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THE WORLD BANK

Washington, D.C.

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The World Bank

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Washington DC 20433

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PRESIDENT
B.B. CONABLE
CHRON FILES

M-Z

Nov. 1 - Dec. 31, 1987



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President Barber Conable Chronological Records - Outgoing - Correspondence - M-Z -
November 1 - December 31, 1987

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THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

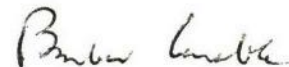
December 3, 1987

Dear Dr. Mahat,

I would like to express my great appreciation for your very kind and informative guidance on environmental and conservation matters in Nepal. Your command and presentation of the broad dimensions and practical realities of environmental and conservation programs in Nepal greatly increased my understanding of key development issues and potentialities in Nepal.

Again let me express my gratitude for your assistance.

Sincerely,



Dr. Tej Mahat
Social Forestry Specialist
ICIMOD
Kathmandu, Nepal

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 9, 1987

Dear Mr. Minister:

It is indeed good to know that you have been appointed Governor for the Syrian Arab Republic on the Board of Governors of The World Bank. Congratulations!

The Executive Directors, Officers and Staff, join me in extending to you a warm welcome. We look forward to your participation in the affairs of the Bank.

On a personal note, I hope to have the opportunity of greeting you here in Washington in the near future.

Sincerely,



His Excellency
Mohammed Khaled Mahayni
Minister of Finance
Ministry of Finance
Jule Jamal Street
Damascus, Syrian Arab Republic

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

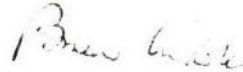
Dear Brigadier Malik:

My wife and I wish to thank you for the most interesting tour of the historic Walled City, and the excellent arrangements that you made for our visit.

I am now convinced that the World Bank's assistance to the Lahore Development Authority under the first Lahore Urban Development Project has helped in improving the quality of life in a part of the Walled City, and that our proposed follow-on project will be helpful in improving the situation further, particularly in assisting Lahore conserve its rich cultural heritage.

I would be grateful if you would also convey our sincere thanks to Mr. Sheikh Abdul Rashid, Chief Metropolitan Planner and Mr. Shaukat Jamal Khawaja, Director Metropolitan Planning, Lahore Development Authority.

Sincerely,



Brigadier Manzoor Malik
Director General
Lahore Development Authority
LDA Plaza, Egerton Road
Lahore

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 16, 1987

Dear Mr. Marjai:

The very attractive Herend figurine was delivered to me at my office, and I want to thank you for sending it. I have enjoyed our association since joining the World Bank and look forward to continued opportunities to work with you and your Government on programs of interest to your country.

Again, my thanks for this special expression of friendship, and my warmest regards.

Sincerely,

Barber Conable

Mr. Jozsef Marjai
Deputy Chairman
Council of Ministers
Kossuth Lajos ter 1-3
1055 Budapest
Hungary

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 11, 1987

Dear Friends:

Thank you for your kind letter inviting me to present the keynote address at the Globescope conference "Understanding Sustainability: Working Together for the Economy and for the Environment" in Oshkosh in March.

As much as I would like to be able to participate in your conference, I will be travelling to Europe during mid-March. I appreciate your efforts to include me as a speaker on your program.

Please accept my best wishes for a successful conference.

Sincerely,



Ms. Jan Marsh
Mr. Belden Paulson
Co-Chairs, Globescope Wisconsin '88
929 N. 6th Street
Room 307
Milwaukee, WI 53203

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 18, 1987

Dear Paul:

I've just returned from a two-week trip abroad to three of the Bank's member countries in Asia to find your letter of November 3. I do not already have a copy of the book on Indian art, and would be very pleased to have one.

My schedule in Washington makes it necessary for Charlotte and me to have to leave New York on the evening of November 30. For this reason, we will not be able to stay for the dinner following my participation in the Chief Executive Officer Seminar Series. We will attend the reception, but must catch the 8:00 flight from Buffalo back to Washington. It will be good to see you again, dear friend.

Sincerely,

B. Conable

Dr. Paul W. MacAvoy
Dean and Professor of Management
Professor of Economics
William E. Simon Graduate School of Business Administration
University of Rochester
Rochester, New York 14627

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Dear Mr. Minister:

I wish to thank you for your response to the Bank's call for donor support for the Special Program of Assistance for low-income debt-distressed countries, primarily in sub-Saharan Africa, which are undertaking adjustment programs.

As you indicated, this new initiative is of vital importance to help the poor African countries get back on the path to economic growth and development.

We understand that at this time your Government will not be able to make a direct financial contribution to this new initiative. We do appreciate Ireland's strong support, as a member of the European Community, of the significant amount of community resources for adjustment programs in the severely indebted low-income countries.

The donors' meeting in Paris on December 3rd and 4th was extremely successful in mobilizing from bilateral donors and from other donor institutions, including the European Community and the African Development Bank, pledges totalling \$6.4 billion of adjustment financing for these African countries. I have enclosed a copy of the press release which summarizes the major results of the Paris meeting.

We look forward to the continuation of close cooperation with your Government in development operations in sub-Saharan Africa, and the possibility of your supporting the Special Program of Assistance for Africa in future years.

Best wishes for the New Year.

Sincerely,

Barber Conable

Enclosure

The Honorable Ray MacSharry
Minister for Finance
Department of Finance
Baile Atha Cliath 2 (Dublin 2)
Ireland

World Bank



European Office : 66, avenue d'Iéna 75116 PARIS, France - Telephone 4723 54 21

FOR IMMEDIATE RELEASE

Contact: Tim Cullen
tel: 47 23 54 21

World Bank and other Donors to increase support
to poorest heavily-indebted African countries

PARIS, December 4, 1987 -- Donor countries and international aid organizations today pledged \$6.4 billion of adjustment financing for low-income African countries with severe debt problems to be used in close cooperation with the World Bank. The concessional quick-disbursing funds will be provided over the three year period 1988-90 to assist these countries in attaining sustainable economic growth.

The successful outcome of the meeting is seen as forging a new partnership between donor countries and international organizations in coordinating their support for those heavily indebted countries which are undertaking economic reforms supported by the World Bank and the IMF 1/.

The World Bank estimates that this agreement represents additional aid flows to the recipient countries of around \$3 billion over the three year period. The funds pledged at the meeting are in addition to planned commitments by the World Bank of \$2.9 billion of concessional funds over the same period through the International Development Association for adjustment programs in these countries.

The agreement follows two days of talks involving representatives of seventeen donor countries 2/, the World Bank, the IMF, the African Development Bank, the European Economic Community, the OECD-DAC and UNDP, under the chairmanship of Mr. Edward V.K. Jaycox, the World Bank's Regional Vice-President for Africa. The meeting reached unanimous agreement on the need for swift and significant action to meet the severe problems of poor, heavily indebted countries in sub-Saharan Africa, on the desirability of coordinating donor resources through cofinancing and on the importance of concessional terms.

The cofinancing initiative is an important part of a broader Special Program of Assistance for the heavily indebted low-income countries proposed by the World Bank at the September meeting of the Development Committee. The officials attending the Paris donors meeting also reviewed progress on the other elements of the Special Program: increased debt relief on more concessional terms and additional concessional loans from an enhanced IMF Structural Adjustment Facility, to which they attach great importance.

Mr. Jaycox characterized the Africa crisis as a major test. "A test of African leadership, but also a test of our political will -- our institutions -- our technology -- and a test of the credibility of the major ideas which have served us well and which we have strenuously recommended to these African countries".

"Today's agreement is a clear statement of support from the international community for the efforts of these countries to lift themselves out of this crisis", said Mr. Jaycox, adding that the commitment by the political leaders at the Venice summit to help these countries is now being translated into action.

Commenting on the steps taken by African governments to adjust their policies in order to restore economic growth, Mr. Jaycox noted that, under the Special Facility for Africa, established nearly three years ago, 36 adjustment operations in 22 low-income African countries have been supported "and positive results are beginning to emerge". "Real exchange rates are at much more realistic levels; government deficits are lower than at any time in the 1980s; farmers are benefiting from improved agricultural incentives. Rural production is up, industrial capacity utilization is up, and several countries have achieved positive per capita income growth for the first time this decade", he said.

Discussion at the meeting focussed on the need for close collaboration between the World Bank, the IMF, the donor community and the recipient countries in the design and implementation of adjustment programs. It was also stressed that priority must be given to the social dimensions of adjustment, particularly the impact of policy reform measures on the poor, and on the need to maintain essential social programs. Participants also agreed that the restoration of economic growth would require not only quick-disbursing assistance in support of structural adjustment policies but also investments to rehabilitate and expand productive capacity in these low-income countries.

The meeting reviewed previous experience in aid coordination and cofinancing and discussed the modalities of this new cofinancing initiative.

A number of donors will provide their cofinancing in the form of grants while others will provide loans on highly concessional terms (comparable to IDA terms), or a combination of loan and grant. The World Bank will have primary responsibility for the appraisal and negotiation with the recipient government of the scope and content of the cofinanced program, but will consult with cofinanciers and will facilitate their participation in Bank appraisal missions and negotiations. The Bank will supervise and evaluate the adjustment operations, in close consultation with the cofinanciers.

The World Bank will organize semi-annual consultation meetings with the donors to review the progress of this initiative.

* * * * *

1/ Low-income, debt-distressed, African countries currently undertaking reforms: Gambia, Ghana, Guinea Bissau, Madagascar, Malawi, Mauritania, Mozambique, Niger, Sao Tome and Principe, Senegal, Tanzania, Togo, Uganda, Zaire. Countries expected to undertake or resume adjustment programs in the near future: Comoros, Equatorial Guinea, Mali, Sierra Leone, Somalia, Sudan and Zambia.

2/ Donors pledging financial support at the Paris meeting: Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, U.S.A., African Development Bank and the European Economic Community.

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Mr. Eugene Miller
c/o The World Bank
Room B 11-011

Dear Mr. Miller:

I wish to offer you my congratulations on your election as Member at Large of the Executive Committee of the Staff Association.

The Staff Association provides an invaluable service to Bank staff and management alike, as we strive to provide the best possible service to the Bank's member countries.

I look forward to working with you and your colleagues in the challenging year ahead.

Sincerely,

Barber Conable

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Dear Mr. Miner:

Thank you for your kind invitation to address the Mid-America Committee some time early next year in Chicago.

As much as I would like to meet with you, I must decline. My schedule for the period in question is extremely crowded, and I feel I cannot accept any additional speaking engagements. I hope you understand the restrictions on my time.

I am well acquainted with the Committee's many activities, and we value the work you are doing to promote international understanding. I very much hope that it will be possible for me to address your members at some future date.

I appreciate your offer to include me among your speakers. All best wishes for a most happy New Year.

Sincerely,

Barber Conable

Mr. Thomas H. Miner
President
The Mid-America Committee
150 N. Michigan Avenue
Chicago, IL 60601

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

Dear Mr. Minister:

The International Bank for Reconstruction and Development (the "Bank") proposes to borrow an aggregate principal amount of ¥10 billion through a private placement of bonds in the Euromarket. The 5-year bonds will carry an interest rate of 5.10 percent, payable annually and are priced at par.

The Government of Japan 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 in an aggregate principal amount of ¥10 billion. The Government of Japan is further requested to agree, pursuant to the same provision of the Articles of Agreement, that the proceeds of such borrowing may be exchanged for the currency of any other member of the Bank without restriction.

Sincerely,



His Excellency
Kiichi Miyazawa
Minister of Finance
Ministry of Finance
Tokyo, Japan

OFFICE MEMORANDUM

11-84
11/22/87

DATE: November 20, 1987

TO: Mr. Barber Conable
(Through Messrs. Vergin and Stern) *VB*

FROM: Jessica P. Einhorn *JPE*

EXT: 76348

SUBJECT: Proposed Borrowing in Japanese Yen

There is enclosed for your signature a letter to the Minister of Finance for Japan requesting the Japanese Government's approval for the proposed borrowing in Japan.

Enclosure

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 15, 1987

Dear Mr. Chairman:

Please find attached my reply to the Memorandum from the African Governors which you presented to me during the 1987 Annual Meetings.

I read your Memorandum with great interest and we have taken careful note of your observations and suggestions. I want to add that I felt that my meeting this year with the African Governors was particularly productive. I certainly learned a great deal from our exchange of views.

I hope you find my reply satisfactory and I look forward to meeting you again in the near future.

Sincerely,

Barber Conable

The Honorable P.S. Mmusi
Chairman of the African Group
Minister of Finance & Development Planning
and Governor of Botswana
Gaborone, Botswana

Enclosure

MEMORANDUM

TO: The Chairman of the African Group December 15, 1987

FROM: Barber B. Conable *BBC*

SUBJECT: Reply to Your Memorandum Delivered at the 1987 Annual Meetings

1. I deeply appreciated the opportunity to meet again with the African Governors during the 1987 Annual Meetings. I believe that our discussions and exchange of views were particularly constructive this year. On my own behalf - and on behalf of Kim Jaycox, the Regional Vice President for Africa, and his staff - I want to thank you and all the African Governors for taking the time to share your insights and perspectives with us. Your views will certainly play an important role in the shaping of our future work program. I also very much appreciate your assurances of continued support for the World Bank and I look forward to working with you and with your Executive Directors over the coming year. As I underlined in my remarks to you and your colleagues, the achievement of sustainable economic growth with equity in Sub-Saharan Africa remains the World Bank's number one priority.

2. My colleagues and I have read with great interest your Memorandum and we have taken careful note of the issues that you raise. I would like to comment on these issues as follows.

Structural Adjustment Programs

3. You point out that structural adjustment programs should not, inter alia, be overloaded with unrealistic conditionalities, that more attention should be given to the appropriate phasing of adjustment and that due consideration should be given to the social and political costs of adjustment. You also mention that the design of adjustment programs "should be reviewed". In response, I would like to emphasize that the design of our structural and sectoral adjustment programs is in fact under continuing review, as the lessons of experience from past and ongoing programs is taken into account in the formulation of new programs. The Bank shares the Governors' concerns about possible "adjustment fatigue" and recognizes that the loading of programs with overly extensive or ambitious conditionalities may be counterproductive.

4. At the same time, we believe that if programs are too unambitious, or overly pessimistic about the capacity of African countries to implement policy reform, they will not be strong enough to put those countries back on the path of sustained growth with equity. Indeed, many observers have been surprised at how far and how fast many African governments have moved to implement reforms previously held to be politically or technically unfeasible. Clearly, the design of adjustment

programs for each country calls for finding an appropriate balance between what is needed and wanted and what is realistic and feasible. In this context, however, I can assure the African Governors of the Bank's intent to resist inclinations to cast the conditionality net still wider. Rather, we intend to intensify our efforts to limit adjustment program conditionalities to the essentials, to provide more flexibility in tranche reviews, and otherwise to concentrate upon the sustainability of the reform process.

5. This concentration upon sustainability implies that Bank management and staff will indeed take heed of the Governors' expressed concerns, that reform implementation schedules should be realistic, that external resources should be made available in sufficient volume - on appropriately concessional terms and in timely fashion - and that the social costs of adjustment be minimized and compensated for to the extent possible. In my Address to the Board of Governors of September 29, I indicated the new initiatives planned in the areas of poverty alleviation and food security. I can now inform you that Task Forces have been appointed and are at work. I should also cite another important initiative for Africa that has recently been launched, namely the Social Dimensions of Adjustment (SDA) Project. This project, which is being carried out in collaboration with the UNDP Regional Programme for Africa is aimed at strengthening the capacity of African governments to integrate the social dimension in the design of their structural adjustment programs. As of October 1987, formal requests for participation in the SDA project had already been received from 16 African countries.

The Debt Problem

6. In your Memorandum, you encourage the World Bank "to pursue and intensify its efforts for a coordinated approach" to the debt problem and to seek "support for the implementation of these proposals from the international community." As you are no doubt aware, the Development Committee, at its April 1987 meeting, asked the Bank and the IMF to make specific proposals for action to address the problems of countries facing exceptional difficulties - especially severely indebted low-income countries with adjustment programs, and primarily in Africa. The Bank has since launched a Special Program of Assistance for low-income, debt-distressed African countries that aims to mobilize substantial additional resources for the period 1988-90.

7. The program will combine resources from a variety of sources, including additional IDA-8 disbursements, increased cofinancing of IDA-supported adjustment programs, an enhanced Structural Adjustment Facility, and concessional debt relief. After reviewing the proposed program in September 1987, the Development Committee urged the Bank to strengthen its efforts and encouraged donors to increase the flow of concessional resources through the cofinancing of IDA-supported adjustment operations. The cofinancing components were widely discussed with donors, most recently at a conference in Paris on December 3-4, 1987.

8. As you are probably aware, donor countries and international organizations at that meeting came to an agreement which, we estimate, will result in about \$3 billion in additional aid flows to recipient countries in Sub-Saharan Africa between 1988-90. The funds pledged at the meeting are in addition to planned IDA commitments of \$2.9 billion over the same period for adjustment programs in these countries. I view the successful outcome of this meeting as having the potential to forge a new partnership between donor countries and international organizations in coordinating their support for those heavily-indebted African countries which are undertaking economic reforms supported by the World Bank.

9. In addition to this multidonor-multicreditor effort, other steps are being taken whereby the Bank will play a more active role in helping to arrange for debt restructuring and financing, including the development of a broader range of instruments to facilitate the reduction of debt and to supplement direct new lending.

IDA

10. I wish to reaffirm that every effort will be made for the share of Sub-Saharan African countries in IDA-8 allocations to be 50 percent, if warranted by progress in their economic adjustment programs. Accordingly, we will continue to concentrate IDA resources on those countries that are making determined adjustment efforts, and we expect adjustment lending to continue to amount to roughly one-half of our lending over the next several years--bearing in mind that the programming of adjustment lending involves greater uncertainties than traditional project lending. In any event, we expect to increase the share of adjustment lending for the social sectors. It is currently envisaged that about 70 percent of IDA-8 lending to Africa will be to the debt-distressed countries, and that 60 percent of IDA's assistance to those countries will be in the form of quick-disbursing funds for adjustment operations. What these figures imply is a more-or-less doubling of IDA disbursements to debt-distressed low-income African countries during FY88-90 as compared to FY85-87.

11. The Governors' point about the need for balance between policy lending and traditional project lending is well taken. The increased share of total donor support currently being provided to Africa in the form of quick-disbursing, non-project loans and credits reflects the urgent need of most African countries for intermediate and recurrent goods imports to raise capacity utilization and undertake rehabilitation programs. And the relatively high share of IDA resources being provided in this form reflects the greater experience of Bank staff, vis-a-vis the staff of most other donors, in helping countries to design adjustment programs. We fully recognize, however, that the long-term sustainability of economic growth and social development in Africa will require raising now-depressed investment levels. This will require, in turn, greater efforts to mobilize both domestic and foreign savings from both the public and private sectors.

12. Finally, with regard to the question of the terms to be applied to IDA lending, we can assure the Governors that the low-income African countries will continue to receive the most favorable terms available under the new IDA guidelines.

IFC

13. Regarding IFC's activities, I want to assure the Governors that strengthening the private sector in Sub-Saharan Africa and thus expanding the region's economic development remains a key objective of IFC's on-going Five-Year Program (1985-89). Nearly 30 percent of IFC's operation-related expenses are incurred in connection with work done on Sub-Saharan African countries. Through promotional efforts, the Corporation has developed a substantial pipeline of projects which should result in an expanded number of new investments during FY88. Cooperation with local financial intermediaries continues to be stressed and a number of new credits to such institutions are now under consideration. This should enable IFC to channel funds to smaller, predominantly locally-owned businesses, in a cost-effective manner.

14. As you may already be aware, IFC is supplementing its more conventional project work with special initiatives addressing specific problems which impair private sector growth in Sub-Saharan African countries. The African Project Development Facility (APDF), a project promotion and preparation facility launched in 1986 by IFC, the UN Development Programme and the African Development Bank, helps African entrepreneurs to formulate project ideas and turn them into solid, bankable proposals. The African Management Services Company (AMSCO), another facility now being established at IFC's initiative, aims at bridging the managerial gap faced by many African companies. AMSCO will provide managerial support and back-up services to companies wishing to improve their operating performance, and it will also help develop and train local management staff. Still another IFC program which will encourage private sector development in Sub-Saharan Africa is the Foreign Investment Advisory Service (FIAS). Under FIAS the Corporation provides specialized technical assistance to help member governments review and adjust policies, regulations and investment promotion strategies to increase the flow of direct foreign investment.

15. You point out that "an increase in equity investments is particularly appropriate at this time." I can assure you that IFC is actively seeking ways of strengthening its role as an equity investor in all its member countries, including those in Africa. Indeed, a report on this subject ("IFC Equity Policies", IFC/R87-150) was presented recently to IFC's Board of Directors. This report reviewed the Corporation's experience as an equity investor, analyzed factors which have constrained its equity investments in the past, and outlined concrete steps for a more active IFC equity role in the future which would both enhance cost-effectiveness and investment quality. Implementation of the recommendations in the report is projected for the coming months.

16. It should also be noted that IFC contributes to development by continuing to assist existing companies in which it has invested. In FY87, the number of staff years spent by the African Investment Departments on supervision of existing investments and on identifying and resolving potential problem projects increased by more than 30 percent over the

previous year. As a result of this intensive effort, the condition of IFC's African portfolio showed some improvement despite difficult business conditions in a number of countries where the Corporation has relatively large investments.

17. To maximize its impact in Sub-Saharan Africa during the remainder of the Five-Year Program, IFC will focus its efforts and financing on: (i) sectors which are export-oriented (to help alleviate foreign exchange shortages) and natural resource-based projects (to capitalize on the countries' comparative advantages); (ii) projects that involve privatization of state-owned enterprises; (iii) rehabilitation or expansion of existing, basically sound private enterprises; (iv) support to small-scale enterprises by continuing to support local financial intermediaries through investments and technical assistance as well as agency lines; and (v) troubled portfolio companies which need urgent and specific work-out attention.

Financing of Health Projects

18. You note that in financing health projects, the Bank will be emphasizing the "need for increased cost recovery and even privatization of some health services." You urge that given the social dimension involved in this sector, the Bank adopt a "more sensitive approach, so as to ensure that recovery criteria are realistic and feasible." The fact is that in many African countries, government expenditures for health, in real terms, have been declining in recent years. These reductions have affected expenditures for drugs and other supplies with negative repercussions for the quality of health care. At the same time, in response to the decline in service quality, private expenditures for health have been increasing on an ad hoc basis. We are of the view that a systematic introduction of cost recovery can ensure wider availability of services by (a) providing an increase in total real resources to the health-care sector, (b) encouraging the users of health-care resources to do so with greater economic prudence, and (c) improving the accountability and internal efficiency of the health system. I want to stress that the Bank's main concern with such measures is to link them to administrative actions designed to protect the poor.

19. We have found that carefully designed and implemented cost recovery measures can actually increase the amount of health-care resources that can be devoted to the poor. Furthermore, the Bank recommends a gradual and phased introduction of cost recovery to allow the assessment of its affordability by the public, in general, and by poorer segments of the population in particular.

Environment

20. As you correctly observe in your Memorandum, the Bank has recently taken some important initiatives in the environmental area. Indeed, this has been one of my priority concerns since arriving at the Bank and I am heartened by the progress we have made so far. The strengthening of our capacity to address environmental issues has now been institutionalized in the form of an operationally-oriented Environment Unit

in the Africa Region, which will receive full support from the Bank's newly-formed central Environmental Department. An important element of this work - as you rightly point out - is to foster national capabilities to handle environmental issues in Africa. For example, our new series of country-level environmental reviews and action plans places high priority on assisting the local institution-building and human resource development needed for policy formulation and investment plans related to environmental factors.

21. These efforts, as well as our project operations, will increasingly concentrate on working closely with local communities, whose support is of crucial importance in better management of natural resources. I also want to assure you that combatting desertification, deforestation, drought and other environmental hazards remain as key elements in our work program and operational objectives. In sum, we expect that our increased efforts in this area will help to foster closer links between environmental and developmental considerations.

African Representation on the Board of Directors

22. You expressed concern about underrepresentation of African countries on the Board of Executive Directors and requested us to examine the matter in the context of the forthcoming General Capital Increase with a view to increasing the number of Board seats for Africa. Since 1974, the biennial Reports of Executive Directors to the Board of Governors on the Regular Elections of Executive Directors have stated the strong feeling among many Executive Directors that, if an election was likely to result in a lack of wide geographic and balanced representation in the Board of Executive Directors, this would call for prompt corrective action. The Report of the Executive Directors to the Board of Governors on the 1979 General Capital Increase included the following more specific statement:

"The Directors have agreed that special efforts should be made to preserve a broad geographic pattern of representation and that all major groups of countries should be represented. The Directors therefore recommend that at the time of elections of Executive Directors the Governors take special note of the risk that the representation of the Sub-Saharan African and Latin American countries could be reduced and take whatever steps are necessary to ensure that these countries along with other groups of countries, especially the Asian and Pacific countries, are adequately represented on the Executive Board."

I expect the Executive Directors will continue to uphold the above view.

23. There is widespread support among Bank members for keeping the General Capital Increase as simple as possible in the interest of a prompt action. Therefore, I believe that the General Capital Increase is not an

occasion to initiate discussion of possible changes in the pattern of Board representation. I would like to point out, however, that we will be considering, in the context of the General Capital Increase, steps that would be particularly important to African countries. A pro rata increase in capital subscriptions would erode the significance of the "uniform" votes a member has (currently 500, consisting of 250 membership votes provided in the Articles of Agreement and 250 votes associated with the membership shares subscribed in connection with the 1979 General Capital Increase). We are examining ways to prevent an erosion of voting power of smaller members, many of which are African countries, with a view to including appropriate arrangements in our proposal for the General Capital Increase.

IBRD and IDA Operations

24. You point out that the increases in the FY87 IBRD/IDA commitment levels to Africa are "commendable". It is our intention that this trend should continue and, indeed, accelerate.

25. I want to reiterate that we will do everything we can to assist Sub-Saharan African countries in achieving the target of 50 percent of the total amount of IDA-8. As you know, the 50 percent figure was set out in the IDA-8 agreement subject to satisfactory progress by the African countries on their adjustment programs. We have every confidence that progress will be satisfactory, and thus we have developed a lending program giving the Africa Region 50 percent of the total resources of SDR 5,350 million. In FY88, Africa will receive 45 percent or SDR 1,440 million of the first year's total. Africa's share is programmed to rise each year after that, to SDR 1,877 million in FY89 and SDR 2,033 million in FY90, to reach the 50 percent figure for all of IDA-8. On the IBRD side, our program is to increase IBRD commitments to Africa by 25 percent.

Africa Study

26. The work on the long-term perspectives study of Sub-Saharan Africa is proceeding at a rapid pace. I am glad that you endorse the focus of the study on additional investment, as well as sustained policy reform effort, necessary for long-term development in Africa. I, in turn, fully endorse your suggestions regarding the need for: (a) sustainability of donor support for the programs; (b) increased African input into the report; and (c) operational character of the report.

27. It is already clear from the preliminary analysis done for the report that a sustained increase in donor assistance will be essential for achieving long-term growth in Africa. Following the suggestion of the Executive Directors, the study team has initiated a process of mobilizing African development professionals to contribute to the study. Six eminent Africans have already agreed to work with the team and it is expected that at least another six more will be available. Increasing African inputs will obviously require additional funds, and we are exploring the possibilities of cofinancing from bilateral and multilateral sources.

28. Once a draft report incorporating the contributions of African professionals is prepared, we would seek the views of African governments as well as regional and sub-regional organizations in Africa. I am hopeful that this collaborative effort will produce an action-oriented report that will help decision-makers in Africa, as well as in the donor community, in designing policy reform packages and development expenditure programs in the 1990s and beyond.

Reorganization

29. I am greatly encouraged by, and I very much appreciate your assurance that the African Governors "will do everything they can to ensure the success of the reorganized Bank through a reinforced and successful cooperation." As you correctly note, the reorganization was carried out "to put the Bank in a position to respond more quickly and more effectively to the needs of its borrowers." As I mentioned in my address to the African Governors, I believe that there was a need for the Bank to adapt to the real rather than the perceived needs of Africa as they are today. I have confidence that the reorganization will enable us to meet this important goal.

30. We will, of course, continue to monitor closely the implementation of the new structure and its impact on all the Bank's member countries. For Africa, in particular, I am of the view that the reorganization offers significant opportunities. First, the newly merged Africa Region will allow the Bank to speak with a concerted voice in Africa and to focus more sharply on regional issues such as debt, trade, food security and natural resource management. Second, the reduction in management layers and the formation of specialized Country Departments - led by some of the very best managers produced by the Bank over the years - will allow a faster delivery of services and products which are specifically tailored to individual country circumstances. Third, the elimination of the somewhat artificial barriers between projects and programs in our structure will allow greater cross-fertilization of ideas, strategies and staff -- in short, more intellectual and operational effectiveness and better service and results for Africa.

31. We do not anticipate any weakening whatsoever in the Bank's lending operations for Africa in the coming year. On the contrary, we are projecting a large increase in our IBRD/IDA lending program for FY88 and thereafter. And we expect that the reorganization will help ensure that this increase in the volume of lending is accompanied by an increase in the quality of lending also.

African Staff

32. In your Memorandum you urge the Bank to make even greater efforts to recruit and promote African staff members. You point out that the design and implementation of adjustment programs in particular can benefit from the involvement of Africans who have a first-hand understanding of African economic, social and political realities. I fully

agree with this point and would only wish to note in response that the Bank has, to some extent, already recognized the special expertise of African staff in facilitating its reform and adjustment programs in Sub-Saharan Africa - this is evident in the selection and assignment of a large percentage of the Bank's African staff to the African Region. In addition, major efforts have been made by that Region to upgrade the level of its local field staff through the employment of highly experienced and influential African nationals. We intend to do more in these areas.

33. Regarding the promotion of Africans to managerial positions, I think it is important to note that one of the major objectives of the reorganization was to improve the effectiveness of the Bank through the greater involvement of Bank staff at the operational level and through a corresponding reduction in the layering of management. For our staff and borrowers this has meant a greater opportunity for mutual understanding and dialogue. And while this will mean fewer opportunities for managerial promotion in the future, it is our hope that greater opportunities will exist for all staff to further develop their technical and professional skills. In this regard, it might be noted that over 100 people in the African Region are currently enrolled in language training for the purpose of increasing their effectiveness in Africa.

34. I am pleased that you have again volunteered your assistance in the identification of qualified Africans. Let me assure you that the Bank's personnel officers will be actively seeking out qualified African candidates - especially economists in the fields of energy, industry and transportation. I have also instructed the Resident Representatives in the Africa Region to pay special attention to this issue.

35. I would also wish to point out that during this last year, managers of the Africa Region met with the Association of African Consultants for the purpose of increasing the participation rate of African consultants. We, like you, feel this is one of our major employment objectives and we are striving to increase the number of African consultants on Bank missions and projects. The Bank intends to hold seminars for African consultants to further familiarize them with opportunities to work with the Bank, the qualifications required and the procedures involved. We solicit and would welcome your assistance in this area.

Language Services

36. On this point, I would only wish to reassure you of our commitment to maintain and, indeed, improve the quality of our language services and the speed at which they can be provided.

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Dear Sonny:

I am writing in response to your letter regarding lending by the World Bank for nitrogen fertilizer production. You raised central questions which I am pleased to have an opportunity to discuss.

It is the Bank's policy to evaluate carefully all loan requests to determine that proposed projects are efficient, price sensitive, contain adequate rates of return and serve a desirable purpose. Evaluation of these elements is admittedly difficult and uncertain but the Bank is continuously seeking to refine and improve its evaluation methods. Fertilizer prices have fluctuated widely in the past decade, for example, demonstrating the difficulties of evaluation. In making demand and price forecasts, we now use a complex model which includes such diverse factors as U.S. farm policy and subsidy programs in both OECD and developing countries; I need not tell you of their heavy, if uncertain, impact.

The Bank's recent involvement in fertilizer projects has been directed largely to reorganizing and modernizing existing facilities rather than constructing new capacity. The last financing of a new plant in which the Bank participated occurred in India 18 months ago. We have been encouraging plant restructuring, pricing reform, removal of subsidies and trade liberalization to assist developing countries. In this way, we believe the countries are better served than by continuing plant expansion.

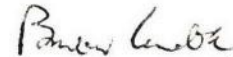
Improvement of food production in the poor, developing countries is one of the basic means of pursuing the Bank's primary goal of reducing poverty. It is an area in which they are able to help themselves with external assistance. Fertilizer is one element in that effort. While projects to produce basic commodities in developing countries are sometimes viewed as inappropriate on grounds of existing worldwide surplus, studies reveal that the resulting rise in incomes of those countries has been the most dynamic source of demand for imports of other primary products from abroad. Projections are that expansion of those economies provides the brightest prospect for expanding their total import markets in the future.

We agree on the need for continuing broad consultation on these matters. The Bank regularly analyzes the global supply/demand and price projections for fertilizer on the basis of detailed consultations with those organizations heavily involved in the field. The International Fertilizer Association, the Fertilizer Institute, TVA, FAO and the International Fertilizer Development Center all bring their information and experience to this effort. On the basis of these consultations, we update our forecasts semi-annually.

I have encouraged my staff to continue our active dialogue with all fertilizer groups. In line with this policy, we held a seminar on fertilizer issues in September with the International Fertilizer Association; it was well attended by U.S. fertilizer industry officials. I expect this kind of cooperation to continue.

With kind regards.

Sincerely yours,



The Honorable G.V. "Sonny" Montgomery
United States House of Representatives
2184 Rayburn House Office Building
Washington, D.C. 20015

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Dear Mr. Moseley:

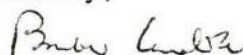
Thank you so much for your invitation to address the SID institutional members some time next year.

As much as I would like to meet with you, I must decline. My current responsibilities as head of the World Bank greatly limit my ability to participate in the large number of seminars to which I am invited.

I hope you understand the restrictions on my time. All of us at the World Bank value the work you are doing to promote international issues. I appreciate your offer to include us among your speakers.

Please accept my best wishes for a successful spring program.

Sincerely,



Mr. Stephen F. Moseley
President, AED
Chairman, SID Institutional
Members Program Committee
1255 23rd Street, N.W.
Washington, D.C. 20037

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Bob
Dear Mr. Mrazek:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,

Barber Conable

The Honorable
Robert J. Mrazek
House of Representatives
Washington, D.C. 20515

INTERNATIONAL MONETARY FUND
THE WORLD BANK

Washington, D.C. 20431

November 17, 1987

Madam Chen Muhua
State Councillor
People's Republic of China and
Governor
People's Bank of China
San Li Ha
Beijing, China

Dear Madam Chen:

Thank you for your letter dated September 16, 1987, in which you presented on behalf of the Government of the People's Republic of China an official offer to host the 1994 IMF/IBRD Annual Meetings in Beijing. We warmly welcome this gracious offer, which honors our institutions and further demonstrates the spirit of cooperation that has marked China's membership in them.

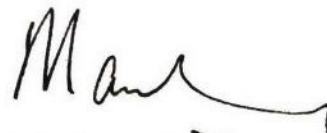
Please convey to your Government our appreciation for its kind invitation, which will in due course formally be brought to the attention of the Executive Directors of the Fund and Bank. The Executive Boards will at that time make a recommendation to the Boards of Governors on the venue for the 1994 Annual Meetings.

The Secretaries of the institutions will remain in contact with the Executive Directors of the People's Republic of China regarding the detailed procedures for the selection of meeting sites. Please be assured that we will keep fully in mind the expressed desire of the People's Republic of China to host annual meetings of the Fund and Bank at the earliest opportunity.

Very truly yours,



Barber Conable
President
International Bank for
Reconstruction and Development



Michel Camdessus
Managing Director
International Monetary Fund

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

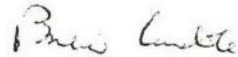
Dear Jim:

Thank you so much for your kind invitation to address the New York State Bankers' Association in New York on January 28, 1988.

As much as I would like to meet with you, I must decline. I will be visiting some of our member countries in Europe in January, and therefore I am unable to accept your invitation.

Thanks very much for thinking of me. All my best wishes for a most happy Christmas and New Year.

Sincerely,



Mr. James P. Murphy
Executive Vice President
New York State Bankers' Association
485 Lexington Avenue
New York, N.Y. 10017

Mc

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

ROBERT B. CONABLE
President

December 21, 1987

Dear Pete:

I have talked to IFC's Executive Vice President, Sir William Ryrie, and find that nothing is pending immediately on the Paraguayan property in which the Nature Conservancy has an interest. Sir William is going to look into the matter and determine the prospects and the complexities of any Paraguayan Government attitudes. I will let you know when someone from the Nature Conservancy should make contact with the IFC to discuss this matter further.

It was good to see you the other day. Best wishes for the Holidays.

Sincerely,

cc: Sir William Ryrie

The Honorable Paul N. McCloskey, Jr.
Brobeck, Phleger & Harrison
Two Embarcadero Place
2200 Geng Road
Palo Alto, California 94303

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

Mr. S. S. Nadkarni
Chairman and Managing Director
Industrial Development Bank of India
Nariman Bhavan
227, Vinay K Shah Marg
Nariman Point
Bombay, 400 021

Dear Mr. Nadkarni:

I have just returned to Washington after a memorable first visit to India. I was impressed by the vigor with which many issues were being addressed throughout the economy, and especially in the industrial sector.

In particular, I found the variety and strength of India's public and private institutions most noteworthy. IDBI clearly plays an important role. I am glad that, after a long interval, the Bank plans shortly to help finance IDBI's activities, and hope the forthcoming loan cements the long and constructive relationship we have had with you.

Finally, I would like to thank you for the lunch you gave with ICICI at The Chambers for me and my colleagues. It was a fine occasion, and I was delighted to have an opportunity to meet such an able group of business leaders.

With warm regards,

Sincerely,



cc: Mr. Rao Sahib
Executive Director, India

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 30, 1987

Dear Mr. N'Diaye:

Thank you very much for your letter of November 18 drawing my attention to the new approach to refinancing the external debt of African countries you have been developing with S.G. Warburg & Co. Ltd.

I was, of course, aware of your initiative in this most important area through Kim Jaycox. I gather that Kim has recently written to you giving you his views on the proposal and suggesting that the staff of our two institutions take advantage of the upcoming multi-donor meeting in Paris on December 3 and 4 to explore further the ramifications of your proposal and the prospects for its implementation.

I look forward to hearing the results of these discussions. I need not remind you how strongly I feel the need for innovative approaches to the problem of debt in Africa, and I am gratified that our two institutions are working together to find them.

Sincerely,

Barber Conable

Mr. Babacar N'Diaye
President
The African Development Bank
01 B.P. #1387
Abidjan 01, Côte d'Ivoire

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

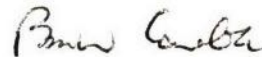
November 16, 1987

Dear Miss Nakano:

Thank you for your letter of October 20, 1987 concerning the World NGO Symposium which was recently held in Nagoya. I am pleased to learn that the World Bank's contribution was highly appreciated. Our delegation reported favorably on the outcome of the Symposium, in particular, on the success of the development education workshops held in a number of provincial cities.

I congratulate you and OISCA in expanding the important work of NGOs in the development task which we all share, and look forward to further strengthening of Bank/NGO cooperation.

Sincerely,



Miss Yoshiko Nakano
President
OISCA-International
6-12 Izumi 3 chome
Suginami-ku
Tokyo 168
Japan

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

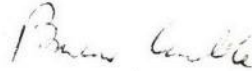
Dear Mr. Nizami:

My wife and I wish to express our sincere thanks for the excellent arrangements made for our visit to the low cost housing project located in Surjani Town. Please also convey my appreciation to Mr. Syed Mazhar Ali, Senator/Managing Director, Maymar Housing Services(Pvt) Limited, for his efforts in developing a least cost solution to the problem and for the excellent album of photographs recording highlights of our visit.

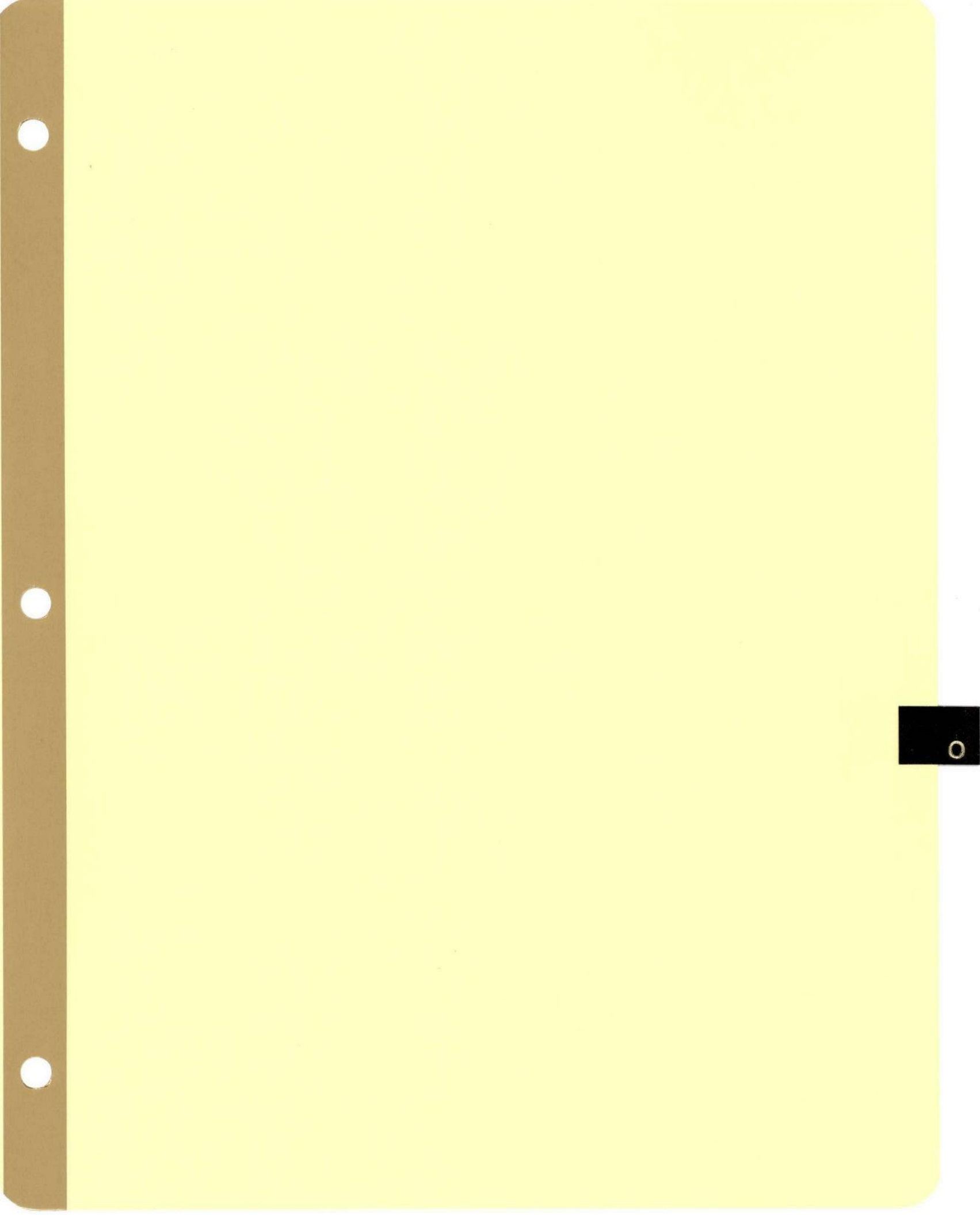
Your efforts in providing low cost housing in Karachi are most commendable, and your success in this respect will help discourage further setting up of new Katchi Abadis in Karachi.

At the Government's request, as you may know, the World Bank will be sending a mission to Pakistan in December 1987 to review past experiences and future needs in the area of low cost housing. The mission members will call you and seek your guidance in finding ways and means to meeting the formidable challenge involved.

Sincerely,



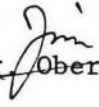
Mr. Z.A. Nizami
Director General
Karachi Development Authority
Civic Centre, Gulshan-e-Iqbal
University Road
Karachi-5



THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr.  Oberstar:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



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

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 18, 1987

Dear Dick:


Your letter of October 28 was on my desk when I returned to my office after a two-week visit to three of the Bank's member countries in Asia.

I appreciate knowing of your high regard for Dan Hillel who is working with the Bank as a science consultant in the Environmental Science and Technology Division. Obviously his expertise is of great value, with the Bank's increased concern about environmental issues.

It was good to hear from you again after all these years. I still maintain my residence in Western New York, and although my schedule in this new job restricts the amount of time I can spend there, we do manage to get home about one weekend a month.

Best wishes.

Sincerely,



Richard D. O'Brien
Executive Vice Chancellor and Provost
University of Massachusetts at Amherst
Whitmore Administration Building
Amherst, MA 01003

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

Dear Brian:

I returned last week from a two-week visit to three of the Bank's member countries in Asia to find the prepublication copy of your book, "Philanthropy in Action." Those of us who believe in a pluralistic society once again are indebted to you for the spirit and dedication you devote to your work on behalf of all of us.

Thank you for thinking of me. Best personal wishes.

Sincerely,



Mr. Brian O'Connell
President
Independent Sector
1828 L Street, N.W.
Washington, D.C. 20036

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 9, 1987

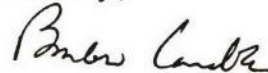
Dear Don:

Thank you so much for your invitation to attend the International Monetary Conference in Chicago in June.

As much as I would like to join you, I have to decline. My current responsibilities as head of the World Bank greatly limit my ability to participate in outside conferences. However, I understand from Ernie Stern that he has accepted your invitation and will attend this important conference.

I hope you understand the restrictions on my time. I very much appreciate your inviting me and wish your conference every success.

Sincerely,



Mr. Donald G. Ogilvie
Executive Vice President
International Monetary Conference
1120 Connecticut Avenue, NW
Washington, DC 20036

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Owens:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Major R. Owens
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 11, 1987

Dear Martijn:

I know that you will be leaving the Bank soon to return to your home. Speaking on behalf of the entire Bank staff, and personally for myself, I wish you the very best. You made my transition to the Bank much easier than it otherwise would have been because I always knew I could trust your advice and your motivation.

You have had a long and successful career here. Your close colleagues think of you with affection, and other members of the Bank staff, with respect. Your personal integrity and sensitivity to those around you have enhanced your professional achievements. You have every right to look back on your time in the Bank with a strong sense of accomplishment. Based on your experience here, it is obvious that wherever you go you will be a central figure, a symbol of activity and a focal point of admiration.

We all wish you good fortune and happiness for the future.

With gratitude,

Sincerely,



Mr. Martijn J.W.M. Paijmans
The World Bank
Room A12-101
Washington, D.C. 20433

FYI/87/120
November 20, 1987

STAFF ANNOUNCEMENT

At the end of July, I advised staff of the changes planned for the management and administration of the Bank's Pension Fund. Arising from the restructuring of that department, Mr. Martijn Paijmans, after implementing these changes, will leave the service of the Bank at the end of December.

Mr. Paijmans has had a long and distinguished career with the Bank since he joined in 1962 as an Economist in the Africa Department. He has served in the European Office as Liaison Officer, Western Africa Department as Division Chief, and also as Deputy Director of the Personnel Department.

Thereafter, as Director, Mr. Paijmans led the activities of the Europe, Middle East and North Africa Country Programs I Department for five years and was instrumental in establishing a role for the Bank vis-a-vis the oil producing capital surplus countries in the Middle East. He helped to build the Bank's technical assistance capacity in these countries and to develop our relationships with the bilateral and multilateral aid agencies in these capital surplus countries to assist development programs in other member countries. This was done while directing an increasing program of Bank lending activities and policy dialogues in a wide and diverse range of borrowing countries in the EMENA Region.

In the eight years Mr. Paijmans was at the helm of the Administration Complex as its Vice President, he made many innovative changes and improvements in its functions. He devoted his energies to a multitude of issues, including compensation, the evolution of the performance planning and review system, the management succession process, and was instrumental in the establishment of the Medical Department, the Office of the Ombudsman and the Administrative Tribunal as well as the formulation of the Staff Principles and Management Guidelines. He oversaw the construction of new Bank office buildings and the upgrading of office technology throughout the Bank. Mr. Paijmans' main goal has always been for a better Bank and a solid foundation to the Administration Complex.

On behalf of the management and staff of the organization, I want to express appreciation to Mr. Paijmans for his untiring efforts and to extend to him our best wishes for the future.

Baker B. Conable

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 3, 1987

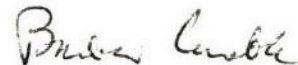
Dear Mr. Minister,

I would like first to express my great appreciation and that of Mrs. Conable for the very kind and generous hospitality accorded us during our recent visit to Nepal. We were greatly honored by our audiences with His and Her Majesties and were genuinely touched by the kindness of the many officials and citizens of Nepal with whom we made contact. We were also much impressed by the efforts of the people which we observed during our visits to various development sites in the Kingdom.

It was a particular pleasure to meet with you. I regard the discussions which Mr. Asanuma and I had with you and your ministerial colleagues to have been highly productive and congenial. I believe that these acquaintances and exchanges auger well for effective future relations between Nepal and the World Bank.

Again let me express our gratitude for all the kindnesses shown us during our stay.

Sincerely,



Hon'ble Minister for Water Resources
Dr. Yadav Parsad Pant
Ministry of Water Resources
Kathmandu, Nepal

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 7, 1987

Dear Mr. Patel:

I want to thank you for the leather address book of Transcon Builders and Contractors Pvt. Ltd. which you presented to me while I was in India recently. My visit to India left me with some very vivid impressions of the country and its people.

I am pleased to have the address book as a memento of my visit to your country. My thanks and very best wishes.

Sincerely,

Barber Conable

Mr. Chimanbhai G. Patel
27 Sampatrao Colony
Baroda 390005
Gujarat
India

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 11, 1987

Dear Friends:

Thank you for your kind letter inviting me to present the keynote address at the Globescope conference "Understanding Sustainability: Working Together for the Economy and for the Environment" in Oshkosh in March.

As much as I would like to be able to participate in your conference, I will be travelling to Europe during mid-March. I appreciate your efforts to include me as a speaker on your program.

Please accept my best wishes for a successful conference.

Sincerely,



Ms. Jan Marsh
Mr. Belden Paulson
Co-Chairs, Globescope Wisconsin '88
929 N. 6th Street
Room 307
Milwaukee, WI 53203

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 9, 1987

Dear Mr. Payne:

Thank you for your kind letter inviting me to be a guest at your symposium "Earth '88: Changing Geographic Perspective," in Washington in January.

Unfortunately, I must decline. I will be visiting some of our member countries in Europe in January and am therefore unable to accept your invitation.

Please accept my best wishes for a successful symposium.

Sincerely,



Mr. Melvin M. Payne
Chairman
National Geographic Society
Committee for Research and Exploration
Washington, DC 20036

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 16, 1987

Dear Bill:

I appreciated your note regarding the USTR's Investment Policy Advisory Committee lunch on February 23. I told Clayton Yeutter that I am delighted to be able to accept his invitation, and I look forward to seeing you both on that occasion.

All best wishes for a most happy Christmas and New Year.

Sincerely,

B. Conable

Mr. William R. Pearce
Senior Vice President
CARGILL
Box 9300
Minneapolis, MN 55400

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 14, 1987

Dear Claiborne:

I have received your letters of December 2 recommending Mr. Andrew H. Oerke and Dr. Anita Thorhaug for consulting positions at the Bank.

In fact, we have received several letters of recommendation in connection with these individuals' abilities and, as a result, I have asked that updated resumes be forwarded to Mr. W. David Hopper, Senior Vice President, Policy, Planning and Research. Once their skills and experience have been matched against the Bank's consulting needs, your constituents will be contacted directly.

Thank you for taking the time to send me information on individuals who wish to consult for the Bank.

Sincerely,



The Honorable Claiborne Pell
United States Senate
Washington, D.C. 20510

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Character
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(FOR CASHIER'S USE ONLY)

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START
HERE

BOOK OF TWO CABLES

1) HIS EXCELLENCY
LI PENG, ACTING PREMIER
STATE COUNCIL
BEIJING, CHINA

2) INTBAFRAD
BEIJING, CHINA
ATTN.: MR. ED LIM--HAVE SENT FOLLOWING MESSAGE TO LI PENG
FOR H. E. LI PENG, ACTING PREMIER

I WAS PLEASED TO LEARN TODAY OF YOUR APPOINTMENT BY THE
STANDING COMMITTEE OF THE NATIONAL PEOPLE'S CONGRESS AS
ACTING PREMIER, AND EXTEND MY WHOLEHEARTED CONGRATULATIONS.
AS YOU BEGIN YOUR TENURE AS HEAD OF GOVERNMENT OF THE WORLD'S
MOST POPULOUS NATION, LET ME RECONFIRM THAT MY COLLEAGUES
AND I LOOK FORWARD TO CONTINUED COOPERATION AND ASSISTANCE
FOR THE DEVELOPMENT OF CHINA'S ECONOMY AND THE WELFARE OF
ITS PEOPLE. BEST REGARDS, BARBER B. CONABLE, PRESIDENT,
THE WORLD BANK.

END
OF
TEXT

PINK AREA TO BE LEFT BLANK AT ALL TIMES

INFORMATION BELOW NOT TO BE TRANSMITTED

CLASS OF SERVICE	TELEX NO.	DATE	11/25/87
SUBJECT: China: Congratulatory Greetings	DRAFTED BY: NA:PC:cdw/lgv	EXTENSION:	72639
CLEARANCES AND COPY DISTRIBUTION: cleared with & cc: Mr. Karaosmanoglu Mr. Merghoub cc: Messrs. M. Qureshi, Burki	AUTHORIZED BY (Name and Signature): Barber B. Conable	<i>for mail</i>	
	DEPARTMENT: President, World Bank		
SECTION BELOW FOR USE OF CABLE SECTION			
CHECKED FOR DISPATCH			

OFFICE MEMORANDUM

DATE: November 25, 1987

TO: Mr. Barber B. Conable

THROUGH: Mr. Moeen Qureshi

FROM: Attila Karaosmanoglu

EXTENSION: 72283

SUBJECT: CHINA: Appointment of New Acting Premier

1. Attached for your signature is a telex congratulating Mr. Li Peng on his appointment as Acting Premier of China. Li was elected to the Central Committee of the Party in 1982, and became a member of the Political Bureau and the Party Central Committee in 1985. This appointment is not unexpected, following the recent XIII Party Congress in early November.

2. Li Peng is well known to the Bank. He has served since 1983 as vice-premier and member of the Leading Group under the Party Central Committee in Charge of Finance and Economy, supervising the energy, raw materials and transportation sectors. His official biography published after the recent Party Congress notes the "rapid development in recent years in [these] sectors vital to the national economy". Since 1985, he has served as minister in charge of the State Education Commission, the paramount central body with which the Bank has an active and successful dialogue. He can be considered a cautious reformer, technically capable and open-minded. Under his leadership, we can look forward to solid progress on the on-going reform program, at a steady and prudent pace.

cc: Messrs. Burki (o/r), Stanton

PMCadario:pmc

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 7, 1987

Dear Mr. Pennant-Rea:

I want to thank you for remembering me at this very special time of year by sending me a personally inscribed "The Economist" Diary. I have enjoyed our association since joining the World Bank, and look forward to the opportunity to continue that association during 1988.

Best personal wishes.

Sincerely,



Mr. Rupert Pennant-Rea
The Editor
The Economist Newspaper Limited
25 St. James's Street
London SW1A 1HG
England

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

October 26, 1987

Dear Alan:

Thank you for sending me a personally inscribed copy of your book, "Government for the People." Your inscription is very nice, but gives me more credit than is deserved. I look forward to the opportunity to read this outgrowth of the Study Commission.

Thank you for thinking of me, dear friend. Best personal wishes.

Sincerely,



Mr. Alan Pifer
Southport Institute for Policy Analysis
Tide Mill Landing Building
2425 Post Road
Southport, Connecticut 06490

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 2, 1987

Dear Mr. Minister:

It is indeed good to know that you have been appointed Governor for Venezuela on the Board of Governors of The World Bank. Congratulations!

The Executive Directors, Officers and Staff, join me in extending to you a warm welcome. We look forward to your participation in the affairs of the Bank.

On a personal note, I hope to have the opportunity of greeting you here in Washington in the near future.

Sincerely,



Su Excelencia
Senor Modesto Freites Pinate
Ministro de Estado, Jefe de la
Oficina Central de Coordinacion
y Planificacion de la Presidencia
de la Republica
Ave. Lecuna, Torre Oeste, Piso 26
Caracas, Venezuela

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

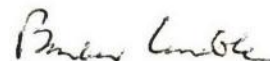
December 3, 1987

Dear Mr. Pokharel,

Mrs. Conable and I would like to express to you, your staff and the people of Shisuwa our great appreciation for the very kind and generous hospitality accorded us during our visit to the community forestry activities in the Panchayat on November 11, 1987. We were impressed by the development approach taken and by the efforts of the people.

We again thank you for your hospitality and wish you every success in your efforts.

Sincerely,



Mr. Bishnu Pokharel
Chairman
Forest Protection Committee
C/o District Panchayat Secretariat,
Forest Office, Pokhara, Kaski
Nepal

OFFICE MEMORANDUM

DATE: December 18, 1987

TO: Members of the Policy Committee

FROM: Barber B. Conable

EXTENSION: 72001

SUBJECT: Budget Framework

1. Following my examination of budget framework issues, I ask that you proceed along the following lines:
 - (a) annual reorganization cost savings of \$ 45 million remain the objective, but may not be fully achievable in FY89. I expect to review the detailed composition of reorganization savings and any lag in the recovery of direct reorganization costs in the next draft;
 - (b) two scenarios should be developed for further definition of the budget framework. The first scenario should be based on a no-growth assumption from the aggregate FY88 budget. The second scenario should reflect the high scenario in the Budget Framework Issues Paper.
2. While I consider these scenarios to be a good starting point, I will closely examine again assumptions within each scenario which affect the allocation of resources among services and complexes.
3. Considering the complexity of the issues involved and the tight schedule, you and your staff should collaborate with PBD to achieve a timely execution of the budget process. In particular, I expect your units to define specific priorities, identify key trade-offs and derive detailed implications of each scenario. Our ability to justify the budget will depend to a large extent on the quality of your inputs.
4. I have also requested PBD to prepare an issues paper on 'dollar budgeting' and budget incentives and processes for discussion at the Policy Committee in early 1988.

Barber B. Conable

OFFICE MEMORANDUM

DATE: December 10, 1987

TO: Members, Policy Committee

FROM: Barber B. Conable

EXTENSION: 72001

SUBJECT: POLAND--Country Strategy Paper

I am circulating with this note the Minutes of our discussion on November 25, 1987, on the Poland Country Strategy Paper.

Following the negative implications of the recent referendum in Poland, I do not wish to decide on a specific level of World Bank lending to Poland in FY88/89 at this time. I intend to review the scope and timing of the reform program as it unfolds over the coming months and discuss the matter again with the Policy Committee at the appropriate time.

Barber B. Conable

OFFICE MEMORANDUM

DATE: November 30, 1987

TO: Files

FROM: Marianne Haug, EXC

EXTENSION: 73585

SUBJECT: Minutes of the Policy Committee of November 25, 1987

Members Present

Messrs. Conable, Qureshi, Ryrie, Shihata, Stern, Wapenhans

Acting Members

Messrs. Choi, Rajagopalan

Other Staff Members

Messrs. Lari, Lav, Pohl, Stanton, Steer, Tanaka, Thalwitz
Mmes. Haug, Loos

Poland Country Strategy Paper

Mr. Conable opened the meeting by noting that Poland seemed to elicit enthusiasm from Bank staff as an opportunity was perceived to implement significant reforms. Mr. Thalwitz stressed that the Region realized that the task of implementing a reform program is a daunting one and recognized the difficulty of such task based on previous experience with injecting market mechanisms within a highly indebted socialist economy. Mr. Thalwitz perceived a window of opportunity, and pointed out that, while there is a recognition of the need for reform by Polish authorities, the political situation is fragile and the need for consensus with the population remains to be achieved. Mr. Lari agreed with Mr. Conable that a compounding issue is that the population may equate reform with higher prices.

Mr. Thalwitz mentioned that some European countries would favor the establishment of a program with Poland while France was currently more reluctant and the US ambivalent. Mr. Conable noted that the arrangement with the Paris Club had been favorably perceived.

Recognizing the considerable political uncertainty associated with any operation in Poland, Mr. Thalwitz stressed that the first operation would be contingent on the IMF reaching agreement with Polish authorities. The start of operations with Poland would be conditional on a letter of development policy and on more concrete sector policies. Mr. Thalwitz stressed that the Bank would not proceed until agreement is reached between Polish authorities and the IMF, and on the steps set out in p.15. Mr. Conable then enquired about the status of the IMF work. Mr. Thalwitz replied that a mission was just returning from Poland. Mr. Lari mentioned that while the mission had not yet a formal mandate to negotiate with Poland, it was very impressed by the courageous steps being considered in terms of price reform, budget policy, the phasing out of the central

allocation system, the reduction of the ministries and the role of the central bank. It was important now to focus on the means to reach the stated goals. An IMF mission would be returning to Poland in February, preferably with the Bank. The IMF would be considering a Stand-By of 50% of quota equivalent to US\$340 million. Mr. Lari mentioned that Polish authorities had stated that even in the absence of Fund financing, it would still be interested in a formal IMF presence and technical assistance. Mr. Lari also mentioned that the Polish government would like to complete Stand-By agreements during the first half of calendar 1988, although the second half of calendar 1988 appears as the more probable date. Timing would be determined by the outcome of the February mission.

Mr. Conable emphasized the issue of political sustainability of the reform program, particularly if reform is perceived by the population mostly in terms of price increases. Mr. Conable noted the role of the IMF, and stressed the need for strong commitment. Mr. Conable then addressed the issue of lending level, stating that while he could conceive an initial commitment of up to US\$250 million followed by a thorough review of reform progress, he would not like to commit the Bank to a larger longer-term program in Poland.

Mr. Wapenhans felt that the risks involved are considerable, particularly in terms of the sequencing and content of reforms. Mr. Wapenhans emphasized the importance of checking that reform implementation does occur in the short term, and pointed out that the shift from a central resource allocation system to a market driven system cannot be done in one step, and that the transition would be long. Mr. Wapenhans was also concerned about management behavior at the enterprise level and its capacity to adjust to an evolving economic environment. Mr. Wapenhans mentioned the case of Hungary, noting that substantial time is required to change behavior after decades of central management. Mr. Wapenhans stressed the importance of the IMF presence, and recommended that the program start slowly and pragmatically.

Mr. Rajagopalan considered that the paper contained strong measures and reflected the fragility of the reform program. Mr. Rajagopalan considered that the presence of the Bank and the IMF was necessary, and wondered about the timing of the Policy Committee discussion before the November 1987 referendum.

Mr. Stern agreed with Messrs. Wapenhans and Rajagopalan. Mr. Stern pointed out that Poland had announced a significant package of measures, but that its ability to hold the line remains questionable as the country would have to undergo a long program with austerity for several years. Mr. Stern then mentioned that Poland remained an uncertain borrower with a fragile political situation. There was not yet any new factor, including recent agreements with the Paris Club, to change its 3b creditworthiness rating. Mr. Stern noted in this respect that the rescheduling at the Paris Club reflected political decisions, and not a change in the country's creditworthiness. Mr. Stern considered that a negotiated agreement with the IMF should be obtained before starting operations, and that the amount should remain symbolic. Mr. Stern also mentioned the exposure issue in the light of the current situation with other Eastern European countries such as Romania and Yugoslavia. Mr. Stern

felt that the annual program should not exceed US\$250 million, and that disbursement speed should be carefully determined. Finally, Mr. Stern pointed out that Poland has the highest debt service in relation to convertible exports, and that relations with other creditors should consequently be clarified since Poland cannot rely on reschedulings and will require new money.

Mr. Shihata considered that the political sustainability of the reform program would depend on its timing and the extent of external support. Mr. Shihata felt that a symbolic intervention would not result in significant reform, and that a clear financing plan with strong creditor commitments is necessary. Mr. Shihata recommended that the IMF agreement should not be a cross conditionality, and that the decision to proceed should rely on the establishment of a firm financing plan.

Mr. Ryrrie mentioned that Poland was about to join IFC, and that IFC is currently exploring possibilities including joint ventures, loan financing for cooperatives and loan financing to small enterprises. Mr. Ryrrie perceived the foreign exchange risk to be a significant issue.

Mr. Thalwitz specified that the Region is seeking agreement for a first Bank operation once substantial agreement between Polish authorities and the IMF has been reached. Mr. Thalwitz requested some flexibility in the timing of the operation once it is believed that only administrative measures remain to be taken. Mr. Thalwitz emphasized the tentative nature of the US\$ 800 million program.

Mr. Conable enquired about the extent to which the government was upfront in the implementation of the reform. Mr. Lari responded that a key indicator would be the extent of changes during the first months of 1988. Mr. Lari pointed out that key players were not Party members and supported rapid implementation of measures. Mr. Lari noted also that a key issue in 1982 had been that measures had not been put upfront.

Mr. Conable then requested information on the upcoming activities and timetable. Mr. Lari responded that, if there is agreement to go ahead, the Region would be processing 2 projects, would participate in a joint mission with the IMF, and would pursue preparation of future projects.

Mr. Qureshi emphasized that it was important to act in a cautious and consistent manner considering the sensitivity of the situation and the difficulty of the program. Mr. Qureshi noted that Poland was seeking through this program a new approach and credibility with the international community.

Mr. Conable concluded the discussion by agreeing with an initial lending ceiling of US\$250 million per year. Mr. Conable stated that this did not imply an automatic increase of the program in later years and build up of expectations following an initial operation is to be avoided. Following the referendum, continuous analysis of the capacity to implement a reform program should be pursued.

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear  Mr. Porter:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
John Edward Porter
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 3, 1987

Dear Mr. Minister,

I would like first to express my great appreciation and that of Mrs. Conable for the very kind and generous hospitality accorded us during our recent visit to Nepal. We were greatly honored by our audiences with His and Her Majesties and were genuinely touched by the kindness of the many officials and citizens of Nepal with whom we made contact. We were also much impressed by the efforts of the people which we observed during our visits to various development sites in the Kingdom.

It was most kind of you to host a dinner for us and of His Majesty's Government to accommodate us and Mrs. Haug as its guests.

It was a particular pleasure to meet with you. I regard the discussions which Mr. Asanuma and I had with you and your ministerial colleagues to have been highly productive and congenial. I believe that these acquaintances and exchanges auger well for effective future relations between Nepal and the World Bank.

Again let me express our gratitude for all the kindnesses shown us during our stay.

Sincerely,



Hon'ble Minister for Finance and Industry
Mr. Bharat Bahadur Pradhan
Ministry of Finance
Kathmandu, Nepal

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Ms. Roberta Preston
c/o The World Bank
Room D 3085

Dear Ms. Preston:

I wish to offer you my congratulations on your election as Secretary of the Executive Committee of the Staff Association.

The Staff Association provides an invaluable service to Bank staff and management alike, as we strive to provide the best possible service to the Bank's member countries.

I look forward to working with you and your colleagues in the challenging year ahead.

Sincerely,



THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President


November 16, 1987

Dear Joel:

Your letter and the enclosed copy of the book, "Land Reform and Democratic Development," were received while I was out of the country visiting three of the Bank's member countries in Asia. This book deals with a number of issues that are of paramount concern to the World Bank, and I want to thank you for thinking of me. I have passed on the book to our Senior Vice President for Policy, Planning and Research, and expect it will become a valuable resource for Bank staff.

It was good to hear from you. Best personal wishes.

Sincerely,



The Honorable Joel Pritchard
Bogle & Gates
One Thomas Circle, N.W.
Suite 900
Washington, D.C. 20005

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Pye:

Thank you for your kind letter asking me to speak at the University's Management Briefings in Dallas on April 7 - 8, 1988.

As much as I would like to meet with you, I must decline. I will just have returned from a trip to Asia, and my calendar for the first days after my return is already extremely crowded.

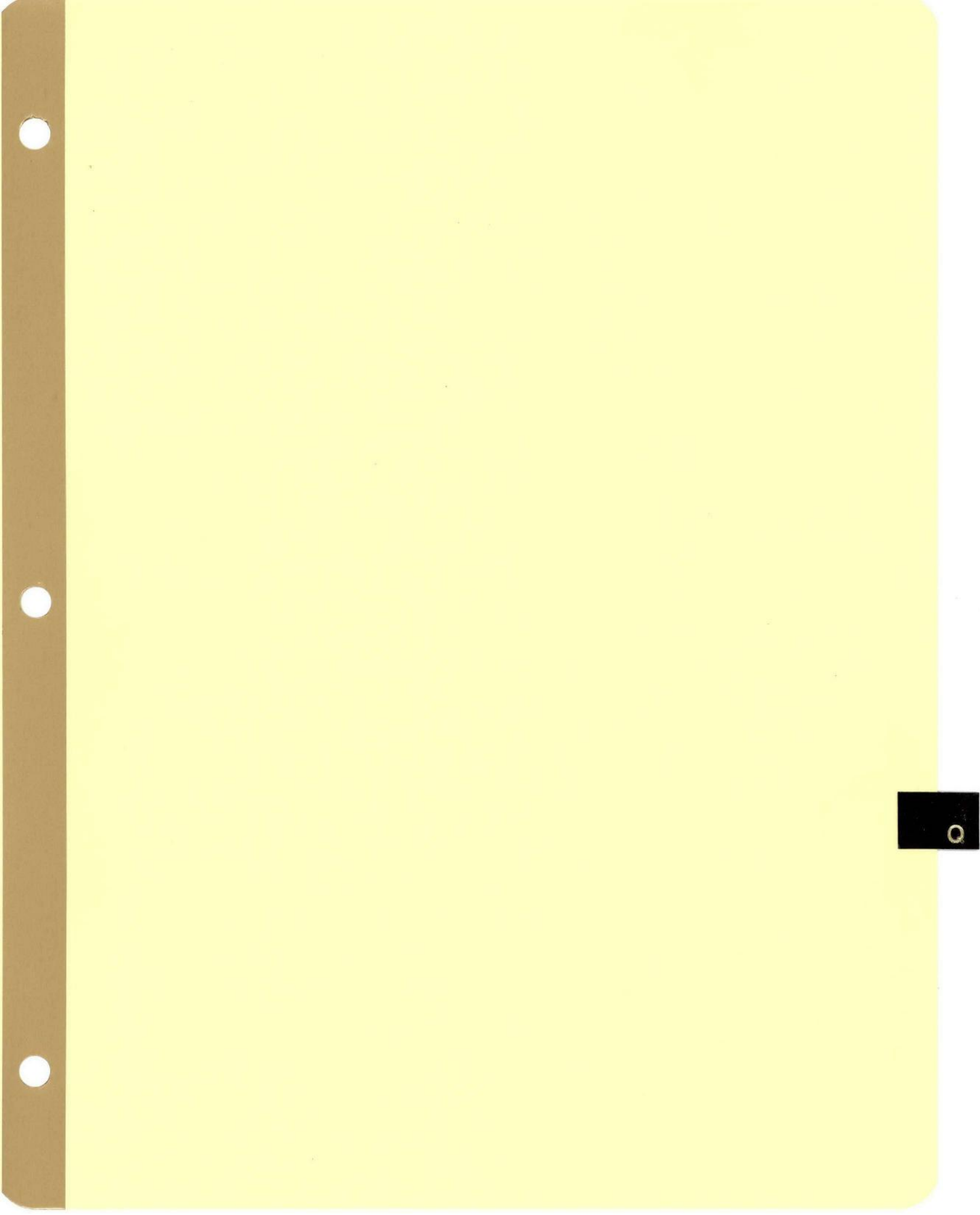
However, if you feel it appropriate and useful, I would be happy to arrange for a high-level representative of the World Bank to speak in my place. Please contact Ms. Sigrid Blobel at (202) 477-8825 if you would like to pursue this option.

Please accept my best wishes for a successful briefing series.

Sincerely,



Mr. A. Kenneth Pye
President
Southern Methodist University
Dallas, Texas 75275-0100



THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

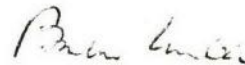
November 24, 1987

Dear Mr. Qadir:

On behalf of my wife and members of my entourage I would like to thank you for the excellent arrangements made during our recent visit to Lahore.

Your effective organization has permitted us to derive the greatest possible benefit from our short stay and learn something also of the history of your great city.

Sincerely,



Mr. Ghulam Qadir
Chief (Foreign Aid)
Government of Punjab
Lahore
Pakistan

cc: Mr. Khalid Javed
Chairman
Planning and Development Board
Government of Punjab
Lahore

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 30, 1987

Dear Mr. Qazi:

I am grateful to you for providing us the opportunity to visit the monumental Tarbela Dam Project. My wife and my associates were as impressed as I was by what we saw - a magnificent technical achievement combined with great scenic beauty.

Tarbela is of vital importance to the energy and irrigation sectors and to the overall economy of Pakistan. We, therefore, feel privileged to be associated with other donors in the realization of this project. I now understand that the installed power capacity of Tarbela, which is presently about one third of the total capacity in the WAPDA system, is going to be almost doubled through assistance from the ADB, CIDA and Germany during the next four years. The positive impact of this hydro project on the economy of Pakistan will, therefore, be further enhanced in the 1990s.

I regret that during my visit to Pakistan, I was unable to meet Lieutenant General (Retd) Zahid Ali Akbar Khan, Chairman, WAPDA, who was on assignment outside the country. My colleagues will have, no doubt, an opportunity to meet with him in the near future and further strengthen our cooperation with WAPDA. Through your good offices and a copy of this letter, I would like to extend my compliments and best wishes to the Chairman and hope that during his next visit to Washington he would find time to call on me.

I also take the opportunity of offering thanks to Mr. Chaudhry Abdul Rashid, General Manager (Tarbela) and Mr. Z.A. Jafferri, Deputy Director (Protocol), who made excellent arrangements for the visit to the Dam site and made it a memorable day for me and my wife.

My wife joins me in thanking you and Mrs. Qazi once again.

Sincerely,



Mr. Asif H. Qazi
Member (Water)
Water and Power Development Authority
Lahore

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

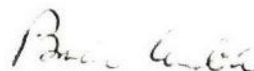
BARBER B. CONABLE
President

November 24, 1987

Dear Mr. Qazi:

On behalf of my wife and members of my entourage I would like to thank you for the excellent arrangements made during our recent visit to Karachi. The reception as well as the movements and security in Karachi were most effective. I have no doubt that without your personal efforts things would not have seemed as simple as they appeared.

Sincerely,



Mr. Umar Qazi
Chief (Foreign Aid)
Government of Sind
Karachi
Pakistan

cc: Mr. A.B. Soomro,
Additional Chief Secretary
Government of Sind
Karachi

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 30, 1987

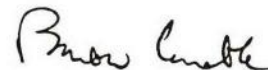
Dear Mr. Qureshi:

I wish to thank you personally and, through you, the officials of the Government of Punjab, for the most gracious hospitality accorded in Punjab to my wife and me and for the excellent arrangements for our visit. However short this visit has provided an opportunity to understand better the development problems facing your government. It has enabled me to see also some of the beneficial effects of the Bank's assistance to Punjab's own development efforts.

I would also like to thank you for the excellent dinner you kindly hosted in the historic setting of the Residence. This offered another occasion to meet with several prominent citizens of your Province.

I left your beautiful city with the impression that the on-going Lahore Urban Development Project being undertaken by the Lahore Development Authority and the Lahore Municipal Corporation will do much to improve the quality of life for the inhabitants of Lahore. I am confident that the proposed Punjab Urban Development and Water Supply Projects now in their final stage of preparation will also be instrumental in helping the local authorities in Lahore, Gujranwala, Sialkot and Multan work towards the betterment of these cities and their people.

Sincerely,



His Excellency Makhdoom Mohammad Sajjad Hussain Qureshi
Governor of the Punjab
Governor House
Lahore
Pakistan

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

Dear Mr. Qureshi:

Having now returned to Washington from my South Asia tour, I want to convey my special appreciation to you for the excellent arrangements made for my first visit to Pakistan. I know that much work and coordination efforts were required to prepare for this exercise and that your division, particularly Mr. Riaz ul Haq, Joint Secretary, has been principally responsible for the organization of my visit.

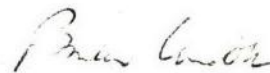
The program, as you are aware, was an intensive one. I am extremely satisfied that it could be fulfilled in its entirety. The implementation by all those concerned on the Pakistani side was as efficient as the preparation had been thorough. As a result I learned a great deal, despite the very short time available. I have seen tremendous accomplishments, observed some of the benefits derived from a long standing association between the Bank and Pakistan, and gauged also the magnitude of the challenge for the future.

Bank staff have dealt with you in your previous capacity and, among other things, successfully designed with your assistance and that of your colleagues in the department of Education, the largest primary education project that has ever been financed by the Bank. I am confident that the good cooperation which has prevailed in the past will be further enhanced with you at the head of the Economic Affairs Division. Your long experience in the Government of Pakistan, both at the provincial and federal levels, will be invaluable in helping us design our future programs in a responsive manner.

Difficult decisions have to be made and measures implemented in key policy areas of fiscal management and taxation, deregulation and trade liberalization, in the financial sector, in the commodity production sectors and in the social sectors. We shall continue to seek your advice in these matters.

My wife joins me in thanking you and Mrs. Qureshi for your most gracious and kind hospitality.

Sincerely,



Mr. Saeed Qureshi
Secretary
Economic Affairs Division
Government of Pakistan
Room 305, Block C
Pakistan Sectt.
Islamabad
Pakistan

cc: Mr. Riyazul Haque
Joint Secretary
Economic Affairs Division
Block C
Islamabad, Pakistan

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

Dear Mr. Secretary:

It is indeed good to know that you have been appointed Alternate Governor for Pakistan on the Board of Governors of The World Bank. Congratulations!

The Executive Directors, Officers and Staff join me in extending to you a warm welcome. We look forward to your participation in the affairs of the Bank.

On a personal note, I hope to have the opportunity of greeting you here in Washington in the near future.

Sincerely,



Mr. Saeed Ahmad Qureshi
Secretary
Economic Affairs Division
Ministry of Finance and
Economic Affairs
Secretariat Block "Q"
Islamabad, Pakistan

OFFICE MEMORANDUM

DATE: November 25, 1987

TO: Mr. Moeen Qureshi

FROM: Barber Conable *BBC*

EXTENSION: 72001

SUBJECT: GABON - Country Strategy Paper and SAL Initiating Memorandum

1. As I agreed with President Bongo of Gabon in August, we will initiate lending to Gabon with the preparation of a Structural Adjustment Loan.
2. Following the review of the Gabon-CSP and the SAL initiating memorandum, I would like you to proceed along the following lines:
 - (a) I agree to a loan size of US \$40 million. The size of the first tranche should reflect the upfront macro-economic and sectoral policy reforms to be achieved over and above the IMF reforms linked to standby programs, i.e., should not exceed \$10-15 million under present conditions.
 - (b) the loan conditionality and policy matrix to be developed is to include:
 - as upfront action and condition of first tranche release: agreement on a 3-year public investment program and implementation of initial measures on tariff, price/wage and parapublic enterprise reforms.
 - for release of the second tranche: substantial progress toward comprehensive price, tariff, parapublic enterprise and sub-sectoral reforms. Environmental issues and problems of disbursement control should also be addressed.
3. I suggest that you limit, in the coming months, staff input to the preparation and supervision of the proposed SAL. If appraisal, negotiations and first tranche release proceed satisfactorily, I would like to review with you again the size and composition of the FY89/90 lending program and its relation to continued progress under the SAL.

cc: Policy Committee Members
Mr. Jaycox

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

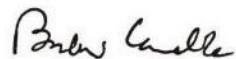
Dear Mr. Rachlin:

Thank you for your letter inviting me to be the principal speaker at a luncheon of the New York State Bar Association Section on International Law and Practice. I understand the luncheon is to be held in New York City on January 27th, 1988. As you know, Donald Day of Buffalo, an old friend and fellow Cornellian, has written me about this, as well.

As my assistant informed you, unfortunately it will not be possible for me to be in New York in late January. Since assuming the Presidency of the World Bank, I have done very little public speaking. This job has proven to be all-consuming, and my schedule is not my own. During the last week in January, I will be traveling to three of the Bank's member countries in Europe.

Your efforts to include are most appreciated. Best wishes for a successful meeting.

Sincerely,



Lauren D. Rachlin, Esquire
Chair
New York State Bar Association
International Law and Practice Section
One Elk Street
Albany, New York 12207

cc: Donald S. Day, Esquire

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 3, 1987

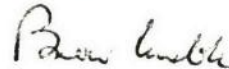
Dear Mr. Minister,

I would like first to express my great appreciation and that of Mrs. Conable for the very kind and generous hospitality accorded us during our recent visit to Nepal. We were greatly honored by our audiences with His and Her Majesties and were genuinely touched by the kindness of the many officials and citizens of Nepal with whom we made contact. We were also much impressed by the efforts of the people which we observed during our visits to various development sites in the Kingdom.

It was a particular pleasure to meet with you. I regard the discussions which Mr. Asanuma and I had with you and your ministerial colleagues to have been highly productive and congenial. I believe that these acquaintances and exchanges auger well for effective future relations between Nepal and the World Bank.

Again let me express our gratitude for all the kindnesses shown us during our stay.

Sincerely,



Hon'ble Minister for Panchayat and Local Development
Mr. Pashupati Shumsher Rana
Ministry of Panchayat & Local Development
Kathmandu, Nepal

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

Dear Mr. Reynolds:

The American Academy of Achievement, as you know, has invited me to be a guest of honor at the 27th annual Salute to Excellence weekend program in Nashville, Tennessee, June 20-July 2, 1988. As my assistant has informed you, unfortunately it will not be possible for me to join you because of previously-scheduled events that weekend.

I was truly honored to have been invited by your Golden Plate Awards Council members, Henry Rosovsky, William Simon, Paul Nitze, William Webster, Sol Linowitz and Daniel Boorstin, to participate in this special event. Best wishes for another successful and memorable weekend.

Sincerely,

Barber Conable

Mr. Wayne R. Reynolds
Executive Director
American Academy of Achievement
P.O. Box 548
Malibu, California 90265

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 23, 1987

Dear Mr. and Mrs. Rhee:

I want to thank you for your greeting and the very nice gifts which you left at my office. I'm glad you enjoyed your internship at the IFC last summer, and wish you well in your career and in your recent marriage. Please extend my thanks to your parents in Korea, as well.

Mrs. Conable joins me in sending best wishes for the Holidays and for your health and happiness in the New Year.

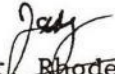
Sincerely,

Moon and Seung Sook Rhee
3534 N. Abingdon Street
Arlington, Virginia 22207

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr.  Rhodes:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
John J. Rhodes, III
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

Dear Abe:

Thank you for your letter in connection with Arthur H. House which arrived while I was in Asia.

After reading your assessment of Mr. House's qualifications and experience, I can understand your enthusiasm for recommending him for a high-level position at the Bank. Therefore, I have forwarded your letter to our Vice President, Personnel. Mr. House will be contacted directly in connection with his interest in employment at the Bank.

At the same time, it is important for him to understand our current hiring climate: over 500 people were affected by a reduction in force resulting from our recent, large-scale reorganization. While limited external recruitment will take place, every effort must be made to fill positions with staff already on board.

I appreciate your sending me information in connection with this highly qualified and talented individual and thank you for your interest in the Bank.

Sincerely,



The Honorable Abraham Ribicoff
425 Park Avenue
New York, New York, 10022

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

Dear Elliot,

Thank you for your letter of October 15, 1987 and for the attached copy of the report "A Success Vision: The United Nations of Tomorrow", which has been prepared under your leadership as Chairman of the United Nations Association of the United States. The report is constructive and thought-provoking, and is a timely contribution to the ongoing debate on reform of the United Nations. I am sure that concerned Bank staff will study the report with interest.

I commend your panel for an excellent job on what is indeed a very challenging subject.

Sincerely,



The Honorable Elliot L. Richardson
Chairman
United Nations Association
of the United States of America
485 Fifth Avenue
New York, New York 10017

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 20, 1987

Dear Don:

I am writing to report on our review of the procurement award by India Cements Ltd. for its Sangarnagar Works modernization project. As promised, I directed our procurement and legal experts to conduct a careful and thorough examination of the points raised by Mr. Elmer Gates, Chairman of Fuller International Inc., and his legal adviser. These Bank officials have carried out a careful analysis of the objections raised to the approval of the award.

It is the Bank's finding that the evaluation of proposals by a British consulting firm and award of the contract by the Indian borrower were in compliance with the accepted criteria and procedures outlined in the bidding documents and do not warrant a reversal of our "no objection" decision of September 29. The Bank's borrowers possess the primary responsibility for procurement decisions on their projects, while the Bank's responsibility is to determine that Bank-approved procedures and criteria are employed in making those decisions. In this case our legal and procurement experts examined carefully each of the objections raised by Fuller International, Inc. to the evaluation of the bids, and found that the decisions were appropriate and reasonable and in accordance with both the Bank's approved procedures and the terms of the bidding documents. The Bank's staff is prepared to discuss fully with officials of Fuller International and their representatives, if they so wish, all aspects of these objections and our review of them.

The initial commitment of payments by India Cements Ltd. to the successful bidder in early October was made after the Bank conveyed its "no objection" to the award to India Cements Ltd. on September 29, and thus was done quite properly. Had our review brought facts to light which put the award decision in question, the Bank would have retroactively reopened the "no objection" position. The review having confirmed the appropriateness of decisions taken by the borrower, the actions taken by India Cements Ltd. cannot be reversed.

The Honorable Don Ritter
November 20, 1987
Page -2-

We recognize the disappointment of any bidders who fail by such a narrow margin to receive a project award. Nevertheless, I hope that Fuller International will continue its interest in World Bank-supported projects despite the outcome of this bidding. U.S. companies have received \$3.8 Billion in disbursements in the past three years from their participation in such projects and will surely be successful on others in the future.

Sincerely yours,

The Honorable Don Ritter
US House of Representatives
Washington D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

The Honorable Ammar Rizvi
Minister, Parliamentary Affairs & Revenue
Uttar Pradesh Government
Lucknow, Uttar Pradesh

Dear Mr. Minister:

My wife and I want to express deep appreciation to you for making our visit to your great state as instructive as it was enjoyable. Your hospitality and kindness to us and our colleagues were exceeded only by the splendor of Uttar Pradesh's historical past.

It is hard to single out any one event in a program as rich as the one you had prepared for us. Nevertheless, the beauty of the Taj by full moon is a sight we shall never forget.

I would also like to thank you for the generous gifts presented to us.

I wish you and the people of Uttar Pradesh many years of plentiful rain.

With warm regards,

Sincerely,



cc: Mr. Rao Sahib
Executive Director, India

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 10, 1987

Dear Jim:

Since Dick Darman and his associate visited us last week to discuss the Developed Country LDC Debt Fund (DEVCO), my staff and I have gone over the prospectus with some care. I am enclosing a memorandum which contains the comments of knowledgeable people here about the proposal. We shall be happy to follow up with you on this in any way you deem appropriate.

The initiating role you have taken on this matter is greatly appreciated. We wish that more people were willing to participate as you have.

Best personal wishes.

Sincerely,



Mr. James D. Robinson, III
Chairman
American Express Company
American Express Tower
World Financial Center
New York, New York 10285-5100

COMMENTS ON THE PROPOSAL TO CREATE
THE DEVELOPED COUNTRY LDC DEBT FUND (DEVCO)

There are a number of issues which ought to be considered before proposing this approach more generally and these are listed below. We start with the three principal political ones:

1. The proposal assumes, on page 1, that DEVCO will purchase all outstanding sovereign debts of countries "traditionally recognized as the lesser developed debtor nations." The \$400 billion associated with that definition suggests that this includes not only highly-indebted middle-income countries but also other debtors who are not now in serious financial difficulties or face unmanageable balance-of-payments difficulties. A basic question is whether this kind of debt relief is to be offered to all indebted nations. If the answer is yes, it would carry major ramifications for long-term financial flows, even to countries which are able to service their debts. Since the proposal suggests that DEVCO would approach the debtor countries one at a time, it may be that the intention is to limit DEVCO's operations to debtors in serious financial difficulty. In that case, it is important to note that. It will reduce the financial requirements substantially and put the proposal in a very different context.

It should also be noted that there is a significant shift in the definition of eligible countries between page 1 and the proposed approach on page 2. On page 1, all indebted countries are included; on page 2, the emphasis is shifted to the large debtor-countries. If this proposal is to be used, it should be seen as politically relevant by as many potential donors as possible. It is important to include all heavily-indebted countries with outstanding financial obligations to private financial institutions, including such small countries as Costa Rica and Zambia.

It also would be important not to limit this exercise to financial institutions of the developed countries. Clearly they hold most of the debt under discussion, but the negotiations of many debt agreements have shown participations by banks in Korea, India, the Middle East, and many other countries, in significant amounts. There would be no reason to force those banks to accept exit bonds simply because of their geographic locations.

2. A major component of this proposal is its financial structure. It is assumed that \$20 billion of equity would be contributed by OECD sponsors; the balance is to be raised by the debt for debt swap. The sponsors would have two obligations: (i) to provide \$20 billion equity, and (ii) to underwrite the annual difference in payments received by DEVCO and payable by it to service its outstanding bonds. While it is recognized that there can be a trade-off between a higher initial equity base and the probability of having to pay for the annual shortfalls in receipts, it is unlikely that this uncertainty can be wiped out completely. This poses

major problems. First of all, in the U.S., it would seem doubtful that, in addition to the pending capital increase for the World Bank, the appropriations for IDA, the potential requirements of the IMF's SAF to which the U.S. already is unable to contribute at the moment, and the agreed contributions to the regional development banks, the U.S. would also be in a position to contribute a relevant share of the equity. Even if the Government of Japan were to take up a disproportionate amount, it seems unlikely that it, and other major capital market countries, would be willing to participate with the U.S. not sharing in the equity at all. A crucial first step, therefore, is to determine whether the U.S. is likely to be in a position to participate to any extent in the equity of DEVCO. A second equally important issue is the annual contributions for which "each country would be unconditionally liable." The U.S. has traditionally objected to variable obligations to be financed out of appropriations. To our knowledge, this position has not changed. But, even if it had, there remains a question of how the U.S. could ensure obtaining timely annual appropriations to meet such obligations.

3. The proposed operating procedures of DEVCO pose serious political issues. It is suggested that a group of economists from the donor countries be the ones to decide on the likely amounts of payments a debtor country can make. It will be extraordinarily difficult to decide on who these decision-makers are, first within their own countries and second, internationally. Moreover, these individuals would have extraordinary powers with little accountability. They will have to decide what is preferred credit and what is not; they would have to decide on priority in the use of foreign exchange; their judgment will drive the formulation of the overall adjustment program and its associated financial requirements. It seems unlikely that any debtor country would be prepared to put that kind of power in a group of economists in whose deliberations they do not participate. It is equally doubtful that banks would be prepared to leave the decisions on the discount to this group. Beyond that, it is not clear that the ability of DEVCO to take a "non-economic view" of a debtor-country situation would be seen as a plus by the creditor or the debtor community. If there were relatively few donors, the risk of a debtor country being unduly influenced by the views of its major creditor on political grounds would be great. For instance, a country like Chile would hardly welcome an institution which could take a non-economic view. For the donors, a "non-economic view" also is a dubious proposition, since it may lead to additional calls for budgetary support. A "non-economic view" easily becomes shorthand for "anything is negotiable."

These obstacles are noted in the annexes to the paper, but their importance may be underestimated. If the proposal is issued the way it stands, it is likely to lead to a major political confrontation with a number of the parties---not a result the Government of Japan would welcome.

Other points which should be dealt with include:

(4) The nature of the financial issue relationships which will be created by the DEVCO proposal. First, debtor countries to formally declare default on existing debt to those who do not wish to participate in the DEVCO scheme, and unilaterally decree the issuance of below par exit bonds. This will leave a very bad reaction in the market and will make the flow of new funds, at least for some time, unlikely. The underlying proposition which will have been given official support would be that under certain circumstance not determined by the creditors and debtor together but unilaterally, a country has a right to provide bonds at a lower face value than its current obligations without consequences. This legitimization of a unilateral write-off can be hardly seen as conducive to new capital flows or to a sensible evolution of the international capital market.

The alternative to this unilateral approach is to accept the DEVCO bond. But the price of that bonds is not to be settled by negotiations but will be based on non-market judgments of official economists with no participation by the commercial banks. Although the proposal cannot be seen as a bail-out, since it will cause the banks a substantial loss, it will clearly be seen as a socialization of the international debt. There will be no quick agreement on payment capacity, since that is not easily determined scientifically. Protracted political negotiations with both debtor and banks will result. The result would be governments telling banks what the value of their assets are, which will pose obligations for the regulatory authorities. And while they can be asked to be permissive over a ten-year period, nonetheless, basic elements of discipline will have been lost.

The contingent liability on interest payments on DEVCO's bonds will signal to the debtors that even at the agreed discount, indebted countries might not be servicing their debt. In the face of that very public recognition, one could not expect new senior capital to flow.

5. It is naive, as suggested on page 2, that because DEVCO would now own all of the debt to private financial institutions, it could make arrangements with debtor countries without "equitable or legal concerns regarding unequal treatment of similarly situated creditors." The basis for equal treatment may be different in DEVCO, but there is no question that if DEVCO were to start treating debtors differentially without explicit reasons, its ability to negotiate would be seriously eroded and it would be subject to very strong political pressures. The arguments that we see today that whether country A is entitled to exactly the same spread as country B will not disappear. DEVCO will not be able to have substantially different discounts without explanation and explicit criteria. What will happen is that the negotiating process will have been transferred from the private to the public sector with all the political issues accompanying such a shift.

6. It will also be very difficult for DEVCO to be seen as a serious institution in case of non-payment. The suggestion that DEVCO would take no further action on renegotiation without satisfactory demonstration of hardship provides an immense loophole. Since a small group of economist presumably has made the initial decision on payment capacity, it would be very easy to demonstrate that their judgment was wrong. It will lead to endless debate. In case of non-payment, the borrower will assume that this being an official bilateral institution, non-payment will be subject to political discussion. Borrowers will therefore not believe that there will be any retributive action, in case of non-payment. Indeed, for major borrower, that is likely to be right.

If DEVCO is to rely on the World Bank to make the decision on remedial action in case of non-payment, as the manager, the World Bank becomes the debt collector for the world. This is a position which the Bank cannot afford to sustain, since it has a very large exposure of its own in some countries.

7. In short, we would not believe that turning private debt into a publicly-owned debt by whatever mechanism is a desirable approach.

8. If, however, the Government of Japan is looking for opportunities, there are several approaches on a less grand scale which could be considered. First, defeasance of debt is a useful approach and can be done on a selective basis. It is not necessary after all to eliminate all of the debt in all countries. Careful analysis would indicate that in some countries a collateralized defeasance scheme could reduce cashflow requirements in the short-term, if the initial capital to purchase the sinking fund were available. If the Government of Japan wished, it could provide countries willing to do this, and under the right circumstances (i.e., an effective adjustment program in place), either unilaterally or in concert with a small number of other countries, funding for the zero coupons which would serve as collateral. If they are thought to be prepared to subscribe say \$7-10 billion of the DEVCO equity and underwrite \$0.5 billion of annual contingent liability, that same sum at current prices for dollar denominated zero coupons, would help to defease quite a lot of outstanding debt. The advantage would be that (i) it is a one-shot operation, requiring no mechanism after the initial negotiation; (ii) it will leave the instruments in private hands; (iii) the price in a market transaction would be determined; and (iv) it would provide significant current relief to the debtors. If Japan were to be joined in this effort by others, a very substantial amount of debt could be defeased and collateralized.


A second possibility would be for the Government of Japan to initiate, on a unilateral or multilateral basis, a supplemental guarantee fund in the World Bank. This fund could be used to enhance credit of renegotiated debt either in the form of exit bonds or instruments associated with collateralized defeasance schemes. Such a fund could also be utilized to make more extensive use of guarantees to promote new capital flows and help reduce interest rate risk through credit enhancement of swaps. Since the

risk of serious default would be limited, there is a substantial leverage implicit in any such guarantee fund. If the Japanese Government indeed has \$10 billion, and if it were joined by others, a substantial amount of credit enhancement would be possible.

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987


Dear Mr. Rodino:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Peter W. Rodino, Jr.
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 9, 1987

Dear Mr. Minister:

It is indeed good to know that you have been appointed Governor for Greece on the Board of Governors of The World Bank. Congratulations!

The Executive Directors, Officers and Staff, join me in extending to you a warm welcome. We look forward to your participation in the affairs of the Bank.

On a personal note, I hope to have the opportunity of greeting you here in Washington in the near future.

Sincerely,



His Excellency
Dr. Panagiotis Roumeliotis
Minister of National Economy
Ministry of National Economy
5 Nikis Street
105 63 Athens, Greece

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

Dear Mr. Minister:

I was very happy to learn of your
reappointment to the Board of Governors of The World
Bank as Governor for The Netherlands Congratulations!

On behalf of the Executive Directors,
Officers and Staff, I welcome your reappointment and
look forward to your continued participation in the
affairs of the Bank.

On a personal note, I hope to have the
opportunity of greeting you here in Washington in the
near future.

Sincerely,

Barber Conable

His Excellency
Dr. H. O. Ruding
Minister of Finance
Ministry of Finance
Casuariestraat 32
P.O. Box 20201
2511 VB The Hague
The Netherlands

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 18, 1987

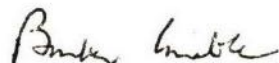
Dear Ms. Ruske:

Thank you for your letter of November 12 inviting me to be the banquet speaker at the NABW New York State Conference to be held in Buffalo on Monday, June 13, 1988.

Although I did a great deal of public speaking in my previous positions, my responsibilities as head of this international development institution leave few opportunities for such activities. Considerable travel is involved in my current role, making specific commitments of dates extremely difficult since my travel to the Bank's member countries is at the invitation of the governments involved.

I appreciate your efforts to include me on your conference program, and regret not being able to accept your kind invitation. Best wishes for a successful conference.

Sincerely,



Ms. Laura J. Ruske
National Association of Bank Women, Inc.
P.O. Box 722
Buffalo, New York 14240-0722

Office of the President

December 4, 1987

Note to Sir William Ryrle

Bill:

I have signed the documents on the proposed underwriting of the Brazil Fund to get Board approval for this operation in principal.

However, I wish to review the market situation and IFC participation at the time of SEC approval and before you agree to proceed.



Barber B. Conable

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

Nov. 20, 1957

Dear Mr. Rao Sahib,

Charlotte and I benefitted greatly from our trip to India, and your presence contributed no small part. It's a remarkable country, important to the Bank, and the support I felt with some of its top leaders was reassuring and I hope mutually beneficial. We thank you, dear friend, for your guidance and support, and send you our very best wishes.

Sincerely

Barber Conable

Mr. C.R.K. Rao Sahib

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 17, 1987

Dear Mr. Ambassador:

Many thanks for your thoughtfulness in sending me the Algerian wines which I received today. Mrs. Conable and I (not to mention the rest of our family) will certainly enjoy them during this holiday season.

It was kind of you to remember us, and we want to extend to you and your family our warmest wishes for a happy and prosperous New Year.

Sincerely,



His Excellency
Mohamed Sahnoun
Ambassador
Embassy of Algeria
2118 Kalorama Road, N.W.
Washington, D.C. 20008

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

Dear Governor:

It is indeed good to know that you have been appointed Governor for the Dominican Republic on the Board of Governors of The World Bank. Congratulations!

The Executive Directors, Officers and Staff join me in extending to you a warm welcome. We look forward to your participation in the affairs of the Bank.

On a personal note, I hope to have the opportunity of greeting you here in Washington in the near future.

Sincerely,



Senor Dr. Roberto Saladin
Gobernador
Banco Central de la Republica Dominicana
Apartado Postal No. 1347
Pedro Henriquez Urena esq.
Leo. Navarro
Santo Domingo, Dominican Republic

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

Dear Mr. Ambassador,

Thank you very much for your kind invitation to the benefit dinner/ball on the occasion of the 60th birthday of His Majesty King Bhumibol.

Unfortunately, I had already accepted another engagement on the same day and therefore regret that my wife and I will not be able to join you for the celebrations. Please convey our best wishes to His Majesty.

Warm personal regards,

Sincerely,



His Excellency
Arsa Sarasin
The Ambassador of Thailand
Embassy of Thailand
2300 Kalorama Road, N.W.
Washington, D.C. 20008

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 8, 1987

Dear Dr. Sarcinelli:

Thank you for your letter, dated November 3, 1987, regarding the subscription of Bank capital by Italy under the 1984 Selective Capital Increase (Resolution No. 395).

With respect to the subscription period for the shares allocated in the 1984 SCI, the Executive Directors approved, on October 27, arrangements to extend the subscription period. A copy of the minutes of that meeting is enclosed. Mr. Thahane, Vice President and Secretary, is writing to your Governor in the light of the decision.

We have already extended the terminal date for Italy's subscription under Resolution No. 395 to June 30, 1988. We also plan to propose to the Executive Directors shortly the extension through December 31, 1988 and expect a favorable consideration. We hope and expect that the legislation and subscription can be completed expeditiously before the end of 1988.

I would also like to take this opportunity to draw your attention to the importance of making arrangements for an early subscription of the shares allocated under Resolution No. 416 (adopted April 13, 1987). We count on Italy's continued support for us.

Sincerely,



Enclosure

Dr. Mario Sarcinelli
Direttore Generale del Tesoro
Ministero del Tesoro
Via XX Settembre 97
I-00187 Rome, Italy

cc: Dr. Carlo Azeglio Ciampi
Governatore
Banca d'Italia
Via Nazionale, 91
I-00184 Rome, Italy



Record Removal Notice

File Title President Barber Conable Chronological Records - Outgoing - Correspondence - M-Z - November 1 - December 31, 1987	Barcode No. 1782778
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Document Date Nov 12, 1987	Document Type Board Record
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Correspondents / Participants

Subject / Title
 M87-48 (Rev.)/1
 IDA/M87-47 (Rev.)/1
 Minutes of Meeting of the Executive Directors of the Bank and IDA held in the Board Room on October 27, 1987 at 10:30 a.m.

Exception No(s).

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 10 A-C
 10 D
 Prerogative to Restrict

Reason for Removal
 Board Record

Additional Comments
 Declassification review of this record can be initiated upon request

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 Chandra Kumar	Date Aug 6, 2014
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THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Sawyer:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Thomas C. Sawyer
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr.  Scheuer:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

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Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



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

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Ms. Randi Selehdar
c/o The World Bank
Room S 4-063

Dear Ms. Selehdar:

I wish to offer you my congratulations on your election as First Vice Chair of the Executive Committee of the Staff Association.

The Staff Association provides an invaluable service to Bank staff and management alike, as we strive to provide the best possible service to the Bank's member countries.

I look forward to working with you and your colleagues in the challenging year ahead.

Sincerely,

Barber B. Conable

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Ms. Selehdar:

Pursuant to Section 7.9 of the Staff Retirement Plan, I should like to appoint you, upon nomination of the Staff Association, a member of the Pension Benefits Administration Committee, for a term of one year, effective immediately.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. James R. Boucher, the Assistant Secretary of the Pension Benefits Administration Committee.

Sincerely,



Ms. Randi Selehdar
Industry & Energy Dept.
Room S-4063

Attachment:

OFFICE MEMORANDUM

DATE: December 18, 1987

TO: Members of the Senior Management Council

FROM: Barber B. Conable

EXTENSION: 72001

SUBJECT: Delegation of Authority

During my absence on annual leave from December 21 through December 31, Mr. Ernest Stern will be acting as President of the Bank.

Barber Conable

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

The Honorable Peter Shack, M.P.
Federal Member for Tangney
Suite 8, Gateway
Melville City Centre
Booragoon, W.A.
Australia

Dear Mr. Shack:

Thank you for your letter of September 1, 1987, expressing your support for the World Bank's efforts to help the world's poor. I would like to address the topics you raised point by point.

First, the World Bank has adopted a new, more operational approach to women in development. It concentrates on demonstrating what can actually be done to involve women more effectively in development, and how such involvement contributes to economic performance and poverty alleviation. Our recently established Women in Development Division will pursue this approach through a variety of means, including working closely with women's organizations in developing countries.

Second, your letter refers to our plans for increasing investments in the future productivity and well-being of the people of the developing world through increased lending for primary health care and primary education. However, we are also aware that increased Bank lending alone is not enough. Inefficient use of existing resources often hampers efforts to reach the poor. The Bank's goal is to increase access for the poor to basic health and education services, both by increasing our lending in these areas and by encouraging adjustment programs to improve the efficiency with which resources are used in the social sectors.

Third, as you suggest, our approach to adjustment programs is being modified as we learn more about how to protect the interests of the poor. Many Bank-supported programs include specific measures to protect the poor from the adverse consequences of adjustment, and our lending for social programs is increasingly targetted to reach the poor. We have also undertaken a broad research program on the impact of structural adjustments on the poor, which I hope will allow us to improve our adjustment programs further.

The Bank's increasing concern for the environment prompted the creation of a new Environment Department as well as Environment Units in each of the four regional complexes. The thrust of the work program is (a) to lay the basis for integrating environmental and natural resource management into the highest levels of country economic planning, (b) to improve the way in which environmental aspects of individual projects are handled, and (c) to encourage increased Bank investment in projects or programs that directly address major areas of environmental concern.

I share the view that non-governmental organizations often have a comparative advantage by virtue of their grassroots involvement with the poor. We already have underway a variety of efforts to involve these organizations in Bank-supported programs, and we are exploring additional means to take advantage of their unique outreach capacity.

In sum, I hope that the various new initiatives undertaken in the context of the Bank's recent reorganization will improve our strength in the battle against poverty. None of these initiatives should be judged in isolation. Thus, the percentage of the Bank's lending which is directly poverty-oriented is but one indicator of our efforts to reach the poor. Virtually all of our projects--whether for agriculture, water supply, electric power, roads, health, education, or any of a number of other sectors--help, directly and indirectly, to improve the living conditions of the poor. Our lending for projects as well as for growth-oriented adjustment, our research program, and our increased focus on women in development, the environment, and non-governmental organizations are all part of our overall efforts to improve the living conditions of the world's poor.

I am grateful for your interest in this endeavor.

Sincerely,



Barber B. Conable
President

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

Dear Mr. Shah:

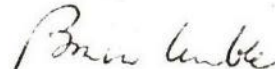
I want to thank you for the kind and warm hospitality extended to my wife and myself on the occasion of my first visit to Sind and to Pakistan. I would like also to convey through you my congratulations to all those in your Government who have contributed to the excellent arrangements for my visit to Karachi. It could not have been possible to provide better organization and make my short stay more interesting and informative.

Despite obvious time limitations I have been able to learn a great deal about the accomplishments of the Province of Sind and also about the formidable challenges you face. I was happy to observe also some of the beneficial effects of our cooperation in particular within the framework of the Karachi Special Development Project. I wish to reiterate, on this occasion, the Bank's readiness to continue assisting the provincial and municipal authorities in their development efforts.

I look forward to our future association and our common goals of poverty alleviation in the rural and urban areas of the Province.

Thank you again for your generous hospitality.

Sincerely,



His Excellency Syed Ghous Ali Shah
Chief Minister
Province of Sind
Chief Minister House
Dr. Ziauddin Ahmed Road
Karachi
Pakistan

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Mr. Mohammed Taqi Sharif
c/o The World Bank
Room N 6053

Dear Mr. Sharif:

I wish to offer you my congratulations on your election as Treasurer of the Executive Committee of the Staff Association.

The Staff Association provides an invaluable service to Bank staff and management alike, as we strive to provide the best possible service to the Bank's member countries.

I look forward to working with you and your colleagues in the challenging year ahead.

Sincerely,

Barber Conable

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

Dear Mr. Sheikh:

On behalf of my wife and members of my entourage I would like to thank you for the excellent arrangements made during our recent visit to Lahore including the visit to the Badshahi Mosque and Lahore Fort. We found the presentation by the officials of the Archaeological Department extremely interesting and are grateful to them for having provided us with an opportunity to learn about the history of your beautiful city.

Sincerely,



Mr. Ghafoor Sheikh
Assistant Chief (Foreign Aid)
Government of Punjab
Lahore
Pakistan

cc: Mr. Khalid Javed
Chairman
Planning and Development Board
Government of Punjab
Lahore

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 8, 1987

Dr. James A. Sherburne
Coordinator
International Natural Resources
and Agricultural Programs
University of Maine
College of Forest Resources
206 Nutting Hall
Orono, Maine 04469-0125

Dear Dr. Sherburne:

Thank you very much for your letter of November 20. I am grateful to you for your general remarks on our new environment policy. Responses to your specific queries are as follows:

- (1) The expansion of World Bank environmental staff will include various disciplines including ecology, economics and anthropology; typically they will be mid-career professionals.
- (2) Responsibility for review of individual projects will be with the new environment divisions, which are located in each of the four regional vice presidencies. Consideration of environmental aspects takes place at all stages of the project cycle, from initial identification through to post evaluation.
- (3) The procedure indicated in (2) will be established as a matter of routine.
- (4) World Bank projects have to meet economic, technical, financial, social, and administrative, as well as environmental criteria. One objective of the new structure is to ensure that environmental issues are given as much weight as other elements in the project evaluation process.

- (5) We have estimated that about 1500 World Bank financed development projects have had environmental components included in them. These include pollution control measures as well as components designed to ameliorate the environmental consequences of large dams and rural development schemes.

For your information, I am enclosing three documents which may be of interest to you. First is a paper that we prepared for the Development Committee in April of this year; second, a speech I gave at the World Resources Institute in May; and third, a short note which gives little more detail on recent organizational developments. I trust you will find these of help to you.

Sincerely,



Barber B. Conable
President

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 3, 1987

Dear Mr. Shrestha,

Mrs. Conable and I would like to express to you and your staff our great appreciation for the very kind and generous hospitality accorded us during our visit to the cottage industry activities in Pokhara on November 11, 1987. We were impressed by the approach taken and by the efforts of the entrepreneur and his staff.

We again thank you for your hospitality and wish you every success in your efforts.

Sincerely,



Mr. D.P. Shrestha
Deputy Project Manager
CSI Project Office
Nepal Rastra Bank
Pokhara, Nepal

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 3, 1987

Dear Rt. Honorable Prime Minister,

I would like first to express my great appreciation and that of Mrs. Conable for the very kind and generous hospitality accorded us during our recent visit to Nepal. We were greatly honored by our audiences with His and Her Majesties and were genuinely touched by the kindness of the many officials and citizens of Nepal with whom we made contact. We were also much impressed by the efforts of the people which we observed during our visits to various development sites in the Kingdom.

It was a particular pleasure to meet with you. I regard the discussions which Mr. Asanuma and I had with you and your ministerial colleagues to have been highly productive and congenial. I believe that these acquaintances and exchanges auger well for effective future relations between Nepal and the World Bank.

Again let me express our gratitude for all the kindnesses shown us during our stay.

Sincerely,



Rt. Hon'ble Prime Minister
Mr. Marich Man Singh Shrestha
His Majesty's Government
Kathmandu, Nepal

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 14, 1987

Dear Mr. Secretary:

I enclose a copy of a letter from Mr. Wollie Chekol, Minister of Finance of the People's Democratic Republic of Ethiopia, the official channel of communication between the Government of Ethiopia and the Bank, requesting you to extend to Mr. Mitiku Jembere, Executive Director in the International Bank for Reconstruction and Development, the privileges and immunities accorded to officials of Specialized Agencies referred to in paragraph 4, Section 15, Article V of the Headquarters' Agreement between the United Nations and the United States.

As President of the Bank, I shall have no objection in the event you decide to accede to this request.

Sincerely,

Barber Conable

Enclosure

The Honorable George P. Shultz
Secretary of State
Department of State
Washington, D.C. 20520

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 7, 1987

Dear Mr. Secretary:

I am writing to request your review of the Department of State's position regarding the issuance of multiple entry visas to Libyan officials and staff of the World Bank and the IMF.

The current Libyan Alternate Executive Director of the Bank has a G-4 visa restricted to a single entry, requiring him to apply for a re-entry visa prior to each departure from the United States. This usually takes about two weeks, I am told, making it difficult for him to undertake official missions on short notice. He has been here at the World Bank since 1982, and has not had this restriction before. The normal practice is for Bank officials and employees to hold multiple entry visas.

I share the concern about any threat to U.S. national security and would be sensitive to any evidence that Bank employees are engaged in illegal activities. I am also concerned that this Libyan official of the Bank be allowed to function in his job as are our other member country representatives.

Your consideration of this request is greatly appreciated.

Sincerely,



The Honorable George P. Shultz
Secretary of State
U.S. Department of State
Washington, D.C. 20520

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

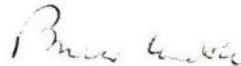
Dear Mr. Siddiqui:

I wish to express my sincere thanks to you, and your staff (particularly Mr. Ghulam Shabbar Siddiqui, Chief Engineer, and Mr. Shahid Saleem, Director, Katchi Abadis) for arranging a most informative tour of the two Katchi Abadis.

The tour, although much shorter than we would have liked, provided us a unique opportunity to see both developed and undeveloped parts of Katchi Abadis and the immense problems facing your Corporation in bringing services to the residents. I was very much impressed by the enthusiasm of the local population and I would be thankful to you if you could convey our gratitude to the citizens of those areas.

I am sure that your efforts will soon improve the quality of life in those Katchi Abadis being supported by the Karachi Special Development Project (Credit 1652-PAK). I wish you well in this important work.

Sincerely,



Mr. Saeed A. Siddiqui
Administrator
Karachi Metropolitan Corporation
M.A. Jinnah Road
Karachi

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Dear Mr. Siemens:

Pursuant to Section 7.9 of the Staff Retirement Plan, I should like to appoint you, upon nomination of the Staff Association, a member of the Pension Finance Committee, for a term of one year, effective immediately.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. Nestor V. Santiago, the Secretary of the Pension Finance Committee.

Sincerely,



Mr. Oltmann G. Siemens
Senior Counsel, Legal Department (IFC)
Room I-12-115

Attachment:

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 17, 1987

Dear Mr. Secretary-General:

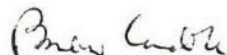
It is indeed good to know that you have been appointed Alternate Governor for Algeria on the Board of Governors of The World Bank.

Congratulations!

The Executive Directors, Officers and Staff, join me in extending to you a warm welcome. We look forward to your participation in the affairs of the Bank.

On a personal note, I hope to have the opportunity of greeting you here in Washington in the near future.

Sincerely,



Monsieur Mokdad Sifi
Secrétaire Général
Ministère des Finances
Immeuble Mauritanie
Place du Pérou
Algiers, Algérie

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Sikorski:

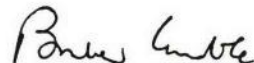
Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Gerry Sikorski
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

Dear Mr. Secretary:

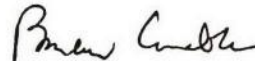
On behalf of the Executive Directors, Officers and Staff, I would like to express our pleasure at your reappointment to the Board of Governors of The World Bank as Alternate Governor for Thailand.

Congratulations!

We look forward to your continued participation in the affairs of the Bank.

On a personal note, I hope to have the opportunity of greeting you here in Washington in the near future.

Sincerely,



Dr. Panas Simasathien
Permanent Secretary
Ministry of Finance
Grand Palace
Na Pra Lan Road
Bangkok 10200, Thailand

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 5, 1987

Dear Ms. Sinclair:

I want to thank you for your very nice letter, following my visit to Canada early last month. I enjoyed having the opportunity to address the Canadian Club, and appreciated your personal efforts in making the necessary arrangements for my visit.

My position at the World Bank offers a unique opportunity to be useful on a global scale. It takes many people serving, at various levels and in different capacities, to tackle the problems of the world, however. Public service is a wonderful thing, and it has as its reward the knowledge that we can make a difference.

Again, my thanks and best wishes.

Sincerely,



Ms. Sonja Sinclair
President, Canadian Club of Toronto
c/o Price Waterhouse
Box 51
Toronto-Dominion Centre
Toronto, Ontario M5K 1G1
Canada

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Smith:

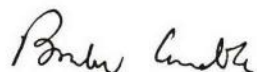
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Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Robert C. Smith
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

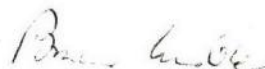
November 24, 1987

Dear Mr. Soomro:

It was a great pleasure meeting you on the occasion of my visit to Pakistan. I am aware that you have been chiefly responsible for the organization of my visit to Karachi and I want to express my appreciation for the excellent arrangements made throughout. I know also that you are the Bank's normal interlocutor in the Government of Sind. Your guidance and assistance are highly valued by my associates. I am sure your continued personal involvement will be a great help in strengthening the partnership between the Bank, the Province of Sind and Pakistan.

Thank you again for your cooperation.

Sincerely,



Mr. A.B. Soomro
Additional Chief Secretary
Planning and Development Department
Government of Sind
Tughlaq House
Karachi
Pakistan

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 20, 1987

Dear Arlen:

I am writing further to report on our review of the procurement award by India Cements Ltd. for its Sangarnagar Works modernization project. As promised, I directed our procurement and legal experts to conduct a careful and thorough examination of the points raised by Mr. Elmer Gates, Chairman of Fuller International Inc., and his legal adviser. These Bank officials have carried out a careful analysis of the objections raised to the approval of the award.

It is the Bank's finding that the evaluation of proposals by a British consulting firm and award of the contract by the Indian borrower were in compliance with the accepted criteria and procedures outlined in the bidding documents and do not warrant a reversal of our "no objection" decision of September 29. As indicated to you earlier, the Bank's borrowers possess the primary responsibility for procurement decisions on their projects, while the Bank's responsibility is to determine that Bank-approved procedures and criteria are employed in making those decisions. In this case our legal and procurement experts examined carefully each of the objections raised by Fuller International, Inc. to the evaluation of the bids, and found that the decisions were appropriate and reasonable and in accordance with both the Bank's approved procedures and the terms of the bidding documents. The Bank's staff is prepared to discuss fully with officials of Fuller International and their representatives, if they so wish, all aspects of these objections and our review of them.

The initial commitment of payments by India Cements Ltd. to the successful bidder in early October was made after the Bank conveyed its "no objection" to the award to India Cements Ltd. on September 29, and thus was done quite properly. Had our review brought facts to light which put the award decision in question, the Bank would have retroactively reopened the "no objection" position. The review having confirmed the appropriateness of decisions taken by the borrower, the actions taken by India Cements Ltd. cannot be reversed.

The Honorable Arlen Spector
November 20, 1987
Page -2-

We recognize the disappointment of any bidders who fail by such a narrow margin to receive a project award. Nevertheless, I hope that Fuller International will continue its interest in World Bank-supported projects despite the outcome of this bidding. U.S. companies have received \$3.8 Billion in disbursements in the past three years from their participation in such projects and will surely be successful on others in the future.

Sincerely yours,

Bruce Knoble

The Honorable Arlen Spector
United States Senate
Washington D.C. 20510-6075

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Dear Mr. Stepan:

Thank you so much for your kind invitation to deliver the keynote address at your Career Development Seminar in Washington, D.C. in January.

Unfortunately, I have to decline. My current responsibilities as head of the World Bank greatly restrict the time I can devote to outside speaking engagements. I hope you understand the constraints on my time, and please accept my best wishes for a successful seminar.

Sincerely,



Mr. Alfred C. Stepan, Dean
Professor of Political Science
School of International and Public Affairs
Columbia University
420 W. 118th Street
New York, N.Y. 10027

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Dear Mr. Chairman:

Thank you for your letter regarding the illegal ivory trade in Africa.

As you indicate, the World Bank is placing increased emphasis on the effects of environmental considerations in economic development. We recognize that strong environmental conservation is central to sound development and we have formed an Environment Department and regional environmental units to deal with environmental concerns throughout our work.

The Bank shares your concern about the problem of illegal trade in ivory and the serious threat which this presents to elephant populations. Our institution is committed to preservation of biological diversity and this is a major responsibility of the Environment Department and regional units. In line with this commitment we recently supported a resolution urging compliance with the Endangered Species Convention (CITES); the resolution was adopted at the International Symposium on Wildlife Management in Sub-Saharan Africa held in Zimbabwe in October.

Concerning the issue of illegal ivory trade through Burundi, we are pleased to inform you that following the change in leadership in that country the Council of Ministers took early action to ban the illegal trade. This action was confirmed to our staff during policy discussions in October. In follow up discussions we have informed the Embassy of Burundi of your interest in the issue.

Some policy questions remain concerning the appropriate role of international institutions in acting upon agreements to which they are not party. Happily, in this particular case we were in a position to raise this issue, and we are pleased that the government involved has agreed to cooperate with the international community in halting such practices.

Sincerely yours,



Honorable Gerry E. Studds
Chairman, Subcommittee on Fisheries and Wildlife
Conservation and the Environment
U.S. House of Representatives
Room 237 Cannon House Office Building
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

Dear Mr. Syeduzzaman:

Thank you for your letter of November 3, 1987. I completely understood the circumstances which made my visit to Bangladesh inadvisable at this time. The urgent domestic matters confronting your Government deserve your undivided attention, and it will be possible for me to visit Bangladesh some other time when we can concentrate totally on Bank-Government cooperation. It was thoughtful of you to suggest that we should optimize the chances for a totally satisfactory visit.

I want to take this opportunity to congratulate the Government on its quick and effective response to the recent floods. I understand from staff recently returned from Dhaka that necessary emergency measures have been taken and efforts are underway to begin rehabilitation of damaged infrastructure. As you know, we are now working on a variety of approaches whereby IDA can assist the Government's rehabilitation efforts.

Best wishes.

Sincerely,



Mr. M. Syeduzzaman
Minister of Finance
Ministry of Finance
Government of the People's Republic of Bangladesh
Dhaka

T

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 30, 1987

Dear Mr. Tabani:

Having now returned to Washington, I want to express my gratitude for the gracious hospitality extended to my wife and me during our visit to Karachi.

I want to thank you especially for having hosted a luncheon for me where I was able to meet, albeit too briefly, a large number of high level officials, prominent citizens and leaders of the private sector. This gave me an opportunity to form a better idea of the achievements and aspirations of the Province of Sind, and also to appreciate somewhat more directly the difficulties you face.

Karachi was our first point of entry into and point of departure from Pakistan. On both occasions I was deeply touched by the warm welcome my entourage and I received from everyone in your great city. I was impressed also by the excellent arrangements made for my two short stays. Please convey my thanks and congratulations to all those, in the government of Sind as well as the municipal authorities of Karachi, who contributed to making my visit both productive and enjoyable.

Sincerely,

Barber Conable

His Excellency Ashraf Tabani
Governor
Province of Sind
Governors House
Aiwan-a-Sadar Road
Karachi
Pakistan

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 4, 1987

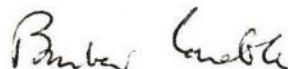
Excellency:

On behalf of my colleagues in the World Bank, I would like to congratulate you on your election as Prime Minister of Japan and wish you every success in this challenging opportunity to serve your country and the international community. We look forward to working with you and the distinguished members of your Cabinet on matters of development.

It is my hope that under your leadership Japan will continue to strengthen its presence in the Bank Group. The powerful example of Japan's own recovery in the last forty years inspires us when facing the daunting tasks of development today. You come into this high office at a time when the tremendous resources and the technology of Japan can be crucial to the survival of the poorest countries and to the continued growth prospects in the developing world.

With best regards,

Yours sincerely,



His Excellency
Mr. Noboru Takeshita
Prime Minister of Japan
1-6-1 Nagata-cho
Chioda-ku
Tokyo 100
JAPAN

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 22, 1987

Dear Miss Thomas:

Thank you for your December 10 letter which expressed your interest to work as an intern at The World Bank.

I am enclosing a Personal History Form to be filled out and returned to The World Bank, Summer Employment Program, Staffing Division, PMD, Washington, D.C., 20433. Also enclosed is a fact sheet for your convenience. Please note that the deadline for receipt of applications is March 31, 1988.

Thank you for your interest in the Bank and its work.

Sincerely,

Barber Conable

Attachment

Miss Kirstin A. Thomas
239A Quinby Road
Rochester, New York, 14623

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Dear Congressman Thomas:

Thank you for your letter regarding the illegal ivory trade in Africa.

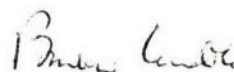
As you indicate, the World Bank is placing increased emphasis on the effects of environmental considerations in economic development. We recognize that strong environmental conservation is central to sound development and we have formed an Environment Department and regional environmental units to deal with environmental concerns throughout our work.

The Bank shares your concern about the problem of illegal trade in ivory and the serious threat which this presents to elephant populations. Our institution is committed to preservation of biological diversity and this is a major responsibility of the Environment Department and regional units. In line with this commitment we recently supported a resolution urging compliance with the Endangered Species Convention (CITES); the resolution was adopted at the International Symposium on Wildlife Management in Sub-Saharan Africa held in Zimbabwe in October.

Concerning the issue of illegal ivory trade through Burundi, we are pleased to inform you that following the change in leadership in that country the Council of Ministers took early action to ban the illegal trade. This action was confirmed to our staff during policy discussions in October. In follow up discussions we have informed the Embassy of Burundi of your interest in the issue.

Some policy questions remain concerning the appropriate role of international institutions in acting upon agreements to which they are not party. Happily, in this particular case we were in a position to raise this issue, and we are pleased that the government involved has agreed to cooperate with the international community in halting such practices.

Sincerely yours,



Honorable Lindsay Thomas
U.S. House of Representatives
431 Cannon House Office Building
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Thomas:

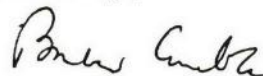
Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Robert Lindsay Thomas
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

My Dear Friend:

Thanks to you and the efforts of your able officers, I was able to learn a great deal about your vast and exciting country within a very short time. The development challenge that you face is immense. The progress you have made to date is exciting and I take pleasure in knowing that the Bank has contributed to that progress. I assure you that we will continue to do so.

I also understand much better now the complexity and magnitude of your own responsibilities, and I admire your commitment to the long hours and diversity of your complicated duties.

I am very grateful to your Government for the special arrangements made for our flights in India, as well as for our flight to Nepal. In terms of service and punctuality, the Air Force compares favorably with most commercial airlines, and without their help we would never have gotten to know India as well as we did.

Charlotte joins me in extending to you and your wife our deep appreciation for your hospitality. We shall also treasure the exquisite gifts that were presented to us.

I am glad that we shall be able to continue our partnership in development in a renewed spirit of friendship.

Sincerely,



His Excellency
N. D. Tiwari
Union Minister for Finance
Ministry of Finance
North Block
New Delhi, India

cc: Mr. Rao Sahib
Executive Director, India

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Towns:

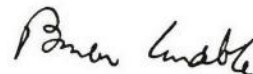
Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

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Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Edolphus Towns
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

Dear Roger:

I am glad to know the Eighth District Dental Society is honoring Pete Mulcahy. Everybody in our area has benefited from Pete's community spirit over the years. As a matter of fact, he would be entitled to a citizenship award, a character award, a friendship award and a good judgment award, in the same sense that he is highly qualified for professional recognition.

Please give Pete my very best wishes, along with the congratulations and outpouring of friendship he can expect at a time like this.

Sincerely,



The Honorable Roger W. Triftshauser
Suite 105
Mancuso Theatre Building
212 East Main Street
Batavia, New York 14020

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

The Honorable R. K. Trivedi
Governor to the State of Gujarat
Raj Bhawan
Gandhinagar, Gujarat

Dear Governor Trivedi:

I am writing, upon my return from a memorable first trip to India, to thank you and your colleagues in the State Government for the warm reception and outstanding arrangements for my visit to Gujarat. It was one of my first contacts with India outside New Delhi, and I have retained a vivid impression of the tough problems -- both short term and long term -- faced by the State, and of the determination and success with which they are being tackled.

I would be grateful if you could convey my appreciation to the appropriate authorities for their skill in arranging our visit to Rajkot and for the thoroughness of the briefing we received on Narmada resettlement. On the latter, I was very encouraged to hear about the recent decisions taken by the State Government to implement the Agreements on the Sardar Sarovar project so as to ensure that all oustees are provided with suitable land.

My wife and I greatly enjoyed the superb dinner in Raj Bhavan, the beautiful silver gifts we received, and the memorable dances which brought the day to a fine close.

My wife and my colleagues join me in sending warm regards.

Sincerely,



cc: Mr. Rao Sahib
Executive Director, India

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 23, 1987

Dear Mr. Ulugbay:

I want to thank you for the gifts which you sent to me at my office for the Holidays. The books, "Turkish Cooking" and "Traditional Turkish Arts", provide a true cultural guide to your Country. Mrs. Conable and I will enjoy them, and we appreciate your thinking of us at this special time of year.

Best wishes to you and your family for the Holidays and for a good year in 1988.

Sincerely,

Mr. Hikmet Ulugbay
Chief Counselor for Economic and Commercial Affairs
Embassy of the Republic of Turkey
2523 Massachusetts Avenue, N.W.
Washington, D.C. 20008

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 23, 1987

Mr. N. Vaghul
Chairman, Industrial Credit and
Investment Corporation of India Ltd.
163 Backbay Reclamation
Bombay, India

Dear Mr. Vaghul:

I would like to thank you very much for the lunch that you co-hosted for us in Delhi.

The group of young and dynamic industrial leaders I met at lunch has increased my confidence in India's future development.

It was also a pleasure to meet you and to see that one of the World Bank's oldest and steadiest clients is in such good hands.

Sincerely,



cc: Mr. Rao Sahib
Executive Director, India

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 4, 1987

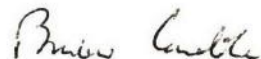
Dear Mr. Vaky:

Thank you for your invitation to attend a meeting of the Western Hemisphere Forum, which meets under the auspices of the Carnegie Endowment for International Peace. As Mr. Carlos Quijano has explained, it is not possible for me to participate in your Forum at this time because of other scheduling considerations.

The Bank shares the basic objectives of the Forum, however, and I would like to suggest that our Regional Vice President for Latin America and the Caribbean, Mr. S. Shahid Husain, could make a valuable contribution to the Forum. I have passed along your request to him, if you would like to pursue this possibility directly with his office.

Again, thank you for your efforts to include me.

Sincerely,



Mr. Viron P. Vaky
Senior Associate
Carnegie Endowment for International Peace
11 Dupont Circle, N.W.
Washington, D.C. 20036

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Bruce
Dear Mr. ~~Vento~~:

Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,

Bruce Conable

The Honorable
Bruce F. Vento
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 8, 1987

Dear Mr. von Droste:

Thank you for your letter of November 13, 1987. I very much regret that you were unable to accept the position of Director of the Bank's Environment Department, though I fully respect the priority role which family concerns played in your decision.

We look forward to strengthening our cooperation with UNESCO in the field of environment as well as in other areas of common interest, and would certainly welcome a visit to the Bank by Director-General Mayor in due course.

Sincerely,



Mr. Bernd von Droste
Director
Division of Ecological Sciences
United Nations Educational, Scientific
and Cultural Organization
B.P. 3.07 Paris
France

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 11, 1987

Dear Mr. Wagster:

Thank you for your letter explaining that Kaiser Permanente has purchased a year's subscription to FORTUNE magazine for the Bank. Since the articles you have an interest in deal with employee benefits, I would suggest that the magazines be sent to Mr. William Cosgrove, the Bank's Vice President for Personnel and Administration.

I appreciate your thinking of the World Bank in this regard. Best wishes for the Holiday Season.

Sincerely,



Mr. Daniel O. Wagster
Senior Vice President
National Accounts and Public Relations
Kaiser Permanente
One Kaiser Plaza
Oakland, California 94612

cc: Mr. William Cosgrove

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

Nov. 20, 1987

Dear Bevan,

I hope the great tour of India did not leave too many problems for you in its wake. Charlotte and I want to thank you and your wife for patience, unselfish fatigue, good planning and constructive support during our visit. We send you our gratitude and best wishes -

Sincerely

Barber Conable

Mr. E. Bevan Waide (India)



Record Removal Notice

File Title President Barber Conable Chronological Records - Outgoing - Correspondence - M-Z - November 1 - December 31, 1987	Barcode No. 1782778
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Document Date Nov 18, 1987	Document Type Memorandum
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Correspondents / Participants
 To : Mr. Ramli Wajib, Executive Director
 From : Barber Conable

Subject / Title
 Thanking the ED for a copy of an Economic report

Exception No(s).

1
 2
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 10 A-C
 10 D
 Prerogative to Restrict

Reason for Removal

Additional Comments
 Declassification review of this record can be initiated upon request

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 Chandra Kumar	Date Aug 6, 2014
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THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Walgren:

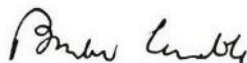
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Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Doug Walgren
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

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BARBER B. CONABLE
President

November 20, 1987

Dear Bob:

I am writing to report on our review of the procurement award by India Cements Ltd. for its Sangarnagar Works modernization project. As promised, I directed our procurement and legal experts to conduct a careful and thorough examination of the points raised by Mr. Elmer Gates, Chairman of Fuller International Inc., and his legal adviser. These Bank officials have carried out a careful analysis of the objections raised to the approval of the award.

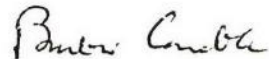
It is the Bank's finding that the evaluation of proposals by a British consulting firm and award of the contract by the Indian borrower were in compliance with the accepted criteria and procedures outlined in the bidding documents and do not warrant a reversal of our "no objection" decision of September 29. The Bank's borrowers possess the primary responsibility for procurement decisions on their projects, while the Bank's responsibility is to determine that Bank-approved procedures and criteria are employed in making those decisions. In this case our legal and procurement experts examined carefully each of the objections raised by Fuller International, Inc. to the evaluation of the bids, and found that the decisions were appropriate and reasonable and in accordance with both the Bank's approved procedures and the terms of the bidding documents. The Bank's staff is prepared to discuss fully with officials of Fuller International and their representatives, if they so wish, all aspects of these objections and our review of them.

The initial commitment of payments by India Cements Ltd. to the successful bidder in early October was made after the Bank conveyed its "no objection" to the award to India Cements Ltd. on September 29, and thus was done quite properly. Had our review brought facts to light which put the award decision in question, the Bank would have retroactively reopened the "no objection" position. The review having confirmed the appropriateness of decisions taken by the borrower, the actions taken by India Cements Ltd. cannot be reversed.

The Honorable Robert S. Walker
November 20, 1987
Page -2-

We recognize the disappointment of any bidders who fail by such a narrow margin to receive a project award. Nevertheless, I hope that Fuller International will continue its interest in World Bank-supported projects despite the outcome of this bidding. U.S. companies have received \$3.8 Billion in disbursements in the past three years from their participation in such projects and will surely be successful on others in the future.

Sincerely yours,



The Honorable Robert S. Walker
United States Senate
Washington D.C. 20510-6075

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 3, 1987

Dear Mr. Walton,

Mrs. Conable and I would like to express to you, your staff and the people of Thakani our great appreciation for the very kind and generous hospitality accorded us during our visit to the Action Aid activities in the village on November 11, 1987. We were impressed by the development approach taken and by the efforts of the people.

We again thank you for your hospitality and wish you every success in your efforts.

Sincerely,



Mr. Niel Walton
Director
Action Aid
Kathmandu, Nepal

Office of the President

December 18, 1987

Willi:

As you know, both the Board and staff have raised with me the "contracting out" issue.

Upon your return, I would like to review with you the timing and scope of our contracting out studies, the number of people involved, and the proposed decision-making processes. I would hope you could compress the schedule and clarify to me and staff who is responsible for the contracting out decisions.

Baron Lubke

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

Dear Mr. Minister:

Upon my return to Washington I wish to thank you for your warm welcome and gracious hospitality on the occasion of my first visit to Pakistan.

I was very pleased to have an opportunity to continue the discussions we had initiated in Washington during the Annual Meetings. I believe that we have thus reached a better mutual understanding of our respective concerns and expectations, and I am happy to observe that we are in broad agreement as to the objectives and measures needed to achieve them.

As you know, in the coming weeks and months Bank staff will be discussing with you, your colleagues and senior associates, issues and options in key policy areas including budgetary performance, tax reform, industrial deregulation, trade regime and financial sector reform. More specifically, in February 1988, the discussion of the draft economic memorandum being prepared by the Bank for the next Consortium meeting will offer an opportunity to review the execution of this year's budget and assess progress in preparing tax reforms and to discuss the Government's proposals for a medium term program of structural reforms as part of the seventh five-year plan.

I am confident, on the basis of our discussions in Washington and Islamabad, that the outcome will provide the basis for a continuation of a large and diversified lending program from the Bank. I do not underestimate the obstacles ahead, however, and the demands thus imposed on the Government in general and on you and your department in particular. As you rightly pointed out, the Minister of Finance can say "yes" sometimes and has to say "no" very often.

I can assure you of our support in your endeavours.

Thank you again for having contributed to making my visit a most productive one. Please convey also my gratitude to your senior staff in both the Finance and Economic Affairs Division, who, I know, have to carry a large share of the technical work involved in the process of structural reforms undertaken by your Government.

Sincerely,



His Excellency Mian Mohammad Khan Wattoo
Federal Minister for Finance
Government of Pakistan
Islamabad

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 22, 1987

Dear Mr. Webb:

I have received your letter of December 8 in connection with Tom Stevenson who is interested to work for The World Bank.

Since all personnel matters are handled initially by the Personnel Department, I have forwarded his resume to that office for assessment against current openings. He will be contacted directly by the Personnel Department about the prospects in his particular area of expertise.

I appreciate having received your assessment of qualified individuals who are interested to work at The World Bank.

Sincerely,

Barber Conable

Mr. Jack M. Webb
Republic Capital, Inc
4260 RepublicBank Center
Houston, Texas, 77002

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 16, 1987

Dear Linda:

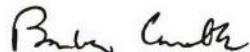
Thank you for your letter which reached my office during my visit to Asia.

I will be pleased to see if there are any employment opportunities for your son at The World Bank. Please ask him to send me a copy of his resume and I will see that it receives consideration.

In the meantime, I suggest (if he has not already pursued this course of action) that he works through his Senators' and current Representative's offices for possibilities in the Federal workforce and Congress. Since leaving Congress, I have not been able to keep up with available positions in the Federal Government. Finding an opening is difficult, but the Senators' and Congresswoman's staffs should be able to offer advice and guidance. He should not be shy about asking for help from them.

Hope all is well with you and the Rochester Area Foundation. Best personal wishes.

Sincerely,



Mrs. Linda Weinstein
c/o The Rochester Area Foundation
335 Main Street East
Suite 401
Rochester, New York, 14604

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Weldon:

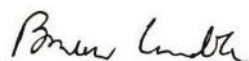
Thank you very much for the letter of October 20, 1987 which you co-signed with 27 of your colleagues in the House of Representatives, and which refers to the World Bank's policy toward the environment.

We are in fact embarking upon an ambitious program to improve the Bank's performance in this area. We are particularly concerned about the destruction of rainforests and other fragile ecosystems, the consequences of which are often irreversible. A new organizational structure to address these issues has been created. It involves new procedures, additional staffing, and recruitment of new staff who possess the required skills. Our approach will essentially be twofold. First, we will devote increasing efforts to the planning and implementation of our projects to ensure that they are environmentally acceptable. Second, we will look beyond individual projects to analyze the forces at work which result in environmentally destructive behavior on a wide scale, and devise appropriate policy instruments to be introduced at the country economic planning level.

I believe these are major steps, but much work remains to be done. I fully agree with you as to the importance of protecting the environment if sustainable economic development is to be achieved. The subject is very high on the World Bank's agenda, and we will continue to be advocates for sound environmental management within the international development community.

Please be assured that I am in sympathy with the views you have expressed, and will continue to work to ensure that they are reflected in our day to day policy and lending activities.

Sincerely,



The Honorable
Curt Weldon
House of Representatives
Washington, D.C. 20515

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Bowen Wells, Esq., M.P.
House of Commons
London SW1A 0AA
England

Dear Bowen:

Thank you for sending me a copy of your letter to Prime Minister Seaga, dated 26th October, 1987.

The World Bank has always endeavored to ensure that its structural adjustment lending is utilized to support extensive reforms of economic policy and institutions in recipient countries, covering issues such as improvements in export regimes, mobilization of domestic resources and management of public enterprises. There should also be improvement in the country's ability to service its external debt obligations. The purpose of these loans is not to keep payments to the World Bank on schedule. This has been particularly true in the case of Jamaica.

The three structural adjustment and two sector adjustment loans that have been approved for Jamaica from 1981 to 1987 provided the necessary foreign exchange resources to support the Government's economic recovery program and reform efforts. The reforms that have been undertaken over the past six years are extensive. The external trade regime has been progressively liberalized, including a substantial reform of the import duty tariff system. The entire tax system has been reformed and an array of measures introduced, including divestment of public enterprises to improve the efficiency and fiscal performance of the public sector.

Notwithstanding the massive decline in Jamaica's bauxite/alumina sector, suffered in 1984 and 1985 as a result of changing circumstances in the international aluminum market, the most recent economic results confirm the efficacy and appropriateness of the overall reform program. Real growth in FY86/87 was 3.7% and is expected to be over 4.0% in FY87/88; the current account deficit of the balance of payments has declined to -6.5% of GDP in FY86/87 compared to about -20% in FY82/83; output of non-traditional exports has doubled since 1981 and the overall fiscal deficit has declined continually throughout the last few years. The debt-to-export ratio which was 234% in FY86/87 has declined to 217% in FY87/88 and is expected to decline further to 174% in FY90/91.


The outlook for the Jamaican economy is encouraging, with private sector confidence much improved and investment increasing. We recognize, however, that the economy is still vulnerable and fragile and a cautious economic management program is necessary. For this reason, the World Bank has recently assisted the Government in the development of a medium-term economic policy framework; a public sector investment program that is consistent with this framework; and an external debt management strategy including ongoing advice on a debt/equity swap program, with possible IFC involvement in a mutual fund to facilitate progress in this program. In addition, over the past three weeks the Bank, together with the Government, has undertaken a major external resource mobilization exercise which culminated in a Special Donors Subgroup meeting in Kingston on December 9, 1987.

This is a very brief description of the Bank's activities, excluding our ongoing normal project lending, in Jamaica over the past year. It illustrates the Bank's sensitivity to the concerns of the Jamaican Government and our sincere desire to foster an improved economic environment for future growth and development. The country's external debt service is a burden on the economy, but with a continuation of the present growth path and the maintenance of a sound economic policy framework, we believe this burden will become progressively less onerous.

I appreciate the concern of the All Party Group on Overseas Development about the Bank's program in Jamaica, and look forward to meeting with these Members of Parliament in January when we will have the opportunity to discuss this and other issues of mutual concern.

Best wishes for the Holiday Season.

Sincerely,


Barber B. Conable
President

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 9, 1987

Dear Bowen:

Thank you for your patience and consideration in waiting for me to be able to accept the invitation to meet with your fellow Members of Parliament interested in development issues and population matters. I am very happy that the informal meeting is now firmly scheduled for Tuesday, January 26, 1988, at 11:30 a.m. This will certainly be a highlight of my brief visit to London.

I much look forward to meeting with you and your colleagues and thank you for your personal efforts in arranging it.

With best personal wishes,

Sincerely,

Barber Conable

Bowen Wells, Esq., M.P.
House of Commons
London S.W.1.A OAA
England

Best wishes for the Holiday Season!

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 7, 1987

Dear Tim:

It has been a genuine pleasure working with you over the years, and I expect there will continue to be opportunities to do so in whatever your future holds. Certainly you will be missed at the Chamber.

I believe that change, while temporarily disruptive, is important to growth, and I'll be interested to learn what career opportunity you will pursue. Best personal wishes.

Sincerely,



Mr. Harry H. Westbay III
Manager
International Policy Department
U.S. Chamber of Commerce
1615 H Street, N.W.
Washington, D.C. 20062

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

Dear Mr. Wiley:

Thank you so much for your kind invitation to be the keynote speaker at the 40th Annual Institute on Federal Taxation in Los Angeles on January 18, 1988.

As much as I would like to meet with you, I must decline. My commitments for the month of January are already quite extensive, and I do not feel I can accept any additional speaking engagements.

I hope you understand the restrictions on my time. Please accept my best wishes for your meeting.

Sincerely,



Mr. Jerry Wiley
Vice Dean
The Law Center
University of Southern California
University Park
Los Angeles, CA 90089-0071

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 18, 1987

Mr. James Wilson
c/o The World Bank
Room C 1207

Dear Mr. Wilson:

I wish to offer you my congratulations on your election as Second Vice-Chair of the Executive Committee of the Staff Association.

The Staff Association provides an invaluable service to Bank staff and management alike, as we strive to provide the best possible service to the Bank's member countries.

I look forward to working with you and your colleagues in the challenging year ahead.

Sincerely,

Barber Conable

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 3, 1987

Dear Ms. Wood:

I've just recently returned from a visit to three of the Bank's member countries in Asia, and want to take this opportunity to thank you for your letter endorsing the Bank's new emphasis on women in development. I am glad your presence at the Annual Meetings enabled you to hear for yourself how the Bank is accentuating its women-focused activities, which concurs with the findings of the study cited in your letter.

For too long the vital role of women has been denied its true value as part of the development process. Now that the Bank has strengthened its capability in this area, it can work to help correct the imbalance.

Your encouraging words were especially pertinent since you are actively engaged in similar activities. It is a pleasure to receive comments approving the Bank's agenda.

Sincerely,



Ms. Jayne M. Wood
President
Devres, Inc.
2426 Ontario Road, N.W.
Washington, D.C. 20009

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

Nov. 20, 1987

Dear Dick,

Now that the jet lag is beginning to fade Charlotte & I want to thank you for your careful planning (despite short notice) and constructive support during our great, brief and crowded trip to Nepal. We are indeed grateful, and send you our very best.

Sincerely
Barber Conable

Mr. Richard Woodford (Nepal)

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 17, 1987

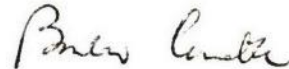
Dear Mr. Wright:

Thank you so much for your kind invitation to address the Round Table some time early next year in West Palm Beach.

Unfortunately, I must decline. My current responsibilities as head of an international organization greatly restrict the time I can devote to outside speaking engagements. I hope you understand the constraints on my time.

Please accept my best wishes for a successful lecture series next spring.

Sincerely,



Mr. Frank Wright
Chairman
The Palm Beach Round Table
319 Clematis Street
West Palm Beach, FL 33401

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 16, 1987

Dear George:

I understand that Old Man Time has finally caught up with you and that this is being solemnized by a retirement party in your honor at the Johnson House. I can no longer speak in a representative capacity for a large number of folks in Western New York, but I want you to know that here is one old friend who wishes you well.

Please tell all those folks who turn out to thank you for your public service in Riga that I sometimes think nostalgically of the relatively simpler days of yore in Congress. What I particularly miss is those Riga Steak Roasts and all the friendly faces who used to help make representative responsibility a pleasure.

Thank you for your leadership and your friendship, and every good wish for the future.

Sincerely,



The Honorable George Wright
Riga Republican Town Leader
Churchville, New York 14428

*LPO

WORLD BANK OTS SYSTEM
OFFICE OF THE PRESIDENT

CORRESPONDANCE DATE : 87/11/11

DUE DATE : 00/00/00

LOG NUMBER : 871117006

FROM : Richard Stowe

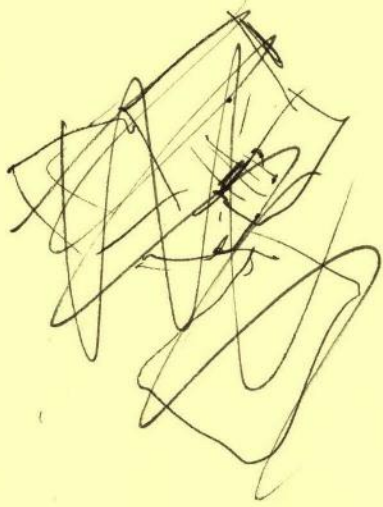
SUBJECT : Inv. BBC to attend a reception in honor of George Wright, former
Riga Republican Town Leader, on Dec. 16 at the Johnson House.

OFFICE ASSIGNED TO FOR ACTION : Mr. B. Conable (E-1227)

ACTION:

- _____ APPROVED
- _____ PLEASE HANDLE
- _____ FOR YOUR INFORMATION
- _____ FOR YOUR REVIEW AND RECOMMENDATION
- _____ FOR THE FILES
- _____ PLEASE DISCUSS WITH _____
- RV _____ PLEASE PREPARE RESPONSE FOR BBC'S SIGNATURE
- _____ AS WE DISCUSSED
- _____ RETURN TO _____

COMMENTS : BBC - personal



253 Betteridge Road
Churchville, N. Y. 14428

November 11, 1987

The Honorable Barber B. Conable, President
World Bank
1818 H Street N. W.
Washington, D. C. 20433

Dear Mr. Conable,

Early in 1987 George Wright announced that he would be retiring as Riga Republican Town Leader due to other responsibilities and commitments. At our regular September meeting, I was elected as the new leader.

George served the party as leader for approximately seven years and we all appreciate his many contributions. To express our thanks, we are planning to honor him at an evening of fun and fellowship scheduled for December 16th at the Johnson House.

We are inviting those who held public office during his tenure knowing full well that several who have left the area to assume new responsibilities will be unable to attend. We did, however, want to notify those on this impressive list in case they might be in the area and have that evening free, or as an alternative might be willing to send us a brief note that could be shared with those present.

George is staying active in county politics and is looking forward to serving in other ways which do not demand as much of his time.

We would appreciate hearing from you as these responses would contribute significantly to our evening and would be very satisfying to George. Please send responses to me at the above address. Thank you for your consideration.

Sincerely yours,



Richard W. Stowe

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

Dear Mr. Wyne:

I want first of all to thank you for the kind hospitality offered to my wife and me by the Punjab government on the occasion of my first visit to Pakistan. I thank you particularly for the luncheon you graciously hosted in Lahore. That occasion offered me another opportunity to meet with important officials of your province.

I was happy, during my short stay, not only to admire the historic beauty of the city of Lahore, but also to observe at first hand the beneficial results of the Bank's assistance to your own developmental efforts in both rural and urban areas.

I express the hope that the issues of resource mobilization at the provincial level as well as of future sharing arrangements of public resources between the Federal and Provincial governments will be resolved in due course. We are well aware of the difficulties involved, but as you well understand Bank financing can expand, without creating future problems in indebtedness, only if the Bank's resources complement those of the federal as well as provincial governments.

Please be assured of our continued support in your efforts to tap the enormous development potential of the Province of Punjab. A rich portfolio of projects involving the Bank is already under implementation in irrigation management, agriculture extension and research, urban improvement and water supply, medium and small scale industry, and most recently primary education. We are looking forward to supporting your future activities aimed at economic growth and poverty alleviation to the extent possible.

Please convey my gratitude to all those in the Punjab government who have contributed to make my visit productive and enjoyable.

Sincerely,



His Excellency Ghulam Haider Wyne
Minister for Industries & Mineral Development
and Planning & Development Department
Government of Punjab
Civil Secretariat
Lahore
Pakistan

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 3, 1987

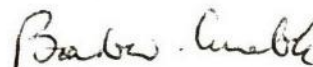
Dear Dr. Yadav,

I would like to express my great appreciation and that of Mrs. Conable for your very kind and informative guidance during our recent stay in Nepal. Your command and presentation of environmental, economic and cultural matters greatly increased our understanding of key development issues and potentials in Nepal. I was also impressed by the very comprehensive program which you indicated was being undertaken by the International Centre for Integrated Mountain Development in the critical mountain areas of Nepal and neighboring countries.

We wish you and ICIMOD every success in your efforts.

Again let me express our gratitude for your assistance during our stay.

Sincerely,



Dr. Ram Prakash Yadav
Deputy Director
ICIMOD
Kathmandu, Nepal

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

December 16, 1987

Dear Clayton:

Thank you for your invitation to join members of USTR's Investment Policy Advisory Committee at lunch on February 23. I appreciate your including me, and look forward to the discussions on the role of foreign direct investment in developing countries. This is an area where we have a substantial common interest, and I welcome this opportunity to participate in the Committee's work.

Best wishes to you and your family for the Holiday Season.

Sincerely,

Barber

The Honorable Clayton Yeutter
The United States Trade Representative
Executive Office of the President
Washington, D.C. 20506

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

BARBER B. CONABLE
President

November 24, 1987

Dear Mr. Zulfiqar:

I am now back in Washington after our memorable visit to Pakistan and other countries in the sub-continent.

I greatly appreciated your efforts in organizing in Karachi the Press Conference followed by an exquisite lunch with your private sector colleagues, bankers and other leading citizens of the city. The occasion provided me an opportunity to reiterate the Bank's continued support and participation in Pakistan's development efforts. Also, I was able to acquire a better understanding of the role of the private sector and the constraints entrepreneurs meet in their activities. I am confident that in the framework of the policy of deregulation implemented by the Government, the private sector will be playing an increasingly important role in the industrial and financial development of your country.

I thank you personally and also Messrs. Siddiqui and Anwar of your Federation for all that you did to make our visit a productive one.

Sincerely,



Mr. Aziz Zulfiqar
President
The Federation of Pakistan Chamber
of Commerce and Industry
Karachi