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THE WORLD BANK
Washington, D.C.

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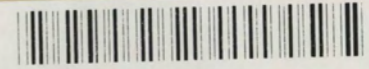
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McNamara Papers

1974 (May-June)

Vol. 41

THE WORLD BANK GROUP
Archives



1771910

A1995-252 Other #: 3

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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 41

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691/5/235

June 29, 1974

The Honorable
Daniel P. Moynihan
American Ambassador
New Delhi
Department of State
Washington, D. C. 20521

Dear Pat:

Thank you for your letter of May 30.

Let me say at once that we are keenly aware that India's own policies and poor record of project implementation are a major cause of the country's sluggish economic growth. But the weather, too, plays a major role in the fortunes of the economy. And in judging India's performance and policies, one must bear in mind the sheer scale and intractability of the country's development problems and the paltry resources available for their resolution.

Our recent economic report has attempted, as have previous reports, to take all these and other factors into account and has given, I believe, a balanced and objective critique of the Indian economic situation. I would refer you particularly to Chapter I for a brief review which is at once both sympathetic and critical. We have not allowed the recent drastic deterioration in the terms of trade to conceal the fact that a long-standing weakness in the balance of payments is the result of a policy of indiscriminate import substitution and poor performance in key import-saving sectors, together with many unsatisfactory features in the structure and administration of export promotion programs (see Chapters 10 and 11, particularly the latter). There are many other instances of our openly but constructively critical view of the Government's economic management. Wolf Ladejinsky's section on the rural scene (Chapter 4), Chapter 6 on the fertilizer and steel industries, and Chapter 8 on transport are obvious examples. It is, of course, true that our special papers for the Consortium this year have paid particular attention to the external sector. But it was the purpose of these papers (in particular the "Working Paper on Aid and Debt" of last February) to focus on India's aid requirements and consequent debt position. It is

June 29, 1974

unfortunate that these papers could not be prepared and presented at the same time as the economic report; the urgency of the situation dictated otherwise.

But the real question you raise is how more effectively to come to grips with the problems of India's disappointing performance. Nobody will understand better than you how difficult it is, especially in India, to maintain a constructive dialogue on matters of economic policy without appearing to meddle in the Government's decision-making process. All too easily, critical advice by outsiders may prevent the very improvements in policies which are desired. I can assure you that the need for greater realism in planning and in target-setting has been a point which I have myself made regularly and strongly in private discussions with Indian officials during the last year or two. At the sector level and in the context of our individual lending operations, there are many examples of the influence we exert, sometimes in concert with other donors. Important among these examples are: greater stress on agriculture, fertilizer production, industrial capacity utilization, and family planning; the introduction of scientific groundwater management; the strengthening of agricultural credit institutions; the introduction of regional electricity grids, and coordinated planning and operations in the power sector.

Of course, in these and other such instances, change and improvement are a good deal slower than one would like to see. An enormous amount remains to be done in every sector of the economy to develop stronger institutions and better policies, and it is a source of great concern to me that it is so difficult to accelerate this process. But along with the need for additional resources, this lies at the heart of India's development problem, and I intend to continue to apply, indeed to step up, pressure for improvement wherever appropriate.

As the economic report and various papers for the Consortium have made clear, we share your doubts about India's ability to attain the Draft Fifth Plan goal of a 5.5% growth rate, particularly given the extraordinary difficulties prevailing at the start of the Plan period. This and the other goals of the Draft Plan are no more than a statement, and a pitifully modest one at that, of India's needs. It is only in this very restricted, latter sense that we have expressed general support for the Draft Plan. The estimates of aid requirements on which our presentation to the Consortium focused are not based on a growth rate of 5.5%, and there is no simple, arithmetic relationship between the level of aid and the rate of growth. Nevertheless, we believe that the Indian economy could productively use far more foreign aid than has been available to it in the last few years and that our

June 29, 1974

indicative, longer-term projection of aid flows is modest rather than exaggerated. Indeed, most of the members of the Consortium have criticized the Bank for being too modest and believe that our long-term estimate of aid requirements is distinctly on the low side, both from the point of view of India's needs and from the point of view of their ability to provide assistance.

This brief letter does not do justice to the central questions of economic management you have raised. I hope to have a chance to discuss them with you. In any event, I have asked Gilmartin, our Resident Representative in New Delhi, to get in touch with you to review in further detail the points raised in your letter.

Sincerely,

(Bob)

(Signed) Robert S. McNamara

Robert S. McNamara

Segal/Kraske/Weiner/RSMcNamara:bmm

June 29, 1974

491/5/234

June 27, 1974

Dear Mr. Secretary:

Per your agreement with Mr. McNamara,
I attach a briefing book on Syria along the
lines of the one we prepared for Egypt, with
the hope that you will find it useful.

Sincerely,

Anders Ljungh
Personal Assistant to
Mr. McNamara

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

AL:bmm



Record Removal Notice



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|---|-----------------------------------|
| File Title President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 41 | Barcode No. 1771910 |
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| Document Date June 26, 1974 | Document Type Letter |
|---------------------------------------|--------------------------------|

Correspondents / Participants
 To: Miss Thecla C. Schulz
 From: Anders Ljungh, Personal Assistant to the President

Subject / Title
 Regarding Miss Schulz's termination from the Bank.

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

Reason for Removal
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Additional Comments

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| Withdrawn by Shiri Alon | Date Nov 19, 2012 |
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491/5/232

June 25, 1974

Dear Dillon:

Further to my letter of June 21 concerning the implications for bird life arising out of the Rural Development Project in Mauritius, there is an error in the first point of the observations. In the course of editing the meaning has inadvertently been changed. The paragraph should read as follows:

1. The project, as currently defined, includes only a small fraction of what we assume you to mean by the term "dwarf forest." The majority of the areas earmarked for afforestation falls into one of the following categories: (a) second growth forest; (b) grassland adjacent to Port Louis; and (c) land previously cleared for tea cultivation but later abandoned.

I trust this will clarify the position for you.

With kind personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. S. Dillon Ripley
President
The International Council for
Bird Preservation
Smithsonian Institution
Washington, D.C. 20560

- cc: Messrs. G. Darnell
T.J. Davis
G.R. Henderson
J.A. Lee
C.L. Ljungman
J.D. Roulet

CLLjungman:mlee

Mr. McN's off

491/5/231

GENERAL ANASTASIO SOMOZA
PRESIDENT
NATIONAL EMERGENCY COMMITTEE

JUN 25 1974

FULL RATE

MANAGUA

NICARAGUA

RE SURCAB JUNE 17 COMMA THIS IS TO ADVISE YOU THAT WE ACCEPT INVITATION
TO DISCUSS COMMA IN CONJUNCTION WITH OTHER EXTERNAL AGENCIES COMMA
EXTERNAL BORROWING POLICY NICARAGUA AND TO HAVE PRELIMINARY TALKS OTHER
ISSUES SUGGESTED SEDWITZ CABLE OF JUNE 22 STOP MR GERALD FLOOD CENTRAL
AMERICA DIVISION CHIEF AND MR CASTANEDA ECONOMIST FOR NICARAGUA WILL
BE ARRIVING MANAGUA SUNDAY JUNE 30 STOP CORDIAL REGARDS

(Signed) Robert S. McNamara
ROBERT S. MCNAMARA

Robert S. McNamara

cc: Mr. Guarnieri, Executive Director
Messrs. Alter
K Krieger, Director LAC CPI
Knox, Director LAC Projects
Escobar/Avramovic/Holsen/
Castaneda/Kaps

GFFlood:bc

491/5/230

June 24, 1974

Dear Mr. Johnson:

Somewhat to my surprise and to my total chagrin, my letter to you of March 6 has been returned to my office, undelivered.

As I said in that letter, Mrs. McNamara and I were, and continue to be, grateful to you and Mrs. Johnson for your gracious hospitality to us on our first visit to Papua New Guinea. Your own comments on the situation in the country were of particular benefit to me.

I wish you every success in your new endeavor directing Australia's aid program. I need hardly say that Papua New Guinea, after it becomes independent, will continue to need a generous measure of assistance from Australia.

Mrs. McNamara joins me in sending our best wishes to you both, with our sincere apologies that any expression of our appreciation for your many kindnesses has been so long inreaching you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Leslie W. Johnson
Director General
Australian Development Assistance Agency
Canberra, A.C.T., Australia

BMM:bmm

499/5/229

JUN 21 1974

Mr. S. Dillon Ripley
President
The International Council for
Bird Preservation
Smithsonian Institution
Washington, D.C. 20560

Dear Dillon:

Thank you for your letter of June 3 concerning the implications for bird life arising out of the Rural Development Project in Mauritius.

As you know, I share your concern about such issues and I am grateful to you for having brought it to my attention. Our policy in the Bank Group with regard to the financing of projects which may seriously affect ecological systems is to identify, prevent, or minimize the perceived damages; and, also, to educate the appropriate officials as to possible future environmental implications of the project.

With reference to the specific points raised in your letter, I should like to make the following observations:

1. The project, as currently defined, includes only a small fraction of what we assume you to mean by the term "dwarf forest". Most of the project area earmarked for afforestation is second growth forest; that is, bare land around Port Louis which had previously been cleared for tea cultivation but later abandoned.
2. The project does not include any area scheduled for inclusion in the Black River Gorge National Park.
3. Of the plantable area, which covers a total of about 13,000 acres and of which just 3,000 acres are in private hands, only 4,000 acres are to be planted under the project. Aside from that, nature reserves of approximately 4,500 acres have already been established in the upland region and there are 21,000 acres of unexploited mountainous land, including mountain reserves and land earmarked for national parks.

4. The Bank mission which appraised the project held extensive and detailed discussions with the Conservator of Forests on potential environmental issues. They also had the benefit of the advice of Sir Peter Scott, who was at the time working on a study of conservation in Mauritius. At no time did either party raise the issues referred to in your letter.

The Bank Group is, however, acutely conscious of its role in conserving endangered natural resources. If, therefore, it can be established that individual bird species, whose existence is contingent upon the specific habitat provided by the upland dwarf forest, would be imperilled or eliminated by the plantations, then the program can and should be realigned to exclude those areas. At the same time, the Bank is also aware of its responsibility to alleviate rural poverty by the provision of productive employment in areas of greatest need.

This is clearly an issue which will be taken up with the Government of Mauritius. Indeed, the points raised in your letter have already been brought to the attention of a high-level Mauritian delegation that visited Washington about ten days ago and they have assured us the Government will look into them.

I can assure you that we shall follow this up as a matter of urgency. Following such investigations, should any uncertainty remain, we would suggest the retention of an ornithological expert of international reputation to provide professional and impartial assistance to both the Government and ourselves.

With kind personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Messrs. G. Darnell
T.J. Davis
G.R. Henderson
J.A. Lee
C.L. Ljunghman
J-D. Roulet

CLLjunghman/ACEHilton/JALee:on

491/5/228

June 20, 1974

MEMORANDUM FOR DR. KANAGARATNAM

To what extent is the Indonesian population project, particularly the construction portion of it, behind schedule?

If it is behind schedule, what is your plan for making up the delays to insure the project is finished within the original schedule?

Robert S. McNamara

4911/5/227

JUN 19 1974

Dear Mr. Inoue:

We'll be happy to have a member of the World Bank's staff visit the Asian Development Bank for the purpose specified in your letter of June 5. I'm hopeful that both of our institutions may learn from the other to our mutual benefit.

As arranged with Mr. Mirani, Mr. James M. Kearns, Director, Organization Planning Department, will make the trip in the latter part of July. Mr. Kearns has been closely associated with our own reorganization and the procedures we have been following. He is in a good position to provide the independent advice you seek.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

cc: Mr. Chadenet
Mr. Goodman, Dir., EAP Prog. Dept.

JMKearns:DW

491/5/226

JUN 19 1974

Dear Mr. Minister:

Thank you very much for your letter of June 7th with which you forwarded to me the formal notification of the Government of Japan that they will make the subscription and contribution to the resources of the International Development Association authorized by the Resolution on "Additions to Resources; Fourth Replenishment".

We are very glad to have received this notification which is amongst the first to be communicated to us by the major donors. We also greatly appreciate the support which you have given us at the recent meeting of Deputies in Bonn on the subject of the advance contributions which will be needed to maintain the continuity of our operations after July 1st.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Takeo Fukuda
Minister of Finance
Ministry of Finance
Tokyo, Japan

cc: Messrs. Knapp
Cargill
Adler
Nurick
Damry
cc: for Mr. McNamara's Office (2)

DHFRickett:emcc
IDA4

49-1/5/223

JUN 17 1974

Dear Mr. Maramis:

I appreciate your writing to me about your plans for the Asian Centre for Development Administration. I regret very much that it is not possible for me to accept your kind invitation to address your first programme on Policy Analysis and Development this coming November, and I want to assure you this is due entirely to my busy schedule and does not reflect any lack of appreciation of the importance of your initiative. I understand, by the way, that our Economic Development Institute has been in touch with the Centre and hopes to develop in time some working relationships in the training field.

My very best wishes for a successful programme.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. J. B. P. Maramis
Executive Secretary
Economic Commission for Asia
and the Far East
Sala Santitham
Bangkok 2, Thailand

cc: Mr. McNamara's files (2)

- Mr. Goodman (Director, East Asia and Pacific Country Programs Dept.)
- Mr. Merriam (Director, Information and Public Affairs Dept.)
- Mr. Kamarck (Director, Economic Development Institute)
- Mr. Franco-Holguin (Special Representative, UN Organizations, IRD)

MLHoffman/eb

491/5/222

JUN 17 1974

Dear David:

Thank you very much for your letter and the invitation to give one of the Jane Hodge series of lectures. I have indeed spoken to Jim Callaghan about this in the past, and I am afraid I must return the same regretful answer.

You will remember that I was always reluctant to give a speech unless I had something new and definite to say. Today I find it takes all my time to fulfill satisfactorily my statutory duty speeches - to the Governors, to the Economic and Social Council, and to the occasional U.N. World Conference. At this moment I am struggling painfully with two such speeches for the immediate future. I wish I had your facility for going round this country and making appropriate speeches in every town.

It is far too long since we met and I hope you will come down here and stay next time you are in the United States. Marg joins me in wishing you well and wishing that you would visit us again.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Rt. Hon. Lord Harlech, P.C., K.C.M.G.
HTV Limited
99 Baker Street
London W1M 2AJ
England

WDClark:sf

491/5/221

JUN 17 1974

Dear Maurice:

This letter is a very belated response to yours of April 10, 1974, regarding a possible Bank Group "sites and services" project in Nairobi. Most unfortunately, your letter was misplaced and therefore remained unanswered until now. I am very sorry indeed for the delay.

We are indeed considering such a project; in fact an appraisal mission will arrive in Nairobi next week. Furthermore, I understand that the Bank's staff has advised UNEP's Nairobi office of the appraisal and has canvassed possible UNEP interest in the project. Finally, I know the mission intends to make contact with your staff while in Nairobi.

There is as yet no Bank report on the project; this will be prepared as a result of the conclusions of the appraisal and subsequent internal consultations within the Bank. As soon as a firm draft is available, probably towards the latter part of this year, I shall be very pleased to have it passed to you on an informal and confidential basis.

With renewed apologies for the lateness of this response,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. Maurice Strong
Executive Director
United Nations Environment Program
P. O. Box 30552
Nairobi, Kenya

PWBocock:cdv
June 13, 1974
cc: Messrs. Bell, Regional VP, EA
Hornstein, Div. Chief, CPI, EA
Jaycox, Director, Trans. & Urban Proj.

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

491/5/220

for the President's Office

JUN 15 1974

Son Excellence
le Général Etienne Eyadéma
Président de la République
Lomé, Togo

Monsieur le Président,

Par une lettre du 1er février 1974, vous avez bien voulu me faire part de votre sentiment sur le projet de CMAO. Connaissant votre désir d'accélérer son financement, je vous écris aujourd'hui pour faire le point de l'évolution récente du projet.

Vous trouverez ci-joint un Aide-Mémoire plus détaillé préparé par mes collaborateurs. Comme vous pourrez en juger, par cet Aide-Mémoire, des progrès importants ont été réalisés, notamment dans nos contacts avec plusieurs cofinanciers éventuels. La Banque Africaine de Développement, la Banque Européenne d'Investissement, la Caisse Centrale de Coopération Economique et l'ACDI canadienne ont répondu de façon très favorable, partageant nos vues sur le projet et envisagent très sérieusement de s'associer à son financement. Cependant il sera difficile de rassembler plus de 60% de financement extérieur pour ce projet évalué à 125 millions de dollars (y compris l'infrastructure). Il conviendrait donc que les gouvernements confirmant et que les promoteurs privés indiquent par écrit que les sommes nécessaires au financement d'environ 40% du coût de l'investissement pourront être apportées par la Côte d'Ivoire, le Togo et Lambert Frères.

Notre Aide-Mémoire signale quelques retards dans la mise à jour par les promoteurs privés du détail des coûts et bénéfices du projet, ainsi que dans la préparation d'accords à passer avec Ciments d'Origny pour l'assistance technique, et avec l'ensemble des usines de broyage sur les modalités et le prix de la commercialisation du clinker. Des réunions techniques que nous avons pu avoir en avril à Washington nous ont cependant donné l'espoir que tous les renseignements demandés par nous seront rassemblés dans les plus brefs délais.

Son Excellence
le Général Etienne Eyadéma

- 2 -

JUN 15 1974

Bien que nous soyions encore loin d'être certains que tous les problèmes en suspens auront déjà été résolus, nous avons tenu à respecter le calendrier fixé en principe à la réunion de Paris de février/mars et notre mission d'évaluation aura lieu au cours de la deuxième quinzaine de juin. Elle commencera par des réunions techniques à Paris et comprendra une réunion de synthèse à Abidjan le 19 juin avec les représentants des deux gouvernements, des promoteurs privés et de certains cofinanciers; une mission parallèle ira au Togo à partir du 19 juin pour examiner plus spécialement les problèmes de transport, avant d'être rejointe le 22 juin par la mission industrielle.

Voilà donc, Monsieur le Président, les quelques observations que j'ai tenues à vous faire au sujet de ce projet. Comme j'ai déjà eu l'occasion de vous le dire, nous sommes décidés à faire tout ce qui nous est possible pour en assurer le succès. Des problèmes restent à résoudre qui dépendent dans une large mesure de la volonté des promoteurs gouvernementaux et privés du projet. C'est pour accélérer la solution de ces problèmes que nous souhaitons tenir en juin les réunions annoncées, à Paris, Abidjan et Lomé. Mais je serai personnellement très heureux de connaître votre sentiment sur cette affaire et sur les moyens d'en hâter une conclusion favorable.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Pièce Jointe

cc: M. Kochman

06/14/74

FJAguirre-Sacasa/XdelaRenaudière

Cleared with and cc: Messrs. Cash/Ragetly (Industrial Projects)

cc: Mr. Fuch (Industrial Projects)

Mr. Walser (Legal)

491/5/219

For Mr. McNamara's office

JUN 15 1974

Son Excellence
Monsieur Félix Houphouët-Boigny
Président de la République
Abidjan, Côte d'Ivoire

Monsieur le Président,

Par une lettre du 1er février 1974, vous avez bien voulu me faire part de votre sentiment sur le projet de CIDAO. Connaissant votre désir d'accélérer son financement, je vous écris aujourd'hui pour faire le point de l'évolution récente du projet.

Vous trouverez ci-joint un Aide-Mémoire plus détaillé préparé par mes collaborateurs. Comme vous pourrez en juger, par cet Aide-Mémoire, des progrès importants ont été réalisés, notamment dans nos contacts avec plusieurs cofinanciers éventuels. La Banque Africaine de Développement, la Banque Européenne d'Investissement, la Caisse Centrale de Coopération Economique et l'ACDI canadienne ont répondu de façon très favorable, partageant nos vues sur le projet et envisagent très sérieusement de s'associer à son financement. Cependant il sera difficile de rassembler plus de 60 % de financement extérieur pour ce projet évalué à 125 millions de dollars (y compris l'infrastructure). Il conviendrait donc que les gouvernements confirment et que les promoteurs privés indiquent par écrit que les sommes nécessaires au financement d'environ 40 % du coût de l'investissement pourront être apportées par la Côte d'Ivoire, le Togo et Lambert Frères.

Notre Aide-Mémoire signale quelques retards dans la mise à jour par les promoteurs privés du détail des coûts et bénéfices du projet, ainsi que dans la préparation d'accords à passer avec Ciments d'Origny pour l'assistance technique, et avec l'ensemble des usines de broyage sur les modalités et le prix de la commercialisation du clinker. Des réunions techniques que nous avons pu avoir en avril à Washington nous ont cependant donné l'espoir que tous les renseignements demandés par nous seront rassemblés dans les plus brefs délais.

Son Excellence
Monsieur Félix Houphouët-Boigny

- 2 -

JUN 15 1974

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

(Signed) Robert S. McNamara

Robert S. McNamara

Pièce jointe

cc. M. Kochman

06/14/74 FJAguirre-Sacasa/XdeLaRenaudière:tp

cleared with and cc. Messrs. Cash, Ragetly

cc. Mr. Fuchs
Mr. Walser



OFFICE OF THE PRESIDENT

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

491/5/218

June 13, 1974

NOTE FOR THE FILES

Mr. Hori told me this afternoon that Minister Fukuda had asked him to tell me Japan was interested in increasing its share in the subscribed and paid-in capital of the Bank. Such action would presumably occur in connection with an increase in Fund quotas.

Robert S. McNamara

Copies to:
Mr. Knapp
Mr. Cargill
Mr. Broches
Mr. Adler

h91/5/217

June 13, 1974

Dear Mr. Minister:

Thank you for your letter of
May 17, 1974.

As you know, the Bank is indeed interested in supporting development projects in the smallholder sector. Mr. Takahashi and Mr. Storrar of the Resident Staff have been working with your staff on preparation of several possible projects to assist smallholder development, particularly in Sumatra. A copy of the scheme for resettlement of farmers now practicing shifting agriculture was given to our Resident Staff, who would be glad to discuss further with your staff the actions necessary for preparation of such a project.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Toyib Hadiwijaya
Minister of Agriculture
Menteri Pertanian
Republik Indonesia

JRBungarner:ALjungh:mlee

cc: Messrs. Gordon
Storrar
Parsons

491/5/216

INTBAFRAD

JUNE 12, 1974

PARIS

TELEX

FRANCE

FOR KNAPP YOU WILL RECEIVE A COPY OF CHENERY'S REVISED ENERGY PAPER WITH THE HOPE THAT YOU WILL HAVE TIME TO READ IT FOR A MEETING WITH PRESIDENT ON FRIDAY MORNING NINE AM STOP THE PAPER WILL BE DEPOSITED WITH PANAM AT CHARLES DEGAULLE AIRPORT ON THURSDAY MORNING BY MR. THEODORES WHO ARRIVES AT 0810 A.M.

LJUNGH

Anders Ljungh

Office of the President

Aljungh:mlee

491/5/213

June 11, 1974

Dear Maurice:

I much enjoyed our talk yesterday and feel that we moved forward towards a common goal.

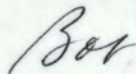
I accept gladly your suggestion that Marc Nerfin be asked to prepare a "feasibility study" of the project. I have asked Jack Duloy to represent the Bank and to collaborate with Nerfin. Mr. Duloy, an Australian, has been closely associated with Hollis Chenery in the production of his book "Redistribution with Growth."

As I understand it they would aim at bringing together a small group of experts (scientists as well as economists) to hammer out a precise agenda and method of work for a future World Commission. The subject that we discussed, which needs very careful refining, was the problem of how to produce an acceptable level of food, energy and shelter for the increasing population of the developing world; how much of this could be produced by the countries or regions from their own resources; what input from outside will be needed; how to fit all of this within the "outer limits" of man's environment.

We agreed that what was most needed in a preliminary study of this kind was rigorous thinking to avoid careless prophecies of doom, but to expose the very real problems facing the world in this field in the remainder of the century.

I hope that this feasibility study could be presented to you and me by mid-September.

Sincerely,



Robert S. McNamara

Mr. Maurice Strong
Executive Director
United Nations Environment Programme
P. O. Box 30552
Nairobi, Kenya

WDClark:RMcN:mss

bcc: Messrs. Chenery, Clark, Stern

h91/5/212

MAURICE STRONG
UNITERRA
NAIROBI

JUNE 11, 1974

TELEX

KENYA

I MUCH ENJOYED OUR TALK YESTERDAY AND FEEL THAT WE MOVED FORWARD TOWARDS A COMMON GOAL
STOP I ACCEPT GLADLY YOUR SUGGESTION THAT MARC NERFIN BE ASKED TO PREPARE A QUOTE
FEASIBILITY STUDY QUOTE OF THE PROJECT STOP I HAVE ASKED JACK DULOY TO REPRESENT THE
BANK AND TO COLLABORATE WITH NERFIN STOP MR DULOY AN AUSTRALIAN HAS BEEN CLOSELY
ASSOCIATED WITH HOLLIS CHENERY IN THE PRODUCTION OF HIS BOOK REDISTRIBUTION WITH GROWTH
STOP AS I UNDERSTAND IT THEY WOULD AIM AT BRINGING TOGETHER A SMALL GROUP OF EXPERTS
PAREN SCIENTISTS AS WELL AS ECONOMISTS PAREN TO HAMMER OUT A PRECISE AGENDA AND METHOD
OF WORK FOR A FUTURE WORLD COMMISSION STOP THE SUBJECT THAT WE DISCUSSED WHICH NEEDS
VERY CAREFUL REFINING WAS THE PROBLEM OF HOW TO PRODUCE AN ACCEPTABLE LEVEL OF FOOD
COMMA ENERGY AND SHELTER FOR THE INCREASING POPULATION OF THE DEVELOPING WORLD COLON
HOW MUCH OF THIS COULD BE PRODUCED BY THE COUNTRIES OR REGIONS FROM THEIR OWN RESOURCES
COMMA WHAT INPUT FROM OUTSIDE WILL BE NEEDED COLON HOW TO FIT ALL OF THIS WITHIN THE
QUOTE OUTER LIMITS QUOTE OF MAN'S ENVIRONMENT STOP WE AGREED THAT WHAT WAS MOST NEEDED
IN A PRELIMINARY STUDY OF THIS KIND WAS RIGOROUS THINKING TO AVOID CARELESS PROPHECIES
OF DOOM COMMA BUT TO EXPOSE THE VERY REAL PROBLEMS FACING THE WORLD IN THIS FIELD IN

Robert S. McNamara

President

WDClark:RMcN:mss

MAURICE STRONG

PAGE TWO

THE REMAINDER OF THE CENTURY STOP I HOPE THAT THIS FEASIBILITY STUDY COULD BE PRESENTED
TO YOU AND ME BY MID-SEPTEMBER

ROBERT S. McNAMARA

491/5/207

AMBASSADOR PATRICK MOYNIHAN
AMERICAN AMBASSADOR
AMERICAN EMBASSY
NEW DELHI

JUNE 3, 1974

LT

INDIA

EYE APOLOGIZE FOR THE QUOTE BENIGN NEGLECT UNQUOTE WITH WHICH WE HAVE
DEALT WITH YOUR REQUEST FOR A COPY OF THE ECONOMIC REPORT ON INDIA STOP
ONE SHOULD BE IN YOUR HANDS WITHIN A MATTER OF HOURS STOP BEST WISHES

MCMAMARA
INTBAFRAD

Robert S. McNamara

President

RMcN:bmm

491/5/206

UNITATIONS
ECWA
BEIRUT

JUNE 3, 1974

TELEX

LEBANON

FOR AL ATTAR

ON OCCASION FIRST SESSION ECONOMIC COMMISSION FOR WESTERN ASIA
PLEASE ACCEPT BEST WISHES FOR SUCCESS OF COMMISSION AND ITS STAFF
IN THEIR IMPORTANT RESPONSIBILITIES STOP EYE LOOK FORWARD TO
DEVELOPMENT OF COOPERATION BETWEEN ECWA AND WORLD BANK

ROBERT S MCNAMARA

PRESIDENT

INTBAFRAD

L. Peter Chatenay
International Relations

LPChatenay:smcd
May 30, 1974

Cleared with & cc: Mr. Benjenk
" " & cc: Mr. Hoffman
cc: Mr. McNamara's Office (2)
Mr. Franco
Mr. Asfour

491/5/204

JUN 3 1974

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

Dear Mr. Prime Minister:

Thank you very much for your letter, dated April 5, 1974, which I received through the kind services of your Minister of Finance.

I fully share your concern about the social and economic problems created by the recent repatriation of large numbers of Basotho workers from the mines in South Africa. With so many Basotho workers abroad, I realize how vulnerable Lesotho's economy is to employment conditions in South Africa, and I appreciate it that the main objective of your development efforts is to provide employment opportunities within your country.

On April 16 and 17 my staff had extensive discussions with the Lesotho Government delegation led by your Minister of Finance. The Lesotho delegation and the Bank staff explored ways to ensure that the Bank's projects address themselves to Lesotho's employment problems to the maximum extent possible. With respect to this, I am pleased to inform you that the scope of our latest project in Lesotho -- the Thaba Bosiu Rural Development Project -- is gradually changing to introduce, more than originally intended, labor intensive horticulture. Furthermore, an education project has just been negotiated and will be presented to our Executive Directors shortly, which addresses itself to Lesotho's immediate manpower needs, and is intended to improve the skills of Basotho workers. Two more projects for Lesotho are under active preparation, and we are exploring ways to accelerate them and to make them as much employment oriented as possible. One of them is a road project. We are presently investigating the possibilities for using labor intensive techniques in road construction. The other is a rural development project in Lesotho's mountain region, which, we hope, will provide gainful alternatives to working in South Africa for people living in Lesotho's least developed areas.

I am glad to learn that your Government has identified certain projects which could provide immediate relief to the returning mine workers. I understand that the United Nations Development Programme and the International Labour Organization are working together to mount a mission to

help your Government prepare such projects. We, on our part, will assist this mission as much as possible by making available what expertise we have.

Thank you very much for renewing your invitation to visit your country. Indeed, I would very much like to learn firsthand about your country's unique development problems. I hope to be able to come to Lesotho in the near future.

Sincerely yours,

(Signed) Robert S. McNamara
Robert S. McNamara

WMaane/SAMoini/ddm

cc: Mr. McNamara's Office (2)

491/5/202

DECLASSIFIED

OCT 22 2012

STRICTLY PERSONAL & CONFIDENTIAL

JUN 3 1974

WBG ARCHIVES

Your Royal Highness:

I was delighted to have the opportunity of meeting you last week and discussing with you and with the many friends of Jordan in Washington, the prospects for the economic development of your country. As I told you, we are willing to help in trying to get together potential sources of financial assistance for Jordan on the basis of a concrete program which you might present to us in the near future. I have already initiated discussions with Mr. Parker of AID on the best way to approach the matter on this side of the ocean.

Another purpose of this letter is to give you the result of an inquiry I have made into the matter which you raised with me concerning Mr. Maurice Bart, now Director of one of the Program Departments in our regional office for Europe, the Middle East and North Africa. In the middle and late 1960's Mr. Bart was, as you know, the Division Chief responsible for a number of countries, including Jordan. He operated in this capacity during a period where the policy of the Bank in the Middle East, the Management attitude, and the personalities involved, as well as the directives given, were quite different from what they are now. As a loyal staff member of the Bank he translated the policies of that period, whether he agreed with them or not, into his contacts with your authorities. As a newly appointed Director of a Department, and under new management of the regional office for which he is responsible, I am sure you will have every reason to be satisfied with his cooperation. I have myself in recent years seen Maurice Bart operating in Turkey, Morocco and Algeria, and have been impressed by the friendly contacts which he has established everywhere. He has my full confidence, as well as that of his Regional Vice President, and I am sure will have yours when you get to know him better personally. I hope to arrange for such an occasion before too long.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Royal Highness
The Crown Prince of the Royal Hashemite
Kingdom of Jordan
Amman, Jordan

491/5/200

HECTOR HURTADO
MINISTRO DE HACIENDA
395-22650 MINHCDA
CARACAS
(VENEZUELA)

MAY 31 1974

TELEX

TENGO SUMO AGRADO EN COMUNICARLE QUE HE LEÍDO DETALLADAMENTE EL AIDE MEMOIRE DE MAYO 22 QUE RESUME EL ACUERDO DE COLABORACIÓN MUTUA A QUE LLEGARON USTED Y MI REPRESENTANTE PERSONAL ADALBERT KRIEGER. DE ACUERDO CON LO CONVENIDO EN EL PARRAFO ⁴ 22 HE DADO INSTRUCCIONES PARA QUE EL PERSONAL DEL BANCO PREPARE LAS DISCUSIONES DETALLADAS QUE SEAN NECESARIAS PARA IMPLEMENTAR LO ACORDADO. RATIFIQUE EN PARTICULAR EL COMPROMISO DEL BANCO EN COOPERAR CON EL DESARROLLO DE VENEZUELA EN LAS AREAS SELECCIONADAS POR SU GOBIERNO. HEMOS COMENZADO YA LA PREPARACIÓN INTERNA NECESARIA PARA IMPLEMENTAR ESA COOPERACIÓN. LA SEMANA PRÓXIMA LLEGARÁN A CARACAS LOS TÉCNICOS SOLICITADOS PARA COOPERAR EN LO QUE SE REFIERE A MERCADO DE CAPITALS. DE ACUERDO CON LO CONVENIDO, ESPERO QUE NOS HAGA SABER LA FORMA Y OPORTUNIDAD EN QUE ESTOS ACUERDOS DEBEN SER ANUNCIADOS. ESPERO TENER LA OPORTUNIDAD DE SALUDARLO PERSONALMENTE DURANTE SU PRÓXIMA VISITA A WASHINGTON Y LE REITERO EL PLACER QUE TENDRÍA EN VISITAR CARACAS SI EL GOBIERNO ASÍ LO ESTIMA CONVENIENTE. PERMÍTAME AGRADECER Y FELICITAR A SU GOBIERNO POR LAS DECISIONES ADOPTADAS PARA ESTE ESFUERZO CONJUNTO DE DESARROLLO.

(Signed) Robert S. McNamara

SINCERAMENTE
ROBERT S. MCNAMARA

Robert S. McNamara

- | | |
|---------------------|---------------------|
| Mr. Knapp | Mr. Cargill |
| Mr. Alter | Mr. Stern |
| Mr. Rotberg | Mr. Hittmair |
| Mr. Adler | Mr. Avramovic |
| Mr. Wiese | Mr. Escobar |
| Mr. Holsen | Mr. Pfeffermann |
| Mr. Van der Heijden | Mr. Gonzalez-Cofiño |

A.Krieger ms.

| | |
|--|-------------|
| IBRD LANGUAGE SERVICES DIVISION | |
| CONTROL No. E-1817/74 | DATE: |
| ORIGINAL LANGUAGE: Spanish (Venezuela) | |
| DEPT. LAC I | TRANSLATOR: |

Translation of outgoing telex

HECTOR HURTADO
MINISTRO DE HACIENDA
TELEX 395-22650 MINHADA
CARACAS
(VENEZUELA)

I HAVE GREAT PLEASURE IN INFORMING YOU THAT I HAVE CAREFULLY READ THE AIDE MEMOIRE OF MAY 22 SUMMARIZING THE MUTUAL COOPERATION AGREEMENT REACHED BY YOU AND MY PERSONAL REPRESENTATIVE ADALBERT KRIEGER. I HAVE GIVEN INSTRUCTIONS IN ACCORDANCE WITH UNDERSTANDING REFERRED TO IN PARAGRAPH 224 FOR BANK STAFF TO ARRANGE NECESSARY DETAILED DISCUSSION WITH A VIEW TO IMPLEMENTING UNDERSTANDINGS REACHED. IN PARTICULAR I WISH TO RATIFY THE BANK'S UNDERTAKING TO COOPERATE IN THE DEVELOPMENT OF VENEZUELA IN THE AREAS SELECTED BY YOUR GOVERNMENT. WE HAVE ALREADY STARTED TO MAKE THE NECESSARY INTERNAL ARRANGEMENTS FOR IMPLEMENTATION OF THIS COOPERATION. NEXT WEEK THE EXPERTS REQUESTED WILL ARRIVE IN CARACAS TO GIVE ASSISTANCE IN THE MATTER OF THE CAPITAL MARKET. AS AGREED, I HOPE YOU WILL LET US KNOW HOW AND WHEN THESE AGREEMENTS ARE TO BE ANNOUNCED. I HOPE TO HAVE THE OPPORTUNITY TO WELCOME YOU PERSONALLY DURING YOUR FORTHCOMING VISIT TO WASHINGTON AND I SHALL BE PLEASED TO VISIT CARACAS IF THE GOVERNMENT SO DEEMS NECESSARY. PERMIT ME TO THANK AND CONGRATULATE YOUR GOVERNMENT FOR ITS DECISION IN FAVOR OF THIS JOINT DEVELOPMENT EFFORT.

SINCERELY

ROBERT S. MCNAMARA

*Krieger:ms

491/5/199

May 30, 1974

MEMORANDUM FOR MR. ISBISTER

Subject: IDA Fourth Replenishment Deputies' Meeting, Bonn, May 22

Thank you for your note of May 23. I have been informed that Canada was represented at the Bonn meeting by Mr. Hepner, First Secretary of the Canadian Embassy in Bonn. Mr. Hepner was among the early speakers, and he reaffirmed the position first stated by Mr. Sharp at the UN Special Session to the effect that Canada had agreed to authorize IDA to commit in advance against the first two tranches (out of four) of its contribution to the Fourth Replenishment. I was told that this early and strong affirmation of Canadian support for keeping IDA going played an important part in setting the tone for the meeting, which ended with "pledges" of advance contributions from 20 countries, most of them on the assumption that the U.S. Senate would act favorably on IDA 4 legislation then pending. As you know, the Senate has now approved IDA with a better than two-thirds majority and we can look forward to advance contributions of some \$750 million to keep IDA going.

On May 23 we received formal notification from Canada of its participation in the Fourth Replenishment.

Please convey to the Canadian authorities my deep appreciation of their strong commitment to IDA and our common efforts to assist the poorest countries.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Sir Denis Rickett o/r
Mr. Cargill
Mr. Nurick

FXColaco/JHADler:mss

491/5/198

Mr. Mohamed Alsharekh

MAY 29 1974

Robert S. McNamara

Kuwait Industrial Development Bank

1. Thank you for your memorandum of April 18 in which you ask for assistance in the organization of the new Kuwait Industrial Development Bank and the recruitment of its staff.

2. In regards to the proposed study of terms and conditions currently offered by comparable organizations in Kuwait, I am pleased to inform you that it would be possible for Mr. J.R.W. Trott, Chief of our Compensation Policies and Personnel Services Division, to visit Kuwait for this purpose for about a week. Messrs. Paijmans and Trott will be in touch with you on your return to the Bank to discuss the details, including arrangements which I would expect the Kuwait Government to make in regard to Mr. Trott's interviews with development funds, investment companies and commercial banks in Kuwait.

3. In regards to the possible secondment of Bank staff on leave of absence terms to the Kuwait Industrial Development Bank, I would be happy to assist you as far as our own resources allow. In view of our own needs for our increasing programs of lending to DFCs, it would be difficult to envisage secondment of staff to the Kuwait Industrial Development Bank other than on a very limited and exceptional basis. This probably means no more than one staff member to fill a position which would be crucial to the development of your new bank and for which the use of a seconded Bank staff member would be demonstrably more appropriate than the use of a consultant.

4. In addition to the direct requests in your memorandum, I should like to offer you our assistance in the location of non-Kuwaiti staff for direct hire. We would also be happy to discuss with you the possibilities of your bank arranging secondment from DFCs with which the Bank has had a long term connection.

(Signed) Robert S. McNamara

Cleared with and cc: Messrs. Benjenk, Wapenhans, Sekse, Eccles
Clarke, Denton, Trott (Personnel)

cc: Mr. Cargill

SDEccles:jre

491/5/197

cc: For the use of the Office
of the President (2)

MAY 29 1974

Dear Mr. Minister:

Mr. Ahmad has informed me of your Government's desire to make a grant towards the cost of the campaign for the control of onchocerciasis in Western Africa, and I would like to say how much we welcome Iraq's participation in the financing of this program, which we believe will not only make a major contribution to the health of the region, but will also yield important benefits in terms of economic development.

As you will have heard from Mr. Ahmad, a meeting of donor and participating governments and international agencies will be held at the Bank's European Office in Paris on June 26-27 to review the arrangements for the management and financing of the campaign, and we very much hope that a representative of your Government will be able to attend.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. M. M. Ahmad, Executive Director

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

cc: Mr. Benjenk
Mr. Chaufournier
Mr. Ljungh (Office of the President) - 2
Mr. Delaume (Legal Department)
Mr. Hoffman (International Relations)
Messrs. Bazin and Garff (W. Africa I)

File: Riverblindness (W. Africa)
EPWright:vr
May 24, 1974

English Translation

His Excellency Mobutu Sese Seko Kuku Ngbendu Wa Za Banga
General of the Army
President
Kinshasa, Republic of Zaire

Excellency:

Mr. Guetta gave me an account of his recent meeting with you and also brought me your letter of May 15.

I am gratified to hear that genuine progress is being made in our effort to assist in Zaire's economic development and that in accordance with our hope very close cooperative relations have developed between your staff and our resident staff under Mr. Guetta. I am pleased also that the leader of the planning assistance team and most of its members have now been selected in consultation with your Government so that the planning section in your office can now begin to function in earnest. I hope that our mutual effort will contribute significantly to Zaire's development and to the mobilization of the domestic and external resources required.

I fully share your view that our joint efforts are likely to lead in the near future to the maturing of plans for a considerable number of well-conceived and high-priority development projects for which financing by the World Bank Group and other international and external agencies would be desirable. I agree also that, since our own resources will not be adequate for the external financing needs of all these projects, it would be desirable to associate other sources of finance with those of the Bank Group, as is contemplated in the case of the Gecamines project. Mr. Husain, as you may know, will shortly be visiting Libya, and he will discuss not only the specifics of our planned joint financing of the Gecamines project, but also your suggestion that Libya join with us in financing other projects and programs in Zaire. I have asked Mr. Husain to go to Zaire from Libya so that he can report to you on his discussions there.

If the proposed cooperation between Libya and the Bank in financing projects in Zaire should materialize, it will be a significant step toward the mobilization of resources from the petroleum producing countries for African Development, which we both so much desire. I am happy to be assured of your support in the efforts I am continuing to make in this direction.

I appreciate your kind remarks about both Mr. Bell and Mr. Husain; so of course do they.

In conclusion, Mr. President, let me assure you once again of my sincere desire, and that of my colleagues, to work with your Government in furthering Zaire's development.

Sincerely,

Robert S. McNamara

May 28, 1974

491/5/196

Son Excellence Mobutu Sese Seko Kuku Ngbendu Wa Za Banga
Général de Corps d'Armée
Président de la République du Zaïre
Kinshasa
République du Zaïre

Excellence,

Monsieur Guetta m'a remis votre lettre du 15 mai et m'a rendu compte de l'entretien que vous avez bien voulu lui accorder.

Je suis très heureux de noter tout d'abord que notre contribution à l'effort de développement économique du Zaïre enregistre de réels progrès; répondant à notre désir mutuel, des relations d'étroite coopération se développent entre vos collaborateurs et notre mission résidente dirigée par Monsieur Guetta.

Par ailleurs, je note avec plaisir que le chef de file et la plupart des membres du groupe d'assistance à la planification ont été déjà sélectionnés en parfait accord avec les autorités Zaïroises concernées; ainsi, le Service du Plan du Bureau de la Présidence va pouvoir maintenant entreprendre une action déterminante. J'espère que nos efforts mutuels contribueront largement au développement du Zaïre et à la mobilisation des ressources tant intérieures qu'extérieures qu'il requiert.

Je partage entièrement votre point de vue sur le fait que nos efforts conjoints doivent conduire dans un proche avenir à planifier un nombre substantiel de projets de développement économique bien conçus et d'une haute priorité. La réalisation de ces projets nécessitera le financement du Groupe de la Banque Mondiale et d'autres agences étrangères et internationales. Je suis d'accord également qu'étant donné que nos ressources propres ne pourront pas faire face à tous les besoins de financement nécessaires à l'ensemble de ces projets, il apparaît hautement souhaitable d'associer d'autres sources à nos propres possibilités.

C'est précisément ce que nous avons recherché dans le cas du projet Gécamines. Monsieur Husain, comme vous le savez, doit se rendre incessamment en Libye et il discutera non seulement les aspects particuliers du programme de financement conjoint du projet

Gécamines, mais aussi votre suggestion de voir la République Arabe Libyenne se joindre à nous pour le financement d'autres projets et d'autres programmes en République du Zaïre.

J'ai demandé à Monsieur Husain de se rendre directement de Tripoli à Kinshasa afin qu'il puisse vous rendre compte personnellement des discussions qu'il aura eues.

Si la coopération envisagée entre la République Arabe Libyenne et le Groupe de la Banque Mondiale dans le financement de projets en République du Zaïre se matérialise, elle pourrait être considérée comme une étape déterminante dans la recherche de la mobilisation des ressources originaires des pays producteurs de pétrole au bénéfice du développement Africain, mobilisation qu'ensemble nous souhaitons vivement. Je suis heureux d'être assuré de votre soutien dans l'action que je ne cesse de poursuivre à cet effet.

J'ai également apprécié vos aimables adresses à l'attention de Monsieur Bell et de Monsieur Husain, et je n'ai pas manqué de les leur transmettre.

En conclusion, Monsieur le Président, permettez-moi de vous assurer une fois de plus de mon désir sincère et de celui de mes collègues de collaborer étroitement avec vos autorités dans la poursuite de l'effort de développement de la République du Zaïre.

Veuillez agréer, Excellence, l'expression de ma très haute considération.

Robert S. McNamara

Copies for Mr. McNamara (2)

cc: Messrs. Knapp, Shoaib, Bell, Benjenk, Husain

SSHusain/BBell/SGuetta:flm

491/5/195

BOERMA
FOODAGRI
ROME

MAY 24, 1974

TELEX

ITALY

REF YOUR TELEX MAY 24 IBRD WILL BE VERY PLEASD TO COOPERATE FULLY
WITH YOU IN IMPLEMENTATION ECOSOC RESOLUTION OF MAY 14, 1974 STOP
VARIOUS PARTS OF IBRD WILL BE INVOLVED BUT SUGGEST BEST POINT OF
CONTACT WOULD BE YUDELMAN, DIRECTOR OF AGRICULTURE AND RURAL
DEVELOPMENT DEPARTMENT

MCNAMARA

INTBAFRAD

Warren C. Baum
Vice President, Projects Staff

Cleared with and cc:
Mr. McNamara and Mr. Clark

cc with incoming: Mr. Hoffman
Mr. Yudelman
Mr. Fuchs
Mr. Qureshi
Mrs. Hughes

FROM ROME

INCOMING TELEX

TO INTBAFRAD WASHINGTONDC

Distribution: Agriculture & Rural Dev. RECEIVED

ECOSOC RESOLUTION NO 1837 OF 14 MAY 1974 ON EMERGENCY MEASURES
IN REGARD TO SUPPLY OF FERTILIZERS AND PESTICIDES REQUESTS ME
QUOTE TO DRAW UP IMMEDIATELY AN EMERGENCY PLAN OF OPERATIONS
FOR INCREASING THE SUPPLY OF FERTILIZERS TO DEVELOPING
COUNTRIES , INCLUDING THE ESTABLISHMENT OF A FERTILIZER POOL,
AND TO CALL AN EMERGENCY SESSION OF THE COUNCIL OF THE FOOD
AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS TO APPROVE
THE PLAN OF OPERATIONS AND PUT IT INTO EFFECT UNQUOTE WOULD
GREATLY WELCOME CLOSEST POSSIBLE COOPERATION OF IBRD AS
WELL AS UNIDO IN THIS WORK FROM EARLIEST STAGES . FOR DISCUSSION
PRACTICAL ARRANGEMENTS WOULD APPRECIATE KNOWING WHOM WE
SHOULD CONTACT IN YOUR STAFF =

MAY 24 3 37 PM 1974
COMMUNICATIONS
SECTION

BOERMA +

cc: Mr. Baer

440098 IBRD UI

61181 FOODAGRI

491/5/194

MAY 23 1974

Dear Mr. Pierre-Brossolette:

I am writing to thank you for your recent communication, transmitted by Mr. Jacques-Henri Wahl, Executive Director for France, to the International Development Association regarding maintenance of value of the Association's holdings of French francs paid in by the Government of France.

We appreciate your statement that the Government of France accepts the method which the Association is using to compute the maintenance of value on the French francs disbursed. The Association's Controller will contact your authorities shortly regarding payment of the amount due to France by the Association through December 31, 1973.

As to the point which you raise regarding the wording of the communication to the Executive Directors, I agree that it would be appropriate to make changes along the lines suggested by you. I have asked the Controller to obtain your comments on the revised memorandum before the final version is submitted to the Executive Directors.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Claude Pierre-Brossolette
Director of the Treasury
Ministry of Economic Affairs and Finance
Paris, France

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

MLennon/KGGabriel/amd

5/20/74

491/5/193

cc: Office of the President (2)

MAY 22 1974

Son Excellence
Lt. Col. Seyni Kountché
Président du Conseil
Militaire Suprême
Chef de l'Etat et Ministre
du Développement
Niamey
Niger

Monsieur le Président,

C'est avec grand intérêt que j'ai pris connaissance du contenu de votre lettre du 29 avril 1974 que Monsieur Mohamed Nassim Kochman m'a remise de votre part. J'ai été particulièrement touché des sentiments que vous y exprimez au nom du Niger aussi bien à l'égard de la Banque Mondiale qu'à mon endroit.

Permettez-moi de vous assurer que, dans la mesure de ses moyens, le groupe de la Banque Mondiale fera son possible pour aider votre pays dans son effort pour le développement économique et social et l'amélioration du sort des populations.

Dans ce contexte j'ai été très heureux que le travail concerté des fonctionnaires nigériens et de mes collègues à la Banque vient d'aboutir, comme Monsieur E. Peter Wright vous l'a récemment fait savoir, à l'approbation par le Conseil d'Administration du groupe de la Banque Mondiale d'un crédit de \$EU 5 millions pour financer le projet de l'Aéroport International de Niamey. Nous espérons que votre gouvernement mettra tout en oeuvre pour remplir les conditions nécessaires à la mise en vigueur de cet Accord de Crédit dans les meilleurs délais, afin de permettre au Niger de bénéficier du retrait des fonds du crédit et d'assurer l'exécution rapide de ce projet.

En ce qui concerne le problème de la sécheresse et les solutions à lui apporter, mes collègues et moi partageons entièrement votre point de vue. Dans ce sens, nous fondons beaucoup d'espoir sur le projet de développement rural intégré de Maradi, en cours de préparation très avancée. Nous comptons du reste envoyer bientôt une mission pour s'en entretenir avec vous et vos collaborateurs. Plus particulièrement, cette mission aura pour but d'échanger des vues avec votre Gouvernement sur les structures de développement rural qu'il conviendra de mettre en place, afin d'assurer le meilleur succès de ce projet et de projets semblables à l'avenir.

Comme vous le soulignez dans votre lettre, nous attachons, comme vous, beaucoup d'importance aux résultats de la mission économique de la Banque, entreprise au Niger en octobre/novembre 1973. Je suis heureux de pouvoir vous informer que le projet du rapport de cette mission est dans son stade final de rédaction. Nous espérons donc vous l'envoyer très prochainement pour vos commentaires et observations et le faire suivre éventuellement par une mission qui discutera de son contenu avec les responsables nigériens.

Monsieur Kochman vous a déjà fait part des propositions d'intervention du groupe de la Banque Mondiale au Niger pour les années à venir et nous pensons que le dialogue déjà amorcé entre le Niger et la Banque Mondiale devrait se poursuivre et s'intensifier à l'avenir.

Veuillez agréer, Monsieur le Président, avec mes remerciements l'expression de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: N. Mohamed Nassim Kochman, Administrateur

cc: Mr. Chauffournier
Mr. Broches
Mr. Ljungh, Office of the President (2)
Mr. Wright, W. Africa I
Mr. Thalwitz, W. Africa Projects
Mr. Bazin, W. Africa I

RTFares/et
May 17, 1974

Mr. Jacques-Henri Wahl

May 21 1974

Robert S. McNamara

499/5/192

IBRD Projects in Algeria

Thank you for your memorandum of May 20 concerning the above. I was very glad to read that the matter concerning the compensation of nationalized properties has finally been settled to the satisfaction of both the French and Algerian Governments.

I am pleased that the Bank was able to play some part in bringing this matter to a satisfactory conclusion.

MPBenjenk/dm

May 21 1974

491/5/191

Mr. Douglass Cater
Director
Aspen
Program on Communications and Society
770 Welch Road
Palo Alto, California 94304

Dear Douglass:

I appreciate your interest in writing to me about the work at Stanford on the Alaskan Satellite Program. As you know, Professors Parker and Lusignan visited the Bank some weeks ago and discussed their ideas with Mr. Vasudevan, Chief of our Telecommunications Division.

We are, of course, interested in and try to keep informed on the development of satellite communications and their possible application to developing countries, including the provision of facilities in rural areas. For this reason we are always glad to receive information of the kind you have sent to us.

The Bank has in fact initiated studies into the demand for telecommunications facilities in rural areas. Most communications facilities are still largely concentrated in urban areas, with an increasing but still very low level of demand in rural areas. The latter can be expected to expand with the increased economic and social linkages between rural, urban and international communities due, for example, to rising trade and associated improvements in the social and economic infrastructure in rural areas, including growth in agriculture and rural commerce.

In applying a particular technology, our concern is that the solution which is adopted meets the needs of the economy at lowest cost. On this basis we have found that justification for the use of satellite facilities has so far been limited to international services. Allowing for the number of points which have to be served and the limited distances involved, the cost of domestic satellite facilities is higher than for more traditional technologies. There are also service problems in the use of two or more satellite links in tandem for public telephone service. Constraints set by capital and foreign exchange shortages are also important. In general, these factors argue against use of domestic satellite communications in developing countries. Technologies are, however, advancing while costs are being reduced. We therefore try to keep informed of any developments in this field which could substantially change the position.

Mr. Douglass Cater

- 2 -

While I think it is unlikely that we would wish to take part actively in or sponsor a study which might give the impression that we were recommending widespread use of satellite communications in developing countries, I have requested that our staff review the matter and arrange as appropriate further discussions with Professors Parker and Lusignan.

Again, thank you for your interest.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

CRDickenson:pfa
May 20, 1974

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

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

5/21

Dear Doug

My staff prepared this
reply for me - if it causes
you problems, let me

know.

Best wishes to the others.

Bob

OUTGOING WIRE

491/5/189

TO: MONSIEUR VALERY GISCARD D'ESTAING
PRESIDENT DE LA REPUBLIQUE FRANCAISE
AUX BONS SOINS DE M. DE LA ROSIERE
DIRECTEUR DU CABINET DU MINISTRE
DE L'ECONOMIE ET DES FINANCES
PARIS - RUE DE RIVOLI

DATE: MAY 20, 1974

CLASS OF FULL RATE
SERVICE:

COUNTRY:

FRANCE

TEXT:

Cable No.:

ON BEHALF OF THE WORLD BANK GROUP, I AM VERY HAPPY TO EXTEND MY WARM
CONGRATULATIONS TO THE NEW PRESIDENT OF THE FRENCH REPUBLIC STOP IT
IS FORTUNATE FOR THE DEVELOPING WORLD THAT FRANCE, A MAJOR CONTRIBUTOR
TO AID, WILL BE INSPIRED AND LED BY THE FORMER GOVERNOR OF THE WORLD
BANK GROUP STOP WITH MY WARMEST PERSONAL REGARDS.

ROBERT S. MCNAMARA
WORLD BANK PRESIDENT

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Bernard Chadenet *BC*
DEPT. Organization Planning and
Personnel Management

SIGNATURE
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: BChadenet:maf

CLEARANCES AND COPY DISTRIBUTION:

c.c.--Mr. J. Wahl
Mr. W. Clark
Mr. P. Damry

For Use By Communications Section

ORIGINAL (File Copy)

4911/5/1988

Mr. Sayed A. Marei
Secretary-General
World Food Conference
United Nations
New York, N. Y. 10017

MAY 16 1974

Dear Mr. Marei:

I welcome your initiative to mobilize financial resources for agricultural development in order to cope with the world food problem. Although the Bank Group has expanded lending for agriculture fourfold in the last five years, the transfer of resources to the developing world is still far short of what is needed. This is particularly the case for those countries which require financing on highly concessional terms. I look to the World Food Conference to make that quite clear.

I also appreciate your giving me a chance to look at your draft Secretariat Paper No. 2. You asked for our frank and considered comments and I am responding in that vein.

Based on our experience in expanding agricultural lending, it would be difficult to mount quickly a program on the scale that you propose with all the proper safeguards to ensure the funds are used well. You are quite right to conclude therefore that the best approach, at least on an interim basis, is to use existing United Nations organizations. I say this for two reasons. As I read the record of the debates at the recent Special Session of the United Nations General Assembly, there is a marked reluctance on the part of both "old" and "new" potential suppliers of resources to be lent on concessional terms to the least favored countries to support new multilateral financing agencies or new "special funds" not clearly of an emergency nature and with limited life. A second, and even more compelling reason, is the worldwide scarcity of competent manpower for project lending and technical assistance in the agricultural sector. We are carrying out a lending program in agriculture of around \$1.2 billion per year with a technical staff of over 250 in the Bank and 61 in the FAO/Bank Cooperative Program. Even if it had the financial resources, I doubt whether a new organization would find competent personnel to duplicate that staff in one or two, or even four or five, years and without staff resources of that order, I do not see how a quality lending and technical assistance program of \$2 billion a year could be carried out. At any rate, I urge you to consider these aspects of the problem which were not referred to directly in the Secretariat's draft proposal.

I note with approval that the proposed Agricultural Development Fund would provide grants amounting to 20% of resources for technical assistance, feasibility studies, project preparations, etc., elements which are indispensable for the development of worthwhile projects on a large scale. Most of our IDA credits for agriculture contain such a component (frequently including training of nationals and support for extension services as well), which also averages 20% of such credits. Unsatisfactory performance of many projects can be traced to the inability of national institutions to implement them. This will be an increasingly serious problem in projects dealing with small farmers who require much more attention and integrated services than the larger farmer. Training in organization and management of agricultural programs and projects, as well as technical training, should receive a high priority.

One of the highest priorities for support by grants is a greatly increased research base, especially for rainfed agriculture, both in international agricultural research institutes and in national research programs. The technological base for improving agricultural productivity is still very thin. As you know, the Bank, FAO and the UNDP sponsor the Consultative Group for International Agricultural Research whose next initiative is likely to be the establishment of a research center to concentrate on the problems of agriculture in the countries in the Middle East. I hope that I may be able to enlist your personal support for this initiative when it becomes ripe for action, particularly in obtaining financial support from some of the oil-exporting countries of the region which will be essential if this center is to be successfully established. I expect that by the end of the summer the plans for this center will be well advanced and I will see that you receive them in due course.

I would add a cautionary note with respect to the proposal for including under the proposed fund an "operational development agency" to take responsibility for the execution of large development projects. Too often such projects remain the province of outsiders too long, lacking commitment on the part of governments to participate as they should and to build up national capacity to take over in a prescribed period. Unless these conditions are met, there is little prospect that the projects will ultimately be viable.

With best personal wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

491/5/1987

MAY 15 1974

Dear Prince Bernhard:

You will have received my cable replying to your request that I participate in the conference to launch the Conservation Coin Collection Campaign in the United States. May I repeat how sorry I am not to be in a position to take part in this worthwhile effort.

As for the position of the International Monetary Fund on the issuance of commemorative coins, we have consulted technicians in the International Monetary Fund. I am pleased to advise you that they see no objection to such commemorative coins being issued on the assumption that they would not be gold coins and would not be legal tender in the issuing country.

It was very thoughtful of you to think of me in this connection, and please accept my best wishes for what is clearly an important cause.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Royal Highness
Prince Bernhard
The World Wildlife Fund
1110 Morges, Switzerland

LPChatenay/JLMaddux:mmh
May 13, 1974

491/5/106

May 14, 1974

Dear Mr. Léveque:

Thank you for your letter and invitation to dinner on September 26. You were most kind to think of me, but I fear that previous commitments in connection with the Bank's annual meeting will make it impossible for me to attend, however much I would like to accept for myself.

Mr. J. Burke Knapp, Senior Vice President, Operations, would be delighted to represent the Bank, and looks forward to hearing from you.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jean-Maxime Leveque
Vice President and
Director General
Credit Commercial de France
103 Champs Elysees, 8^e
Paris, France

ALjungh:bmm

UNOFFICIAL TRANSLATION

Dear Mr. Minister:

Thank you for your letter of April 24 in which you spoke of a project to finance the tourism sector in Ivory Coast,

I understand your Government's desire to pursue a policy of economic diversification and can assure you that your proposal will be examined most carefully. Mr. Chaufournier has received the dossier which was attached to your letter and will contact you and your colleagues regarding our observations.

Sincerely,

Robert S. McNamara

His Excellency
Mr. Konan Bédié
Minister of Economy and Finance
Abidjan, Ivory Coast

SJeanBaptiste/PBrennan:sjb

5/13/74

491/5/185

MAY 14 1974

Monsieur le Ministre,

Je vous remercie de votre lettre du 24 avril 1974 par laquelle vous avez bien voulu me parler d'un projet destiné au financement du secteur touristique en Côte d'Ivoire.

Je comprends la volonté de votre gouvernement de poursuivre sa politique de diversification des activités économiques du pays et puis vous assurer que votre proposition sera examinée avec toute l'attention désirable. M. Chauffournier a bien reçu le dossier qui était joint à la lettre que vous lui avez adressée et reprendra prochainement contact avec vous-même et vos services pour vous faire part de nos observations.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Monsieur Konan Bédié
Ministre de l'Economie
et des Finances
Abidjan, Côte d'Ivoire

cc: M. Kochman

cc: Messrs. Tolbert (Tourism)
Dixon (DFC)
Thalwitz (W.A. Projects)

SCSchott/XdeLaRenaudière:sjb

5/10/74

491/5/184

MAY 14 1974

Dear Dr. Budowski:

Thank you for your letter of April 9, 1974 extending an invitation for the World Bank Group to be represented at the Twelfth General Assembly of the International Union for the Conservation of Nature and Natural Resources in September.

I would hope that Dr. James A. Lee, Director, Office of Environmental Affairs, or someone from his office, could participate in what I feel certain will be a timely and useful conference.

Your thoughtfulness in extending this invitation to us is most appreciated.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Gerardo Budowski
Director-General
International Union for
Conservation of Nature
and Natural Resources
1110 Morges, Switzerland

Cleared and cc: Mr. L. P. Chatenay

cc: Mr. R. S. McNamara (2)
Mr. J. A. Lee

JALee:gja
May 13, 1974

491/5/103

MAY 14 1974

Dear Dr. Eklund:

In my last letter to you of March 20, 1974, I thanked you for the help your Agency had generously extended the Bank while it was preparing a paper on nuclear power. Since then we have completed a report "Nuclear Power: Its Significance for the Developing World" and distributed it to our Executive Directors. I thought you might like a copy for your own personal perusal, and I enclose one with my compliments. Another copy has been sent to the Agency through the normal distribution channels.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Dr. Sigvard Eklund
Director General
International Atomic Energy Agency
Keratserring 11
A-1011 Vienna 1
Austria

YRovani:ls
May 13, 1974

cc: for Mr. McNamara's office (2)
Mr. Franco-Holguin/Mr. Chatenay, International Relations Dept.

499/5/1982

His Excellency
D. Narciso Fernández-Cuesta
Minister of Commerce
Ministry of Commerce
Madrid, Spain

MAY 13 1974

Dear Mr. Minister:

Thank you for your letter of April 18, 1974 concerning the education projects under Loans 699-SP and 832-SP.

While I can appreciate that changing conditions have affected implementation of these two loans, I would hope the basic goals of Spain's educational policy have not changed significantly since Loan 832-SP was signed two years ago. Both of these loans were approved by the Bank to support reforms that would bring about a more equal distribution of educational opportunities and train Spanish manpower to respond more effectively to the changing requirements of a rapidly developing technological society. Impressed with the importance of these educational reforms, the Bank approved in Loan 832-SP one of the largest amounts it has lent for education.

Before the Bank can respond definitively to your proposals -- either renegotiation within the framework of the existing loans or cancellation of them and negotiation of a new loan -- we need to know the specific project items in Loans 699-SP and 832-SP the Government wishes to drop or revise and the new items it wishes to propose. A new loan or substantial revisions of the existing loans would of course require appraisal by the Bank and presentation to the Executive Directors for their approval.

In any case, I agree with you that an early meeting between the Government and the Bank is essential, and am happy to accept your suggestion that a high-level mission from the Ministry of Education visit the Bank in the near future. It would be most helpful in

His Excellency
D. Narciso Fernández-Cuesta

- 2 -

preparing for the mission's visit if the Government could send us in advance specific detailed information on the proposed changes, both in the goals of Spain's educational reform and the applications of these changes to the provisions of the existing loans or a new loan.

We look forward to hearing from you as to the timing of the mission, the Government's new educational policies, the Government's proposals to implement them and their effect on the Bank's existing loans for education.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Cleared with and cc: Messrs. Benjenk
Maiss
Stewart
Theodores
Cancio

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

DMcCall:sr
May 8, 1974

497/5/181

MAY 10 1974

Dear Mr. Minister:

I wish to thank you for your letter of March 25 which informs me that you would welcome the Bank's endeavours to mediate in order to achieve a just and equitable solution for the division of the Euphrates water between the riparian countries. We have just written to His Excellency Munir Wannous, the Syrian Minister of the Euphrates Dam, and to His Excellency Deniz Baykal, the Turkish Minister of Finance, indicating the positive response of your Government to the Bank's offer for assistance. If Syria and Turkey also feel that the Bank can play a useful role, we would propose to consult with Iraq first and then with the other riparians in order to determine, in cooperation with the three countries concerned, the steps, including a plan of work and studies, which may be needed to devise a mutually acceptable solution to the Euphrates waters problem. We shall keep you promptly informed of future developments.

I look forward with great pleasure to a close cooperation between Iraq and the Bank in the years to come.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc to Mr. McNamara's office (2)

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

cc to Messrs. Knapp, Chadenet, Benjenk and Wapenhaus
cleared and cc to Messrs. Bart, Haynes, Scott and Hoffman
cc to Mr. M.M. Ahmad and S. Eccles

EGonella/SELDarwish/MPBart/MPBenjenk:rpo
May 8, 1974

UNOFFICIAL TRANSLATION

Dear Mr. President,

I thank you very much for your letter of April 19 and am enclosing the report to which you refer which was distributed to the Delegations at the recent Special Session of the United Nations General Assembly. This report attempts to evaluate the increase in external financing needs of developing countries as a result of the increase in certain commodity prices. We have drawn the attention of our Executive Directors to the fact that these estimates could not be based on a detailed knowledge of recent economic development in all our member countries. These estimates are now being reviewed and, in the case of Senegal, should better reflect the impact of the continuation of the drought in 1973 and of the increase in prices of some imported commodities on the balance of payments.

Sincerely

Robert S. McNamara

Attachment

His Excellency
Mr. Leopold Sédar Senghor
President of the Republic
Dakar, Senegal

cc: Mr. Kochman

RAssa/LCurrat:sjb

MAY - 8 1974

499/5/180

MAY 10 1974

Monsieur le Président,

Je vous remercie vivement de votre lettre du 19 avril et vous transmets ci-joint le rapport auquel vous vous référez, qui a été distribué aux Délégations à la récente Session Spéciale de l'Assemblée Générale des Nations Unies. Ce rapport tente d'évaluer l'augmentation des besoins de financement extérieur des pays en voie de développement, due aux conséquences de la hausse de certains prix mondiaux. Nous avons attiré l'attention de nos Administrateurs sur le fait que ces estimations n'ont pu être basées sur une connaissance détaillée de l'évolution économique récente de tous nos pays membres. Nous avons donc entrepris une révision de ces estimations qui, dans le cas du Sénégal, devra mieux tenir compte des effets sur la balance des paiements du pays de la continuation de la sécheresse en 1973 et de la hausse des prix mondiaux de certains produits importés.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Pièce Jointe

Son Excellence
Monsieur Léopold Sédar Senghor
Président de la République
Dakar, Sénégal

Cleared with and cc:
Mr. Hoffman (International Relations)
Mr. Hablützel (Policy Planning)
Mr. ul Haq "

cc: M. Kochman

MAY - 8 1974

LCurat/BdeVries/XdelaRenaudière:dlt:sjb

49915/179

MR. DANIEL ODUBER
PRESIDENT OF THE REPUBLIC
SAN JOSE
COSTA RICA

May 9, 1974
FULL RATE

PLEASE ACCEPT MY SINCERE CONGRATULATIONS ON YOUR INAUGURATION AS
PRESIDENT OF COSTA RICA STOP MY COLLEAGUES IN THE WORLD BANK AND
I LOOK FORWARD TO A FRUITFUL CONTINUATION WITH YOUR GOVERNMENT OF
THE LONG AND CLOSE ASSOCIATION BETWEEN THE WORLD BANK AND COSTA RICA
IN ORDER TO CONTRIBUTE TO THE FULFILLMENT OF COSTA RICA'S ASPIRATIONS
FOR ECONOMIC AND SOCIAL ADVANCEMENT CORDIAL REGARDS

(Signed) Robert S. McNamara
ROBERT S. MCNAMARA

PRESIDENT

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Robert S. McNamara
President

cc: Dr. Ugueto, Executive Director

GFFlood:mdk

491/5/178

MAY 8 1974

Excellency:

The International Bank for Reconstruction and Development intends to borrow in Abu Dhabi a principal amount of three hundred million Dirhams.

I hereby request the Government of the United Arab Emirates, in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement, to approve such borrowing by the Bank and to agree that the proceeds of such borrowing may be exchanged for the currency of any member of the Bank without restriction.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency Mohamed Habroush
Minister of State for Financial Affairs
Abu Dhabi
United Arab Emirates

PSella:mb

Cleared with and cc: Mr. Shoaib

cc: Messrs. Aldewereld
Cargill
Rotberg
Deely
Sella

491/5/177

MAY 8 1974

Dear Dr. Saad:

The International Bank for Reconstruction and Development intends to borrow in Saudi Arabia a principal amount of five hundred million Saudi Arabian Riyals.

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

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency Dr. Ahmed Zaki Saad
Counselor to His Majesty
the King of Saudi Arabia
Room 12-202
International Monetary Fund
Washington, D.C. 20431

PSella:mb

Cleared with and cc: Mr. Shoaib

cc: Messrs. Aldewereld
Cargill
Rotberg
Deely
Sella

4911/5/176

Le 7 mai 1974

Monsieur le Ministre,

Je vous remercie vivement de votre lettre du 20 avril relative à la Conférence Mondiale de la Société Internationale pour le Développement qui se déroulera à Abidjan du 10 au 16 août.

Je suis très sensible à votre invitation à laquelle il ne m'est malheureusement pas possible de répondre favorablement compte tenu des engagements qui me retiennent à la date prévue. Je suis cependant persuadé que cette conférence sera couronnée de succès et serai heureux d'être tenu au courant de ses principaux résultats.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Monsieur M. T. Diawara
Ministre du Plan
Président du Chapitre
Ivoirien de la SID
B.P. 649
Abidjan, Côte d'Ivoire

cc: M. Kochman

4911/5/175

Mr. Yahia Khelif, Executive Director

May 6, 1974

Robert S. McNamara

TUNISIA - Financing of Water Supply III, Irrigation Rehabilitation and Hotel Training Center Projects

1. In your memo of April 26, you drew my attention to the fact that on the occasion of your last visit to Tunisia, the Minister of Planning expressed surprise that the appraisal missions for the above projects did not take up the possibility of mixed IBRD/IDA financing and you note that the Tunisian authorities' cable on the subject confirms their desire that Tunisia should continue to benefit from IDA financing during the present Fourth Plan in a proportion comparable to that of the most recent past.

2. I regret that it will not be possible to meet this request. The scarcity of IDA funds and the increasing need of the poorest countries for external financing requires us to devote to them the available IDA funds according to the criteria approved by the Executive Directors of IDA. Without taking into account the increase of petroleum and phosphate prices, the economic prospects of Tunisia and balance of payment projections presented in the Fourth Plan lead us to anticipate that IBRD rather than mixed conditions would represent only a very small additional cost in relation to the country's expected increase in foreign exchange earnings. Including the effect of the rise in the value of phosphate and petroleum export the debt service ratio of Tunisia is expected to drop considerably (to less than 10%) even if the terms of new borrowings harden. The transition should not therefore create any hardship.

3. I appreciate that an improvement in Tunisia's economic position appears to penalize it in regard to IDA funds. This is a dilemma faced constantly by IDA, which must inevitably focus its limited financial resources on those countries--unlike Tunisia--where per capita income is very low and where a development program is virtually impossible without international financial resources on concessionary terms.

(Signed) Robert S. McNamara

cc to Mr. Siebeck

cc to Mr. McNamara's office (2)
EElmendorf/EASfour/MPBart:rpo

cc: for Mr. McNamara's Office

491/5/174

MAY 6 1974

Dear Mr. Maheu:

Thank you for your letter of April 12 about your recent visit to Ghana and the discussions which you had with the Minister of Education on the Bank Group education project negotiated with the former Government in December 1971.

As you will recall, UNESCO played an important role in the preparation of this project, and it was included in our lending program for 1971/72. However, at the time of negotiations we were informed that a major reform of the educational system in Ghana was under consideration, and further processing of the project was therefore deferred by mutual agreement until the new policies had been decided. It is our understanding that the present Government also has been considering important changes in the education system, but has not yet reached a decision. The Bank Group has in the meantime continued to lend in other sectors, with a sugar project approved by our Board in December 1972 and a highway project in October 1973. Two more projects, one for livestock and the other for water supply, are likely to be presented to our Executive Directors shortly.

With respect to future lending by the Bank Group, the Government have told us that they attach highest priority to agriculture, and we have already appraised three further agricultural projects in addition to those mentioned above. There are also several major projects in other sectors such as power and telecommunications which the Government have asked us to consider for financing over the next few years. It is rather unlikely, therefore, that we shall be able to reactivate the education project in the foreseeable future, particularly in view of the severe limitation on IDA funds. However, we would be ready to assist the Government in obtaining financing for the project from bilateral sources if a decision is taken to proceed with it.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

491/6 173

MAY 6 1974

Dear Mr. Tonne,

I am writing in reply to your letter, dated April 9, 1974, inviting me to attend the tenth anniversary celebrations of your Commission in N'Djamena on the 29th and 30th May, 1974.

While I am very honored to be among the special guests of this important meeting, I regret that previous commitments make it impossible for me to attend. However, I have asked one of the senior officers in the Western African Regional Office, Mr. Roger Rowe, Assistant Director Projects, to attend in my stead. Mr. Rowe who is also attending the 19th session of the Commission from May 24 to 27 will communicate his travel particulars direct to your office.

May I take this opportunity to send you my best wishes for what I am sure will be a very fruitful and important occasion.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Benson O. Tonne
Executive Secretary
Lake Chad Basin Commission
B. P. 727
N'Djamena
Chad

Rainer B. Steckhan:cm

cc: Messrs. Thalwitz
Rowe

UNOFFICIAL TRANSLATION

491/5 /172

MAY 6 1974

His Excellency
Mr. M.T. Diawara
Abidjan, Ivory Coast

Sir,

It is with pleasure that I acknowledge receipt of your letter of April 20, 1974 concerning the World Conference of the Society for International Development scheduled for August 12-16 of this year in Abidjan.

I am very appreciative of your thoughtfulness in inviting me; however, my schedule does not allow me to participate at that time. We hope nevertheless that the Conference will meet with great success.

Yours sincerely,

Robert S. McNamara
President

May 3, 1974

499/5/170

Dear Henry:

Thank you for your letter concerning the recent U.S. General Accounting Office review of conservation practices applied in three World Bank financed forestry projects in Malaysia, Kenya and Zambia. I am enclosing comments prepared by our Agricultural and Rural Development Department and the Office of Environmental Affairs on the issues you have raised.

As I stated in my earlier letter to you, I believe the Bank's recent performance with regard to the environment has set a pattern of stewardship that, if followed by others in the development effort, would go a long way towards minimizing serious ecological consequences. The Bank was one of the first of international organizations to establish an Office of Environmental Affairs in 1970, and since then Dr. Lee has had a mandate to review the environmental effects of all Bank Group projects before they are approved. I have also directed Dr. Lee to study earlier projects on a selective basis. Hopefully, this can be done in cooperation with the United Nations Environment Program. This would include an evaluation of the Jengka Triangle project.

As you know, I share with you a deep and abiding interest in maintaining a harmony between the urgent needs of international development and our responsibilities for protecting the integrity of the global environment.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Henry S. Reuss
House of Representatives
Washington, D.C. 20515
JMerriam:JLee:Aljungh:ml

ENRIQUE PENALOSA
SECRETARY-GENERAL
CONFERENCE ON HUMAN SETTLEMENTS

May!
~~APRIL 30, 1974~~

491/5/169

UNITED NATIONS ENVIRONMENTAL PROGRAM
485 LEXINGTON AVENUE
NEW YORK, N. Y.

WE WILL GLADLY COOPERATE WITH YOU TOWARDS SUCCESS CONFERENCE ON HUMAN
SETTLEMENTS AND LOOK FORWARD TO YOUR VISIT STOP ERNESTO FRANCO-HOLGUIN
SPECIAL REPRESENTATIVE FOR UN ORGANIZATIONS WILL SERVE AS OUR LIAISON
OFFICER WITH YOU AND YOUR SECRETARIAT STOP BEST WISHES

ROBERT S. McNAMARA
INTBAFRAD

Robert S. McNamara
Office of the President

cc: Mr. E. Franco-Holguin, IRD

Efranco-Holguin:gja

OUTGOING WIRE

TO: SAEB JAROUDI
DIRECTOR GENERAL

INMARABI

DATE: MAY 1, 1974

CLASS OF
SERVICE:

LT 4971/5/168

COUNTRY: KUWAIT

TEXT:
Cable No.: DUE TO PARTICULARLY HEAVY TRAVEL SCHEDULE LATELY, REGRET
HAVING BEEN UNABLE TO ATTEND THIRD ANNUAL MEETING OF THE
GOVERNORS OF THE FUND BUT HAVE RECEIVED WITH GREAT INTEREST
ELFISHAWY'S REPORT ON THE MEETING STOP
WISHING YOU CONTINUED SUCCESS

(Signed) Robert S. McNamara

ROBERT MCNAMARA

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Robert S, McNamara

DEPT. President

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: SELFishawy;MShoab/rh

S.E.F.

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491/5/1967

MAY 1 1974

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

Dear Mr. Maheu:

We have been considering the possibilities for broadening collaboration between our two agencies along the lines suggested in your letter of March 28, 1974, in order better to assist our member countries with the preservation of their cultural monuments and their requirements in the broad areas of science and technology.

As you note, the preservation or restoration of cultural monuments can be an aspect of some of our tourism projects. As you also mention, our staffs have already been discussing some proposals in this area and I would expect other cases would be coming forward from time to time. I welcome your offer of Unesco staff assistance for missions that will be needed to prepare and appraise projects with a "cultural" component. Our program in the tourism sector is, however, very modest, and only four or five new projects are likely to be undertaken each year; so our demands on your staff under this heading are unlikely to be very great.

With respect to science and technology, considered as an area for Bank involvement, the problems, as I indicated in my letter of December 12, 1973, are more complex. (I was glad by the way to receive copies of your booklet surveying the need of African countries in this field.) I think your reference to "concrete cases" sets the right tone, as I don't see any scope for laying down general guidelines for association of Unesco science and technology staff with Bank missions. As you may have noted, many of our member countries are becoming impatient with large multidisciplinary missions that seem to them to respond more to the priorities of the international agencies than to their own. Our mission chiefs, although given great latitude as to the precise mix of specialists that are to be associated with their missions, are strongly discouraged from adding dimensions of expertise to deal with sectors or sub-sectors in which there is little possibility of early Bank operations in the country in question. Nevertheless, in connection with some industrial sector missions sent out by the Bank, or by the Bank/UNIDO Cooperative Program, the question of the feasibility of establishing various

Mr. Rene Maheu

-2-

kinds of institutes of applied technology may arise and other concrete cases may develop. In any event, we shall certainly keep in mind your kind offer of Unesco staff assistance in this field as well.

With best personal wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

MLHoffman/pnn
April 30, 1974

cc: Mr. McNamara's files (2)
Mr. A. Varchaver (Unesco, N. Y.)
Mr. Steuber (European Office)
Mr. Tolbert
Mr. Weiss
Regional Vice Presidents