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THE WORLD BANK
Washington, D.C.

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McNamara Papers

Chronological files, 1971 (March)

 **Archives** 13

1772423

A1995-257 Other #: 1 309674B

Robert S. McNamara Personal Chronological Files - Chrons 13

DECLASSIFIED
WBG Archives

489 / 4 / 45

March 30, 1971

Mr. John C. Biegler
Price Waterhouse & Co.
60 Broad Street
New York, New York 10004

Dear Mr. Biegler:

I, too, enjoyed our dinner conversation and would be most happy to continue it here in Washington. Unfortunately, I will be out of the country during the week of April 19, but would it be possible to lunch with me here at the Bank sometime in the second week of May? I shall ask my secretary to call your office to try to find a time convenient to both of us.

Best wishes,

Sincerely,

Robert S. McNamara

489/4/43

MR. AND MRS. OTTO TIDEMAND
STOVECHART
OSLO, NORWAY

MARCH 22, 1971
FULL RATE

NOTHING WOULD GIVE US MORE PLEASURE THAN TO BE ABLE TO ACCEPT YOUR
INVITATION. UNFORTUNATELY FOR US, THAT IS IMPOSSIBLE. CAN'T WE
PREVAIL UPON YOU TO VISIT US IN ASPEN NN SOMETIME DURING THE SUMMER.
WE WOULD TRY TO ARRANGE A TRIP TO MEET YOUR CONVENIENCE. BEST WISHES.

BOB MCNAMARA

Robert S. McNamara
President

RMcn:pay

489/4/41

2412 Tracy Place, N.W.
Washington, D.C. 20008

March 22, 1971

Liberty Mutual Insurance Company
738 West Fourth Street
Williamsport, Pennsylvania 17701

Gentlemen:

RE: Policy Number H22 233 146220

Returned herewith is the statement received by Mr. Robert S. McNamara, dated March 16, 1971. This premium has already been paid, as evidenced by the copy of the enclosed check, dated February 22, 1971, which bore the policy number.

Sincerely,

(Miss) Polly Yates
Secretary to
Mr. McNamara

Enclosures

Summary deleted from
pages for 9:15 a.m.

147 3-23-71

B

489/4/42

W. D. Frenzel, Inc. Management Counsel

1028 CONNECTICUT AVENUE, N. W.

WASHINGTON, D. C. 20036

(202) 293-3180

March 22, 1971

Mr. Robert S. McNamara
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D. C. 20433

Dear Mr. McNamara:

Thank you for inviting me to meet with you last Friday to discuss your concerns about the Bank's personnel management activity and for asking me to assess that activity. As you requested, I have been completely candid in expressing my impressions and views.

This report is based on two weeks' observation at the Bank. During that time my work took me into the Public Utilities Projects, Transportation Projects, Eastern Africa, Computing Activities, and Treasurer's Departments in addition to Controller's. In all these contacts I encountered evidence of poor morale and cynicism. Almost without exception, individuals at all levels were anxious to talk about problems with Personnel and to criticize it for being "rigid," "arbitrary," "confused," "incompetent," "capricious," "monolithic," etc.

This analysis is necessarily oriented toward areas that seem in need of improvement, which may convey a one-sided view. The view that is missing is that of Personnel. That view should be solicited. I believe it would add to my understanding of the obstacles they encounter in developing an effective personnel-management program and would amplify my perspective on points I have mentioned. In many cases my assessments are based on attitudes toward and effects of programs rather than on a direct analysis of the personnel-management function. It may be that the problems are not entirely attributable to Personnel.

If the views expressed in this report seem to be extreme, it may be because of their disparity with the standards maintained by the Bank in other respects. Similar conditions are common in other organizations.

Any approach to solving these problems would be substantially strengthened by calling on resources within the Bank. Members of your senior staff could add to and sharpen any points that are out of focus in this report. Their involvement would assure a greater acceptance and an increased likelihood of success for any action you may take. I believe they are critically interested.

I would welcome the opportunity to participate in solving these problems.

Sincerely,

W. David Frenzel

Personnel Management at the World Bank -- A Critical Assessment

Effective utilization of manpower, the Bank's primary resource, depends on a well-developed and competently administered personnel-management program, carried out within the framework of clearly assigned authority and responsibility. The objective of this program should be to formulate and apply policies and procedures for providing an effective organization structure, qualified employees, equitable treatment, job satisfaction, advancement opportunities, and adequate job security. This assessment of the personnel-management activity at the World Bank is based on that objective.

Five specific functions are identified as necessary to meet that objective:

- Employment
- Salary Administration
- Employee Relations
- Organization Planning and Development
- Employee Services

Employment

The purpose of the employment function is to assure that all positions are filled by competent personnel at a reasonable cost.

The first element in an employment program is recruiting -- searching for and attracting applicants qualified to fill vacant positions. There has been little opportunity to assess the adequacy of recruiting at the Bank. Some supervisors, however, have indicated that positions, even at the general-services level, are sometimes slow in being filled. There appear to be no job specifications available against which to measure candidates. Line managers are often not trained to analyze job requirements. A personnel specialist can assist in this respect and develop specifications that will permit better matching of candidates with jobs.

One manager felt that the recruiting activity for young professionals is poorly organized and wasteful. Apparently wholesale interviews are scheduled that could be avoided if the recruiting literature contained an adequate description of selection standards. Many applicants could then select themselves out, saving the time of the recruiter and maintaining better public relations for the Bank. Questions have arisen regarding the purpose and scope of the young-professional program. Immediate and long-range objectives should be clarified and a program developed to serve those objectives, including periodic evaluation of the results.

The selection process, which consists in interviewing and testing applicants, investigating references, and evaluating applicants, appears to have major flaws. There has been no opportunity to assess interviewing.

Testing is a major problem. Tests should be used to predict performance. In many cases a general service employee who fails to pass a skill test is placed in a lower position by Personnel but the supervisor has him perform the job for which he failed the test. Often such an employee performs in a superior manner but he cannot be rewarded because he "isn't qualified." The standard for minimum job performance must be set by the line supervisor with the help of Personnel, and the tests must serve that standard -- not vice versa.

It appears that overqualified employees are hired at all levels. After a short time those employees become discontented and frustrated, a feeling that easily spreads to other employees. High salaries make it difficult for such employees to leave and often promotion is impossible. In time, their abilities atrophy through disuse. Overqualified placements are wasteful of human skills and cause poor morale.

Questions have been raised about the length of the reference-investigation process for general-service employees. Quality employees ordinarily have a broad choice of employment opportunities. If the employment decision is delayed, such employees are lost to competitors.

A third element of the employment function is orientation -- seeing that new employees receive the training and information required to perform their duties effectively. Although the present content of the orientation program is not known, its effects suggest that employees are not receiving all the information they need about the Bank. Misconceptions abound concerning performance appraisal, merit increases, educational opportunities, promotion procedures, assignment on missions, use of sick leave, salary adequacy, etc. Proper orientation and follow-up by trained supervisors can minimize this problem.

Part of the orientation process should be to determine training requirements of new employees. There is no evidence that this is being done.

Promotion and transfer are another employment function. The objective is to place current employees in positions that better utilize their capabilities. The best source of employees in higher-level position is employees in the Bank's own lower-level positions. Their capabilities, attitudes, and motivations are known to such an extent that their success can be predicted with much greater accuracy than if they were applicants. For the employees, there is no more effective incentive and reward.

An effective promotion system depends upon a thorough knowledge of job specifications throughout the organization, a thorough knowledge of all employees' qualifications, relevant and adequate tests, and sound performance appraisals. These requirements do not appear to be met. It has been stated that promotion depends on the aggressiveness of a supervisor. Often it occurs through upgrading a job. Managers with capable staff are prone to shelter their best employees for fear of losing them and not getting equally capable replacements.

On the other hand, demotions have occurred. As a rule demotions simply don't work out well. If an employee is unable to pass muster, less damage to the individual's feelings and to general morale occurs if the employee is separated or frozen for salary progress at this current grade.

Transfers pose another problem. Managers seem to regard transfers as being efforts by one section to pawn off unsatisfactory employees on others rather than dismiss them. The transfer function can be useful but it must be done on the basis of performance and it must be done expeditiously. A general criticism of Personnel is its immobility. Actions take too long.

A fifth employment activity is separation -- severing connections with employees in a manner most beneficial to them and to the Bank.

In the absence of a well-prepared and effectively used performance-appraisal system it is difficult for unsatisfactory employees to be separated without feeling that they have been victimized by arbitrary and inconsistent management. Failure to separate unsatisfactory employees causes better-qualified employees to become discouraged and seek other employment. The result is lowered standards of performance and a substantially larger number of employees than would otherwise be necessary.

This appears to be a critical problem at the Bank. It is increased by the general condition of salaries and fringe benefits that, taken as a package, seem exceedingly liberal. It is humane to encourage unsatisfactory employees to find other, more suitable employment. While supervisors often find this distasteful, the alternatives are expensive in financial and human terms.

Recommendations:

The responsibility for the employment function at the Bank should be placed with a highly competent employment manager who could —

1. Develop working job specifications for all jobs. It is impossible to place an individual properly in a job without having an equivalent understanding of both the individual and the job;
2. Develop a testing program that is relevant to job requirements and can be used to predict required performance. It is wasteful to require skills that are not needed to perform the job;
3. Develop an orientation program that gives employees needed information about Bank policies and procedures;
4. Develop a system for promoting and transferring employees, whenever possible, on the basis of a broader knowledge of qualifications and demonstrated job performance;
5. Make certain that unsatisfactory performance is quickly identified, that uniform action results, and that the employees involved are fully aware of their employment status;

6. Analyze turnover to determine who is leaving the Bank and why. Best employees must be retained when possible. Action must be taken on the knowledge that is gained from this analysis.

Salary Administration

All information available indicates that the salary-administration function at the Bank is poorly managed.

The first problem area is job evaluation. It seems that the system for developing jobs, describing them, and evaluating them is inadequate and that this had many unfortunate results. Employees and managers alike believe that jobs are often evaluated on the basis of who is putting how much pressure on Personnel. Jobs of the same difficulty are differently evaluated in various departments. Employees feel that favoritism is a factor in job evaluation.

Another problem is job pricing. Salary scales may be too high, which makes it difficult to compete efficiently in the job market. Selection is a dual process, and applicants, as participants, can be misled in selecting their employers by high salaries. Maintaining high salary levels also contributes to the retention of the least competent employees.

Perhaps the biggest problem is in the area of performance appraisal. Employees at all levels in the organization must know (1) what is expected of them, and (2) how they are doing in order to perform effectively and in order to improve their performance. Ignorance is expressed on both counts at all levels at the Bank. Managers at the highest levels must understand the objectives of their departments (they should participate in setting those objectives), and they should be rewarded or penalized for their effectiveness in reaching them. The employee performing the simplest job should be likewise informed. A supervisor who fails to do this should be judged on his failure to perform, and on up through the organization. Such continual appraisal information is fundamental to consistent and equitable treatment of employees, promotion and transfer activity, merit increases, and separation.

Recommendations:

The salary-administration function at the Bank should be placed with a highly competent salary administrator, who should develop and maintain a comprehensive salary-administration program consisting of:

1. A job-evaluation system assuring equitable and consistent grades for jobs throughout the organization by developing objective scales of values for relating one job to another;
2. A job-pricing method which establishes a salary schedule permitting the hiring of quality candidates, without making salaries so high as to compromise the proper function of the selection and separation processes;
3. A performance-appraisal system which continually keeps employees at all levels informed of desired and delivered performance.

Employee Relations

The employee-relations function should insure that the working relationships between management and employees and the job satisfaction of and work opportunities for personnel are developed and maintained. The recent employee petition and stirrings among the professional staff are sure signals that problems exist in this area.

Means must be found for developing and exchanging information at all levels throughout the Bank. Study should be given to developing ways of improving employee attitudes and employee-management relationships.

Employees and supervisors have expressed frustration over their inability to learn what they need to know about activities in other areas. Employees seem to be continuously passing along rumors, often unfounded, about arbitrary decisions and unfair treatment of employees. When an employee's need to know is not satisfied, he will supply his own answers.

Organization Planning and Development

It should be the function of Personnel to insure that the Bank is effectively organized and capably staffed. This activity should be carried out within the framework provided by the Bank's objectives.

Personnel should analyze key position requirements, analyze the organization structure, and forecast manpower requirements and resources. No evidence appeared in the past two weeks that any such formal organization planning activity exists.

The manpower development and training activity similarly seems to be generally deficient. Performance standards for key positions should be established and areas identified where incumbents must grow to meet those standards.

A critical need exists at the Bank for supervisor and management training. The majority of those in management positions are high-caliber professionals who often lack management skills. When they are confronted with the responsibility of setting objectives, directing others, and evaluating employees and productivity, many of them prove inadequate. One supervisor stated in the presence of two grade-four employees that their jobs were "slave labor." Many supervisors were ignorant of the grades of their employees; others complained in front of employees that working quarters were noisy or overcrowded. Such statements reflect poor judgment and also a poor grasp of reality. Even a simple training program could provide the basic tools needed to supervise others effectively.

Employee Services

A comprehensive personnel-management program should help maintain the general welfare of employees and assist them with problems related to their security and personal well-being. In this respect the Bank seems to

do too much, without any perspective on the overall cost of manpower. Benefits are stacked on benefits. Only the best employees can afford to leave.

Personnel should serve as a primary resource in analyzing benefit provisions and trends in fringe benefits. It should make recommendations on the distribution of available manpower dollars between salaries and benefits.

One example of an abused fringe benefit is sick leave. It appears that Personnel makes too little effort to control sick-leave abuse. Both employees and line managers should learn to regard sick leave as a social insurance. A general indoctrination effort, beginning with employment and continuing regularly thereafter, is needed, at all levels. The number of Bank employees could be noticeably reduced with a properly managed sick-leave program. The conscientious employee would be the primary beneficiary.

In Summary

To some extent the problems of Personnel may be indicative of a more general problem at a higher level. To the degree that department heads are unaware of or do not participate in setting organization and department objectives, and that they are unaware of top management's views of their performance, the organization is vulnerable to conditions such as seem to exist in Personnel. Problems of attitude and morale and feelings of frustration are commonly generated in such a vacuum. Such problems at this level are more difficult to detect because of the insulation provided by authority and because of the exercise of discretion and self-control. Nevertheless, subordinates very often are sensitive to these factors, even though they may be unable to identify their sources. Generally low morale thus may not be due solely to ineffective personnel management.

Any of the views expressed in this report could be modified on the basis of additional information, but the general condition that they reflect is a cause for serious concern. An organization with the goals of the Bank, those of releasing human capability, must be diligent in its efforts to avoid creating problems of the type it is trying to eliminate elsewhere. An organization experiencing the growth of the Bank can be an exhilarating place to work, and employees should be stimulated by the opportunities this growth presents. At the same time, such an organization is open to widespread criticism and loss of public confidence if employee strife and unrest were to surface through the media or through an attempted union organization effort. If the problems appear large, the opportunities for achievement are larger.

Compensation Changes to be Effective May 1, 1971

489/4/36

- I. General Salary Increase
 - a. 5% (at least) increase in the salaries of all professional and non-professional personnel.
 - b. 5% (at least) increase in the top and bottom limits of all professional and non-professional salary ranges.
- II. Increases Required to Raise Bank Salary Ranges to Fund Levels
 - a. See the attached schedule.
- III. Increases Required to Raise Bank and Fund Salary Ranges to Competitive Levels
 - a. See the attached schedule
- IV. Improvements Required in Retirement Plan to Match Fund Benefits
 - a. Calculate retirement benefits on a "three H.A.R." basis instead of a "five H.A.R." basis.
 - b. Provide complete protection (without a completely "open-ended" liability) against price inflation following retirement, instead of the present protection, which is limited to a 3% per year cumulative.
- V. Improvements in Other Fringe Benefits Required to Match the Fund Benefits, or to Provide Uniform Treatment of Staff Personnel
 - a. Annual leave
 - (1) Increase from 20 days to 25 days per year for those with less than five years service.
 - (2) Raise the "carryover" limit from 40 days to 60 days, but strictly enforcing the higher level.
 - b. Home leave
 - (1) Offer the option of allowing personnel to travel home annually, with a portion of the cost to be met by offsetting up to ten days of annual leave for each of two years.
 - (2) Eliminate the "sea travel" option.
 - (3) Reduce the "service" requirement for non-professionals for their first leave from five years to three years.
 - (4) Extend home leave privileges to non-professionals who are on immigration visas.

- (5) Extend home leave privileges to the spouses of a female employee who is the principal income earner.
 - (6) Make the minor changes in computation of leave time, choice of own country, and excess baggage allowances referred to in items 1(a), 1(b), and 1(d) on page 6 of Annex 1 of the March 4 memorandum.
- c. Dependency allowances
- (1) Raise eligibility limit from \$10,000 to \$16,000.
 - (2) Do not raise the \$500.00, \$300.00, and \$200.00 allowances to \$600.00, \$350.00, and \$250.00 unless the Fund does so.
 - (3) Make the minor changes relating to income limits, calculation of children's allowances, and "separated" spouses allowances, as outlined in A 3 (a), (b), and (c) of Annex 4 of the March 4 memorandum.
- d. Education benefits
- (1) Extend to "anywhere" in the world, or to the Fund rule.
- e. Travel insurance
- (1) Extend to all Bank travel and cover children and spouses.
- f. Resettlement
- (1) Eliminate sex discrimination.
- g. Medical insurance
- (1) Maintain the current formula even though it be more costly to the staff than the Fund plan, which provides inferior benefits.
- h. Parking subsidy
- (1) Reduce the charges to staff to the Fund level.
- i. Finance assistance policy
- (1) Amend the published policy to conform to the Fund policy, e.g., increase the loan limit upon employment from three months to six months salary; raise the loan limit for home purchases to twelve months salary and twelve years instead of six months salary and six years; raise the emergency loan limit to six months salary instead of three months salary.

j. Minor changes to move to Fund levels

- (1) Change allowances for shipment of household effects; air freight on resettlement; repatriation of non-professional staff; sick leave; and maternity leave, as outlined in paragraphs 1, 2, 3, 4, and 5 of Annex 4 of the March 4 memorandum.

k. Travel expenses

- (1) Reimburse on a per diem instead of an "actual" basis.

3/18/71

Agenda for March 18 Meeting of the Compensation Committee

1. Does the attached schedule properly reflect the changes agreed to earlier this week?
2. Reappraise the increases marked on the schedule with a question mark.
3. What changes should be made in "grade steps?"
4. What changes should be made in the compensation of the secretaries of Executive Directors.
5. With the changes referred to above, have we placed all elements of Bank compensation equal to or above comparable Fund levels?
6. What is the estimated full year cost (amount and percent increase) of the changes recommended by the Bank?
7. What additional changes are recommended by the Fund staff?
8. What should be the form and content of the memorandum to the Bank Board?
9. What time schedule should be followed for the preparation of the memorandum to the Board and the Board discussion?

Changes in Salary Ranges Required to Match IMF Levels

<u>Grade</u>	<u>Increase Required</u>	
	<u>Bottom</u>	<u>Top</u>
Deputy Director	\$2,400	
D	900	
E	700	
F	?	500?
G	270?	\$1,370
7	270	1,540
6	10	1,010
5	300 ^{a/}	560
4		270
2	170	
1	840	

a/ Required to meet U.S. Civil Service limit

3/15/71

NOTE ON ACTION REQUIRED TO REPLENISH THE COMMITMENT AUTHORITY OF THE
INTERNATIONAL DEVELOPMENT ASSOCIATION

3/3/71

489 / 4 / 35

The International Development Association (IDA) will have exhausted its existing authority to make new loans by June 30, 1971. Unless action is taken immediately to replenish that authority, no new loans to such countries as India, Pakistan, and Indonesia may be made by the World Bank Group after that date. This note describes the nature of the problem and suggests a course of action to resolve it.

The IDA is an affiliate of the World Bank set up in 1960 to extend credits on very soft terms (10 years grace period; repayment over the following 40 years; with a service charge of 3/4 of 1%) to those countries which are too poor, or whose balance of payments is too weak, to enable them to accept loans on harder terms. Since IDA itself lends on soft terms, it cannot afford to borrow on the market and is therefore dependent for its funds on contributions from governments.

IDA's initial capital consisted of subscriptions of \$1 billion, of which \$765 million was subscribed by the governments of the developed countries (the so-called Part I member countries). Further replenishments took place in 1964 and 1969, amounting to \$750 million and \$1200 million respectively. In July, 1970, negotiations for a Third Replenishment in the amount of slightly over \$2400 million over a three-year period (roughly \$800 million a year, of which the U.S. was to contribute 40% or \$320 million) were concluded between governments, and the Agreement is now awaiting action by legislatures. Under the terms of the Agreement, it cannot come into force until a notification has been received from member countries, including 12 Part I members, accounting for \$1900 million of the contributions. This means that the arrangements cannot become effective without the notification of the United States Government.

It was made clear in the negotiations that by June 30, 1971, IDA would have fully committed the funds at its disposal and would therefore need fresh commitment authority (the necessary cash to finance disbursements, on the other hand, would be needed only over a period of approximately 7 years from the date of commitment). The negotiations were begun in the last few months of 1969 with the object of concluding them not later than July 31, 1970, thus allowing slightly less than a year for the necessary legislative action if the arrangements were to become effective by July 1, 1971. Ratification of the agreement by the U. S. Congress before July 1, 1971 now appears highly unlikely.

IDA already has in the pipeline projects amounting to \$1.5 billion and, allowing for projects which may be discarded or delayed, planned commitments for the fiscal year beginning July 1, 1971 amount to \$950 million. If there were to be a delay of no more than 6 months in Congressional ratification of the Third Replenishment (i.e., if Congress were to act by December 31, 1971), IDA would need to find about \$450 million to cover commitments in the period July 1 to December 31, 1971. This might be done by asking member governments, other than the United States, to make voluntary contributions without waiting for the Agreement to become effective on the understanding that such contributions would count toward the discharge of their obligations once the arrangements came into force.

It is of the utmost importance for the work of IDA that there should be no delay in providing it with fresh commitment authority before July 1, 1971. The World Bank management needs to know, therefore:

1. What prospect the U.S. Administration sees that Congress will ratify the agreement by that date.

2. If Congressional ratification of the agreement cannot be achieved by July 1, what course of action the U.S. Government would recommend that the Bank management should follow.

If the U.S. Government were itself to conclude that the Congressional action required cannot be completed by July 1, IDA could ask for voluntary advance contributions from other member governments. In these circumstances, it would be of the greatest assistance if the U.S. Government would send a communication to the other Part I member governments saying (a) that it is the firm intention of the U.S. Administration to use all means at its disposal to secure the necessary action by the Congress as soon as possible after July 1, 1971, and that it has good hopes that such action can be completed not later than December 31, 1971, and (b) that, in the meantime, the U.S. Government would regard it as in every way helpful if other member governments would agree to make advance contributions since such action by them would help IDA to continue its operations without interruption.

3/13/71

Copy to Peter Peterson by hand 3-13-71

Notes and Average Pay
 Table I.Ala - Salary Ranges - 1970 vs 1976
 (last 3/10/71)

Grade	Pay Range 1970		Pay Range 1976		Average Pay		Population					
	Bank	IME	Bank	IME	Bank	IME	Bank	IME	Bank	IME		
Director	NA	33,700	28,500	34,300	NA	30,900	32,864	33	14	2.6	2.3	
Asst. Dir. Dep. & Sec. Adv.	23,700	NA	25,600	31,400	-2400	NA	28,400	28,669	29	49	2.3	8.0
Spec. Asst. Dir. etc.	23,700	27,100	23,300	28,500	-100	+100	26,569	24,879	38	32	3.1	4.7
Prof. Staff	23,700	33,700	23,300	34,300	-100	-600	28,083	28,212	100	95	2.0	15.5
A Dir. U. etc.	22,700	27,600	21,100	25,000	+1100	+100	26,063	23,810	74	58	5.7	9.5
B D	18,400	24,900	17,500	23,900	+900	-1000	22,587	20,617	213	94	17.0	15.3
C C	14,600	21,700	14,300	20,500	+300	+1700	18,853	17,404	165	121	37.1	19.7
D B	10,700	17,300	11,600	17,000	-900	+300 +900	14,525	15,949	242	155	19.3	25.3
E A	8,500	14,600	9,200	13,500	-700	+800 +700	11,517	12,333	152	90	12.6	14.7
Prof. Staff	5,650	9,000	NA	NA	?	+500?			115	518	100.2	100.4
F	6,750	11,200	NA	NA	+270?	+1370						
G	8,400	11,030	8,690	12,570	-270	-1,540 +270 +1540	9,725	10,150				
6	7,550	10,160	7,520	11,170	-10	-1,010 +10 +1010	8,727	8,867				
5	6,680	9,250	6,680	9,850	0	-520 +300 +520	7,371	7,647				
4	5,950	8,420	5,500	8,690	+100	-270 +270	6,354	6,360				
3	5,480	7,840	NA	7,560	NA	+280	5,793					
2	4,780	7,260	NA	NA	-170	NA +170	5,544					
1	4,110	6,390	4,950	NA	-840	NA +840	4,331					

Total Total
 Admin. Dept
 3/17/71

- 1) We need to meet US Civil Service limit [check figures]
 - 2) Salary after Federal and State income tax
 - 3) Equivalent to grades 4+5
 - 4) " " " 5, 6, +7
 - 5) Includes 9 personnel of Bank and 1/2 of IME.
 - 6) All information relating to pay ranges is known to staff
 - 7) Specific ranges for 1976 in staff are known out to ED's.
- [Additional info: average pay of E.A.I.a. average pay of 14 employees of E.A.I.a. (excluding top 4) \$33,634 and IME \$2,864.]
- Separate in 2 versions I.A.I. without columns for average pay I.A.I. with these columns I.A.I. at 15000

TABLE

Average

- Net Salaries of Top Fourteen Executives as of 5/1/71
(after exclusions noted)

489/4/37

<u>Organization</u>	<u>Top Staff Excluded</u>	<u>\$</u>
Bank ^{a/}	Pres. & Knapp	36,469
Fund ^{a/}	Managing Dir. & Dep.	35,662
UN(Wash. base) ^{a/ b/}	Sec.Gen. & 1 Under Sec.	33,966
UN(New York base) ^{a/ b/}	Sec.Gen. & 1 Under Sec.	36,163
Ford Foundation	Pres. & 1 Vice Pres.	35,048
Federal Reserve - NY	Pres. & 1st Vice Pres.	29,130
U.S. Govt.-Off. of Mgt.&Bud.	Top 2	25,107
O.E.C.D.(Paris) ^{a/}	Sec.Gen. & 1 Dep.	24,967

a/ Includes family allowances

b/ Includes changes to be effective 7/1/71

3/15/71

489/4 139

March 12, 1971

Miss Lillian Brahm
Assistant to
Mr. Cass Canfield
Harper & Row, Publishers
49 East 33rd Street
New York, New York 10016

Dear Miss Brahm:

Mr. McNamara would indeed like to have 20 copies of ESSENCE OF SECURITY, mailed to the above address, Room A1230. He is most grateful to you for arranging this and would be happy to pay the shipping charges.

Sincerely,

(Miss) Polly Yates
Secretary to
Mr. McNamara

Presman in E of S file

Princeton University

CENTER OF INTERNATIONAL STUDIES
CORWIN HALL
PRINCETON, NEW JERSEY 08540

489/4/34

To Professor Black
Many thanks Cy.

We are beginning
work on the same subject
with reference to the

OFFICE OF THE DIRECTOR

Mr. Robert S. McNamara
President
World Bank
1818 H Street, N. W.
Washington, D. C.

Dear Bob:

With reference to our luncheon conversation last Friday, I am enclosing
a copy of Toward a Social Report. This is a pioneering use of social indicators
with reference to the United States.

As noted on p. v, the person responsible for the Report was Mancur Olson,
who is now Professor of Economics, University of Maryland, College Park,
Maryland 20742.

Professor Olson is not only one of the leading specialists on social
indicators in this country, but he is also in touch with other specialists in this
country and abroad who are working on this subject.

Sincerely,

Cy
Cyril E. Black

Enc.
CEB:jmcd

489/4/31

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT
ASSOCIATION
INTERNATIONAL FINANCE
CORPORATION
OFFICE OF THE PRESIDENT

3/9/71

To Mr. Rudolf H. Peterson

Attached is a note from
the managers of our Administration
two Department on Louis Louvet.

Again my thanks Rudy for
the efforts you are making
in support of a new U.S.
approach to foreign aid.
We are most grateful.
With best wishes, Bob

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: March 8, 1971

FROM: H. B. Ripman

DECLASSIFIED**MAY 02 2013****WBG ARCHIVES**SUBJECT: LOUIS LOUVET *ABR*CONFIDENTIAL

You asked me to let you have information about Louis Louvet, a former Bank staff member, which you might pass on to Mr. Rudolph Peterson who told you that Louvet was apparently a candidate for the chief executive officer's post at PICA.

Louvet, a Frenchman, joined the Bank staff in January 1957 as a junior loan officer and was assigned to the then Asia and Middle East Department. He made a slow start and when it was time to confirm the completion of his probationary year it was decided to extend his probation for a further six months.

It was not altogether surprising that Louvet found it difficult to adjust to the work of a loan officer since there were reservations expressed about his qualifications for Bank employment before he was offered an appointment. His training in economics was weak and he had had no practical experience whatsoever. His knowledge of English was also poor. From this hesitant beginning Louvet made unspectacular progress and it was doubted that he would ever reach senior operations officer level. This is all borne out by the performance evaluations on file.

By 1961, despite some difficult family problems, Louvet had improved sufficiently to be given a good rating by his supervisors. In October of that year he was offered a post by OECD and after reviewing his record in the Bank and prospects for advancement Mr. Knapp, it seems clear, encouraged him to accept OECD's offer.

Since his departure in January 1962 Louvet has made several attempts to return to the Bank, the latest in connection with the Indonesia mission in January 1969. No encouragement has ever been given him by the Bank in these attempts.

There really is little in Louvet's Bank career, which ended over nine years ago when he was 36 years old, on which to base an assessment of his potential today.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

To Mr. Altschul
Many thanks. I
enjoyed reading
them. L. Brown

February 26, 1971

3/13/71
489/4/33

Mr. Robert McNamara
President
The World Bank
1818 H Street, NW
Washington, D.C. 20006

Dear Mr. McNamara:

After our discussion at the recent Brookings Luncheon, I thought that I might take the liberty of sending you a paper on the problem of proteins which appeared in a recent issue of the Unilever Journal PROGRESS. I am also enclosing a manuscript on "Strategies to Eliminate Malnutrition" which was submitted for publication in India.

Perhaps you or some of your colleagues might find these of interest and helpful.

Sincerely,

Aaron M. Altschul

AARON M. ALTSCHUL
Special Assistant for
Nutrition Improvement

Enclosures

Sent to you by mail for info

489/4/32

March 9, 1971

Dear Mr. Eager:

Mr. Robert McNamara has asked me to advise you that, because of commitments in Washington during the period April 18-21, he is not at all sure that he will be able to go to Williamsburg. In the event he is able to attend part of the meeting, however, Mrs. McNamara will not accompany him.

He would very much like to have the papers which you indicate will be circulated about April 1.

Sincerely,

(Miss) Margaret S. Stroud
Secretary to Mr. McNamara

Mr. George Eager
Executive Officer
International Council for
Educational Development
522 Fifth Avenue
New York, N. Y. 10036

489/4/30

PAT BRYAN, JR.
P. O. BOX 97
GRAHAM, TEXAS

MARCH 8, 1971

NL

U.S.A.

DEEPLY REGRET IT IS NOT POSSIBLE FOR ME TO JOIN YOU AT DINNER HONORING CHARLS WALKER WHO IS BOTH AN OUTSTANDING TEXAN AND A GREAT PUBLIC SERVANT. DURING THE PAST TWO YEARS FEW HAVE EQUALED HIS CONTRIBUTION TO THE STRENGTHENING OF OUR NATION'S ECONOMY AND THE IMPROVEMENT IN OUR ECONOMIC RELATIONS WITH THE OTHER NATIONS OF THE WORLD. PLEASE GIVE HIM BOTH MY THANKS AND MY CONGRATULATIONS.

ROBERT S. McNAMARA

Margaret S. Stroud
Office of the President

488/4/29

BARNES
EIFFEL
256 SOUTH SIXTEENTH STREET
PHILA., PA.

MARCH 8, 1971

FULL RATE

REGRET PRIOR COMMITMENT MAKES IT IMPOSSIBLE ACCEPT INVITATION TO
EEF TRUSTEES LUNCHEON MARCH 11.

McNAMARA

INTBAFRAD

Robert S. McNamara

RSMcN:pay

489/4/28

March 5, 1971

Miss Teresa Gutierrez Patino
Secretary to Mr. Rodrigo Botero
Fundacion Para la Educacion
Superior y el Dessarrollo
Apartado Aereo 20513
Bogota, Colombia

Dear Miss Gutierrez:

In accordance with your request, I am
happy to send to you a copy of Mr. Botero's
letter of February 24 to Mr. McNamara.

Best regards,

Sincerely,

(Miss) Polly Yates
Secretary to
Mr. McNamara