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McNamara Paper

Travel brief
JUL 7-10



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Travel Briefings: Sweden and Norway - Travel briefs 01

Archives

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WBG Archives

Briefing for Visit to Sweden and Norway, June 7-10, 1972

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A

TRIP TO SWEDEN AND NORWAY, JUNE 6-10, 1972

| <u>Date</u> | <u>Time</u> | <u>GMT</u> | | <u>Remarks</u> |
|------------------|----------------------------|------------|--|--------------------------|
| June 6 Tues. | 1915 | 2315 | Depart Washington (Dulles) | PA106 (B747) |
| June 7 Wed. | 0720 | 0620 | Arrive London | |
| | 0905 | 0805 | Depart London | BE756 (Trident) |
| | 1120 | 1020 | Arrive Stockholm | Grand Hotel |
| | 1430 | | Meeting with Prime Minister Palme <i>(with McN 1415) (leave 1425)</i> | PM's office |
| | 1530 | | Meeting with Foreign Minister Wickman | FM's office |
| | Evening 2050 | | Dinner with Foreign Minister <i>(leave 2015)</i> | |
| | | | (See separate guest list) | |
| June 8 Thurs. | 1200 (approx.) | | <i>leave for conference (join w. McN 915) arrive at conference (William 930)</i> Speech at Conference | Folkets Hus |
| | 1430 | | Meeting with Mr. Klackenberg, Under-Secretary of State | Mr. Klackenberg's office |
| | 1230 | | <i>lunch Dnyard. brown. right side</i> | |
| | 2020 | 1920 | Depart Stockholm | SK737 (DC9) |
| | 2115 | 2015 | Arrive Oslo | Grand Hotel |
| June 9 Fri. | 0845 | | Meeting with Prime Minister Bratteli | |
| | 0930 | | Meeting with Foreign Minister Cappelen and aid officials | |
| June 10 Sat. | 1400 | 1300 | Depart Oslo | PA77 (B707) |
| | 1545 | 1445 | Arrive Prestwick | |
| | 1630 | 1530 | Depart Prestwick | |
| | 1845 | 2245 | Arrive New York (JFK) | |
| | 2025 | 0025 | Depart New York (JFK) | NA491 (B727) |
| | 2125 | 0125 | Arrive Washington (National) | |

AL
June 1, 1972

Dinner June 7, 1972 at 2030

Haga, Slott

Preliminary List of Guests

| | |
|------------------------|---|
| Krister Wickman (host) | Minister of Foreign Affairs |
| Gunnar Strang | Minister of Finance, Bank Governor |
| Gunnar Geijer | Head of Federation of Labor Unions |
| Ernst Michanek | Head of SIDA |
| Erik Asbrink | Governor of Central Bank |
| Anders Tunborg | Undersecretary of Defense Former International Secretary of Social Democratic Party |
| Lennart Klackenber | Undersecretary of Foreign Affairs for Development Aid |
| Denis Healey | Member, U.K. Shadow Cabinet |

B

Topics for Discussion in Sweden and Norway

Due to the close coordination of aid policies and the dominant position of Sweden in this field, the issues raised in discussions -- especially those relating to the Bank -- are likely to be very similar in Stockholm and Oslo.

Aid Policy

The Nordic officials will certainly want to discuss their aid policy, the degree to which they are likely to attain the ODA objective (see aid note) and how their plans relate to Bank activity.

IDA

The Nordic countries, and especially Sweden, are strong supporters of IDA and make a clear distinction between the Bank and IDA. They will be interested to know exactly where the U.S. legislative process stands and what the outlook is for ratification in the near future. (See Mr. Merriam's IDA timetable, attached.) The advance contribution to IDA (\$34 million from Sweden, \$6 million from Norway) reflects support, but even if the Swedish authorities may expect you to advocate further advance contributions if 3IDA does not become effective soon, the chances of passing that in the Swedish Parliament are practically nil. (See attached table for IDA advance contributions.)* The Swedes have repeatedly brought up IDA's organizational status and seem to be in favor of splitting IDA from the Bank. The reasons stated are that the Bank is dependent on capital markets and thus constrained in its policies. If IDA were a separate entity, then Sweden would no doubt advocate further emphasis of IDA credits to the poorest countries, to social sectors and to "progressive" regimes, using different project evaluation criteria. An important reason no doubt is that funds to IDA would be much easier to obtain in Sweden if it were not associated with the Bank which for various reasons lends to richer, even "marginal" countries and to those whose regimes are not palatable. Norway has been even more adamant than Sweden in opposing lending to Greece. On this issue, the authorities are under strong pressure from radicals inside and outside the administration.

As you know, the Nordic countries are strongly opposed to attaching conditions regarding compensation for expropriation to IDA lending. This is another of their arguments for separating IDA from the Bank which is dependent on capital markets.

The Swedes are aware of the risk that the U.S. may propose or de facto implement a four-year replenishment period. They probably have not given much thought to the fourth replenishment.

Mr. Tornqvist came back from Sweden recently saying that the Nordic countries would like to have a Part I country meeting this summer to discuss the current problems and future of IDA (see Denis Rickett's memo, attached). In the context of such a meeting, Sweden would probably like to raise questions of the split of Pakistan and the relative allocation of IDA funds to Bangladesh and Pakistan, and also the allocations to India and to Indonesia (which they feel are too high). You may wish to mention the Swedish \$30 million interim credit to Bangladesh.

* In section B.

Joint and Parallel Financing

It may be worth complimenting the Swedes, and to the same extent the Norwegians, for having participated in several joint projects; details of these projects are attached. There is probably considerable scope for further joint financing with SIDA in countries and sectors which agree with Swedish aid policy. A separate note on such joint financing is attached.

Sweden has not been in favor of parallel financing, mainly on the argument that it leads to competition among countries for favorable export financing terms which do not necessarily yield the lowest cost products to the LDCs. Sweden is not officially interested in participating in parallel financing since its policy is one of strictly untied aid. However, Swedish industry would be quite interested but has no say in policy-making and little means of pressure on the authorities.

Procurement

At times the Nordic countries have voiced concern that the Bank's procurement procedures lead to overly capital-intensive projects and thereby contribute to debt servicing problems and lead to projects with low employment and poor income distribution effect. There is also a feeling, especially in Swedish industry but also among Government officials, that more aggressive countries like Germany and Japan have benefitted relatively more than others from procurement under Bank loans and credits.

On the preference issue, Mr. Tornqvist has strongly advocated the evaluation of bids on a cif basis on the grounds that this procedure would maximize benefits to the LDCs. This view is shared by Sweden, Finland and Norway, but Denmark may take the opposite position, forcing the Nordic countries to abstain from voting on the issue in the Bank's Board.

Local Cost Financing

Sweden would prefer more liberal local cost financing, based on its own aid practices. In fact, in joint projects Sweden has convinced the Bank to finance more local expenditure in order to maintain the joint financing ratio.

China

The Nordic officials will be very interested to hear where the China membership question stands. Sweden had been particularly dogmatic on the issue, and both Sweden and Norway have voted for Mainland China's entry into UN agencies. They do realize, however, the special difficulties which apply regarding membership in the Bank Group. It would probably be useful, though, to induce the authorities to think more deeply into how they should act under various alternative circumstances. A note from Mr. Goodman on the subject is attached.

Bond Issue and Two-Year Bonds

The Bank has placed only one bond issue in Sweden, for Kr75 million (US\$15 million) in 1967. Interest rates have been high, but have gone down and the State is currently borrowing at about 7%. There may be little interest on the part of the authorities at this time, because of their cool attitude towards the Bank and because Sweden is likely to be importing capital in the next few years. However,

the State Pension Fund is now holding about Kr45 billion, or \$9 billion, and has substantial freedom to invest, at least inside Sweden. Mr. Rotberg will send you a note on this before your departure.

The Swedish Central Bank has never taken any two-year bonds, claiming that it is against its statutes. Most likely this is more due to conservatism and if the Finance Minister could be convinced, there may be a change of policy. Currently Sweden places most of its dollar reserves in U.S. Treasury bills. Norway, on the other hand, should be complimented for having increased its holding of two-year bonds from \$8 million to \$34 million in the last round (see attached table)*.

UNCTAD Issues

The Nordic reaction to your UNCTAD speech was (not surprisingly) very favorable. A likely general question is how your various proposals will be reflected in Bank work.

The Nordic countries have been in favor of supplementary financing measures ever since Sweden jointly with the U.K. introduced the scheme at UNCTAD I in 1964, and they may be somewhat disappointed that the Bank has not done more to promote it.

Sweden has been against the Link. Originally it was the Central Bank who opposed it, fearing the Link would destroy the efficiency of the SDR system. Later the aid officials have been somewhat opposed since they have thought it would interfere with IDA's freedom of operation.

IFC

All Nordic countries have been skeptical of IFC. Aid officials feel it is not enough of a development institution, and industry thinks IFC's development objectives lead it to choose risky or unprofitable projects. Norway has been less critical of IFC than Sweden.

Debt problems

The Nordic countries seem to have no strong views on the Bank Group's participation in debt rescheduling. They would probably not oppose IBRD participation.

Mekong Committee

The meetings presently going on in Washington have caused some concern. You may wish to stress that the Bank does not plan major involvement in the near future. The Nordic countries did not go to the recent Asian Bank Annual Meeting because of AsDB's involvement in the Mekong area.

Nordic consultants

From time to time there have been complaints that few Nordic consultants have been successful in obtaining contracts from the Bank or its borrowers.

* In section B

Cooperation in Research

You will probably find a very receptive attitude to cooperative programs in research. Mr. Stern (in attached memo) suggests three fields of cooperation:

1. Research on income distribution, rural work programs, population and municipal finance and organization.
2. Collection of employment data.
3. Exploration of intermediate lending terms.

Shift in Swedish Lending Policy

Recent policy statements indicate that Sweden will shift from project to program lending. This is a result of the increased influence of the Foreign Office (Mr. Klackenberg's group) on aid policy and has been resisted by SIDA. (See attached memo by Mr. Mistry.)

3IDA
P R O G R E S S

| | <u>1970</u> | | <u>1971</u> | | | | | | | <u>1972</u> | | | | | | |
|-----------------------|----------------------------|---------|-------------|---------|---------|-----------|-----------------------------|--|------------|-------------------------------|-------------|---|------------------|--|--|--------------------------------|
| (Notification dates) | 7/24/70 | 12/7/70 | 1/5/71 | 3/11/71 | 4/30/71 | 5/10/71 | 6/4/71 | 7/8/71 | 8/31/71 | 9/13/71 | 10/7/71 | 1/27/72 | 4/13/72 | | | |
| | Governors asked to approve | Finland | Austria | Norway | Sweden | Japan | Australia | Canada | Belgium | Kuwait | Iceland | Netherlands | Luxembourg | Remaining: U.S. South Africa Italy | | |
| ADVANCE CONTRIBUTIONS | | | | | | | | 7/20/71 | 8/10/71 | 10/23/71 | 11/12/71 | 12/3/71 | 2/15/72 | 4/4/72 | | |
| | | | | | | | | Canada 50 m Denmark 9 Finland 5 U.K. 50 | Japan 48 m | Sweden 34 m | Kuwait 11 m | Australia 16 m Germany 72 U.K. 54 | Netherlands 23 m | France 25 m 4/28/72 Canada 50 m | Total as of 6/1/72 = \$451.33 | |
| | | | | | | | | | | | | | | | | |
| U.S. LEGISLATION | | | | | | | | | | | | | | | | |
| 1. Authorization | | | | | | 5/19/71 | 6/6/71 | | | 10/20/71 | | 12/8/71 | 2/1/72 | 3/1/72 | | |
| | | | | | | Submitted | House Subcommittee Hearings | | | Senate Passage -- no hearings | | House Committee approves | House Passage | Conference Report Approved | | |
| | | | | | | | | | | | | | | 3/10/72 | | |
| | | | | | | | | | | | | | | Signed into Public Law | | |
| 2. Appropriation | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | 3/2/72 | 4/17/72 | 5/1/72 |
| | | | | | | | | | | | | | | Action Completed on FY'72 Annual Aid Appropriation | House Subcommittee Mark-up on FY'72 Supplemental | Senate Passage -- Supplemental |
| | | | | | | | | | | | | | | | 4/21/72 | 5/11/72 |
| | | | | | | | | | | | | | | | House Report Approved | Conference Report Approved |
| | | | | | | | | | | | | | | | House Passage -- Supplemental | |

Memorandum for the Record

Discussions with Part I Members - Nordic Countries

Mr. McNamara had a discussion with Mr. Tornqvist on Thursday, June 1st, at 2:30 p.m. on the subject of a further meeting of representatives of IDA Part I member countries. Mr. Knapp and I were also present.

2. Mr. Tornqvist said that during his recent visit to his capitals there had been considerable pressure to know when a further meeting would be held of representatives of IDA Part I member countries. The Swedish Government was particularly insistent on this point. Mr. Krister Wickman, the Foreign Minister, thought that there were a number of questions of policy which needed to be discussed, including the following:-

(i) Whatever the policy pursued by the Bank, IDA should not withhold soft credits from the poorest countries because of disputes about the nationalization of foreign investments.

(ii) The granting of IDA credits should not be used as a means to put pressure on countries to make changes in the rate structure of their public utilities. Much careful study was needed before any attempt was made to interfere in the national policies of the developing countries. It was necessary to work out the effects of such changes on the whole social and economic structure.

(iii) There was a more general question of the extent to which it was right to interfere in national policies. This was contrary to the prevailing philosophy in Sweden. Mr. Tornqvist agreed that the Swedish Government had not followed this principle in the case of Ethiopia but this example was not typical and the Swedish Government was not proud of it. This was a matter on which Swedish policy was developing and a code of conduct was being evolved with the approval of Parliament.

(iv) The Swedish Government thought that there should be differences in the policies pursued by the Bank and by IDA respectively. Indeed, they thought that there was a danger that IDA would lose support if they followed exactly the same policies as the Bank. The Bank relied on market funds and not on appropriations by governments. If IDA policies lost Parliamentary support in the Part I countries there was a risk that they would divert funds to the regional banks who were very anxious to increase their soft lending operations. This might not be very logical since the policies of the regional banks were certainly not as liberal as those of IDA, but we had to take account of emotional reactions.

(v) Governments needed much more information about the allocation of funds for FY72, not merely in terms of broad allocations to big countries. The Nordic Governments wished to advocate larger allocations to the least-developed countries. The IDA Management should give a better exposition of the lending criteria which they adopted and there should be opportunity to discuss these. The Nordic Governments realized that these policies were not likely to be changed but wished to be able to tell their Parliaments that they had put forward their views, on such questions as the withholding of IDA funds to countries where the average income per head exceeded \$300. Why should not IDA credits be given even to higher income countries if they were earmarked for use in the poorest regions or for projects which the government might not otherwise be willing to carry out?

(vi) Local cost financing was another issue upon which further discussion was desirable.

(vii) What would be the effect on the Third Replenishment of the delay in the U.S. ratification? What was the meaning of the proposal to reduce the U.S. share in future replenishments? What would be the effect on IDA's commitment authority of the maintenance of value obligation?

Mr. Tornqvist said that if a meeting of this kind could be held, he would ask high level representatives to attend from capitals, e.g. Mr. Klackenbergh from Sweden, Mr. Kastoft from Denmark, Mr. Hedeman from Norway, and Mr. Wihtol from Finland. (He did not mention Iceland.) They would certainly hope that Mr. McNamara would himself preside over the meeting so that they might express their views to him.

3. Mr. McNamara, commenting on some of these points, said that he would have expected the Nordic countries who favored a more equal distribution of income to support changes in public utility tariffs which could, if necessary, be discriminatory and would result in charges which were more progressive in their incidence. He did not think that IDA's policies should necessarily be the same as those of the Bank. The primary consideration was that IDA should behave in the interests of the developing countries. The Bank however, no less than IDA, needed the support of public opinion in the developed countries who had subscribed a large part of the Bank's capital.

4. His general comment on Mr. Tornqvist's suggestion was that many of the issues to which he had referred raised sharp divisions of opinion between the member countries of IDA. Was anything to be gained by exposing these differences in an open confrontation between representatives of Part I countries? On nationalization, for example, was there the slightest possibility that agreement could be reached on any modification of the present policy or would a common view be likely to emerge, e.g. on local cost financing? On all these topics the Bank Group Management at present tried to follow a course which would satisfy a majority of the member countries but he was not anxious to create opportunities for discussion of them between representatives of member countries. Would it help to meet the views of the Nordic countries if the general character of meetings of Part I country representatives remained unchanged but ample time was given for the expression of views on the sort of questions Mr. Tornqvist had mentioned, not necessarily on the basis of papers circulated by the Staff and without necessarily seeking to reach an agreed conclusion?

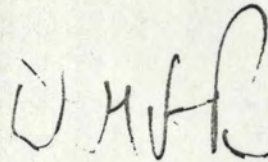
5. Mr. Knapp said that there were strong arguments against discussions in a section of the Board. Meetings of Part I country representatives who might not even be Executive Directors were bound to arouse suspicion amongst the Executive Directors of the Part II countries. Might not the Nordic countries wish to send a high level delegation to Washington for discussions with Mr. McNamara? He recognized that Mr. Tornqvist was the spokesman of these countries but his suggestion was simply that the four representatives whom Mr. Tornqvist had mentioned as being likely to attend a meeting of the Part I countries might discuss some of these questions privately with Mr. McNamara.

6. Mr. Tornqvist at first suggested that there might be other Part I governments who would wish to have these questions discussed and thought it important to prevent any dissatisfaction with IDA policies from building up which might prejudice the prospects for a Fourth Replenishment of IDA.

7. Mr. McNamara ~~agreed.~~ He suggested that those taking part in this conversation might meet with representatives of the Nordic countries either in Washington or in one of the capitals.

8. Mr. Tornqvist said that if it was intended to hold a meeting of Part I country representatives in Washington three to four weeks after the effective date of the Third Replenishment, the Nordic country representatives attending the meeting might come a day in advance and have a separate meeting with Mr. McNamara such as he had suggested.

9. It was left that Mr. Tornqvist would cable this suggestion to his governments and that Mr. McNamara would be ready to discuss it with them, if necessary, during the Stockholm Conference.



D. H. F. Rickett
Vice President
June 1, 1972

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WBG ARCHIVES

Mr. Robert S. McNamara

May 30, 1972

Raymond J. Goodman

China.

You asked for a brief on the China question in connection with your forthcoming visit to the Nordic countries.

There has been no significant change during the last several weeks. According to the State Department, responses to the approaches they have been making to other governments are only just beginning to come in; they expect to have received most of them within the next couple of weeks. The governments that have responded so far appear to be taking the familiar line: they are in favor of ROC's remaining a member of the Bank and Fund; they have no clear ideas on how this might be accomplished; and they wish the problem would only go away. In answer to my specific question as to whether the Japanese had reached any firm conclusions, my State Department contact replied that he thought not, although they were continuing to study various alternative tactics. It is not too hard to guess that no decision will be taken by Tokyo until the question of the prime ministership is resolved.

There is nothing new to report about the Canadian initiative. Claude Isbister told me this morning that Ottawa had evidently not yet completed their position paper since they had undertaken to show it to him but had not yet done so.

It happened that I was lunching today with Ambassador Wong and took the occasion after lunch to ask him where matters stood. Piero Sella joined me in this talk. Wong confirmed that there was little if any movement on the question of China's membership or representation as such, but that there is, as I am sure you know, a lot of tactical maneuvering in connection with the forthcoming elections in the two Boards, some of which bears on the China question. I am summarizing here what he told me, since it is background for your meeting tomorrow with him and R.C. Chen.

Ambassador Wong asked me to let you know that the purpose of the meeting is to ask what your personal position is on the question of 20 or 21 directors, as this will influence the attitude of other governments to China's participation in the elections. They also wish to know whether you are still of the same opinion as you were the last time they met with you when you indicated that you saw no reason why ROC should adopt a "low profile" during the election for directors. Apparently Taipei is very divided on the issue, some ministers feeling that ROC should not give away any of its cards until it has to, while others feel that it would relieve tension and increase the chances of governments adopting a helpful attitude towards ROC's continued membership if the

May 30, 1972

latter neither attempted to elect a director of its own nor gave its support to someone else. Wong said that if you have changed your view, and now think that a low profile would be helpful to ROC, this would carry great weight in Taipei.

As you know, Korea and Viet Nam have decided to leave the China group in both the Bank and the Fund to join the Southeast Asia group. The Philippines is trying to attract at least one other country (possibly Ghana, Greece or Spain) to join its group in the Fund which would permit the Philippine Director (Placido Mapa, who will succeed P.Y. Hsu next month) to be reelected. As an inducement they want to be able to say that ROC would then vote for, and thus ensure the election of, a nominee of the Group (which would not include the Philippines) as a director in the Bank. ROC is prepared to go along with this ploy, but feels that the matter should be resolved soon, and is thinking of giving the Philippines a deadline, say the middle of next month.

On the matter of inviting negotiations for a new loan to Taiwan, ROC is relaxed and would just as soon have this approach tried out. Some other countries, including Japan, agree with this, on the ground that if ROC is a member it should be entitled to the privileges of membership. However, the U.S. remains strongly of the view that the announcement of impending negotiations would be provocative; the State Department confirmed this today during my own talk with them.

cc: Mr. Knapp
Messrs. Broches/Sella

RJGoodman/am

OFFICE MEMORANDUM

TO: Mr. Anders Ljungh

FROM: Denis Rickett

SUBJECT: Mr. McNamara's Visits to Oslo and Stockholm

DATE: May 26, 1972

1/27
I said that I would send you a note on possible topics which might be raised in the meetings which Mr. McNamara will be having in Stockholm and in Oslo with Swedish and Norwegian Ministers.

2. We agreed that it would be useful for you to ask Mr. Ohman whether he had had any indication of topics which might be raised during the visits. If you get any useful guidance from him, please let me know.

3. No doubt a large part of the conversation will consist of a general tour d'horizon on the prospects for aid in the light of the international situation and, in particular, the political situation in the United States. As Mr. McNamara stated in his UNCTAD speech, Norway and Sweden are the only two countries which will reach or exceed the target of 0.7% of GNP for official development assistance by 1975. Details are given in notes prepared by P&B. This note is concerned only with special topics which may be mentioned.

4. The first is the outlook for IDA. Even if the U.S. Administration has deposited its notification by the time that Mr. McNamara leaves for Europe (and, at present, the outlook is quite uncertain), the long delay which will have occurred in the coming into effect of the Third Replenishment arrangements is disquieting. What is particularly disturbing is that it was clearly the intention of Mr. Passman, the Chairman of the House Appropriations Subcommittee dealing with IDA, to cut the Third Replenishment contributions by 25% by spreading it over four years instead of three.

5. These uncertainties about future United States support for IDA make it all the more important that other contributing countries, who are friendly to IDA, should give a strong lead. It is at least encouraging that IDA has been able to carry on its business with the aid of advance contributions from no fewer than fifteen countries, including France who did not make an advance contribution towards the Second Replenishment, and two Part II countries in the shape of Ireland and Yugoslavia.

6. We hope very much that we can continue to count on the strong support of the Scandinavian Governments and we shall be most anxious to work closely with them in the future as we have in the past.

7. We are encouraged by the indications we have had that the Swedish Government would be interested in further joint financing in the form of a contribution by them to IDA projects. (I suggested that you should get a note on this from Mr. Cope.)

8. Mr. Aldewereld has suggested that in Stockholm the question of a public issue in the bond market at some future time might be mentioned. Interest rates are high at present and the Bank's borrowing program is fully up to schedule. Nevertheless, for the reasons which led us to make an issue in the London market last year, even though the cost was high, a further borrowing in Sweden might be justified.

9. The Swedish Riksbank has not hitherto been a holder of the Bank's two-year bonds. It might be worth asking the Finance Minister whether there is any prospect of a change of policy in this respect. It may be that the statutes of the Riksbank do not permit them to hold obligations with a maturity of more than one year. In Oslo it would be appropriate to comment on the fact that the Norges Bank has increased its holding of our two-year bonds to \$34 million.

10. It is possible that in Stockholm the question may be raised of the Bank Group's policy towards expropriation. In the past the Swedish Government has maintained that IDA should not withhold credits from the developing countries because of unresolved investment disputes between their governments and the nationals of other member countries. The Swedish position is that while this may be inevitable in the case of the Bank, which relies for its funds on capital markets, the circumstances are different in the case of IDA. The Swedish Parliament would not favor the withholding of IDA credits as a means of pressure on countries which expropriate foreign enterprises.

11. Presumably the answer to this must be that we have to take account of Parliamentary opinion in all the Part I countries including Congressional opinion in the United States. The IDA authorizing legislation was passed by the House with an amendment which was in more restrictive terms than the statement made by President Nixon on January 19th. It left no discretion to the Administration but required it to oppose credits to all countries which had expropriated foreign investments without prompt, adequate, and effective compensation.

12. Another topic which may be raised in either, or both, of the two capitals is the representation of China in the World Bank Group. Mr. Broches will, no doubt, provide you with a note on this.

cc: Mr. Adler

OFFICE MEMORANDUM

TO: Mr. Ljungh

DATE: May 26, 1972

FROM: Ernest Stern *ES*SUBJECT: Visit to Oslo and Stockholm (Mr. McNamara)

In your briefing paper for Mr. McNamara's visit to Oslo and Stockholm, you might mention three topics:

- 7/27
- (a) Collaborative Research. As I mentioned at the Senior Staff meeting this week, we are only at the beginning of defining the research program, its objectives and its philosophy. The external research funds shown in the budget probably represent only a quarter to a third of the total research activities of the Bank. Until we know what our present research program consists of we are not in a position to enter into definitive discussions with other research institutions. We will be in a position to do this later this year.

I have already had preliminary discussions with the International Development Research Center of Canada, limited to a mutual exploration of our research philosophies. I told them what I noted above, i.e. that we would not be prepared to enter into detailed substantive discussions for several months. Mr. McNamara should also be aware that some time ago, the Swedish Government asked for information on our research program through Mr. Tornquist. A copy of our response is attached.

The most useful thing for Mr. McNamara would be to discuss the prospects of collaborative research, to get some idea of the amount of resources which might be available for such purposes and the potential areas of interest. The subject matters in which our research program is most deficient and which I would designate tentatively as of high priority and suitable for substantial new activities are -

- (1) The problems of income distribution.


A series of research studies designed to trace the distributive aspects of various resource flows in the developing countries, such as credit, production inputs, licenses, public services and like.

- (2) A substantial study on successes and failures of rural work programs. Although we are planning a study of rural development programs in East Africa the two studies would address quite distinct mechanisms. I suspect that the Scandinavian countries, who have been deeply involved in rural development activities in a number of the developing countries, would be interested.
- (3) Population. Great emphasis has been placed on biological research but relatively little attention has been paid to the motivational side of family planning. What is badly needed is a series of studies and pilot programs to test the feasibility of various financial incentives which might motivate families more directly to reduce the number of children. A number of projects are in progress, such as on the Tea Estates in India, with good, initial success. However research needs to be done on a broader scale and alternatives to direct cash payments should be assessed.
- (4) Research on municipal finance and organization. A major problem facing all cities is an adequate revenue base and an efficient organization. Little is known about municipal finance and without a better knowledge of the subject it is impossible to talk sensibly about alternative approaches to urbanization and population decentralization.

I hope the discussions would end with an agreement to designate a coordinating officer with whom I could be in touch in the Fall when I plan to visit a number of potential donor collaborators as well as institutions in developing countries.

In terms of our research philosophy, Mr. McNamara should stress that we are attempting to maximize the amount of research which can be done in the developing countries by indigenous institutions. At the same time we generally insist on extensive participation in the research design and a reasonable opportunity to monitor progress.

- (b) Employment Data Mr. McNamara will recall that when we talked to Mr. Jenks we agreed to provide him with comments on the need for data which would be relevant to defining better the structure and location of unemployment in the developing countries. At present the ILO measures only open, essentially urban, unemployment. This is only a fraction of the problem. We are in the process of preparing our comments, and it would be desirable if the

Scandinavian Governments would undertake a similar initiative with ILO. In our research program, and through our economic reporting system, we attempt to define some of these issues, in part through sample surveys. However, comparative data requires an international framework and the willingness of developing countries to collect this kind of data on a permanent basis. The ILO is collecting data anyway and certainly the most efficient route to better information is for them to restructure their framework. 

- (c) Intermediate Lending Terms. An issue that he may want to mention in a highly preliminary way is the need for intermediate term credit to developing countries. Without in any way going into specifics it may be desirable to find out what the views are about the need for lending terms in between IDA and the World Bank. The advantages are an ability to provide concessional credit to countries which are now precluded from borrowing from IDA on per capita income grounds and to conserve scarce IDA funds for the poorest countries by moving some of the blend countries (e.g. Turkey and Korea) to a mixture of Bank loans and intermediate credit terms rather than Bank and IDA.

Files

May 30, 1972

P. Mistry

SIDA - Imminent Changes in Lending Policies

1. Following our mission to East Africa in April/May, 1972, Mr. Hornstein and I stopped over in Stockholm on May 9 - 10 for discussions with SIDA. The main objective of the visit was to discuss the possibility of future joint financing for specific projects in Kenya, Tanzania and the East African Community.

2. Our principal sources of policy information were Mr. G. Edgren (Director of Operations - SIDA), Mr. Sven Öhlund (Head of the Area Department - SIDA) and Mr. Bengt Sjöve-Söderbergh (of the Ministry of Foreign Affairs). The following general points emerged from our conversations:

(i) following an extensive internal debate within SIDA and between SIDA and the Ministry of Foreign Affairs, a change in lending policy was imminent. The change would essentially highlight a shift away from project, more towards program lending. It would reflect a logical shift in direction, resulting from SIDA operations being brought within the purview of the Ministry of Foreign Affairs, some 18 months ago;

(ii) the policy shift would affect (a) SIDA's bilateral lending program and (b) SIDA's disposition towards joint financing ventures and its dealings with multilateral agencies in general. With respect to SIDA's bilateral operations, the procedural manifestations of the policy change will result in a total change in the tenor of its aid effort. With the new policy's coming into effect, the procedure will be to indicate to the recipient country the quantum of Swedish aid available for a given planning period. The expenditure programs of the recipients will be reviewed annually by SIDA, and if necessary changes will be made in the annual allocations which will contribute towards covering resource gaps. The money available will not be tied to specific projects. Although this has not yet been finalized, the general consensus is that there will be no attempt on SIDA's part to influence or to "police" even the intersectoral allocations of Swedish aid intended by the recipient, or to influence what will be spent on specific projects, or program components. The existing procedures for the auditing and supervision of the usage of Swedish aid funds will concomitantly be markedly relaxed. Other than broad annual post facto reviews, there will be no supervision as such. SIDA anticipates much

May 30, 1972

greater involvement in the provision of technical assistance and will leave supervision entirely to local agencies. Although pressures exist for the immediate implementation of the proposed policy, Mr. Öhlund believes that the actual changes in current practice will result gradually through a process of evolution. A proposal for program aid to India along these lines has been finalized, while a program for Tanzania is still being developed.

With respect to joint financing operations, Mr. Öhlund felt that SIDA would still have a role to play, particularly in East Africa. What remains undetermined is how large this role will be. Decisions on whether or not to participate in Bank/IDA projects will, as in the past, be made on a case-by-case basis using the same criteria as currently applied. There is, however, little doubt that joint financing operations as a proportion of total Swedish aid commitments to East Africa will certainly decline. Mr. Sæve-Söderbergh reminded us, however, that it would be relevant to bear in mind the presence of a sizeable left-wing lobby in Sweden which would prefer to see a complete cessation of SIDA's involvement in joint financing operations with the World Bank; and

(iii) as in the past, SIDA's aid commitments would remain heavily oriented toward developing countries with political philosophies toward which Sweden was sympathetic. The implication of this orientation for future joint financing of Bank/IDA projects will be that money (incremental to the planned annual allocations) would be more readily available for Tanzania than Kenya, for example.

cc: Messrs. Dean
Halbe
Husain
Krishna
Malone
Tolley

PMistry:gd

990
OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: June 2, 1972

FROM: K. Kanagaratnam

SUBJECT: Background Notes on Cooperation with SIDA and NORAD in the Population Field
(Your Visit to Sweden and Norway)SIDA

1. We have had a close working relationship with SIDA, particularly in India, where, in response to SIDA's expression of interest in becoming involved with the Bank at the Consortium Meeting in November 1969, we developed a joint project. In this case SIDA could not identify a project suitable for financing, but it was under political pressure to become involved in India, and hence looked to the Bank to develop an appropriate project (SIDA had turned down, in 1970, an Indian request for an MCH and Nutrition program in India since it felt that it was not sufficiently justified as presented). In other countries SIDA is in the process of identifying and financing suitable projects, particularly in Tunisia, Malaysia, Kenya, Iran, Pakistan and Bangladesh. Opportunities for work with the Bank could arise, particularly in Kenya and possibly in Bangladesh, though it is premature for detailed discussions.
2. A particular point of interest is SIDA's view of the role of various multilateral and bilateral agencies in the population field in view of Mr. Michanek's forthcoming study concerning the UNFPA (see Attachment 1). Mr. Zaidan's informal discussions with Carl Wahren, Head of their Population Division, in this context earlier this year may be of interest. Mr. Wahren's feelings seem to be that while recognizing that UNFPA cannot reach the technical efficiency of the Bank, its role should nevertheless be expanded both in financial size and in technical staffing, so that it can assume a leading role in the UN family for (a) political reasons (the international image of the UN), and (b) because no other agency within the UN could coordinate the activities of other UN agencies. Mr. Wahren also emphasized that the Bank's role should be expanded, but did not know how UNFPA and Bank activities should be coordinated. He just hoped that a healthy competition would emerge.
3. Both SIDA and NORAD are increasingly becoming aware that Family Planning alone is insufficient to cope with the population problem; rather they are viewing this as one aspect of family welfare. The other two components being health and nutrition. Both Governments are willing to meet substantial operating costs. Also, they feel that the developing countries need this assistance if the capital assistance is to be properly used and absorbed. SIDA's activities in health and nutrition are briefly described in the attached document (Attachment 2).

June 2, 1972

NORAD

4. NORAD has expressed interest in good population (and health) projects as it is required to spend some percentage of its aid funds (I believe 10%) for population activities; it does not have the necessary staff capability to develop projects and in this connection looks to the Bank and other agencies to develop good projects which it can finance. NORAD had expressed interest in joining the Bank in India, Indonesia and Egypt. Unfortunately, this was not possible in Indonesia which was complicated enough as it was with UNFPA and the UN agencies, while, because of the 1969 understanding, the India project was developed with SIDA. We had exchanged with NORAD various documents on Egypt and have agreed to keep in touch on this though it does not appear at all clear at this stage if joint financing can materialize; this is partly because the Bank's own role is likely to be a limited one in view of other financing already promised. Much greater promise is offered in Kenya, where they could become a substantial source of joint financing. Mrs. Stoltenberg, who deals with health and population, told me that NORAD was impressed and pleased by the preinvestment report last year on health and population in East Africa with its emphasis on the rural health network and the discouraging of the financing of urban hospitals.

- Attachment 1 - Mr.Zaidan's note re: SIDA's views on UNFPA, dated March 17, 1972.
" 2 - Mr.Zaidan's report on his visit to SIDA, dated March 17, 1972.
" 3 - Mr.Baldwin's report on his visit to SIDA, dated October 8, 1971.

GZaidan/KK:bli

OFFICE MEMORANDUM

TO: Departmental Files

DATE: March 17, 1972

FROM: G. Zaidan *GZ*SUBJECT: Visit to SIDA - General Discussions on Inter-Agency Relationships

1. Over lunch I discussed with Carl Wahren and Olov Poluha the question of the role of different agencies in the population field, in connection with Mr. Michanek's forthcoming study. Carl Wahren talked at some length about this, but I must stress that the conversation was casual and informal, reflecting Mr. Wahren's personal views, which I found to be flexible and to evolve as the discussion proceeded.

2. He indicated he felt UNFPA should play an increasing role with an increased staff of about 40-45 people and with annual funds of US\$ 30-40 million. He agreed that UNFPA did not have at present the technical capability to evaluate and execute projects adequately, but he felt that, with the increase in staff and the upgrading of positions in the whole organization, such technical expertise could be developed. He also saw UNFPA as being the logical point of coordination in the UN system, leaving WHO with a purely technical role. He went on to note that the big question was what the Bank's role should be in the population field, since here was an institution which was far more efficient than the UN. He said that even if UNFPA should become technically efficient it would never come up to the Bank's standards since the procedures for project development in the UN do not lend themselves to the type of overall planning typical for the Bank. (He said that if the present level of efficiency of the Bank was 100%, then that of UNFPA was perhaps 10%; all we could hope for was that it would go up to 30-40%.)

3. Noting that he felt that the Bank was more efficient in project development and supervision and because of its greater leverage, I enquired into why it was that in spite of this he felt UNFPA should have a leading role. This, he felt was for political reasons (the international image of the UN) and also because the Bank could not undertake to coordinate the activities of other UN agencies. He stressed, however, that he did not think that this expanded role of the UNFPA should be pursued at the expense of the Bank's role. On the contrary, he felt that the Bank should go ahead and do as much as it could in this field. He hoped that a healthy competition would emerge; he did not see how the efforts of these two agencies who would have similar objectives could be effectively coordinated, but emphasized that this was important.

cc: Mr. Baldwin

GZaidan/rb

OFFICE MEMORANDUM

TO: Dr. K. Kanagaratnam

DATE: March 17, 1972

FROM: G. Zaidan *GZ*SUBJECT: Visit to SIDA - Back-to-Office Report *L*

1. On March 14, 1972, I spent the day at SIDA to discuss the Indian population project and other related matters. I also discussed SIDA's activities in the fields of health and nutrition. A list of persons met is attached.

India Population Project

2. In a meeting with Messrs. Gosta Edgren and Klas Markensten from the Area Division and Carl Wahren and Olov Poluha from the Population Division, SIDA confirmed that negotiations could start on April 11th, as planned. The SIDA Board had reviewed the Indian project and the only remaining step (a procedural one) was to obtain a cabinet decision on the Swedish contribution. This would be considered on Friday, March 24, 1972. The SIDA team would comprise Mr. Ohlund or Markensten from the Area Division, Miss Birget Johansson from the legal side and Mr. Poluha from the Population Division. Mr. Carl Wahren will be here on the first day, and would like to plan his visit so that he can remain with us for three to four days. He asked us to consider planning the negotiations in such a way as to raise the main issues in the first days. SIDA also requested that a copy of the Draft Credit Agreement be sent to them as early as possible.

3. I brought SIDA up to date regarding the Indian project since the yellow cover report was issued. I informed them about the results of the meeting with Mr. Knapp, indicating that the Bank would be prepared to finance 100% of all operating costs. As far as the UP component was concerned (the other issue raised in the covering memorandum of the yellow cover report) I indicated that agreement between Area and Projects had been reached and that this position would be taken up with Mr. McNamara. We proposed to offer the Government of India a nutrition program in one Block, as described in the yellow cover report, and we would be prepared to send a nutrition mission if requested (either as part of the mid-project review or earlier) to develop an independent nutrition component. I said that we would inform SIDA about the status of this aspect as well as any changes that might result from the review of the green cover report by the Loan Committee.

4. In a meeting with the Population Division, SIDA made the following technical points regarding the report:

- i. It was very important to try new methods of contraception in the project areas since the Indian program placed an undue reliance on sterilizations. I agreed by saying that this could be one of the innovative approaches which the Population Centers could suggest. We could emphasize the importance of this by making it one of the explicit approaches which the Population Centers should try.

Dr. K. Kanagaratnam

March 17, 1972

ii. Assurances should be sought from the Government of India that they would put medical supplies on a priority basis in the project's rural health centers to ensure an improved quality of MCH services. I indicated that there would be no problem in including this.

5. SIDA also asked further details regarding the experimental design of the project. I indicated that the details of this experimental design would be one of the first priorities of the Population Centers. My view was that it would not be desirable administratively nor feasible in real life situations to design the experiment in such a way as to control for all factors. To separate these effects multivariate analysis of the type used by Freedman and Takeshita in Taiwan and S. Jain in North Carolina could be used. But the detailed experimental design would be something for the Indians to work out.

Health and Nutrition

6. I met with Mr. Stig Abelin, head of the Health and Nutrition Division, which was set up in October, 1971. This is one of the four technical units in SIDA. Prior to October 1971, the nutrition activities of SIDA were part of the agricultural unit, while SIDA's modest health activities were in the education unit. The establishment of this new unit is a response to SIDA's increasing concern with the social sector; putting nutrition with health indicates a shift towards emphasizing the consumption rather than the production aspects of nutrition. The unit includes two persons on the nutrition side (Miss Elisabeth Michanek, daughter of the Director-General, and Miss Heli Reinikainen, a nutritionist) and three to four people on the health side. Consultants are used to supplement the work of the staff. While health activities have barely started and are only at the planning stage, nutrition activities started in the early sixties and SIDA's annual commitments in nutrition are currently about US\$ 2.0 million.

i. Nutrition Activities: SIDA's involvement in nutrition started in the early sixties, when it helped finance the building and operating costs of expatriate personnel and a group of advisors in Sweden for the Ethiopian Nutrition Institute. To date about US\$ 5 million has been spent on this project. From the early sixties to 1964/65 the project consisted primarily of undertaking studies on the nutritional status of the population. Later, the production of supplementary foods of the Balahar type for children aged 6-9 months to 3-4 years old was undertaken, as well as activities in information and education. A project to produce supplementary foods and administered through UNICEF was also started in Tunisia for about US\$ 1.0 million. In Tanzania, SIDA helped establish a school of home economics with training mainly in nutrition, but also in home-making of textiles, agriculture, etc. The graduates of this school will teach in primary and secondary schools. The Swedish contribution was about US\$ 1.0 million, with FAO providing additional funds. Discussions have begun with Tanzania to build up an institute similar to that of the Ethiopian Institute, but this is still in the initial stages. A mission to Zambia is being planned to develop a nutrition project. The annual SIDA commitment for nutrition is about

Dr. K. Kanagaratnam

March 17, 1972

US\$ 2.0 million. Future policy will be to get away from detailed project development into program support, leaving countries to develop specific projects.

ii. Health Activities: Until recently, SIDA had done very little on the health side, although two out of its first four projects were for a pediatric clinic and a rural health center in Ethiopia. SIDA is now planning to develop health projects more actively, since it considers the health status of the population to be important in improving the productive capacity of the economy. SIDA is currently working out the basis of its involvement in health projects. It plans to support preventive rather than curative health and to emphasize development of the rural health network. Thus, SIDA would not be sympathetic to the construction of hospitals in larger cities or to the support of personnel who are highly trained and who are not willing to live in rural areas such as doctors and highly trained nurses. Instead, SIDA's philosophy is to support personnel who are educated to do mainly preventive work such as sanitarians, medical assistants, health assistants, etc. At present, health projects are being considered in Tanzania, Ethiopia, Botswana and possibly Cuba.

Attachment

GZaidan/rb

cc: Messrs. Chadenet
Baum
Ripman
Engelmann
van der Tak
Lithgow
Rovani
J. King
J. Lee
Baldwin
Mrs. Maraviglia
Messrs. Kang
Lind
Kraske/Willen
Cabezas
Central Files
Dept. Files
Division Files

LIST OF PERSONS MET DURING VISIT TO SIDA

MARCH 14, 1972

Mr. Carl Wahren, Head, Population Division
Mr. Hasse B. Gaenger, Deputy, Population Division
Mr. Olov Poluha, First Secretary, Population Division

Mr. Gosta Edgren, Head of Department
Mr. Klas Markensten, Head of Section, Area Division

Mr. Stig Abelin, Head, Health and Nutrition Unit
Miss Heli Reinikainen, First Secretary, Health and Nutrition Unit
Miss Elisabeth Michanek, First Secretary, Health and Nutrition Unit

March 17, 1972

OFFICE MEMORANDUM

TO: Files

DATE: October 8, 1971

FROM: George B. Baldwin

SUBJECT: One-day Visit at the Swedish International Development Authority (SIDA)
(September 24, 1971)

1. Habib Siddiqui and I requested a day with SIDA on our return from Iran. We were warmly welcomed by Mr. Carl Wahren, who arranged the attached program for us. These notes will provide a record of what we learned from SIDA. In general they warmly welcomed our expression of the Bank's eagerness to take advantage of SIDA's expertise in this field and our offer to develop closer working relationships wherever and whenever possible.
2. SIDA's Population and Family Welfare Division currently has a professional staff of seven and a 1971 budget of about \$12 million (which includes Sweden's contributions to multilateral agencies working in population). Wahren said that they have no desire to expand their staff. Indeed I did not get the impression that there was any important change in either the scale of SIDA's present effort in this field or in the program emphasis which they will push. At present, they are active in about a dozen countries, as follows:

| | |
|---|---|
| North Korea | Ethiopia (one doctor working part-time on FP) |
| South Korea | Zambia |
| Ceylon | Cuba |
| Pakistan (SIDA's largest commitment) | Colombia (SIDA may possibly finance an Institute for Training which would include training for FP work) |
| Tunisia | |
| Kenya | |
| Chile (a modest commitment) | |
| India (although involved there since 1963, SIDA is still waiting for "the big project"; it has hopes that Mr. Poluha's participation in the second stage Bank appraisal mission may provide this opportunity) | |

3. Carl Wahren gave us the following review of population activities by donor countries:

- (i) The Netherlands - has recently decided to do everything through multilateral channels. In the past they have concentrated on Pakistan, Tunisia and Kenya.
- (ii) NORAD (the Norwegian aid agency) - a small office with two or three professionals, with program concentration on about three countries.

- (iii) Denmark - they have one part-time woman working on bilateral assistance and a second part-time woman working on multilateral programs.
- (iv) Finland - apparently has a commission preparing policy guidelines for future effort in the field. At present it has no major bilateral program, with some work going on in one or two countries.
- (v) West Germany - will probably not develop any bilateral program but will concentrate on contributions to UNFPA.
- (vi) United Kingdom - a Dr. David Wolfers (a "GP" from Australia, with strong demographic training) heads a Population Bureau in the Overseas Development Agency. This is a semi-autonomous task force whose main function has been to generate ideas. In general, Britain has done very little in the population field, despite considerable talk. There is one first-rate course in medical demography at LSE, but little if any other institutional resources to draw on in the country.
- (vii) France - it is moving cautiously from opposition to support of OECD's demographic work and that of the U.N. But it provides no direct support for any national or multilateral population programs.
- (viii) Eastern Europe - none of these countries has provided any assistance in the population field up to now. Some of them, however, may join WHO's forthcoming major international research effort on human fertility.
- (ix) The United States - the AID Population Program is by far the largest bilateral effort, with all the advantages and disadvantages this implies.
- (x) Japan - has done almost nothing. In 1968 it sent a few nurses to India. Today they are reportedly investigating assistance for condom manufacture in Indonesia. SIDA has used Japanese assistance in setting up condom manufacturing in Trivandrum. There is some problem of political sensitivity surrounding Japanese activities in their geographical area. In general Japan does not have much to offer in the FP field, since its own population programs have centered on private abortions. However, there are some excellent Japanese demographers.
- (xi) The World Council of Churches (Geneva) - they have an interest in family life education and this is likely to

expand. They have run seminars on parenthood and have concerned themselves with contraceptive methods. They have some interesting pilot schemes in India and have done some work in the Caribbean. The key WCC man in this field is a Dr. McGilray (a medical administrator); also interested is Paul Albrcht, who works on "futurology" for the Council.

The four Scandanavian countries hold a joint meeting on population matters every three months.

4. Talk with Mrs. Suzanne Aurelius: we began by discussing how she interprets the terms "sex and family life education", to areas in which SIDA has conducted seminars for foreigners in Sweden. She conceives of "Sexology" as dealing mainly with people who have sexual problems. The Swedish term for "family life education" is almost untranslatable (it means roughly "how to live together"). SIDA's activity in this field apparently began about two years ago when several Latin American countries requested it to help them develop sex and family life materials for use in their education systems. SIDA invited about 20 educators from 15 countries to Stockholm to talk about the subject (1970). UNESCO, WHO and IPPF sent observers. This initial seminar was considered sufficiently successful so that a second will now be held (in April 1972) with about 50 participants, again all from Latin America (the 1972 seminar will be conducted in Spanish; the first was in English). There will be several priests, both Catholic and Protestant, and one key figure will be Mrs. Cecelia Cardinal de Martin from Colombia. Illustrative topics to be covered are: sex crimes, abortion reform, and school curriculums. Participants are being invited in their individual, not their official, capacities.

5. The main point to emerge from our talk with Mrs. Aurelius was that it is probably a mistake to think of preparing sex and family life materials from outside a culture and importing them with minor adaptations. A much sounder approach is to develop an agenda of topics that interest the local leaders, and a way of treating these topics, by the use of local people, i.e., "from within." Foreigners can energize, organize, and participate in such a process but they should not be regarded primarily as transmission mechanisms for externally prepared "packages" of educational materials.

6. She knew of some good local people in both Jamaica and Trinidad and Tobago, both of whom had attended the First Seminar on Sex Education and Social Development. In Jamaica, there is Trixie Grant, a very able teacher. Mrs. Aurelius also said that the World Council of Churches has a strong family life education program in Jamaica (I believe she said it is headed by the Reverend Leslie Clemens, a person with whom Mrs. Aurelius has worked. However, Clemens may possibly be in Geneva). In Trinidad and Tobago there is a Mr. Michael Alleyne, an excellent former teacher who now works in the Ministry of Education.

7. Mrs. Aurelius has a background of several years' residence in Latin America. At one time she was secretary to Mrs. Ottosen Jensen, a prominent Scandanavian pioneer in family planning and sex education and a former President of the IPPF.
8. Talk with Mrs. Segersky (pronounced "Segershe") and Dr. Bernhardt: Mrs. Segersky has been with SIDA since 1963 and has worked in both Lahore and Dacca. Dr. Bernhardt, a younger woman, has recently completed her Doctorate with Prof. Whitney at the University of Pennsylvania, and has been with SIDA only a few months. She has started by working with Mrs. Segersky, although will eventually develop work of her own. The talk with these people was highly compressed, but we did not get the feeling that there was yet a great mine of material available from their accumulated experience in the fields of communication and evaluation. Indeed, later Carl Wahren said that SIDA had asked some outside consultants what it should be doing in this field but that the experts it had consulted had had great difficulty in giving them any specific and useful advice. Wahren also said that the U.S. has done much more work, and has many more communications experts, than anyone else in the world, so that SIDA looks primarily to the U.S. for expertise in this field. He agreed that the Population Council, under Berelson, probably knows whatever there is to be known in this field at the present time. However, SIDA does know of a few communications experts who might be available for short-term assignments. At present, SIDA has one full-time communications advisor in Kenya. It has recently used a Mr. P-O. Nuhma in Pakistan (October-November 1970); his report, "Reflections on Family Planning Communications" (18 pp. mimeo) was given to us. In the field of evaluation, Dr. Bernhardt said SIDA has not yet done much work. However, she expects to make this one of her responsibilities in the future.
9. Talk with Mr. Ljunggren: he has been in charge of procurement of contraceptive supplies for five or six years. He described in detail SIDA's procedures for getting such supplies and offered to send the Bank a list of the recent prices SIDA has negotiated for the most important items they purchase. SIDA has two types of purchases: 1) it may purchase for its own account or 2) it purchases for third parties by conducting a purchasing service on a no-fee basis. Such countries simply ask SIDA to purchase specific supplies on its behalf; SIDA places the order and the manufacturer bills SIDA after shipping the supplies to the ordering country. SIDA pays the bill directly and then collects from the country within 30 days. The system has worked well and SIDA has no overdue accounts.
10. SIDA believes it has secured what are probably the lowest prices in the world. It has secured these by starting a few years ago with an initial tendering approach, to identify low-cost producers. But after this initial use of tendering, SIDA has relied on negotiated contracts with a small number of suppliers (mainly in Japan and the U.K.) with whom Mr. Ljunggren works very closely. It is apparently his skill as a negotiator that has explained SIDA's success in keeping prices low, plus of course the large orders which SIDA is able to place.

11. There is some movement in a few countries to establish manufacturing in LDCs. For example, India has a new condom factory in Trivandrum which wants to double its capacity, with SIDA paying the costs! India also has a brand new London Rubber (LR) factory in Madras. The Trivandrum factory is considered a good one and the Indian Government has estimated that its costs are good compared to foreign costs; however Ljunggren said cost comparisons are difficult to make on an objective basis. Thailand and Malaysia are getting new condom factories with help from the Japanese factories with whom SIDA has done business. Pakistan had a feasibility study for such a factory until it was interrupted by the recent disorders there.

12. Mr. Ljunggren reported that while dosages in oral contraceptives have been continuously falling, prices have not. Pill prices have been fairly stable, if anything there has been a slight rise recently. In judging the medical considerations which are primary in selecting what pills to buy, SIDA relies primarily on a Professor Borell at Stockholm University.

13. UNIDO has been investigating the feasibility of manufacturing contraceptives in LDCs. Its study team has recently completed its field tour. A conference will be held on the subject under UNIDO's sponsorship in New York City, November 23-26. Mr. Ljunggren will himself present a paper on licensing. The Conference is being organized by Mr. P.M. Terlizzi, a UNIDO Industrial Development Officer.

14. SIDA's purchasing service is intended partly to teach LDCs how to go about purchasing and testing their supplies. The service is available to all LDCs, except Taiwan, which does not exist so far as Sweden is concerned! (But the service is available only to governments and to private associations affiliated with IPPF and to the Population Council) i.e., the service is not available to private doctors or to other private distributors.

15. Mr. Ljunggren offered to send us a list of prices he has recently paid for various types of supplies (he has sent similar lists to the Population Council and the IPPF). SIDA's service is free; Mr. Ljunggren estimates it saves buyers about 50 percent of what they would otherwise pay. (The SIDA price list has arrived and is attached.)

Attachment

cc: Population PD Staff
Messrs. Sandberg
Willen

GBBaldwin/jim

SIDA'S PRICES FOR CONTRACEPTIVES

CONDOMS

prices quoted before the present
currency crisis

Japanese, Unlubricated: approx. US\$ 1,04 - 1,08/gross
C&F all ports by steamer

Japanese, Lubricated: approx. US\$ 1,30 - 1,34/gross
C&F all ports by steamer

London Rubber, : approx. US\$ 1,44/gross 1)
Unlubricated C&F all ports by steamer

London Rubber, : approx. US\$ 2,52/gross
Lubricated C&F all ports by steamer

ORALS

prices valid at present

Eugynon, 21 : DM 35,50/100 cycles
Minovlar, 21 C&F all ports by steamer
Neogynon, 21

Eugynon, 28 : DM 39,90/100 cycles
Minovlar, 28 C&F all ports by steamer
Neogynon, 28

Gynovlar , 21 : DM 46,20/100 cycles
C&F all ports by steamer

Ovulen 1/2, 21 : £ 0,03958/cycle
C&F all ports by steamer

prices quoted before the present
currency crisis

Ovulen 1/2, 28 : US\$ 0,105/cycle
C&F all ports by steamer

Validan, 21 : US\$ 0,095/cycle
C&F Africa- and Asia-ports by sea

Validan, 21 : US\$ 0,10/cycle
C&F South America-ports by sea

Validan, 28 : US\$ 0,0975/cycle
C&F Africa- and Asia-ports by sea

1) for orders of 10.000 gross and over

OFFICE MEMORANDUM

TO: Mr. Eugene H. Rotberg

DATE: June 2, 1972

FROM: Yoon S. Park *YSP*SUBJECT: Latest Developments on the Swedish Capital Market
and the National Pension Insurance Fund of Sweden

6/2

During the last decade the capital market in Sweden has undergone a thorough transformation owing to the creation of the National Pension Insurance Fund in 1959 and its powerful growth in the sixties. Pension contributions are paid into the Fund by the employers at a statutory percentage of the employee's pension-carrying income. This percentage has been increased successively, from 3% in 1960 to about 10% at the present time. As a result, a considerable quantity of funds has been accumulated by the Pension Fund and, as of 1970, about 40% of the total funds in the Swedish credit market was supplied by the Pension Fund. However, the large and growing supply of credit from the Pension Fund represents no increase in the supply of credit per se, since it constitutes to a large extent a transfer of savings from the private to the public sector. On the Swedish credit market this redistribution of savings has caused the long-term market to grow rapidly in importance at the cost of the short-term market, i.e. principally the commercial banks.

Partly to counter this challenge and partly to meet also the growing competition from the large international banks, the Swedish commercial banks have increased their cooperation and integration among themselves. The last year's sensational merger between Sweden's number two and number three banks was interpreted in this sense as a logical step forward, and it stirred up fresh speculation of more mergers or similar moves among the Swedish banks in the future.

In order to offset the obvious concentration of power in the Pension Fund, its administration has been decentralized to three subsidiary funds with separate boards of directors. In general, however, the investment policy of the Pension Fund favors: gilt-edged bonds as well as bonds offered by Swedish banks; other bonds issued by the Swedish Government or local authorities; and loans to premium-paying employers up to half the amount paid in as contributions in the preceding year.

The capital of the Pension Fund increased from SKr. 0.5 billion (\$97 million) in 1960 to SKr. 47 billion (\$9.7 billion) in 1972. As of February this year, 33% of its fund was lent to businesses and individuals and 53% of it to specialized credit institutions. The remainder (about 12%) was lent to the Swedish Government and commercial banks. While there is no estimate available of the amount invested in foreign bonds, it is known that the Pension Fund does buy foreign bonds. At the present time the circumstances are favorable for the World Bank to borrow from the Pension Fund. After almost consistent trade deficits of about \$200 million per year during the sixties up to 1970, the trade balance suddenly improved to a surplus of \$0.4 billion in 1971 and even more surplus is expected in 1972.

Mr. Eugene H. Rotberg

-2-

June 2, 1972

As the result the foreign exchange reserves of Sweden almost doubled from \$760 million at the end of 1970 to \$1.34 billion as of March 1972. Consequently the Swedish kronor has been recently one of the stronger currencies of the world; it was revalued upward by 7.5% last December to \$1 = SKr. 4.81 but it has remained strong even at the new rate. As of May 19 this year the Swedish kronor was quoted at a premium of 1.29% above its central rate.

cc: Mr. H.C. Hittmair
Mr. R. Deely

31 May 1972

Security at the Stockholm Conference

A number of disparate groups are planning activities in Sweden immediately before and during the UN Conference on The Human Environment, which runs from 5 to 16 June. They hope to influence its delegates and to capitalize for their own purposes on the international attention that will be focused on the conference. Some hope particularly to embarrass the US. The Swedish police have made special arrangements to protect conference delegates and to maintain order; they have proved their competence in the past. But they are apprehensive this time because there is no reliable estimate of how many demonstrators will be coming from abroad. We have no evidence of specific plans to attempt to disrupt the conference or to harass its delegates. Nevertheless, the presence in Stockholm of a large number of agitators in support of radical causes raises the possibility of individual acts of violence and even large-scale public disorder.

The Conference Competitors

1. Activities in the streets of Stockholm will most likely be dominated by participants in the *People's Forum*. This is the counter-conference being organized by assorted left-oriented Swedish organizations, such as the United National Liberation Front Groups, the Swedish Communist Party, and anarchists. The organizers claim they have invited representatives from 400 to 500 organizations abroad. They have rented a facility about a mile from the UN conference site. Each participating group is to organize its own program and exhibits; the United National Liberation Front Groups, for example, will use the facility on 7-8 June "to inform about ecocide and ecological warfare, especially in Vietnam."

2. In addition, an *Environmental Forum* is being sponsored by the Swedish Government to provide a vehicle for private individuals and organizations to make themselves heard on environmental affairs. Many internationally known experts are expected; they will sit concurrently with the UN conference. The Environmental Forum organizers have had severe problems, including the need to replace three of the five original committee members. As of 26 May, the subjects of debate had still not been settled, and no final program has been announced. The organizers originally excluded radicals who lacked proper credentials. Now that the People's Forum has gained momentum, the Environmental Forum organizers have declared their meeting open to everyone. In doing so, they are running the risk that the radicals will take over.

3. The *Federation of Swedish Industries* has organized a conference in Gothenberg a week before the UN conference. It is to take positions on various issues that will come before the UN forum. Such diverse organizations as the *International Chamber of Commerce* and the *War Crimes Commission of the Stockholm Conference on Vietnam* plan exhibits and other activities. Additional conferences are

being called by an international, pseudo-religious group, Dai Dong, which calls for economic and political change to bring about improvements in the environment, and by a group claiming to represent "young researchers from the third world" (OI Committee).

4. The circumstances surrounding these counter-conferences are such that the groups involved are more than likely to zero in on the US and, especially, the US role in Vietnam.

The Communist Factor

5. The Soviets have been providing clandestine financial support and advice to the pro - North Vietnam groups in Sweden, and the North Vietnamese Embassy and the information office of the Provisional Revolutionary Government of South Vietnam are supplying photographic displays. The North Vietnamese may even produce alleged victims of recent US bombing at a War Crimes Commission hearing scheduled just prior to the UN conference.

6. The Soviets and North Vietnamese do not in any real sense control the Swedish Vietnam groups. Yet, Moscow's involvement with these groups would have put it in a position to exercise a restraining influence had the Soviets decided to attend the UN conference. It now appears that the USSR and all the East European Communist states will boycott the conference because East Germany was denied equal status with West Germany--and even though the Chinese Communists will attend, presumably to stand as the patron of the third world states. The Soviets and their allies may not now mind a disruption of the conference; they might even encourage it.

The Swedes

7. Although the Social Democratic government of Sweden does not wish the UN conference to be seriously disrupted by the activities that will be going on around it, these activities will take place in a permissive environment. The Swedish Government

has long posed as a champion of many of the causes these groups espouse; the Swedish foreign minister on 23 May justified before parliament the North Vietnamese invasion of South Vietnam, and the minister of agriculture has predicted that Prime Minister Palme will condemn US ecocide in Vietnam in his speech to the UN conference.

8. Swedish policy results partly from conviction and partly from the practical political consideration that the Social Democratic minority government's ability to stay in office depends on the loyalty of its left wing and the cooperation of the Communist Party. For example, the government was able on 29 May to win parliamentary approval of its defense budget only because of the support of the Communist deputies. The Social Democrats will not wish to lay themselves open to charges that the participants in extra-conference activities were unjustly treated. The government has reversed itself to allow a tent city some distance from the UN conference and has no plans to close the borders to incoming demonstrators. An added complicating factor: some Social Democrats would not mind seeing the chief of the Swedish National Police embarrassed. He is a competent officer, but a political conservative considered a liability to the present government.

Security

9. The Swedes plan to field some 1,850 policemen to maintain public order during the period of the UN conference. Of these, 1,500 are being drawn from areas outside Stockholm; some officers are being given special training in riot and crowd control. The Swedish police have demonstrated the capability to control crowds in the recent past. They have given attention to the security of the conference delegates, their quarters, and the conference site. The UN Secretariat at the conference will include a small security detail.

10. Swedish police leaders have expressed concern, nevertheless, over their ability to meet their responsibilities. This stems in part, no

doubt, from the fact that there is no reliable estimate of the number of activists who can be expected from abroad. Preparations for extra-conference activities are at present so chaotic that the organizers themselves have little idea how many will arrive. The police also doubt that they enjoy the support of Sweden's political leadership, which in the last several weeks clearly increased its criticism of US activities in Vietnam.

April 4, 1972

Dear Maurice:

Thank you for your letter of March 8 inviting the International Bank for Reconstruction and Development to be represented at the United Nations Conference on The Human Environment to take place in Stockholm from June 5-16, 1972.

I am honored that you should ask me to address the Conference and I am pleased to accept your kind invitation.

The Bank will be represented by a small delegation headed by Dr. James A. Lee, the Environmental Adviser. He will be accompanied by Mr. Luis Escobar, Special Representative for Inter-American Organizations, and Mr. Timothy Campbell of the Environmental Adviser's office.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Maurice F. Strong
U.N. Conference on The Human
Environment
Palais des Nations
CH-1211 Geneva 10, Switzerland

cc: Mr. Demuth

JALee:RSMcNamara:ml

CONFÉRENCE DES NATIONS UNIES
SUR L'ENVIRONNEMENT

STOCKHOLM, 5-16 juin 1972



UNITED NATIONS CONFERENCE
ON THE HUMAN ENVIRONMENT

STOCKHOLM, 5-16 June 1972

Télégrammes: UNATIONS, GENÈVE
Télex: 22.212 ou 22.344
Téléphone: 34 60 11 33 40 00 33 20 00 33 10 00

Palais des Nations
CH-1211 GENÈVE 10

RÉF. No: 42/3/1
(à rappeler dans la réponse)

8 March 1972

Dear Mr. McNamara,

I have the honour to refer to General Assembly resolution 2850 (XXVI) of 20 December 1971, by which the Secretary-General of the United Nations has been requested to invite representatives of the specialized agencies and the International Atomic Energy Agency to participate in the Conference.

I would like to draw your attention to Rule 57 of the Provisional rules of procedure for the Conference (A/CONF. 48/3) which states that "representatives of the United Nations specialized agencies and the International Atomic Energy Agency may participate, without the right to vote, in the deliberations of the Conference and its main committees upon the invitation of the President or Chairman, as the case may be, on questions within the scope of their activities".

On behalf of the Secretary-General I have the pleasure to invite your agency to be represented at the Conference, and would consider it a privilege if you could attend the Conference in person and address it.

..... For your information I am attaching a copy of the note verbale sent to governments.

With kind regards.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Maurice F. Strong', written in a cursive style.

Maurice F. Strong
Secretary-General
of the Conference

Mr. Robert S. McNamara
President
IBRD
1818 H Street N.W.
Washington D.C. 20433
USA

UNITED NATIONS  NATIONS UNIES

POSTAL ADDRESS—ADRESSE POSTALE: UNITED NATIONS, N.Y. 10017
CABLE ADDRESS—ADRESSE TELEGRAPHIQUE: UNATIONS NEWYORK

REFERENCE:

EC 114/23(1-3-3)
GI 42/4/1

and has the honour to refer to General Assembly resolutions 2398 (XXIII), 2581 (XXIV), 2657 (XXV), 2849 (XXVI) and 2850 (XXVI) and Economic and Social Council resolutions 1346 (XLV) and 1536 (XLIX) relating to the United Nations Conference on the Human Environment.

The Secretary-General has the honour to inform His Excellency's Government that the Conference will take place at Stockholm from 5 to 16 June 1972.

By its resolution 2850 (XXVI) of 20 December 1971, the General Assembly requested the Secretary-General "to invite States Members of the United Nations or members of specialized agencies or of the International Atomic Energy Agency to participate in the Conference". The Secretary-General therefore has the honour to invite His Excellency's Government to participate in the Conference.

The main purpose of the Conference, as stated in General Assembly resolution 2581 (XXIV) of 15 December 1969, is "to serve as a practical means to encourage, and to provide guidelines for, action by Governments and international organizations designed to protect and improve the human environment and to remedy and prevent its impairment, by means of interational co-operation, bearing in mind the particular importance of enabling developing countries to forestall the occurrence of such problems".

In this connexion, the attention of His Excellency's Government is also drawn to resolution 2850 (XXVI), in which the General Assembly requests the Conference to consider a draft declaration on the human environment, a draft action plan, draft proposals for organizational and financial arrangements needed to pursue effectively the work of the United Nations system of organizations in the environmental field and other draft proposals submitted to it, and to take such appropriate action as it desires. Furthermore, in resolution 2849 (XXVI), entitled "Development and Environment", the General Assembly sets out certain considerations to be taken into account in the action plan and the action proposals to be submitted to the Conference.

The provisional agenda for the Conference, approved by the General Assembly in its resolution 2850 (XXVI), will be circulated in document A/CONF.48/1. The text of the provisional agenda is

By the same resolution, the General Assembly approved the draft rules of procedure for the Conference and recommended them for adoption by the Conference. The draft rules of procedure will be circulated in document A/CONF.48/3.

A provisional list of documents which will be submitted for

..... consideration by the Conference is contained in annex II to the present note. Some preliminary information concerning the arrangements for

..... the Conference is contained in annex III.

It will be noted that rule 44 of the draft rules of procedure for the Conference provides for the establishment of three main committees of the Conference, in addition to the plenary meetings of the Conference. It is expected that plenary meetings will be held every day for the duration of the Conference. It is also expected that the three main committees will start their substantive work on the second working day of the Conference and that they will meet continuously until the middle of the second week of the Conference. Thus, for most of the duration of the Conference, there will be four organs of the



Conference meeting simultaneously.

The allocation of agenda items to the three main committees, as recommended during the preparatory process for the Conference, is as follows:

Committee 1: items 10 and 13 of the provisional agenda

Committee 2: items 11 and 14 of the provisional agenda

Committee 3: items 12 and 15 of the provisional agenda

It is assumed that all other items will be discussed in plenary meetings and that the reports of the three main committees will be considered in plenary in the latter part of the second week of the Conference.

Rule 1 of the draft rules of procedure for the Conference states that "the delegation of each State participating in the Conference shall consist of one head of delegation and no more than five accredited representatives and such alternate representatives and advisers as may be required". The Conference facilities at Stockholm permit the delegation of each participating State to occupy up to six seats in plenary meetings and up to three seats in each main committee, i.e. a total of 15 seats.

It is hoped that, in keeping with the importance attached to the Conference by the General Assembly, delegations of participating States will include senior Cabinet Ministers. In this connexion it has been suggested in the report of the Secretary-General on problems of the human environment (document E/4667 of 26 May 1969) that government delegations should be constituted at a policy-making level, including political leaders and senior administrators, assisted by a relatively small number of technical advisers, economists, physical planners and other social scientists having broad concern with major environmental problems and where possible also by opinion-formers (E/4667, para. 102).

The attention of His Excellency's Government is drawn to the



informal pre-Conference meeting, starting on 31 May 1972, described in annex III to the present note.

The Secretary-General has the honour to request that the names of the representatives of His Excellency's Government who will take part in the Conference, together with those of any alternate representatives and advisers, be communicated to the Secretary-General of the Conference, Palais des Nations, CH 1211 Geneva 10, by 10 April 1972. It would be helpful also to receive an indication of the names of those representatives who will participate on behalf of His Excellency's Government in each of the main committees and of the person who will take part in the informal pre-Conference meeting.

It should be borne in mind that this note is being issued in advance of the fourth session of the Preparatory Committee for the Conference (New York, 6 - 17 March 1972). Any recommendations of the Preparatory Committee which may affect the arrangements for the Conference will be contained in the report of that session and will be brought to the attention of His Excellency's Government in due course.

14 February 1972

COPY

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Annex IProvisional agenda for the Conference

1. Opening of the Conference.
2. Election of the President.
3. Adoption of the rules of procedure.
4. Constitution of committees.
5. Election of the officers other than the President.
6. Credentials of representatives to the Conference:
 - (a) Appointment of the Credentials Committee;
 - (b) Report of the Credentials Committee.
7. Adoption of the agenda.
8. General debate.
9. Declaration on the Human Environment.
10. Planning and management of human settlements for environmental quality (subject area I).
11. Environmental aspects of natural resources management (subject area II).
12. Identification and control of pollutants of broad international significance (subject area III).
13. Educational, informational, social and cultural aspects of environmental issues (subject area IV).
14. Development and environment (subject area V).
15. International organizational implications of action proposals (subject area VI).
16. Adoption of the plan of action.
17. Adoption of the report of the Conference.

Annex IIProvisional List of Documents

- A/CONF. 48/1 - Provisional agenda
- A/CONF. 48/2 - Annotations to the provisional agenda
- A/CONF. 48/3 - Provisional rules of procedure
- A/CONF. 48/4 - Draft declaration on the human environment
- A/CONF. 48/5 - An action plan for the human environment
- A/CONF. 48/6 - Planning and management of human settlements for environmental quality (subject area I)
- A/CONF. 48/7 - Environmental aspects of natural resources management (subject area II)
- A/CONF. 48/8 - Identification and control of pollutants of broad international significance (subject area III)
- A/CONF. 48/9 - Educational, informational, social and cultural aspects of environmental issues (subject area IV)
- A/CONF. 48/10 - Development and environment (subject area V)
- A/CONF. 48/11 - International organizational implications of action proposals (subject area VI)
- A/CONF. 48/12 - Consolidated document on the UN system and the human environment, submitted by the ACC
- A/CONF. 48/13 - Bibliography
- A/CONF. 48/14 - Eventual Draft Conventions
& sqq.

Annex III

Preliminary information concerning Conference arrangements ^{a/}

A. Time and place of meetings

The Conference will take place from 5 to 16 June 1972. The Swedish welcoming ceremony will take place at 11 a.m. on 5 June at the Royal Opera House. The formal opening of the Conference will be at 3 p.m. that day. Thereafter, meetings will normally be held Monday to Friday from 10 a.m. to 1 p.m. and from 3 p.m. to 6 p.m.

The Conference will take place in three separate buildings in the centre of Stockholm. Plenary meetings will be held at Folkets Hus, meetings of Committees 1 and 2 in the Old Parliament Building and meetings of Committees 3 in the New Parliament Building.

It is expected that plenary meetings will be held continuously on working days throughout the Conference and that the three main committees will hold substantive meetings from the second working day of the Conference until the middle of the second week of the Conference. A tentative schedule of meetings will be circulated nearer the date of the Conference.

B. Pre-Conference meeting

It is intended to hold an informal pre-Conference meeting, starting on 31 May, in the Old Parliament Building. It is hoped that each State participating in the Conference will send one member of its delegation to Stockholm ahead of time in order to participate in this meeting. The purpose of the meeting will be to inform delegations of all aspects of the arrangements for the Conference and it could usefully be attended by the member of each delegation who will act as secretary to the delegation.

C. Participation

In addition to delegations of participating States, representatives of the specialized agencies and the IAEA will be invited to participate in the Conference and certain other intergovernmental and non-governmental organizations will be invited to be represented by observers. ^{b/}

^{a/} A document providing detailed information for participants in the Conference will be issued nearer the time of the Conference.

^{b/} See General Assembly Resolution 2850 (xxvi), paras. 3-5.



D. Documentation

Conference documents will be distributed to participating States by the end of February 1972 in the quantities and languages indicated by those States in reply to the letter of 9 December 1971 (ref. 42/4) from the Secretary-General of the Conference. Delegations will be entitled to receive an additional five sets of Conference documents on arrival in Stockholm, when they will also be able to indicate their requirements for in-session documents.

E. Travel and accommodation

Travel and subsistence expenses of delegations will be borne by their Governments, as is usual in the case of United Nations conferences. Delegations are reminded of the importance of making travel arrangements and reserving hotel accommodation in Stockholm as early as possible before the Conference. The number of hotel rooms available is limited and hotel reservations should be sought from the Swedish Government's official agents, Nyman and Schultz/Nordisk Resebureau AB. Hotel reservation forms will shortly be circulated.

The Swedish Preparatory Committee for the Conference may be able to help delegations of States without a permanent representation in Stockholm to obtain office space in Stockholm.

The postal address of the Swedish Preparatory Committee is:

Riksdagshuset
Helgeandsholmen
S-111 28 Stockholm
Sweden

The travel agents Nyman and Schultz may be reached at the same address or at the following telex address: 11560 ENVIRON - S STOCKHOLM.

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

L/11 To Mr. Christofferson

ROUTING SLIP

Date

June 7, 1971

NAME

ROOM NO.

Mr. R.S. McNamara

A1230

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

This brief report on the forthcoming UN Conference on The Human Environment appeared in Ecology, a U.K. publication. You may find it interesting.

To go through Jim Lee - see 6/15

Leaf, please ask Tubert to book a room for me for the conference.

From

James C. Lee

Reports



Stockholm 1972

Stanley Johnson will be covering the forthcoming UN Conference on Man and the Environment. Here is the first of his reports.

There is little over a year to go now before the Stockholm Conference on the Human Environment. According to present plans the Inaugural Ceremony is scheduled to take place at 10 o'clock on Monday, 5 June 1972, at the Royal Opera in the centre of the city. The first plenary session will meet in the afternoon at the People's Hall, which is in the conference building of the Swedish Trade Unions. Seating will be provided on the floor of the hall for about 130 delegations consisting of five members each. Press will sit in the gallery, while the general public will be relegated to an underground theatre where they will watch the proceedings on video-tape.

Committee, as opposed to plenary, meetings will take place in the new Parliament Buildings and in the old Parliament. All premises, so the Swedes assure us, will be provided with restaurants, cafeterias and bar facilities. 2,000 first-class hotel rooms have already been reserved and delegations are advised to book as early as possible. Chauffeur-driven cars will be laid on (presumably the latest emission-free model), study-tours of sites of "special environmental interest" can be arranged and—the Swedes announce it almost coyly—"various social events are being planned".

1972 will undoubtedly be known as the Year of the Environment, and the Stockholm Conference will be the *pièce de résistance*, the bandwagon to end all bandwagons, a "talk-fest" of epic proportions. The delegates will jet in from

the round world's imagined corners. They will sit in plenary and in committees twiddling their earphones. They will make speeches, endless speeches which will be simultaneously translated, abbreviated, duplicated and re-issued in editions of several thousand. They will plot together in the corridors and bars and cafeterias, hatching out strange drafting compromises. They will agree to disagree and sometimes they may even agree to agree. At the end of it all, they will go back home and the tourists will return, like swallows, to the hotel rooms the delegates have vacated.

But what will it all add up to? What will Stockholm 1972 achieve? The answer to these questions very much depends on the nature and quality of the work which is undertaken in preparation for the conference and, above all, on the ability of the Secretary-General of the Conference, Mr Maurice Strong, to put together an agenda that forces delegates to concentrate on the issues.

So far the prospects look very good indeed. Late in January this year Mr Strong moved his office from New York to Geneva. With him went the small staff he had already assembled to help him run the conference. They installed themselves above Gate 2 of the Palais des Nations, in rooms looking out over the lake. By the beginning of February, the Secretariat was ready for what would be the most important meeting before the conference itself; the Second Session of the Preparatory Committee for the United Nations Conference on the Human Environment, known more familiarly as "Prep. Comm".

In some ways that fortnight of meetings from February 8-19 was already a miniature Stockholm. The Preparatory Committee was composed of government representatives, 27 nations in all being involved. (27 is one of the UN magic numbers.) It was fascinating to see the different ways in which *nationality* (for all the delegates were in Geneva as official spokesmen) interacted with *personality*. Excitable people sometimes made calm moderate statements, stupid people sometimes made clever statements. National viewpoints coloured national interpretations of

words whose definition was, at first sight, plain. There were other words, like the phrase "human environment" itself, where definition was not even attempted. Canny politicians and cautious bureaucrats do not enter willingly into minefields.

For most of the two weeks Prep. Comm. split into two sub-committees and worked its way steadily through the proposals Mr Strong and his secretariat had laid on the table. To understand these proposals, one must also understand the methodology that lies behind them. The physical arrangements for the conference with the delegates on the floor, the press in the gallery, and the public underground, will be in a sense matched by the conceptual arrangements. For here too it is envisaged that the Conference will work on three levels.

The *first* level will be concerned with establishing the intellectual and conceptual framework for the conference. This will be done, so the documents suggest, by calling on a "representative group of the world's intellectual community, including leaders in the physical and social sciences, for a comprehensive reading on the present state of knowledge and opinion on the principal aspects of the relationship between man and his environment". The deliberations of this group should lead to a "Report on the State of the Human Environment" which would identify "major areas of intellectual consensus and non-consensus" and major gaps in present knowledge, point out priority issues for consideration by political leaders and indicate the direction in which action should proceed.

In effect what is proposed at the first level is a State of the World report. Already shortlists are being prepared of possible "environmental wise men" and of consultants who might produce a final synthesis in each of the several official languages of the conference.

The *second* level will define the work programme in "the field of environment" (a phrase I find only slightly more attractive than the FAO's "field of fish") for the post-Stockholm period. It will, it is hoped, provide an agreed international basis for the establishment of priorities for environmental action and the allocation of resources to meet

Reports

those priorities.

The *third* level will concern that much smaller number of items on which action can be completed by the Conference. Inevitably it is on the third level that the bulk of the attention will be focused. This is where the action, in an "action-oriented" conference, will lie. The nature and effectiveness of this action will almost certainly be determined by the work governments undertake between now and June 1972. If they do their stuff, Stockholm will pay for itself a thousand times over. If they don't, the conference will resemble Sweden's own *aurora borealis*, a pale glimmer in the long northern light.

Major recommendations

By the time Prep. Comm. ended, on 19 February, agreement had been reached on the following major recommendations:

An intergovernmental working group should be established to prepare a draft *Declaration on the Human Environment* for adoption at Stockholm. There was a general consensus that the Declaration should be inspirational and concise; it should be readily understandable by the general public and should stimulate public awareness and community participation in action for the protection of the environment.

An intergovernmental working group should be established to review the question of *marine pollution*. The terms of reference of the Group should be broad enough to enable it to consider specific actions and to recommend them to the Stockholm conference if it found that agreement on these specific actions was feasible.

An intergovernmental working group should be established to prepare a report for the conference on the adequacy of "present regional or worldwide arrangements for the *monitoring or surveillance* of certain variables of the environment that relate to the proper balance of the biosphere and the health and well-being of man". The conference should take appropriate action in the light of this report.

The Secretariat of the conference should examine the feasibility of developing *international criteria for pollutant release limits*.

Preparations should be made to enable governments at Stockholm to establish, if they so decide, a *World Heritage Foundation* under which special recognition would be accorded to certain areas of natural, cultural, historical or scientific significance. UNESCO, in co-operation with other agencies was to develop a Constitution for the proposed Foundation.

Preparations should be made to enable governments at Stockholm to take positive action on a draft convention (being developed by IUCN in co-operation with FAO) to *regulate import, export and transit of threatened species of animals and plants*.

An intergovernmental working group should be established to prepare a Plan of Action, to be endorsed at Stockholm, aimed at strengthening and increasing the efficiency of *national programmes of soil preservation and wise land use*.

The Secretariat of the Conference should undertake a review of existing programmes for the *education and training of specialists* "in various fields of environmental problems". Possible action to be taken at Stockholm could include the establishment or development of regional training centres, which might be sponsored by the relevant bodies and agencies of the United Nations system.

The Secretariat of the Conference should review the adequacy of the present machinery for *interchange of information on environmental matters* between governments, and propose ways in which it might be improved.

Papers should be prepared before May, 1971 by member governments of the U.N. and interested agencies on the question of "genetic pools". Governments at Stockholm should be in a position to take additional measures for the *rational conservation of world genetic resources*, including the survey and collection of these resources. The Preparatory Committee was disturbed by the accelerating rate of plant and animal species extinction, largely because of the destruction of suitable habitats.

This then is the work programme between now and June 1972. Prep. Comm. will meet again in September this year to review progress. We must hope that the review is favourable. A great deal is at stake. Nothing concentrates the mind so much, apart from hanging, as an immovable deadline. The pressure for rapid effective action

between now and Stockholm, however artificial it may be, will not be easily recreated once the jamboree is over. This is an opportunity too important to be missed.

If the conference fails, it will not be the fault of the Secretariat but of governments. Even if governments do all or most of what is required of them, Stockholm could still be something less than a resounding success. The less-developed countries (LDC's) have yet to be convinced that this is their thing. Brazil, Costa Rica, Cyprus, Ghana, Guinea, India, Iran, Jamaica, Singapore, Togo, the UAR and Zambia are all serving on the Preparatory Committee and presumably they are a fairly representative sample of the third world. As Mr Strong put it in his opening remarks on the first day of Prep. Comm.: "If environment has acquired such political potency in the more industrialised countries, it is endowed with no such magic in much of the developing world. Although it is encouraging to note that here too interest and concern are growing, environment is still seen by many as a rich man's problem, a disease they would be prepared to risk if it is a necessary accompaniment to the economic growth they want and urgently need... They want to be sure before jumping enthusiastically on the environmental band-wagon about just how it is likely to affect their own interests and their own priorities".

Shortly after Prep. Comm. ended Mr Strong flew off to Delhi for the global meeting of the UNDP Resident Directors. They in turn will bear his greetings and exhortations back to the national governments to which they are accredited. Already the outline of a bargain between the rich and the poor, the polluters and the polluted is emerging. The LDC's are closing their ranks to form a kind of environmental UNCTAD. They know that their presence is necessary, even vital, at Stockholm in June 1972. Without the LDC's you can't have a World Conference and what would the UN do with all those hotel rooms? But, if they are to play ball, they will exact a price. Already there is talk of a special international fund to help LDC's pay for pollution-free technology which they would otherwise do without. We shall hear a great deal more of this and similar ideas before World Environment Year is over.

Stanley Johnson

ECOCENTER—GENEVA 1971

I can't remember whether or not 1972 has been proclaimed World Environment Year. There are so many years nowadays that it's hard to keep track and the fact that some of these years actually extend over a 24 or even 36 month period only adds to the confusion. World Refugee Year, I seem to recall, went on for ever (but then so do the refugees). I never understood what the International Geophysical Year was all about except that, like Everest, it was there. Apparently International Education Year has been and gone, though no one seems to have heard of it. And European Conservation Year was renamed, almost before it started, European Conversation Year.

But whether or not 1972 has been accorded this formal accolade, it will undoubtedly be known as the Year of the Environment. The UN Stockholm Conference on the environmental problems of mankind will be the *piece de resistance*, the bandwagon to end all bandwagons, a

SAUL STEINBERG

“The solution of environment is inseparable from peace...”

'talk-fest' of epic proportions. The delegates will jet in from the round world's imagined corners. They will sit in plenary and in committee twiddling their ear-phones. They will make speeches, endless speeches which will be simultaneously translated, abbreviated, duplicated and reissued in editions of several thousand. They will plot together in the corridors and bars and cafeterias, hatching out strange drafting compromises. They will agree to disagree and sometimes they may even agree to agree.

According to present plans the Inaugural Ceremony is scheduled to take place at 10 o'clock on Monday, June 5th 1972 at the Royal Opera in the center of Stockholm. Seating will be provided for about 130 delegations of five members each. 2000 first-class hotel rooms have already been reserved. Chauffeur-driven cars will be laid on (presumably the latest emission-free model), study-tours of 'special environmental interest' can be arranged and—the Swedes announce it almost coyly—'various social events are being planned'.

At the end of it all, the delegates will go back home and the tourists will return,



like swallows, to the hotel rooms the delegates have vacated.

But, what will it all add up to? What will Stockholm 1972 achieve? The answer to these questions very much depends on the nature and the quality of the work which is undertaken in preparation for the conference and, above all, on the ability of the Secretary-General of the Conference, Mr. Maurice Strong, to put together an agenda that forces delegates to concentrate on the issues.

So far the prospects look very good indeed. Late in January this year Mr. Strong moved his office from New York to Geneva. With him went the small staff that he had already assembled to help him run the conference. They installed themselves above Gate 2 of the Palais des Nations, in rooms looking out over the lake. By the beginning of February, the Secretariat was ready for what would be the most important meeting before the conference itself: the Second Session of the Preparatory Committee for the United Nations Conference on the Human Environment, known more familiarly as "Prep. Comm."

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In some ways that fortnight of meetings from February 8 - 19 was already a miniature Stockholm. The Preparatory Committee was composed of government representatives from 27 nations. It was fascinating to see the different ways in which *nationality* (for all the delegates were in Geneva as official spokesmen) interacted with *personality*. Excitable people sometimes made calm moderate statements, stupid people sometimes made clever statements. National viewpoints colored national interpretations of words whose definition was, at first sight, plain. There were other words, like the phrase 'human environment' itself, where definition was not even attempted. Canny politicians and cautious bureaucrats do not enter willingly into minefields.

I look at some notes I made the second day and am reminded just how lively and revealing a session it was:

10:20 a.m. Twenty minutes late. Not bad for a UN meeting. U.S. delegate Christian Herter Jr. (sitting next to Shirley Temple Black, his alternate) congratulates Strong on his clear and provocative statement the day before. Says committee may be interested to know that he has just (just?) received news of the President's extensive message to Congress on the

Environment. President has proposed 48 specific actions. The President, Herter continues in languid tones, *proposes* controls on ocean dumping, a national land use policy, *attacks* lead in gasoline, sulfur-oxides, *notes* rising pace of international activity.—Herter ends on a high note. Pipe out. Quick glance at Shirley Temple. Talks of the need for a 'new environmental ethic', for a 'new breed of public servant the "environmentalist".' Finally he says: "The challenge of Stockholm, Mr. Chairman, is to provide for human needs both bodily and spiritual in a world fast approaching four billion people"—

10:45 a.m. French delegate announces that part of the revenue from horse-racing will go to the environment ministry.—Brazilian delegate congratulates the secretariat: 'Mr. Strong is preparing his plan with the care a general prepares for battle'—Iranian delegate says: 'It's not just the *human* environment.' Mentions that an international Conference has recently been held on the Caspian dealing with 'humid zones and migrant birds'. Iranian delegate, who is a Deputy Foreign Minister, is clearly a colorful character. He speaks extempore; proposes a competition for environmental films and a rock-music festival to take place at Stockholm—a kind of Stockholm Biennale.—

12:45 p.m. Delegate of the Soviet Union (turn to Channel 4 to practice my Russian but lose the thread so switch back to the English translation) thanks the Chair for giving him the opportunity to speak before lunch. A long careful speech. Russians clearly believe in the value of sub-regional and bilateral cooperation. The basis of action should be international, not *supranational*. Says that the 'solution of environment is inseparable from peace, disarmament, and the spread of bacteriological, chemical and atomic weapons. How can we do one without the other?'—

2:45 p.m. Martin Holdgate, head of Britain's Department of the Environment's Central Unit on Pollution makes careful pragmatic speech. Herter, across the table, listens attentively. Holdgate says

Stanley Johnson is a young British writer specializing in international affairs. Currently he is with the International Planned Parenthood Federation, working on a book about the world's food problem and serving as an environmental consultant to the British Government.

'Don't speed things up for Stockholm'—i.e. don't rush to sign international agreements etc., before the groundwork has been done. "But don't slow them down either", just to have something to do at Stockholm. Not too fast, not too slow. Not too high, not too low. The *British via media*—

5:50 p.m. Maurice Strong, who has been sitting on the platform all day like a silent Buddha, is invited by the Chair to 'speak to' the points that have been raised. So Strong 'speaks to' with a will. He is what his name implies—a man in control. Young, but not too young to be credible. A practical man with a small moustache and an agenda to put through. The delegates have had two days to make their plenary statements and that, he surely seems to feel, is enough. The Committee will now split up into two sub-committees for the real business of the session. The international nitty-gritty. 'That's it then', says Strong, 'It's six p.m. and time to adjourn. If anyone wants to go on talking, they must find the money to pay the interpreters *overtime!*' No one does...

* * * * *

For most of the rest of the two weeks Prep. Comm. split into two subcommittees and worked its way steadily through the proposals Mr. Strong and his secretariat had laid on the table. To understand these proposals, one must also understand the methodology that lies behind them. The physical arrangements for the conference with the delegates on the floor, the press in the gallery, and the public in an underground theater watching on closed circuit TV, will in a sense be matched by the *conceptual* arrangements. For here too it is envisaged that the Conference will work on three levels.

The *first* level will be concerned with establishing the intellectual and conceptual framework for the conference. This will be done, so the documents suggest, by calling on a "representative group of the world's intellectual community, including leaders in the physical and social sciences, for a comprehensive reading on the present state of knowledge and opinion on the principal aspects of the relationship between man and his environment". The deliberations of this group should lead to a "Report on the State of the Human Environment" which would identify "major areas of intellectual consensus and non-consensus" and major gaps in present knowledge, point out priority issues for

consideration by political leaders and indicate the direction in which action should proceed.

In effect what is proposed at the first level is a State of the World report (what a pity Mr. Nixon has pre-empted the phrase!). Already shortlists are being prepared of possible 'environmental wise men' and of consultants who might produce final synthesis in each of the several official languages of the conference.

The *second* level will define the work programme in 'the field of environment' for the post-Stockholm period. It will, it is hoped, provide an agreed international basis for the establishment of priorities for environmental action and the allocation of resources to meet those priorities.

The *third* level will concern that much smaller number of items on which action can be computed by the Conference. Inevitably it is on the third level that the bulk of the attention will be focussed. This is where the action, in an 'action-oriented' conference, will lie. The nature and effectiveness of this action will almost certainly be determined by the work governments undertake between now and June 1972. If they do their stuff Stockholm will pay for itself a thousand times over. If they don't, the Conference will resemble Sweden's own 'aurora borealis', a pale glimmer in the long northern night.

By the time Prep. Comm ended, on February 19th, agreement had been reached on the following major recommendations:

- An intergovernmental working group should be established to prepare a draft *Declaration on the Human Environment* for adoption at Stockholm. There was general consensus that the Declaration should be inspirational and concise; it should be readily understandable by the general public and should stimulate public awareness and community participation in action for the protection of the environment.

- An intergovernmental working group should be established to review the question of *marine pollution*. The terms of reference of the Group should be broad enough to enable it to consider specific actions and to recommend them to the Stockholm conference if it found that agreement on these specific actions was feasible.

- An intergovernmental working group should be established to prepare a report for the conference on the adequacy of

"The challenge is to provide for human needs both bodily and spiritual in a world fast approaching four billion people."

"present regional or world-wide arrangements for the *monitoring or surveillance* of certain variables of the environment that relate to the proper balance of the biosphere and the health and well-being of man". The conference should take appropriate action in the light of this report.

- The Secretariat of the conference should examine the feasibility of developing *international criteria for pollutant release limits*.

- Preparations should be made to enable governments at Stockholm to establish, if they so decide, a *World Heritage Foundation* under which special recognition would be accorded to certain areas of natural, cultural, historical or scientific significance. UNESCO, in cooperation with other agencies, is to develop a Constitution for the proposed Foundation.

- Preparations should be made to enable governments at Stockholm to take positive action on a draft convention to *regulate import, export and transit of threatened species of animals and plants*.

- An intergovernmental working group should be established to prepare a Plan of Action, to be endorsed at Stockholm, aimed at strengthening and increasing the efficiency of *national programmes of soil preservation and wise land use*.

- The Secretariat of the Conference should undertake a review of existing programmes for the *education and training of specialists* 'in various fields of environmental problems'. Possible action to be taken at Stockholm could include the establishment or development of regional training centers, which might be sponsored by the relevant bodies and agencies of the United Nations system.

- The Secretariat of the Conference should review the adequacy of the present machinery for *interchange of information on environmental matters* between governments and propose ways in which it might be improved.

- Papers should be prepared before May 1971 by member governments of the UN

and interested agencies on the question of 'genetic pools'. Governments at Stockholm should be in a position to take additional measures for the *rational conservation of world genetic resources*, including the survey and collection of these resources. The Preparatory Committee was disturbed by the accelerating rate of plant and animal species extinction, largely because of the destruction of suitable habitats.

This then is the work programme between now and June 1972. Prep. Comm will meet again in September this year to review progress. We must hope that the review is favorable. A great deal is at stake. Nothing concentrates the mind so much, apart from hanging, as an immovable deadline. The pressure for rapid effective action between now and Stockholm, however artificial it may be, will not be easily recreated once the jamboree is over. This is an opportunity too important to be missed.

If the Conference fails, it will not be the fault of the Secretariat but of governments. Even if governments do all or most of what is required of them, Stockholm could still be something less than a resounding success. The less-developed countries (LDC's) have yet to be convinced that this is their thing. Brazil, Costa Rica, Cyprus, Ghana, Guinea, India, Iran, Jamaica, Nigeria, Singapore, Togo, the UAR and Zambia are all serving on the Preparatory Committee and presumably they are a fairly representative sample of the third world. As Mr. Strong put it in his opening remarks on the first day of Prep. Comm: "If environment has acquired such political potency in the more industrialized countries, it is endowed with no such magic in much of the developing world. Although it is encouraging to note that here too interest and concern are growing, environment is still seen by many as a rich man's problem, a disease they would be prepared to risk if it is a necessary accompaniment to the economic growth they want and urgently need . . . They want to be more sure before jumping enthusiastically on the environmental band-wagon about just how it is likely to affect their own interests and their own priorities."

Shortly after Prep. Comm ended Mr. Strong flew off to Delhi for a global meeting of the United Nations Development Programme Resident Directors. They in turn will bear his greetings and his exhorta-

Continued on page 53

ration of the UAR.

Israel wanted the removal of missiles and sites constructed in violation of the ceasefire understanding arranged by the United States, but agreed to proceed with the talks despite the Soviet and UAR breach of this understanding.

These are not insubstantial concessions. In my view, they reflect the fervent desire of the government and people of Israel for the long sought goal—a just and enduring peace in the area.

In light of these considerations, I welcome the assurances of my government that Israel will not be pressured in the search for a just and lasting peace which will serve the interests of Israel and its Arab neighbors. It is precisely such a peace that is mandated by Resolution 242.

The time has long passed when great powers can or should impose their views on small states. Greatness alone does not assure a monopoly on wisdom. Rather, all powers and people genuinely interested in a settlement in the Middle East should lend their influence for a negotiated peace treaty between the parties to the 1967 conflict. In this uncertain world, no one can guarantee that anything done today will endure forever. But I am strongly of the conviction that there is no other way to lasting peace in the Middle East than the way in which nations throughout history made peace which lasts—through negotiated agreements between the affected parties reflecting both magnanimity and a true and realistic recognition of the needs and interests of those directly concerned. #

ECOCENTER: GENEVA 1971

Continued from page 43

tions back to the national governments to which they are accredited. Already the outline of a bargain between the rich and the poor, the polluters and the polluted is emerging. The LDC's are closing ranks. They know that their presence is necessary, even vital, at Stockholm in June 1972. Without the LDC's you can't have a World Conference and what would the UN do with all those hotel rooms? But, if they are to play ball, they will exact a price. Already there is talk of a special international fund to help the LDC's pay for pollution-free technology which they would otherwise do without. We'll hear a great deal more of this and similar ideas before World Environment Year is over. #

BREAKING THE AGE BARRIER

Continued from page 32

Secretary-General of the United Nations be requested to undertake a survey of the present situation in selected countries and of past and present activities of the United Nations family with regard to the elderly and the aged. The Secretary-General could also be requested to appoint a widely representative panel of consultants to report to the General Assembly at its twenty-fifth session on

“(a) Medical advances which can retard the process of aging and the implications derivable therefrom for social policy;

“(b) Possibilities of making suitable and effective use of the knowledge, skills and experience of larger numbers of elderly and aged persons in the context of different social systems;

“(c) Desirable forms of international cooperation in matters relating to elderly and aged persons with a view also to developing guidelines for government policies and establishing minimum standards of assistance.”

The *Note* requested the inclusion of the foregoing subject matter upon the agenda of the twenty-fourth assembly (held in 1969) under an item to be entitled “Question of the elderly and the aged”.

The proposals have thus far remained sterile. The General Assembly has shown no disposition to add the item to its agenda and unfortunately Ambassador Pardo has been so busy shepherding the seabed proposals through the United Nations that he just hasn't had the time to do the necessary politicking to get the matter discussed. But this year a few countries, notable among them being Norway, recognized the glowing ember in the ashes of discarded addenda items and expressed regret that the Malta proposals had not been taken up.

There is a reasonable probability that this failure will be remedied in the twenty-sixth session of the General Assembly (to be held in 1971) and a fresh look will be taken at an age-old problem.

Can the world break its psychological barriers before the age barrier is broken? The coming United Nations debates, if they transpire, will give us a preview of the answer. #

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Mr McNamara:

You might wish to
scan through these briefly
prior to your Scandinavian
visit.

They are from the new
SAS monthly - SCANORAMA -
- May 1972 issue.

cec 6/5

BUSINESS

by David Jenkins

Entry into Europe

The new expanded Common Market scheduled to appear next year will, according to present indications, include a good part of Scandinavia. Following months of discussion, Denmark and Norway signed the Treaty of Accession along with Britain and Ireland.

All the terms have been negotiated, but the deal is not definitively fixed. In Denmark, Parliament has OK'd the terms, but the treaty must be ratified by a popular referendum. In Norway, there will also be a referendum, but it will be purely advisory; ratification is up to Parliament. Though public opinion polls and the stated positions of political leaders point to comfortable majorities for entry in both countries, the Danes don't want to join without the Norwegians and the Norwegians reciprocate this feeling of solidarity. But there may be no way of knowing—it now appears probable that both referendums will take place simultaneously (in late September).

EEC membership seems overwhelmingly advantageous for both countries, in near-term and in long-term benefits; the "impact" disadvantages in the case of Britain (which will, it is hoped, gain overriding benefits in the long run) do not exist for either Denmark or Norway.

Nevertheless, there is opposition. In Denmark, it is primarily among leftists, who distrust the EEC member-countries, which they regard as excessively conservative and likely to pull Denmark further to the political right than she would otherwise go. In Norway, anti-EEC feeling is stronger. A main point is protection for fisheries. The 36,000 boats operating off Norway's coast employ only a tiny fraction of the population, but Norwegians have protective feelings toward them. The Norwegian government demanded permanent prohibition against foreign fishing inside the 12-mile limit. The EEC refused, granting a 10-year period plus



Danish Prime Minister Jens Otto Krag has warned that a "no" to the Common Market could lead to stagnation and unemployment.

a vague assurance that Norwegian opinion will be taken into account in setting subsequent policy. The Norwegian Minister of Fisheries was so outraged at this defeat that he resigned when Norway signed the treaty.

Regardless of the opposition, both countries are depending on fast-rising industrial exports for their future prosperity, and since the bulk of their export markets will be behind the EEC tariff wall, they would suffer considerable economic difficulty if they were to forego membership. Danish Prime Minister Jens Otto Krag has warned that "a 'no' to the EEC could lead to Danish devaluation, unemployment, and stagnation."

In Sweden, the government decided some time ago that EEC member-

ship would clash with the country's neutrality and has opted instead for "association." The Swedes were disappointed in the deal offered by the EEC—free trade in industrial goods after a five-year transition, but with escape clauses allowing re-imposition of duties in the EEC at any time, plus a painful 12-year transition period for paper, one of Sweden's most important exports. The Swedes were disappointed, but there appears little chance of any major change. Sweden is also heavily dependent on exports (more than 20% of the GNP is accounted for by exports), and businessmen have long favored full EEC membership. Now, with unemployment at record levels and Swedish companies expanding abroad more rapidly than in Sweden, the EEC situation creates considerable uncertainty for the future.

Despite different roads being taken by the countries, they will doubtless continue their close relationships. Many forms of Nordic cooperation built up over the years will be undisturbed by the EEC enlargement. EEC or no, Scandinavia will survive.

Norwegian Oil Giant

It has been clear for some time that Norway's burgeoning offshore oil production will be gigantic—production from fields already tapped will soon equal all the rest of Western

European oil output and there are vast promising areas still to be explored.

But in addition, it is now becoming apparent that Norway will not only be a source of oil, but a source of oil know-how as well.

From the beginning, official policy was that the oil should be intimately integrated into the Norwegian economy—it should be “exploited in such a way that it will benefit the entire Norwegian society.” Thus there was a strong desire to pipe the oil directly to Norway, even though it would be more practical to bring it to Scotland; the distances are about the same, but there is an enormous trench in the ocean floor between the oil-producing areas and the Norwegian mainland, which would present difficult, if not impossible, engineering problems in laying an underwater pipeline. A few weeks ago, a parliamentary study committee reluctantly recommended that the Scotland solution be adopted.

Otherwise, the Norwegians are aggressively integrating themselves into the oil business. Originally, most of the companies doing the exploration, most of the equipment, and most of

the employees, were foreign. That is rapidly changing. By laying down tough “buy Norwegian” and “hire Norwegian” rules for the foreign companies, there has taken place a considerable build-up in Norwegian oil expertise. The Aker concern (the second-largest company in Norway and primarily a shipbuilding company) has begun designing and building oil-drilling rigs, and Veritas, the world-famous ship-classification society, has drawn up standards for such rigs. A company called Båt-service Verft A/S is building supply ships for oil rigs, and a number of Norwegian entrepreneurs have bought rigs to lease to oil companies.

A more dramatic engineering feat is the world's largest oil-storage tank, a concrete mammoth 164 feet wide and 245 feet high, now being built by F. Selmer/Høyer Ellefsen near Stavanger, which will be towed later this year to the site of the oil production. (The builders note that the tank is so large it could easily hold the entire Oslo City Hall, with plenty of room left over—in case anyone should be looking for a place to put the Oslo City Hall.)

The Norwegian oil personnel is

also being made more Norwegian. Last year, there were about 1,500 persons employed in the industry, most of them foreign. This year, the figure is expected to rise to 2,500, and Norwegians will soon be in the majority.

Foreign companies and foreign experts will continue to figure importantly in the Norwegian oil business, but it is clear that Norway—unlike many oil-producing countries—will be increasingly dominating its oil industry.

C

Bank/IDA/IFC Subscriptions (as of April 14, 1972)

| | <u>IBRD</u> | | <u>IDA</u> | | <u>IFC</u> | |
|--------|-------------|------|------------|------|------------|------|
| | \$ million | % | \$ million | % | \$ million | % |
| Norway | 160.0 | 0.66 | 6.7 | 0.66 | 0.6 | 0.52 |
| Sweden | 277.3 | 1.14 | 10.1 | 0.99 | 1.1 | 1.03 |

Mr. Mendels:

Subscription Status of Norway and Sweden in IBRD and IDA

Following are the data you wanted:

(a) Norway

- (i) Bank: Present subscription \$160.0 m.
(It does not include subscription increase of \$44.8 million authorized, but yet to be subscribed.)
- (ii) IDA: Initial Subscription \$6.720 m.
Supplementary Contributions \$24.600 m.
(The supplementary contributions include advance contribution of \$6 million towards first instalment under the Third Replenishment. Norway's second instalment amount is \$8 million or third instalment amount is \$10 m., accounting for \$24 million towards the Third Replenishment.)

(b) Sweden

- (i) Bank: Present subscription \$240.0 m.
(It includes \$37.3 million subscription increase which Sweden completed in November 1971.)
- (ii) IDA: Initial Subscription \$10.090 m.
Supplementary Contributions \$128.135 m.
(It includes advance contribution of \$34 million towards the first instalment under the Third Replenishment. Sweden's second and third instalments are in equal amounts of \$34 m.)

984
OFFICE MEMORANDUM

TO: Mr. Anders Ljungh

DATE: May 31, 1972

FROM: A. Broches

SUBJECT:

Please find below in tabular form the subscriptions and contributions of the Nordic countries to the Third Replenishment and their advance contributions.

| | <u>Subscriptions to Third Replenishment</u> | <u>Advance Contributions</u> |
|---------|---|------------------------------|
| Denmark | \$ 26,400,000 | \$ 8,800,000 |
| Finland | 12,240,000 | 4,080,000 |
| Iceland | 450,000 | 150,000 |
| Norway | 24,000,000 | 6,000,000 |
| Sweden | 102,000,000 | 34,000,000 |

MB
—

VIIa. IDA: SUMMARY OF RESOURCES & COMMITMENTS THROUGH FY72
(estimate as of 6/2/72 in 1972 \$ million)

| <u>RESOURCES</u> | | | |
|---|--------------------------------------|---------------|---------------|
| Initial Subscriptions | - Part I | | 815.9 |
| | - Part II ^{a/} | | 57.5 |
| First Replenishment | Part I (planned commitments FY65-67) | | 808.6 |
| Second Replenishment (initially planned commitment FY68-70) | - Advance ^{b/} : | | |
| | - Part I | 264.6 | |
| | - Switzerland | 13.5 | |
| | - Other | <u>1025.3</u> | 1303.4 |
| Third Replenishment | - Part I: - Advance Contribution | 490.0 | |
| | - Other | <u>2114.1</u> | |
| | | 2604.1 | |
| | - Part II: - Advance Contribution | 2.9 | |
| | - Other | <u>8.5</u> | |
| | | 11.4 | |
| | - Second Swiss Loan | 33.9 | 2649.4 |
| Special Contributions | - Denmark | 16.3 | |
| | - New Zealand | 6.1 | |
| | - Norway | 1.4 | |
| | - Sweden | <u>53.7</u> | 77.5 |
| Transfer from IBRD | - FY65 | 50.0 | |
| Net Income (year of authorization) | - FY66 | 75.0 | |
| | - FY67 | 75.0 | |
| | - FY68 | 10.0 | |
| | - FY69 | 75.0 | |
| | - FY70 | 100.0 | |
| | - FY71 | 100.0 | |
| | - FY72 | <u>110.0</u> | 595.0 |
| IDA Net Income | - FY61 | .4 | |
| | - FY62 | 1.1 | |
| | - FY63 | 1.0 | |
| | - FY64 | 1.7 | |
| | - FY65 | 2.6 | |
| | - FY66 | 3.1 | |
| | - FY67 | 4.6 | |
| | - FY68 | 7.0 | |
| | - FY69 | 10.4 | |
| | - FY70 | 6.7 | |
| | - FY71 | 7.1 | |
| | - FY72 | <u>1.0</u> | 46.7 |
| Repayments to IDA | - FY70 | .1 | |
| | - FY71 | .1 | |
| | - FY72 | <u>2.0</u> | |
| Loss on US Dollar Holdings Not Subject to Maint. of Value | | | 2.3 |
| | | | <u>-13.0</u> |
| TOTAL RESOURCES | | | 6343.3 |
| <u>COMMITMENTS</u> | | | |
| Credits Approved through 6/30/71 | | 3575.5 | |
| Less: Cancellation through 6/30/71 | | <u>65.8</u> | |
| Net Credits Approved through 6/30/71 | | | 3509.7 |
| FY'72 Credits Approved through 5/31/72 | | 714.4 | |
| FY'72 Credits Planned for Approval through 6/30/72 | | <u>255.6</u> | |
| FY'72 Credits | | | 970.0 |
| Less: FY72 Cancellations and refunds through 4/5/72 | | | <u>6.6</u> |
| TOTAL COMMITMENTS | | | 4473.1 |
| BALANCE AVAILABLE | | | <u>1870.2</u> |

^{a/} Part II subscriptions shown include those 90% portions released to date. There remains \$230.2 million in 90% portion of Part II member subscriptions which are not scheduled for release.

^{b/} Contributions made in advance of effectiveness of Second Replenishment.

VIIb. IDA: CONTRIBUTIONS BY COUNTRY
Actual FY1971 and Third Replenishment Pledges
(1972 \$ millions)

| Country | Initial Subscr. | First Replen. | Second Replenishment | | Special Contrib. | Third Replen. Pledges | | | Total | |
|-------------------------------------|---------------------------|---------------|-----------------------|----------------|------------------|-----------------------|---------------------|----------------|---------------------------|----------------|
| | | | Advance ^{a/} | Other | | Advance ^{b/} | Other | Total | | |
| Australia | 21.91 | 21.50 | 26.06 | | 26.06 | 17.37 | 34.74 | 52.11 | 121.58 | |
| Austria | 5.47 | 5.47 | 2.95 | 5.91 | 8.86 | | 17.72 | 17.72 | 37.52 | |
| Belgium | 8.96 | 8.96 | | 22.15 | 22.15 | | 44.30 | 44.30 | 84.36 | |
| Canada | 41.07 | 45.27 | 81.43 | | 81.43 | 108.57 ^{h/} | 54.29 | 162.86 | 330.63 | |
| Denmark | 9.49 | 8.14 | 4.78 | 9.55 | 14.33 | 16.29 | 9.55 | 19.11 | 28.66 | 76.91 |
| Finland | 4.16 | 2.50 | 1.48 | 2.95 | 4.43 | | 4.43 | 8.86 | 13.29 | 24.37 |
| France | 57.50 | 67.17 | | 105.53 | 105.53 | | 27.14 | 135.71 | 162.85 | 393.06 |
| Germany | 57.50 | 78.82 | 42.34 | 84.69 | 127.03 | | 78.50 | 175.56 | 254.06 | 517.40 |
| Iceland | .11 | | | | | | .16 | .33 | .49 | .60 |
| Italy | 19.72 | 32.57 | | 52.50 | 52.50 | | | 105.00 | 105.00 | 209.80 |
| Japan | 36.47 | 44.79 | 24.06 | 48.12 | 72.18 | | 52.11 | 104.23 | 156.34 | 309.77 |
| Kuwait | 3.65 | 3.65 | | 5.86 | 5.86 | | 11.73 ^{g/} | | 11.73 | 24.88 |
| Luxembourg | .41 | .40 | | .65 | .65 | | | 1.30 | 1.30 | 2.77 |
| Netherlands | 30.12 | 17.91 | 10.60 | 21.19 | 31.79 | | 24.45 | 48.90 | 73.35 | 153.17 |
| Norway | 7.30 | 7.17 | 3.87 | 7.73 | 11.60 | 1.43 | 6.51 | 19.54 | 26.05 | 53.55 |
| South Africa | 10.95 | 4.33 | | 3.26 | 3.26 | | | 3.26 | 3.26 | 21.80 |
| Sweden | 10.95 | 16.29 | 10.73 | 21.45 | 32.18 | 53.74 | 36.91 | 73.83 | 110.74 | 223.90 |
| United Kingdom | 142.38 | 104.88 | 56.28 | 112.57 | 168.85 | | 112.57 | 225.13 | 337.70 | 753.80 |
| United States | 347.74 | 338.74 | | 521.14 | 521.14 | | | 1042.27 | 1042.27 | 2249.89 |
| TOTAL PART I MEMBERS | <u>815.85</u> | <u>808.55</u> | <u>264.56</u> | <u>1025.25</u> | <u>1289.81</u> | <u>71.46</u> | <u>490.00</u> | <u>2114.08</u> | <u>2604.08</u> | <u>5589.76</u> |
| New Zealand ^{c/} | | | | | | 6.08 | | | | 6.08 |
| Switzerland ^{d/} | | | 13.54 | | 13.54 | | 33.85 | 33.85 | 33.85 | 47.39 |
| TOTAL NON-MEMBERS | | | 13.54 | | 13.54 | 6.08 | 33.85 | 33.85 | 33.85 | 53.47 |
| Part II Countries: | | | | | | | | | | |
| Initial Sub. - 10% ^{e/} | 28.77 | | | | | | | | | 28.77 |
| - 90% released ^{e/} | 28.77 | | | | | | | | | 28.77 |
| 3rd Replen. Add. Sub. ^{f/} | | | | | | | | .73 | .73 | .73 |
| 3rd Replen. Add. Contr. | | | | | | | | | | |
| - Ireland | | | | | | | 1.45 | 2.76 | 4.21 | 4.21 |
| - Spain | | | | | | | | 2.29 | 2.29 | 2.29 |
| - Yugoslavia | | | | | | | 1.46 | 2.75 | 4.21 | 4.21 |
| TOTAL PART II MEMBERS | <u>57.54^{e/}</u> | | | | | | <u>2.91</u> | <u>8.53</u> | <u>11.44^{f/}</u> | <u>68.98</u> |
| GRAND TOTAL | <u>873.39</u> | <u>808.55</u> | <u>278.10</u> | <u>1025.25</u> | <u>1303.35</u> | <u>77.54</u> | <u>492.91</u> | <u>2156.46</u> | <u>2649.37</u> | <u>5712.20</u> |

^{a/} Contributions made in advance of effectiveness of Second Replenishment.

^{b/} Contributions to be made in advance of effectiveness of Third Replenishment.

^{c/} New Zealand which is not a member of IDA is making a contribution to the Association of \$NZ5.0 million payable over the FY1971-76 period.

^{d/} Switzerland which is not a member of IDA made a first loan of SWF52.0 million to IDA under the Second Replenishment and is making a second loan of SWF130.0 million under the Third Replenishment.

^{e/} Payments by Part II countries in connection with initial subscriptions which have not yet been released for use by IDA total \$230.17 million; the grand total of initial subscriptions including these amounts is \$1103.57 million.

^{f/} Payments to IDA in connection with the Third Replenishment will include about \$10.86 million in additional subscriptions from Part II members related to adjustments in voting power among Part I members. \$730,000 of this amount, payable by Ireland, Spain and Yugoslavia, has been scheduled for release for use by IDA and is included in the table.

^{g/} Kuwait has agreed to pay its contribution in three annual installments of \$3.91 million on the dates specified, regardless of when the Third Replenishment becomes effective.

^{h/} Canada intends to pay its second installment of \$54.28 million by November 8, 1972 regardless of when the Third Replenishment becomes effective.

VIIc. IDA: VOTING POWER & PERCENTAGE CONTRIBUTION BY COUNTRY

| Country | % Votes | | % Part I Votes | | % Part I Contributions | | | | | % Bank Cap. Sub. f/ | |
|-----------------|---------|-------|----------------|-------|------------------------|-----------|-----------|-----------|----------|---------------------|--------|
| | Bank | IDA | Bank | IDA | Init. Sub. | 1st Repl. | 2nd Repl. | 3rd Repl. | Total e/ | Total | Part 1 |
| Australia | 2.07 | 1.77 | 3.22 | 2.84 | 2.69 | 2.66 | 2.02 | 2.00 | 2.18 | 2.23 | 3.18 |
| Austria | .95 | .59 | 1.47 | .94 | .67 | .68 | .69 | .68 | .67 | .90 | 1.29 |
| Belgium | 2.15 | .84 | 3.34 | 1.35 | 1.10 | 1.11 | 1.72 | 1.70 | 1.51 | 2.18 | 3.11 |
| Canada | 3.03 | 3.14 | 4.71 | 5.05 | 5.03 | 5.60 | 6.31 d/ | 6.26 | 5.91 | 3.70 | 5.28 |
| Denmark | .91 | .87 | 1.42 | 1.41 | 1.16 | 1.01 | 1.11 d/ | 1.10 | 1.38 | .87 | 1.24 |
| Finland | .59 | .49 | .92 | .79 | .51 | .31 | .34 d/ | .51 | .44 | .64 | .91 |
| France | 3.99 | 4.32 | 6.20 | 6.94 | 7.05 | 8.31 | 8.18 | 6.26 | 7.03 | 5.02 | 7.17 |
| Germany | 5.16 | 4.32 | 8.02 | 6.94 | 7.05 | 9.75 | 9.85 | 9.76 | 9.26 | 5.36 | 7.65 |
| Iceland | .16 | .20 | .25 | .33 | .01 | .01 | .02 | .02 | .01 | .07 | .10 |
| Italy | 2.56 | 1.61 | 3.98 | 2.59 | 2.42 | 4.03 | 4.07 | 4.03 | 3.75 | 3.35 | 4.78 |
| Japan | 3.89 | 2.81 | 6.04 | 4.52 | 4.47 | 5.54 | 5.60 | 6.00 | 5.54 | 4.02 | 5.73 |
| Kuwait | .34 | .46 | .53 | .73 | .45 | .45 | .45 | .45 | .45 | .48 | .68 |
| Luxembourg | .17 | .22 | .26 | .36 | .05 | .05 | .05 | .05 | .05 | .08 | .11 |
| Netherlands | 2.29 | 2.35 | 3.56 | 3.78 | 3.69 | 2.22 | 2.46 d/ | 2.82 | 2.74 | 2.33 | 3.32 |
| Norway | .69 | .72 | 1.07 | 1.15 | .89 | .89 | .90 | 1.00 | .96 | .80 | 1.15 |
| South Africa | .88 | .98 | 1.37 | 1.58 | 1.34 | .54 | .25 | .13 | .39 | .84 | 1.20 |
| Sweden | 1.12 | .98 | 1.74 | 1.58 | 1.34 | 2.01 | 2.50 d/ | 4.25 | 4.00 | 1.09 | 1.56 |
| United Kingdom | 9.74 | 10.41 | 15.14 | 16.73 | 17.46 | 12.97 | 13.09 | 12.97 | 13.49 | 10.21 | 14.57 |
| United States | 23.66 | 25.14 | 36.76 | 40.40 | 42.63 | 41.89 | 40.41 | 40.01 | 40.25 | 25.90 | 36.97 |
| TOTAL IDA | | | | | | | | | | | |
| PART I MEMBERS | 64.37 | 62.22 | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 70.05 | 100% |
| New Zealand a/ | .73 | | | | | | | | | .67 | |
| Switzerland b/ | | | | | | | | | | | |
| TOTAL IDA | | | | | | | | | | | |
| NON-MEMBERS | .73 | | | | | | | | | .67 | |
| India | 3.43 | 3.34 | | | | | | | | 3.53 | |
| Other Part II | 31.47 | 34.44 | | | | | | | | 25.75 | |
| TOTAL | | | | | | | | | | | |
| PART II MEMBERS | 34.90 | 37.78 | | | | | | | | 29.28 | |
| GRAND TOTAL | 100% | 100% | | | | | | | | 100% | |

Memo Item:

Total Part I Contributions c/ \$15.85 808.55 1289.81 2604.08 5589.76

- a/ New Zealand which is not a member of IDA is making a contribution of \$NZ5 million payable over the FY1971-76 period.
- b/ Switzerland which is not a member of IDA made a first loan of SWF52 million to IDA under the Second Replenishment and is making a second loan of SWF130 million under the Third Replenishment.
- c/ Under both the Second and the Third Replenishments, total actual contributions from Part I members fell short of the targets of \$1.3 and \$2.6 billion respectively. This explains why members which fixed their contributions at the same percentage of the target figure under both Replenishments contributed different shares of the actual totals.
- d/ In order to bring the Second Replenishment to a total of \$1303 million, five countries increased the amounts of their contributions: Canada \$8.47 million, Denmark \$1.19 million, Finland \$.43 million, Netherlands \$3.04 million, and Sweden \$5.97 million. It was understood that these additional contributions would not be taken as precedents in establishing shares in any subsequent replenishments.
- e/ Total contributions include special contributions from Denmark - \$16.29 million, Norway - \$1.43 million, and Sweden - \$53.74 million.
- f/ After selective increase of December 1969 and India's exercise of preemptive right.

111c. HOLDINGS OF 2-YEAR CENTRAL BANK BONDS VS RESERVES
(\$ millions)

| Interest: Issue Date: | 7.875% | 5.20% | 6.50% | 5.30% | Total Outstanding | Central Bank Reserves 1/31/72 ^{a/} | Issue Date: | 7.875% | 5.20% | 6.50% | 5.30% | Total Outstanding | Central Bank Reserves 1/31/72 ^{a/} |
|--------------------------|---------|---------|----------------------|---------|----------------------|---|--|---------|---------|----------------------|-------|----------------------|---|
| | 9/15/70 | 3/15/71 | 9/15/71 | 3/15/72 | | 9/15/70 | | 3/15/71 | 9/15/71 | 3/15/72 | | | |
| Abu Dhabi | - | .5 | 2.0 | 2.0 | 4.5 | n.a. | Luxembourg | - | .2 | - | .2 | .4 | n.a. |
| Afghanistan | - | - | - | .2 | .2 | 26 | Malagasy Republic | - | 1.0 | - | - | 1.0 | 15 |
| Algeria | - | - | (last purchase 9/65) | - | - | 185 | Malawi | - | - | .5 | .3 | .8 | 32 |
| Argentina | 4.0 | 10.0 | 4.0 | - | 18.0 | 140 | Malaysia | 2.0 | - | 5.0 | 1.0 | 8.0 | 828 |
| Australia | 5.0 | 8.0 | 8.0 | 5.0 | 26.0 | 3207 | Mali | - | - | - | - | - | 5 |
| Austria | 5.0 | 2.5 | 1.5 | 2.0 | 11.0 | 1537 | Mauritius | - | - | - | - | - | n.a. |
| Bahrain | - | - | - | 1.0 | 1.0 | n.a. | Mexico | 10.0 | 10.0 | 10.0 | 10.0 | 40.0 | 244 |
| Belgium | 5.0 | 10.0 | 5.0 | 5.0 | 25.0 | 1896 | Morocco | .2 | .2 | .2 | 1.0 | .6 | 16 |
| Bolivia | .5 | .5 | .5 | .5 | 2.0 | 69 | Nepal | - | .5 | 2.5 | - | 4.0 | 5 |
| Botswana | - | - | - | - | - | n.a. | Netherlands | 1.0 | 2.0 | - | 4.0 | 7.0 | 1769 |
| Brazil | 10.0 | 12.0 | 5.0 | 3.0 | 30.0 | 297 | New Zealand | - | 2.0 | 3.0 | 2.0 | 7.0 | 342 |
| Brunei | .2 | - | - | - | .2 | n.a. | Nicaragua | - | - | - | 2.0 | 2.0 | 68 |
| Burma | - | - | (last purchase 3/69) | - | - | 32 | Nigeria | 5.0 | 1.0 | 1.0 | 5.0 | 12.0 | 312 |
| Canada | 12.5 | 12.5 | 12.5 | 12.5 | 50.0 | 4935 | Norway | 10.0 | 9.0 | 7.0 | 8.0 | 34.0 | 1161 |
| Ceylon | - | - | - | - | - | 65 | Oman | - | - | - | 1.0 | 1.0 | n.a. |
| Chile | 1.0 | 1.0 | - | - | 2.0 | 60 | Pakistan | - | - | - | 2.0 | 2.0 | 130 |
| China | 1.0 | 2.0 | 3.0 | 2.0 | 8.0 | 456 | Panama | - | - | - | - | - | 12 |
| Colombia | 2.0 | - | .5 | 1.0 | 3.5 | 191 | Paraguay | - | - | (last purchase 9/65) | - | - | 19 |
| Congo B. | - | - | - | - | - | n.a. | Peru | - | - | - | 1.0 | 1.0 | 45 |
| Costa Rica | - | - | - | - | - | 30 | Philippines | - | - | .3 | - | .3 | 334 |
| Cyprus | .5 | 1.5 | .5 | 1.0 | 3.5 | 273 | Portugal | 1.0 | - | 2.0 | 1.0 | 4.0 | 949 |
| Denmark | 2.0 | 2.0 | 2.0 | 4.0 | 10.0 | 753 | Qatar | .1 | .1 | .2 | .2 | .6 | n.a. |
| Dominican Republic | - | - | - | - | - | 297 | Rwanda | - | - | - | - | - | 4 |
| Ecuador | - | - | b/ | - | b/ | 50 | Saudi Arabia | 10.0 | 5.0 | 10.0 | 10.0 | 35.0 | 1235 |
| El Salvador | - | .2 | - | .2 | .4 | 57 | Sierra Leone | - | - | - | 1.5 | 1.5 | 8c |
| Equatorial Guinea | - | - | - | - | - | n.a. | Singapore | 5.0 | 6.0 | 2.0 | 5.0 | 18.0 | 10 |
| Ethiopia | 3.0 | 2.0 | - | 2.0 | 7.0 | 56 | Somalia | - | - | - | - | - | 9 |
| Finland | 6.0 | 5.0 | 5.0 | 4.0 | 20.0 | 693 | South Africa | 1.0 | 1.0 | 1.0 | 1.0 | 4.0 | 326 |
| France | 1.0 | 2.0 | 3.0 | 3.0 | 9.0 | 3971 ^{d/} | Spain | 6.0 | 2.0 | 2.0 | 2.0 | 12.0 | 253 |
| Gambia | - | - | - | - | - | 3 | Sudan | - | - | - | - | - | 26 |
| Germany c/ | - | - | - | 5.1 | 5.1 | 14572 | Swaziland | - | - | - | - | - | n.a. |
| Ghana | .1 | .2 | .2 | - | .5 | 81 | Sweden | - | - | - | - | - | 956 |
| Greece | 1.0 | 1.0 | 1.0 | 1.5 | 4.5 | 449 | Syria | - | - | - | - | - | 6 |
| Guatemala | .3 | - | - | .3 | .5 | 16 | Tanzania | - | - | - | - | - | 66 |
| Guinea | - | - | - | - | - | n.a. | Thailand | 15.0 | 15.0 | 15.0 | 15.0 | 60.0 | 823 |
| Guyana | - | - | - | .5 | .5 | 5 | Trinidad & Tobago | .2 | .5 | .3 | .2 | 1.2 | 76 |
| Haiti | - | - | - | - | - | 14 | Tunisia | - | - | - | .2 | .2 | 146 |
| Honduras | .5 | .3 | .3 | .3 | 1.3 | 26 | Turkey | - | - | - | - | - | 719 |
| Iceland | 1.0 | 2.0 | 1.0 | 2.0 | 6.0 | 70 | Uganda | - | 1.0 | - | - | 1.0 | 15 |
| India | 3.0 | 2.5 | 1.5 | 2.0 | 9.0 | 352 | United Arab Republic | - | - | - | - | - | n.a. |
| Indonesia | - | - | - | - | - | 30 | United Kingdom | - | - | 5.0 | 7.5 | 12.5 | 597 |
| Iran | 4.0 | 3.0 | 2.0 | 10.0 | 19.0 | 390 | United States | - | - | - | - | - | 3000 |
| Iraq | - | - | (last purchase 9/65) | - | - | 463 | Uruguay | - | - | - | - | - | 7 |
| Ireland | 2.0 | 1.0 | 5.0 | 8.0 | 16.0 | 1032 | Venezuela | 2.0 | 10.0 | 2.0 | 2.0 | 16.0 | 1039 |
| Israel | 2.0 | 2.0 | 3.0 | 2.0 | 9.0 | 730 | Viet-Nam | 1.0 | 2.0 | 1.0 | 1.0 | 5.0 | 38 |
| Italy | 10.0 | 10.0 | 7.5 | 12.5 | 40.0 | 3619 | Yemen Arab Republic | - | - | - | - | - | n.a. |
| Ivory Coast | .7 | - | .5 | - | 1.2 | n.a. | Yemen, People's Demo- cratic, Republic of | - | 2.0 | - | 1.0 | 3.0 | 13 |
| Jamaica | - | - | - | - | - | 212 | Yugoslavia | 2.0 | 2.0 | 2.5 | 3.0 | 9.5 | 20 |
| Japan d/ | 5.0 | 5.0 | 10.0 | - | 20.0 | 15219 | Zaire | - | - | - | - | - | 61 |
| Jordan | 2.0 | 2.0 | 2.0 | 1.0 | 7.0 | 222 | Zambia | 3.0 | 4.0 | 6.0 | 4.0 | 17.0 | 258 |
| Kenya | 2.0 | 1.0 | - | 2.0 | 5.0 | 26 | West African Cent. Bank e/ | 2.1 | 1.7 | - | - | 3.8 | n.a. |
| Khmer Republic | 1.0 | 1.0 | - | - | 2.0 | n.a. | Equatorial African Cent. Bank f/ | - | .5 | - | - | .5 | n.a. |
| Korea | - | 1.0 | 1.0 | 1.0 | 3.0 | 578 | Vatican | .1 | .2 | - | - | .3 | n.a. |
| Kuwait | .3 | 1.0 | 4.0 | 1.5 | 6.8 | 185 | Bank for International Settlements | 4.8 | 6.5 | 1.0 | 3.0 | 15.3 | n.a. |
| Laos | - | - | - | - | - | n.a. | Total | 175.0 | 200.0 | 170.9 | 200.0 | 745.9 | |
| Lebanon | - | - | - | - | - | 4 | | | | | | | |
| Lesotho | - | - | - | - | - | n.a. | | | | | | | |
| Liberia | - | - | - | - | - | n.a. | | | | | | | |
| Libya | - | 10.0 | - | 7.0 | 17.0 | 2583 | | | | | | | |

a/ Include foreign exchange, Special Drawing Rights and Fund gold tranche position.

b/ Less than \$.1 million.

c/ The Central Bank of Germany (Bundesbank) holds a total of \$678 million in notes of 4 to 5 year maturity (\$636 million equivalent denominated in DM, and \$42 million \$ denominated).

d/ The Japanese Central Bank holds in addition \$436 million in 4 to 5 year maturities denominated in Yen and an unused \$277.8 million line of credit for 7 years denominated in Yen.

e/ West African Central Bank is the central bank for Dahomey, Ivory Coast, Mauritania, Niger, Senegal, Togo, and Upper Volta.

f/ Equatorial African Central Bank is the central bank for Cameroon, C.A.R., Chad, Congo B., and Gabon.

g/ Reserves as of November 30, 1971.

Vig. 10a: Allocation of Third Replenishment Resources by Month
(Amounts \$ million)

| Month | Third Replenishment Resources | | Current Schedule of Board Approval | | | Actual and Probable Resource Allocations | | | | | | | |
|----------------------------------|-------------------------------|---------------------------|--------------------------------------|---------------------------|---------------------|--|---------|---------------------|-------------------------------------|-------------|---------------------|---------------------------------|-------------------------|
| | Source | Amount | Country and Project | Amount | Share ^{a/} | India Commitments ^{b/} | Balance | Share ^{a/} | Indonesia Commitments ^{b/} | Balance | Share ^{a/} | Other Commitments ^{b/} | Balance |
| FY72 Cumulative Total Thru March | | <u>580.3^{c/}</u> | | <u>613.2^{e/}</u> | <u>233.0</u> | <u>(316.0)</u> | - | <u>55.6</u> | <u>36.0</u> | <u>19.6</u> | <u>291.7</u> | <u>261.2</u> | <u>30.5</u> |
| April | | | Turkey (Livestock II) 4/4 | 16.0 | | | | | | | | (16.0) | |
| | | | C.A.R. (Education I) 4/11 | 3.9 | | | | | | | | 3.9 | |
| | | | Ethiopia (Ag. & Ind. Dev. Bk I) 4/25 | 11.0 | | | | | | | | (11.0) | |
| | | | Sudan (Mechanized Farming II) | 10.5 | | | | | | | | 10.5 | |
| | | | Liberia (Ag. Dev. Project) | 1.2 | | | | | | | | 1.2 | |
| | | | Guyana (Highways I) | 4.4 | | | | | | | | 4.4 | |
| Cumulative Total | | <u>580.3</u> | | <u>660.2</u> | <u>233.0</u> | <u>(316.0)</u> | - | <u>55.6</u> | <u>36.0</u> | <u>19.6</u> | <u>291.7</u> | <u>(308.2)</u> | <u>10.5</u> |
| May | | | Papua & New Guinea (Port Dev.) 5/2 | 9.2 | | | | | | | | 9.2 | |
| | | | Korea (Ag. Credit) 5/16 | 10.5 | | | | | | | | (10.5) | |
| | | | India (Population) 5/30 | 21.0 | | (21.0) | | | | | | | |
| | | | Burundi (Rd. Constr. & Maint.) | 8.5 | | | | | | | | (8.5) | |
| | | | Indonesia (DFC I - BAPINDO) | 10.0 | | | | | 10.0 | | | | |
| | | | India (7th Ind. Imports) | 75.0 | | (75.0) | | | | | | | |
| Cumulative Total | | <u>580.3</u> | | <u>794.4</u> | <u>233.0</u> | <u>(412.0)</u> | - | <u>55.6</u> | <u>46.0</u> | <u>9.6</u> | <u>291.7</u> | <u>(336.4)</u> | <u>1.3^{f/}</u> |
| June | | | Senegal (Railways II) 6/6 | 3.0 | | | | | | | | (3.0) | |
| | | | Indonesia (Ag. Estates IV) | 6.0 | | | | | 6.0 | | | | |
| | | | Indonesia (Smallholder Rubber) | 3.6 | | | | | 3.6 | | | | |
| | | | Malagasy Rep. (Irrig. Morondava) | 15.0 | | | | | | | | (15.0) | |
| | | | Sierra Leone (Ag. Devt.) | 4.0 | | | | | | | | (4.0) | |
| | | | Tunisia (Tourism Infrastructure) | 10.0 | | | | | | | | (10.0) | |
| | | | Sudan (Highway Maint.) 6/13 | 6.9 | | | | | | | | (6.9) | |
| | | | Mali (Telecommunications) | 3.3 | | | | | | | | (3.3) | |
| | | | Upper Volta (Feeder Roads) | 2.4 | | | | | | | | (2.4) | |
| | | | Paraguay (Tourism) | 1.2 | | | | | | | | (1.2) | |
| | | | Upper Volta (Rural Devt. Fund) | 2.4 | | | | | | | | (2.4) | |
| | | | Ethiopia (Roads V) | 12.8 | | | | | | | | (12.8) | |
| | | | Botswana (Livestock) 6/20 | 1.4 | | | | | | | | (1.4) | |
| | | | Mauritius (DFC - DRM I) | 3.5 | | | | | | | | (3.5) | |
| | | | Cameroon (Education II) | 9.0 | | | | | | | | (9.0) | |
| | | | Senegal (Urban Devt.) | 7.5 | | | | | | | | (7.5) | |
| | | | Pakistan (Industrial Imports II) | 50.0 | | | | | | | | (50.0) | |
| | | | Turkey (Istanbul Urban Devt.) | 6.0 | | | | | | | | (6.0) | |
| | | | Yemen, A.R. (Road Devt. I) | 7.0 | | | | | | | | (7.0) | |
| | | | Morocco (Ag. Credit III) 6/27 | 10.0 | | | | | | | | (10.0) | |
| | | | Paraguay (Education I) | 4.4 | | | | | | | | (4.4) | |
| | | | Ghana (Sugar Devt.) | 8.0 | | | | | | | | (8.0) | |
| | | | Indonesia (Power Distr. II) | 40.0 | | | | | (40.0) | | | (40.0) | |
| | | | Philippines (Education II) | 13.7 | | | | | | | | (13.7) | |
| | | | Bolivia (Railways) | 8.0 | | | | | | | | (8.0) | |
| | | | Indonesia (Marine Transport) | 10.0 | | | | | (10.0) | | | (10.0) | |
| Cumulative Total | | <u>580.3</u> | | <u>1043.5</u> | <u>233.0</u> | <u>(412.0)</u> | - | <u>55.6</u> | <u>(105.6)</u> | - | <u>291.7</u> | <u>(525.9)</u> | <u>1.3</u> |
| Not Scheduled | | | Rwanda (Livestock) | 3.3 | | | | | | | | (3.3) | |
| | | | Uganda (Livestock II) | 6.6 | | | | | | | | (6.6) | |
| | | | Malagasy Republic (Highways III) | 14.0 | | | | | | | | (14.0) | |
| Cumulative Total | | <u>580.3</u> | | <u>1067.4</u> | <u>233.0</u> | <u>(412.0)</u> | - | <u>55.6</u> | <u>(105.6)</u> | - | <u>291.7</u> | <u>(549.8)</u> | <u>1.3</u> |

a/ Of the resources available, \$233.0 million (40.1%) was reserved for India and was exhausted in February; an \$83.0 million Shipping credit was conditionally approved by the Board in March with signing contingent on replenishment of IDA resources. Indonesia's share is \$55.6 million (9.6%); this will permit unconditional commitment from available resources for Indonesia projects scheduled for Board consideration through the first week in June. The remaining \$291.7 million (50.3%) of available resources is reserved for "other" countries, and \$261.2 million of this was committed through March. The residual \$30.5 million has been allocated against specific projects intended for Board presentation in the next few weeks, the last one being Papua & New Guinea (Port Development) to be considered on May 2.

b/ Figures in brackets exceed commitment authority implied by reserved shares of available resources. Because the residual share for "other" countries has been allocated to specific projects, two projects (Turkey Livestock II) and Ethiopia (AIDB I) will have been conditionally approved by the Board in April with signing contingent on replenishment of IDA resources.

c/ Includes confirmed advanced contributions as follows:

| | \$ million |
|---|----------------------|
| Canada | 50.0 |
| Denmark | 8.0 |
| Finland | 4.1 |
| Japan | 48.0 |
| U.K. | 103.7 |
| Yugoslavia | 1.3 |
| Australia | 16.0 |
| Germany | 72.3 |
| Kuwait | 10.8 |
| Sweden | 34.0 |
| Norway | 6.0 |
| Iceland | .2 |
| Ireland | 1.3 |
| Netherlands | 22.5 |
| France | 25.0 |
| Subtotal | 404.0 |
| plus IBRD Transfer | +110.0 |
| Cancellation & Repayments | + 7.5 |
| Mexican Release of 90/ Subscription | + 2.0 |
| Effect of Currency Realignment | + 57.8 ^{d/} |
| minus FY72 Projected Net Loss of Income | - 1.0 |
| Total | <u>580.3</u> |

d/ Increase in the dollar value of confirmed advance contributions when expressed at the exchange rates listed in IMF publication of December 30, 1971: 27.2
Increase in the dollar value of IDA's holdings of foreign currencies derived from pre-Third Replenishment contributions of member governments whose currencies have appreciated, net of maintenance payments due to them (for other countries, see footnote g/): 30.6

e/ Excludes \$2.8 million committed during FY72 out of remaining Second Replenishment resources (Tunisia Agricultural Credit project).

f/ Balance is too small to be used for further credits, with the possible exception of Paraguay (Tourism) scheduled for consideration on June 13.

g/ Maintenance of value payments due from Austria, Denmark, Finland, Norway, South Africa, Sweden and the United States on pre-Third Replenishment contributions will add \$39.3 million to the resources available, assuming that the amounts of the currencies of these countries now held will not have been decreased by drawing on them before a call for maintenance of value can be made. The bulk of this amount (\$38.0 million) is due from the United States and requires appropriation.

* This Standard Table was previously numbered Vig.