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THE WORLD BANK
Washington, D.C.

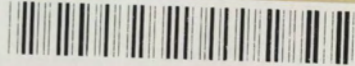
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PUBLIC DISCLOSURE AUTHORIZED

McNamara Papers

1973 (Nov.-Dec.)
Vol. 38

The World Bank Group
Archives



1771907

A1995-252 Other #: 3 309648B

President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 38

DECLASSIFIED
WBG Archives

Translation of French Text

His Excellency
Jean-Claude Duvalier
President for Life of the
Republic of Haiti
Palais National
Port-au-Prince, Haiti

Dear Mr. President:

I would like to acknowledge your letter of December 3 and to thank you for the thoughtful words you have used to describe the role of the World Bank Group in promoting the economic and social development of the developing countries.

I also wish to acknowledge your request that the International Development Association consider financing the construction of the Central Road from Port-au-Prince to Cap Haitien through Hinche. I am pleased to note the high priority that your Government has assigned to the development of basic infrastructure and, in particular, of an adequate road network. As you know, we are in the process of appraising the project for the reconstruction of the Northern Road which, together with the Southern Road project, constitutes a major element in Haiti's road program.

I know that you will agree with me on the need for the systematic planning of future transportation projects. Accordingly, the next step would be for the Government to commission a survey of the transport sector to determine future investment priorities within the sector, after which specific feasibility and detailed engineering studies could be carried out. The technical assistance component of the proposed IDA credit for the Northern Road project could be used to finance such a transport survey. If, as expected, the survey should establish the high priority of the Central Road project, we would examine whether the feasibility and detailed engineering studies for that project could be financed out of the proceeds of the Northern Road credit. Alternatively, we would assist the Government in finding another suitable source of financing.

We fully appreciate your Government's desire to proceed with the construction of the Central Road and we will accelerate the above-mentioned preparation process as much as possible. We will be in a position to provide you with a tentative schedule for project preparation and implementation as soon as the transport survey has been completed.

Our willingness to proceed thereafter with the financing of the construction of the Central Road would, of course, depend on the progress made in carrying out the Northern Road project. Moreover, we would wish to see a significant improvement of road maintenance, with respect to the system as a whole and with particular reference to the Northern Road. Lack of proper maintenance has, in the past, led to the deterioration of roads, such as the Northern Road, which must now be reconstructed at considerable cost to Haiti. We are certain that your Government will want to ensure that Haiti's scarce resources will not be wasted owing to lack of maintenance of the country's fixed investments.

I sincerely hope that the World Bank Group will be able to assist your Government's programs for transportation as well as for other high priority sectors. Crucial to our ability to provide this support will be the fiscal measures that Haiti adopts to ensure that increased public savings are used for developmental purposes. In particular, I hope that you will find it possible in the near future to implement the plan outlined by your representatives at the Technical Assistance Meeting organized by CIAP in November 1972, regarding the allocation of part of the revenues of the Regie du Tabac to development expenditures. We, in the World Bank Group, would consider this an encouraging demonstration of your Government's commitments to social and economic progress.

Sincerely,

Robert S. McNamara

cc: Mr. Jesus Rodriguez y Rodriguez
President of CIAP

4011/1/176

DEC 21 1973

Son Excellence
Jean-Claude Duvalier
Président à Vie de la
République d'Haïti
Palais National
Port-au-Prince, Haïti

Monsieur le Président,

J'aimerais tout d'abord accuser réception de votre lettre du 3 décembre et vous remercier pour les mots aimables que vous avez employés pour décrire le rôle du Groupe de la Banque Mondiale dans la promotion du développement économique et social des pays en voie de développement.

Je voudrais également accuser réception de votre requête à l'Association Internationale de Développement (AID) de considérer la possibilité de financer la construction de la Route Centrale Port-au-Prince-Minche-Cap Haïtien. Je suis heureux de constater la priorité élevée que votre Gouvernement a reconnue au développement de l'infrastructure de base et en particulier d'un réseau routier adéquat. Comme vous le savez, nous sommes en train d'évaluer le projet pour la reconstruction de la Route du Nord qui, de pair avec le projet de la Route du Sud, constitue un élément majeur du programme routier d'Haïti.

Je sais que vous serez d'accord avec moi pour reconnaître la nécessité d'une planification systématique des projets futurs dans le domaine des transports. Dans cette optique, le Gouvernement devrait d'abord engager une étude du secteur des transports afin de déterminer les priorités d'investissement futures à l'intérieur du secteur, après quoi des études spécifiques de factibilité et des études techniques détaillées pourraient être entreprises. La composante d'assistance technique du crédit envisagé par l'AID pour le projet de la Route du Nord pourrait être utilisée pour financer une telle étude du secteur des transports. Si cette étude devait démontrer comme prévu la priorité élevée du projet de la Route Centrale, nous serions prêts à examiner la possibilité de financer les études de factibilité et les études techniques détaillées pour ce projet avec des fonds du crédit de la Route du Nord. Alternativement, nous pourrions aider le Gouvernement à trouver une autre source de financement appropriée pour ces études.

Nous comprenons pleinement le désir de votre Gouvernement de mener à bien la construction de la Route Centrale et nous comptons accélérer dans la mesure du possible le processus de préparation décrit ci-dessus. Nous serons en mesure de vous communiquer un plan de travail provisoire au sujet de la préparation et de l'exécution du projet dès que l'étude du secteur des transports sera terminée.

Au-delà des études requises, notre disposition à financer ensuite la construction-même de la Route Centrale dépendra naturellement d'un avancement satisfaisant du projet de la Route du Nord. De plus, nous aimerions pouvoir constater une amélioration notable de l'entretien des routes, en ce qui concerne le système dans son ensemble, et en relation plus particulièrement avec la Route du Nord. Dans le passé, l'absence d'entretien adéquat a entraîné la détérioration des routes, comme ce fut le cas pour la Route du Nord, qui doit maintenant être reconstruite à un coût très élevé pour Haïti. Nous sommes certains que votre Gouvernement voudra s'assurer de ce que les ressources limitées d'Haïti ne sont pas gaspillées par manque d'entretien des investissements fixes du pays.

J'espère sincèrement que le Groupe de la Banque Mondiale sera en mesure de fournir sa contribution aux programmes gouvernementaux dans le domaine des transports et dans d'autres secteurs hautement prioritaires. Notre capacité de fournir une telle assistance dépendra largement des mesures fiscales qu'Haïti adoptera pour s'assurer de ce qu'une épargne gouvernementale accrue soit affectée à des buts de développement. En particulier, j'espère que vous aurez la possibilité dans un proche avenir de mettre en oeuvre le plan exposé par vos représentants lors du Meeting d'Assistance Technique organisé par le CIAP en novembre 1972, en ce qui concerne l'affectation d'une partie des revenus de la Régie du Tabac à des dépenses de développement. Pour le Groupe de la Banque Mondiale, une telle affectation constituerait une démonstration encourageante des engagements assumés par votre Gouvernement sur la voie du progrès social et économique.

Veillez croire, Monsieur le Président, à l'assurance de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

cc. M. Jesus Rodriguez y Rodriguez
Président du CIAP
M. Luis Ugueto

Cleared with and cc: Messrs. Alter
Geli, Division Chief, LCPTR

CC: Messrs. Knox, Director, LCPDR
Escobar, LCNVP
Scott, LEG

Lerdau, Acting Director, LAC I
Pfeffermann, Senior Economist, LAC I

J-PBéguin/RMFernandes:nr
December 18, 1973

491/1/175

December 21, 1973

The Honorable John N. Turner
Minister of Finance
Department of Finance
Place Bell Canada
Ottawa KIA, OG5
Canada

Dear Mr. Minister:

When we met in Nairobi in September you expressed concern about the small share of procurement won by Canadian exporters in projects financed by the Bank and IDA. I indicated that I understood this and undertook to have the question of Canadian procurement under Bank loans and IDA credits thoroughly explored. I am writing now to advise you of the steps which have subsequently been taken.

On my return to Washington, I asked Mr. Baum, Vice President, Projects Staff to review Canadian procurement experience. This review confirmed that Canadian exporters are winning only a small share of Bank-IDA business, although Canadian consultants have fared much better. The review analyzed the reasons for the unsatisfactory performance of Canadian firms and suggested some measures which might improve the situation. It has been transmitted to interested officials in your Government and I am enclosing a copy for your information.

Mr. Baum and two of his colleagues visited Canada last week with Mr. Isbister to discuss these matters. In addition to meeting with officials of the Department of Finance, the Department of Industry, Trade and Commerce, the Export Development Corporation and CIDA, Mr. Baum participated in meetings in Toronto sponsored by the Canadian Exporter's Association where he spoke about Bank procurement generally and the Canadian experience in particular. He was struck by the fact that the Bank's diagnosis of the factors responsible for Canada's small share was echoed to a very considerable degree by other speakers both from industry and from the Government. (I am also enclosing a copy of Mr. Baum's remarks to the Canadian Exporter's Association.) Mr. Baum has told me that he was impressed in Ottawa by the understanding on the part of Canadian officials of the problems and by the progress that has been made in attacking them, for example improvements in the systems for collecting information concerning trade opportunities and making them available to the business community.

The Honorable John N. Turner

December 21, 1973

I want the Bank to follow up on these matters. We are eager to work with Canadian officials to get a clearer understanding of the problems and of the measures necessary to make it possible for Canadian exporters to compete effectively. It is in our mutual interest and that of the Bank's borrowers for them to do so. I suggest, therefore, that the discussions already begun be continued by having representatives of the Departments of Finance and of Industry, Trade and Commerce come to Washington to meet with Bank staff at a convenient time. Representatives of CIDA would be very welcome as well and our only question would pertain to the extent of their interest in matters of trade. We wish to have more contacts with the Export Development Corporation; we want to prepare by reviewing some cases where the latter has financed equipment in parallel with some of our projects. Mr. Baum suggested that your Government might wish to assign a government official, working through Mr. Isbister's office, to study the Bank's procurement procedures at first hand. This proposal is now with the Department of Industry, Trade and Commerce. We are continuing our internal review of these procedures, initiated with the help of Mr. Davidson Sommers.

I believe that we are making some progress and would welcome your comments on the next steps that we might take together to deal with this important problem.

Sincerely,

Robert S. McNamara

Attachments

WCBaum/JAKing:lb
December 20, 1973

491/1/173

December 19, 1973

Dear Mr. O'Regan:

Thank you very much for your letter of November 19 concerning your work in developing airport duty-free shops and also for the interesting note on the history of the McNamaras.

Ireland's experience in setting up and operating the Shannon Free Airport Company is certainly of interest to other countries planning to establish similar facilities and I am glad to know of your advisory activities in Sri Lanka and Cyprus. We will be happy to learn firsthand more about them when you visit Washington in January.

Unfortunately, I myself will be unable to see you then, due to the busy schedule of travel and other commitments already planned. May I suggest, however, that you contact Mr. Munir P. Benjenk, Regional Vice President for Europe, Middle East and North Africa, to discuss your interests in Cyprus, and Mr. William Diamond, Director, South Asia, Country Programs Department, concerning Sri Lanka.

With best wishes,

Sincerely,

Robert S. McNamara

Mr. Brendan O'Regan
Chairman
Shannon Free Airport Development Co. Ltd.
Shannon Free Airport, Co.
Claire
IRELAND

Cleared with and cc: Mr. M. P. Benjenk
Mr. G. B. Votaw

cc: Mr. William Diamond
Mr. Mahmoud Abd El Aty
Mr. I. M. Wright
Mr. D. McCall
Mr. McNamara's Office (2)

DMcCall:an
December 12, 1973

491/1/174

DEC 20 1973

Dear Mr. Minister:

Thank you for your letter of November 29, 1973 requesting the Bank's assistance in financing the third stage of the expansion program of Brazil's flat steel sector, and enclosing a description of the expansion program of USMINAS and COSIPA. I am asking my associates to be in touch with CONSIDER and with the steel companies, in order that we may study the expansion program in detail.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Marcus Vinicius Pratini de Moraes
Ministro da Industria e do Comercio
Esplanada dos Ministerios, Bloco 6, 8º Andar
Brasilia, D.F., Brazil

Cleared with and cc: Mr. Skillings, Division Chief, LAC II

cc: Mr. McNamara's Office (2)
Mr. Fuchs, Director, Industrial Projects
Mr. Valderrama (IDB)

KDKikuchi/RFSkillings:nev

491/1/172

AFDEVBANK

DECEMBER 19, 1973

ABIDJAN

LTR

IVORY COAST

FOR PRESIDENT LABIDI REURCAE 14 DECEMBER WEEK OF MARCH ELEVEN CONVENIENT
STOP PROPOSE STAFFS WORK OUT DETAILS OF SCHEDULE REGARDS

MCHAMARA
INTBAFRAD

Robert S. McNamara

cc: Mr. Chauffournier
Mr. Hoffman

President

ALjungh:ml

491/1/171

Mr. Robert S. McNamara, President

December 18, 1973

M. P. Benjenk, Vice President, EMENA Region

Morocco - Death of Senior Moroccans at Rome Airport
on December 17

I attach a cable to the King of Morocco for your signature, expressing condolences for the death of the four senior Moroccans who were killed at Rome airport yesterday. Two of them - Messrs. Imani and Lazrak - were well known in the Bank. Mr. Imani, Secretary of State for Planning, Regional Development and Training, you may recall, had asked to see you in early October but canceled his visit to Washington because of the Middle East war. Mr. Lazrak, Secretary-General of the Ministry of Commerce, Industry, Mining and Merchant Marine, met staff members only three weeks ago in connection with the proposed Sebou II (irrigation) project. I am sending a separate cable of condolence to the Prime Minister under my own signature.

Attachment

MCarter:ep

December 18, 1973

SA MAJESTE
LE ROI HASSAN II
RABAT

DECEMBER 19, 1973

FULL RATE

MAROC

VIENS D'APPRENDRE AVEC PROFONDE EMOTION DECES TRAGIQUE A ROME DE MESSIEURS
IMANI LAZRAC DOUKKALI ET ZAYLACHI STOP VOUS ADRESSE ANSI QU'AU GOUVERNEMENT
MAROCAIN ET LEURS FAMILLES TRES SINCERES CONDOLEANCES EN MON NOM PERSONNEL
ET AU NOM DES MES COLLABORATEURS DEVANT GETTE PERTE IRREPRABLE D'HOMMES EXCEPTIONNELS
DONT NOUS AVIONS PU APPRECIER LA VALEUR ET LE DEVOUEMENT AU DEVELOPPEMENT DU
MAROC STOP JE PRIE VOTRE MAJESTE D'AGREER MA TRES HAUTE ET RESPECTUEUSE
CONSIDERATION

ROBERT S MCNAMARA
PRESIDENT
INTBAFRAD

Unofficial Translation not to be transmitted

I have just learned with profound shock of the tragic deaths of Messrs. Imani, Lazrak, Doukkali and Zaylachi at Rome. In my own name and on behalf of my associates I offer you, the Moroccan Government and their families my sincerest condolences for this irreparable loss of outstanding men whose value and devotion to the development of Morocco we were fortunate enough to know. Please accept, Your Majesty, my highest and respectful consideration.

Robert S. McNamara

President

JGuillot-Lageat/MCarter:ep
December 18, 1973

491/4/170

December 18, 1973

MEMORANDUM TO PRESIDENT'S COUNCIL

Subject: Allocations from the Contingency Provision

1. The contingency provision consists of a small number of unallocated positions and an unallocated pool of funds set at the beginning of the fiscal year at 1.5% of the administrative budget. It is designed to provide for eventualities which could not be foreseen (or the costs of which were not fully allowed for) when the budget was prepared and approved, and for which it is not possible to make room within authorized departmental budgets through savings, or through rearrangement of priorities. It is not used to provide budgetary resources which were requested but not approved in the course of budget review.

2. All proposals for allocations from the contingency provision should be addressed in the first instance to the Director of the Programming and Budgeting Department. After discussion with the staff concerned, P & B will pass on the request to me with its recommendations, which will take into account the merit and cost of the proposal, the budgetary situation of the requesting department, and the extent to which uncommitted funds remain in the contingency provision. P & B will then notify the requesting Vice President and department of my decision and any conditions associated with it, and make whatever budgetary transfers are necessary.

(Signed) Robert S. McNamara

JBlaxall/JHAdler:cbm

491/4/169

DEC 18 1973

Dear Mr. Makita:

Loan No. 206JA

It was most kind of you to write to me on the completion of payments under this loan and the termination of the loan agreement. I take great pleasure in congratulating you, on behalf of the Management and staff of the Bank, on the achievements of your company. The expansion and modernization of the Japanese steel industry has impressed us enormously and it has been a privilege for the Bank to have played a modest part in its development.

We share your hope that our warm and happy relationship will be continued in other fields of common interest. We wish you every success for the future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Hisao Makita
President
Nippon Kokan K.K.
Otemachi, Tokyo 100
Japan

RJGoodman/pa

4911/168

December 12 1973

Dear Mr. Deputy Prime Minister:

It was very kind of you to write to me on the occasion of the return of Ambassador Ghorbal to Washington.

I, too, very much regretted that we were unable to meet in Nairobi last September. As you know, I have followed the progress of the World Bank's program in Egypt very closely since my visit to your country in 1968, and I share your view that our activities have grown considerably and have been restricted only by the availability of IDA funds.

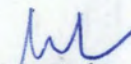
I am very grateful for your invitation to visit Egypt and would like to do so as soon as my other travel obligations make this possible. Dr. Ghorbal and I will keep in touch with regard to fixing a mutually convenient date. In the meantime I have noted with great interest your statement that you are looking forward to a new drive for reconstruction and development. Please rest assured that the World Bank Group will do its utmost to support Egypt in the preparation and accomplishment of such a drive.

With very best wishes,

Sincerely,

Robert S. McNamara

His Excellency
Dr. Abdel Aziz Hegazy
Deputy Prime Minister and
Minister of Finance, Economy and Foreign Trade
Cairo, Arab Republic of Egypt


MPBenjenk/dm
Dec. 11 1973

Dr. Ghorbal
cc: Mr. Knapp
Mr. Votaw

491/1/167

HIS EXCELLENCY KENNETH D KAUNDA
STATE HOUSE
LUSAKA

DECEMBER 12, 1973

NLT

ZAMBIA

ON YOUR REELECTION AS PRESIDENT OF ZAMBIA PLEASE ACCEPT MY CONGRATULATIONS
AND BEST WISHES STOP I EARNESTLY HOPE THAT YOUR DEDICATED LEADERSHIP
WILL ASSURE CONTINUING DEVELOPMENT OF THE ZAMBIAN ECONOMY AND IMPROVEMENT
IN OPPORTUNITIES FOR THE LESS PRIVILEGED STOP I LOOK FORWARD TO
CONTINUING CLOSE COOPERATION BETWEEN YOUR GOVERNMENT AND THE WORLD BANK
GROUP IN YOUR EFFORTS FOR THE DEVELOPMENT OF ZAMBIA

ROBERT S. MCKNAMARA
INTBAFRAD

Robert S. McNamara
President

cc: Mr. McNamara's office (2)
Mr. Knapp
Mr. Bell

691/1/166

DEC 12 1973

Dear Mr. Minister:

Thank you for your letter of November 21, 1973 concerning the Yugoslav oil pipeline project. I appreciate very much your informing me of your government's agreement in principle to participate in the financing of this project with up to 30 percent of its total cost. I would be grateful if you would let us know any further details of the financing arrangements which are envisaged.

I assume that Mr. Smole, Minister of Finance of Yugoslavia, has informed you that the project was submitted to the Bank recently and that we are considering a limited participation in the financing of the foreign costs of the project. We understand that the project documents are now being prepared in detail so as to allow full appraisal. From a preliminary evaluation of the project, however, we have the impression that the project should be well justified economically and financially and would make a substantial contribution to the development of Yugoslavia.

We welcome the opportunity to cooperate with your Government in financing this important project.

With my best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Abdulrehman Salim Al-Ateeqy
Minister of Finance and Oil
Ministry of Finance and Oil
P. O. Box 9
Kuwait

cc: Messrs. Benjenk, Wapenhans, Upper, Kato
Cleared with and cc: Messrs. Elliott, Horsley, Eccles, Vdow
EKöpp/11j
December 10, 1973

h 9/1/1/165

DEC 12 1973

Dear Dr. Nemerow:

Your proposal to organize a World Congress on Industrial Pollution Control has been brought to my attention by Dr. James A. Lee of my staff.

The World Bank Group continues to be concerned over the threats to the environment posed by industrial pollution around the world. As you know, the Bank Group studies the potential environmental impact of industrial projects it finances and provides for appropriate controls.

We, therefore, endorse the objectives and purposes to be served by the proposed Congress and I am pleased to add the World Bank Group as a co-sponsor. It is my understanding that costs associated with the preparation and convening of the Congress are to be borne principally by the participants, exhibitors, etc., and not by the sponsoring institutions.

I will be interested in hearing from Dr. Lee the results of your planning for what could be a most important contribution to improved world understanding of industrial pollution and its control.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Nelson L. Nemerow
Professor of Engineering
Department of Civil Engineering
Syracuse University
Syracuse, New York 13210

cc: Mr. Lee

JAL:on

491/1/164

DEC 12 1973

Mr. Rene Maheu
Director-General
United Nations Educational, Scientific
and Cultural Organization
7, Place de Fontenoy
F 75700 Paris, France

Dear Mr. Maheu:

This is in reply to your letter of November 20, 1973, transmitting the text of Decision 4.4.2 of Unesco's Executive Board based on its consideration of the report on Unesco's science policy programs presented by the ad hoc working group of the Advisory Committee on the Application of Science and Technology to Development (ACAST).

The ACAST working group seems to have made a very useful report on Unesco's programs under the headings of science and technology. The World Bank is exploring its proper role in this important area, and I think it is likely that we will be able to evolve a useful approach to supporting the advancement of science and technology, as was suggested by the working group. Indeed, we already provide considerable support for activities relating to science and technology both in connection with project loans and credits and in our support for research institutions and research projects in our developing member countries. I would expect this component of our assistance to increase in the future.

The working group report suggests that the World Bank should also support "activities" of Unesco which form part of Unesco's own program of assistance in the field of science and technology. As I know you understand, the World Bank could not provide budgetary support for the regular programs of another specialized agency. If, as I assume, that is what the suggestion refers to, you may wish to bring this to the attention of your Executive Board in due course.

The working group, and the resolution, also suggest that it might be desirable to establish a cooperative program between the World Bank and Unesco similar to that which we have established to deal with projects "in the sphere of education." We have serious difficulties with this suggestion, and suspect that the parallelism between financing of the education sector and the problem of support for measures for science and technology, which apparently existed in the mind of the working group, reflects some misunderstanding on the part of the working group of the nature of the Bank's operations.

We doubt, for instance, whether there is a large category of projects in "science and technology" comparable to projects in education, agriculture, transport or other sectors in which the Bank group provides capital assistance to its member countries. There are, on the other hand, scientific and technological aspects or dimensions to many projects financed by the Bank Group. But we believe that these are, or can be, adequately dealt with under existing arrangements, including our cooperative program with Unesco. After all, part of the rationale for establishing the cooperative program when it was originally proposed to the Executive Directors of the Bank was that a staff located in Unesco, and engaged primarily in identifying and preparing projects for Bank Group financing, could draw on and benefit from other parts of Unesco's program, including your programs in science and technology. I think, therefore, that any attempt to work out a separate cooperative program in a sector that is ill defined in terms of World Bank operations might divert a lot of time of your staff, and ours, without producing any concrete proposals likely to enhance significantly the present capacities of our two organizations to assist our member countries to obtain more benefits from applications of science and technology.

I have expressed myself very frankly on this proposal and I hope you will be no less frank in letting me know whether you share my views. If so, I think we should inform ACAST in some suitable manner that while we share their desire that our two organizations should work more effectively to assist member countries to make better use of science and technology, we do not think that a separate cooperative program along the lines of our well established program dealing with the education sector would be an effective way to accomplish that objective. If you find that you cannot agree with me on the position I have outlined above, let us by all means discuss the matter further.

Sincerely,

Robert S. McNamara

MLHoffman/pnn
~~January~~ 11, 1973

December

Cleared in principle and cc: Mr. Knapp
Mr. Baum/Mr. Ballantine

Cleared with Mr. W. Clark
Mr. C. Weiss

cc: Mr. Steuber (Paris Office)
Mrs. Boskey
Mr. Franco/Mr. Chatenay
Mr. McNamara's files (2)

491/1 1/63

DEC 7 1973

Dear Dave:

Thank you for your note with the good news of Ford Foundation's increased commitment to ODC. I recognize the need to help ODC reach an appropriate funding level as soon as possible, and, to that end, am prepared to have the Bank assist with a proportional increase of this year's contribution. Certainly we want to encourage ODC's efforts to spread the word on development in the United States.

Please tell Jim Grant that he should be hearing from us shortly.

Kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Davidson Sommers
Overseas Development Council
1717 Massachusetts Avenue N.W.
Washington, D.C. 20036

December 5, 1973

JEM:rgw

491/1/162

DEC 7 1973

Dear Hubert:

Thank you for your letter of November 20. It was good to hear from you, particularly on a topic that is of considerable personal concern. Because of population pressure, the critical food situation and uncertain fertilizer supply prospects in many parts of the developing world, the World Bank Group continues to give particular attention to encouraging fertilizer production. Bank Group financing for large fertilizer projects in India and Turkey has been recently approved and major projects in Bangladesh, Egypt, India, Indonesia, Morocco, Pakistan and Romania are under appraisal.

The availability in the Middle East of large amounts of natural gas for use as feed stock in nitrogenous fertilizer manufacture is very much in our minds. However, as you know, it is one thing to set up such production units, but it is another to organize the marketing and undertake the trading of a bulk commodity like fertilizer. In Saudi Arabia, there is presently one nitrogenous fertilizer plant in production where technical operations and marketing are managed on a contractual basis by Occidental Petroleum. I understand the Government is considering the expansion of the facility.

Since Saudi Arabia is not in need of Bank financial support, the Bank has not been particularly active there. However, for some time now my associates and I have been exploring ways to provide technical assistance of the kind usually given in connection with our lending operations, even though our financing is not required. I visited Saudi Arabia in February of this year, and technical missions followed to discuss possibilities for the Bank to extend technical assistance. Our readiness to provide advice in the fertilizer sector has been mentioned directly. We are also following with interest the discussions which are taking place between India and Bahrain concerning the possibility of establishing a major fertilizer production complex in the latter country.

I very much appreciate your interest in the work of the Bank Group and I share your concerns about the worsening food picture especially for some of the developing countries. I assure you that these matters are of very great concern in our deliberations here.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Hubert H. Humphrey
United States Senate
Washington, D.C. 20510

Cleared in substance with and cc: for Mr. McNamara's Office (2)
cc: Messrs. Votaw, Dewey, Kraske, Riddleberger,
JChanmugam/UFinzi/WAWapenhans:sgp Alizai (IFC)
December 6, 1973 cc: Messrs. Knapp, Shoaib, Benjenk

491/1/159

DEC 7 1973

Dear Mr. Fazio:

I thank you for your letter of November 12, 1973 and I appreciate the invitation of the organizing committee for the Third International Symposium on Lower-Cost Housing Problems, to address the Symposium in Montreal in late May 1974.

To my regret, I am not able to accept your invitation in spite of the importance we in the World Bank attach to the issues to be considered by the Symposium. The Bank indeed agrees that the provision of adequate lower-cost housing is one of the main problems facing all nations today. Its current and planned operations, especially in support of projects of the "sites and services" type, are witness to the attention it is paying to this grave issue in developing member countries.

My colleagues dealing with this sector would be grateful if papers prepared for the Symposium could be sent to the Bank and to the attention of Mr. Harold Dunkerley, Senior Adviser, Transportation and Urban Projects Department, at this address.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Paul Fazio
Chairman, Organizing Committee
International Symposium on Lower-cost Housing
Chairman of Civil Engineering
Sir George Williams University
Montreal 107, Quebec
Canada

Cleared with & cc: Mr. Dunkerley
cc: Mr. McNamara (2)

Central Files with incoming letter

LPChatenay:mmcd
December 5, 1973

497/1/158

DEC 7 1973

Mr. Maurice F. Strong
Executive Director
United Nations Environment Programme
United Nations
New York, N. Y. 10017

Dear Maurice:

As agreed earlier, we have reviewed the draft report enclosed with your letter of November 26. We shall be sending you some detailed comments on the draft report within the next day or two. I would, however, like to make one or two general points here.

Let me say right away that we are impressed by the realism, implicit in the proposals, regarding the very poor prospects for additional capital resources for an international fund for housing finance institutions. I accordingly believe it entirely right that the report concentrate primarily on other forms of assistance.

I would also be among the first to agree with you that there is room for additional constructive efforts in aiding developing countries in facing their rapidly growing problems in the field of human settlements, and for a broader approach than has so far been customary. Equally, I am sure, you would agree with me that simply to constitute an additional UN agency would not necessarily fill existing gaps in assistance. Even if founded with the objectives of comprehensiveness and coordination, a new agency unless operating at a high level of efficiency and incorporating much of the technical assistance in these fields already provided by other UN agencies, could exacerbate problems of duplication, irrelevant effort or dispersal of scarce resources, human as much as financial.

The draft report, unfortunately, does not give sufficient information to enable an evaluation to be made of the prospects for the effectiveness of the proposed new agency. No details are given on its size, its funding and staffing, the methods envisaged to ensure the necessary quality of staff or consultants, or the relation of the new agency to other UN agencies and their programming. The UNDP, UN/OTC, the Centre for Housing, Building and Planning, and the ESA Secretariat come to mind in this respect. While I appreciate the reasons which may have led to concentration on the underlying principles at this stage, the absence of an outline of size and organizational arrangements means that we can make no more than interim comments on the proposal at the present time.

It does appear, even so, that the great stress on comprehensiveness of approach, with systematic monitoring throughout the process from policy and program generation to project implementation, management, and financial institutions may be at variance with the expressed intention to maintain only a small highly qualified staff. A comprehensive approach to urban planning, as experience has shown, is extremely expensive in staff and, because of the variety of disciplines and entities involved, subject to great problems of delay, coordination and focus. A more dynamic approach branching out from a more limited field may, at least in some circumstances, prove more effective. Such considerations also point to the desirability of indicating some order of priority in the tasks to be accomplished by the proposed new agency.

I also wonder whether readers less familiar with the problems of human settlements might not benefit from a few examples of the orders of magnitude of the problems, particularly of the costs involved. This might help to put the logic of the proposals into better perspective indicating, in particular, the inevitably peripheral nature of the additions to resources.

In this context, it might also be useful to draw more clearly the distinction between the problems for the rich and the poor within the developing countries so as to indicate which of the past and proposed programs would be relevant to the differing income groups. The draft report, in outlining the possible functions of the new agency, gives the impression that these would be largely directed to types of assistance that would benefit almost exclusively the higher income groups who can afford conventional houses, mortgages and so on. It seems to me that to the extent that such limitations exist, they should be more clearly recognized so as better to help the reader to evaluate the proposals.

In offering these comments, I would like to add that both I and my colleagues very much appreciate the difficulties of the task with which Mr. Zagorin has been faced. To have produced such a generally well-designed draft report within such a short period of time is in itself a singular achievement.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

MHoffman/HBDunkerley:cba
November 30, 1973

cc: Messrs. Franco-Holguin, International Relations;
Gulhati, Development Economics; Gill, IFC;
Jaycox, Transportation & Urban Projects
Mr. McNamara's Office (2)

491/1/157

OFFICE OF THE PRESIDENT

DEC 7 1973

Dear Dr. Stopper:

The International Bank for Reconstruction and Development proposes to sell in Switzerland an issue of bonds in an aggregate principal amount of One Hundred Million Swiss Francs (SwF 100,000,000) to be offered for public subscription in Switzerland in January 1974.

The Banque Nationale Suisse is hereby requested, in accordance with Section 6(1) of the Agreement dated June 29, 1951 between the Swiss Federal Council and the International Bank, to approve the borrowing by the International Bank in the Swiss market of such amounts as may be raised by the issue of not exceeding One Hundred Million Swiss Francs (SwF 100,000,000) aggregate principal amount of bonds.

The Banque Nationale Suisse is further requested to agree that the Bank may freely convert the proceeds of such borrowing into any foreign currency. On its part, the International Bank agrees that it will pay the interest on and the principal of the bonds in free Swiss francs.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. E. Stopper
President
Banque Nationale Suisse
8022 Zurich
Switzerland

CC: Mr. Aldewereld
Mr. Broches
Mr. Rotberg
Mr. Gabriel
Mr. Walser
Mr. Uhrig

JP Uhrig:pjw
December 5, 1973

491/1/156

December 6, 1973

Dear Mr. President:

Thank you for your letter of November 12 which arrived when I was travelling in Asia. I very much regret to say that again it seems to be difficult to find a mutually convenient time for a meeting which I consider very important. My problem is that I have a long-standing commitment to visit a number of countries in Eastern Asia and the Pacific during the latter half of January and early February 1974. I plan to return to Washington about February 5, and would suggest any date during the remainder of the first half of February for our meeting. If that is not convenient, could we plan on the first half of March.

I very much hope that you would be able to come in one or the other of these periods. My staff and I are looking forward to your visit.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

ALjungh:ml

491/1/155

December 6, 1973

Dear Dr. Zaffaroni:

I have now received a report from Dr. Kanagaratnam, the head of our Population and Nutrition Projects Department, and Mr. Sommers about their discussions with technicians in the Population Council, WHO and other organizations, with regard to the ALZA contraceptive device. We are all much interested in your project and intrigued by its possibilities. However, we do not see what the Bank might do at this stage that would be useful to further your objective of making the device available on concessionary terms for public programs in the developing countries.

Assuming that this device has bright prospects of acceptance in the developed countries and in the affluent circles of developing countries, and we have no reason to disagree with that view, we have not enough information at present to form a judgment about its acceptance for public programs in developing countries. A key question would be the extent to which the one-year reinsertion requirement would be an obstacle. Perhaps as the results of the tests being carried on under your auspices and those being conducted through WHO become available, it will be possible to draw some conclusions on that question. For the present, however, all we can suggest is that we should follow developments, which we will gladly do, and pass on any information on the device that we have to any governments or governmental bodies that may express an interest.

In any case, we do not fully understand what you have in mind as a possible Bank role. If you think it would be useful to have further conversations along those lines, please let Mr. Sommers know. Otherwise it seems to us that the most useful course for the time being would be to keep ourselves informed as the test results become available for study by us and by other interested public organizations.

With regards and best wishes,

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Alejandro Zaffaroni
Alza Corporation
950 Page Mill Road
Palo Alto, California 94304

DSommers/KKanagaratnam:hm

November 30, 1973

cc: Dr. Kanagaratnam

cc: Mr. McNamara's Office ✓

491/1/154

DEC 3 1973

Dear Mr. Inoue:

I am writing to seek your cooperation in a comparative study of the operating costs of multilateral and bilateral development assistance institutions. I understand Mr. John Adler of the World Bank Group has already contacted you informally in Nairobi about our desire for the Asian Development Bank to join us in this effort.

I believe such a study would be timely in view of the growing volume of lending and other activities of the Asian Development Bank, the World Bank Group and other international agencies. This growth will bring our institutions more and more under the scrutiny of governments and legislatures concerned about the efficiency of our operations, and about the rising level of our administrative expenditures. It would be extremely useful, both for us and for our member governments, to know how the cost of our operations compares with that of other international and national agencies operating in the field of development.

I recognize the conceptual and practical problems which such a study will involve. But despite these difficulties, there will be broad areas in which comparisons will be most useful to our two institutions. The study will also be invaluable in avoiding the criticism that we are unable or unwilling to provide member governments with all the information necessary for them to judge our performance in relation to that of national institutions.

Mr. Ortiz-Mena has accepted our invitation to the Inter-American Development Bank to participate in the study. In addition both the British Overseas Development Administration and the German Ministry for Economic Cooperation and Development have informally indicated their willingness to participate. I hope that the Asian Development Bank will also be able to cooperate with the World Bank Group in this effort.

I have asked the Programming and Budgeting Department of the World Bank Group to organize and undertake the study. An officer of that department will be in the Philippines early in January, and if your response to this request is favorable, he could be available to discuss the matter with your staff.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Shiro Inoue
President
Asian Development Bank
P. O. Box 789, Manila
Philippines

cc: Mr. McNamara's office (2)
WLEwis:da November 30, 1973



OFFICE OF THE PRESIDENT

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D. C. 20433, U.S.A.

491/1/153

December 3, 1973

Dear Mr. Minister:

Thank you very much for your letter of November 22, 1973, which was delivered to the Bank by a delegation from your Ministry headed by Sr. Rafael Aguilar Cacho.

We at the Bank are aware and appreciative of the progress that has been made under the Livestock Project financed in part by the Bank through Loan 633-SP, and I am pleased to receive your request for an early appraisal of a Second Livestock Project. The feasibility report prepared by the Spanish Livestock Development Agency, which we received earlier this month, is now being translated for detailed review by our staff. I expect that we will be in a position to send an appraisal mission in the latter half of February 1974, which is the earliest we can schedule at this time.

This is the first loan operation which we have actively taken under consideration since you have assumed your responsibilities as Governor of the World Bank. May I say that I look forward to this continuing cooperation between the Bank and your Government in promoting Spain's economic development and to the opportunity of meeting you personally during the coming year.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert S. McNamara".

Robert S. McNamara

Ilmo. Señor Don
Agustin Cotorruelo Sendagorta
Minister of Commerce
Ministry of Commerce
Madrid
Spain

cc: Mr. McNamara's office (2)
Handcarried by Mr. Upper

Translation

November 22, 1973

Mr. McNamara
President of the IBRD
WASHINGTON D.C.

Dear Mr. McNamara:

Last July we received the visit of a supervision mission for the Livestock Development Project, led by Mr. Eugenio, who was accompanied by Mr. Upper. During this visit a proposal was made to the mission through the Coordinating Committee for the Spanish Livestock Development Agency, for a second Livestock Project, the documentation for which would be completed in the course of this year in order to make possible sending an appraisal mission at an early date.

With the agreement of the Ministers of Finance and Agriculture, I would like to request you to send the appraisal mission for the Second Livestock Project as soon as possible after receiving the complete study; I would like to suggest that the exact dates could be in late November.

signed Agustin Cotorruelo
Governor for the Bank
for Spain



El Ministro de Comercio

Madrid, 22 de Noviembre de 1973

Mr. McNamara
Presidente del B.I.R.D.
WASHINGTON D.C.

Querido Sr. McNamara:

El pasado mes de Julio tuvimos el honor de recibir la visita de la Misión de Supervisión del Banco para el Programa de Desarrollo Ganadero, misión conducida por el Sr. Eugenio y acompañada por el Sr. Upper. Durante esta visita se entregó a la misión una propuesta para el II Programa Ganadero elaborado por la Comisión Coordinadora de la Agencia de Desarrollo Ganadero de España, cuya documentación se completaría en el transcurso de este año con el fin de poder recibir pronto la Misión de Evaluación.

De acuerdo con mis colegas de los Ministerios de Hacienda y de Agricultura, ruego a Vd. dé las órdenes oportunas para que se envíe la Misión de Evaluación del II Programa de Desarrollo Ganadero en el plazo más breve posible a partir del momento de tener el estudio completo, atreviéndome a sugerirle que las fechas exactas podrían determinarse a finales de este mes de Noviembre.

Ruego acepte, con esta ocasión, el testimonio de mi consideración más distinguida,

Agustín Cotorruelo
GOBERNADOR DEL B.I.R.D.
POR ESPAÑA

491/1/150

NOV 29 1973

Dear Mr. Mahler:

Thank you for your letter of November 1, which arrived while I was away from Washington for some weeks, with which you enclosed two signed copies of the Joint Memorandum designed for the guidance of the staffs of our institutions in carrying out their operations in the population sector. I am returning to you one of the copies, which I have signed.

The Memorandum is being distributed here not only to the staff but to the Executive Directors, for information. I share your hope that the closer working level relationships envisaged by the Joint Memorandum will enhance the effectiveness of our institutions in providing assistance in the population sector to the developing countries. I am sure that this will prove to be the case.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

H. Mahler, M.D.
Director-General
World Health Organization
1211 Geneva 27
Switzerland

SBoskey: tsb
November 21, 1973

cc: Dr. Kanagaratnam
Office of the President (2)

491/1/149

NOV 29 1973

His Excellency
Amin Abdul Karim Al-Kalamchi
Minister of Finance
Ministry of Finance
Baghdad, Iraq

Dear Mr. Minister:

Further to my letter to you of November 1, 1973, I wish to inform you of the findings of a thorough review of the implications for Iraq resulting from implementation of the proposed Balikh Project in Syria. The review was undertaken in the light of your letter of October 6, 1973. My staff have also drawn to my attention the notification of the position of your Government on the international waters question, dated September 13, 1973, and delivered to the Bank by the Iraqi Interests Section at the Indian Embassy in Washington, D.C. I fully appreciate the concern of your Government, and that of the other riparians of the Euphrates River, with any further development and use of water resources in the basin. I should like to assure you of my personal attention to the matters raised in the letter that you have sent me.

The findings of our review, which are based on information available to us supplemented by the results of a field appraisal carried out by Bank staff, can be briefly summarized as follows:

- a) The total net diversion from the Euphrates required for the Balikh Project as proposed to the Bank would be at full development, in 1986, about 0.5 billion m³ of water; after making allowance for a reduction of water use in the Tabqa reservoir area and diversions to the pilot area, the incremental net diversion attributable to the project would be about 0.3 to 0.4 billion m³.
- b) The length of the lower main canal included in the proposed Balikh Project is required to irrigate the 41,000 ha to be developed under the project. Due to special construction requirements in difficult gypsum soils and to avoid future interruptions in the irrigation regime, it is proposed to build the canal to a capacity sufficient to irrigate 41,000 ha under the proposed project and 35,000 ha to be developed at some future date. Providing for this additional capacity would increase the cost of the canal by about 25%, and increase total investment for the proposed project by less than 10%.

- c) The investment in the additional canal capacity would be but a small part of the substantial further expenditures required to develop the additional 35,000 ha. The additional net water requirements for the future development of these areas would total about 0.4 billion m³ a year at full development, roughly equivalent to that of the proposed Balikh Project.
- d) While the proposed capacity for the lower main canal would physically allow the annual diversion of 4.4 billion m³ of water if fully operated every day of the year, the net irrigation requirements of the proposed project would be not more than 0.5 billion m³. Any additional development within the command of the canal would add not more than 0.4 billion m³ in net water requirements. The larger capacity is required to meet peak water requirements during short periods in the crop calendar.
- e) The 19,600 ha pilot project will initially provide for the resettlement of some 5,600 of the 8,600 farm families that will have to be resettled on agricultural land following the filling of the Tabqa reservoir. Since the net area of agricultural land that will be inundated by the Tabqa reservoir is 28,000 ha of irrigated land and 7,000 ha of rainfed land, some 16,000 ha of the proposed project of 41,000 ha would enable the resettlement of the other 3,000 families. Part of the remainder of the Balikh project area would be available to ameliorate the temporary resettlement on lower quality soils and minimal size farms in the pilot project.

We certainly deem it desirable that there should be an agreement on the partition of waters within an international river basin before considering the financing of a development project dependent on the additional use of water resources in such a basin. In the absence of such an agreement, it is our policy to obtain the consent of other riparian interests or, failing that, to make a determination whether any such development could be harmful to other riparians. You may recall that a comparable approach was followed at the time the Lower Khali's Project was considered by the Bank. This policy has evolved in recognition of the Bank's responsibilities to all its member countries.

In the case of the Balikh Project, no agreement yet exists on the partitioning of the waters of the basin between the three riparians. I understand that it is unlikely that a long-term agreement on the sharing of the waters can be concluded in the near future. However, it appears that there has been progress towards agreement by the three riparians

His Excellency
Amin Abdul Karim Al-Kalamchi

- 3 -

on releases by Turkey and Syria during the difficult filling period of the Keban and Tabqa Dams. The ongoing negotiations on this subject, to which you refer in your letter, are clearly of great importance in the immediate future, and I sincerely hope that, by the time I submit the Balikh Project for consideration to our Board, the riparians will have reached agreement on the filling schedules.

The proposed Balikh Project is clearly of high priority for the further development of agriculture in Syria. However, before supporting the project we must be satisfied that its implementation would not be harmful to Iraq's long-term interests. The review undertaken by my staff indicates that the additional net diversion required for the project would be less than 0.5 billion m³, equivalent to 2% of the waters crossing the Syria-Iraq boundary, or only about 3% of the Euphrates waters presently unused. Taking account of the present level of diversion by Syria, it would appear reasonable to presume that the additional diversion attributable to the proposed Balikh Project would be well within the allotment to Syria under any apportionment of the Euphrates waters between the three riparian countries.

I believe, Mr. Minister, that the orders of magnitude of additional water uses by the Balikh Project, as now proposed for Bank financing, are so marginal that they cannot be considered harmful to the long-term interests of any of the riparians. However, it seems to me that the three riparians should spare no effort in seeking an equitable solution to the water sharing for the longer term to enable the future orderly development of land and water resources in all three countries. Since Iraq must have an urgent interest in the ultimate sharing of the waters of the basin, I would be glad to learn of constructive proposals your Government may wish to make, which could lead to a satisfactory solution of one of the major development problems facing your country and the other riparians. Over the last two decades, the Bank has consistently encouraged all parties involved to move towards a long-term agreement. We have, on several occasions, offered to assist with this difficult task, especially when Messrs. Bart, Davar and Kirmani visited Baghdad in February 1972 following similar visits to Turkey and Syria. I would personally be most grateful if you would advise me if there is any way in which the Bank Group can be of assistance in this matter.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: for Mr. McNamara's Office (2)
Cleared with & cc: Messrs. Bart,
Votaw, Haynes, Davar, Scott (H)

cc: Mr. Knapp

WAWapenhans/ROSullivan:rs

November 26, 1973

499/1/146

November 29, 1973

Dear Mr. Ambassador:

Mrs. McNamara and I want you to know how very much we enjoyed our visit to your country. We are especially grateful to you and the Embassy staff for all the arrangements you so kindly made on our behalf, and for our friends who made the treks with us.

The mountains cooperated beautifully in giving us fine weather, so we have come back with many pictures, both on film and in the mind's eye. It was a thrilling experience, meeting Chomolungma face to face -- but I will have to leave it to the experts!

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Yadu Nath Khanal
Ambassador of Nepal
Washington

BMM:bmm

491/1/145

IOGCH

NOVEMBER 9, 1973

GENEVA

TLX 28171

SWITZERLAND

YOUR TX 1229

ANDERS LJUNGH CAN BE REACHED AT

WORLD BANK

1818 H STREET

ROOM E-1227

WASHINGTON, D.C.

20433

MURIEL LEE

INTBAFRAD

Muriel Lee

Office of the President

RECEIVED

Nov 9 12 45 PM 1973

COMMUNICATIONS
SECTION

⊕

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28171 IOG CH

FROM: GENEVA

9/11/73 TX 1229

Distribution:

Mr. Ljungh's Office

FOR MR. ANDERS LJUNG^H'S SECRETARY.

KINDLY SEND MR. LJUNG^H'S PRIVATE ADDRESS BY TLX TO GENEVA
TLX 28171.

KINDEST REGARDS

INDOCHINA OPERATIONAL GROUP OF RED CROSS

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28171 IOG CH⊕

INTFRAD64145

491/1 /144

November 5, 1973
39TH FLOOR
NEW YORK, N.Y. 10016

Dear Mr. Duke:

Mr. McNamara is abroad but I think I can give you the information you require.

October 26, 1973

The person you would most likely benefit from contacting is Mr. Stokes M. Tolbert, Director of the Bank's Tourism Projects Department.
Washington, D. C.

Sincerely,

Dear Bob:

The African Tourist Association, here in New York, has approached me for advice on whom to deal with in the World Bank. This is an established and responsible organization which I have had occasion to do business over the past several years. ~~Personal Assistant to the President~~ expanded their activities to the point where the firm is acting as a consultant to several African nations and it is in that area where I would like to assist with information. It would be appreciated if your office could let me know the appropriate office to deal with African affairs with whom I could put them in touch.
Angier Biddle Duke
600 Third Avenue
New York, N.Y. 10016

This would be most kind and I seize this occasion to send you warm personal regards.

Cordially,

Angier Biddle Duke
Angier Biddle Duke

ABD:ags

President has seen

cc w/copy incoming: Mr. Stokes Tolbert

Original for Mr. McNamara o/r

AL:ml

492/1/143

Book of 2 cables
(See below)

November 3, 1973

NL

FOR MCNAMARA DUE TO CHANGED C TWENTY MEETING MINISTER WARDHANA WILL BE
AWAY FROM INDONESIA JANUARY FOURTEEN TO TWENTY SECOND STOP THEREFORE TRIP
SCHEDULE MUST BE CHANGED. ONLY ALTERNATIVE SEEMS TO BE POSTPONING ONE WEEK
TO BE AWAY FROM WASHINGTON JANUARY TWENTY TWO TO FEBRUARY FOUR STOP OUR PLANS
INDICATE NO PROBLEM STOP PLEASE ADVISE STOP

LJUNGH
INTBAFRAD

(1)

ROBERT MCNAMARA
ANNAPURNA HOTEL
KATHMANDU
NEPAL

(2)

ROBERT MCNAMARA
IBRD
KATHMANDU
NEPAL

Anders Ljungh

Office of the President

Anders Ljungh per B.M. Mune

AL:bma

491/1/142

Book of 2 cables
(See below)

November 3, 1973

NL

FOR MCNAMARA DUE TO CHANGED C TWENTY MEETING MINISTER WARDHANA WILL BE
AWAY FROM INDONESIA JANUARY FOURTEEN TO TWENTY SECOND STOP THEREFORE TRIP
SCHEDULE MUST BE CHANGED. ONLY ALTERNATIVE SEEMS TO BE POSTPONING ONE WEEK
TO BE AWAY FROM WASHINGTON JANUARY TWENTY TWO TO FEBRUARY FOUR STOP OUR PLANS
INDICATE NO PROBLEM STOP PLEASE ADVISE STOP

LJUNGE
INTBAFRAD

(1)

ROBERT MCNAMARA
ANNAPURNA HOTEL
KATHMANDU
NEPAL

(2)

ROBERT MCNAMARA
IBRD
KATHMANDU
NEPAL

Anders Ljung

Office of the President

Anders Ljung for S.M. M...

AL:bma

491/1/121

NOV 1 1973

STAFF ANNOUNCEMENT

I am pleased to announce the appointment of Mr. Adalbert Krieger Vasena as Director of Country Programs Department I in the Latin America and Caribbean Region.

Mr. Krieger Vasena, an Argentine national aged 53, was educated as an economist and is presently the Coordinator of Monetary and Trade Studies at the Instituto Latino Americano in Rome. During 1971-1972 he was the Director of Latin American Studies at the Institut Atlantique in Paris.

Mr. Krieger Vasena has also held numerous positions in his own country. From 1967 to 1969 he was Argentina's Minister of Economy and Labor, a period during which he was Governor of the International Monetary Fund for Argentina, and earlier served as Minister of Finance and Director of the Central Bank of Argentina. He has also been Professor of Public Finance at the University of Santa Maria de Buenos Aires.

Mr. Krieger Vasena will assume his responsibilities in the Bank in early January.

(Signed) Robert S. McNamara

Robert S. McNamara



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D. C. 20433, U. S. A.



OFFICE OF THE PRESIDENT

November 1, 1973

Dear Staff Members:

As international civil servants in the development field we, perhaps more than others, are aware of the decisive importance of the concept of community self-help.

Nothing can ultimately succeed in the task of assisting individuals in need if their immediate communities remain indifferent to local problems. Governmental and outside assistance is important, but it can never fully substitute for a concerned and effective sense of community. We know that. We see it in our work constantly.

Our own community -- the greater Washington metropolitan area -- is no exception. We live here. Our lives are affected by its problems. Our origins, and national identities, cannot alter the fact that we are a part of the community for as long as we are in residence here. We are international civil servants, but we are neighbors as well.

The United Way comprises more than one hundred separate agencies -- agencies under the auspices of the United Givers Fund, the Red Cross, the Health and Welfare Council, and the United Black Fund. They are non-profit organizations. They raise funds through public contributions to support basic human-care services not provided in other ways. The scope of their activities is broad; their procedures unbureaucratic; their concern compassionate.

No one in a community is immune from possible misfortune. Many staff members of the Bank, and their families, have been assisted by these agencies. No one is turned away on grounds of nationality, or race, or inability to pay. The United Way is the community facing up to its own problems, and solving them through personal commitment to cooperative action.

The Bank does not permit special-interest groups to solicit funds from the staff. It does support the United Way precisely because it is not a special-interest group. It is the community itself, seeking voluntary financial assistance from its own community membership.

The operative word is voluntary. It is not a directive. It is an appeal. And I am confident that each of us will give it the thoughtful consideration it clearly deserves. Institutionally, our commitment in the Bank is to an international community. As individuals, we personally and privately define our commitment to the local community. The United Way gives us the opportunity to do so.

Robert S. McNamara

For Mr. McNamara's office

491/1/139

NOV 1 1973

Mr. F. Champion Ward
Ford Foundation
320 E 43rd St.
New York, N.Y. 10017

Dear Champ:

Thank you for your letter of October 9 suggesting questions in the Bellagio agenda on which comment would be particularly welcome. Before going to that, however, may I ask that you convey to Mac Bundy and John Knowles my sincere regrets at not being able to attend this meeting. I feel especially guilty since the conflicting engagement is a holiday excursion but, as you know, I had a long standing commitment to friends on which I felt I could not renege.

You ask for comments on questions on pages 29 and 65 of the Agenda Papers. First, What policies in the developing countries and what stipulations by assisting agencies can be employed to distribute educational opportunity more equitably?

Educational policies for any given country must derive from its particular development objectives as moderated by its circumstances and stage of development. Even so, if more equitable opportunities are an objective (as we would hope) there are certain needs commonly felt by developing countries, especially the least developed.

1. Enrolment structures or pyramids are often too narrowly based and favor progression up the ladder of a few elite at the expense of the basic needs of the many. In many cases change in the structure of enrolment to broaden participation at the earlier levels is needed.
2. Certain regions (the rural) and population groups (urban poor) have suffered from habitual neglect and underinvestment in education. Countries need to make an explicit commitment to these population groups and then bend every effort to find the means (often still unknown) by which to fulfill the commitment.
3. Among possible new means are the development of "basic" education programs which can meet the minimum learning needs of all rural people at an acceptable cost and more relevant and diverse curriculums expanding on a common core of learning to serve the varied needs and environmental circumstances of

President has seen

different social and economic groups. For the urban poor and others who have dropped out or otherwise missed education opportunities at the conventional time of life "second chances" in varied forms can help to redress the balance of opportunity and at the same time provide both a private and a social benefit from increased productivity. A close look at who bears the cost and who gets the benefit of education may also be helpful. As Messrs. Edwards and Todaro pointed out last year (and some studies of ours confirm) free education at the secondary and higher levels may become a subsidy of the upper income groups by the lower income groups.

4. Finally, if education systems are to reflect local needs and conditions their design and management must be much more decentralized than at present and this requires in most cases a substantial increase in local decision making capability.

Second, on page 29 the question is put, Should donors now develop and apply "equity criteria" for deciding what policies, programs and projects to support? If so, can these be reconciled with "economic criteria" in making such determinations? In our judgement, there need be no conflict between equity and economic criteria. The Bank does not intend to substitute equity or welfare criteria for sound economic judgements partly because in many cases it is not necessary and partly because we are primarily interested in enlarging participation in greater productivity and not interested in rationing poverty. In the so-called attack on rural poverty we are dealing with what is commonly called a low productivity sector. Nevertheless, the right combination of inputs--physical, financial, educational, technology and organization--could produce substantial improvement in the incomes of the people concerned. For this group the distributional policies referred to in pages 1 and 2 can also have reenforcing effect on productivity. The effects of this approach would thus be a leveling upward of incomes rather than downward.

Finally, while agreeing with all the suggestions made on page 65 the question remains how strongly the Bank would wish to intervene to secure their acceptance by governments. On this I have to say that in a sensitive sector like education the only policy decisions which have any chance of being implemented are those made--voluntarily--by the country itself. We can suggest that traditional solutions may not suffice, provide technical analysis of alternatives and spell out the range of choices a country may have. But if a sense of direction (Mr. Platt's "vector") and the political resolution to act are not present there is relatively little that any donor agency can do to bring about significant improvement. Perhaps the key to success is that when these elements do turn up in a country the donor is standing by, able to recognize what is happening and ready with material and technical assistance and low key advice that keeps the play in the government's own hands.

Finally, may I say again how sorry I am not to participate in the discussion of both general subjects and of proposals for joint action. From the materials presented it seems to me that it would be useful for the Bank to assist in sponsoring the study by a working group on "Services of Higher Education to Development." I would therefore be happy to allocate a contribution of \$35,000 to the costs of that study if a decision is taken to go ahead with it.

With cordial regards,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

DSBallantine:jsc

491/1/138

NOV 1 1973

Dear Dr. Mahler:

This is in reply to your letter of October 11, 1973, suggesting a visit to the Bank by Dr. M. Piot, head of your Project Systems Analysis group. As Mr. Hoffman has already mentioned to you in New York, we would be very happy to receive Dr. Piot. I attach a schedule of appointments that have so far been arranged. This schedule leaves time for additional appointments that may prove to be desirable in the light of Dr. Piot's specific interests.

Mr. Hoffman would be happy if Dr. Piot would be his guest at lunch on Friday, November 30.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

I very much enjoyed making your acquaintance in New York.

H. Mahler, M. D.
Director-General
World Health Organization
1211 Geneva 27
Switzerland

MLHoffman/pnn
October 31, 1973

cc: Mr. McNamara's files (2)
Mr. Shipman, Water Supply Adviser, PUD
Mr. Christoffersen, Chief, ARDD
Mr. T. King, Chief, PHRD
Dr. Kanagaratnam, Dir., PNP/Dr. Zaidan, Div. Chief (Population)
Mr. E. Stern, Sr. Adv, DPS
Mr. Ballantine, Dir., Education
Mr. Yudelman, Dir., ARDD

**Schedule of Appointments for Dr. M. Piot,
Head of the Project Systems Analysis Group,
World Health Organization**

Tuesday, November 27, 1973

- 9:30 a.m. Mr. Michael L. Hoffman, Director, International Relations Department - Room D1123
- 10:00 a.m. Mr. Harold R. Shipman, Water Supply Adviser, Public Utilities Department and associates - Room D705
- 2:30 p.m. Mr. Leif E. Christoffersen, Chief, Rural Development Division, Agriculture and Rural Development Department and associates from regional offices - Room E692

Friday, November 30, 1973

- 9:00 a.m. Mr. Timothy King, Chief, Population and Human Resources Division, Development Economics Department - Room D550
- 11:00 a.m. Dr. Kandiah Kanagaratnam, Director, and Mr. George C. Zaidan, Division Chief (Population), Population and Nutrition Projects Department - Room N538
- 1:00 p.m. Lunch - Mr. Michael L. Hoffman, Mr. Ernest Stern, Senior Adviser, Development Policy Staff and others
- 4:00 p.m. Mr. Montague Yudelman, Director, Agriculture and Rural Development Department - Room D826

491/1 /137

NOV 1 1973

Dear Mr. Minister:

Thank you for your letter dated October 6, 1973, requesting the Bank to postpone consideration of the Balikh Project in Syria until current negotiations between Iraq, Syria and Turkey relating to the Euphrates Basin are completed.

Messrs. Benjenk and Votaw have also conveyed to me the gist of their recent discussions with you and your colleagues about this subject.

As you requested, I intend to make a careful review of the proposed Project. I hope to be in a position to communicate further with you, within a few weeks.

With best regards,

Sincerely

(Signed) Robert S. McNamara,
Robert S. McNamara

His Excellency
Amin Abdul Karim Kalamchi
Minister of Finance
Ministry of Finance
Baghdad, Iraq

Cleared with and cc: Mr. Benjenk
cc: Mr. McNamara's Office (2 copies)
cc: Messrs. Votaw, Bart, Wapenhans, El-Fishawy, El-Darwish, ffrench-Mullen.

AJDavar/te

November 1, 1973

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
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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

491/1/136

NOV 1 1973

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The Honorable
Moshe Sanbar
Governor
Bank of Israel
Jerusalem, Israel

Dear Governor Sanbar,

It was very thoughtful of you to write me on October 22 when many other matters of the greatest urgency were undoubtedly requiring your attention. Perhaps it is this ability, which the people of your country have repeatedly demonstrated, to raise themselves above the circumstances of the moment, however dramatic they may be, which has enabled Israel to master the necessary resilience against difficult odds. I wholeheartedly hope that the losses and sufferings caused by the hostilities shall not have been in vain and that your country will finally enjoy the lasting peace it has so dearly earned and find with its neighbors the accommodation it has sought for so long.

Your kind words on the Nairobi speech and the Zambia example you cite illustrate the challenge which is facing us in the Bank: to adapt techniques of development to deeply ingrained social attitudes, and to change either to the benefit of man. The export credit guarantee scheme would require substantial changes in some of the techniques which we are now using to help development. I am not yet satisfied that we have found the right answer in this regard but you can rest assured that we shall continue to study the matter and avail ourselves of your offer to assist.

I have noted your plans regarding the Industrial Development Bank of Israel; they seem to imaginatively combine some of the features of the education project we had earlier contemplated with a new orientation of IDBI's activities. I hope that this project could be put in shape for the fiscal year ending June 30, 1975.

Meanwhile, we hope to finalize the recently negotiated loan to the Agricultural Bank of Israel. We assume that this loan will not be affected by any changes in priority ranking as a result of the war and have asked your Embassy in Washington for confirmation.

The Honorable
Moshe Sanbar

-2-

Of course, our economic information on Israel, which is based on Mr. Larsen's mission last June/July, has largely become obsolete, and to the extent possible we have to update it before submitting the loan to our Executive Directors. In order not to delay this, we would like to send a brief mission including Messrs. Siebeck and Larsen as soon as possible. We will propose dates through your Washington Embassy in the next days.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

MPBart/WESiebeck:cek
November 1, 1973

cc: Mr. McNamara's Office (2) ✓
Mr. Benjenk
Mr. Bart
Mr. Wapenhans
Mr. Siebeck

Mr. McNamara's ff

OUTGOING WIRE

491/1/135

TO: CONT. LORENZO GOTUSSO BORLANDO
MINISTER OF FINANCE
MINHACIENDA

SANTIAGO

DATE: NOVEMBER 1, 1973

CLASS OF
SERVICE: FR

COUNTRY: CHILE

TEXT:
Cable No.:

THANK YOU FOR OCTOBER 22 LETTER. MR. ALTER, BANK'S REGIONAL VICEPRESIDENT FOR LATIN AMERICA AND CARIBBEAN HAS GIVEN LIST OF WORLD BANK MISSIONS SCHEDULED TO VISIT CHILE IN NEXT FEW MONTHS TO MR. CARLOS MASSAD, WHO IS RETURNING TO CHILE THIS WEEKEND. WE EXPECT THAT THESE MISSIONS WILL HELP IDENTIFY PROJECTS MOST SUITABLE FOR BANK FINANCING IN FIELDS OF AGRICULTURE, INDUSTRY AND MINING AND FURTHER STEPS NEEDED IN THEIR PREPARATION.

M McNAMARA
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Robert McNamara

DEPT. President

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: *ELendau/RNelson:acn*

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UNOFFICIAL ENGLISH TRANSLATION

His Excellency
Commander Michel Alladaye
Minister of Foreign Affairs
Cotonou, Dahomey

Dear Mr. Minister:

Thank you for your letter of October 23 and for the information on the intentions of the Government of Dahomey regarding the reorganization of the cotton sector. We understand the wish of the Government to give to national companies the functions and responsibilities previously entrusted to expatriate agencies in areas such as the promotion of agricultural development and to reorient the contribution of such agencies towards the provision of technical assistance. We shall continue to give our support to the creation and promotion of national institutions and to the training and development of qualified personnel capable of managing effectively public enterprises in our member countries.

The speed with which the decisions of the Government of Dahomey have been taken and partially implemented did not enable us to give a definite answer on the proposed institutional changes which affect the project we are financing. We have noted the explanations given by the Dahomean delegation which just visited the Bank and we are now confident that the Government will do everything to settle as early as possible all matters pertaining to the reorganization of the cotton sector. The minutes of the discussions between the delegation and my colleagues and an aide memoire which are now being prepared will be sent to the delegation in the next few days. They will provide SONACO and SOCAD with a basis for supplying all the information required in order to enable us to formulate a considered opinion on the newly created institutions. In view of the spirit of confidence in which those discussions took place, I hope that any problems which may emerge will be promptly and satisfactorily solved. Upon receipt of the appropriate information, we shall be able to specify the changes which need to be made in the credit documents.

Sincerely,

Robert S. McNamara

XdelaRenaudière/JLenfant:sjb

491/1/133
for Mr. McNamara's office

NOV 1 1973

Son Excellence
le Commandant Michel Alladaye
Ministre des Affaires Etrangères
Cotonou, Dahomey

Monsieur le Ministre,

Je vous remercie de votre lettre du 23 octobre et des indications que vous avez bien voulu me donner sur les intentions du Gouvernement dahoméen en ce qui concerne la réorganisation du secteur cotonnier. Nous comprenons le désir des autorités dahoméennes de confier à des sociétés nationales les fonctions et responsabilités assumées précédemment par des sociétés d'intervention étrangères dans des domaines tels que la promotion du développement agricole et de réorienter le rôle de ces sociétés vers la fourniture d'une assistance technique. La formation et la promotion d'institutions et de cadres nationaux capables d'assumer pleinement la gestion des entreprises publiques de nos pays membres continuera de recevoir notre appui.

La rapidité avec laquelle les décisions envisagées par le Gouvernement dahoméen ont été prises et partiellement exécutées ne nous a pas permis de vous donner une réponse définitive sur les changements institutionnels que vous proposez et qui affectent le projet que nous avons financé. Nous avons pris note des explications données par la délégation dahoméenne qui vient de nous rendre visite et avons confiance que le gouvernement s'emploiera à régler d'urgence tous les problèmes posés par la réorganisation du secteur cotonnier. Les conversations entre cette délégation et mes collaborateurs ont donné lieu à la préparation de compte rendu et d'aide mémoire qui lui seront transmis dans les tout prochains jours et sur la base desquels la SONACO et la SOCAD pourront nous fournir tous les renseignements indispensables pour nous permettre de porter un jugement détaillé sur les nouvelles institutions mises en place. Mais il apparaît dès maintenant que ces conversations se sont déroulées dans un climat de confiance qui me fait espérer que tous problèmes éventuels seront promptement et favorablement résolus. Dès réception des renseignements nécessaires nous serons en mesure de définir les modifications qui devront être apportées aux documents de crédit.

Veuillez agréer, Monsieur le Ministre, l'expression de ma haute considération.

cc: Mr. Kochman
cc: Messrs. Rowe/van Gigh
Oursin/Aguirre-Sacasa
Xdelarenaudière/RChaufournier:sjb

Robert S. McNamara

NOV - 1 1973