

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Chronological files - (outgoing) - Chrons 35

Folder ID: 1771904

ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4541S

Series: Chronological file (outgoing)

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: November 27, 2012

To cite materials from this archival folder, please follow the following format:
[Descriptive name of item], [Folder Title], Folder ID [Folder ID], ISAD(G) Reference Code [Reference Code], [Each Level Label as applicable], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.




THE WORLD BANK
Washington, D.C.

© 2012 International Bank for Reconstruction and Development / International Development Association or
The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED

McNamara Papers

1973 (May-June)
Vol 35

 **Archives**
1771904
A1995-252 Other #: 3 309648B
President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 35

DECLASSIFIED
WBG Archives

490/1/281

June 30, 1973

MEMORANDUM FOR MR. BROCHES

At the end of the 1973 Fiscal Year I have expressed my appreciation for the dedication and skill of the Bank Group staff which has made the achievement of our lending program possible. I would like you to tell your staff that I am very much aware of their contribution toward this result. Notwithstanding the great pressures on them, especially during the spring, they have managed to keep a smooth flow of loan documents going. These documents are only the culmination of the process of loan preparation and negotiation, and I know that your staff makes valuable contributions throughout this process.

Robert S. McNamara

RMcN:bmm

490/1/280

Office of The President

JUN 25 1973

Excellency:

The International Bank for Reconstruction and Development proposes to arrange for a borrowing in the markets of Japan by the issuance of fifteen-year bonds denominated in Japanese Yen in an aggregate principal amount of up to Yen 20,000,000,000. The Government of Japan is hereby requested, in accordance with Section 1(b) of Article IV of the Articles of Agreement of the Bank, to approve the borrowing by the Bank in the markets of Japan of such amount as may be raised by the issue of not exceeding Yen 20,000,000,000 aggregate principal amount of Bonds.

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

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

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

- ✓cc: for Mr. McNamara's Office (2)
- cc: Messrs. Aldewereld
 - Broches
 - Rotberg
 - Hittmair
 - Rutland
 - Deely

DJFontein/REDeely/ktp
June 25, 1973

490/1/279

JUN 22 1973

Sir,

I am writing to thank you for your letter dated June 7, 1973 enclosing the report of the Owendo-Belinga railroad project as prepared by your staff in close association with the Gabon authorities. The report is presently being studied by our technical services.

I understand that your and my staff have already exchanged views on this project and I want to assure you that the observations and comments which you conveyed to us will receive our careful attention. In this respect, I welcome continued informal contacts which might have advantages over the attendance by the Bank of a formal donors meeting with the difficulties a public confrontation of our respective views might create for certain donors.

Before I conclude, let me say how much we, at the Bank, have valued in the past the cooperation which has developed between our institutions. Divergences of views on projects such as the Trans-gabonais have been the exception and should not stand in the way of our future cooperation to the benefit of the developing nations of Africa. On my part, I shall do all I can to further contribute to this cooperation and in this spirit I send you my warm wishes for success in your new position.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Claude Cheysson
Member of the
Commission of the European Communities
200, rue de la Loi
B - 1049 - Brussels
Belgium

RBSteckhan:cb
June 21, 1973

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

490/1/277

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

JUN 20 1973

Dear Brad:

Thank you for your letter of June 11 concerning the drought in the Sudano-Sahelian region.

We shall do everything we can to assist you in developing a plan of medium-term and long-term activities to deal with the grave situation that has arisen, and as I have informed the Secretary-General, one of the senior members of our staff working on Western Africa, Mr. Peter Wright, will be attending the meeting in Geneva on June 28-29. The Office of the Regional Vice President for Western Africa, Mr. Roger Chaufournier, will be handling all questions related to the drought-affected countries, and this should be the normal point of contact in the Bank for the special unit which you are setting up.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Bradford Morse
Under-Secretary-General
Political and General Assembly Affairs
United Nations
New York, N.Y. 10017

cc: Messrs. J. Burke Knapp and R. Chaufournier
Wright, de la Renaudiere and Thalwitz (W. Africa Region)
Franco-Holguin (International Relations Department)
for Mr. McNamara's Office (2)

EPWright:vr
June 18, 1973
File: Sahelian Drought

490/1/276

JUN 20 1973

Gen. William H. Draper, Jr.
Honorary Chairman
Population Crisis Committee
1835 K Street, N.W.
Washington, D.C. 20006

Dear Bill:

I am most grateful for your letter of June 1st, outlining the PCC's preliminary thinking on a population program for the developing world and inviting my comments on some of the assumptions and proposals underlying this tentative program. Not uncharacteristically, you are giving a strong lead in developing specific suggestions for the World Plan of Action intended to be adopted at the Bucharest Conference next year. I would be glad to discuss the subject with you in the near future; in the meantime, here are some preliminary reactions to some of the ideas contained in your letter.

My initial reaction to the program proposals is that they focus too much on world financial and acceptor targets and too little on the types of activities which would constitute the substance of a 10-year program. This is, of course, largely a tactical question, since one can argue that bold targets are needed to secure the much wider and stronger commitment to fertility reduction which you rightly identify as the necessary first step. I am not arguing for abandonment of the \$2 billion per year and 50% acceptance rate which you suggest as desirable targets; but I hope that early attention will be given to outlining an action program which offers some hope of reaching these targets. It would be a pity if concentration on the mobilization of financial resources should mislead people into believing that an overall shortage of money is likely to be a crucial constraint to an expanded world effort. In my view, the key problems are persuading governments and their citizens that fertility control is an important public goal and private human right; learning what combinations of social policies, incentives, and program activities will prove effective in spreading small-family norms; developing improved contraceptive technology; and extending the public and private channels through which the various means of fertility control can be made accessible to people.

Let me comment briefly on your suggestion that the conduct of cost-benefit studies can become a principal means of securing stronger commitment from the governments of LDCs. While I agree with you that well-conducted

studies of this kind can be helpful, I would not want to rely on them to quite the extent suggested in your letter. The main difficulty I have in relying heavily on such studies is that they come up with a rather abstract and somewhat controversial figure which diverts attention from the more human but no less important "costs" that arise from excessive population growth. For this reason I would prefer to see more effort invested in dramatizing some of these human costs (e.g. decreased land availability per capita, increasing costs of food, deteriorating urban living conditions, increasing absolute levels of poverty and illiteracy). It is my own feeling that some of these human dimensions of too-rapid population growth can be more persuasive than the results of technical cost-benefit studies. It is for this reason that I have discouraged emphasis on cost-benefit studies in our own population work and have kept the presentation of such cost-benefit work as we do in a relatively low key in Bank reports. At the time of our first population project (Jamaica, approved by our Board in June 1970), we devoted a great deal of time to this subject and developed a methodology which I think goes somewhat beyond the pioneering work of Steve Enke. I am quite sure that this study would provide a more useful model for people working in LDCs than Mr. Jaffe's interesting but culture-bound study of "immediate benefit-cost ratios" in the USA. Jaffe's method relies almost exclusively on savings in government costs which most LDCs simply would not be incurring. Finally, I have some doubt that the systematic organization of national cost-benefit studies would be welcomed by many governments whose commitment to this objective is weak or that they would be as effective as other types of evidence and appeals. This is something we should certainly discuss when we next meet.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

Mr. T.King, Dev. Ecos.

GBBaldwin/jim

Typed June 15, 1973

Page 2 retyped June 20, 1973

490/1/274

June 15, 1973

MEMORANDUM FOR MR. CREENERY

Please prepare in cooperation with CPS a paper for management review of the Bank's research program, which might later be modified to serve as a basis for Board discussion. The paper should include at least the following elements:

1. The objectives for the Bank Group's research and a description of the criteria to be used for selecting research projects;
2. The work program for research for the next 3-5 years;
3. Procedures for budgeting and for selection of research projects to ensure consistency with the objectives and the most efficient use of resources. In particular, the paper should show how research and policy planning will support existing and new lending activities over the period FY74-FY78;
4. A program for cooperation in research with outside institutions; and
5. A plan for application to Bank Group operations of the results of research performed in the Bank and elsewhere.

The Programming and Budgeting Department should assist you in ensuring that the work program fits within the framework of the Bank Group's planned operations for FY74-FY78. Please consult with the Organization Planning Department on the assessment of existing procedures and any suggested revisions.

Please submit, together with Mr. Baum an outline of the paper to be prepared, the proposed allocation of responsibilities and a schedule for its preparation.

Robert S. McNamara

cc: Mr. Knapp
Mr. Baum
Mr. Adler
Mr. Kearns

OFFICE OF THE PRESIDENT

430/1/273

JUN 15 1973

Dear Dr. Stopper:

The International Bank for Reconstruction and Development proposes to sell privately to institutions in Switzerland notes in the aggregate principal amount of Four Hundred and Fifty Million Swiss Francs (SwF 450,000,000) consisting of three equal tranches of SwF 150,000,000 each maturing respectively in 6, 7 and 8 years.

The Banque Nationale Suisse is hereby requested, in accordance with Section 6(1) of the Agreement dated June 29, 1951, between the Swiss Federal Council and the International Bank, to approve the borrowing by the International Bank in the Swiss market of such amounts as may be raised by the issue of not exceeding Four Hundred and Fifty Million Swiss Francs (SwF 450,000,000) aggregate principal amount of notes.

The Banque Nationale Suisse is further requested to agree that the International Bank may freely convert the proceeds of such borrowing into any foreign currency. On its part, the International Bank agrees that it will pay the interest on and the principal of the notes in free Swiss francs.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. E. Stopper
President
Banque Nationale Suisse
Zurich, Switzerland

Cleared with and cc: Mr. Walser
cc: Mr. Aldewereld
Mr. Broches
Mr. Rotberg

JP Uhrig:pjw
June 15, 1973

490/1/272

JUN 15 1973

Dear Mr. Minister:

Thank you for your letter of June 2 relating to the delays in payments of some Egyptian debts to certain U.S. agencies. I am indeed appreciative of the promptness with which you clarified the situation and for the courtesy and cooperation that you and your colleagues extended to Mr. Davar, whom we had asked to discuss the matter with you.

As you know, the Upper Egypt Drainage Project has in the meantime been approved by our Board and signed on June 8. I should like to assure you that we are all now looking forward to the successful implementation of this and other priority projects now under discussion.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Abdel Azis Hegazy
Deputy Prime Minister
Minister of Finance and Economy
Cairo, Egypt

cc: Mr. Votaw

ADavar/te
June 14, 1973

490/1/271

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

JUN 15 1973

Dear Secretary-General:

Thank you for your letter of June 4 in which you refer to the Economic and Social Council Resolution 1759 (LIV) and invite the World Bank to participate in a meeting to be convened in Geneva on June 28-29 to consider the medium-term and long-term needs arising from the drought in the Sudano-Sahelian region.

We have been following developments in the region with great concern and very much welcome the initiative you have taken in calling this meeting. I am asking Mr. Peter Wright, one of our Program Directors for Western Africa, to represent the World Bank at the meeting. We have a special mission presently visiting the Sahelian countries to explore the possibilities for medium-term assistance from the World Bank Group, and Mr. Wright will be able to report on its findings.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Kurt Waldheim
Secretary-General
United Nations
New York, N.Y. 10017

cc: Messrs. J. Burke Knapp and R. Chaufournier
Wright, de la Renaudiere and Thalwitz (Western Africa Region)
Franco-Holguin (International Relations Department)
for Mr. McNamara's Office (2)

EPWright:vr
June 13, 1973
File: Sahelian Drought

490/1/270

JUN 13 1973

Dear Jack:

The Annual Meetings of the World Bank Group and the Monetary Fund will be held this year in Nairobi from Monday, September 24, through Friday, September 28 at the Kenyatta Conference Centre. Once again I wish to extend a warm invitation to you and hope that you will be able to join us on this occasion.

If you are able to attend, please let me know whether Ellen will accompany you, your expected dates of arrival in, and departure from Nairobi, and whether you will need hotel accommodation for your stay in Nairobi.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

*Paul
bc.*

Mr. John J. McCloy
Millbank Tweed, Hadley & McCloy
1 Chase Manhattan Plaza
New York, N.Y. 10005

MMMendels:MTC

cc: Mr. McNamara's Office (2) ✓

490/1/269

JUN 13 1973

Dear Gene:

The Annual Meetings of the World Bank Group and the Monetary Fund will be held this year in Nairobi from Monday, September 24, through Friday, September 28 at the Kenyatta Conference Centre. Once again I wish to extend a warm invitation to you and hope that you will be able to join us on this occasion.

If you are able to attend, please let me know whether Sue will accompany you, your expected dates of arrival in, and departure from Nairobi, and whether you will need hotel accommodation for your stay in Nairobi.

With warm personal regards,

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

*Paul
Siri*

Mr. Eugene R. Black
American Express Company
65 Broadway
New York, N.Y. 10006

MMendel^s:MTC

cc: Mr. McNamara's Office (2) ✓

490/1/268

JUN 13 1973

Dear George:

The Annual Meetings of the World Bank Group and the Monetary Fund will be held this year in Nairobi from Monday, September 24, through Friday, September 28 at the Kenyatta Conference Centre. Once again I wish to extend a warm invitation to you and hope that you will be able to join us on this occasion, as in previous years.

If you are able to attend, please let me know whether Louie will accompany you, your expected dates of arrival in, and departure from Nairobi, and whether you will need hotel accommodation for your stay in Nairobi.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. George D. Woods
The First Boston Corporation
277 Park Avenue
New York, N.Y. 10017

MMMendels:MTC

cc: Mr. McNamara's Office (2) ✓

JUN 13 1973

Dear Mr. Maheu:

You will recall that in 1970 we agreed to extend the Unesco/IBRD Cooperative Program by the establishment of six additional posts in the program /three in the Division of Educational Planning and Administration (EPAD) and three in the Department of School and Higher Education (EDS)/. In exchange EPAD and EDS would provide agreed services to the Cooperative Program, such as participation in missions and the preparation of special studies for an equivalent amount of time. We had agreed upon an initial period of two years beginning July 1, 1970, but in fact the arrangement has been in effect continuously from the beginning.

Given the concern of all the multilateral agencies to secure maximum benefit from all available resources, it seems appropriate to suggest that we might now review the operation of this supplementary program to determine whether this particular deployment of resources, or some other, will provide the greatest benefits to our member countries and to the work of our two agencies.

If you agree, I will direct members of the Bank staff to meet with Unesco staff members you may designate for the purpose of such a review.

With cordial regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Rene Maheu
Director-General
Unesco
Place de Fontenoy
Paris 75007, France

cc: Mr. W. C. Baum, CPS
Mr. M. L. Hoffman, IR (cleared by Mrs. Boskey)

DSBallantine:jsc

490/1/266

Mr. Andre van Camphenout

JUN 13 1973

Robert S. McNamara

Implementation of Electricity Projects in Cyprus

1. In response to your memo of May 21, 1973, part of the loan funds being provided by the Bank under the Fourth Power Project are earmarked for the extension and completion of the 11kv and low voltage distribution system in Cyprus over the period 1972-76 including the supply of electricity to all those villages on the island which at present remain unconnected. The project was declared effective in September 1972 and is progressing on schedule.
2. We understand that since 1964, the Cyprus Electricity Authority has been unable to gain access to customers in the Turkish Cypriot areas for the purpose of meter reading (although they are able to gain access for the purpose of emergency repairs and system extensions). Thus income from sales of electricity does not include revenue for electrical energy supplied to Turkish customers residing in these areas. However, supplies of electricity are still being made available to all villages connected to the distribution system.
3. This situation has been discussed on several occasions with the Cyprus authorities who take the view that expansion of the distribution network to all villages in Cyprus is seriously impeded by the inability of the Cyprus Electricity Authority to make use of the revenue from sales of electricity in the Turkish Cypriot areas. Though many Turkish villages remain unconnected, it is our understanding that the Electricity Authority's policy regarding village electrification is to connect all Turkish villages to the power grid by 1976.
4. The Bank is of course concerned to see that the proceeds of the loan are used for the purposes for which the loan was made available. We have been encouraged by the progress which has been made since the resumption of intercommunal talks in 1968 between the Turkish and Greek Cypriot communities in resolving a number of administrative issues and by recent statements made by the leaders of the two communities. This gives reason to hope that this particular issue will be settled in a way which will permit the Cyprus Electricity Authority to complete the construction program within the next 3-4 years as agreed with the Bank.
5. We shall be writing the Government and the Electricity Authority requesting their views on this matter and shall, of course, keep you informed.

cleared with and cc: Mr. Benjenk
 cc: Mr. Knapp
 Mr. Hartwich
 Mr. El Darwish
 Mr. Moore

cc: Mr. McNamara's office (2)

IMWright/SE1Darwish:ep

(Signed) Robert S. McNamara

DHartwich/MPBenjenk

June 11, 1973

490/1/265

June 13, 1973

Dear Prime Minister:

Thank you very much for your kind invitation to attend the signing ceremony of the Caribbean Community Treaty on July 4, 1973.

I would very much like to attend, but as you know our staffs have been working on a program according to which I would arrive in Port of Spain only on July 5, which seems to be a mutually convenient date. I also have a commitment to visit Jamaica on July 4 and 5 which, at this point, is difficult to change, since it would prevent me from meeting with Prime Minister Manley and Jamaican officials in Kingston.

I very much look forward to visiting Trinidad and Tobago and in particular to an exchange of views with you. In the meantime, please accept congratulations and best wishes on behalf of the World Bank and myself on the occasion of the signing of the Caribbean Community Treaty which marks an important milestone on the road to closer regional economic integration.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

The Rt. Hon. Eric Williams
Prime Minister
Port of Spain
Trinidad, W.I.

ALjungh:ml

For Mr. McNamara's Office

490/1/264

JUN 13 1973

Dear Chuck:

Thank you for your letter of May 23 concerning Mr. Miles S. Jankevich. Our Personnel Department is at present reviewing his credentials in the light of our staffing requirements in the Tourism Projects Department. They will be in touch with him shortly to inform him of the outcome of his application.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Charles H. Percy
United States Senate
Committee on Government
Operations
Washington, D. C. 20510

FGStone/EHCarter:jsl

490/7/261

June 8, 1973

Dear Dr. Sales:

Thank you for the silver medal commemorating CHESF's twenty-fifth anniversary that the Board of CHESF has so kindly awarded me. I would like to take advantage of this opportunity to congratulate you and your staff for the success of your efforts in meeting the fast growing demand for power in the Northeast.

We are hoping to appraise shortly a further expansion of CHESF's generating and transmission facilities. I look forward to a renewed close relationship between CHESF and the Bank in the development of the hydroelectric potential of the Northeast.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Apolonio Sales
Director President
Companhia Hidro Eletrica do
Sao Francisco
Rua Visconde de Inhauma 134 - 15º Andar
Rio de Janeiro, GB, Brazil

JAMartinez:ALjungh:ml

490/1/259

His Excellency Dr. Kenneth D. Kaunda
President of Zambia
State House
Lusaka
The Republic of Zambia

Excellency:

I wish to thank you for your letter of May 7, which I read with great interest. I also received from Mr. Husain a full account of the discussion he and his colleagues had with you and Mr. Lishomwa.

I fully share your view that a sound basis for Zambia's future economic development would require that incomes derived from the mining sector are used increasingly to develop employment opportunities and production in other sectors of the economy, particularly in rural areas. As you rightly suggest, this would require a review of some very important aspects of economic and social policies. I understand that the mission led by Mr. Husain discussed with Mr. Lishomwa in detail the facts and analysis bearing on the issues you mention in your letter and I share the view that the changes you propose will make a substantial contribution to mobilizing resources for development and directing them increasingly to achieving your Government's economic and social goals.

As I mentioned in my cable, we are proceeding with substantial lending in Zambia. The Bank's Executive Directors have already approved a \$33 million loan for the Education Project and by the first week in July, I expect the approval of the \$30 million Program loan and a \$115 million loan for the Kafue Project. During the forthcoming years, we expect to assist Zambia in preparing and implementing projects in agriculture, education, urban development and electric power. The resources that we and other external lenders are able to provide are but a part of your overall requirements. In the last analysis, in any developing country, the

major effort in terms of hard decisions to direct policies to achieving economic and social goals and to mobilize resources, has to come from the country itself. In deciding to recommend approval by the World Bank's Executive Directors of loans for the Education and Kafue Projects, amounting to \$148 million and particularly the \$30 million Program loan, I have been guided by what you have communicated to me about the general direction of your economic policies and the specific measures you propose to take in the near future. I wish you all success in the implementation of your program and would like to assure you of our fullest support in it.

I expect that as your own program for investments and resource mobilization progresses, our cooperation in preparing and financing high priority projects will be closer and, as Mr. Husain explained to you, we hope to establish within the next few months a resident mission in Lusaka to work closely with your Government's agencies. This office will have assistance from our regional office in Nairobi, which has a pool of technicians in agriculture, transport and education for assisting countries in Eastern Africa in preparing projects.

We are proposing to send an economic mission to Zambia later this year. I hope that on the basis of the work done by your officials and the mission, it should be possible to convene a meeting of a Consultative Group to coordinate external development assistance to Zambia. We shall be consulting with potential participants on this matter in the next few months and will keep your officials fully informed of the progress.

Regarding your suggestion that we find a high caliber economist to work under the direction of your Special Assistant - Economics on development issues, we are reviewing possible candidates and Mr. Husain will be in touch with Mr. Lishomwa on the subject.

In conclusion, Mr. President, please accept my warmest regards and once again my best wishes for the success of your efforts to improve the economic and social opportunities for the people of Zambia.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. McNamara's office (2)
Mr. Knapp
Mr. Bell
Mr. Please
Mr. Dean/Mr. Reichelt

SSHusain/SPlease:pe
June 6, 1973

490/1/258

JUN 7 1973

Dear Ad:

This is in reply to your letters of May 25 and 30, 1973, which reached me at the same time. Incidentally, your reference to the postal difficulties in Italy reminds me to thank you for the offer of pouch facilities from Washington to Rome made recently by your Washington representative, Mr. Howard Cottam, of which we are already taking advantage.

I think it is entirely proper that the UN should now be asked to become a sponsoring organization for the Protein Advisory Group. I understand that the UN will also represent UNIDO's interest in protein problems.

I am also quite agreeable to an informal meeting of the sponsoring agencies at senior staff level prior to the ACC meeting. As Mr. Michael L. Hoffman will be in Geneva at that time, I am asking him to attend on behalf of the Bank.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A. H. Boerma
Director-General
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
00100 Rome, Italy

MLHoffman/pnn
June 6, 1973

cc: Mr. McNamara's files (2)
Dr. A. Berg, Dep. Dir., P&NP
Mr. Graves, Assoc. Dir., IRD

490/1/257

June 7, 1973

MEMORANDUM FOR MR. CHENERY

I frequently notice apparent errors in the Country Data annexes to the "President's Reports." For example, the report on the Iraq grain storage project to be considered by the Board this morning shows in Annex 1 an infant mortality per thousand live births of 16.2. Is not this figure incorrect?

In any event, please arrange for one of your divisions to monitor the data presented in the "Country Data" annexes to ensure that they are accurate.

(Signed) Robert S. McNamara
Robert S. McNamara

490 / 1 / 256

JUN 6 1973

Your letter B-177988

Dear Mr. Staats,

Your report to the Congress on developing countries' external debt and U.S. foreign assistance, which you kindly sent me, is a valuable document. I welcome the interest you take in a subject which is of increasing concern to the international community; your selection of India as a case study strikes me as quite appropriate not only because of the sheer magnitude of that country's debt problems and the substantial contribution of the U.S. to India's net capital inflows, but mainly because of the clear need to assist this country on a large scale and with flexible means. The analysis presented in the document is perceptive in this respect.

The conclusion drawn from the analysis suggests that, as other creditors have provided aid on harder terms than has the U.S., the provision of debt relief by the U.S. to India could be a less inequitable way to assist the country than the provision of new lending. This conclusion is fully supported by the analysis presented, but remains limited as an aid device only to those countries, like India, which find themselves already in serious debt difficulties. It should not, however, distract from the need to supply aid on softer terms to a number of the other developing countries which at present are still creditworthy but are likely to experience difficulty in remaining so given the present terms of aid received by them.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Elmer B. Staats
Comptroller General of the United States
441 "G" Street N.W.
Washington, D. C. 20548

Clearance: Mr. Ernest Stern
WTims:lr Mr. Cargill
Mr. Merriam

490/7/252

JUN 1 1973

Monsieur le Ministre,

Je tiens à vous remercier vivement, ainsi que Madame Moalla, de l'accueil chaleureux accordé à Madame McNamara, mes collaborateurs et moi-même au cours de notre visite dans votre pays.

Il a été intéressant pour moi de pouvoir m'entretenir avec vous de nos points d'intérêt communs dans le développement de la Tunisie. J'ai été très impressionné par les réalisations accomplies dans le passé et nous souhaitons vivement poursuivre notre étroite collaboration dans l'avenir.

Je vous prie de croire, Monsieur le Ministre, à l'assurance de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Monsieur Mansour Moalla
Ministre du Plan
Tunis, Tunisie

FMendoza:jcb
May 29, 1973

cc: Mr. McNamara's Office (2)

490/1/251
JUN 1 1973

Monsieur le Gouverneur,

Après mon retour à Washington, je tiens à vous remercier vivement, ainsi que Madame Chakir, de l'accueil que vous avez réservé à Madame McNamara, mes collaborateurs et moi-même pendant notre intéressante visite au Gouvernorat de Gafsa et plus particulièrement de la si agréable soirée que vous nous avez offerte à Nefta.

J'ai été ravi d'avoir l'occasion de visiter personnellement les exploitations minières et agricoles de la région et de m'entretenir avec les autorités locales sur ces questions.

J'espère que la Banque aura l'occasion d'intervenir dans les projets de développement de la région de Gafsa.

Je vous prie de croire, Monsieur le Gouverneur, à l'assurance de ma considération la plus distinguée.

(Signed) Robert S. McNamara

Robert S. McNamara

Monsieur Mezri Chakir
Gouverneur de Gafsa
Gafsa, Tunisie

FMendoza:Jcb
May 29, 1973

cc: Mr. McNamara's Office (2)

490/1/250

JUN 1 1973

Monsieur le Ministre,

Après mon retour de Tunisie, je tiens à vous remercier vivement, ainsi que Madame Ayari, pour le chaleureux accueil que vous avez réservé à Madame McNamara, mes collaborateurs et moi-même pendant notre récent séjour dans votre pays et plus particulièrement pour avoir bien voulu nous accompagner pendant notre voyage dans le Sud de la Tunisie.

J'ai été très intéressé par nos entretiens sur les problèmes de développement en général et de ceux de la Tunisie en particulier. J'ai été très impressionné par les réalisations effectuées dans le passé et nous sommes tout disposés à poursuivre notre collaboration pour le développement économique et social de votre pays.

Je vous envoie le livre "Thirteen Days" dont nous avons parlé au cours de notre déplacement de Gafsa à Nefta; j'espère qu'il vous intéressera.

Je vous prie de croire, Monsieur le Ministre, à l'assurance de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

**Monsieur Chedli Ayari
Ministre de l'Economie Nationale
Tunis, Tunisie**

FMendoza:jeb
May 29, 1973

cc: Mr. McNamara's Office (2)

490 / 1 / 249

JUN 1 1973

Monsieur le Président,

Après mon retour de Tunisie, je tiens à vous remercier vivement pour l'hospitalité que vous nous avez accordée au cours de notre séjour dans votre pays et plus particulièrement pour le très agréable déjeuner que vous nous avez offert.

J'ai été très heureux de vous rencontrer à nouveau et d'avoir eu la possibilité de m'entretenir avec vous des problèmes qui nous intéressent mutuellement. Les réalisations qui ont été effectuées pour le développement de votre pays m'ont fortement impressionné et je souhaite voir se renforcer nos relations dans la poursuite de ces efforts.

Cette visite en Tunisie me laissera le souvenir d'un événement particulièrement marquant et, en vous remerciant encore, je vous prie de croire, Monsieur le Président, à l'assurance de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Habib Bourguiba
Président de la République
Palais de Carthage
Tunisie

FMendoza:jeb
May 29, 1973

cc: Mr. McNamara's Office (2)

490/1/228

JUN 8 1973

Monsieur le Premier Ministre,

Je tiens à vous remercier vivement, ainsi que Madame Nouira, pour l'hospitalité accordée à Madame McNamara, mes collaborateurs et moi-même pendant notre récente visite en Tunisie et plus particulièrement pour le très agréable dîner que vous nous avez offert.

Je suis très heureux d'avoir pu vous rencontrer une nouvelle fois et d'avoir pu échanger des idées sur les efforts que votre pays a accomplis en matière de développement et sur la poursuite de notre coopération dans le futur.

Je vous prie de croire, Monsieur le Premier Ministre, à l'assurance de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Hedi Nouira
Premier Ministre
Tunis, Tunisie

FMendoza:jcb
May 31, 1973

cc: Mr. McNamara's Office (2)

490/1/247

MAY 31 1973

Dear Ad:

Thank you very much for your letter of May 17, conveying the impressions formed during your recent visit to Yugoslavia of the potential for livestock development in that country. Both the Cooperative Program's sector review of 1971 and the Bank's recent experience support the view that this potential is considerable.

One obstacle to Bank lending to small farmers in the livestock sector has been the difficulty in finding suitable lending channels. As you may know, we have recently made a loan to Stopanska Banka, Skopje, which includes a significant, although experimental, component of credit through agricultural combinats to small farms in the private sector. It also includes a substantial element of livestock development.

We are now more optimistic that we may be able to make more widespread agricultural credit available through suitable financial intermediaries in future. This is partly a reflection of the recent growth of Government and public interest in the possibility of Bank involvement in the financing of agriculture in Yugoslavia. The Cooperative Program report and the Bank's activities in the sector may well have helped to stimulate this interest. We are now awaiting a new list of projects to be submitted by the Federal Government, following the elaborate system of selection to which you refer. It is reasonably sure that the list will include an agricultural credit project, which could, of course, embrace livestock development. It is much less certain that we shall be asked to finance specific livestock projects directly. The Government is aware that we would be responsive to such a request, but there are no indications at present that it will be made.

With my best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A.H. Boerma
Director-General
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
00100-ROME, ITALY

Cleared with and cc: Mr. Haynes

cc: Messrs. Benjenk, Votaw, Wapenhans (o/r), Wyatt
McIvor, Köpp, Schrenk

NHorsley:sap
May 30, 1973

490/1/246

MAY 30 1973

Monsieur le Chargé d'Affaires,

J'ai l'honneur d'accuser réception de votre note verbale du 21 mai 1973 par laquelle vous avez bien voulu nous transmettre un message de votre gouvernement relatif à la composition de la délégation centrafricaine, qui compte venir à Washington à partir du 29 mai.

Comme nous l'avons indiqué par télégramme au Ministre du Plan nous pensons que nos discussions avec la délégation centrafricaine devraient porter principalement sur les conditions d'exécution de deux projets en cours, c'est à dire d'une part le projet d'entretien routier et, d'autre part, le projet éducation. Il va de soi néanmoins que ces entretiens pourront également porter sur tout autre sujet que la délégation centrafricaine souhaitera évoquer. En ce qui concerne le projet d'entretien routier, le point le plus important à discuter sera la possibilité pour le gouvernement d'affecter des crédits budgétaires plus importants à son programme national d'entretien routier; nous espérons vivement qu'il sera possible de parvenir rapidement à un accord sur cette question afin que l'exécution du projet en cours reprenne de façon satisfaisante.

Veuillez agréer, Monsieur le Chargé d'Affaires, les assurances de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Monsieur Gaston Moskit
Chargé d'Affaires Ad Intérim
Ambassade de la République Centrafricaine
1618 - 22nd St. N.W.
Washington, D.C. 20008

cc: Mr. Kochman
cc: Messrs. Chauffournier
Thalwitz
Steckhan
Oursin
Lethem

CVBMunthali/RAssa/XdeLaRenaudière:mee
May 23, 1973

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

490/1/245

MAY 30 1973

HIS EXCELLENCY DOCTOR KENNETH E KAUNDA
PRESIDENT OF ZAMBIA
PRESIDENT
LUSAKA
ZAMBIA

FULL RATE

THANK YOU FOR YOUR CABLE OF MAY TWENTYEIGHT STOP ROBERT DEAN IS IN
LUSAKA AND EYE UNDERSTAND HE IS DISCUSSING KAFUE PROJECT WITH YOUR
OFFICIALS STOP EYE DO HOPE THAT OUTSTANDING ISSUES CAN BE RESOLVED
EXPEDITIOUSLY SO THAT THIS IMPORTANT PROJECT CAN GO FORWARD STOP
BEST REGARDS

ROBERT S MCNAMARA

Robert S. McNamara
President

cc: Mr. McNamara's Office (2)

SSHusain:pe Zambia: Kafue II

MAY 29 1973

490/1/244

The Honorable
Henry S. Reuss
House of Representatives
Congress of the United States
Washington, D.C. 20515

Dear Henry:

Thank you for your recent letter expressing concern over timber harvesting projects financed by the World Bank in developing countries.

It is these kinds of concerns for resource use and the environment that have caused us to initiate some important steps with regard to the environment and development. Before I touch upon these, however, let me give you a brief background on the projects you mentioned in your letter; namely, projects in Kenya, Malaysia, and Zambia.

In Kenya we financed a five-year (1970-75), US\$1.3 million project that comprises the planting of about 70,000 acres of quick-growing pine and cyprus. This is part of the Kenya Government's plan to replace a portion of the slow-maturing indigenous species in order to be self-sufficient in forest products. Part of the yield will be used by a pulp and paper mill now being erected with the financial and technical assistance of our International Finance Corporation. The Kenya Government has been converting some of its forests in this manner since the 1930's and has developed sound management practices that ensure sustained yield and adequate protection of the soil and water resources.

The Jangka forestry project in Malaysia was financed by the Bank early in 1970 for a five-year period, the loan being US\$8.5 million. The project seeks to ensure maximum utilization of some 94,000 acres of tropical forest being converted to oil palm and rubber plantations as part of the Government's continuing settlement program. An adjacent 300,000 acres of forest is to be managed on a sustained yield basis and will supply an integrated sawmill and plywood complex with 115,000 tons yearly. An agreement with the Government stipulates that this project is to be implemented in accordance with recognized silvicultural practices which twice yearly are observed and evaluated by a Bank supervision mission.

And, finally, in Zambia we made a US\$5.6 million loan in 1968 to finance part of the Government's industrial plantation program.

The objective here is to replace low-yielding, scrub-like savannah forests with high-yielding introduced species. These will supply the combined needs for sawn timber, mining, transmission poles and, eventually, pulpwood. It is hoped that 30,000 acres of eucalyptus and 75,000 acres of pine can be managed on a sustained yield basis. Conversion of the savannah growth to plantations is accomplished within one year with no erosion. As in the other projects, Bank supervision missions check regularly on the silvicultural methods being employed.

Henry, as you may be aware, the Bank now deals with the environmental, health, and human ecologic aspects of development projects in its day-to-day operations.

In 1970, we established an environmental post with a strong mandate to review and evaluate every investment project from the standpoint of its potential effects on the environment and public health. This operation has grown significantly and resulted in the recent creation of an Office of Environmental Affairs to oversee the Bank's operations and responsibilities with regard to safeguarding the environment.

Under separate cover, I am sending you some information detailing these functions and, in particular, the guidelines which are now being used in the formulation, appraisal and execution of development projects.

With regard to timber harvesting projects now being considered for possible Bank financing, we concern ourselves directly with the manner and rate at which the resource is to be exploited. Thus we examine the composition and extent of the timber resources in relation to their management and the proposed cutting practices, be it on a sustained yield basis or the substitution of economically important species; the provisions for reforestation, erosion control, and other silvicultural practices, the adequacy of the responsible forestry management institutions, including the need for training and research. Should a wood processing industry be included we provide for the appropriate pollution and waste controls.

It is our belief that timber resources in developing countries can and should be exploited where it is appropriate but in a manner maximally protective of the resource base and minimally disruptive of the forest ecosystems.

Our environmental safeguard measures have developed in response to the need for reconciling our mandate to assist in the economic advance of the developing countries with our responsibility to protect the environment and its resources. It is our hope and expectation that the other bi- and multi-lateral lending institutions will come to adopt similar measures and thereby set the pattern of environmental stewardship that will be followed by multi-national corporations and others doing business in the developing countries.

I trust this will serve to answer the several important points raised in your letter.

Sincerely,

Robert S. McNamara

cc: U.S. Executive Director

JLee/on
Clearance and cc: JEMerriam

cc Mr. McNamara's
Office

MAY 29 1973

490/1/243

Dear Mr. Minister:

Thank you for your letter of May 12, 1973, with the enclosed notes on income distribution and production of foodstuffs in Sri Lanka which I asked for during our meeting on March 26, 1973. I have asked my staff to study this material which I am sure will be of considerable help to us at arriving at a better understanding of these two major aspects of Sri Lanka's economic problems and policies. As I said when you were here, we are in strong sympathy with the priority you are attaching to agricultural expansion and with your objective of reducing sharply dependence on imported supplies of agricultural products.

I understand Mr. Jayawardena has been here in the past few days and has had useful discussions with the staff.

Sincerely,

(Signed), Robert S. McNamara

Robert S. McNamara

His Excellency
N.M. Perera
Minister of Finance
Office of the Finance Minister
106 Cotta Road
Colombo 8, Sri Lanka

cc Mr. Shibusawa

HPilvin/WDiamond:us
May 25, 1973

490/17242
MAY 25 1973

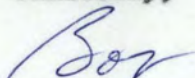
Dear Shelly:

This is in response to your letter of May 17, 1973, on the study of the level of private sector activities in contraceptive research. This study arose as one of the points to follow at the time that the Population Projects Department in the Bank was looking into possible private sector roles, including the delivery of contraceptives. It was represented to them that private delivery channels should be used more and this is being built into our forthcoming project in Egypt and, possibly, Bangladesh. It was also represented that the pace of private R & D work on contraceptive technology was being held down by an adverse incentive structure in large part by the standards set by the U.S. Food and Drug Administration which tends to provide an international baseline for this type of work. Mr. Hansen (Consultant) was asked to do a short reconnaissance study for the Department to learn about the situation by speaking with people knowledgeable in this field.

This attempt to get an understanding of the "state of the art" is not intended to commit the Bank either to financing or organizing a public subsidy or to pursuing any specific line of action. In fact, in a review of the Work Program in Population, I had indicated that such a role was not an appropriate one for the Bank to undertake. There is also the feeling among our professionals that the successful implementation of measures to achieve fertility decline is dependent on much more than new technology and that present "failures" in family planning efforts arise as much or more from inability to give adequate recognition to these social/behavioral factors in program design and implementation.

We will arrange to send you a copy of this paper when completed. I do not, however, foresee any major Bank activity in this area.

Sincerely,



Robert S. McNamara

Dr. Sheldon J. Segal
Vice President
Biomedical Division
The Population Council
York Avenue & 66th Street
New York, N.Y. 10021

KKanagaratnam/jim
Typed May 23, 1973

430/1/247

Mr. Marc Vienot

May 25, 1973

Robert S. McNamara

CHILE - Forthcoming Discussions with Dr. Alfonso Inostroza

We are now expecting a delegation from Chile, in early June, to discuss the matter of resuming debt service payments to the Bank. I have now been informed that Dr. Inostroza, who will head the Chilean delegation, plans to visit Paris, to hold discussions with Mr. Nebot, the Chairman of the meetings of Chile's creditors. This visit might provide an excellent opportunity for the French authorities to express their support for the Bank's posture toward rescheduling and try to convince the Chileans to resume debt service payments to the Bank. I would appreciate it if you could explore with your Government this possibility. I understand that Mr. Alter discussed with Mr. Faure the possibility of action along these lines, and that Mr. Faure obtained a favorable reaction to his preliminary inquiries in Paris.

(Signed) Robert S. McNamara

EFLari:nsp

490/1/240

MAY 25 1973

Dear Mr. President:

Your letter of April 24, 1973 in response to mine of March 23, 1973, arrived during my absence from Washington, but its receipt was acknowledged by our cable to Dr. Inostroza dated May 9, 1973. I have been glad to learn, through subsequent exchanges between Mr. Tersoglio and Dr. Inostroza, that arrangements have been made for Dr. Inostroza to head a mission to Washington during the week of June 4 to discuss relations between Chile and the Bank, and in particular to reach an understanding regarding the service payments on Chile's obligations to the Bank. I was particularly pleased to note the high caliber of the mission, which I hope implies that a mutually acceptable settlement of this problem can be promptly achieved.

I know you appreciate, Mr. President, how important it is for the Bank to be assured of the timely and full servicing of its loans and why this matter is giving us great concern. I believe that the timing of Dr. Inostroza's mission is particularly opportune to resolve this issue, since on June 30 the fiscal year of the Bank comes to its end and financial statements will have to be prepared showing Bank transactions in the last twelve months. It would be most unfortunate if it became necessary to record in these published statements that Chile was still in default on its obligations to the Bank and I do hope that, as a result of the forthcoming discussions, this will be avoided. I know you would want to insure that Chile gives the same priority to the servicing of debts owed the World Bank that it accords to the servicing of debts owed the Inter-American Development Bank.

Finally, I wish to reiterate, Mr. President, that the Bank is genuinely seeking all appropriate ways to assist your efforts to solve Chile's development problems and is open to any constructive proposal that your Government might have to that effect.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Señor Salvador Allende Gossens
President of the Republic of Chile
Santiago, Chile

cc: Messrs. Aldewereld Gutierrez
Broches McNamara's Off. (2)
Rotberg Tersoglio
Alter

EFLari/JBKnap:nsp
May 25, 1973

490/1/239

MAY 25 1973

HIS EXCELLENCY PRESIDENT KENNETH E KAUNDA
PRESIDENT OF ZAMBIA
PRESIDENT
LUSAKA

FULL RATE

ZAMBIA

EYE WAS DELIGHTED TO HEAR REPORT OF HUSAIN'S DISCUSSIONS WITH YOU AND YOUR OFFICERS AND TO READ YOUR LETTER STOP EYE AM CONFIDENT THAT THE POLICIES YOU PROPOSE TO FOLLOW WILL MAKE A MAJOR CONTRIBUTION TO RESOLVING SOME OF THE ECONOMIC ISSUES ZAMBIA FACES AND TO ESTABLISHING A FIRM BASIS FOR THE FUTURE DEVELOPMENT OF ZAMBIA'S ECONOMY AND WIDER DISTRIBUTION OF THE BENEFITS OF ECONOMIC DEVELOPMENT STOP CONSEQUENTLY EYE AM RECOMMENDING TO THE WORLD BANK'S EXECUTIVE DIRECTORS APPROVAL OF A PROGRAM LOAN OF THIRTY MILLION DOLLARS AND A LOAN OF THIRTYTHREE MILLION DOLLARS FOR EDUCATION PROJECT STOP EYE SHALL PROCEED TO RECOMMEND APPROVAL OF A LOAN OF ONEHUNDRED AND FIFTEEN MILLION DOLLARS FOR KAFUE HYDROELECTRIC PROJECT AS SOON AS WE RECEIVE YOUR GOVERNMENT'S APPROVAL OF THE LOAN ARRANGEMENTS NEGOTIATED HERE IN WASHINGTON WITH YOUR DELEGATION LAST MONTH STOP EYE EXPECT TO SEND YOU IN THE NEXT FEW DAYS A DETAILED REPLY TO YOUR LETTER STOP WITH MY BEST REGARDS

ROBERT S. MCNAMARA

Robert S. McNamara
President

SSHusain:pe Zambia Program Loan
May 25, 1973

490 / 1 / 238

MAY 25 1973

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

Monsieur le Président,

Me référant à votre lettre du 9 octobre 1972 en votre qualité de Président en exercice de l'Organisation Commane, Africaine, Malgache et Mauricienne et à notre réponse du 7 novembre au sujet de la détérioration des conditions climatiques de la zone sahélienne, j'ai l'honneur de vous faire connaître le programme que nous nous sommes tracés pour répondre à nos préoccupations communes.

En ce qui concerne les besoins à plus long terme, nous avons prévu d'organiser au cours de l'année 1973 une étude des problèmes particuliers qui affectent la région sahélienne, en particulier ceux de l'irrigation, de l'érosion des sols et du reboisement. Ces objectifs retrouvent donc ceux que vous-même et d'autres responsables des pays sahéliens ont souvent soulignés.

Le programme de prêts et de crédits que nous envisageons au cours des prochaines années répond également aux impératifs de la région, et mettent l'accent sur la diversification, dont le Projet Terres Neuves constitue un bon exemple et sur l'irrigation. En plus des projets en cours d'exécution ou en cours d'examen, nous allons porter une attention particulière au programme de l'ONVS dont un objectif essentiel est l'approvisionnement en eau d'une région particulièrement menacée par la sécheresse. C'est, je pense, dans la solution à plus long terme des problèmes que je viens d'évoquer que l'action du Groupe de la Banque peut revêtir la plus grande efficacité.

Devant l'ampleur du sinistre qui affecte aujourd'hui les pays sahéliens, nous nous sommes néanmoins penchés sur les problèmes plus immédiats pour voir dans quelle mesure une action accélérée de la part du Groupe de la Banque pourrait compléter le secours d'urgence entrepris par d'autres sources d'aide. Je tiens donc à vous informer que je compte saisir dans les prochaines semaines le Conseil d'administration de l'Association Internationale de Développement d'une proposition tendant à nous autoriser à dégager des ressources supplémentaires pour nous

permettre de venir en aide aux pays sahéliens touchés par la sécheresse. Les projets à financer par ce fonds exceptionnel seraient conçus avec une grande souplesse qui facilite un rythme de déboursement suffisamment rapide pour soulager de certains des effets de la sécheresse actuelle et pour protéger des effets des sécheresses à venir.

Ces projets seraient de nature variée et comprendraient une large gamme d'activités dont les principales pourraient être:

- a) fourniture d'eau (puits et petits barrages) pour la consommation humaine;
- b) mise en place de réserves d'eau;
- c) réalisation d'ouvrages de petite irrigation assortis d'un minimum de travaux de génie civil;
- d) opérations de conservation d'eau et de conservation du sol;
- e) investissements dans des opérations de contrôle sanitaire du bétail; et
- f) études de projets et assistance.

Le mécanisme qui nous paraît le plus approprié pour assurer aux projets qui seraient financés par ce fonds anti-sécheresse le maximum de flexibilité et, par suite, un rythme de consommation rapide est celui de l'établissement d'une ligne de crédit de l'Association Internationale de Développement qui pourrait être utilisée, dans la limite d'un certain montant, pour financer un certain nombre de sous-projets déterminés.

Dans quelques jours, une mission de la Banque composée de MM. Wilfried P. Thalwitz et Roger E. Rowe, respectivement Directeur du Département des Projets et Chef du Service des Projets Agricoles pour la Région de l'Afrique de l'ouest, fera un tour de certains pays africains dont le Sénégal. Le but de la mission est de traduire sans attendre en termes concrets l'approche globale sus-exposée. Egalement la mission expliquera notre stratégie plus en détail, essaiera de recueillir une liste préliminaire de projets possibles et tentera d'identifier les institutions locales pouvant servir de relais à notre financement. La mission arrivera au Sénégal le 27 mai.

Nous attacherons un grand prix, Monsieur le Président, à toutes suggestions que vous-même ainsi que vos collaborateurs souhaiteriez nous faire, aussi bien sur ce programme d'action que sur toutes autres idées d'intervention que, selon vous, la situation paraîtrait appeler de la part de la Banque Mondiale.

S.K. L.S. Sanghor

- 3 -

Nous supposons que vous aurez l'obligeance d'informer les Chefs d'Etat des pays (Haute Volta, Tchad, Mali et Niger), au nom desquels vous nous aviez adressé l'appel du 9 octobre, des grandes lignes de l'action que nous envisageons contre ce fléau de la sécheresse en Afrique.

M. Chauffournier, Vice Président pour la Région Afrique de l'Ouest, contactera sous peu les divers gouvernements concernés pour les mettre au courant des modalités pratiques de l'action spécifique que nous envisageons dans chaque pays.

Veillez, Monsieur le Président, croire à l'assurance de ma très haute considération et de mon meilleur souvenir.

(Signed) Robert S. McNamara

Robert S. McNamara

MLsBazin/RChauffournier; ad

cc.: Office of the President - Mr. Ljungh: 2

Cleared with and cc.: Mr. Chauffournier

cc.: Messrs. Wright, Thalwitz, Rowe

May 24, 1973

490/1/237

Edwin Martin

May 23, 1973

DEVELOPECONOMIE

NL

**2 Rue Andre Pascal
Paris
France**

**REGRET CANNOT ATTEND DECEMBER FIFTEEN SIXTEEN MEETING STOP
WOULD HOPE TO BE PRESENT DECEMBER EIGHT NINE**

**MCMAMARA
INTERRN
INTBAFRAD**

Robert S. McNamara

President

RMEN:bmm

INTFRAD64145

I N C O M I N G T E L E

LOG 128

OCDE PARIS

FROM P A R I S

MAY 23,1973

TELEGRAMME DE 62160 PARIS

RECEIVED

MAY 23 9 55 AM 1973
COMMUNICATIONS
SECTION

Distribution: Mr. McNamara

Mr. Wm. Clark

MCNAMARA

OVERSEAS DEVELOPMENT COUNCIL HAS OFFERED TO HOST
TIDEWATER V NEAR WASHINGTON STOP CAN SCHEDULE
WEEKEND OF DECEMBER EIGHT TO NINE OR FIFTEEN TO SIXTEEN
STOP DO YOU HAVE PREFERENCE.

*Todd
ps*

MARTIN DEVELOPECONOMIE

490/1/236

MAY 22 1973

Dear Mr. Hill:

Your departure from active service as Secretary General of the International Chamber of Commerce is indeed a matter of regret.

I, too, have valued our friendly relations during your term of office and look forward to continued collaboration between our two organizations under Mr. Winqvist, your successor.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Walter Hill
Secretary General
International Chamber of Commerce
38, Cours Albert 1er
Paris, France

MLHoffman/pnn May 21, 1973
cc: Mr. McNamara's files (2)

490/1/234

MAY 18 1973

The Honorable
Colonel I.K. Acheampong
Chairman
National Redemption Council
The Castle
Osu, Accra
Ghana

Mr. Chairman:

Following their meeting in London on May 8, 1973, the Creditor Governments have requested the Bank to transmit the enclosed message to the Government of Ghana on their behalf.

I would like to draw your attention particularly to paragraph 5 of the document where reference is made to the possible modification of the debt rescheduling terms specified in the creditors' proposal of November 6, 1972.

You will recall that last year, when the Bank agreed to your proposal that it should lend its good offices for the resolution of the medium-term debt problem, it was on the understanding that both the Government of Ghana and the Creditor Governments were genuinely concerned to reach a settlement and ready to negotiate with sufficient flexibility to enable the Bank to play an effective and productive role. The creditors' proposal of last November, and your Government's reply of March 1973, which was clarified at your subsequent meeting with Mr. Chaufournier, constitute important steps in the process of negotiation and demonstrate the recognition by both parties of the need for flexibility in order to attain a satisfactory and lasting solution. In the same spirit, the creditors have assured the Bank that, in the context of further discussions with the Government of Ghana, they would be ready to consider some accommodation on those aspects of their November proposals which your Government considers particularly critical.

The Honorable
Colonel I.K. Acheampong

- 2 -

In the circumstances I believe that negotiations have now reached a point where it would be advantageous to both sides to enter as soon as possible into more direct discussions with a view to reaching an expeditious settlement of the debt problem and the resumption of normal economic relations. The Creditor Governments have suggested that such discussions might be arranged under the auspices of the World Bank, a possibility which I understand was also considered in your previous talks with Mr. Chauffournier. If, as I hope, this suggestion is acceptable to your Government, the Bank would be pleased to make its premises and facilities in Paris available for the purpose or to make any other arrangements that might be convenient to both parties. As you will see from paragraph 9 of the creditors' message, the Creditor Governments would be ready to initiate discussions by the middle of June and would welcome an early reply.

I am asking Mr. Peter Heitter, the Bank's representative in Ghana, to deliver this letter, and he will be ready to discuss with your officials in more detail the procedures which might be followed for a continuation of the negotiations.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Enclosure

bcc: His Excellency H.R. Amonoo, Ambassador for Ghana
Mr. K. Gyasi-Twum, Alternate Executive Director

cc: Mr. J. Burke Knapp
Mr. A. Broches
Mr. R. Chauffournier
Mr. L. Christoffersen o/r, Western Africa Programs I
for Mr. McNamara's Office (2)

EPWright:vr
May 17, 1973
file:Confidential Ghana Debt File

DOCUMENT OF
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

NOT FOR PUBLIC USE

DECLASSIFIED
CONFIDENTIAL
OCT 22 2012
WBG ARCHIVES

SETTLEMENT OF GHANA'S EXTERNAL DEBT

Message to Government of Ghana from Creditor Governments
Meeting in London on May 8, 1973

1. The representatives of Belgium, France, the Federal Republic of Germany, Italy, Japan, The Netherlands, Norway, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America ("the creditor countries") have studied the reply from the Government of Ghana (forwarded through the good offices of the International Bank for Reconstruction and Development (IBRD) in March 1973) to the proposals made by the creditor countries on 6 November, 1972, for the settlement of Ghana's short and medium-term external debts.
2. The creditor countries wish to assure the Government of Ghana of their continued goodwill and to reiterate their recognition of the past difficulties of Ghana. They welcome the Government of Ghana's reaffirmation of its commitment to a policy of economic and social development. The attainment of this objective is consistent with the aims of the creditor countries.
3. The creditor countries also welcome the Government of Ghana's expression of its hope to achieve a satisfactory and lasting solution to the debt problem consistent inter alia with its objective of economic and social development and with the balance of payments position. The creditor countries naturally share this hope and will co-operate in good faith in its fulfilment.
4. Against this background the creditor countries, having given full consideration to the observations in paragraph 5 of the reply of the Government of Ghana, feel that some further clarification, especially of sub-paragraphs (ii) and (iii), would be helpful. To this end, and having regard to the statement by the Government of Ghana that it would be pleased to enter into discussion with the creditors, the creditor Governments propose that the Government of Ghana appoint representatives for an early discussion with representatives of the creditor countries with the continued assistance of the IBRD at a mutually convenient time and place.

5. The creditor countries wish to make it clear that they will be willing to consider in the light of such clarification some modification of the terms specified in their proposals of 6 November, 1972, if this appears justified in the light of the discussions with Ghanaian representatives.

6. At the same time the creditor countries feel it right to recall:

- (i) that they maintain their belief that the debts referred to in paragraph 6 of the reply of the Government of Ghana must be regarded as lawfully contracted until the contrary has been legally proved;
- (ii) that they continue to expect prompt, adequate and effective compensation to be paid to foreign companies that are subject to participation;
- (iii) their understanding with regard to the short-term debt as set out in paragraph 7 of their communication of 6 November, 1972.

7. The creditor countries are glad to note the assurance in paragraph 5(viii) of the reply of the Government of Ghana.

8. The potential donors among the creditor countries reaffirm their willingness to hold an early meeting to consider in the light of the debt settlement the provision of increased development aid.

9. The IBRD have indicated to creditor Governments that they would be prepared to make their offices in Paris available for these discussions. For their part the creditor countries will be ready to enter into discussions as proposed by the middle of June 1973 and hope that the Government of Ghana will be in a position to start discussions as soon as possible after that date.

10. The creditor Governments have invited the IBRD to transmit the foregoing statement of their position to the Government of Ghana.

CONFIDENTIAL

490/1/233

MAY 18 1973

Air Chief Marshal Dawee Chullasapya
Minister of Agriculture and Cooperatives
Bangkok
Thailand

Dear Minister Dawee:

Thank you for your letter of April 10, 1973.

I fully support the emphasis your Government is giving to agricultural development and the objectives as stated in your letter of raising farmers' income and improving rural conditions.

Those objectives were much in mind when I visited Thailand in November 1971; indeed during my discussions with senior ministers and officials, I touched on a number of constraints which I, and my associates, felt could adversely affect the prospects for achieving the agricultural objectives called for in Thailand's Third Plan. Your Government has already taken steps to improve coordination in agricultural administration and I was encouraged to note that efforts are being made to strengthen agricultural research and extension. These are welcome developments.

More recently the Bank helped your Government organize and finance a National Fertilizer Study for Thailand which was carried out by the British Sulphur Corporation during 1972 and delivered to your Government earlier this year. The study provides data and recommendations to assist your Government in defining the role of fertilizers in agriculture and in preparing a suitable program for the development of domestic production of fertilizers.

The study was commissioned out of your Government's concern that the high cost of operations of the Chemical Fertilizer Company (Chemferco) was becoming an increasing burden on public revenues. In order to protect Chemferco from competition from imported nitrogenous fertilizers Chemferco had been given a monopoly on the sale of such fertilizers to Thai farmers. The study points out that as a consequence Thai farmers pay considerably more for fertilizer than they

Air Chief Marshal Dasee Chullasappa

- 2 -

would, if nitrogenous fertilizers were imported freely. The study states that the cost of nitrogenous fertilizers in Thailand is 85% higher than in West Malaysia, 55% higher than in Taiwan and 50% higher than in the Philippines. While farmers have often switched to compound fertilizers available at more reasonable prices, this has involved substantial costs to the economy by distorting application rates in relation to plant requirements. Furthermore, we believe that any pricing policy which inhibits the widest use of fertilizers of whatever type runs counter to your Government's stated objectives for agriculture and is detrimental to the adoption of improved seed-fertilizer technology by Thai farmers.

I would therefore urge you to initiate a review of your Government's fertilizer pricing policies, particularly in respect to Chemferco's present monopolistic position regarding nitrogenous fertilizers and any proposals to extend its monopoly to cover other fertilizers as well.

The efforts of your Ministry to advance agriculture in Thailand have been fully recognized in the Bank and IDA. These efforts deserve our support and a start has been made with the recent approval of an IDA credit for the Chao Phya Irrigated Agriculture Project. However, I would wish to be assured that agricultural development projects proposed for Bank and IDA financing will be carried forward within a framework of policies which provide Thai farmers with the opportunity to obtain the maximum benefit from our assistance.

I look forward to hearing from you on the question of fertilizer pricing when you have completed your review of the National Fertilizer Study and are in a position to let us know how your Government plans to proceed.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr Knapp

Cleared with and cc: Mr Cargill
Mr Goodman
Mr Picciotto

cc: for Mr McNamara's Office (2) ✓

NAGibbs:jf
May 16, 1973

490/1/232

MAY 17 1973

Dear Mr. Ambassador:

Thank you very much for your letter of April 30, 1973 informing us of your appointment as Permanent Representative of the Yemen Arab Republic to the United Nations.

The close relationship between Yemen and the World Bank Group, which you were so instrumental in bringing about three years ago, has become very active today. We look forward to your renewed association with our economic development efforts in Yemen.

My congratulations and best wishes for your new assignment.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Mohamed Said Al-Attar
Permanent Representative of the
Yemen Arab Republic to the
United Nations
211 East 43rd Street
New York, N. Y. 10017

MPBenjenk:DHartwich:DRitchie:lgv
cc: for Mr. McNamara's Office (2) ✓

490/1/230

ROBERT S. McNAMARA

MAY 9, 1973

ROCKFOUND
BELLAGIO

FULL RATE

ITALY

KING OF MOROCCO HAS ASKED THROUGH AMBASSADOR WHETHER YOU COULD STOP THERE IN CONNECTION WITH THIS TRIP. HAVE TOLD AMBASSADOR THAT WE HAVE CONTACTED YOU BUT YOU REGRET THAT DUE TO PRIOR COMMITMENTS IT WILL NOT BE POSSIBLE.

LJUNGH

Anders Ljungh

Office of the President

AL:ms

490/1/227

MAY 8 1973

Dear Mr. Minister:

You will, I am sure, have had a report from Dr. Moltrecht on the recent meeting of the IDA Deputies in Tokyo. While it was obviously not possible to come to a firm understanding, given that the United States representatives were not yet able to state their position, we were nevertheless encouraged by the progress achieved. We were particularly grateful to your government for reaffirming their support for a target figure of 1500 million dollars (Smithsonian) for the replenishment and also for what we were told about the willingness of your government to increase their share above its present level should the total finally agreed upon for the replenishment prove somewhat lower. Your attitude, together with that of the Japanese Government, will be of the greatest help to us in drawing up a revised plan for the sharing of the burden.

As Dr. Moltrecht will have told you I am most anxious, should it prove possible, to reach a final agreement between governments by the end of July. If the meeting of the Part I countries takes place as at present planned on July 11th and 12th, there should be time to submit the resulting draft report and draft resolution to the Executive Directors. We have of course, as you know, been warned by the U.S. representatives that they cannot promise that they will be able to state their position by July 12th but we certainly intend to plan on the assumption that they will be able to do this.

No one can, of course, foresee what last minute difficulties may arise in the negotiations. I think it is very likely that we may have some difficulty in striking a balance between the decreases in shares asked for by some countries and the increases offered by others. You have done so much already that I hesitate to suggest that you should do still more. If, however, for reasons connected with the size and shape of your Aid Program, there is a possibility that you might be able to offer some slight increase over and above the figure of DM470 million, which you have already mentioned, it would be most useful to know this at the time of the resumed discussions in July. I understand that this may not be easy for you because of the timing of discussions to be held and decisions to be taken by the German Cabinet. I am writing only to say that, if there were a possibility that you could give authority to your delegate to be ready to offer some slight increase if this were needed to make agreement possible, this could be a factor of real importance in the negotiations.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Erhard Eppler
Minister for Economic Cooperation
Ministry for Economic Cooperation
D - 5300
Bonn, Germany

490/1/226

May 8, 1973

The Honorable
Frank D. Crean
Treasurer of the Commonwealth
of Australia
Parliament House
Canberra, A.C.T. 2600
Australia

Dear Mr. Treasurer:

You will remember that when we met at the Australian Embassy towards the end of March you and I discussed some of the problems of the World Bank Group, including that of the Fourth Replenishment of the resources of the International Development Association. Because of the interest which you showed in the matter, I am writing this letter to ask for your help in the next, and I hope decisive, phase of the negotiations.

You will remember that I told you that at a meeting in London, held not long before, thirteen out of seventeen of the governments represented had supported a further replenishment at a high level, namely a figure of 1500 million Smithsonian dollars (equivalent to 1650 million current dollars). There were three governments who had not felt able to support this figure, the United States, the French, and the Australian Governments. The Australian representative had suggested that your government would not only prefer a lower figure for the total but might also ask for some slight reduction in its percentage share of contributions.

We have just completed a further meeting of officials in Tokyo. I am glad to say that all the governments who had supported the figure of \$1650 million in London reaffirmed their support in even stronger terms. The Japanese and the German governments gave us information about the share of contributions which they would be willing to assume amounting in each case to a maximum of 11% (as compared with a present share of 9.76% for Germany and 6% for Japan). These maxima would be achieved only if the level of the replenishment dropped somewhat below the target of \$1650 million to a figure of the order of \$1500 million.

The French representative was able to take a much more positive attitude than in London and said that his government would increase their contribution from \$50 million in the Third Replenishment perhaps to \$83 million. I am not without hope that I may persuade M. Giscard d'Estaing to improve on this offer still further if this proves necessary to enable us to reach agreement.

Cont....

The U.S. delegation were not able to add to what they had said about their position at the previous meeting in London. Naturally, I find this disappointing but it was perhaps inevitable in the present political situation here in the United States.

I must be frank and say that I was disappointed at the Australian position in Tokyo. Australia proposes a figure for the replenishment of \$1200 million, a figure lower than that put forward by any other representative. There is the further suggestion that the Australian share might have to be reduced, though it is implied that the reduction would be small.

Because the U.S. Government is likely to be somewhat behindhand in making their payments for the second and third tranches of the Third Replenishment, Australia has suggested that the effective date for the Fourth Replenishment should be postponed by a full year. It is important to distinguish in this connection between the making of payments (in the form of the deposit of non-interest bearing notes) and the grant of fresh commitment authority. I fully agree that it is vitally important that the U.S. should be ready to join with other countries in making available to us fresh commitment authority by July 1st, 1974. Provided that they do this, a delay of a few months in the deposit of notes for their second and third tranches of the Third Replenishment will not cause us any operational difficulties. But to suggest that the grant of fresh commitment authority should be delayed for a full year so that the resources of the replenishment would have to be committed over four years instead of three would have very serious consequences both for IDA and for the developing countries.

I hope that you will feel able to give this matter your personal consideration and that your final position will be more favorable to the sort of settlement we are trying to achieve. I do not know whether there will be a further meeting of the Ministers of the Committee of Twenty in Washington in the near future. If so, I should much like to have the opportunity of a further talk with you. In any case, I look forward to seeing you in Nairobi by which time I hope we will have made decisive progress in mounting support for the Fourth Replenishment of IDA.

Sincerely,

Robert S. McNamara

Robert S. McNamara

*I very much enjoyed meeting you in Washington
Best wishes
Bob*

490/1/223

MAY 8 1973

Dear Mr. President,

I have read with great interest your letter of April 20, 1973 concerning the progress of Pakistan's economy and the problem posed by its external debt.

I need not tell you that we have followed with close interest the developments that have occurred in the economy of your country since my visit. They have been far more favorable than many would have expected and, together with the adoption of a new constitution three weeks ago, lay the basis for, as you put it, "a major thrust towards an all-round development of Pakistan's economy and improving the quality of life of the common man."

I have also watched with mounting concern the impending crisis concerning external debt, a crisis which could have serious consequences for all concerned. I appreciate the kind words with which you have evoked my assistance in this matter. You may be sure that I shall do my best to head off the crisis. You are no doubt aware of the action we took, a few days after receiving your letter, to call a meeting of the heads of delegations of the countries which are members of the Pakistan Consortium; you are also aware of the proposal which constitutes the agenda for that meeting, which will take place on May 30. I hope that between now and then the Governments concerned will have had an opportunity to revise their views and that, when the meeting takes place, they will be able to agree on a course of action which will be helpful to all concerned. I shall of course be in touch with you after that meeting.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Zulfikar Ali Bhutto
President of Pakistan
The Presidency
Rawalpindi
Pakistan

WDiamond:gg
May 7, 1973

cc: Messrs. M.M. Ahmad, Cargill, Collier

490/1/221

Dr. A.H. Boerma
Director-General
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
Rome-00100
Italy

May 4, 1973

Dear Dr. Boerma:

Thank you for your letter of April 4 proposing an increase in the budget of the FAO/IBRD Cooperative Program for biennium 1974/75 to bring the total budget for the biennium up to US\$9.1 million from the present US\$7.0 million; the proposed increase of US\$2.1 million comprising an increase of US\$1 million to cover an expansion in numbers of staff and consultants and their travel, and US\$1.1 million to cover increases arising from changes in the dollar/lire exchange rate and wage increases due to higher cost of living.

I welcome the continued close cooperation between our institutions in helping agricultural development in our member countries. As you say, we have the same development objectives, particularly the expansion of integrated rural development and assistance to small farmers and I am glad to know that the current work program which was agreed following Mr. Huyser's visit to the Bank in January last will use the present manpower of the Cooperative Program to the full in identification and preparation work to further our common objectives.

In principle I agree with your proposal to expand the Cooperative Program; and at the appropriate time I would be prepared to recommend to the Bank's Board of Executive Directors that the Bank should continue to contribute 75% to the FAO/IBRD Cooperative Program budget at the level you are proposing for 1974/75. There is one aspect of the Cooperative Program that gives me particular concern, however. As you know, the authorized professional strength of the Program has been 70 staff members, plus consultants, since the biennium 70/71, but the Program has not yet managed to reach this strength. I would find it difficult to recommend to my Board an increase in the monetary level of the Program so long as its professional staffing had not reached the level already agreed. My agreement in principle

Dr. A.H. Boerma

- 2 -

14901
May 4, 1973

to the higher budget for 1974/75 must therefore be subject to the reservation that the staffing of the Program should have reached the figure of 70 professionals. I should be grateful if you could yourself look into the staffing position and I look forward to receiving your assurance before long that the Program is up to full strength.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Cleared with & cc: Messrs. Baum
Yudelman

cc: Messrs. Knapp
Adler, J.
Hoffman

NMcIvor:fh

cc: Mr. McNamara's office (2) ✓

490/1/219

cc: Mr. McNamara's Office (2)

MAY 4 1973

Mr. Addeke Boerma
Director General
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
00100 Rome
Italy

Dear Mr. Boerma:

Our Board of Executive Directors on May 1 considered the proposal put forward by the Steering Committee on Onchocerciasis Control that the World Bank should take the lead in mobilising funds on an international basis to finance the first phase of the onchocerciasis control program in West Africa. The proposal was well received, and the Executive Directors for Canada, France, Germany, the United Kingdom and the United States were amongst those who gave it their full support. There was general agreement with the idea of the Bank convening a meeting of interested governments and agencies in Paris at the end of June, and we shall be issuing invitations to this meeting shortly, with a request that those wishing to participate notify us by the end of May. WHO will be issuing similar invitations to those of its member governments which are not members of the World Bank.

It was made clear to our Executive Directors that the campaign for the control of onchocerciasis in West Africa is being jointly sponsored by the four United Nations agencies directly involved, that is the World Health Organization, the United Nations Development Programme, the Food and Agriculture Organization and the World Bank, and that in convening the meeting in Paris, the Bank would be acting on behalf of all four agencies. The next meeting of the inter-agency steering committee, which is scheduled for the end of May, would provide a suitable occasion to discuss the arrangements for the Paris meeting and to decide on the agenda, as well as to consider the proposals put forward by WHO for the structure and management of the control program.

I believe that, in undertaking this campaign, we shall all be making a contribution of real significance to the development of one of the poorest regions in the world, and if the campaign is

Mr. Addeke Boerma

- 2 -

successful, it could well serve as a model for similar campaigns elsewhere designed to reduce the incidence of riverblindness or other endemic diseases.

I look forward to our close association in this joint enterprise.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

cleared with and cc: Messrs. M.L. Hoffman (Development Services)
G.R. Delaume (Legal)
M.L. Bazin (Western Africa I)

cc: Mr. J. Burke Knapp
Mr. R. Chaufournier
Mr. P.N. Damry (Secretary)
Mr. J.A. Lee (Central Projects)
for Mr. McNamara's Office (2)

Reference: Riverblindness

EPWright:vr
May 3, 1973

490/1/277

cc: Mr. McNamara's Office (2) ✓

MAY 4 1973

Mr. R. Peterson
Administrator
United Nations Development Programme
United Nations
New York, N.Y. 10017

Dear Mr. Peterson:

Our Board of Executive Directors on May 1 considered the proposal put forward by the Steering Committee on Onchocerciasis Control that the World Bank should take the lead in mobilizing funds on an international basis to finance the first phase of the onchocerciasis control program in West Africa. The proposal was well received, and the Executive Directors for Canada, France, Germany, the United Kingdom and the United States were amongst those who gave it their full support. There was general agreement with the idea of the Bank convening a meeting of interested governments and agencies in Paris at the end of June, and we shall be issuing invitations to this meeting shortly, with a request that those wishing to participate notify us by the end of May. WHO will be issuing similar invitations to those of its member governments which are not members of the World Bank.

It was made clear to our Executive Directors that the campaign for the control of onchocerciasis in West Africa is being jointly sponsored by the four United Nations agencies directly involved, that is the World Health Organization, the United Nations Development Programme, the Food and Agriculture Organization and the World Bank, and that in convening the meeting in Paris, the Bank would be acting on behalf of all four agencies. The next meeting of the inter-agency steering committee, which is scheduled for the end of May, would provide a suitable occasion to discuss the arrangements for the Paris meeting and to decide on the agenda, as well as to consider the proposals put forward by WHO for the structure and management of the control program.

I believe that, in undertaking this campaign, for which the UNDP has already rendered important assistance, we shall all be making a contribution of real significance to the development of

Mr. R. Peterson

- 2 -

one of the poorest regions in the world, and if the campaign is successful, it could well serve as a model for similar campaigns elsewhere designed to reduce the incidence of riverblindness or other endemic diseases.

I look forward to our close association in this joint enterprise.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

cleared with and cc: Messrs. M.L. Hoffman (Development Services)
G.R. Delaume (Legal)
M.L. Bazin (Western Africa I)

cc: Mr. J. Burke Knapp
Mr. R. Chaufournier
Mr. P.N. Damry (Secretary)
Mr. J.A. Lee (Central Projects)
for Mr. McNamara's Office (2)

Reference: Riverblindness

EPWright:vr
May 3, 1973

490/1/217

cc: Mr. McNamara's Office (2)

Dr. M. G. Candau
Director-General
World Health Organization
1211 Geneva 27
Switzerland

MAY 4 1973

Dear Dr. Candau:

Our Board of Executive Directors on May 1 considered the proposal put forward by the Steering Committee on Onchocerciasis Control that the World Bank should take the lead in mobilizing funds on an international basis to finance the first phase of the onchocerciasis control program in West Africa. The proposal was well received, and the Executive Directors for Canada, France, Germany, the United Kingdom and the United States were amongst those who gave it their full support. There was general agreement with the idea of the Bank convening a meeting of interested governments and agencies in Paris at the end of June, and we shall be issuing invitations to this meeting shortly, with a request that those wishing to participate notify us by the end of May. I understand that you will be issuing similar invitations to governments which are members of WHO, but not of the World Bank.

It was made clear to our Executive Directors that the campaign for the control of onchocerciasis in West Africa is being jointly sponsored by the four United Nations agencies directly involved, that is the World Health Organization, the United Nations Development Programme, the Food and Agriculture Organization and the World Bank, and that in convening the meeting in Paris, the Bank would be acting on behalf of all four agencies. The next meeting of the inter-agency steering committee, which is scheduled for the end of May, would provide a suitable occasion to discuss the arrangements for the Paris meeting and to decide on the agenda, as well as to consider the proposals put forward by WHO for the structure and management of the control program.

I believe that, in undertaking this campaign, which WHO has worked so hard to prepare, we shall all be making a contribution of real significance to the development of one of the poorest regions

Dr. M. G. Canda

- 2 -

in the world, and if the campaign is successful, it could well serve as a model for similar campaigns elsewhere designed to reduce the incidence of riverblindness or other endemic diseases.

I look forward to our close association in this joint enterprise.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cleared with and cc: Messrs. M.L. Hoffman (Development Services)
G.R. Delaume (Legal)
M.L. Bazin (Western Africa I)

cc: Mr. J. Burke Knapp
Mr. R. Chaufournier
Mr. P.N. Damry (Secretary)
Mr. J.A. Lee (Central Projects)
for Mr. McNamara's Office (2)

Reference: Riverblindness

EPWright:vr
May 3, 1973

490/1/215

MAY 4 1973

Dear Mr. Minister:

I appreciate your desire, as expressed in your letter of April 2, 1973, to make use of the training offered by the Economic Development Institute in order to strengthen your capacity at a critical time in the implementation of an investment program in the transport sector. We certainly want to assist you in this area in any way we can. As you know, we are in an advanced stage of discussions with the UNDP looking toward a project for substantial assistance to your Government for strengthening the planning machinery, including attention to the transport sector.

There will, in fact, be an EDI course dealing with the problems of that sector beginning on January 7, 1974, and running through March 8. Official invitations to nominate candidates for this course will be distributed some time in June 1973. It will certainly be in order for you to nominate three, or for that matter four or five, candidates for that course, and we would be prepared to accept up to three qualified participants from the Sudan.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Lawrence Wol Wol
Minister of Planning
Ministry of Planning
P. O. Box 2092
Khartoum
The Democratic Republic of the Sudan

MLHoffman/pnn
April 3, 1973

cc: Mr. McNamara's files (2)
Mr. Kamarck, Director, EDI
Mr. Bell, Vice President, E. Africa

490 / 1/274

May 3, 1973

MEMORANDUM FOR MR. CHENERY
MR. STERN

Please insure that the Policy Planning and Program Review Department maintains a continuing review of the Bank Group's lending program, and informs you, Burke, and me whenever weaknesses develop in it. For example, I believe the Indian program for FY74 is much too small and that the total I.B.R.D. lending program for 1974, first set two or three years ago, fails to take account of price increases higher than originally anticipated and fails to make proper adjustment for parity changes. I would like to have received a note on each of these points from the Department.

(Signed) Robert S. McNamara

Robert S. McNamara

RMcN:bmm

490/1/211

MAY 3 1973

Dear Mr. Strong:

Thank you for your letter of April 19, 1973 inviting the Bank to be represented at the first session of the Governing Council of the United Nations Environment Programme to be held at the Palais des Nations in Geneva from June 12 to 22, 1973.

I am pleased to inform you that the Bank will be represented at this session by Mr. Michael L. Hoffman, Director, International Relations Department, and by Mr. James A. Lee, Director of Environmental Affairs.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Maurice F. Strong
Executive Director
United Nations Environment Programme
United Nations Conference on the
Human Environment
Palais des Nations
CH-1211 Geneva 10
Switzerland

Cleared with & cc: Mr. Hoffman (with copy of incoming letter)
" " & cc: Mr. Lee (with copy of incoming letter)

cc: Mr. McNamara's Office (2) ✓
cc: Mr. W.D. Clark

Central Files with incoming letter

EFranco-Holguin:mmcd
May 2, 1973

430/1/290

MAY 2 1973

Mr. Maurice F. Strong
Executive Director
United Nations Environment Programme
United Nations Conference on the
Human Environment
Palais des Nations
CH-1211 Geneva 10
Switzerland

Dear Maurice:

Thank you for your letter of April 10 concerning General Assembly Resolution 2997 (XXVII) on the establishment of an international fund or financial institution to assist national housing and settlement programs through provision of seed capital and technical assistance.

I am pleased to inform you that the Bank will collaborate in the preparation of the study called for in the Resolution. The most effective way, it seems to me, is for Bank staff to be available to discuss the Bank's point of view and experience with the consultants whom you choose to work on the study. We would also be ready to review and comment on draft reports prepared by them. During the course of the study, we can effectively take any further steps which could be of help. I hope you will be agreeable to this approach and I am asking Mr. Harold B. Dunkerley, Special Adviser, Urban Projects Department, to act as coordinator from the Bank's side.

I believe that as a starting point I should make it clear that, in our view, sectoral priorities need to be worked out on a country-by-country basis and that a very flexible approach is required when allocating aid as between sectors. Compartmentalization of aid flows, through advance earmarking, could be inimical to this approach. It could even in certain cases result in a distortion of the most appropriate priorities.

/2..

Mr. Maurice Strong

- 2 -

You also know my views about the futility of approaching the housing problems of the developing countries head-on, in the sense of trying to use any of the limited amount of concessional finance available internationally for conventional housing projects. The amounts of capital that would be involved in making any serious dent in the problems in even a few countries would be astronomical. Furthermore, all evidence indicates that even the cheapest kind of conventional housing that can be built today by public housing authorities is far beyond the means of any but the upper 15 to 20% income groups in the populations of most developing countries. This is why in the Bank we are at present developing a program of sites and services projects designed, among other things, to provide a basis for direct investment of labor of those who will benefit from the housing in the housing itself.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. McNamara's Office (2)
Mr. Baum, VP-Projects
Mr. Clark, ERD
Mr. Dunkerley, Urban Projects
Mr. Lee, Projects

HBDunkerley/LPChatenay/MLHoffman:mmd
May 1, 1973

490/1/207

May 2, 1973

Dear Dr. Fletcher:

The International Bank for Reconstruction and Development has had the opportunity to utilize some of the Earth Resources and Technology Satellite (ERTS) imagery in connection with its international development activities during the past year. My technical staff working with this imagery in the less developed countries of the world informs me that results of image interpretation have been most gratifying.

NASA's technical achievements in this new field of technology, focussing on the evaluation of earth's resources, has permitted us to define more precisely zones subject to severe flood and erosion problems, to plot regional differences in agricultural cropping patterns and land use and to demarcate areas of high mineral potentials. It also makes possible a rapid updating of existing maps. The ERTS imagery should prove even more useful in the future when interpretation methodology is refined. With the recent termination of the ERTS A image tape recording system required for overseas areas we look forward to an early launching of the ERTS B satellite to continue the resource surveys so recently started.

I would like to take this opportunity to thank you and your staff, particularly your Office of International Affairs, for the assistance rendered our technicians. Aside from providing our agency with much imagery of Bank project areas your representatives have also given liberally of their time to assist Bank sponsored seminars on the subject. Your preliminary work to establish the "Open Sky" policy under United Nations auspices is also commendable and should prove extremely useful in our work in the international development field.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
James C. Fletcher
Administrator
National Aeronautics and
Space Administration
Washington, D. C. 20546

WDrewes:ia:bmm

cc: Mr. Clark
President's Office ✓

File

490/1/205

MAY 2 1973

Dear Mr. Minister:

I thank you for your letter of April 15, 1973 regarding the procedures under the recently promulgated Plan and Budget Law.

The implications of the new procedures as applicable to the Bank Group's operations in Iran are being considered and will be discussed during the visit to Tehran of Mr. Guy de Lusignan, Chief of the Iran Division, and a representative of our Legal Department, in the latter half of June.

I look forward to the further strengthening and developing of the Bank's relationship with Iran under the new arrangements.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Jamshid Amuzegar
Minister of Finance
Ministry of Finance
Avenue Nasser Khosrow
Tehran, Iran

cc: Mr. Robert S. McNamara (2)
His Excellency Jahangir Amuzegar
Chief, Iranian Economic Mission
His Excellency Abdol Majid Majidi
Minister of State for Planning & Budget
Mr. Yahia Khelif, Executive Director

DLoos:amr

490/1/204

For Mr. McNamara's Office

MAY 1 1973

Monsieur le Gouverneur,

Je vous remercie de votre lettre en date du 15 février 1973, qui a été reçue par nos services il y a trois jours seulement. Nous serons heureux d'examiner attentivement la candidature du Citoyen Mubenga wa Mbuyamba à un poste pour lequel il serait qualifié. Vu le délai qui s'est écoulé depuis l'expédition de votre lettre, nous demandons à M. Serge Guetta, Directeur Général de la Société Financière de Développement de Kinshasa et haut fonctionnaire de la BIRD, de se mettre en rapport avec le Citoyen Mubenga wa Mbuyamba pour une entrevue préliminaire.

Vous remerciant encore de nous avoir transmis la candidature du Citoyen Mubenga wa Mbuyamba, je tiens à exprimer l'espoir que nous continuerons à recevoir d'autres demandes de candidats intéressés.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Baruti wa Ndwali
Ministre des Finances
Kinshasa
République du Zaïre

cc: M. Kochman
M. Guetta
M. de Azcarate

FSSStone/RAClarke:ss
April 27, 1973

490/1/203

For Mr. McNamara's office

MAY 1 1973

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

Monsieur le Président,

Comme vous le savez, la Banque Mondiale a suivi depuis plusieurs années la préparation du projet CIMAO auquel les gouvernements de la Côte d'Ivoire et du Togo nous avaient demandé de nous associer. Nous avons procédé à une première analyse de cette opération en 1971 et notre rapport, qui vous avait été communiqué, concluait que l'intérêt économique du projet était marginal et que sa réalisation rencontrerait de très sérieux obstacles, du fait de la qualité médiocre du gisement d'Avéta, des problèmes de gestion posés, des risques commerciaux de l'entreprise et de la difficulté d'assurer sa viabilité financière. Néanmoins, depuis 1971, plusieurs facteurs sont intervenus qui modifient les données que nous avions analysées. C'est pourquoi nous avons récemment décidé de reprendre l'examen du projet.

Au cours des deux derniers mois, les consultants qui avaient préparé le dossier pour le compte des promoteurs de CIMAO ont pu nous fournir des renseignements assez détaillés sur le coût de l'exploitation du gisement de calcaire de Sika Kondji et un expert de notre Département Industrie a revu la rentabilité économique du projet et les perspectives de l'industrie du ciment et du clinker. Cette étude nous a confirmé que les changements apportés dans le projet et l'évolution récente du marché pouvaient influencer favorablement nos conclusions et justifiaient qu'en collaboration avec les gouvernements togolais et ivoirien, leurs partenaires privés et d'autres sources de financement extérieur, nous reprenions l'instruction du dossier. En effet d'une part la nature du nouveau gisement de Sika Kondji indique que CIMAO peut être en mesure de produire un clinker de bonne qualité, ce qui réduit de façon appréciable les risques techniques et commerciaux du projet; d'autre part le marché du ciment en Afrique de l'Ouest paraît croître plus rapidement que nous l'avions initialement prévu et peut justifier la construction d'une unité économique dont la capacité serait dès le départ fixée à 1,2 million de tonnes de clinker. J'ajoute enfin que j'ai été personnellement très sensible à l'importance régionale de ce projet, qui peut aider à développer les liens économiques et les relations commerciales entre plusieurs pays d'Afrique de l'Ouest.

Son Excellence
Monsieur Félix Houphouët-Boigny

- 2 -

Certes le fait que nous adoptions aujourd'hui une attitude plus positive en faveur du projet CIMAO ne signifie pas que nous considérons tous les problèmes comme résolus. Je tiens en effet à souligner qu'il reste un certain nombre d'étapes importantes à franchir telles que l'établissement de l'entreprise sur des bases financières saines et la mobilisation des ressources nécessaires au financement de l'investissement. Les modalités de l'intégration d'usines de broyage en Côte d'Ivoire et au Togo devront être précisées en vue d'assurer la commercialisation du clinker de CIMAO à des conditions satisfaisantes; la distance plus grande qui sépare le gisement de Sika Kondji de la mer suppose l'examen de solutions plus économiques aux problèmes de transport; la structure financière et la gestion technique de CIMAO devront être renforcées; la garantie des gouvernements d'Afrique de l'Ouest associés au projet devra être obtenue; les perspectives de vente de clinker à des pays qui ne seraient pas directement associés à l'entreprise devront être revues de façon plus approfondie; enfin, la position que la Banque Mondiale prendra dépendra bien entendu de l'attitude des autres sources de financement avec lesquelles nous devons nous consulter. Néanmoins, je puis vous assurer que nous souhaitons apporter un soutien actif à cette entreprise et aider les gouvernements intéressés dans leurs efforts pour en faire une opération saine pour le développement économique de leur pays.

Un nouveau rapport est en cours de préparation. Nous allons vous le faire parvenir prochainement, en même temps qu'au gouvernement togolais et aux bailleurs de fonds qui avaient marqué leur intérêt pour le projet. A cette occasion nous préciserons les mesures qui, selon nous, devraient être prises par les diverses parties en cause pour faciliter l'avancement du projet.

Je vous prie d'agréer, Monsieur le Président, l'expression de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

4/30/73 XdelaRensaudière:tp

cleared with and cc. Messrs. Knapp
Chaufournier
Fuchs
Ragetly

cc. Messrs. Thalwitz
Cash
Moore

cc. Mr. Kochman

490/1/202

For Mr. McNamara's office

MAY 1 1973

Son Excellence
Le Général Etienne Eyadema
Président de la République
Lomé, Togo

Monsieur le Président,

Au cours des entretiens que nous avons eus à Lomé en janvier dernier, nous avons évoqué le projet CIMAO, auquel le gouvernement togolais attache la plus haute priorité. Comme vous le savez, la Banque avait procédé à une première analyse de cette opération en 1971 et son rapport, qui vous avait été communiqué, concluait que l'intérêt économique du projet était marginal et que sa réalisation rencontrerait de très sérieux obstacles, du fait de la qualité médiocre du gisement d'Avéta, des problèmes de gestion posés, des risques commerciaux de l'entreprise et de la difficulté d'assurer sa viabilité financière. Néanmoins, depuis 1971, plusieurs facteurs sont intervenus qui modifient les données que nous avons analysées. C'est pourquoi j'ai accepté de reprendre l'examen du projet et vous ai promis de vous faire part de nos conclusions dans le courant du mois d'avril.

Au cours des deux derniers mois, nous avons donc étudié à nouveau le dossier. Les consultants qui l'avaient préparé pour le compte des promoteurs de CIMAO nous ont fourni des renseignements assez détaillés sur le coût de l'exploitation du gisement de calcaire de Sika Kondji et un expert de notre Département Industrie a revu la rentabilité économique du projet et les perspectives de l'industrie du ciment et du clinker. Cette étude nous a confirmé que les changements apportés dans le projet et l'évolution récente du marché pouvaient influencer favorablement nos conclusions et justifiaient qu'en collaboration avec les gouvernements togolais et ivoirien, leurs partenaires privés et d'autres sources de financement extérieur, nous reprenions l'instruction du dossier. En effet d'une part la nature du nouveau gisement de Sika Kondji indique que CIMAO peut être en mesure de produire un clinker de bonne qualité, ce qui réduit de façon appréciable les risques techniques et commerciaux du projet; d'autre part le marché

Son Excellence
Le Général Etienne Eyadema

- 2 -

du ciment en Afrique de l'Ouest paraît croître plus rapidement que nous l'avions initialement prévu et peut justifier la construction d'une unité économique dont la capacité serait dès le départ fixée à 1,2 million de tonnes de clinker. J'ajoute enfin que j'ai été personnellement très sensible à ce que vous m'avez dit sur l'importance régionale de ce projet, qui peut aider à développer les liens économiques et les relations commerciales entre plusieurs pays d'Afrique de l'Ouest.

Certes le fait que nous adoptions aujourd'hui une attitude plus positive en faveur du projet CIMAQ ne signifie pas que nous considérons tous les problèmes comme résolus. Je tiens en effet à souligner qu'il reste un certain nombre d'étapes importantes à franchir telles que l'établissement de l'entreprise sur des bases financières saines et la mobilisation des ressources nécessaires au financement de l'investissement. Les modalités de l'intégration d'usines de broyage au Togo et en Côte d'Ivoire devront être précisées en vue d'assurer la commercialisation du clinker de CIMAQ à des conditions satisfaisantes; la distance plus grande qui sépare le gisement de Sika Kondji de la mer suppose l'examen de solutions plus économiques aux problèmes de transport; la structure financière et la gestion technique de CIMAQ devront être renforcées; la garantie des gouvernements d'Afrique de l'Ouest associés au projet devra être obtenue; les perspectives de vente de clinker à des pays qui ne seraient pas directement associés à l'entreprise devront être revues de façon plus approfondie; enfin, la position que la Banque Mondiale prendra dépendra bien entendu de l'attitude des autres sources de financement avec lesquelles nous devons nous consulter. Néanmoins, je puis vous assurer que nous souhaitons apporter un soutien actif à cette entreprise et vous aider dans vos efforts pour en faire une opération saine pour le développement économique de votre pays.

Un nouveau rapport est en cours de préparation. Nous allons vous le faire parvenir prochainement, en même temps qu'au gouvernement ivoirien et aux bailleurs de fonds qui avaient marqué leur intérêt pour le projet. A cette occasion nous préciserons les mesures qui, selon nous, devraient être prises par les diverses parties en cause pour faciliter l'avancement du projet.

Je vous prie d'agréer, Monsieur le Président, l'expression de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

4/30/73 KdeLaRenaudière:sh

cleared with and cc. Messrs. Knapp
Chaufournier
Fuchs
Ragetly

cc. Messrs. Thalwitz
Cash
Moore

cc. Mr. Kochman