equivalent</u>
146 CA	March 1, 1974	\$ 17,924
S-11 BU	June 15, 1974	1,398
S-11 BU	June 15, 1974	28,684*
161 CM	June 15, 1974	21,966
320 CM	June 15, 1974	758
199 CA	June 15, 1974	16,986
95 MLI	July 1, 1974	40,233
100 CM	July 1, 1974	40,000
333 GM	July 1, 1974	1,168
308 CA	July 15, 1974	145
443 MLI	July 15, 1974	458
		<hr/>
		\$169,720
		<hr/> <hr/>

\* Principal Repayment

481/4/43

JUL 31 1974

Dear Mr. Minister:

Many thanks for your letter of July 14th in which you conveyed to me the notification of your Government that they would make the subscription and contribution authorized for them under the terms of the Resolution on the Fourth Replenishment.

I was also very glad to learn that your Government would be willing to pay the first instalment of their contribution without regard to the fulfillment of the conditions stated in the Replenishment Resolution about notifications received from other countries.

The Executive Directors have now approved a Draft Resolution accepting your contribution and those of a number of other countries.

May I say how grateful we are to you and to your Government for helping us in this way. As a result, we are now assured of commitment authority which will enable us to continue our operations for some little time ahead.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Ove Guldberg  
Ministry for Foreign Affairs  
Ministry of Foreign Affairs  
Christiansborgslot  
DK-1218 Copenhagen K, Denmark

Copy to Mr. Kryger

cc: Mr. Cargill  
Sir Denis Rickett  
Mr. Adler  
Mr. Nurick  
Mr. Damry  
Mr. McNamara's Office (2)

DHFRickett:emcc

491/4/41

JUL 25 1974

Dear Mr. Prime Minister:

I would like to thank you for your kind invitation to visit Turkey this fall. I am very much looking forward to becoming better acquainted with the development prospects and problems of your country, which in the last several years has become one of the major recipients of World Bank lending. In anticipation of my upcoming visit, I have asked my associates to consider what the Bank's role in Turkey could be and during our meeting I would wish to seek your views, guidance and assistance in further shaping that role. Mr. Munir Benjenk, the Regional Vice President responsible for Bank operations in Turkey, is visiting Ankara in the near future, and I am asking him to convey this letter to you and be prepared to discuss the matter if you so wish.

To help prepare for these discussions, the aide-memoire attached summarizes the initial thoughts of my colleagues on the present state of the relationship between Turkey and the Bank. In the spirit of the Bank's function in assisting development in the world, the aide-memoire is candid in pointing out the difficulties encountered in lending some \$690 million to Turkey from 1970 to date, and in suggesting some conclusions which our past experience may offer for the future. There are at least three major areas of emphasis: the focus of present and future Bank lending, the arrangements for coordinating the preparation and implementation of projects, and the staffing of agencies which carry out Bank financed projects.

On a wider plane, however, I would also be very interested in learning your views on the future course of Turkey's development and the role you would wish the Bank to plan in that regard. A basic understanding on that role would greatly enhance and speed up the contributions we could then make on individual projects.

If you think this might be helpful, I would be quite prepared to send senior Bank staff to Turkey in advance of my own visit to discuss both the matters raised in the attached aide-memoire and the Government's views as to the desirable role of the Bank in the next few years so as to deepen the understanding we could reach during our forthcoming meeting.

With best wishes,

Sincerely,

His Excellency  
Bulent Ecevit  
Prime Minister  
Republic of Turkey  
Ankara, Turkey

(Signed) Robert S. McNamara

Robert S. McNamara

491/4/40

JUL 25 1974

Mr. Antonio Ortiz-Mena  
President  
Inter-American Development Bank  
808-17th Street, N. W.  
Washington, D. C. 20577

Dear Antonio:

I am writing you to express the hope that the Inter-American Development Bank in 1975 may increase still further the strong support that it is giving to agricultural research activities in the Western Hemisphere. In the context of the world food problem, it seems to me that this assistance being given by IDB is highly appropriate. The strengthening of national research programs, on which you and IDB place a high value, is of course a matter of utmost importance, and the help which IDB can give to these programs will, I am convinced, bring about significant advances in agricultural productivity in the Western Hemisphere.

It would be equally important, I think, for IDB's support of the work of the international agricultural research centers in the Western Hemisphere to continue and increase. Such assistance would be particularly opportune just now. The proposed programs of all the centers composing the international agricultural research networks for 1975 at present exceed by about \$6 million the amount of funds which we expect to have available for these programs, not taking into account contributions which may be available from the Inter-American Bank. If the present pattern of grants from other donors were to continue, the brunt of this deficit would have to be borne by the Western Hemisphere centers, perhaps to the extent of \$4 million or more. Grants from IDB might therefore fill a crucial gap.

The World Bank Group, let me say, also is increasing its participation in the financing of international agricultural research. Our authorized contribution for 1975 is expected to be up to \$4.8 million. While these funds are meant to be at the disposal of the entire research network, we are, as you know, supporting the programs of the Western Hemisphere centers, and will continue to do so.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

HGraves/WCbaum:apm

491/4 137

JUL 25 1974

Dear Mr. Minister:

I want to convey to you my deep appreciation of your agreement to make an advance contribution to the International Development Association, a contribution which will help enable IDA to continue its assistance to the poorest countries. We will now submit to the Executive Directors of IDA a proposed resolution, in the terms agreed with your Government, authorizing the acceptance of this contribution.

I note that the New Zealand Government does not favor the renegotiation of the Fourth Replenishment. As you know, the House of Representatives of the United States recently voted favorably on a bill to authorize United States participation in the Fourth Replenishment, reversing a prior vote by the House in January of this year. I think there is good reason to believe therefore that the United States will participate in the Fourth Replenishment and that the Replenishment will become effective on the basis agreed at Nairobi.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable  
The Minister of Finance  
Parliament Buildings  
Wellington, New Zealand

LNurick:vv

July 19, 1974

491/4/36

July 25, 1974

Dear David:

We shall, of course, be pleased to see Victor Rockhill at this year's Annual Meetings and I have arranged that an invitation be sent to him.

I am delighted to know, too, that you will be joining us at the Meetings.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. David Rockefeller  
Chairman of the Board  
The Chase Manhattan Bank  
National Association  
1 Chase Manhattan Plaza  
New York, N. Y. 10015

MTCopeland:RSMcNamara:bmm  
July 25, 1974

cc: Secretary's Office  
President's Office ✓

491/4/35

JUL 24 1974

The Honorable Chief Leabua Jonathan  
Prime Minister of the Kingdom of Lesotho  
Maseru, Lesotho

Dear Mr. Prime Minister,

Thank you very much for your letter of June 14, 1974, which reached me earlier this month through your Embassy at Washington.

I assure you, Mr. Prime Minister, that I fully share your concern about the problems created for Lesotho by the recent repatriation of large numbers of Basotho workers from South Africa. We agree that such a repatriation calls for the most urgent efforts to provide employment on an emergency basis. It was in full realization of the need for expeditious action that my staff had earlier recommended that your Government avail itself of the offer of the United Nations Development Programme to rapidly mount a mission for (a) identifying and preparing a program of small, labor-intensive public works that could be used for creating relief jobs urgently, and (b) reviewing the problem of unemployment in a longer-range perspective. As our staff was not immediately available we felt that staffing such a mission by ILO experts would be satisfactory. We note, however, that your Government would prefer a small, World Bank-led mission to identify an action program rather than a more comprehensive ILO-led mission which would address itself to both the emergency and the longer-term and structural employment problems. In response to your request, we are now making preparations for a mission of about six experts, to be led by a member of our staff, to arrive in Lesotho on August 25, 1974. If this proposal is acceptable to you, we will communicate the composition and other details of the mission to your Government in the near future.

While assuring you of our fullest cooperation in meeting the present emergency confronting your country, I should make clear that my staff and I feel that we can best assist your country by helping in the preparation and financing of investment projects which are designed to solve the persistent problems of Lesotho by generating economic growth and increasing employment opportunities. An example of our efforts in this direction is the recent approval by the Executive Directors of a \$4.0 million IDA credit for an education project which aims at manpower training and development. We are also active in the preparation of a road project, in association with the U.K. Ministry of Overseas Development, which will use labor-intensive techniques for constructing and

The Honorable Chief Leabua Jonathan

- 2 -

4/9/74

improving mountain roads. In addition, we have scheduled a mission for August 1974, from our Nairobi office, to help identify and prepare a livestock project which would raise rural incomes but would also assist in controlling soil erosion. We hope that these efforts will result in projects that would make a meaningful contribution to the long-range development of Lesotho.

Sincerely yours,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. R. McNamara

SAWmoini:lgl

typed: July 19, 1974



491/4 134

HENRY J. EDER  
EXECUTIVE DIRECTOR  
CAUCA VALLEY CORPORATION  
TELEX NO.055-708  
CALI  
COLOMBIA

TELEX

THANK YOU FOR THE INVITATION TO ATTEND INAUGURATION ALTO ANCHICAYA  
HYDROELECTRIC POWER STATION STOP I WISH TO CONGRATULATE YOU ON  
SUCCESSFULLY COMPLETING THIS PROJECT STOP REGRET OTHER COMMITMENTS  
MAKE IT IMPOSSIBLE FOR ME TO BE PRESENT STOP HAVE DESIGNATED MR. JOAQUIN  
MARTINEZ ACTING RESIDENT REPRESENTATIVE OF THE BANK IN COLOMBIA TO  
REPRESENT BANK AT INAUGURATION JULY THIRTY ONE REGARDS

ROBERT S. MCNAMARA

INTBAFRAD

cc: for Mr. McNamara's Office (2)

cc: Mr. Gerald Alter  
Mr. Gunter K. Wiess, Director,  
CPDII LAC  
Mr. H. van der Heijden, Division Chief,  
Mr. C. N. Quijano, Resident Repres.,  
Bogota.

Robert S. McNamara

FSporon-Fiedler:pr  
COLOMBIA - Alto Anchicaya (In.38)  
July 22, 1974

491/4/33

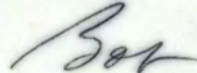
JUL 22 1974

Dear Ted:

I am sorry to have taken so long to reply to your letter of June 6. However, I understand that you and Mr. Tempelman have had detailed discussions with Mr. Husain and his associates on the Burundi nickel project.

As Mr. Husain indicated to you, we should normally be interested in financing such projects. However, since the prime purpose of our participation in large mining projects is to help the country generate resources for development, in case of Burundi we would need to know how the Government would propose to use the income from the project for the benefit of the larger mass of people. Specifically, we would have to look at the Government's development objectives and its development program, before we decide to go ahead with the project. Our staff will be following up on these and other issues.

Sincerely,



Robert S. McNamara

Please let me know when you next visit Washington. Let's dine together.

Mr. T.C. Sorensen  
Paul, Weiss, Rifkind, Wharton & Garrison  
345 Park Avenue  
New York, N.Y. 10022

cc: Mr. McNamara's Office (2)  
Mr. Wiehen  
Mr. Fuchs  
Mr. Roulet

SSHusain:pe  
July 18, 1974

491/4/32

JUL 22 1974

Dear Mr. Deutsch:

Pursuant to directions of the Committee, the Report of the Joint Committee on Remuneration of Executive Directors and their Alternates was submitted to the Boards of Governors for a vote without meeting. We are pleased to inform you that on July 8, 1974, the Boards of Governors of the Fund and Bank adopted the Resolution on Remuneration of Executive Directors and their Alternates and approved the amendment of Section 14(e) of the By-Laws which you recommended.

We should like to take this opportunity to express our appreciation for your participation once again as a member of the Joint Committee and we are most grateful for the time and effort you gave to the deliberations of the Committee.

Sincerely yours,

(Signed) Robert S. McNamara

Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development and Affiliates

H. Johannes Witteveen  
Managing Director  
International Monetary Fund

Mr. John J. Deutsch  
Principal and Vice Chancellor  
Queen's University  
Kingston  
Ontario, Canada

491/4/31

JUL 22 1974

Dear Mr. Chairman:

Pursuant to directions of the Committee, the Report of the Joint Committee on Remuneration of Executive Directors and their Alternates was submitted to the Boards of Governors for a vote without meeting. We are pleased to inform you that on July 8, 1974, the Boards of Governors of the Fund and Bank adopted the Resolution on Remuneration of Executive Directors and their Alternates and approved the amendment of Section 14(e) of the By-Laws which you recommended.

We should like to take this opportunity to express our appreciation for your participation as a member of the Joint Committee and we are most grateful for the time and effort you gave to the deliberations of the Committee.

Sincerely yours,

(Signed) Robert S. McNamara

Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development and Affiliates

H. Johannes Witteveen  
Managing Director  
International Monetary Fund

His Excellency  
Henri Konan Bédié  
Minister of Economy and Finance  
Ministry of Economy and Finance  
Abidjan, Ivory Coast

491/4/30

JUL 22 1974

Dear Mr. Schmitz:

Pursuant to directions of the Committee, the Report of the Joint Committee on Remuneration of Executive Directors and their Alternates was submitted to the Boards of Governors for a vote without meeting. We are pleased to inform you that on July 8, 1974, the Boards of Governors of the Fund and Bank adopted the Resolution on Remuneration of Executive Directors and their Alternates and approved the amendment of Section 14(e) of the By-Laws which you recommended.

We should like to take this opportunity to express our appreciation for your participation as a member of the Joint Committee and we are most grateful for the time and effort you gave to the deliberations of the Committee.

Sincerely yours,

(Signed) Robert S. McNamara

Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development and Affiliates

H. Johannes Witteveen  
Managing Director  
International Monetary Fund

Mr. Wolfgang Schmitz  
Austrian Federal Economic Chamber  
Stubenring 12  
1010 Vienna, Austria

491/428

JUL 22 1974

Dear Dr. Holtz:

I thank you for your letter of July 2, 1974 in which you inform me that the Bundestag Committee for Economic Cooperation has decided to hold public hearings in the fall of this year on the subject of the activity of German multi-national corporations in developing countries. I appreciate your invitation to a representative of the Bank to appear at these hearings and to furnish written comments on the questions attached to your letter. However, these questions appear to deal either with matters of governmental policy or concern matters on which the Bank would have no particular information or could not appropriately express an opinion. It seems to me therefore that we should not depart in this instance from the Bank's general policy not to appear at public hearings of legislative bodies of its member countries.

I want to assure you, however, of my wish to cooperate with your Committee whenever we can assist its work by furnishing information on matters within our competence.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Uwe Holtz  
Deutscher Bundestag  
Ausschuss für wirtschaftliche  
Zusammenarbeit  
53 Bonn  
Bundeshaus  
Germany

§  
ABroches:csh  
July 18, 1974

cc: Mr. McNamara's office (2)

491/4/27

July 19, 1974

## MEMORANDUM FOR MR. SETHNESS

Subject: Financial Disclosures

This is in reply to your memorandum dated July 11, 1974 regarding your suggestion that we explore the idea of a formalized system of financial disclosure by senior officials of the Bank.

It may be that you are unaware of the fact that on June 28, 1974 I instituted a new and comprehensive procedure which provides (a) a detailed set of rules of conduct for Bank staff designed to avoid any conflicts of interest, and (b) a formal procedure whereby all staff in Level J and above must file annual reports of their holdings of certain types of securities and other interests. (Staff in Level J and above includes the entire professional staff of the Bank, not just the senior officials.) I have also established a special committee which will review these reports and will be responsible for the administration of these new rules. For your information, I am enclosing a copy of the new rules, together with a form of the financial disclosure statement.

I recognize, as you do, the need for the staff of the Bank to avoid any suggestion of conflict between their Bank duties and private interests. In this regard, I call to your attention the following excerpt from my memorandum dated June 28, 1974 to the staff on the new rules of conduct:

"... it has to be recognized that the Bank Group is exposed to continuous scrutiny, which is likely to increase as the range of its activities expands, on the part of its member governments and their legislatures, the press and the public. There is thus a need to avoid real or apparent conflicts between a staff member's private interests and his duties to the Bank Group and thereby any embarrassment either to the staff member or to the Bank Group, as well as to have a procedure for dealing with such conflicts, should they arise. The attached rules are designed to meet this need."

As you can see, we have taken particular care to provide specific rules covering a wide range of staff activities and to provide a fairly elaborate system of administrative review within the Bank. Indeed, the

system we have established is, as far as I am aware, far more comprehensive than that of any other international institution.

I believe that our new system provides the Bank's management which represents the member governments with the assurances in this matter which they are entitled to have and I trust therefore that it meets your objectives.

(Signed) Robert S. McNamara

Robert S. McNamara

LNurick:bmm  
July 12, 1974

Copy to: Mr. Nurick



491/4/25

ABDULRAHMAN SALIM AL ATEEQI  
MINISTER OF FINANCE AND OIL  
KUWAIT

JULY 18, 1974

TELEX

KUWAIT  
(TELEX PETBOL 2363 KT)

THANK YOU FOR YOUR CABLE STOP EYE WILL BE PLEASED TO MEET WITH  
MR ABDULWAHAB AL-TAMAR AND PROPOSE AUGUST ONE AT SIX THIRTY PM STOP  
LADISLAUS VON HOFFMANN OF IFC WILL PROPOSE MEETINGS EARLIER IN THE DAY  
STOP BEST PERSONAL REGARDS

ROBERT McNAMARA

Anders Ljungh  
Presonal Assistant to the President

Mr. Benjenk  
Mr. von Hoffmann

AL:bum



# Record Removal Notice



<b>File Title</b> President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 42	<b>Barcode No.</b>  1771911
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<b>Document Date</b> July 16, 1974	<b>Document Type</b> Letter
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**Correspondents / Participants**  
 To: Mr. Mohamed Shoaib  
 From: Robert S. McNamara

**Subject / Title**  
 Mr. Shoaib's pension.

**Exception No(s).**  
 1    2    3    4    5    6    7    8    9    10 A-C    10 D    Prerogative to Restrict

**Reason for Removal**  
 Personal Information.

**Additional Comments**

The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.

Withdrawn by Shiri Alon	Date Nov 19, 2012
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491/4/24

JUL 16 1974

Dear Mr. Klackenberg:

Thank you so much for your letter of July 12th from which I was pleased to learn that the Swedish Government has now taken a formal decision to make its first contribution to the International Development Association on November 8, 1974, irrespective of whether or not the Agreement has entered into force on that date.

This is a most helpful decision and will, I know, have an important influence on the willingness of other contributors to make such advance contributions.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Lennart Klackenberg  
Under-Secretary of State  
Royal Ministry for Foreign Affairs  
Box 16121  
S-103 23 Stockholm 16  
Sweden

Copy to Mr. Kryger

cc: Mr. Cargill  
Mr. Adler  
Mr. Nurick  
Mr. McNamara's Office (2)

DHFRickett:emcc

491/4/22

JUL 16 1974

Dear Ad:

Thank you very much for your letter of June 24 and the attached copy of your paper on emergency measures in regard to fertilizers and pesticides, which is to be considered at the FAO Council.

I was pleased to note that the Bank representative at your meeting to discuss this paper was able to make a substantive contribution.

I share your concern about the fertilizer problem, especially with regard to the short-run situation. I hope that your efforts to mobilize resources and fertilizers for use by the developing countries is successful. I hope too that the World Food Conference will address itself to this problem.

I look forward to hearing about the decisions that your Council might take.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. A.H. Boerma  
Director-General  
Food and Agriculture Organization  
of the United Nations  
Rome, Italy

Cleared with and cc: Mr. R. Carmignani  
cc: Mr. A. Ljungh

MYudelman:lkt

491/4/20

Office of The President

JUL 15 1974

Dear Mr. Sasaki:

Thank you very much for your kind letter of June 28, 1974.

I am most pleased to note that you have assumed the Chairmanship of the Federation of Bankers Associations of Japan, and please accept my congratulations.

We share your hope that we will soon be able to market issues of Yen-denominated bonds again in the Japanese market, at which time we will follow our practice of nominating as one of the commissioned banks a Japanese bank, the chairman of which is the Chairman of the Federation of Bankers Associations of Japan. Thank you very much for your kind offer of your services.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Mr. Kunihiro Sasaki  
Chairman of the Board  
and President  
The Fuji Bank, Limited  
Tokyo, JAPAN

cc: for Mr. McNamara's office (2)✓

EHRotberg/MMvan Saagsvelt:mef  
July 12, 1974

UNOFFICIAL TRANSLATION of reply to letter from Gral. D.I.M. Cesar Barrientos,  
Minister of Finance, Paraguay

Dear Mr. Minister:

I acknowledge receipt of your kind letter of June 27, 1974 in which you confirm in the name of the Paraguayan Government the invitation to visit Paraguay made by Dr. Cesar Romeo Acosta, President of the Central Bank. I take great pleasure in accepting this invitation, and I promise to visit Paraguay in the not too distant future, with my wife.

Due to the heavy schedule of activities which I have, including the preparation of the next Annual Meeting, I am not able at this time to set a precise date for my visit, but you can rest assured that as soon as I have the opportunity I will do so and I will get in touch with you.

Thanking you once more for this kind invitation, I express my appreciation to you.

Robert S. McNamara

Gral. D.I.M. (Sr.) Cesar Barrientos  
Minister of Finance  
Ministry of Finance  
Asuncion, Paraguay

JUL 12 1974

Estimado Señor Ministro:

Acuso recibo de su atenta carta del 27 de junio de 1974, en la cual me confirma a nombre del Gobierno Paraguayo la invitación de visitar al Paraguay hecha por el Dr. César Romeo Acosta, Presidente del Banco Central. Con sumo gusto acepto esta invitación y me comprometo a visitar al Paraguay en un futuro no muy lejano en compañía de mi esposa.

Dado el calendario intenso de actividades que tengo, incluyendo la preparación de la próxima reunión anual, en este momento no puedo precisar la fecha exacta de mi visita, pero ni bien la oportunidad me lo permita lo haré y me pondré en comunicación con usted.

Agradeciéndole una vez más por esta gentil invitación, reitérole la expresión de mi consideración más distinguida.

(Signed) Robert S. McNamara

Robert S. McNamara

Gral. D.I.M. (Sr.) César Barrientos  
Ministro de Hacienda  
Ministerio de Hacienda  
Asunción, Paraguay

AJFavilla:erl  
Typed 07/10/74

491/4/18

July 11, 1974

Dear Erhard:

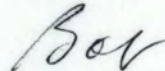
I heard the news of your resignation with great sorrow, both personal and official.

I have very much enjoyed our years of cooperation on development matters, and, I hope I may say, years of personal friendship. The friendship I trust will continue, and I can only hope that we will find ourselves working together again in the future on the problems of the Third World.

It is ironic that I should have received the news of your resignation just after I received your notification regarding Germany's participation in IDA and your advance contribution. I have always been grateful to you for your steady support of the World Bank's activities, and this final act was typical of your unwavering concern for the poorest in the world.

With my best wishes for your future career, which I will follow with interest, and in hope that it will bring us together again.

Sincerely,



Robert S. McNamara

Dr. Erhard Eppler, MdB  
Mitglied des Deutschen Bundestages  
53 Bonn, Bundeshaus  
Federal Republic of Germany

WDClark:mss



491/4/16

July 10, 1974

Dr. Nurul Islam  
Deputy Chairman  
Planning Commission  
Ministry of Planning  
Dacca, Bangladesh

Dear Mr. Deputy Chairman:

Thank you for your messages of July 6 concerning the establishment of a Consortium for Bangladesh and of July 9 about negotiations for the assumption by Bangladesh of certain external debts.

As for the former, I have received your request with pleasure. It has been a matter of mounting concern to us and to Bangladesh's many other friends, that there does not exist a formal organization to assist in mobilizing external resources for the development of Bangladesh. I am gratified you have taken the initiative. I want you to know at once that we will come back to you quickly with concrete proposals for the establishment of a Consortium, including its composition, organization and timing.

Concerning your second message, let me say that persuading the country creditors to agree to offer terms involving a grant element of no less than 84 percent was not a small achievement. It required four months of discussion and persuasion and resulted in acceptance from some countries which have never before provided aid on such soft terms. Let me add that, after the meeting in London in early June, Mr. Knapp personally discussed the matter with your negotiator and it was agreed that the Bank would inform other creditors of the views of Bangladesh regarding the grant element. We did just that, but, as Mr. Knapp had anticipated, we received no favorable response from the country creditors. The fact is that they had been pushed just as far as possible and I am satisfied that any effort to push them further would be both inappropriate and fruitless.

As for the Bank's terms, I have to say that we have very little further room for maneuver. I would be prepared to take a final step to reach agreement with you by giving the proposed Bank loan a grace period of ten years, instead of five, out of a total 30-year duration. This will not make a significant difference in the grant element, but will afford you additional relief in the early years. This is as far as the Bank can possibly go and reflects our wish to do the utmost for Bangladesh.

.../

Dr. Murul Islam

- 2 -

43/12/74  
July 10, 1974

I hope you agree that we now have an appropriate basis for going to our Boards, and we are sending you the draft loan and credit documents immediately.

As you yourself have often said, the cleaning up of this over-hanging debt question will play an important role in assuring the willingness of many countries friendly to Bangladesh to participate in a Consortium. I shall do everything possible to assure the creation and effective operation of a Consortium whose financial resources should be of great significance to Bangladesh.

I am, separately and privately through Mr. Matiul Islam, sending you a proposal concerning the new chief of our mission in Dacca.

With best wishes,

Sincerely,

Robert S. McNamara

cc: Mr. Matiul Islam

cc: Messrs. Knapp  
Weiner  
Dunn  
Diamond

WDiamond:JBKnapp/at  
7/10/74

491/4/15

July 10, 1974

Dear Orville:

Thank you for your memorandum. My staff has just prepared a study of "Fertilizer Requirements of Developing Countries" which advocates a strategy of cooperative ventures, very similar to the one you have outlined in your memorandum.

While my associates see a potential for joint ventures between oil producers, other developing countries, and sources of technical know-how in certain areas such as fertilizers, they do not see much scope for attracting OPEC investment in food and agricultural production in developing countries. Our feeling is that the appropriate strategy in the heavily populated developing countries is to assist and upgrade the activities of the small farmers, as part of an overall program of rural development. There are, of course, places in Africa and Latin America where an economic case could be made for attracting large foreign corporations to develop new areas for food and agricultural production, but we do not think that this is politically feasible at this time. Nor do we think that it would be possible to attract Arab funds into this area.

I am enclosing a copy of the Fertilizer Study and hope you will find it interesting because it does offer some practical possibilities of pursuing the strategy you recommend.

Best wishes to Jane.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Orville Freeman  
President  
Business International  
One Dag Hammarskjold Plaza  
New York, N. Y. 10017

MAQureshi:mss

491/4/14

July 9, 1974

Dear Mr. Minister:

Your predecessor Dr. Eppler notified me on July 3 that in accordance with the Resolution of the Board of Governors of the International Development Association your Government will contribute DM 1,242,744,750 to the Fourth Replenishment of the resources of the Association and that before the end of 1974 a first installment of DM 381.4 million will be transferred, even if the agreement regarding the Fourth Replenishment has not then entered into force. I am confident that the conditions for the advance contribution mentioned in Dr. Eppler's letter -- namely that the preponderant majority of countries other than the U.S. should also have declared their readiness to make advance contributions -- will shortly be fulfilled.

May I take this opportunity to offer you my best congratulations on your appointment and to express the sincere hope that the close cooperation between your Ministry and the World Bank Group which has developed in recent years will continue for the benefit of both institutions but especially for the benefit of the developing countries.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Egon Bahr  
Minister for Economic Cooperation  
53 Bonn  
Federal Republic of Germany

JHADler/DHFRickett:mss

491/4/12

JUL 9 1974

Dear Mr. Labidi:

Thank you for your letter dated June 10, 1974 on the subject of the tenth anniversary of the African Development Bank to be celebrated in Abidjan on November 14 to 16, 1974.

I am particularly appreciative of the invitation extended to me personally to attend the anniversary meetings and would have been honored to participate. However, plans for a visit to several member states at that time of the year are already well advanced. I shall not be in a position, therefore, to be in Abidjan on the dates in question and must regretfully decline your invitation.

I want to assure you of the World Bank's continuing interest in the progress of the African Development Bank and would be pleased to nominate a senior World Bank officer to take part in the anniversary celebrations, if you so desire.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A. Labidi  
President  
African Development Bank  
B.P. No. 1387  
Abidjan, Ivory Coast

cc: Mr. McNamara's Office (2)  
Mr. Chauffournier  
Mr. Husain

Central Files with incoming letter

LPChatenay/SEBoskey:mmcd  
July 2, 1974

491/4/170

JUL 9 1974

Dear Leonard:

Thank you for your letter of June 21, from which I note the wide field of experience you and your colleagues have developed in the operations of international waterways and the Panama Canal in particular.

The question of Canal tariffs is indeed an important one to which the Suez Canal Authority will no doubt be giving serious attention in the immediate future. I understand that the Authority has already invited proposals from selected consultants for reviewing this question. It could well be that they may wish to draw on the experience of a consulting firm like yours, for other services which you may believe you can provide. I would suggest that you contact the Chairman of the Suez Canal Authority, Mr. Mashhour Ahmed Mashhour, informing him that your services are available.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Leonard Spacek  
69 West Washington Street  
Chicago, Illinois 60602

✓ cc: for Mr. McNamara's Office

cc: Messrs. Wyatt, Elliott, de Man (o/r), Aiyer

GEWyatt/DCElliott:mh

July 1, 1974

491/4 19

TELEX NO. 1759 OZ HANDON S

JULY 5, 1974

(Svenska Handelsbanken)

TELEX (Ext. 3585)

Stockholm

Sweden

FOR PER LINDBERG. MOHAMED AL SHAREKH IS AN ALTERNATE EXECUTIVE  
DIRECTOR AND THEREFORE MEMBER OF THE BOARD OF THE WORLD BANK GROUP,  
REPRESENTING ARAB COUNTRIES AND PAKISTAN STOP HE IS FORMER DEPUTY  
DIRECTOR OF THE KUWAIT FUND AND HAS BEEN NAMED HEAD OF THE KUWAIT  
INVESTMENT COMPANY A NEW ORGANIZATION SET UP TO CHANNEL KUWAITI  
FUNDS ABROAD AND TO PROMOTE DOMESTIC INVESTMENT STOP HE IS DUE  
FOR THIS NEW JOB IN THE FALL STOP HE IS ABOUT MY AGE, BRIGHT AND  
AGGRESSIVE STOP HE HAS ALSO REPRESENTED KUWAIT IN THE C TWENTY  
NEGOTIATIONS HERE STOP EYE KNOW HIM AND LIKE HIM STOP THE PURPOSE  
OF HIS VISIT IS MOST LIKELY CONNECTED WITH FUTURE ACTIVITIES OF  
KUWAIT INVESTMENT COMPANY STOP BEST REGARDS

ANDERS LJUNGH  
INTBAFRAD

Anders Ljungh

Office of the President

AL: bmm

Mr. McNamara's  
Office

491/4/8

JUL 5 1974

GENERAL KJELL LAURNUD GARCIA  
PRESIDENT OF THE REPUBLIC  
GUATEMALA CITY  
GUATEMALA

FULL RATE

PLEASE ACCEPT MY SINCERE CONGRATULATIONS ON YOUR INAUGURATION AS  
PRESIDENT OF GUATEMALA STOP MY COLLEAGUES IN THE WORLD BANK AND I  
LOOK FORWARD TO A FRUITFUL RELATIONSHIP BETWEEN YOUR GOVERNMENT AND  
THE WORLD BANK IN ORDER TO CONTRIBUTE TO THE FULFILLMENT OF GUATEMALA'S  
ASPIRATION FOR ECONOMIC AND SOCIAL ADVANCEMENT STOP CORDIAL REGARDS

(Signed) Robert S. McNamara  
ROBERT S. McNamara

Robert S. McNamara

cc: Mr. Guarnieri, Executive Director

Messrs. Alter  
Krieger, LAC I

FHEpsters



'JUL 5 1974

Dr. M. G. Candau  
c/o World Health Organisation  
1211 Geneva 27  
Switzerland

Dear Dr. Candau:

You will recall that I wrote to you about a year ago suggesting that you might preside over the inter-governmental inter-agency group that would be formed to exercise general supervision over the program for the control of onchocerciasis in West Africa once the program got under way. You said that you would be ready to consider this when the time came.

As you know, WHO has made good progress in launching the program, and an advance fund of \$7-1/2 million has been organized by the World Bank to cover commitments during the first year. A plan of operations was agreed by the seven African Governments at a meeting in Accra last November, the Program Director has established his headquarters in Ouagadougou, and aerial spraying operations are due to begin in November 1974.

Last week the donor and participating governments and international agencies interested in the program met in Paris to consider the arrangements for the overall management of the campaign, and in line with proposals put forward by the inter-agency Steering Committee, the meeting agreed that a Joint Coordinating Committee (JCC) should be set up to keep the program under review and to approve annual budgets. This Committee would be an informal body consisting of representatives of donor and participating governments and international agencies, it would have an independent chairman of international stature and it would be assisted by a secretariat provided jointly by the WHO and the World Bank. It would determine its own rules of procedure and would normally meet once a year in one of the participating or donor countries.

The Ivory Coast Delegation at Paris suggested that the first meeting of the JCC might be held in Abidjan early in 1975, and this was agreed. The Paris meeting also discussed the Chairmanship of the JCC, and the Delegation of Upper Volta put forward your name as a person eminently qualified to provide the guidance and leadership required. This proposal was seconded by the US Delegation and unanimously approved, and the World Bank, as Chairman of the meeting and on behalf of the four sponsoring agencies, was asked to extend an invitation to you.

I very much hope that you will be able to take this task on. While it should not make too heavy a call on your time, it will require considerable skill and diplomacy to maintain the requisite degree of governmental supervision

without interfering with the day-to-day management of the campaign and to deal with the difficult technical and political issues which are bound to arise from time to time in a complex operation of this kind. I can think of no one who could handle such matters with greater authority than yourself.

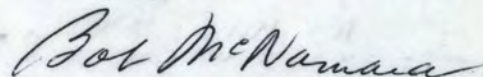
So far as the financing of the campaign is concerned, we are confident that we shall be able to mobilize the external resources needed to cover the costs of the first six-year phase (1974-79) which are now estimated at around \$54 million. All the original donors have made it clear that they are ready in principle to support the program on a continuing basis, and from the indications which the World Bank has received we would expect upwards of three-quarters of the financing required for the first six years to be obtained from these donors, together with the European Development Fund and the African Development Bank. An amount of around \$10 million still remains to be found, and we are in touch with a number of possible additional donors, including several of the OPEC countries. It will be our aim to have the financing arrangements completed before the first meeting of the JCC early next year.

Before taking a final decision on the Chairmanship, you may want to know more about what the job will entail, and Dr. Bernard and Dr. Bellerive of WHO will be happy to discuss this further with you. If it would be useful, Mr. Peter Wright of our staff, who was in the Chair at the Paris meeting, could also call on you around the end of this month when he expects to be in the vicinity of Geneva on holiday.

I am sending copies of this letter to Dr. Mahler, Mr. Peterson and Dr. Boerma, who join me in hoping that you will find it possible to continue your association with the onchocerciasis program.

With best personal wishes,

Sincerely,



Robert S. McNamara

lh cc: Dr. H. Mahler, Director-General, WHO, Geneva  
Mr. R. Peterson, Administrator, UNDP, New York  
Dr. A. Boerma, Director General, FAO, Rome

cc: Mr. Chauffournier o/r  
Messrs. Hoffman (International Relations), Delaume (Legal), Bazin (WAI)  
Office of the President (2)

EPWright:vr  
File: Riverblindness  
July 2, 1974

491/4/6

cc: for Mr. McNamara's office

JUL 5 1974

Dear Mr. Prime Minister:

Thank you for your letters of June 18 and 24, 1974, advising me of the agreement you have reached with the Prime Ministers of Guyana and Jamaica on the establishment of an aluminium smelting complex, and of your desire to seek the Bank's assistance in the realization of this project.

We find this regional project of major interest and would be glad to give careful consideration to possible ways in which the World Bank can help. I am happy to accept your kind invitation to join you and the heads of other agencies invited at dinner on July 15 in New York, which will give me an excellent opportunity to learn more about your plans and needs for assistance.

Sincerely,

Robert S. McNamara

Dr. Eric Williams  
Prime Minister  
through Permanent Representative  
to the United Nations  
Trinidad and Tobago Mission to  
the United Nations  
801 Second Avenue  
New York 17

OHCAlika:jsc/ub

July 2, 1974

cc: Messrs. Knapp

Alter

Knox/Glaessner, Projects, LAC

Fuchs/Jaffe, Industrial Projects

Awunyo, Lawyer

Earwaker/Struben

491/4/5

H.E. MOHAMMED ZARROUGH RAGAB  
MINISTER OF TREASURY  
MINISTRY OF TREASURY  
TRIPOLI

JULY 5, 1974

LT (477-4037)

LIBYA

EYE AM GLAD TO RECEIVE YOUR MESSAGE THROUGH MR FINAISH INVITING ME TO VISIT  
LIBYA ON AUGUST EIGHT AND NINE STOP EYE AM MAKING MY TRAVEL PLANS  
ACCORDINGLY AND LOOK FORWARD TO THE VISIT STOP MR HUSAIN HAS BEEN  
DISCUSSING THE ARRANGEMENTS FOR MY VISIT WITH MR FINAISH AND HE WILL BE  
IN TOUCH WITH YOU AND YOUR REPRESENTATIVES ABOUT THIS STOP BEST REGARDS

(Signed) Robert S. McNamara  
ROBERT S MCNAMARA

S. Shahid Husain  
Eastern Africa

cc: Messrs. Ljungh, Finaish,  
Shoaib, Cargill,  
Benjenk

SSHusain:pe

Translation of outgoing letter

Mr. President:

I have the honor to reply to your letter of June 8 regarding the meeting to be held in Nouakchott on July 11 by the Organization for the Development of the Senegal River.

I am pleased to inform you that the Bank will be represented at this meeting by Mr. Roger Rowe, Assistant Director of the Projects Department, accompanied by Mr. A. Meimaris, an irrigation expert.

As soon as we received the summary report mentioned in your letter it was handed to our technical staff for immediate study. Although we cannot make any precise commitments at this stage, since, as you know, the Bank cannot take any definitive decision until the projects have been evaluated and approval has been given by the Board of Executive Directors, I can assure you that we shall participate in the meeting in the hope that we can together find constructive solutions that will enable this project, which is vital to the future of your country, to get off the ground as soon as possible.

I should like to wish every success both to the meeting of July 11 and to all the endeavors of the Organization for the Development of the Senegal River.

Sincerely,

Robert S. McNamara

491/4/2

JUL 1 1974

Monsieur le Président,

J'ai l'honneur d'accuser réception de votre lettre du 8 juin nous donnant des précisions concernant la réunion du 11 juillet à Nouakchott de l'Organisation pour la mise en valeur du Fleuve Sénégal.

A cet égard, j'ai le plaisir de vous faire savoir que la Banque sera représentée par Monsieur Roger Rowe, Directeur Adjoint au Département des Projets, qui sera accompagné par Monsieur A. Mainaris, expert en irrigation.

Le rapport de synthèse, que vous amonciez dans votre lettre, vient juste de nous parvenir et nos services techniques se sont mis immédiatement à son étude. Bien qu'il ne nous soit pas possible de prendre des engagements précis à ce stade, la Banque, comme vous le savez, ne pouvant se prononcer définitivement qu'après évaluation des projets et l'accord du Conseil d'Administration, je puis vous assurer que nous participerons à la réunion avec le souci de trouver avec vous des solutions constructives permettant le démarrage rapide de ce projet vital pour l'avenir de votre pays.

En souhaitant le plus grand succès possible à la conférence du 11 juillet prochain et plus généralement aux travaux de l'Organisation pour la Mise en Valeur du Fleuve Sénégal, je vous prie d'agréer, Monsieur le Président, l'expression de ma plus haute considération.

((Signed)) Robert S. McNamara

Robert S. McNamara

cc: M. Kochman

Son Excellence  
M. Moktar Ould Daddah  
Président de la République  
Islamique de Mauritanie  
Président en Exercice de la  
Conférence des Chefs d'Etat  
et de Gouvernement de l'OMVS

Summary Translation: (See Attachment)

Cleared with & cc: Mr. Chaufourmier

cc: Messrs. de la Renaudière  
Thalwitz  
Rowe

June 28, 1974

JNoel/KHuber:itd OMVS

cc: Mr. Ljungh ✓

4971/4/1

JUL 1 1974

His Excellency  
S.A.le Prince Souvanna Phouma  
Prime Minister of Laos  
Vientiane, Laos

Excellency:

As you have already been informed by Mr. Goodman's cable of June 26, 1974, I have concluded that it would be advisable to postpone the meeting provisionally arranged for July 9 to consider your Government's request that an aid-group for Laos be formed. I realize that this decision will be a disappointment to you, but I am hopeful that during the next several months sufficient progress can be made on several matters discussed below to enable us and the Asian Development Bank to organize and co-sponsor a fruitful meeting towards the end of the year.

I am mindful of the urgent and substantial needs of your country for external assistance, but I believe that these needs are more likely to be met when potential aid-givers can be provided an opportunity to consider the aid requirements of the Kingdom of Laos as a whole.

Since the signing of the cease-fire protocol in February 1973, I have carefully observed the efforts that you, Mr. Prime Minister, have personally made to re-unite your country and establish peaceful conditions. These conditions, which are prerequisites for a broadly-based program of reconstruction and development that could be supported by all potential aid-givers, were substantially fulfilled with the formation of a Government of National Union last April. However, I consider that the countries concerned would not be ready to give significant support to an aid-group for Laos until your Government is in a position to present to them its proposals for reconstruction and development for the whole Kingdom, together with an assessment of these proposals by the international agencies. As I am sure you know, assistance by the Bank Group itself would presuppose that we had had the opportunity of assessing the nature, scale and priorities of assistance required by the country as a whole. I do not wish to suggest that a detailed Plan of Development need be drawn up before such a meeting of an aid-group could usefully be held; indeed I would expect an aid-group to consider how it can provide assistance to your Government for this purpose. As it is, however, the visits of staff of the Asian Development Bank and the World Bank have necessarily been confined so far to the area formerly controlled by the Vientiane-side. I would, therefore, hope that events in the course of the next few months would permit us, in collaboration with the Asian Development Bank, to make the type of assessment mentioned above.

In order to keep ourselves abreast of progress in these matters Mr. Jean Beneth, who visited Laos in May, plans to return to Vientiane in the second half of July for a brief visit. He will also discuss with officials of your Government the most appropriate timing for an economic mission to visit Laos and the scope and composition of the mission. I trust this visit will be convenient to your Government.

In the course of determining whether the proposed meeting should be held as provisionally planned in July we have remained in close touch with the Asian Development Bank. I should make clear that President Inoue would have been willing to proceed with the meeting as proposed. However, he has expressed his desire to work in full cooperation with us and has accepted our recommendation for postponement.

Please accept the expression of my highest consideration.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Cleared with & cc: Messrs. Knapp  
Bell

NAGibbs/RJGoodman:vmk