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Folder Title: Chronological files - (outgoing) - Chrons 24

Folder ID: 1771882

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 2, 2012

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THE WORLD BANK
Washington, D.C.

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The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
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McNamara papers

1971 (Nov. - Dec.) Vol 24

The World Bank Group
Archives
1771882
A1995-252 Other #: 2 309647B
President's papers - Robert S. McNamara Chronological files - (outgoing) - Chron 21

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489/7/237

Mr. Donatien Bihute

DEC 23 1971

Robert S. McNamara (Signed) Robert S. McNamara

PROJECTS COST OVER-RUNS

1. I am replying to your memorandum on the above dated December 9, 1971, in which you express concern that project cost estimates are being over-run, in some cases by substantial amounts, compared to bids received. You cite two transport examples in Africa, one for the Bathurst Port Project in The Gambia in which you state the bids resulted in costs 100% higher than the estimates, and the second case for the construction of the Bo-Kenema Road in Sierra Leone where bids exceeded the estimate by about 60%.

2. I wish first of all to give you some indication of our record of cost estimating over the past few years for civil works projects in transport in Africa, then to discuss the two specific projects which you mention, and finally to give you a brief explanation of what is being done to ensure, to the extent possible, that such occurrences will be minimized in the future.

Past Record of Cost Estimating in African Transport Projects

3. Over the past five years some 35 projects, involving civil works in highways and ports, have been the subject of bidding in our African transport projects. A comparison of bid prices with cost estimates, including contingency allowances, shows that only in five cases did bids exceed estimates. In two of those cases the low bids were less than 10% above estimates; in one about 19% above; and the remaining two were the cases that you cite in Sierra Leone and The Gambia. There does not appear to be a noticeable worsening trend in the number of cases of over-runs in the past couple of years as you suggest.

4. The principal reasons for such increases have been suggested in paragraph 7*/ of my memorandum dated December 7, 1971, "Review of Procurement Practices and Procedures", distributed to the Executive Directors. In particular the greater and more varied risks facing contractors could account for some of the serious cases of cost over-runs in Africa.

*/ A copy of this paragraph is annexed for ready reference.

The Bathurst Port Project, The Gambia

5. This project has been bid twice in the last year, once in January/March 1971 and the second time July/October 1971. The first round of bids resulted in the low bid being some 70% (not 100% as you had understood) higher than the cost estimate, including contingencies. We found on analysis of the bids that the Government had requested the consultants to make several design changes (without our knowledge) which resulted in substantial increases in quantities. Furthermore, the Government had modified the standard conditions of contract over our objection, effectively eliminating certain liabilities on the part of the Government. High mobilisation costs in such a small country and, to some extent, the unstable political situation in the region at the time, may also have been contributing factors to the high bids received.

6. We concluded that there was a reasonable chance of receiving more favorable bids if tenders were invited a second time, provided that the Government would reinstate the original design and conditions of contract. We were able to prevail on the Government to do this and the second round of bidding has resulted in a low bid about 45% higher than the original cost estimate. Part of the increase is accounted for by the substantial increase in the cost of building materials since the time of the original cost estimate, and part may still be due to contractors' risk allowances stemming from the continuing political tension in the region.

7. The project has not been scaled down as you suggest, but remains as described in the appraisal report; rebidding has not altered the operational efficiency of the project and it is still economically and financially justified at the higher cost. The amount of additional financing is not high in absolute terms (about US\$800,000 equivalent) although substantial in relation to the country's economy. We understand that The Gambia may be prepared to finance this amount from its own budget, given the priority of the project.

The Bo-Kenema Road Project, Sierra Leone

8. Bids were opened in March, 1971, and are still valid. The low bid was about 65% higher than the original cost estimate prepared by the consultants and 53% above the estimate used in the Bank's appraisal report. Unlike the case of The Gambia, analysis of the bids received has revealed no clear reason for the over-run. Indeed, the only apparent factor was the unsettled political conditions in the country at the time of bidding. But in the absence of firm evidence, we hesitated to attribute the whole of this over-run to the contractors' evaluation of risks. We were thus faced with a difficult problem of advising the Government on how best to proceed since we could not be sure whether rebidding would produce better results. In the circumstances we decided, in consultation

with the Government, that a thorough investigation was called for before the Government committed itself to what might be an unduly expensive contract. An independent firm of consultants was retained to carry out a more detailed estimate of costs than is normal - a so-called "contractor type" estimate, to which I refer again in paragraph 10.

9. The preliminary findings indicate that some small reduction may be possible in the current low bid, but at this stage in the analysis the consultant has not been able to find any unusual features or difficulties inherent in the project works to account for the large cost increase. The project still appears to be justified at the higher costs, however, and we are considering the possibilities of finding the additional financing required.

Measures to Reduce Estimating Uncertainties

10. I anticipate that the uncertainties existing in developing countries with little previous record of competitive bidding, as was for example the case in The Gambia, will continue to cause a few surprises from time to time in the construction costs for some of our projects. We are prepared to continue dealing with such projects as special cases when they arise. You suggest that we exercise more discipline over the consultants involved, but I would point out that the consultants are invariably under contract to the borrowers. In actual fact, we do review their performance in a general manner, and staff assess the accuracy of their cost estimates, but duplication of the consultants' effort by checking deeply into the details of cost estimates would not be practicable nor justified in my opinion. In cases where there are few or no previous data on construction costs, we may insist on the preparation by the consulting engineers of fully detailed "contractor-type" cost estimates, since we believe that our borrowers would benefit from the additional cost they would have to bear.

11. We have, in other cases of uncertainty, delayed submitting projects to the Executive Directors for approval until bids had been received and the project costs more precisely known. We shall probably increase the number of cases handled in this manner in the future, provided, of course, the borrower is prepared to accept the risk of calling for bids before an assured source of financing is secured.

12. I note your comments on prompt remedial measures, such as supplementary loans or credits, in cases where cost over-runs occur. You will no doubt already be aware of the examples of such cases where the Bank/IDA has proposed additional financing for projects that are still justified economically at the higher cost.

Attachment

SCHardy/ADKnox/BChadenet:dfw

cc: Mr. J. Burke Knapp
Mr. S. Aldewereld
Messrs. Knox/Hardy, Transportation Projects Department
Mr. B. M. Cheek, Western Africa
Mr. M. M. Mendels, Secretary

Extract from memo SecM71-566 dated December 7, 1971

Subject: Review of Procurement Practices and Procedures

7. Cost Estimates: It was generally agreed that the Bank's recent experience of bids on some projects exceeding the cost estimates by a wide margin was not unique. A number of reasons were suggested for the inaccuracy of the estimates.

- a) Consultants and borrowers might be basing their estimates on old prices. There had been sharp increases in prices in the last two years in both the developed and the developing countries.
- b) Consultants might be making intentionally low estimates to improve the economic and financial justification of the project.*
- c) Contractors were faced with greater and more varied risks than in the past. These risks included (i) those relating to the declining independence of consultants mentioned below, (ii) labor risks relating to the recruitment of unskilled and skilled labor from certain countries or to the rapidity and extent of changes in pay scales, and (iii) political risks of various kinds ranging from civil war or insurrection to limitations on the use of expatriates in carrying out the project.

* This is another reflection on the independence of consultants, see paragraph 8.

489/7/236

DEC 22 1971

Dear Governor:

I wish to acknowledge receipt of your letter dated December 11, 1971 subscribing to an additional 149 shares (\$14.9 million) of the capital stock of the Bank, authorized for Korea by the Board of Governors' Resolution No. 258.

When the Bank has received the payments due under the said Resolution and the remaining documents as set forth in the Information Booklet (copy attached), the increase in Korea's subscription will be declared effective.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

M. W. M.

Attachment

His Excellency
Duck Woo Nam
Minister of Finance
Ministry of Finance
Seoul, Korea

c.c. Dr. Chen ✓

UKG:jc

489/7/233

December 22, 1971

Mr. Paul G. Hoffman
Administrator
United Nations Development Programme
United Nations, New York 10017

Dear Paul:

MEXICO: National Water Study (MEX-34)

You will recall that in our discussion last May 10 at the Century Club we agreed that, on the basis of your assurance that UNDP would be able to continue financing needed pre-investment studies, the Bank would continue its established practice of giving UNDP the "right of first refusal" when member countries sought assistance for such studies from the Bank. It is against this background that our staffs have been discussing the financing of a proposed study of water resources in Mexico.

Water resources development in Mexico is an area that in the years immediately ahead will require major investment both of domestic and foreign capital. It will play a big part in the Bank's own lending program in Mexico. The total investment is likely to amount to hundreds of millions of dollars annually. Accordingly, both the Mexican Government and the Bank are concerned that these investment decisions be taken only on the basis of the best information and analysis available. The proposed study, the outlines and terms of reference for which were prepared after careful field study and with the help of two Bank missions, is designed to provide just such information and analysis and thereby to strengthen the Mexican Government's capacity for decision making and policy formulation in this field.

The Bank first consulted the UNDP Resident Representative in Mexico City on this project last August. Subsequently, at the beginning of November, after agreement had been reached with the Mexican Government on the necessary documentation, the project was taken up with your headquarters staff. The essential facts on this program have previously been made available to your Regional Bureau for Latin America, and these have been supplemented by discussions in Washington and by two visits by Bank staff to New York. In response to a UNDP request during the last such visit, some additional information has been prepared and has just been sent to Mr. Valdes. It had been our hope that, once the Government had submitted its request, UNDP would be able quickly to provide financing under its "Pre-Project Activities" arrangements, thus permitting a prompt commencement of work.

December 22, 1971

In the circumstances the response to date of the Regional Bureau for Latin America has been disappointing. Specifically it was suggested that there be still another mission to review the request and that initial funding was not possible until April at the earliest. I am convinced that this approach will not meet the need in this case. The problem would be further complicated if, as the Regional Bureau has suggested, the decision on executing agency is also left open until April, despite the specific request of the Government to have the Bank in that role.

My purpose in writing is to express concern that this response by the UNDP will involve such a long delay in the commencement of the project as to be unacceptable to the Mexican Government and to us, and that we would therefore have to consider other financing arrangements. Because of my conviction that UNDP should be the pre-eminent agency in the UN system in the pre-investment field, I would greatly regret such a development.

In light of the work that has already been done in developing this project and the extensive preparation already made by the Mexican Government (details of which were set out in the letter to Mr. Valdes), I feel that action on the project no later than the end of January 1972 is essential. I would therefore greatly appreciate your reviewing this matter with your staff to see if it is possible for UNDP to provide financing by that time. If this is not possible, I would appreciate your informing me promptly so that other funding can be arranged.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cl. and cc: Mr. Demuth
Mr. Nelson
Mr. Kirpich

cc: Mr. Thornton

V.J. Riley: R.H. Demuth:ms

Mr. McNamara

489/7/232

DEC 22 1971

Mr. Donatien Bihute

Robert S. McNamara

(Signed) Robert S. McNamara

Lesotho Economic Report

1. Thank you for your memorandum of December 9 concerning the letter from the Prime Minister of Lesotho about the economic report. I asked Mr. Lejeune to look into this matter and he has discussed it with Lesotho's Ambassador. The Ambassador suggested that this question could best be dealt with if it were discussed by a staff member personally in Lesotho, and we are hoping to arrange this in the near future.

2. I enclose a copy of a letter which I have sent to the Prime Minister and also a "Note on Economic Reports" which was given to the Ambassador in order to clarify the status of, and procedures relating to, Bank Economic Reports, and the ways in which these differ from those pertaining to the reports of the Monetary Fund.

3. I shall keep you in touch with any further developments.

Enclosures - 2

JHCollier/M.L.Lejeune:ck
Dec. 20, 1971

Notes on Economic Reports

The purposes for which the Bank produces economic reports are different from those underlying the Monetary Fund's reports. Since Fund reports are discussed by the Executive Directors, the country concerned may use this opportunity to put forward its own position if it wishes to take issue with any statements or analyses in the report. In the case of the Bank, the report is a background document prepared by the staff primarily for the information of the Executive Directors and the staff of the Bank. It is not discussed in the Board. It can, of course, be passed by the Executive Directors to the Governments which they represent. We know that copies of our economic reports make their way to the aid-giving agencies of those governments, who use them as background information on the economic conditions in the country concerned. The Bank assumes sole responsibility for the contents of its economic reports but, in the interest of ensuring factual accuracy, before the reports are circulated to the Executive Directors, they are shown to senior officials of governments concerned and comments are invited. The judgments and conclusions are, however, those of the Bank and are in no way the responsibilities of any official with whom a draft has been discussed. In short, there is no process of "clearing" or "formal endorsement" by the government, though there is consultation with senior officials.

December 20, 1971

489/7/231

DEC 22 1971

Dear Mr. Prime Minister,

I have received your letter dated December 1 about the Bank's report "Current Economic Position and Prospects of Lesotho". I have also received a letter on the same subject from your Ambassador in Washington. I have asked that the matters raised by you be looked into fully. As a first step, we invited your Ambassador to Washington to the Bank last week to clarify and discuss the points you raised. I will write to you again when I have all the facts.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Chief Leabua Jonathan
Prime Minister and
Minister of Foreign Affairs
Office of the Prime Minister
Maseru, Lesotho

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

RMDean:neb
December 20, 1971

489/7/230

DEC 21 1971

Dear Mr. Governor:

I am happy once again to convey to you our response to the points raised by the members of the African Group in the memorandum that you, as the Chairman of the Group, transmitted to me with your letter of September 30, 1971.

As you will note in the attached memorandum, we have every hope of achieving our stated goals for Africa over the next few years. In the course of so doing, I am most grateful to the African Governments for any views they can give me from time to time on how the Bank Group might be more responsive to their development needs.

You may be assured that this advice is helpful to us in the continuing task of matching our efforts against the requirements of our member countries in Africa.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

His Excellency
Lieutenant Baba Diarra
Minister of Finance and Commerce
Governor of the Republic of Mali
Bamako, Mali

ARGu6/HCheek:sjb

DEC 21 1971

Monsieur le Gouverneur,

J'ai l'honneur de vous faire part, comme les années précédentes, de notre réponse aux questions soulevées par les membre du Groupe Africain dans le mémorandum que vous avez bien voulu m'adresser, en votre qualité de Président du Groupe Africain, par lettre du 30 septembre 1971.

Comme vous pourrez le remarquer à la lecture du mémorandum ci-joint, nous avons bon espoir d'atteindre les objectifs que nous sommes fixés pour les prochaines années à l'égard de l'Afrique. A cette fin, je suis particulièrement reconnaissant aux Gouvernements Africains de tous points de vue qu'ils pourraient m'exprimer de temps à autre sur la manière dont le Groupe de la Banque serait le mieux à même de satisfaire aux exigences de leur développement.

Vous pouvez être assuré, Monsieur le Ministre, que ces conseils nous sont extrêmement utiles dans les efforts que nous poursuivons pour adapter l'action du Groupe de la Banque aux besoins de nos Etats-membres en Afrique.

Je vous prie de croire, Monsieur le Gouverneur, à l'expression de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

J-FBauer/ARGué:sjb

Pièce jointe

Son Excellence
Lieutenant Baba Diarra
Ministre des Finances et du Commerce
Gouverneur de la République du Mali
Bamako, Mali

489/7 1228

December 17, 1971

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

Dear Dr. Candau:

Thank you for your letter of December 3, as well as for arranging the most useful visit of Dr. Mahler and Dr. Zahra to Washington.

Let me note at the outset that there is full appreciation in the Bank of WHO's special responsibility and particular competence in the medical and health fields - a competence we recognize and want to draw upon as a key resource in our population work. Because of WHO's institutional competence and its responsibility for advising governments on the development of health services, I am convinced, as I know you are, that the Bank and WHO must work out an effective partnership on population matters.

The discussions here with Dr. Mahler and Dr. Zahra on November 19 and 22 were unquestionably useful and I am grateful to you for having proposed them. As you know, the meetings focused on three main topics - (1) the future role of the Bank in the population field; (2) the basic nature of the future Bank/WHO relationship; and (3) the UNFPA/Bank project in Indonesia. The first of these topics is being covered in a population sector program paper which is being prepared for the consideration of our Executive Directors. A draft of this paper was given to Drs. Mahler and Zahra while they were here. We appreciated their preliminary comments and, as we indicated at the time, we would be happy to receive any additional observations that they might have. Meanwhile, this draft is undergoing revision and I will be sending you a copy of the revised paper as soon as it is ready. However, in substance, the revised paper will be little changed from the copy which Dr. Mahler already has. I would be most grateful for whatever comments you might wish to give on this sector paper, particularly if these could reach me by the end of January, which would be just before the scheduled discussion of the paper by our Board.

With respect to future relationships between our two institutions on population projects, it is my hope that we will be able to

work in close collaboration in this field and that in due course we will be able to enter into a formal partnership arrangement, as we have in the field of water supply and sewerage, although not necessarily following the same pattern. I believe, however, that, just as we did in the case of water supply and sewerage, we should cooperate initially on an ad hoc basis in order to gain experience as to precisely what kind of collaborative arrangements are likely to be most effective. After our staffs have cooperated in working on the problems of a few specific countries over, say, the next nine months, I would be very glad to try to formalize our relationship in an appropriate agreement.

The next specific opportunity for collaboration between us would appear to be in connection with our forthcoming sector/project identification mission to Egypt, which is planned for early January. WHO's participation in that mission would be greatly welcomed and I would hope you could provide one or more of your experts knowledgeable about Egypt's health services and how family planning services should be related to them. I am not suggesting that these experts be provided in their individual capacities but rather as WHO personnel, just as WHO, FAO and Unesco have in the past cooperated with the Bank by providing to Bank missions staff experts to handle particular parts of the work within each agency's competence, and as the Bank for its part, has provided staff members from time to time to participate in missions organized by ILO, FAO and other agencies. If you are willing to have WHO participate in this way in the forthcoming Bank mission to Egypt, I feel sure we can work out without difficulty the modalities of your participation, including full opportunity for WHO headquarters and regional office personnel to review and comment on the mission's report before it is finalized.

With respect to the Indonesian project, you justifiably called attention to the significant activities to be provided by WHO under the Master Plan of Operations for the Strengthening of Health Services that has been agreed among the Government, WHO and UNICEF. The appraisal mission was familiar with this important program and I assure you that the omission you noted in the present draft of the appraisal report will be corrected by an appropriate reference in the next version of that report.

In regard to the hospital post partum program in the Indonesian project, Dr. Mahler stated that provision for helping the Government with this program was already covered by the tripartite agreement referred to above and for that reason he thought it unnecessary to enter into a separate agreement with the Bank for this purpose. I am in entire agreement with this view and we will proceed with the project on that basis. We fully appreciate that the assistance which WHO can provide under its existing agreement with the Government will have a significant effect on the IBRD/UNFPA project and we were gratified by Dr. Mahler's statement that he would recommend that, within the terms of this agreement, WHO should do everything possible to make the Indonesian project a success.

December 17, 1971

You also expressed concern in your letter about 11 WHO projects proposed for assistance by UNFPA. I understand this submission concerns primarily projects which complement, rather than conflict with, the provisions of the joint IBRD/UNFPA project and which were taken into account by our appraisal mission in framing the joint project. As to the proposed WHO project for assisting the National Institute of Public Health in Surabaya, it has, as you note, only recently been prepared and neither the Bank nor the UNFPA has sufficient details to be able to comment. When the IBRD/UNFPA project was discussed with the Ministry of Health in Indonesia last June, during which WHO country and regional office representatives were present, there was no mention of such a WHO project in preparation.

In conclusion, let me reiterate that I regard an effective partnership with WHO as an essential element in the Bank's work in the population field and that, from our side, we will do everything that we can to work out such a relationship, satisfactory not only to our two institutions but to the developing member countries which are our primary concern.

Sincerely,

Robert S. McNamara

VJRiley/RHDemuth:tf
December 16, 1971

Cleared with and cc: Dr. Kanagaratnam/Mr. Baldwin
Mr. Fontein
Mr. B. Bell

Copy to: Mr. R. M. Salas, Executive Director, United Nations Fund for
Population Activities, New York
Mr. H. R. Labouisse, Executive Director, United Nations
Children's Fund, New York

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

489/7/227

Mr. McNamara:

December 17, 1971

I have now received the U.S. retail price for the radio which I received as a gift in Japan. It is \$54.95 as compared with the Japanese wholesale price which was quoted to us at \$73.39. In Japan the Tokyo office suggested that we use the wholesale rather than the retail price for evaluation. If the same ratio exists in the U.S. as in Japan between the retail and wholesale prices on radios, then the estimated wholesale price on my radio in the U.S. would be \$26.91.

Your radio was quoted at \$146.79 at Japanese wholesale prices. If the U.S. retail price for this radio is estimated at \$109.91 applying the same ratio of wholesale to retail prices as in Japan, the derived U.S. wholesale price for your radio would be \$48.85.

LEC

489/7/224

December 17, 1971

Dear Mr. Walker:

I am writing this note to express my thanks to the Bank of Montreal and to its officers and staff for the loan of \$50 million to the World Bank.

With this loan you have opened to us a new source of financing for the World Bank's program of lending for economic development in our member countries. The World Bank, as you know, finances the largest portion of its operations through borrowings from private investors and from Central Banks. For this program of financing to be successful, it is important that it have the widest possible access to sources of investment funds. The Bank of Montreal has further widened this access.

Again please accept my thanks, as well as my best wishes for the new year to you and your colleagues at the Bank of Montreal.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. J. Leonard Walker
President
Bank of Montreal
129 St. James Street W.
Montreal 126, P.Q., Canada

EHRotberg:dal

489/7/223

December 16, 1971

Dear Mr. Minister:

I write to thank you for your letter of December 7th in which you told me that the Government of Iceland had decided to make available to the International Development Association the first instalment, amounting to the equivalent of US\$150,000, of Iceland's subscription and contribution under the Third Replenishment arrangements whether or not the Third Replenishment should have become effective on the date of payment.

As you know a draft resolution authorizing the Association to accept this advance contribution has now been circulated to the Board for their approval.

I should like to express to you my appreciation of this action of your government which will be of great help to the Association in enabling it to carry on its lending operations.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ludvik Josepsson
Minister of Commerce
Ministry of Commerce
Reykjavik, Iceland

489/7/222

DEC 16 1971

Monsieur le Secrétaire Général,

Je vous remercie bien vivement de votre lettre du 6 courant me transmettant le Rapport Général du récent Colloque de Dakar sur la Politique d'octroi de crédits aux entreprises africaines.

Nous allons étudier ce document et ne manquerons pas de vous faire part de nos observations.

Je vous prie d'agréer, Monsieur le Secrétaire Général, l'expression de ma considération distinguée.

(Signed) Robert S. McNamara

Robert S. McNamara

Monsieur Falilou Kane
Secrétaire Général
Organisation Commune Africaine
Malgache et Mauricienne (OCAM)
Yaoundé, Cameroun

AGué:hlm

cc: Mr. Diamond (with incoming)

Mr. Secretary General,

I thank you for your letter of December 6, 1971 transmitting the report of the recent Dakar Colloquium on credit policies to African enterprises.

We shall study this document and let you have our comments in due course.

Sincerely yours,

Robert S. McNamara

Mr. Falilou Kane
Secretary General
Organisation Commune Africaine
Malgache et Mauricienne (OCAM)
Yaoundé, Cameroun

489/7/221

DEC 16 1971

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to arrange for the borrowing of an aggregate principal amount of \$250,000,000 in the markets of the United States of America through the issue of five year notes. The interest rate and the price of the notes have not yet been determined.

The Government of the United States of America is hereby requested, in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement, to approve the borrowing by the Bank in the markets of the United States of America of such amounts as may be raised by the issue of not exceeding \$250,000,000 aggregate principal amount of notes. The Government of the United States of America 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 member of the Bank without restriction.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

The Honorable
John B. Connally
Secretary of the Treasury
Treasury Department
Washington D.C. 20220

Cleared with and cc: Mr. Broches

cc: Messrs. Wieczorowski, Rotberg, Clyde, Hittmair,
Gabriel, Deely/Harris

HCHittmair:mb
12/15/71

489/7/220

TRANSLATION

DEC 15 1971

His Excellency
General Jean-Bedel Bokassa
President of the Central African Republic
Bangui
Central African Republic

Mr. President:

In my letter of October 13, 1971, I informed you of the arrival of a Bank mission with the purpose of continuing with your colleagues the dialogue on the development of the economic and financial situation which was started with the delegation which represented the Central African Republic at the Annual Meeting of the World Bank and of the International Monetary Fund.

In your letter of September 17, 1971, you had advised me that your Government paid particular attention to the budgetary situation and that measures to improve this situation were being taken. Our mission which visited Bangui from October 19 to October 30, 1971, found that the efforts to improve the financial situation have resulted in increased tax revenue and consequently budgetary income. However, expenditures continue to show their unfavorable upwards trends, and as a result, the deficit of the public finances continues to grow. A continued deficit will endanger the implementation of your development program to which we had hoped to give our support.

Even if, in view of the financial difficulties of your Government, we were ready to finance a greater share of the cost of your investment program, the implementation of the program would create additional recurrent expenditures which would have to be financed out of the Government budget. For instance, we have just finished negotiations on an education project, the implementation of which would require from the Government a financial contribution without which the success of the project would be seriously endangered.

We know that your Government is aware of this problem, a solution to which might hopefully be found within the framework of a financial recovery program to be brought about with the assistance of the International Monetary Fund. It seems to us that the time has come when the development of the Central African economy requires a resolute effort by your Government to reduce its consumption expenditures and to reorient its financial operations in the direction of high-priority development requirements. For this reason

I propose that you submit a request for assistance to the International Monetary Fund and I will undertake to second your request and to ensure that it will be followed up quickly. I would hope that an effective program of financial rehabilitation could be formulated soon and its implementation started without any delay. This would give us a basis to present to our Executive Directors further credits for the Central African Republic, with the assurance that they would effectively contribute to the development of the country.

Mr. Steckhan, Division Chief, responsible for our operations in the Central African Republic, will visit Bangui on December 20, 1971. May I express the hope that it will be possible for you to see him and to give him an opportunity to elaborate on the questions which I have taken the liberty to raise in this letter.

Sincerely,

Robert S. McNamara

Son Excellence

Le Général de Division Jean-Bedel Bokassa
Président de la République Centrafricaine
Président du Gouvernement
Bangui
République Centrafricaine

Monsieur le Président,

Dans ma lettre du 13 octobre 1971, je vous annonçais l'arrivée d'une mission de la Banque dont l'objet était de poursuivre avec vos collègues le dialogue sur l'évolution de la situation économique et financière avec la délégation qui a représenté la République Centrafricaine à l'Assemblée Générale Annuelle de la Banque Mondiale et du Fonds Monétaire International.

Dans votre lettre du 17 septembre 1971, vous m'aviez informé que la situation budgétaire faisait l'objet d'une attention particulière de votre Gouvernement et que certaines mesures tendant à l'amélioration de cette situation étaient en cours d'application. Notre mission, qui a séjourné à Bangui du 19 au 30 octobre 1971, a pu constater que l'effort de redressement financier entrepris s'est traduit par une amélioration marquée du recouvrement des impôts et, par voie de conséquences, des recettes budgétaires. Les dépenses cependant continuent d'accuser des tendances défavorables, ayant pour résultat l'accroissement du déficit des finances publiques. La continuation de ce déficit risque de compromettre sérieusement la réalisation de votre programme de développement auquel nous aurions souhaité apporter notre appui.

En effet, même si, tenant compte des difficultés financières de votre Gouvernement, nous étions prêts à financer une proportion de plus en plus importante du coût des investissements, leur réalisation cependant s'accompagnerait toujours de dépenses de fonctionnement qui devraient être financées sur le budget national. Nous venons, par exemple, de négocier un projet relatif au développement de l'éducation, dont la mise en oeuvre exigerait de la part du Gouvernement un apport financier sans lequel sa réalisation se trouverait gravement compromise.

Nous savons que votre Gouvernement est conscient de ce problème dont la solution pourrait être trouvée dans le cadre d'un programme de redressement financier à l'élaboration duquel le Fonds Monétaire International pourrait apporter son concours. Il nous paraît que le moment soit venu où le développement de l'économie centrafricaine demande un effort résolu de la part de votre Gouvernement pour réduire les dépenses de consommation et pour orienter les investissements vers des projets revêtant une haute priorité économique. C'est pourquoi je vous suggère d'introduire une demande d'assistance technique auprès du Fonds Monétaire International, demande que je suis prêt à appuyer pour qu'une suite rapide soit donnée à cette requête. J'espère qu'un programme efficace de redressement financier pourrait être formulé le plus tôt possible et que sa réalisation pourrait commencer à brève échéance. Ceci nous donnerait les éléments nécessaires pour la présentation à notre Conseil d'Administration de crédits destinés à financer des projets dans votre pays, avec l'assurance que ces crédits contribueraient de manière effective au développement de la République Centrafricaine.

Monsieur Steckhan, Chef de Division, responsable de nos activités en République Centrafricaine, doit se rendre à Bangui le 20 décembre 1971. J'espère qu'il vous sera possible de le recevoir afin qu'il puisse vous exposer plus en détail les questions que je ne suis parvenu de soulever dans cette lettre.

Veuillez croire, Monsieur le Président, à l'assurance de ma plus haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara



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

489/7/1298

OFFICE OF THE PRESIDENT

December 14, 1971

Mr. Maurice F. Strong
Secretary-General of the Conference
United Nations Conference on The
Human Environment
Palais des Nations
CH-1211 Geneva 10
Switzerland

Dear Maurice:

Your letter of November 30 requesting comments on the preliminary draft of the Conference paper, "International Organizational Implications of Action Proposals" was received earlier this week.

I appreciate the difficulties involved in making recommendations for international institutional arrangements in advance of final consideration of the action proposals. In spite of the many recently concluded studies into this issue, there seemingly is no single best answer to the question: What institutional framework can the world's nations agree upon to deal with their common environmental problems?

My interpretation of the draft paper suggests that you favor the establishment of a small, dynamic, self-contained organizational entity for environmental affairs at a high level in the U.N. to generally oversee and coordinate its environment-related activities. Such an organization would provide an identifiable focal point for environmental matters and could perform unique information-gathering and referral services for member governments and the U.N. system of agencies. Regional centers for environmental affairs would be an important extension of this organization whose activities would be financed from a proposed World Fund for the Environment to be contributed by member countries. These proposals seem sensible to me.

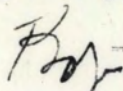
An examination of Annex I reveals IBRD to be absent from the list of international organizations having environmental activities. You may wish to review the matrix in this Annex again, keeping in mind that the revised ACC Consolidated Document contains further information on IBRD activities as they may relate to agenda items.

Again, in Annex II, it might be noted that IBRD does carry out some of the listed environmental activities in connection with its economic development projects.

Finally, Annex III seems to accurately reflect the environmental activities and concerns of IBRD.

Thank you for giving us this opportunity to review and comment on these matters.

Sincerely,



Robert S. M. Namara

JALee:on

cc: Mr. R. Demuth

TRANSLATION

Dear Mr. Minister,

I am most grateful for your invitation to take part in a meeting with the UNDP, UNESCO, the European Investment Fund and FAC, for the purpose of exchanging information in order to improve coordination of efforts in the Entente countries.

I am pleased to inform you that Mr. Duncan Ballantine, Director of the Education Projects Department, will represent the Bank Group. He will be accompanied by one or two of his colleagues. Mr. Ballantine will contact you directly to make all necessary arrangements.

I should like to express my thanks for your initiative which confirms once again the excellent cooperation which exists between your agency and the Bank Group.

Yours sincerely,

489/7/216

DEC 8 1971

Monsieur le Ministre,

Je suis particulièrement sensible à votre invitation de participer à une réunion entre la Banque Mondiale, le Programme des Nations Unies pour le Développement, l'UNESCO, le Fonds Européen et le Fonds d'Aide et de Coopération, pour des échanges de vues devant conduire à une meilleure coordination de leurs interventions dans les pays de l'Entente.

Je suis heureux de vous informer que Monsieur Duncan Ballantine, Directeur du Département des projets éducatifs, représentera le Groupe de la Banque. Il sera accompagné d'un ou deux de ses collaborateurs. Monsieur Ballantine se mettra en rapport directement avec vos services pour les dispositions à prendre.

En vous remerciant de votre initiative qui confirme une fois de plus l'excellente collaboration qui existe entre vos services et les nôtres, je vous prie d'agréer, Monsieur le Ministre, l'expression de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Monsieur Yvon Bourges
Secrétaire d'Etat
Secrétariat d'Etat auprès du
Ministère des Affaires Etrangères
20, rue Monsieur
Paris 7^e, France

RChaufournier:seb

489/7/215

DAVIES
METEMOND
GENEVA

December 8, 1971

Telex

SWITZERLAND

REURTEL DECEMBER 7. YOUR PROPOSAL FOR HANDLING ACC CONSOLIDATED
DOCUMENT ON ENVIRONMENTAL ACTIVITIES ACCEPTABLE TO ME.

(Signed) Robert S. McNamara¹

McNAMARA
INTBAFRAD

Robert S. McNamara

~~RSMcNamara~~:RHDemuth:jg

cc - Office of the President (2) ✓

489/7/214

December 8, 1971

Dear Hubert:

Thank you for your note about Edward Sinaga.

I have asked that the chief of the Indonesia Division in the Bank's East Asia and Pacific Department get in touch with him to discuss his work on the role of consultants in Indonesia's development activities. Mr. Sinaga should be hearing from the Bank shortly.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Hubert H. Humphrey
United States Senate
Washington, D.C. 20510

JEMerriam:Aljungh:ml

489/7/213

DEC 6 1971

Your Excellency:

It was indeed a very great pleasure for me to spend a few days in Thailand. The very considerable time which you and your colleagues so kindly gave me, and the friendly and frank discussions which ensued, made the visit extremely valuable and informative.

I am also very grateful to you personally for the gracious and generous hospitality which you extended to myself, my wife and members of my party.

In the years ahead the Bank stands ready to assist Thailand accelerate its rate of progress and I am confident that the close relationship which has developed between Thailand and the Bank over the years will continue in the future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Field Marshal Thanom Kittikachorn
Chairman, National Executive Council
Government House
Bangkok, Thailand

NAGibbs/ANeylan:jt
December 1, 1971

489/7/272

DEC 6 1971

Dear Mon Luang Thavisanta:

I would be most grateful if you would kindly convey my sincere appreciation to His Majesty for having graciously received myself, my wife and members of my party in audience on November 10.

The remarks of His Majesty concerning the widening income gap between rural and urban areas, the structure and organization of primary education and the development of the hill tribes were of particular interest and will provide valuable guidance for the Bank in its future work.

I would be most appreciative if you could kindly convey to His Majesty our willingness and determination to support actively the efforts of His Majesty's Government in the continuing development of the Kingdom of Thailand.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Mon Luang Thavisanta Ledavan
Office of the Royal Secretariat
Grand Palace
Bangkok, Thailand

NAgibbs/ANeylan:jt
December 1, 1971

489/7/277

DEC 6 1971

Dear Mr. Minister:

Now that I am back at the World Bank headquarters, I would like to express my gratitude for the warm and gracious hospitality which you extended to Mrs. McNamara, my colleagues, and myself during our visit to your country.

It was a very useful visit. It gave us an opportunity to observe at first hand the almost incredible economic recovery and growth of Japan, and the energy and creativity of its people.

I was particularly impressed with your government's dedication to helping increase the level of assistance which the more affluent countries are providing the less-developed regions of the world. I am confident, Mr. Minister, that we both share the conviction that this level must be substantially increased if the peoples of the developing countries are to have a reasonable chance to extricate themselves from a degrading and dangerous poverty.

I am gratified at your assurances that the close cooperation which has existed between the World Bank and Japan in this matter will continue to flourish and grow.

The luncheon you hosted for us was a memorable event in our stay. I hope, Mr. Minister, that you will convey to your colleagues in the government, and to all who helped arrange our program, my deep appreciation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Mikiio Mizuta
Minister of Finance
3-1-1 Kasumigasaki
Chiyodaku, Tokyo, Japan

LEChristoffersen/JIMaddux:dec
December 1, 1971

cc: Mr. R. J. Goodman

489/7/210



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

OFFICE OF THE PRESIDENT

DEC 6 1971

Dear Dr. Sawaki:

On returning to Washington I should like to send a special word of thanks to you, on behalf of my wife and myself, as the senior official chiefly responsible for organizing our recent visit to Japan and for devoting so much of your own time to making our stay pleasant and memorable.

During those four days in your country I was not only able to get to know the Ministers and officials concerned with development assistance, but also to gain some understanding of Japan's own remarkable experience during the past century. From both points of view the visit was of considerable value to me and my associates.

I would like to make particular mention of Mr. Ukawa, who not only managed the detailed arrangements with great efficiency, but was a most able interpreter at a number of our meetings.

Mrs. McNamara joins me in sending greetings to your wife.

With best regards,

Sincerely,

Robert S. McNamara

Dr. Maseo Sawaki
Director-General
Economic Cooperation Bureau
Ministry of Foreign Affairs
Kasumigaseki
Tokyo, Japan

*I am most grateful for all
you did & hope we
may meet again
soon.*

Bob

489/7/209

December 6, 1971

Dear Enche Ishak:

I wish to thank you and your colleagues for the warm welcome extended to my wife, myself and my associates during our visit to the Jengka Triangle. As you know I was most impressed by the physical size of the project particularly the logging operation. While I realize that your organization is facing very difficult problems, partly caused by severe adverse events outside your control, I am sure that the project, which is of great importance to Malaysia, is a viable one and that you will make every effort to overcome the present difficulties. We in the World Bank are ready to provide whatever advice and assistance we can in this important task.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Enche Ishak bin Tadin
Director-General
MARA
MARA Building
Jalan Tuanku Abdul Rahman
Kuala Lumpur, Malaysia

BGSandberg:usk

489/7/208

December 6, 1971

Dear Mr. Prime Minister:

I wish to thank you for the very warm welcome which Mrs. McNamara and I, and my associates received during our visit to Malaysia. The program enabled me to get an insight into the complex problems which your country and your Government face. After the briefings and the frank and forthright exchange of views that we had with your officials, and with you and your cabinet, I now have a much better understanding of the plans and efforts being made to solve them. The field visit to the Jungle Triangle was particularly stimulating and provided visual proof of the opportunities available to create a better life for the people of your country.

In addition to being informative our visit was also exceedingly pleasant. We would particularly like to thank you for the very enjoyable dinner at Sri Teman and, of course, for the colorful batik shirts which were provided for us.

We in the World Bank Group look forward to continued cooperation with your Government and hope that we can provide increased assistance for your efforts.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Tan Abdul Razak
Prime Minister of Malaysia
Kuala Lumpur
Malaysia

BGSandberg:vak

489/7/207

December 6, 1971

Dear Enche Hussa:

I wish to thank you and your staff for the very warm welcome extended to my wife, myself and my associates during our visit to the Jengka Triangle. The tour of parts of the land settlement scheme was both informative and enjoyable. As you know I was most impressed by the efforts being made by the FIDA to provide the opportunities for a better life for a large number of settlers on its various schemes.

We in the World Bank look forward to continued close cooperation with the FIDA and the opportunity to assist you in your efforts to expand your program of land settlement under the Second Malaysia Plan. We all wish you and your associates well in this important task.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Enche Hussa bin Hitam
Chairman
Federal Land Development Authority
Jalan Maktab
Kuala Lumpur, Malaysia

BGSandberg:vk

489/7/206

Dear Mr. Moon:

December 6, 1971

I wish to thank you and your staff for the very warm welcome extended to myself and my associates during our visit to Singapore. Your briefing, and that of Mr. Yang provided a background to, and the tour of Jurong gave us visual proof of, the success of your Government's policy to attract foreign investment to give employment to your people. As I told you I was immensely impressed by the job that you and your staff have done in implementing that policy.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Moon Wah Siang
Chairman
Jurong Town Corporation
Singapore

BGSandberg:vak

489/7/205

December 6, 1971

Dear Mr. Lee:

I wish to thank you and your staff for the warm welcome extended to myself and my associates during our stay in Singapore. Your briefing and the visit to Queenstown provided impressive evidence of the success with which you and your staff have implemented your Government's policy of providing low cost housing at rents which are within reach of all segments of your population. The low cost per unit that you have achieved is proof of the efficiency of your operations.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Lee Hee Seng
Chairman
Housing & Development Board
Singapore

BGSandberg:vmk

489/7/204

December 6, 1971

Dear Mr. Ministers:

I wish to thank you and your staff for the very warm welcome extended to my wife, myself and my associates during our visit to Singapore. The program that you had arranged was very informative and gave us some understanding of the factors behind the success of your Government in achieving accelerated and sustained economic growth. The visits to the Housing Board and Jurong Town Corporation as well as the meetings with officials, bankers, businessmen and economists all provided added insights.

We in the World Bank look forward to continued close cooperation with your Government and we will do what we can to assist you in your efforts to maintain the rate of growth and to provide a better life for your people. I am sure that these efforts will continue to be successful based as they are on a solid foundation of achievement over the past several years.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Hon Sui Sen
Minister for Finance
Ministry of Finance
Fullerton Building
Singapore 1
Singapore

BGSandberg:vank

489/7-1203

December 6, 1971

Dear Mr. Minister:

I wish to thank you for the warm welcome and hospitality extended to Mrs. McNamara, myself and my associates during our short visit to Singapore. The program that had been arranged was very interesting and informative and gave us an excellent overview of the very impressive achievements of your country in the past few years. I was particularly impressed by the success achieved in providing housing and employment for your people, both important parts of the better life which is the goal of our development efforts. The achievements of your family planning program are, of course, also making an important contribution to the success of these efforts.

In addition to the very informative meetings we had, we also enjoyed immensely the dinner which you gave at the Penthouse Negara. The beautiful view of your city at night, the lively demonstration by Mr. Howe of its changing skyline and the spirited discussion made the dinner both enjoyable and instructive.

We in the World Bank look forward to continued close cooperation with your Government and we will do what we can to assist you in maintaining the very impressive rate of growth that you have achieved in the past several years.

Sincerely,

((Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Dr. Goh Keng Swee
Minister for Defence
Ministry of Defence
Singapore

BJSandberg:vnk

483/7/202

DEC 6 1971

Dear Dr. Kanazawa:

Upon returning to Washington I have read with much interest the transcript of your discussion with Mr. Goodman after I had to leave. I am delighted to have a record of your remarks and regret only that my very tight schedule did not permit me to hear all of them in person.

I should like to confirm Mr. Goodman's suggestion that we keep in touch on the subject of developments in Mainland China. It would be most helpful to us if we could exchange information and views from time to time.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Maseo Kanazawa
Director General
Research and Analysis Bureau
Ministry of Foreign Affairs
Kasumigaseki
Tokyo, Japan

cc: Mr. W.D. Clark

RJGoodman/am

489/7/201

DEC 6 1971

Dear Mr. Jenks:

Thank you for your letter of November 24 enclosing a copy of the final report to the Government of Ceylon by the employment mission to that country recently organized by the ILO. The Bank was glad to be able to provide personnel for the mission and to assist in reviewing its draft report.

The report provides incisive insight into the nature of the employment problem in Ceylon, and contains many valuable suggestions for action to deal with it. We in the Bank will be glad to cooperate in all appropriate ways in subsequent steps to translate the report's recommendations into specific activities. We will also be interested in the reaction to the report by persons concerned with development in other international and national agencies, as well as in the academic community.

As you know, the Bank attaches great importance to coordinating its own examination of the economic policies and programs of the developing countries with the work of ILO and other agencies. We look forward to strengthening our cooperation with the ILO, particularly with your policies and activities concerned with the problem of unemployment in the developing world.

With warm regards.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Wilfred Jenks
Director-General
International Labor Office
CH 1211
Geneva 22
Switzerland

AEElmendorf/RHDemuth:lp

cc: Office of the President (2)
Mr. Blobel/Mr. Roulet
Mr. Hawkins

489/7/200

MEMORANDUM FOR THE RECORD

Project Summaries for Project Logbook

In cooperation with Messrs. Clark and Lind, new procedures have been worked out for the completion of Project Summaries to be inserted in the President's Project Logbook. Mr. Ljungh and I met today with Mr. Roessner of the Information and Public Affairs Department, and the following was agreed to:

(a) Mr. Roessner, who is responsible for preparing press releases for Board approved projects, will, parallel with preparing these draft press releases, also prepare the Project Summary in cooperation with the relevant Area Department. The draft project summary will be sent to the Office of the President two days prior to the relevant Board meeting when it will come up for discussion.

(b) It will then be included in the President's Briefing Book, which is normally submitted to the President the day prior to the Board meeting. The President may thereby have a chance to review the summary and, if needed, suggest any changes.

(c) After the Board meeting, the Personal Assistant to the President will return the draft project summary, with any suggested changes, to Mr. Roessner who will then finalize it into the Project Logbook.

(d) Since at present there is a backlog of unfinished project summaries dating back to July of this year, Mr. Roessner will update the Project Logbook for projects approved in FY72 so far and submit them to the President's Office by December 15.

- cc: Mr. McNamara
- Mr. Wm. Clark
- Mr. Cope
- Mr. Roessner
- Mr. Ljungh

L.E. Christoffersen
December 3, 1971

LEC:m1

489/7/199

DEC 1 1971

Dear Dr. Serm:

I would like to thank you most warmly for the gracious and friendly hospitality which was extended to me, my wife and members of my party during our visit to Thailand.

I particularly appreciated the frank discussions which I was able to have with you and your colleagues and I am sure they will prove valuable in continuing the close cooperation which exists between Thailand and the Bank.

The arrangements which you had so kindly made for me and my party were excellent throughout and enabled us to achieve a very substantial program during our stay.

It was a most satisfactory visit and I would like you to know how grateful I am for all you did for us.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Serm Vinichayakul
159 Soi Asoke
Sukumit Road
Bangkok, Thailand

NAGibbs/ANeylan:jt
November 30, 1971

489/7/198

DEC 1 1971

Dear Khun Boonma:

It was a great pleasure for me to visit Thailand. Thanks to your invaluable help I was able to visit the North, Northeast and Central Regions and to meet many of the distinguished officials of your Government in a short space of time.

I am particularly grateful for the excellent arrangements which were made for me and the members of my party and for the very friendly reception we received from all whom we had the pleasure to meet.

I would be very pleased if you would kindly pass on my thanks to Khun Chanchai and the staff of the Fiscal Policy Office who had so much to do with the success of our visit.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Khun Boonma Wongswan
Under-Secretary of State
Ministry of Finance
Bangkok, Thailand

NAGibbs/ANeylan:jt
November 30, 1971

489/7/197

DEC 1 1971

Dear Governor Bisudhi:

I would like to thank you most warmly for the friendly and gracious hospitality which was extended to me, my wife and the members of my party during our stay in Thailand.

It was a great pleasure to visit Thailand and I am particularly grateful for all the arrangements which the Bank of Thailand made to help ensure the success of our stay. I would like to mention how much we enjoyed the excellent dinner which you so kindly gave us at Chiangmai and for the opportunity of seeing something of Bangkok during our trip on the Chao Phya in the Bank of Thailand boat.

I would also like to express my great appreciation for the help the Bank of Thailand has given to the Bank in its work in Thailand over the years and I look forward to continuing this close relationship with the Bank of Thailand in the years ahead.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Khun Bisudhi Nimmanahaeminda
Governor
Bank of Thailand
Bangkok, Thailand

NAGibbs/ANeylan:jt
November 30, 1971

489/7/196

DEC 1 1971

Dear Secretary Tanco:

I would like to thank you for the kind hospitality and able assistance received by my wife, myself, and my associates during my recent visit to the Philippines. As you know, I have been particularly interested in agricultural development in new nations and for this reason particularly appreciated the opportunity of talking with you and meeting officials at IRRI and Los Baños. I would also like to express our thanks for the delightful lunch you hosted at Los Baños.

We at the World Bank look forward to a continuance of the close relations with your Government in the years to come and hope that we can increase our support of your development efforts.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Honorable Arturo R. Tanco
Secretary
Department of Agriculture and
Natural Resources
Quezon City, Philippines

MAGould:mfb

489/7/195

Dear Secretary Melchor:

I would like to express to you my warm appreciation for a very interesting and enjoyable trip to the Philippines. The program which you helped to arrange for me and my associates provided a valuable understanding of the problems and prospects for economic and social development in the Philippines. Mrs. McNamara also asked me to convey her appreciation to your wife for so graciously taking time to accompany her on the tours of Manila and Los Baños. I would also like to thank you, Mr. Mirasol and the other members of your staff for organizing the logistical details of our stay in such a competent and pleasant manner.

It is my hope that the World Bank Group will be able to play an increasingly active role in assisting your considerable efforts to promote economic development and the welfare of the Filipino people.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Honorable Alejandro Melchor
Executive Secretary
Malacañang, Manila
Philippines

MAGould :mfb

489/7/194

December 1, 1971

Dear Ambassador Kira:

May I use this opportunity to thank you for your warm hospitality in Osaka and Kyoto.

I very much appreciated the opportunity of discussing Japan's social and economic development with you. The luncheon you hosted in the beautiful city of Kyoto was a memorable experience for all of us. Mrs. McNamara and my associates join me in expressing our thanks for all you did to make our visit so interesting and enjoyable. Please extend our greetings to Mrs. Kira with our wishes for a speedy recovery.

With warm regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Ambassador Hidemichi Kira
Director-General
Osaka Liaison Office
Ministry of Foreign Affairs
c/o Osaka Fucho
Ohtemae-Cho, Higashi-Ku
Osaka, Japan

JLMaddux:LEChristoffersen:ml

FILE: Kira, H.
Special Correspondence

489/7/193

DEC 1 1971

Dear Mr. President:

I wish to thank you for the very warm welcome which Mrs. McNamara and I, together with my associates, received during our recent visit to the Philippines. The program which was organized for us provided a splendid opportunity to get acquainted with your country and to learn more about your country's development problems and prospects. The meetings with administrative officials, Congressional leaders and representatives of the private sector were interesting and useful and afforded a unique opportunity to learn about the development efforts which are being made on a number of fronts.

Our visit was not only informative but also thoroughly enjoyable. Mrs. McNamara and I would like to thank you and Mrs. Marcos especially for the very delightful lunch at Malacanang and the elegant and very pleasant dinner on the Presidential Yacht.

We in the World Bank Group look forward to a continuing close relationship with your Government and stand ready to assist in any way we can your efforts to further economic growth and improve the well-being of your people.

Once again, Mr. President, many thanks for a delightful and memorable stay in your country.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ferdinand E. Marcos
President of the Philippines
Malacanang, Manila
Philippines

MAGould:RSMcNamara:pay

489/7/192

DEC 1 1971

Dear President Watanabe:

I would like to express my gratitude for the gracious hospitality you extended to my associates and me during my visit to the Philippines. I very much appreciated the opportunity of meeting at your home members of ADB's staff and Board of Executive Directors. The informal, frank discussions were, I felt, most interesting and useful. I look forward to a continuation of the cooperative and cordial relationship which has existed between ADB and ourselves.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. Takeshi Watanabe
President
Asian Development Bank
Commercial Center, P. O. Box 126
Makati, Rizal D-708
Philippines

MAGould:mfb

489/7/1971

DEC 1 1971

Dear Mr. Secretary:

I would like to express to you my warm appreciation for helping to make my stay in the Philippines so interesting and enjoyable. The meetings which you helped to organize and run were most valuable in helping my associates and myself to learn more about the economic problems and prospects of your country. We particularly enjoyed the delightful dinner which you hosted at the Development Bank of the Philippines.

Mrs. McNamara has also asked me to convey her appreciation to Mrs. Virata for so graciously showing her about Manila and Los Banos.

It is my hope that the World Bank Group will be even more closely associated in the future with the efforts you are making to provide for economic and social development in the Philippines.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Cesar Virata
Secretary of Finance
Department of Finance
Manila, Philippines

MAGould:RSMcNamara:pay

C
O
P
Y

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAFRAD

489/7/190

HIS MAJESTY
KING HUSSEIN OF JORDAN
THE ROYAL PALACE
AMMAN

NOVEMBER 30, 1971

FULL RATE

JORDAN

ON BEHALF OF WORLD BANK WISH TO EXTEND TO YOUR MAJESTY MY DEEPEST
SYMPATHY ON UNTIMELY DEATH OF PRIME MINISTER WASFI TELL STOP
SINCERELY

ROBERT MCNAMARA

Robert S. McNamara
President

cc: His Excellency
Abdul Hamid Sharaf
Ambassador of the Hashemite
Kingdom of Jordan

MPBart
MPBenjenk

RCSpeller:ep
November 29, 1971

cc: Mr. Osman Ali

November 29, 1971

489/7/189

Dear George:

I shall be delighted to accept your invitation to attend the meeting on education in the developing countries, to be held at Bellagio, May 3 to May 5.

Many thanks for inviting me.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. J.G. Harrar
President
The Rockefeller Foundation
111 West 50th Street
New York, New York 10020

489/7/188

NOV 24 1971

Dear Mr. Minister:

When I returned to Washington from my recent trip abroad, I was very pleased to find your letter of October 27, 1971, informing the Bank that the Brazilian Government is releasing the 9 percent portion of Brazil's capital subscription, amounting to the equivalent of \$33,597,000, in convertible cruzeiros for use and re-use in the Bank's lending operations.

I wish to express my great appreciation for Brazil's decision, which will be of great help to the Bank in carrying out its development-lending program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Antonio Delfim Netto
Ministro da Fazenda
Ministerio da Fazenda
Rio de Janeiro, GB, Brazil

CEWebb:nfr
November 8, 1971

cc: Messrs. Knapp
Victor Chang
Barco
(Mr. McNamara's Office - 2) ✓

November 23, 1971

489/7/187

Dear Mr. Reid:

Thank you for sending me with your letter of October 28 your essay about the Bank Group. I read it with interest while on a trip to Asia from which I have just returned. You have produced a thought-provoking and useful commentary.

As for my detailed comments and suggestions, I believe both you and I may wish to be in the position of saying we have not discussed the detailed conclusions of your report.

I, too, enjoyed our talk in September and I hope we will have a chance to visit again.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Escott Reid
Canadian International
Development Agency
Ottawa 4, K1A 0G4
Canada

489/7/86

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

11/23

To Mr. Morrison
Duke, what insight I
suggest to Ted Kennedy
Lynn

EDWARD M. KENNEDY
MASSACHUSETTS

United States Senate

WASHINGTON, D.C. 20510

10/21 To Senator Kennedy

Many thanks for your statement

And I am most

October 21, 1971

grateful for your

*insightful observations
Now the trend toward
increasing opposition
can be reversed.*

The Honorable Robert S. McNamara
International Bank for Reconstruction
and Development
1818 H Street Northwest
Washington, D. C. 20433

Dear Bob:

*I'll call you upon
my return from Asia:
Best wishes
Ed*

Although we were successful in approving the authorization for IDA recently, the vote clearly indicates both a reluctance on the part of many Senators to turn funds over to multilateral agencies and a general decline in interest and concern for the developing nations.

I have attached my statement in support of the IDA contribution from the Record. I think perhaps we should give some thought to the ways in which the trend in opposition to foreign assistance, particularly multilateral assistance, can be reversed. Perhaps we can talk about this sometime soon.

With warm regards.

Sincerely,

Ed

Edward M. Kennedy

Enclosure

President has seen

489/7/185

November 23, 1971

Dear Mr. Ambassador:

I want to thank you for your kind letter of November 5, informing me that your Delegation intends to make a statement, possibly in the Fourth Committee, noting that the World Bank has made no loans to Portugal or South Africa since 1966.

I greatly appreciate your personal intervention in this matter and share your view that such a statement by your representative should clear up any remaining misunderstanding concerning the Bank's position.

With kind regards,

Sincerely,

Robert S. McNamara

His Excellency
Samar Sen
Ambassador Extraordinary and Plenipotentiary
Permanent Representative to the United Nations
Permanent Mission of India to the United Nations
3 East 64th Street
New York, N.Y. 10021

cc: Mr. McNamara's Office (2)

Mr. S.R. Sen (with copy of incoming letter)
Mr. Sella
Mr. G. Williams (IMF)

Central Files with incoming letter

LPChatenay/EFranco/RHDemuth:mmcd
November 16, 1971

489/7/184

NOV 23 1971

Dear Dr. Eppler:

Thank you very much for the English translation of the Development Policy Concept of the Federal Republic of Germany for the Second Development Decade.

This is an enlightened, comprehensive and forward looking policy paper and I congratulate you and your Government for having adopted and disseminated it. I particularly welcome, of course, the strong expressions of support for the World Bank Group of institutions and for the multilateral approach to development assistance in general, when it is efficiently organized. I was also glad to see the explicit recognition of the importance of coordination among various agencies supplying development assistance, both multilateral and bilateral. As you know, the Bank attaches great importance to efforts to coordinate assistance to particular developing countries and has devoted a good deal of effort to these endeavors with, I am happy to say, the active cooperation and support of your Government. I am very pleased to note that you share my deep concern about the problems facing the developing countries in the areas of employment, nutrition and family planning and also stress the importance of the "decisive" agricultural sector.

Finally, I am delighted that you have produced an English version of this important state paper. This will make it available to leaders of public opinion in many other countries, including my own, whose governments do not yet have as coherent and practical development policies as those adopted by the Federal Republic of Germany.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Erhard Eppler
Minister for Economic Cooperation
Kaiserstrasse 185-197
53 Bonn, Federal Republic of Germany

MLHoffman/pnn
November 19, 1971

cc: Mr. McNamara's files (2)
Mr. William Clark

480/7/183

November 22, 1971

Dear Mr. Garrity:

I should like to accept your invitation to meet with the Managing Directors of McKinsey & Company in January. Unfortunately, I am scheduled to be out of the country at that time.

With best wishes for a successful meeting,

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. John T. Garrity
McKinsey & Company, Inc.
1700 Pennsylvania Ave., N.W.
Washington, D.C. 20006

RSMcN:pay

489/7/182

November 22, 1971

Dear Mr. Rice:

I very much regret that a prior commitment will prevent me from accepting your invitation to speak at the reception for Mr. Hoffman on Tuesday, December 14. I wish it were otherwise.

With best wishes for a pleasant evening,

Sincerely,

((Signed) Robert S. McNamara

Robert S. McNamara

Mr. Andrew E. Rice
Society for International Development
1346 Connecticut Avenue, N.W.
Washington, D.C. 20036

RMcN:pay

489/7/181

November 22, 1971

Dear Mr. Lisberger:

I know I shall disappoint you by saying it will not be possible for me to assist you in your study on my role of Secretary of Defense. I have been besieged by requests from newsmen, scholars, and others for such information, and, because of my present position, as well as my reluctance to sit in judgment on my own activities, I have not been able to cooperate with any of them. It therefore becomes impossible for me to do so with you. I wish it were otherwise.

With best wishes for success in your new project,

Sincerely,

ROBERT S. McNAMARA

Robert S. McNamara

Mr. Charles Lisberger
Freshman Advisor
Office of the President
Drew University
Madison, New Jersey 07940

RSMcN:pay

489/7/176

LEIF CHRISTOFFERSEN
MERLIN HOTEL
KUALA LUMPUR

NOVEMBER 15, 1971

FULL RATE

MALAYSIA

12

ALPHA SIX FROM ALDEWERELD. RE FOREIGN AID SITUATION ON THE HILL STOP MERRIAM
REPORTS QUOTE BILATERAL BILL AWAITS DECISION BY HOUSE STOP AID SAYS COMMITTEE
TRYING TO MOVE EARLIER COMMA POSSIBLY REDUCED COMMA HOUSE-PASSED BILL TO
CONFERENCE BY SPECIAL RULE THUS AVOIDING FLOOR VOTE NOW STOP BUT MOOD OF HOUSE
UNCERTAIN AND LEADERS MAY FEEL IMMEDIATE FLOOR CONSIDERATION IS NECESSARY STOP
THIS ISSUE SHOULD BE SETTLED THIS WEEK STOP IN SENATE COMMA ELLENDER HOLDING
UP CONTINUING RESOLUTION IN ORDER FORCE AUTHORIZATION BILL FORWARD STOP AID
HAS PAYROLL NOT COVERED BEYOND NOVEMBER TWENTYTHIRD STOP IN SUM HOUSE STRATEGY
LIKELY TO BE SETTLED THIS WEEK COMMA WITH AUTHORIZING BILL IN CONFERENCE BY
THANKSGIVING UNQUOTE END LJUNGH NOW ABOARD STOP REGARDS STROUD

Margaret S. Stroud
Office of the President

mss

489/7/175

LEIF CHRISTOFFERSEN
SAVOYOTEL
MANILA

NOVEMBER 12, 1971

~~TELEX~~ FULL RATE

PHILIPPINES

11

ALPHA FIVE. RE GERMAN BORROWING, HAVE EXPLORED POSSIBILITY PRIVATE PLACEMENTS. GENOSSENSCHAFTSKASSE NOT INTERESTED. WESTDEUTSCHE LANDESBANK COULD PLACE DM ONE HUNDRED MILLION PRIVATELY AT MINIMUM OF EIGHT AND ONE QUARTER BUT MORE LIKELY CLOSE TO EIGHT AND THREE EIGHTHS PERCENT COST TO US. THEY ADVISE US THAT SINCE THIS COST SUBSTANTIALLY HIGHER THAN COST PUBLIC ISSUE IT IS IN WORLD BANK INTEREST TO PROCEED WITH PUBLIC ISSUE FOR FULL AMOUNT OF DM TWO HUNDRED FIFTY MILLION. THEY INTEND TO PROPOSE ADDITIONAL BORROWING BY WORLD BANK THROUGH PRIVATE PLACEMENT BY WESTDEUTSCHE LANDESBANK AFTER MID JANUARY SEVENTYTWO AT WHICH TIME THEY HOPE TO BE MORE COMPETITIVE. INFORMED HANKEL WHO AGREES THAT WE PROCEED WITH PUBLIC ISSUE FOR FULL AMOUNT OF DM TWO HUNDRED FIFTY MILLION IN DECEMBER. HAVE INFORMED DEUTSCHEBANK ACCORDINGLY. END ALDEWERELD. HAUENSTEIN ADVISES ONE PACKAGE VIA BOAC SHOULD ARRIVE KUALA LUMPUR ~~BY~~ 2035 NOV FIFTEEN ON BA SEVEN EIGHT EIGHT. SECOND PACKAGE FORWARDED AIRFREIGHT AIRWAYBILL NUMBER 012-703936 SHOULD ARRIVE JAL SEVEN ONE THREE AT 1815 NOV FIFTEEN ADDRESSED K. C. DAT AT KUALA LUMPUR AIRPORT. HAVE CABLED HIM NECESSARY INFORMATION RE THIS SHIPMENT AND HE WILL ARRANGE DELIVERY TO HOTEL. WE DECIDED AIRFREIGHT NO DOUBT QUICKER THAN AIRMAIL. REGARDS STROUD

Margaret S. Stroud

Office of the President

mss

489/7/174

LEIF CHRISTOFFERSEN

NOVEMBER 11, 1971

SAVOYOTEL

TELEX

MANILA

PHILIPPINES

10

ALPHA FOUR EGYPT HAS NOTIFIED US THAT IT IS TAKING STEPS PROMPTLY TO JOIN
ICSID STOP EGYPT RAILWAY PROJECT STOP PREPARATION OF DRAFTS OF DEBT RESCHEDULING
AGREEMENT MAKING GOOD PROGRESS BUT BECAUSE THEY NEED FINAL APPROVAL OF AMOUNTS IN
CAIRO SIGNING EARLIEST ABOUT THREE WEEKS FROM NOW STOP IN VIEW PAST EXPERIENCE
EGYPTIAN NEGOTIATIONS BELIEVE WE SHOULD NOT NOW DISTRIBUTE DOCUMENTS TO EXECUTIVE
DIRECTORS EVEN FOR CONSIDERATION ON DATE TO BE DETERMINED STOP PARAGRAPH
DISTRIBUTING MALAYSIAN DOCUMENTS FOR CONSIDERATION NOVEMBER TWENTYTHREE BUT MAY
HAVE TO DEFER IF NECESSARY GOVERNMENTAL ACTION NOT COMPLETED STOP SANDBERG NOW IN
MALAYSIA PURSUING MATTER REGARDS

LEE

Muriel Lee

Office of the President

489/7/173

LEIF CHRISTOFFERSEN
ERAWAN HOTEL
BANGKOK

NOVEMBER 10, 1971

FULL RATE

THAILAND

9

ALPHA THREE FROM ALDEWERELD. TELEPHONED HANKEL TODAY WEDNESDAY. GERMAN AUTHORIZATION FOR DM TWO HUNDRED FIFTY MILLION BORROWING IN DECEMBER STILL STANDS. HE SUGGESTS THAT BEFORE DECIDING ON TWO HUNDRED FIFTY MILLION PUBLIC ISSUE THROUGH DEUTSCHEBANK WE EXPLORE POSSIBILITY OF FIFTY MILLION TO ONE HUNDRED MILLION DM SIMULTANEOUSLY PLACED PRIVATE ISSUE EITHER WITH WESTDEUTSCHE LANDESBANK OR GENOSSENSCHAFTSKASSE AND IF SUCCESSFUL REDUCE AMOUNT PUBLIC ISSUE ACCORDINGLY. HE IS NEGATIVE TO "PARTNERSHIP" FOR WORLD BANK BUSINESS BETWEEN DEUTSCHEBANK AND WESTDEUTSCHE LANDESBANK. AM EXPLORING THIS WILL KNOW MORE BY FRIDAY. TODAYS PRESS REPORTS THAT ALLENDE ANNOUNCED THAT CHILE WILL ASK FOREIGN CREDITORS TO RENEGOTIATE DEBTS HOWEVER CHILEAN EMBASSY HAS TOLD US THROUGH MEY THAT THIS DOES NOT REFER TO DEBTS TO INTERNATIONAL FINANCIAL ORGANIZATIONS. IN CONNECTION YOUR TOKYO VISIT SOEJIMA REPORTS OFFER OF ADDITIONAL OFFICE SPACE ON SAME FLOOR OF BUILDING. YOU AGREED EARLIER EXPANSION UP TO FIFTY PERCENT IN SPACE AT COST THEN ESTIMATED APPROXIMATELY THIRTY SIX THOUSAND DOLLARS ADDITIONAL ANNUAL COST OR TWENTY ONE PERCENT ABOVE SEVENTY TWO BUDGET. NEW PROPOSAL INVOLVES

Margaret S. Stroud
Office of the President

mss

89/5/192

PAGE TWO

EXPANSION IN OFFICE SPACE BY SIXTY SIX PERCENT AND IN ANNUAL COSTS BY FORTY SIX THOUSAND DOLLARS OR TWENTY SEVEN PERCENT ABOVE SEVENTY TWO BUDGET. UNDERSTAND FROM SOEJIMA THAT YOU INSPECTED SPACE AND RAISED NO OBJECTION. PLEASE CONFIRM THAT HE MAY PROCEED SUBJECT TO APPROVAL OF FINAL ARRANGEMENTS BY HEADQUARTERS. END ALDEWERELD. FOR MR. MCNAMARA FROM VANCAMPENHOUT. REFERRING OUR LAST CONVERSATION, HAPPY INFORM YOU STEDTFELD HAS ~~EN~~ NOW CONFIRMED HIS AGREEMENT WITH MEMORANDUM OF NOVEMBER FIRST. REGARDS STROUD

489/7/172

LEIF CHRISTOFFERSEN
ERAWAN HOTEL
BANGKOK

NOVEMBER 9, 1971

FULL RATE

THAILAND

8

BETA FOUR FROM LIND. PAY BOARD SET 5.5% WAGE INCREASE STANDARD AGAINST STRONG LABOR OBJECTIONS. RETROACTIVITY REFUSED.

POST AND TIMES REPORT NEW AID AUTHORIZATION BILL OF 2.33 BILLION SCHEDULED FOR SENATE FLOOR DEBATE WEDNESDAY WHILE FULBRIGHT SERVED NOTICE HE WILL OPPOSE EXTENSION OF CONTINUING RESOLUTION BEYOND MONDAY NEXT.

POST CARRIES COLUMNS ON FOREIGN AID BY CHILDS AND BRADEN PLUS ARTICLE BY HANNAH AND EDITORIAL.

CHILDS HOPEFUL COMPROMISE SEPARATING MILITARY AND ECONOMIC AID WILL INSURE PASSAGE OF THOSE ELEMENTS ESSENTIAL FOR THE CONTINUITY OF DEVELOPMENT AID ALTHOUGH IN REDUCED VOLUME. "FOR THE US, THE RICHEST NATION, TO BE A DROPOUT ON FOREIGN AID IS INTOLERABLE."

BRADEN REPORTS MANY IN NIXON ADMINISTRATION LESS CONCERNED AID DEFEAT THAN PUBLIC STATEMENTS SUGGEST. HE SINGLES OUT KISSINGER AND BURNS CONCEDING MANY POINTS MADE BY CHURCH AND SUGGEST THERE IS WIDESPREAD AGREEMENT THAT AID IS "A PROVED FAILURE." HANNAH PLEADS FOR CONTINUING RESOLUTION AND CAREFUL UNHIRRIED REVIEW OF PROPOSED

Margaret S. Stroud

Office of the President

mss

PAGE TWO

REFORMS. TURNING OVER ALL AID FUNDS TO MULTILATERAL AGENCIES WOULD "OVERLOAD THEIR ADMINISTRATIVE CAPACITIES AND VIOLATE THEIR INTERNATIONAL CHARACTER." POST EDITORIAL ALSO ASKS FOR MORE TIME FOR STUDY WITH A CONTINUING RESOLUTION EXTENDING CURRENT PROGRAM FOR THREE TO FOUR MONTHS. END LIND. PLEASE ADVISE IF CONTINUATION OF BETA SERIES NECESSARY. REGARDS. STROUD

PAGE TWO

POST SEVEN PUBLISHES A 1000-WORD STORY FROM NOSSITER "BRITAIN INCREASING ITS FOREIGN AID," USING SPEECH FROM THE THRONE PLEDGING INCREASED AID TO LDCS AND DEPENDENT TERRITORIES. BRITISH FOREIGN ASSISTANCE ROSE TO FIVE HUNDRED THIRTY FIVE MILLION ~~XXXX~~ DOLLARS LAST YEAR AND WILL CLIMB TO EIGHT HUNDRED FIFTY MILLION DOLLARS IN NEXT THREE AND A HALF YEARS.

WASHINGTON STAR SEVENTH CARRIES STORY FROM O'LEARY ON "NIXON ASKED BY OAS TO RESUME LATIN AID" BASED ON LETTER TO NIXON FROM GALO PLAZA, SANTAMARIA AND CHAIRMAN INTERAMERICAN COUNCIL ON EDUCATION SCIENCE AND CULTURE ROJAS. GALO PLAZA PREDICTS US WILL EXEMPT LATIN AMERICA FROM SURCHARGE.

ACCORDING TO NYT US WILL CANCEL LICENSES TO SHIP ARMS TO PAKISTAN TODAY.

NYT REPORTS FROM UN THAT PLANS FOR UNITED NATIONS UNIVERSITY WITH ~~XTREME~~ STRING OF POSTGRADUATE RESEARCH CENTERS AROUND THE GLOBE MADE SUBSTANTIAL PROGRESS RECENT MONTHS AND MAY COME TO A VOTE CURRENT GENERAL ASSEMBLY.

GARY WILLS COLUMN TODAY'S POST ENTITLED "THE GREENING OF MCNAMARA" BASED ON TREWHITT'S BOOK AND JOHNSON'S MEMOIRS. MAIN POINT IS POLITICIZING OF DATA AT EVERY LEVEL OF ACTION AND HOW THIS PROCESS LEADS TO AN "ORCHESTRATION OF OFFICIAL UNTRUTH". STROUD

LEIF E. CHRISTOFFERSEN
RincomHOTEL
CHIENG MAI

BOOK OF TWO CABLES
ERAWAN HOTEL
BANGKOK

NOVEMBER 8, 1971

THAILAND

THIALAND

6

BETA THREE. FROM LIND. SUNDAYS POST QUOTES MANSFIELD SAYING SENATE PROBABLY UNABLE PASS CONTINUING RESOLUTION BEFORE MIDNOVEMBER CURTAILMENT AID FUNDS, NEW SENATE AUTHORIZATION PROPOSALS DUE FLOOR VOTE MIDWEEK. HOUSE VOTES TOMORROW ON CONTINUING RESOLUTION.

WEEKEND FEATURES INCLUDE PLEAS FOR PROGRAM FROM MARDER IN POST, RESTON IN TIMES, DAVID LAWRENCE IN STAR. SUNDAYS OUTLOOK FRONTPAGES FULL TEXT CHURCH'S "FAREWELL TO FOREIGN AID."

SUNDAYS POST CARRIED LETTER FROM EX-AID OFFICIAL RUBIN "MISCONCEPTIONS ABOUT AID" SAYING NO "MAGIC" IN MULTILATERALISM, THAT IBRD NO MORE EFFECTIVE THAN AID NOR ARE COSTS LOWER OR PERSONNEL BETTER. "THOSE ADVOCATING AID BASED ENTIRELY ON MULTILATERAL AGENCIES HOWEVER THEORETICALLY ATTRACTIVE ARE REALLY ADVOCATING ENORMOUS AID CUT."

HALLORAN IN NYT REPORTS ON "ECONOMIC AID ASKED IN JAPAN BY MCNAMARA AND MCCRACKEN" GIVING MIXED SUMMARY OF THEIR ACTIVITIES TOKYO NOVEMBER FIVE AND SIX WITH EXCERPTS OF MCNAMARAS PREPARED PRESS CONFERENCE.

Margaret S. Stroud

Office of the President

489/7/171

LEIF E. CHRISTOFFERSEN
ERAWAN HOTEL
BANGKOK

NOVEMBER 8, 1971

X

FULL RATE

THIALAND

7

ALPHA TWO FROM ALDEWERELD. MET WIECZOROWSKI AND FINKEL OF US TREASURY AT LUNCH TODAY MONDAY. THEY ASKED WHY NOT ALLOW SPILLOVER FROM ONE FISCAL YEAR TO NEXT, THUS SPREADING WORKLOAD AND REDUCING BURDEN ON GOVERNMENT STAFF WHICH UNDER PRESENT SETUP HAS TO BE GEARED TO MEETING PEAK LOAD END FISCAL YEAR. THEY ALSO RAISED QUESTION WHETHER SLIPPAGE IS CAUSED BY LIMITS ON CAPACITY OF BORROWERS TO PROCESS PROJECTS COMPOUNDED BY TOO RAPID INCREASE OUR STAFF. TRIED TO DISPEL THESE MISCONCEPTIONS WHICH I CONSIDER SERIOUS. FEEL THAT YOU UPON RETURN WILL NEED FOLLOW UP AT HIGH LEVEL BEFORE POSITIONS GET FROZEN. AM GIVING THOUGHT TO PREPARATION BACKUP PAPER TO BE READY ON YOUR RETURN GIVING CONVINCING REPLY WHICH PAPER YOU COULD USE IN YOUR DISCUSSIONS. MEANWHILE AM CONTINUING TO PRESS IMPORTANCE OF MEETING SCHEDULES WITH INDIVIDUAL DEPARTMENTS.

RICKETT ASKED ME TO PASS ON TO YOU THAT ON FRIDAY WIECZOROWSKI SAID THAT THE US TREASURY WERE NOW HAVING SECOND THOUGHTS ABOUT THE DESIRABILITY OF BRINGING THE IDA BILL ONTO THE FLOOR OF THE HOUSE IN THE FIRST HALF OF DECEMBER. WIECZOROWSKI SAID THAT IT WOULD BE IN NO ONE'S INTEREST TO DO THIS IF THE RESULT WERE THAT IT WAS DEFEATED. WIECZOROWSKI EMPHASIZED THAT NO DECISION HAD YET BEEN TAKEN, ONLY

Margaret S. Stroud

Office of the President

mss

PAGE TWO

THAT THE MATTER WAS BEING CONSIDERED. THE ONLY COMMENT RICKETT MADE WAS THAT IN THE PAST THE IDA LEGISLATION HAD NOT GAINED FROM DELAY. RICKETT REQUESTS TO LET US KNOW WHETHER YOU WISH HIM TO MAKE REPRESENTATIONS TO THE US TREASURY ABOUT THIS. ALTER REPORTS THAT AS ALTERNATIVE TO THE COLOMBIAN REQUEST FOR A ONE HUNDRED MILLION DOLLAR PROGRAM LOAN SOUTH AMERICA DEPARTMENT HAS DISCUSSED WITH THE COLOMBIAN GOVERNMENT PROPOSAL FOR ~~KKK~~ FIFTY TO SEVENTY MILLION DOLLAR LOAN (PACKAGE) TO CONSIST OF: ONE, FINANCE FOR IMPORTS TO BE USED BY PRODUCTIVE SECTOR, WITH LOCAL CURRENCY AVAILABLE TO BUDGET; TWO, CREDIT PROGRAM FOR FINANCING PRODUCTIVE CAPACITY OF AGRICULTURE AND INDUSTRY SERVING THE EXPORT MARKET; AND THREE, CREDIT PROGRAM FOR PROVIDING WORKING CAPITAL OF EXPORT SECTOR. LOAN WOULD REQUIRE AN UNDERSTANDING BETWEEN THE BANK AND THE COLOMBIAN GOVERNMENT REGARDING FISCAL MEASURES, EXPORT PROMOTION PROGRAMS, AND OPERATION OF THE IMPORT CONTROL PROGRAM. DISBURSEMENTS UNDER THE LOAN WOULD BE RELATED TO FULFILLMENT OF THESE UNDERSTANDINGS. END.

REGARDS. STROUD

489/7/1968

LEIF E. CHRISTOFFERSEN
ROYAL HOTEL
OSAKA

NOVEMBER 3, 1971

FULL RATE

JAPAN

1

FOLLOWING TEXT OF INFORMATION CABLE SENT TODAY: TODAY'S WASHINGTON AND NYORK TIMES REPORTS THAT QUOTE DESPITE NEW ADMINISTRATION APPEALS THE DEMOCRATIC LEADERSHIP OF THE SENATE BALKED TODAY AT PROPOSALS FOR A NINETY-DAY EXTENSION OF THE FOREIGN AID PROGRAM FINANCED AT LAST YEAR'S \$2.64 BILLION ANNUAL RATE. INSTEAD FULBRIGHT INDICATED THAT HIS PANEL WOULD HAVE AN INTERIM MEASURE READY FOR SENATE CONSIDERATION EARLY NEXT WEEK.

SHELDON ON FIRST PAGE CHRISTIAN SCIENCE MONITOR GIVES A 1,000-WORD ACCOUNT, QUOTE CONGRESS TESTS PRESIDENTIAL POWER UNQUOTE. WASHINGTON POST ON PAGE ONE SAYS, QUOTE ELLENDER OPPOSES AID FUND UNQUOTE. ROGERS WARNS NIXON DOCTRINE IS THREATENED.

QUOTE ROGERS SAID IT WOULD UNDERMIND THE NIXON DOCTRINE, UNDER WHICH THE UNITED STATES GRADUALLY WITHDRAWS TROOPS FROM VARIOUS PLACES AND LETS INDIGENOUS FORCES DO THE FIGHTING WITH US EQUIPMENT AND ECONOMIC AID UNQUOTE. ~~WIK~~ WHILE SENATE APPROPRIATIONS COMMITTEE CHAIRMAN ALLEN J. ELLENDER ANNOUNCED YESTERDAY THAT HE WILL OPPOSE EMERGENCY FINANCING FOR THE PROGRAM.

Margaret S. Stroud

Office of the President

PAGE TWO

WASHINGTON POST CARRIES A NEWS ANALYSIS WITH QUOTE SENATE, WHITE HOUSE GIRD FOR STRUGGLE. SENATE WAR CRITICS ARE PLANNING A NEW ATTEMPT TO PIN DOWN THE NIXON ADMINISTRATION ON ITS INTENTIONS TO KEEP "RESIDUAL" US FORCES IN INDOCHINA, AS A PRICE ~~XXX~~ FOR AN "INTERIM" FOREIGN AID BILL UNQUOTE.

WALL STREET JOURNAL UNDER TITLE "BUSINESS AND FOREIGN AID" SAYS "US FIRMS PUSH TO GET AID BILL RESURRECTED; THE STAKES: ABOUT \$1 BILLION IN ANNUAL SALES" AND ANALYZES AND FIGURES THE IMPORTANCE OF THE AID BILL FOR ALL THE BUSINESS COMMUNITY.

WASHINGTON POST CONTAINS LETTER FROM MSGR BORDELON OF US CATHOLIC CONFERENCE SAYING SENATE ACTION IN THE LONG RUN WAS BLESSING, MOMENT OF TRUTH HAS COME. WE MUST ANSWER SUCH QUESTIONS AS: ONE "WHY HAVE AN ASSISTANCE PROGRAM?" TWO "CAN THE UNITED STATES, ACTING BINATIONALLY, BE AN INSTRUMENT OF DEVELOPMENT?" ETC.

WASHINGTON POST EDITORIAL POINTS THAT THE FOREIGN AID DEBATE IN THE SENATE MAKES THREE THINGS CLEAR: FIRST, THE ORIGINAL THREAT TO KILL THE AID PROGRAM CAME FROM THE PRESIDENT WHO PASSED THE WORD HE WOULD VETO ANY BILL CONTAINING THE

PAGE THREE

COOPER-CHURCH AMENDMENT; THE SECOND POINT EMERGING FROM THE DEBATE IS THAT CRITICS OF AID REPRESENT EVEN MORE DEEPLY AND ASYMMETRICALLY OPPOSED VIEWPOINTS THAN HAD BEEN PREVIOUSLY SUPPOSED; AND THIRD, THE TEMPER OF THE DEBATE WAS EMOTIONAL TO THE POINT OF BEING RANCOROUS, EVEN BY THE STANDARDS OF THE SENATE."

AN EDITORIAL ON THE SAME SUBJECT IN CHRISTIAN SCIENCE MONITOR CONCLUDES: "OBVIOUSLY THE MACHINERY AND ATTITUDES TOWARD AID WHICH GREW UP IN THE COLD WAR AND WERE ADJUSTED TO THE VIETNAM WAR ARE ALREADY OBSOLETE. THE WHOLE PROGRAM NEEDS THOROUGH OVERHAUL. PRESIDENT NIXON FORESAW THIS NEED SOON AFTER HE TOOK OFFICE AND CALLED FOR A REVIEW. A COMMISSION, HEADED BY RUDOLPH PETERSON, FORMER PRESIDENT OF BANK OF AMERICA, DID THE REVIEW AND CAME UP WITH BROAD PROPOSALS.

"THEY MAKE A LOT OF SENSE NOW. A MAIN PROPOSAL IS THAT HUMANITARIAN AND DEVELOPMENT AID BE CHanneled FROM NOW ON THROUGH INTERNATIONAL ORGANIZATIONS SUCH AS THE WORLD BANK. AT PRESENT ALL AID IS MIXED UP IN POWER POLITICS."

EVENING STAR AND NEWS ALSO CARRY LONG STORIES ON THE FOREIGN AID DEBATE.

IN OTHER EVENTS JOURNAL OF COMMERCE REPORTS THAT HOUSE SUBCOMMITTEE CLEARS

PAGE FOUR

AID OF \$1 BILLION (\$900 MILLION AS A NEW CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK AND \$100 MILLION FOR THE ASIAN DEVELOPMENT BANK).

CHINA: WASHINGTON POST CARRIES A 1,000 WORD FRONT PAGE STORY OF HOBART ROWEN ON "TAIWAN WITHDREW \$59.9 MILLION FROM IMF PRIOR TO UN VOTE" BASED ON HIS TALKS WITH BANK AND FUND OFFICIALS AND US TREASURY. END. STROUD

499/7/167

LEIF E. CHRISTOFFERSEN

NOVEMBER 3, -1971

ROYAL HOTEL

FULL RATE

OSAKA

JAPAN

#

2

FROM ALDEWERELD

GUTH TOLD ME TODAY THAT DESPITE WEAKENING OF GERMAN BOND MARKET HE SAW POSSIBILITY OF PUBLIC ISSUE SECOND HALF NOVEMBER OF DM 250 MILLION. PRESENT INDICATION COUPON SEVEN AND ONE HALF PERCENT, PRICE PAR, LIFE TEN YEARS. GERMAN FEDERAL RAILWAYS ISSUED OCTOBER 20 DM 330 MILLION, COUPON SEVEN AND THREE QUARTERS PERCENT, PRICE NINETY EIGHT AND THREE QUARTERS, LIFE ELEVEN YEARS. BETTER CONDITIONS FOR US INDICATED BY GUTH BECAUSE OF TAX ADVANTAGE ENJOYED BY NON-GERMAN PURCHASERS OF WORLD BANK BONDS. TOLD GUTH WE WOULD LIKE TO PROCEED SUBJECT TO SUBSEQUENT AGREEMENT BETWEEN US ON COUPON AND PRICE AND, AS AGREED DURING ANNUAL MEETING, SUBJECT TO MY CONSULTATION BY TELEPHONE WITH HANKEL UPON HIS RETURN TO BONN NOVEMBER TEN.

NOTHING TO REPORT FROM OTHER PARTS OF BANK GROUP. END ALDEWERELD
MESSAGE. REGARDS. YATES

MMK Pauline A. Yates

Office of the President

For Mr. McNamara's Office

49917/163

Baron Leon Lambert
Chairman
Banque Lambert
24, Avenue Marnix
Brussels 5, Belgium

NOV 2 1971

Dear Baron Lambert:

I am writing to seek your help and cooperation in a matter to which I attach the greatest importance for the effectiveness and efficiency of the World Bank Group. We are engaged in a substantial expansion of our activities and this, of course, entails a significant increase in our staff. We are, therefore, most anxious to ensure that our compensation arrangements are both equitable in relation to those of analogous institutions and well suited to our needs. It is for this reason that I seek your help.

We are undertaking a comprehensive review of all aspects of our staff compensation program and have retained the services of McKinsey and Company, an international management consulting firm, to assist us in this study. We have asked McKinsey in particular to survey salary levels and benefit programs in a limited number of international institutions, bilateral development agencies, academic institutions and a few private sector enterprises. They are at present preparing a booklet describing a number of positions in the Bank Group and if, as I hope, you agree to cooperate, would provide you with this booklet and ask for information about similar positions in the Banque Lambert together with a certain amount of background data (the size and composition of the professional staff, the salary structure and fringe benefits, etc.). Representatives of McKinsey would follow this up with a discussion with the appropriate officials on your staff in order to ensure that the data is correctly interpreted. At the conclusion of this survey McKinsey will provide you with a report of its results summarizing the information obtained but without disclosing information on individual organizations participating in the survey.

It occurs to me that you might regard as confidential certain of the information for which McKinsey will ask. If this is so, McKinsey would certainly ensure that such information is not disclosed to us or, with your agreement, is made available only to myself and my immediate associates. McKinsey has extensive experience in conducting compensation surveys where confidentiality is of prime importance. You may be sure that your wishes on this point will be fully respected.

/...

Baron Lambert

- 2 -

We expect to have the survey booklets ready in time to begin this survey early in November and we would hope that the information requested could be made available to McKinsey by the end of November. I appreciate that this is short notice but both McKinsey and we will do everything to ensure that the request for information from you is kept to the minimum consistent with adequate coverage for the survey. If, as I trust, you are able to confirm that the Banque Lambert will cooperate with us in the conduct of this survey, would you be good enough to indicate the person or office who will serve as a point of contact.

I would very much appreciate an early indication of your willingness to cooperate in this very important endeavor.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

RAClarke:ss
November 1, 1971

499/7/162

NOV 2 1971

Excellency:

When I was in Ethiopia a year ago, you told me that the Water and Sewerage Project for Addis Ababa was urgent and ranked high in your Government's development plans. We fully share this view and have given this project priority in our program of work. It was, as I think you know, appraised by a team from the Bank last December, and we were ready to negotiate a loan in April.

A precondition of our going ahead with a loan for this project and presenting the proposal to the Executive Directors of the Bank was, and is, that the Addis Ababa Water and Sewerage Authority should be financially viable. I believe we are in agreement that such viability can be achieved only if existing indebtedness incurred for the Lagadadi project is rescheduled, or refinanced. This viability is also dependent upon the Authority not becoming burdened with heavy payments to meet claims made by the Lagadadi contractors should these claims be found valid.

I am concerned that although it was known a year ago that the solution of these two problems was fundamental to the success of the project and the conclusion of a loan, little progress has been made.

I know that you are very much aware of the importance of reaching a new arrangement for financing the Lagadadi project and for assisting the Authority financially if necessary with respect to the contractors' claims, and I appreciate that you discussed these matters fully with Mr. Lejeune, both at the Consultative Group Meeting in May and the Bank's Annual Meeting in September. However, I would like you to know that I think it is very important for Ethiopia that this project go forward as soon as possible, but that this cannot be achieved until action is taken by the Ethiopian Government to resolve the problems I have outlined above.

I would hope that your Government would accord at this juncture to this project the high priority it deserves and be willing to take the measures necessary to overcome the present impasse, bring our loan negotiations to a conclusion and get the project underway.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ato Mammo Tadesse
Minister of Finance
Ministry of Finance
Addis Ababa, Ethiopia

MLLejeune:jms
November 1, 1971

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

477/51431
409/7/160

NOV 2 1971

Dear Paul:

I thank you for your letter of October 6, 1971, concerning the United Nations Volunteers Component in the Preparation of Country Programmes. We will keep in mind your request that the participating and executing agencies give consideration in the country programming exercise to integration of a United Nations Volunteers input in appropriate projects and areas.

The Co-ordinator, as you know, visited the Bank recently. I hope he found the visit profitable, as did the staff in the Bank who met with him. It gave everyone an opportunity to understand the objectives and procedures of the United Nations Volunteers Programme in its relation to development projects.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Paul G. Hoffman
Administrator
United Nations Development Programme
United Nations, New York, 10017

cc: Mr. McNamara's Office (2)

Cleared with Mr. Demuth
cc: Mr. Riley

Central Files with incoming letter

LPChatenay/VRiley/RSMcNamara:mmcd
October 27, 1971

499/7/159

JUST FAALAND

NOVEMBER 2, 1971

DERAP

NLT

BERGEN

NORWAY

THANKS FOR DOCUMENTS STOP ARRIVING BERGEN ON SATURDAY NOVEMBER TWENTIETH
STOP WILL PLAN TO VISIT INSTITUT AROUND LUNCHTIME OR SHORTLY THEREAFTER
STOP PARTICULARLY INTERESTED IN BRIEFING ON DERAP'S WORK IN LIBERIA STOP
CAN BE REACHED AT MERLIN HOTEL KUALA LUMPUR REGARDS

CHRISTOFFERSEN

INTBAFRAD

Leif E. Christoffersen

Office of the President

489/7/158

NOV 1 1971

Monsieur le Président,

J'ai eu grand plaisir à vous revoir lors de votre visite à Washington le mois dernier. A cette occasion, vous avez exprimé la préoccupation des pays africains de voir le rythme des activités de la Banque en Afrique se ralentir. En vous répondant, j'ai exprimé ma confiance de voir notre intervention continuer de se diversifier et de s'intensifier. La note que je joins à cette lettre vous donnera, je l'espère, une impression plus complète de nos efforts.

Je connais en effet l'intérêt que vous portez personnellement aux problèmes du développement. Je sais aussi qu'en tant que porte-parole des pays africains, vous nous apportez une aide précieuse en nous faisant connaître leurs aspirations, mais aussi en leur faisant saisir en retour toute la mesure des efforts que nous déployons.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Maître Motkar Ould Daddah
Président de la République
Islamique de la Mauritanie
Nouakchott
Mauritanie

RChaufournier:mo'h

489/7/157
17-3-1977

NOV 1 1971

Monsieur le Président,

J'ai été très sensible aux sentiments que vous exprimez dans votre lettre du 6 octobre 1971, sur les remarques que j'ai faites au sujet des problèmes du Tiers Monde. C'est pour moi un encouragement de constater une fois de plus à quel point vos vues sont en accord avec les objectifs que nous poursuivons.

Je connais aussi l'appui que vous n'avez cessé d'apporter à nos Institutions pour leur permettre de renforcer l'efficacité de leur action en faveur du développement du Tiers Monde.

C'est avec plaisir que je vous envoie des exemplaires en français et en anglais de mon intervention lors de l'Assemblée Annuelle de la Banque Mondiale.

Veuillez agréer, Monsieur le Président, l'assurance de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

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

cc: Mr. Kochman

JLenfant/RASSA/RChaufournier:mo'h

NOV 1 1971

489/7/156

The Honorable
David Charles Samuel Montagu
Executive Director
Samuel Montagu and Company, Ltd.
114 Old Broad Street
London, C.C.2, England

Dear Mr. Montagu:

I am writing to seek your help and cooperation in a matter to which I attach the greatest importance for the effectiveness and efficiency of the World Bank Group. We are engaged in a substantial expansion of our activities and this, of course, entails a significant increase in our staff. We are, therefore, most anxious to ensure that our compensation arrangements are both equitable in relation to those of analogous institutions and well suited to our needs. It is for this reason that I seek your help.

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/...

Mr. Montagu

- 2 -

We expect to have the survey booklets ready in time to begin this survey early in November and we would hope that the information requested could be made available to McKinsey by the end of November. I appreciate that this is short notice but both McKinsey and we will do everything to ensure that the request for information from you is kept to the minimum consistent with adequate coverage for the survey. If, as I trust, you are able to confirm that Samuel Montagu and Company will cooperate with us in the conduct of this survey, would you be good enough to indicate the person or office who will serve as a point of contact.

I would very much appreciate an early indication of your willingness to cooperate in this very important endeavor.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

RAClarke:ss
October 28, 1971

489 / 7 / 155

November 1, 1971

Mr. Maddux:

In connection with arrival statements and toasts prepared for Mr. McNamara's visits to member countries, he has asked me to ensure that all such drafts which are sent for his approval reach him at least ten days before his departure. In those cases where the Area Department Director and/or Mr. Clark departs before ten days prior to Mr. McNamara's departure, these drafts should reach him earlier. In no case should the Area Department Director or Mr. Clark leave Washington before they have verified that the above drafts have been fully cleared by Mr. McNamara. Perhaps you could help my successor Anders Ljungh on this point in the future.

L.E. Christoffersen

cc: Mr. Clark
Mr. Lind
Mr. Bahl