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McNamara Papers

Ditchley Conference, March 1970  
(Vol 1)

Flder 6

The World Bank Group  
**Archives**



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Ditchley Conference - Correspondence 01





During aid discussions at OECD there will be

1. discussion of non-reciprocal trade preferences
2. other matters, and it is in relation to these that we are meeting here: targets for capital flow; untying

In addition, we will consider action re DD II.

Hannah - The most harmful action on U.S. aid program now, when it is being reshaped, would be an apparent waning of interest by the rest of the world. He believes the U.S. percentage of multilateral financing will stick.

Udink - Will not multi-national, as contrasted to multi-lateral, aid meet the criticism that U.S. aid programs have often "gone alone" too often?

Hannah - Believes in a few years U.S. can reach goal of doubling the multi-lateral aid. The expansion of U.S. aid should be primarily through these institutions (the posture of U.S. to them compared to a year ago is as different as day and night.)

Hannah - U.S. will at least "untie" to LDCs. U.S. will participate in the African Bank.

Grant - In the short, the action of others supporting the point they are doing more will be very important.

de Seynes - On the controversial matters re DD II there will be room for unilateral declarations. There is a growing feeling the targets are too low.

Eppler - Pointed out the weakness of the 1% target; FRG was 1.48% last year and in '71 may not even hit 1% as foreign loans drop. Therefore, target for official development assistance is very important.

de Seynes - The mechanism of evaluation is central and yet it receives but one paragraph. He is pushing to give it more emphasis.

Martin - Last year most DAC governments were opposed to ODA target -- following the Pearson Report, the position changed dramatically -- now most will accept .70, although will be disagreement over the date (positions of U.S. and Japan are unclear).

Scheyvan - Belgium is passing a law supporting .70 for ODA by 1975.

Kato - ODA target is not considered as important as 1% target. It is unrealistic to think they could reach .70 by '75 as it would require a six-fold increase.

Kidd - A reasonable expectation is that there will be significant increases in the Canadian aid program; will support .70 ODA target in principle; although cannot now give a firm commitment on the date of reaching ODA, Canadian performance against it in mid-1970s would be favorable.



Michanek(Sweden) - Can accept .75 ODA target earlier than '75.

Jolles - Switzerland believes some private flows are equivalent to public flows, but they might support an ODA target if it were recognized as Official Development Assistance rather than public flows. They would prefer the 1% target and would attach a date to it. It would be dishonest to indicate they could ever reach .70 for ODA.

Udink - Diversity of view leaves him to believe that the attempt to insert an aid target in DD II statement is unwise prior to one minute before twelve.

Hannah - From point of view of pressure on the U.S., it would be desirable for DAC to set a goal of .70 to be reached at earliest possible date.

de Seynes - Date of 1980 would be completely unacceptable in a UN concept.

Hannah - U.S. favors "20%" multi-lateral target but not over 40%.

Michanek - Should not some "multi-national" activities, such as government financing, be included as "multi-lateral" for purposes of meeting the 20% target -- "some countries would prefer "multi-national" rather than "multi-lateral."

Larre - Have problems in meeting multi-lateral target although French can make some shifts from bi-lateral to multi-lateral aid.

Martin - It has been suggested [by McN.] that work be undertaken to find a formula re .70 target that all DAC members can agree to [rather than wait to one minute to twelve o'clock] and it was agreed this would be wise.

Jolles - Switzerland would welcome a multi-lateral target, but multi-lateral should be defined.

Kato - His government has indicated to him it will be comparatively easy to reach 20% of ODA.

[Eppler told me (1) he believed the Economic Ministry and the Finance Ministry will support \$800m for 3rd Replenishment; (2) the Foreign Minister has some problems with it [note UK Ambassador to Bonn report to Horst stated FRG could not go to \$800m without cutting back bi-lateral without weakening LDC support of Hallstein doctrine]; (3) the four Ministers will meet Tuesday, April 14, and he believes they will then agree on \$800m; (4) if FRG doesn't support a "high" replenishment she will be blamed for the "low."]



[Eppler wants a one-day Heidelberg meeting\* June 19 preceded by three speeches (Hart, Michanek, and McN.) in Bonn on employment -- I told him the speech day would cause me trouble because of Thursday Board meeting.]

Hannah - U.S. has untied re Latin American LDCs and believes it will untie re all LDCs.

[Scheyven told me Belgium will support a "high" 3rd Replenishment.]

Kato - Japan plans to untie aid stage by stage according to items and recipient countries.

Kidd - Something over 50% of Canadian program will be untied.

[Geoffrey showed me (a) the minute of Brandt's conversation with Wilson in which it was Horst and not Brandt who spoke of \$600m as a figure for the 3rd Replenishment; and (b) their Bonn Ambassador's report of meeting with Horst in which he opposed \$800m because 1) IBRD was a "rich man's club"; 2) IBRD was U.S.-dominated; 3) \$800m, even after 11% per annum increase in FRG aid, would force cutback in bi-lateral which would weaken LDC support for non-recognition of DDR.]

Schweitzer - There is a complete distortion in use of resources (substitution of imported capital goods for local labor) because of lack of local resources and failure of international agencies or bi-lateral lenders to finance local costs.

Michanek - "When are the Ministers responsible for development going to start discussing the strategy of development?" [McN. should explore this with Michanek to determine what he has in mind re an answer to his question.]

Hoffman - There should be much better coordination of bi-lateral and multi-lateral aid at the country level and they are working on it in four countries [how?].

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\* to consider (1) a mechanism to review and appraise progress in DD II -- Strong will organize a "working party" 4/15 to 5/15, and (2) coordination at the regional and country level -- FRG is aiding 90 LDCs and needs "expert" source of advice on merit of particular aid to a particular country.





MINISTER OF OVERSEAS DEVELOPMENT  
ELAND HOUSE, STAG PLACE  
LONDON S.W.1

TELEPHONE: 01-834 2377

10 March 1970

Dear Mr. McNamara,

I was most glad to receive your letter of 15 December 1969 confirming that you will be able to join us at the third "Tidewater Conference" at Ditchley Park from 10 to 13 April.

It may be helpful if I give you some idea now of the main themes to which I suggest that we address ourselves at the meeting. I have discussed this with Mr Martin, who will, as on previous occasions, preside over our discussions.

We shall soon have to be taking final decisions in regard to the Second Development Decade, and I hope that we shall all be able to discuss our approach to it in general, and also to say something about how we each view the question of financial targets. Related to this is the recommendation of the Pearson Commission about channelling 20% of available official aid funds through multilateral organisations, on which it might be useful to have an exchange of views. The time may also be ripe for us to clear our minds further on the next step to be taken in untying aid. We may well find it useful also to discuss our strategy on the Jackson report.

Other questions besides these will of course be in our minds, and it is thus important that the agenda should be highly flexible, so that we can take up any issues that may be pressing at the time.

I hope to send you shortly another letter about the physical arrangements for the meeting.

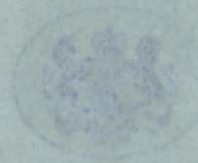
Yours ever,

*[Handwritten signature]*

Mr Robert McNamara

*Judith Hart*





10 March 1970

Dear Sir,

I was most pleased to receive your letter of 15 December last concerning the proposed visit to the Ministry of Defence by the Hon. Mr. [Name] on 19 April.

I have been most anxious to give you some idea now of the main issues on which I expect to be addressing ourselves at the meeting. I have discussed this with Mr. [Name] who will be a valuable contributor, please, to the discussion.

We shall soon have to be making final decisions in regard to the second, very important, session. I hope that we shall be able to discuss our approach to it in greater detail and also to any remaining points of interest. The recommendations of the [Name] Commission and the [Name] Committee are available for your reference and I am sure that you will find them of great value. The [Name] Commission's report is being published in the next few days. It is a very important document and I am sure that you will find it most helpful. I am sure that you will find it most helpful. I am sure that you will find it most helpful.

I hope to discuss our approach to it in greater detail. I am sure that you will find it most helpful. I am sure that you will find it most helpful. I am sure that you will find it most helpful.

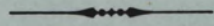
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SECTION  
COMMUNICATIONS



THE  
DITCHLEY  
FOUNDATION



*Notes for those attending Conferences  
at Ditchley Park*



## 1. The House

Ditchley Park was built between 1720 and 1730 for the Earls of Litchfield. The architect was James Gibbs, who was also responsible for the London church of St. Martin-in-the-Fields and other famous public buildings. It had been in continuous use as a private country house until it was recently converted for its present purpose of a conference centre for study and discussion of matters of common concern to Britain and America. The informal country-house atmosphere is preserved as far as possible.

Ditchley lies 13 miles from Oxford, off the road to Stratford-on-Avon, and is a two-hours' journey by road or train from London.

## 2. Arrival

(a) *Trains* can be met at Charlbury (3 miles from Ditchley), ~~Oxford or Bicester stations~~. Trains from London (Paddington) recommended to those attending the start of a conference will be met by Ditchley transport; other trains can be met on request. Transport from London Airport can also be arranged where necessary.

(b) *Cars*. A route map is attached for those who will be travelling by car. Cars should drive to the front door for passengers to alight and luggage to be unloaded, and should then be parked in Lions Court behind the east wing. They can later be parked under cover, if desired, by the Foundation's chauffeur.

## 3. Transport during Conferences

Arrangements can be made during conferences to take guests to Oxford or collect them from Oxford. Early notice of transport or other requirements should be given to the Bursar.

## 4. Departure

Transport will be arranged from Ditchley to Charlbury or ~~Oxford station~~ at the end of each conference. ~~The time that~~

*or to London Airport*

~~the most convenient train leaves and is due in London (Paddington) is shown on the questionnaire. Those wishing to make other arrangements are requested to state them on the questionnaire if practicable or consult the Bursar soon after their arrival.~~

## 5. Dinner Jackets *will NOT be required.*

~~Men normally wear dinner jackets for dinner, though this practice is sometimes waived.~~

## 6. Cigarettes, Cigars, Razor Blades, Tooth Paste

A stock is kept at Ditchley for sale during conferences.

## 7. Mail

Letters are collected from the box outside the dining room at 3 p.m. and 10.30 p.m. daily. Stamps, aerogrammes and Ditchley postcards are available for sale.

## 8. Telephones

There are two coin-box telephones. Although it is hoped that these will generally be used, the Administrative Office telephone (Enstone 346) can be made available for certain long-distance outgoing calls, cables, etc. Incoming callers should be asked to use this number between 9.15 a.m. and 5.30 p.m. on weekdays.

## 9. Library

Books and periodicals may be borrowed from the library but may not be taken out of the house. Gifts of books will be gratefully welcomed.

## 10. Electric Razors

Plugs for electric razors are available on request.



## **11. Laundry**

Laundry facilities can be provided only for conferences lasting a week or more.

## **12. Recreation**

There is an open-air swimming pool, and croquet and bowls may be played on the lawn behind the house. There are pleasant walks around the lake and elsewhere. Bridge can be played in the Velvet Room, where there is also a grand piano.

## **13. Church Services**

The parish church (with memorials of Ditchley families) is at Spelsbury. Transport arrangements will be made by the Bursar for those wishing to attend any Sunday services there (or on alternate Sundays at the neighbouring church of Chadlington) or at Heythrop (R.C.).

## **14. Gratuities**

Guests are asked not to give gratuities to individuals; a gratuity box, from which all domestic staff benefit, is provided opposite the notice-board outside the dining room.

### **NAMES OF DOMESTIC STAFF**

|                    |             |
|--------------------|-------------|
| <i>Butler</i>      | BURDEN      |
| <i>Housekeeper</i> | MRS. BURDEN |
| <i>Chauffeur</i>   | HUGHES      |