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THE WORLD BANK
Washington, D.C.

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Washington DC 20433
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McNamara Papers

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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 29

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490/3/71

August 15, 1972

Dear Dr. Lohmann

In Mr. McNamara's absence, I should like to confirm that your letter concerning the tenth anniversary of Deutsche Gesellschaft für wirtschaftliche Zusammenarbeit (Entwicklungsgesellschaft) mbH was received. Messrs. McNamara and Gaud agreed that a greeting should appropriately be sent by Mr. Gaud as head of the International Finance Corporation, whose objectives are most similar to those of your corporation and which has had joint activities with the Deutsche Gesellschaft für wirtschaftliche Zusammenarbeit.

You have no doubt received Mr. Gaud's letter by now. I will take the liberty to send a copy of this note to Mr. Artopoeus, Alternate Executive Director, who has enquired about the matter.

With best wishes for a successful celebration of your Corporation's tenth anniversary and hopes for its future success,

Sincerely,

Anders Ljungh
Personal Assistant to Mr. McNamara

Dr. jur. Manfred Lohmann
Rechtsanwalt
Geschäftsführer der Deutschen
Gesellschaft für wirtschaftliche
Zusammenarbeit (Entwicklungs-
gesellschaft) mbH
Köln-Lindenthal
Dürener Str. 295
Federal Republic of Germany

cc: Mr. Artopoeus
Mr. von Hoffmann
Mr. Maddux

AUG 11 1972

490/3/69
Copy for Mr. McNamara's Office

Your Majesty:

I have read with great interest and admiration the inspiring speech which Your Imperial Majesty made when opening the recent education sector review conference in Addis Ababa; and I hasten to express my personal agreement with Your Majesty's affirmation of the need for education to attune itself and respond to the development needs of Ethiopia and the ever-growing aspirations and hopes of your people.

Like Your Majesty, I am gratified to observe the leading part which has been taken by Ethiopians in conducting the review; and I also feel strongly that education must be for adults as well as children and that what is taught at one level should not be narrowly conceived as a stepping stone to another. Education should encourage young people to follow their natural inclinations and aptitudes and enable them to become useful and responsible citizens.

May I say, also, that I fully appreciate that the new directions of policy implicit in Your Majesty's remarks will entail many difficult decisions and involve problems of implementation, not only for the Ministry of Education and Fine Arts but for the other agencies concerned with development. We, in the Bank, are strengthening our own arrangements for making coordinated approaches to problems of this kind; and I should like to give Your Majesty my personal assurance that we shall do our utmost to find appropriate ways of helping the Imperial Ethiopian Government with the design and implementation of this most important program of human resource development.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Imperial Majesty
Haile Selassie I
Addis Ababa
Ethiopia

cc: H.E. Tsehafe Tazaz Aklilu Habte Wold
Prime Minister

H.E. Ato Mammo Tadesse
Minister of Finance

H.E. Ato Seifu Mahteme Selassie
Minister of Education and Fine Arts

cc: Mr. J. Burke Knapp, Mr. Bihute/Mr. Demeksa, Mr. Ballantine/Mr. Burt
Mr. McNamara's office (2)
August 10, 1972

490/3/68

AUG 11 1972

His Excellency
Dom Mintoff
Prime Minister
Valletta
Malta

Dear Mr. Prime Minister:

Thank you for your recent letter. I am very glad that this contact between us has been established, and I am especially pleased to learn that Malta is eager to revive its application for membership in the World Bank Group.

We in the World Bank and its affiliated organizations take very seriously the Group's role in helping to resolve the development problems of its member countries. Although Malta is not yet a member, we are ready to extend whatever assistance we can. This assistance would, of course, be greatly facilitated and enhanced when Malta joined our institutions.

There is, however, one matter raised in your letter with respect to which I am sorry to have to tell you that it is impossible for the Bank to help your country. I refer to your request for an extension of the term of the loan (number 351-MAT) made to Malta in 1963 for the Malta Electricity Board project, and for a reduction in the rate of interest payable under that loan. As you will recall, the project was successfully completed with considerably less expenditure of foreign exchange than had been estimated and, in consequence, only some \$6.0 million of the loan was drawn down. The balance of about \$1.5 million was eventually cancelled. Most of the loan had already been sold to other participating lenders so that the cancellation had to be applied mainly to the three last semi-annual maturities, which were held by the Bank, although the opportunity was taken to cancel also the unsold portions of a few earlier maturities. This, as was explained to the Maltese authorities at the time, was in accordance with the terms of Malta's loan agreement with the Bank and of the Bank's agreements with the participants, and no other course was possible. The effect of this was to reduce the term of the loan from 20 years to 18 years, with amortization spread over 32 semi-annual payments rather than 35.

The participating lenders who hold all but \$21,000 of Loan No. 351-MAT are private financial institutions, four in the United States and one in Belgium. To approach these financial institutions to request a rescheduling of the amortization of the loan and a reduction in the interest rate would not only, in my opinion, be detrimental to Malta's international credit standing but would certainly be unsuccessful. I should add that, even if it were possible to restore the original loan term, the service payments on the loan would not be significantly reduced, and the effect on Malta's balance of payments would be negligible.

The basis for your request for the rescheduling of the loan is the argument that the project was not properly examined and that, consequently, the loan was of minimal value to Malta. I cannot accept this argument. The Bank's appraisal was a good one by the standards of the time and, on the basis of the information then available, the desalination plant was fully justified. The fact that two additional units have since been installed suggests that the first unit, provided under the loan, was neither unsatisfactory nor unnecessary. The continuing pressure on the Malta Electricity Board to operate all three units at full capacity would seem to indicate that the Water Board is not yet able to meet its requirements from the island's lower-cost groundwater resources.

I should like to turn now to matters on which I can give a more positive response. You point to Malta's speedy industrialization as its most vital, difficult and basic problem and there, I am happy to say, I think that the Bank can be of help. We recognize the long-term balance of payments difficulties that Malta may face because of the uncertain nature of much of its foreign exchange income and the consequent need for new industries and sources of employment. I am glad that you found the discussions with Messrs. Wyatt and Bailey useful, and believe that they should be followed by an exploratory visit by one of the Bank's industrial experts. I have therefore arranged for staff of the Bank's Industrial Projects Department to visit Malta during late September. We will be in touch with your officials as soon as the detailed arrangements have been made.

In the meantime, I am sending you separately a study prepared in the Bank by Professor Bela Belassa on industrialization in Singapore. It is not directly relevant to Malta but may be useful and interesting to you and your officials. We will, of course, be ready to pass on to you any other relevant results from the Bank's ongoing work in the industrial sector.

Dom Mintoff

- 3 -

I am very pleased that the dialogue between Malta and the Bank has been reopened. I look forward to its fruitful continuance and, particularly, to welcoming Malta into the Bank's membership. Please let me know if there are any other areas in which you think that the Bank could be of help to Malta.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

cleared with and cc: Messrs. Knapp, Benjenk, El Darwish, Wyatt, Deely, Clyde

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

NHorsley/emt

490/3/67

AUG 11 1972

Dear Dr. Lapp:

Thank you for your recent letter and your kind reference to my address at the Stockholm conference on the human environment.

Your forthcoming book *THE LOGARITHMIC CENTURY* would appear to be of considerable interest to us and we look forward to its appearance.

With regard to the World Bank taking the initiative to encourage the wise and prudent use of non-renewable resources on the part of its member countries -- I would hope that we are, in fact, doing this. We are mindful of the rate at which certain resources, in particular, are reportedly being exploited and, the various projections as to their anticipated scarcity are not lost upon us in our efforts to assist the worlds' poor countries develop their economies.

The facts and hard data which I assume you have assembled in your book are what is most needed. Such a compilation and analysis can only be viewed as a welcomed contribution.

Sincerely,

Robert S. McNamara

Dr. Ralph E. Lapp
Energy/Nuclear Consultant
7215 Park Terrace Drive
Alexandria, VA 22307

JAL/bb

4910/3/66

HIS HIGHNESS SRI SULTAN HAMENCKU BUWONO IX
MINISTER OF STATE FOR FINANCE COMMA
ECONOMY AND INDUSTRY
GOVERNMENT OF THE REPUBLIC OF INDONESIA
DJAKARTA

INDONESIA

AUGUST 10, 1972

FULL RATE

8/10

THE MANAGEMENT AND BOARD OF EXECUTIVE DIRECTORS OF THE BANK FOLLOWING CAREFUL
STUDY HAVE TODAY MADE FINAL DECISIONS ON THE REORGANIZATION OF THE INTERNAL
STRUCTURE OF THE BANK STOP THIS REORGANIZATION IS INTENDED TO PERMIT THE
BANK/IDA MORE EFFECTIVELY TO DISCHARGE THEIR RESPONSIBILITIES TO THEIR MEMBER
COUNTRIES COMMA TO INCREASE THE VOLUME AND EXTENT OF THEIR LENDING ACTIVITIES
AND TO MAKE THEM MORE RESPONSIVE TO THE NEEDS OF THE DEVELOPING COUNTRIES STOP
THE REORGANIZATION DOES NOT AFFECT THE BASIC AGREEMENT BETWEEN YOUR GOVERNMENT
AND THE BANK EXPRESSED IN THE EXCHANGE OF LETTERS BETWEEN YOU AND ME IN JUNE
1968 IN WHICH WE AGREED THAT THE BANK WOULD ESTABLISH AND MAINTAIN A RESIDENT
STAFF IN INDONESIA TO ASSIST AND ADVISE YOUR GOVERNMENT IN THE PLANNING COMMA
THE EXECUTION AND THE COORDINATION OF YOUR DEVELOPMENT PROGRAM STOP HOWEVER
WE BELIEVE THAT AS AN ESSENTIAL PART OF THE REORGANIZATION IT WOULD BE WISE
FOR MR. BERNARD BELL TO ASSUME THE POSITION OF VICE PRESIDENT OF THE EAST
AFRICAN REGION STOP IT IS WITH THE UTMOST RELUCTANCE THAT WE HAVE COME TO THIS
CONCLUSION THAT MR. BELL SHOULD RETURN TO WASHINGTON STOP WE BELIEVE HOWEVER

Robert S. McNamara

President

PAGE TWO

THAT THIS IS IN THE BEST INTERESTS OF THE BANK AND ALL ITS MEMBERS INCLUDING
INDONESIA STOP PARA WE ARE PREPARED TO SUGGEST AS A SUCCESSOR TO MR. BELL AS
DIRECTOR OF THE RESIDENT STAFF IN INDONESIA MR. DAVID GORDON COMMA ONE OF THE
MOST SENIOR COMMA EXPERIENCED AND RESPECTED MEMBERS OF OUR STAFF STOP WE WILL
COMMUNICATE FURTHER WITH YOU ABOUT THIS AND MR. BELL UPON HIS RETURN TO
INDONESIA WITHIN THE NEXT FEW WEEKS WILL ALSO BE ABLE TO DISCUSS THIS WITH YOU
PARA WE LOOK FORWARD TO THE CONTINUATION OF THE CLOSE AND HIGHLY SATISFACTORY
RELATIONSHIPS WHICH HAVE EXISTED BETWEEN YOUR GOVERNMENT AND THE BANK IN THE
PAST SEVERAL YEARS AND WE WILL CONTINUE TO GIVE HIGH PRIORITY TO ASSISTING
INDONESIA IN ITS SUCCESSFUL EFFORT TO ACHIEVE RAPID AND SUBSTANTIAL ECONOMIC
AND SOCIAL PROGRESS STOP PLEASE COMMUNICATE THIS MESSAGE TO PRESIDENT SUHARTO
AND YOUR ASSOCIATES IN THE GOVERNMENT COMMA ALONG WITH MY CONGRATULATIONS ON
YOUR ACHIEVEMENTS TO DATE AND MY HOPES FOR CONTINUED AND ACCELERATED PROGRESS
IN THE SAME DIRECTIONS END

ROBERT S. MC NAMARA
INTBAFRAD

I N C O M I N G C A B L E

DATE AND TIME OF CABLE: AUGUST 10, 1972 1700
LOG NO.: 127 /10
TO: MCNAMARA INTBAFRAD
FROM: DJAKARTA

R O U T I N G
ACTION COPY: MR. MCNAMARA
INFORMATION MR. GOODMAN COPY:
DECODED BY:

TEXT: IN CONSIDERING ANY POSSIBLE NEW ASSIGNMENT FOR BERNARD BELL WE RESPECTFULLY URGE YOUR CONSIDERATION OF MR. BELL'S EXTRAORDINARY BREADTH OF KNOWLEDGE, WARM RAPPORT, AND EXPERIENCE WITH INDONESIA AND ITS GOVERNMENT ALL OF WHICH ENABLES HIM TO MAKE A MOST IMPORTANT CONTRIBUTION TO INDONESIA'S PLANNING AND DEVELOPMENT. WE HAVE BEEN LOOKING FORWARD TO THE CRITICALLY IMPORTANT ROLE MR. BELL PLAYING IN THE PREPARATION OF INDONESIA'S SECOND FIVE YEAR PLAN 1974-1978. THE PROCESS OF PLAN PREPARATION IS ALREADY UNDERWAY WITH MR. BELL CONTRIBUTING MOST IMPORTANTLY. LOSS OF MOMENTUM WILL BE UNAVOIDABLE IF MR. BELL CANNOT CONTINUE TO PARTICIPATE. IT WILL BE PARTICULARLY IMPORTANT TO US TO HAVE ACCESS TO MR. BELL'S JUDGEMENT AND ADVICE THROUGH AT LEAST THE PREPARATION OF THE SECOND PLAN. IN ADDITION THE MEETING ON THE IGGI UP TO THE BEGINNING OF THE SECOND PLAN PERIOD AND THE PREPARATION OF THE BUDGET FOR 1973 AND 1974 WILL BE MOST IMPORTANT IN LAYING THE BASIS FOR A SOUND BEGINNING TO THE SECOND PLAN. FOR ALL OF THESE REASONS WE WILL VERY MUCH APPRECIATE DUE WEIGHT BE GIVEN TO THE POSSIBILITY OF MR. BELL'S CONTINUING TO SERVE IN DJAKARTA. IF BANK'S NEEDS MAKE IT IMPERATIVE MR. BELL RETURN TO WASHINGTON WE STRONGLY HOPE HIS DUTIES THERE WILL CONTINUE TO EMBODY AN INDONESIAN RESPONSIBILITY. CONTINUED ACCESS TO MR. BELL'S ADVICE IS VERY IMPORTANT TO THE GOVERNMENT OF INDONESIA. MY COLLEAGUES AND I HAVE FULL CONFIDENCE IN YOUR JUDGEMENT IN MEETING OUR REQUEST. KINDEST PERSONAL REGARDS.

WIDJOJO NITISASTRO MINISTER OF PLANNING OF INDONESIA

Mr. Widjojo's Telgram to Mr. McNamara

To Mr McNamara
Usant
Aug 10

PRESIDENT WORLD BANK MR. MCNAMARA INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT KMA WASHINGTON, D.C.

" IN CONSIDERING ANY POSSIBLE NEW ASSIGNMENT FOR BERNARD
BELL WE RESPECT FULLY URGED YOUR CONSIDERATION OF MR BELL
EXTRADINARY BREADTH KNOWLEDGE KMA WARM RAPPORT KMA AND
EXPERIENCE WITH INDONESIA AND ITS GOVERNMENT ALL OF WITH
ENABLES HIM TO MAKE A MOST IMPORTANT CONTRIBUTION TO
INDONESIA'S PLANNING AND DEVELOPMENT STOP WE HAVE BEEN LOOKING
FORWARD TO THE CRITICALLY IMPORTANT ROLE MR BELL PLAYING
IN THE PREPARATION OF INDONESIA SECOND FIVE YEAR PLAN
1974/1978 STOP THE PROCESS OF PLAN PREPARATION IS ALREADY
UNDER WAY WHITH MR BELL CONTRIBUTING MOST IMPORTANTLY STOP
LOSS OF MOMENTUM WILL BE UNAVOIDABLE IF MR BELL CANNOT CONTINUE
TO PARTICIPATE STOP IT WILL BE PARTICULARLY IMPORTANT TO US
TO HAVE ACCESS TO MR BELL'S JUDGMENT AND ADVICE THROUGH AT
LEAST THE PREPARATION OF THE SECOND PLAN STOP IN ADDITION
THE MEETINGS OF THE IGGI UP TO THE BEGINNING OF THE SECOND
PLAN PERIOD AND THE PREPARATION OF THE BUDGET FOR 1973 AND
1974 WILL BE MOST IMPORTANT IN LAYING THE BASIS FOR A SOUND
BEGINNING TO THE SECOND PLAN STOP FOR ALL OF THESE REASONS
WE WILL VERY MUCH APPRECIATE DUE WEIGHT BE GIVEN TO THE
POSSIBILITY OF MR BELL'S CONTINUING TO SERVE IN DJAKARTA STOP
IF BANK'S NEEDS MAKE IT IMPERATIVE MR BELL'S RETURN TO
WASHINGTON WE STRONGLY HOPE HIS DUTIES THERE WILL CONTINUE

TO EMBODY AN INDONESIAN RESPONSIBILITY STOP CONTINUED
ACCESS TO MR BELL'S ADVICE IS VERY IMPORTANT TO THE
GOVERNMENT OF INDONESIA STOP MY COLLEAGUE AND I HAVE
FULL CONFIDENCE IN YOUR JUDGMENT IN MEETING OUR REQUEST STOP
KINDNESS PERSONAL REGARD STOP "

WIDJOJO NITISASTRO

MINISTER OF PLANNING OF INDONESIA

490/3/65

AUG 10 1972

Dear Mr. Zimmer:

I am replying to your letter of July 27, 1972, with which you transmitted a proposal for interim financial support for the Washington International School's project to obtain the use of and title to the Tregaron property.

The reason for my delay in responding is that I wished to have the matter discussed with our sister institutions, the International Monetary Fund and Inter-American Development Bank to discover their interest in helping to provide the necessary \$20,000 of interim financing.

I regret that my inquiry shows an unwillingness to provide funds on the part of both the IMF and the IADB. While recognizing the importance to the school's future growth and development of finding attractive property on which to house a larger school, I think it would be inappropriate for the World Bank alone to provide these funds and therefore I must refuse your request.

Nevertheless, I wish you success in your efforts.

Sincerely,

Robert S. McNamara

Mr. Robert C. Zimmer
Suite 220
1775 K Street, N.W.
Washington, D. C. 20006

JETwining:jk

490/3/64

August 9, 1972

Dear Tony:

This is just a line to express my warm thanks for your kind invitation to the World Bank to participate in your meeting with the other regional banks on Sunday, September 24, 1972. As Burke Knapp will have told you, it just is not possible for me to attend this meeting myself on the eve of our Annual Meeting, and I'm delighted to know that you have expressed your readiness to accept him in my place. We have no particular proposals with respect to the provisional agenda, which it seems to me will provide a very interesting basis for an informal exchange of views.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Antonio Ortiz Mena
President
Inter-American Development Bank
Washington, D.C. 20577

JBKnapp:vm

490/3/63

Office of the President

AUG 9 1972

Dear Mr. Minister:

The International Bank for Reconstruction and Development proposes to sell in the capital markets of Kuwait as soon as possible an issue denominated in Kuwaiti Dinars in an aggregate principal amount not to exceed KD 15 million.

The Government of Kuwait 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 Kuwait of such amounts as may be raised by the issue of not exceeding KD 15 million aggregate principal amount. The Government of Kuwait is further requested to agree, pursuant to the same provisions 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

His Excellency
Abdul Rahman Salem Al-Ateeqy
Minister of Finance and Oil
Kuwait
State of Kuwait

c.c. Mr. Aldewereld
Mr. Rotberg
Mr. Poncia

490/3/62

Copy for Mr. McNamara's Office

DECLASSIFIED

AUG 9 1972

OCT 22 2012

**CONFIDENTIAL
WBG ARCHIVES**

Dear Lord Aldington:

Thank you for your letter of July 25 in which you expressed concern over the current economic situation in Uganda.

We have followed closely the developments in the economy of Uganda. The IMF and the Bank have on several occasions in the recent past attempted to draw the government's attention to the economic situation and its consequences for Uganda's development. Our latest contact was a high level mission which visited Uganda in May and discussed the situation with the Finance Minister and his colleagues. We have suggested to the government the need for a critical reappraisal of economic priorities so that Uganda could undertake a developmental effort which could be supported by external lenders. I am afraid that despite our efforts and those of the Fund, a clear definition of government policies for economic development and of steps to control non-developmental expenditures and borrowing is yet to emerge.

I would like to assure you that we shall attempt to continue our dialogue with the authorities in Uganda and be prepared to assist them in every possible way in their developmental efforts. However, our ability to do so will depend in large measure on how far the Government of Uganda is prepared to channel domestic resources for the welfare of its people.

I expect to meet the Governor for Uganda during the forthcoming Annual Meetings of the Bank and hope to have detailed discussions with him on these issues.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Lord Aldington
National and Grindlays Bank Limited
23 Fenchurch Street
London EC3
England

cc: Mr. Knapp, Mr. William Clark, Mr. Lejeune, Mr. Ahmad

SShahid Husain:BAhmad:RStern:ab

407 3706

Unofficial Translation

His Excellency Mobutu Sese Seko
President of the Republic of Zaire
Kinshasa
Republic of Zaire

Mr. President,

I thank you for your letter of July 15 which you were kind enough to have brought to me by Mr. Bokana, and also for the invitation which it contains.

I can understand that the investment program of Zaire must pose important problems for you over the next few years. There are many things to be done, many of them requiring large scale investments. I understand that among these are the energy problems in the mining areas. I am grateful to you for offering me the possibility of reviewing all of these questions with you.

Since Mr. Bokana's visit, I have carefully looked over my calendar. As I have already intimated to Mr. Bokana, I cannot accept your invitation right away since my program is particularly heavy, especially because of the efforts I have to undertake to bring about the replenishment of the funds available to IDA which are so necessary if we are to contribute to the economic development of our member countries, especially in Africa. In addition, I shall very soon have to concentrate on the preparations for the Annual Meeting of our group of institutions, which is to be held at the end of September.

I would like you to know, however, that I intend to examine the problems you have raised. We really know very little about the present power situation in Zaire and, in particular, in Shaba. In order to enable us to study the problems which result from the situation, we will need to have as much information as possible concerning these problems and possible solutions. May I therefore suggest, Mr. President, that you have this information sent to us to enable my associates to study the matter on the basis of all relevant data. I have asked Mr. Lejeune, Director of Eastern Africa Department, to contact Mr. Bisengimana so that we may have the necessary information as soon as possible. As far as I am concerned, I hope to find the occasion to have with you the discussions which you have proposed.

Yours very sincerely,

Robert S. McNamara

490/3/61

For Mr. McNamara's office

Le 7 août 1972

Son Excellence Mobutu Sese Seko
Président de la République du Zaïre
Kinshasa
République du Zaïre

Monsieur le Président,

J'ai l'honneur de vous remercier de votre lettre du 15 juillet que vous avez eu la grande amabilité de me faire porter par Monsieur Bokana, ainsi que de l'invitation qu'elle contient.

Je conçois les problèmes importants que doit vous poser le programme d'investissement du Zaïre au cours des prochaines années. Il y a beaucoup de choses à faire, parmi lesquelles plusieurs exigent des investissements très importants. Entre ces dernières se situe la question des problèmes énergétiques des régions minières. Je vous sais gré de m'offrir la possibilité d'examiner toutes ces questions avec vous.

Depuis la visite de Monsieur Bokana, j'ai revu mon calendrier en détail. Comme je l'avais déjà indiqué à Monsieur Bokana, je ne peux accepter tout de suite votre invitation. En effet, mon programme est particulièrement chargé, notamment en raison des efforts que je dois déployer afin d'obtenir la reconstitution des fonds de l'IDA, qui sont si nécessaires pour nous permettre de contribuer au développement économique de nos pays membres, surtout en Afrique. De plus, le moment est déjà proche où je devrai me concentrer sur les préparatifs de l'Assemblée Annuelle de notre groupe d'institutions, qui se tiendra fin septembre.

Je vous prie de croire, cependant, que je désire étudier de près les problèmes que vous avez évoqués. A vrai dire, nous savons très peu sur la situation énergétique actuelle au Zaïre, et en particulier, au Shaba. Afin de nous permettre d'amorcer l'étude des problèmes qui en découlent, il nous faudra disposer du maximum de données intéressantes ces problèmes et les solutions possibles. C'est pourquoi je me permets

de suggérer, Monsieur le Président, que vous nous fassiez parvenir autant d'éléments d'information que possible pour permettre à mes associés d'étudier la question en connaissance de cause. J'ai demandé à Monsieur Lejeune, Directeur du Département Afrique de l'Est, de se mettre en rapport avec Monsieur Bisengimana afin d'accélérer au maximum notre mise au courant. De mon côté, j'espère pouvoir trouver l'occasion d'avoir avec vous, Monsieur le Président, les entretiens que vous proposez.

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

(Signed) Robert S. McNamara

Robert S. McNamara

MLejeune/TUHalbe/LEMoreau:cc

August 3, 1972

cc: Mr. Bisengimana, Directeur Bureau de la Présidence
Mr. Kochman (ED)
Mr. King

490/3/60

AUG 7 1972

Dear Mr. Maheu:

It was very kind of you to send us advance copies of the report of the Faure Commission.

It is clearly a document of first importance and will be of interest not only to those professionally concerned with education in relation to development but to a much wider audience. I congratulate you and M. Faure on its completion and look forward to seeing the comments on the document which you propose to make to the Executive Board of Unesco.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Rene Maheu
Director-General
United Nations Educational, Scientific
and Cultural Organization
Place de Fontenoy
75007 Paris, France

cc: Mr. McNamara (2)

Central Files with incoming letter

cc: Mr. Ballantine

MLHoffman:mmcd
August 3, 1972

490 | 3/59

AUG 7 1972

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow an aggregate principal amount, not exceeding \$200,000,000, in markets outside the United States of America through an issue of Two Year Bonds of the Bank. The bonds are to be dated September 15, 1972 and to mature September 15, 1974. The interest rate of the bonds has 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 markets outside the United States of America of such amounts as may be raised by the issue of not exceeding \$200,000,000 aggregate principal amount of bonds. The Government of the United States of America is further requested to agree, pursuant to the same provisions 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
George P. Shultz
Secretary of the Treasury
Treasury Department
Washington, D.C. 20220

cc and cleared with: Mr. Clyde

cc: Mr. Wieczorowski
Mr. Rotberg
Mr. Gabriel
Mr. Hittmair
Mr. Deely/SecDivFiles

DEHarris/mr
8/4/72

490/3/58

AUG 4 1972

Dear Sir:

I wish to acknowledge your letter of July 22, applying for Oman's membership in the International Finance Corporation. This is being brought to the notice of the Directors of the Corporation.

I note that Mr. Philip E. Aldous has been authorized to conduct, on behalf of your Government, the negotiations with the Corporation regarding the application and to transmit any information which may be required in this connection.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Qaboos bin Said
Sultan of Oman
Muscat, Oman

UKGhoshal:nff
(August 3, 1972)

cc: Mr. Philip E. Aldous
Secretary for Financial Affairs
Sultanate of Oman
P. O. Box 200
Muscat, Oman

490 / 3/56

August 2, 1972

MEMORANDUM FOR MR. TAZI

SUBJECT: IDA Management Fee

In your memorandum of June 30, 1972, you mentioned your general concern about the decline of IBRD income in FY72 and the factors that have contributed to it. In this connection you questioned whether the formula for calculating the management fee charged to IDA takes fully into account the cost of IDA operations.

As you may recall, the formula now in effect for determining the IDA management fee was approved by the Directors on July 1, 1969 (President's Memorandum to the Executive Directors June 19, 1969 (R69-141)). The basis for sharing costs between the Bank and IDA, as set out in that memorandum, is that IDA will pay the incremental cost of operations and overhead departments, with IDA's share being determined by the number of IDA operations compared with Bank operations. The formula calls for the Bank to pay the full cost of activities for which expenses will not significantly be affected by IDA operations (e.g. the Annual Meeting, Executive Directors, Executive Offices, Central Economic Staff, etc.).

The actual calculation of the IDA fee involves three steps. First, the total budgeted cost of all departments is determined. A department's total costs include its directly identifiable costs (personal services, travel, representation, consultants and contractual services), plus an allocation of Bank Group overhead (office occupancy, home leave, spouse travel, communications, etc.). Secondly, departments are categorized into three groups: operating departments, joint support departments and all other departments. The third step involves apportioning the costs of departments between the Bank and IDA. Costs of operating departments and of support departments are apportioned in the ratio of the number of Bank operations to the number of IDA operations, while the Bank bears the full cost for all other departments.

My own feeling is that the present formula is reasonable. However, if you have specific thoughts on how the sharing of costs between the institutions could be improved, we would be happy to have your suggestions.

Robert S. McNamara

/cc: Mr. Adler

MERuddy:JHADler:RSMcNamara:ps

490/3/55

AUG 2 1972

His Excellency
Col. Hugo Banzer Suarez
President of Bolivia
Palacio de Gobierno
La Paz, Bolivia

Dear Mr. President:

For some time the staff of the World Bank Group has been discussing with officials of your Government the possibility of financing projects in the fields of transport, energy, mining and agriculture. My staff also had discussions on the economic policies and programs which your Government is implementing in order to accelerate the economic development of Bolivia.

These discussions have brought to my attention the significant progress made by your Government in solving important development problems and have demonstrated the courage and foresight of your Government in taking politically difficult but urgently needed measures affecting the future of the Bolivian economy. I particularly refer to the decisions regarding the substantial increases in power and railway tariffs; the plans made in regard to the rehabilitation of the railways; the proposals concerning the future of Bolivia's mining sector; and the progress made towards the settlement of claims arising from earlier nationalization of foreign-owned mining properties. We are favorably impressed by the policies embodied in the new investment law and the hydrocarbons law, which demonstrate your Government's intention of incorporating private Bolivian and foreign capital into the task of developing the country. We also take pride in the successful and punctual completion of the Santa Cruz-Yacuiba gas pipeline within the cost estimates, and are encouraged by the fact that exports of gas already exceed the quantities stipulated in the sales contract.

We in the Bank think that these developments augur well for the future cooperation between the Bank Group and Bolivia. We are confident that the steps taken by your Government to remove obstacles to economic progress will facilitate our association with the Government in the

implementation of development projects, and we have considerably expanded the scope of preparatory work in the most promising sectors. A report on development opportunities in mining is being finalized, which might induce lending operations not only by the Bank Group but also by other agencies; a project for cotton cultivation and for dairy and poultry development in the Santa Cruz and Cochabamba Departments is being prepared; and a field appraisal of projects for expanding electricity services has just been completed. Finally, preparatory work on the Railway Rehabilitation Project has advanced to the point where approval could be sought from the Executive Directors for financing this important project.

As you are aware, Mr. President, there remains at this time one very important obstacle to Bolivia's development. I have in mind the lack of a program dealing with the present disequilibrium in Bolivia's public finances -- a disequilibrium which became more acute in the first five months of this year, when Treasury revenues failed to increase above the 1971 level. In the absence of new fiscal measures, Central Bank financing of this year's Treasury deficit is most likely to result in an unhealthy credit restriction to the private sector or in serious foreign exchange loss. In these circumstances, the preparation of a program aimed at substantially improving fiscal performance in the months and years to come is an urgent necessity.

I am conscious of the fact that the difficult fiscal situation of your country is largely a legacy of the past. But just as in the past this problem kept economic growth well below the potential of Bolivia's natural resources, disequilibrium in the public finances is likely to hinder Bolivia's progress in the immediate future. While private investment has an important role to perform in Bolivia's economic development, it is not an adequate substitute for public investment. Only through substantial and efficient public investment can Bolivia achieve the necessary production increases in its principal export commodities, so as to increase the country's capacity to pay for imports, provide the infrastructure for the expanding activities of the private sector, and respond adequately to the people's expectations for improved social services. It is clear that unless the public sector improves its capacity to generate larger savings by restoring budget equilibrium, these needs cannot be met.

Recently, the Bolivian Delegation to the CIAP review of Bolivia's economy indicated your Government's intention to complete, before September 15, 1972, a program of corrective fiscal action which would be discussed with the external lending agencies. We are, Mr. President, greatly encouraged by this initiative and are looking forward to those discussions which could pave the way for translating our preparatory efforts into active financial support for important development projects in Bolivia. In fact, when we are satisfied that the composition and

timing of your Government's program holds promise of a substantial improvement in the public finances within a reasonable period of time, we would proceed to present new lending operations, as soon as they are ready, for the approval of the Executive Directors. The first such operation would be the proposed IDA credit for the Bolivian Railway Project.

I am looking forward, Mr. President, to continue working with you on the important development tasks which lie ahead.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Cleared with and cc: Mr. Ross

cc: Messrs. Knapp
Cope
Alter
Knox
Wiese
Ljungh (2 copies)
Division Circulation

cc: Dr. Mey

HvdHeijden:mLr

Unofficial Translation

His Excellency General Gabriel Ramanantsoa
Head of the Government of the Malagasy Republic
Tananarive
Malagasy Republic

8-2-72

Dear General,

Thank you for your letter No. 4 G/DP of June 28, by which you were kind enough to inform me of the policies which your Government intends to follow, particularly in the field of greatest interest to the Bank, that of the economic development of your country. I am particularly grateful for your message as the relations between your country and the Bank have always been excellent, and your letter leads me to expect that they will continue to be characterized by frank and friendly exchanges of views.

As you noted it in your letter, the Bank seeks to promote in its member countries a rational development adapted to real needs. It is in this framework that we prepare our action programs, in close cooperation with the Governments of our member countries, and that we take into account the investment priorities defined by them, to the extent that specific projects are economically justified. The projects to which the World Bank Group has already contributed financing, namely three in the agricultural sector, two highway projects, one port project and one education project, are in economic sectors whose priority seemed to us to correspond with the long term needs of your country. It is for this reason that I can assure you, General, that we attach great importance to the sound execution of the on-going projects and that we will do everything we can on our side to assure their success. Such success will be the best argument which we will have when considering possible World Bank Group financing for new projects in Madagascar.

You refer to certain new policies of your Government, among them that of rational malgachization of the economy and that of maximizing the economic impact of development, both in absolute terms and in affecting as many of the people as possible. I fully agree with you about these objectives, which parallel those which we also have sought to further for a long time.

We are ready to discuss with you and your collaborators the intentions of your Government, the economic targets it will define, the development promotion policies and the means of implementing them. I hope that the first contacts on these points and on any others which your Government may wish to raise can take place during the visit which Mr. Halbe, Division Chief in our Eastern Africa Department, intends to make soon to Tananarive. These first contacts can be followed by discussions in Washington at the time of the Annual Meeting of the Bank in the last week of September. Finally, a Bank economic mission, which is scheduled for October, will permit a detailed examination of your country's economic policies.

I can assure you, General, that we will do all we can to continue to help further the economic development of your country and of the Malagasy people.

•
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Yours sincerely,

Robert S. McNamara

LEMoreau:cc

490/3/54

AUG 2 1972

Son Excellence le Général Gabriel Ramanantsoa
Chef du Gouvernement de la République Malgache
Tananarive
République Malgache

Monsieur le Général,

Je vous remercie de votre lettre No. 4 G/DP du 28 juin par laquelle vous avez eu l'amabilité de me faire part des grandes lignes d'action que votre Gouvernement compte suivre, en particulier dans le domaine qui intéresse plus particulièrement la Banque, celui du développement économique de votre pays. Je vous en remercie d'autant plus que les rapports entre votre pays et la Banque ont toujours été excellents et que votre lettre me permet d'espérer qu'ils continueront d'être caractérisés par des échanges de vues francs et amicaux.

Comme vous l'avez relevé dans votre lettre, la Banque cherche à promouvoir dans ses pays membres un développement harmonieux et adapté aux besoins réels. C'est dans cette optique que nous établissons nos programmes d'action en coopération étroite avec les autorités de nos pays membres, et que nous tenons compte des priorités d'investissement définies par ceux-ci, dans la mesure où les projets spécifiques sont économiquement justifiés. Les projets au financement desquels le groupe de la Banque Mondiale a pu contribuer jusqu'ici, c'est-à-dire trois projets dans le secteur agricole, deux projets routiers, un projet portuaire et un projet éducation, s'insèrent dans des secteurs économiques dont la priorité nous a semblé correspondre parfaitement aux besoins à long terme de votre pays. C'est pourquoi je peux vous assurer, Monsieur le Général, que nous attachons une grande importance à la bonne exécution des projets en cours et ferons tout ce que nous pourrons de notre côté pour en assurer le succès. Ce succès sera le meilleur argument dont nous disposerons lors de la considération de nouveaux projets à Madagascar, susceptibles d'être financés par le groupe de la Banque Mondiale.

Vous mentionnez certaines orientations nouvelles de votre Gouvernement, parmi lesquelles les objectifs de malgachisation rationnelle de votre économie, et de maximisation de l'impact économique du développement, tant en termes absolus que dans la population. Je partage entièrement votre avis en ce qui concerne l'utilité de ces objectifs qui se rallient à ceux que, nous aussi, cherchons à promouvoir depuis longtemps.

Nous nous tenons prêts à discuter avec vous et vos collaborateurs les intentions de votre Gouvernement, les impératifs économiques qu'il entend définir, sa politique de promotion du développement et les moyens d'action. J'espère que de premiers échanges de vues sur ces différents points, et tous autres que votre Gouvernement voudra soulever, pourront avoir lieu à l'occasion de la visite prochaine à Tananarive de Monsieur Halbe, Chef de Division au Département Afrique de l'est. Cette prise de contact pourra d'ailleurs être suivie de discussions à Washington à l'occasion de l'Assemblée Annuelle de la Banque, la dernière semaine de septembre. Enfin, une mission économique de la Banque, prévue pour le mois d'octobre prochain, permettra d'examiner dans le détail l'ensemble de la politique économique Malgache.

Je puis quant à moi vous assurer, Monsieur le Général, que nous ferons tout ce que nous pourrons pour continuer à favoriser le développement économique de votre pays et du peuple Malgache.

Je vous prie d'agréer, Monsieur le Général, l'assurance de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

490/3/53

JUL 31 1972

Dear Ken:

Replying to your letter of July 25, 1972, we shall certainly be glad to see either Dr. Ralph K. Davidson or Dr. Clarence C. Gray III at the forthcoming Annual Meetings of the Boards of Governors of the Fund and Bank as a representative of the Rockefeller Foundation.

Please let me know whether it will be Dr. Davidson or Dr. Gray who will come and I shall see that the necessary steps are taken to have him registered as a Special Guest.

With best regards,

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Kenneth W. Thompson
Vice President
The Rockefeller Foundation
111 West 50th Street
New York, New York 10020

MMM/bm

490/3/52

JUL 28 1972

Mr. J. J. Deutsch
Principal and Vice Chancellor
Queen's University
Kingston, Ontario
Canada

Dear Mr. Deutsch:

Pursuant to your directions, the Report of the Joint Committee on Remuneration of Executive Directors and their Alternates was submitted to the Boards of Governors for a vote without meeting. We are pleased to inform you that on July 13, 1972 the Boards of Governors of the Fund and Bank approved the changes in the By-Laws which you recommended in order to increase the salaries of Executive Directors and Alternates.

We should like to take this opportunity to express our appreciation for your participation as a member of the Joint Committee and we are most grateful for the time and effort you gave to the deliberations of the Committee.

Sincerely yours,

(Signed) Robert S. McNamara

Pierre-Paul Schweitzer
Managing Director
International Monetary Fund

Robert S. McNamara
President
International Bank for Reconstruction
and Development and Affiliates

490 / 3 / 51

JUL 28 1972

Dr. Marius W. Holtrop
Zomerzorgelaan 2
Bloemendaal
The Netherlands

Dear Doctor Holtrop:

Pursuant to your directions, the Report of the Joint Committee on Remuneration of Executive Directors and their Alternates was submitted to the Boards of Governors for a vote without meeting. We are pleased to inform you that on July 13, 1972 the Boards of Governors of the Fund and Bank approved the changes in the By-Laws which you recommended in order to increase the salaries of Executive Directors and Alternates.

We should like to take this opportunity to express our appreciation for your participation as a member of the Joint Committee and we are most grateful for the time and effort you gave to the deliberations of the Committee.

Sincerely yours,

(Signed) Robert S. McNamara

Pierre-Paul Schweitzer
Managing Director
International Monetary Fund

Robert S. McNamara
President
International Bank for Reconstruction
and Development and Affiliates

M. M. M.

490/3/49

JUL 27 1972

MR. J.G. BEALE
MINISTER FOR ENVIRONMENT CONTROL
SYDNEY

TELEK

AUSTRALIA
AA22147

AM PLEASED TO LEARN OF YOUR FAVORABLE IMPRESSIONS REGARDING MY STOCKHOLM ADDRESS AND AM HONORED BY YOUR INVITATION TO DELIVER IT DURING YOUR FORTHCOMING OBSERVANCE OF EARTH WEEK.

UNFORTUNATELY, THE DATES COME IMMEDIATELY PRECEDING OUR ANNUAL MEETING WHICH NECESSITATES ABSOLUTELY MY PRESENCE HERE.

SIMILARLY, THE DEMANDS ON OUR ENVIRONMENTAL ADVISER DURING THAT PERIOD MAKE IT VIRTUALLY IMPOSSIBLE FOR HIM TO REPRESENT ME.

THE SUBJECT MATTER BEING WHAT IT IS AND THE NEED FOR OUR REPRESENTATIVE TO BE FULLY CONVERSANT WITH THE SUBSTANTIVE ASPECTS AS WELL AS CONTEMPORARY DEVELOPMENTS PRECLUDES OUR SENDING A SUBSTITUTE.

WE DO APPRECIATE YOUR KIND INVITATION AND WISH YOU EVERY SUCCESS IN THIS UNDERTAKING. REGARDS,

(Signed) Robert S. McNamara

McNAMARA
INTBAFRAD

Robert S. McNamara
President

cc: Mr. Knight

JAL:on

490/3/48

JUL 27 1972

Dear Dr. Grzimek:

Thank you for your letter of July 10, 1972, in which you informed me of the expansion of the steel mill at Jinja, Uganda and the possible adverse effects it would have on the forest resources of Uganda. The Bank Group has neither financed the main steel mill nor have we been approached to finance the proposed expansion mentioned in your letter.

We would of course examine all aspects of the project, including its ecological effects, if, at any stage, financial assistance is requested from us.

I am glad, however, that you wrote to me on this matter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Bernhard Grzimek
Brehmplatz 16
6 Frankfurt (Main) 1
Germany

Cleared in substance with and cc: Mr. Lee
cc: Mr. Diamond/Dixon
Mr. McNamara's Office (2)✓

BAhmad/bp
July 25, 1972

490/3/47

JAN HUYSER

FOODAGRI

ROME

ITALY

JULY 27, 1972

TELEX

HOPE YOU CAN JOIN ME FOR DINNER MONDAY EVENING JULY 31 AT BEGINNING OF INTERNATIONAL CENTERS WEEK. GATHERING CENTER OFFICIALS FOUNDATION REPRESENTATIVES AND A FEW OTHER PERSONS FOR INFORMAL EVENING TO HEAR CENTER VIEWS ON OPERATIONS CONSULTATIVE GROUP INTERNATIONAL AGRICULTURAL RESEARCH AND IDEAS FOR IMPROVEMENT. PLEASE LET ME KNOW WHETHER YOU CAN BE PRESENT.

(Signed) Robert S. McNamara

ROBERT S. McNAMARA

Harold N. Graves, Jr.

Development Services

cc: Mr. McNamara's files (2)

HC:sjc

490/3/46

JAN HUYSER

JULY 27, 1972

FOODAGRI

TELEX

ROME

ITALY

HOPE YOU CAN JOIN ME FOR DINNER MONDAY EVENING JULY 31 AT BEGINNING
OF INTERNATIONAL CENTERS WEEK. GATHERING CENTER OFFICIALS FOUNDATION
REPRESENTATIVES AND A FEW OTHER PERSONS FOR INFORMAL EVENING TO HEAR
CENTER VIEWS ON OPERATIONS CONSULTATIVE GROUP INTERNATIONAL AGRICULTURAL
RESEARCH AND IDEAS FOR IMPROVEMENT. PLEASE LET ME KNOW WHETHER YOU CAN
BE PRESENT.

(Signed) Robert S. McNamara

ROBERT S. McNAMARA

Harold N. Graves, Jr.

Development Services

cc: Mr. McNamara's files (2)

HC:ejc

490/3/45

ARMANDO SAMPER

JULY 26, 1972

CINATROP

FULL RATE

CALI

COLOMBIA

HOPE YOU CAN JOIN ME FOR DINNER MONDAY EVENING JULY 31 AT BEGINNING OF INTERNATIONAL CENTERS WEEK. GATHERING CENTER OFFICIALS FOUNDATION REPRESENTATIVES AND A FEW OTHER PERSONS FOR INFORMAL EVENING TO HEAR CENTER VIEWS ON OPERATIONS CONSULTATIVE GROUP INTERNATIONAL AGRICULTURAL RESEARCH AND IDEAS FOR IMPROVEMENT. PLEASE LET ME KNOW WHETHER YOU CAN BE PRESENT.

(Signed) Robert S. McNamara

ROBERT S. McNAMARA

Harold Graves, Jr.
Development Services Department

cc: Mr. McNamara's files (2)

HG:sjc

490/3/44

July 26, 1972

Dear Professor Hyder:

As a Trustee of the Eisenhower Exchange Fellowship, I had the pleasure of meeting your associate, Mr. Njiri, at the meeting of the Fellows in Aspen, Colorado. Today he visited me in my office and presented me, on his behalf and yours, with a carving of a Kenyan buffalo. I want to thank you, as I did him, for your thoughtfulness in presenting the piece of sculpture to the Bank, where it will fill an honored place.

Should your travels bring you to Washington, I hope I will have an opportunity to meet with you.

With best wishes,

Sincerely,

Robert S. McNamara

Professor Mohamed Hyder
Chairman, Board of Trustees
Kenya National Parks
Box 42076
Nairobi, Kenya

cc: Mr. Lejeune

RMcN:pay

490/3/43

ARMANDO SAMPER

JULY 26, 1972

CINATROP

FULL RATE

CALI

COLOMBIA

HOPE YOU CAN JOIN ME FOR DINNER MONDAY EVENING JULY 31 AT BEGINNING OF INTERNATIONAL CENTERS WEEK. GATHERING CENTER OFFICIALS FOUNDATION REPRESENTATIVES AND A FEW OTHER PERSONS FOR INFORMAL EVENING TO HEAR CENTER VIEWS ON OPERATIONS CONSULTATIVE GROUP INTERNATIONAL AGRICULTURAL RESEARCH AND IDEAS FOR IMPROVEMENT. PLEASE LET ME KNOW WHETHER YOU CAN BE PRESENT.

(Signed) Robert S. McNamara

ROBERT S. McNAMARA

Harold Graves, Jr.

Development Services Department

cc: Mr. McNamara's files (2)

HC:sjc

490/3/42

HONORABLE
D.F. SHEARS
MINISTER OF WORKS
MINWORKS
FREETOWN

²⁵
July 25, 1972

FULL RATE

SIERRA LEONE

ACKNOWLEDGE RECEIPT YOUR CABLE OF JULY 21 STOP I HAVE ASKED MR.
CHAUFOURNIER TO REPORT TO YOU DIRECTLY UPON THE RETURN OF MR. DE
MAN FROM HIS VISIT TO FREETOWN IF THERE ARE ANY OUTSTANDING PROBLEMS
STOP REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA

INTBAFRAD

Robert S. McNamara
Office of the President

cc: Messrs. Chauffournier (W. Africa)
Cheek (W. Africa)
de Man (Transportation)

TARlinthorn:sc

TRANSLATION
(non-literal)

DRAFT
GDavid/MGillette:mee
July 19, 1972

DRAFT
FXLeduc:mee
July 19, 1972

Mr. André Lauraint
President of the
Compagnie Minière de l'Ogooué
195 avenue de Neuilly
Neuilly sur Seine, France

Dear Mr. President:

I greatly appreciated the very kind words with which you described in your letter of July 7 the role played by the World Bank in the establishment and exploitation of the manganese mine in Moanda and in the operation of your company. We share your pride in the company's success, which is amply demonstrated by the ability to prepay our loan a full two years before maturity. It seems to us, moreover, that the bulk of the credit for these achievements must be accorded to the company staff whose outstanding qualities have long been evident to us.

I, too, am very pleased to note the mutual confidence, cooperation and understanding which have characterized our relationship over the years, and I extend my best wishes for future success to the Compagnie Minière de l'Ogooué, which is such an important element in Gabon's economic development.

Sincerely,

Robert S. McNamara

490/3/40

JUL 21 1972

Monsieur le Président,

Permettez-moi de vous dire à quel point je suis sensible aux mots très aimables avec lesquels, dans votre lettre du 7 courant, vous avez bien voulu rappeler le rôle de la Banque Mondiale dans l'ouverture et l'exploitation de la mine de manganèse de Mbanda et dans la bonne marche de votre compagnie, bonne marche qu'illustre, s'il en était besoin, le remboursement anticipé du 30 juin dernier. En réalité, les résultats remarquables de la COMILOG nous semblent dus pour une grande part aux éminentes qualités du personnel, des cadres et de la direction de votre compagnie, qualités sur lesquelles nos missions de supervision ne manquaient jamais d'insister.

Je me réjouis comme vous qu'un esprit de confiance, de coopération et de compréhension réciproques ait présidé à nos relations, et je formule mes vœux les plus chaleureux à la Compagnie Minière de l'Ogooué, important élément du développement économique du Gabon, pour le succès de ses futures opérations.

Veillez agréer, Monsieur le Président, l'assurance de ma considération très distinguée.

(Signed) Robert S. McNamara

Robert S. McNamara

Monsieur André Lauraint
Président de la
Compagnie Minière de l'Ogooué
195, avenue de Neuilly
92200 Neuilly-sur-Seine
FRANCE

FXL:duc:mee

July 19, 1972

Cleared with and cc: Mr. Delaume

cc: Messrs. Viénot) + incoming letter
Kochman)

Ljungh

Chardon

490/3/39

JUL 21 1972

Dear Mr. President:

We are most pleased to advise you that on the basis of your letter of July 5, 1972, our staff has begun and substantially completed negotiations with representatives of your Government for an IDA education credit.

Your letter of July 5th also proposes that we consider financing the external resource needs of the proposed highway project with 50 percent IDA and 50 percent IBRD resources. Our staff is considering the proposal and I hope to advise you of our decision in the near future.

Please accept my best wishes and hopes for the continued success of your country in its development efforts.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Señor Alfredo Stroessner
President of Paraguay
Asunción, Paraguay

Cleared and cc: Mr. Alter

cc: Messrs.: Knapp
Chadenet
North
Ballantine
Koch
Mr. McNamara's office (2)

RKanchuger:mv

490/3/38

JUL 21 1972

Monsieur le Premier Ministre,

Dans votre lettre du 3 juillet, vous avez bien voulu me confirmer à nouveau le grand intérêt que votre gouvernement porte au projet de Centre de Réparation Navale de Dakar dont vous avez décidé de prendre dorénavant la responsabilité directe.

Je suis heureux de porter à votre connaissance que les travaux des deux bureaux d'études norvégiens sont bien avancés, que l'étude de marché est terminée et a été transmise à nos services, et que l'étude technique est en voie d'achèvement; à ce sujet, nous avons envoyé cette semaine en Norvège une mission composée de représentants de nos services techniques afin d'étudier les conclusions des ingénieurs-conseils. Il nous faudra ensuite compter quelques semaines avant d'émettre une opinion sur ce projet. En tout état de cause, nous espérons être en mesure, comme convenu, de vous communiquer notre réponse de principe vers la fin du mois d'août.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Monsieur Abdou Diouf
Premier Ministre
Dakar
Sénégal

KlausHuber/GilbertDavid:jo'd
cleared with & cc: Mr. Bauer
July 18, 1972

cc: Ambassador of Senegal
Mr. Ljungh (Executive Offices)
Mr. Fuchs (Projects)
Mr. Cash (Projects)

490/3/37

UNOFFICIAL TRANSLATION

Dear Mr. Prime Minister,

In your letter of July 3, 1972, you were kind enough to confirm once again the great interest your Government has in the Dakar Tanker Repair project, as shown by your decision to assume direct responsibility for its development.

I am pleased to inform you that the work of the two Norwegian consultants has progressed satisfactorily, that the market study is completed and has been received by our services, and that the technical study is nearing completion; in this respect, we sent a mission to Norway this week in order to study the conclusions of the consultants. A few weeks will then be needed before a position can be taken on this project. As agreed, we hope to be in a position to give you a reply in principle on the results of our enquiry towards the end of the month of August.

Sincerely,

Robert S. McNamara

His Excellency
Mr. Abdou Diouf
Prime Minister
Dakar, Senegal

490/3/37

JUL 21 1972

Dear John:

I hope that you will be able to join me for dinner at my home on Monday evening, July 31, at the beginning of International Centers Week. The address is 2412 Tracy Place, N.W., and the hour will be 8:00.

At that time, we are gathering Center representatives, foundation officials, and a few others to talk about the business of the Consultative Group on International Agricultural Research. There will be no agenda, and the entire evening will be informal. I hope that the occasion will afford an opportunity for the representatives of the Centers to give their views about the way the Consultative Group is operating and to make suggestions for improvement.

I would be grateful if you could let me know in advance of your arrival in Washington whether you can accept this invitation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. John H. Knowles
President
The Rockefeller Foundation
111 West 50th Street
New York, New York 10020

490/3/36

JUL 21 1972

Dear Mr. Wolf:

I hope that you will be able to join me for dinner at my home on Monday evening, July 31, at the beginning of International Centers Week. The address is 2412 Tracy Place, N. W., and the hour will be 8:00.

At that time, we are gathering Center representatives, foundation officials and a few others to talk about the business of the Consultative Group on International Agricultural Research. There will be no agenda, and the entire evening will be informal. I hope that the occasion will afford an opportunity for the representatives of the Centers to give their views about the way the Consultative Group is operating and to make suggestions for improvement.

I would be grateful if you could let me know in advance of your arrival in Washington whether you can accept this invitation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Alfred Wolf
Program Advisor
Inter-American Development Bank
Washington, D. C. 20577

cc: Mr. McNamara (2 copies)

HG:RHD:sjc
20 July, 1972

Identical letter sent to Mr. Joel Bernstein
Assistant Administrator
Bureau for Technical Assistance
U.S. Agency for International
Development
320 -- 21st Street, N.W.
Washington, D. C.

490/3/35

JUL 21 1972

Dear Virgilio:

I hope that you will be able to join me for dinner at my home on Monday evening, July 31, at the beginning of International Centers Week. The address is 2412 Tracy Place, N. W., and the hour will be 8:00.

At that time, we are gathering Center representatives, foundation officials and a few others to talk about the business of the Consultative Group on International Agricultural Research. There will be no agenda, and the entire evening will be informal. I hope that the occasion will afford an opportunity for the representatives of the Centers to give their views about the way the Consultative Group is operating and to make suggestions for improvement.

If for some reason you cannot attend, will you let my office know? Otherwise I will look forward to the pleasure of seeing you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Virgilio Barco
Chairman of the Board
CIMMYT
International Bank for Reconstruction
and Development
1818 H Street, N. W.
Washington, D. C. 20433

HGraves:RHD:sjc
July 19, 1972

cc: Mr. McNamara's files (2)

490/3/34

JUL 21 1972

Dear Dr. Albrecht:

I hope that you will be able to join me for dinner at my home on Monday evening, July 31, at the beginning of International Centers Week. The address is 2412 Tracy Place, N. W., and the hour will be 8:00.

At that time, we are gathering Center representatives, foundation officials and a few others to talk about the business of the Consultative Group on International Agricultural Research. There will be no agenda, and the entire evening will be informal. I hope that the occasion will afford an opportunity for the representatives of the Centers to give their views about the way the Consultative Group is operating and to make suggestions for improvement.

I would be grateful if you could let me know in advance of your arrival in Washington whether you can accept this invitation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. H. R. Albrecht
Director
International Institute of
Tropical Agriculture
Oyo Road, P.M.B. 5320
Ibadan
Nigeria

HGraves/RHD:ap
July 19, 1972

cc: Mr. McNamara's files (2)

490/3/33

JUL 21 1972

Dear Mr. Hanson:

I hope that you will be able to join me for dinner at my home on Monday evening, July 31, at the beginning of International Centers Week. The address is 2412 Tracy Place, N. W., and the hour will be 8:00.

At that time, we are gathering Center representatives, foundation officials and a few others to talk about the business of the Consultative Group on International Agricultural Research. There will be no agenda, and the entire evening will be informal. I hope that the occasion will afford an opportunity for the representatives of the Centers to give their views about the way the Consultative Group is operating and to make suggestions for improvement.

I would be grateful if you could let me know in advance of your arrival in Washington whether you can accept this invitation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Haldore Hanson
Director General
International Maize and Wheat
Improvement Center
Londres 40, Mexico 6, D. F.

HGraves/pnn
July 19, 1972

cc: Mr. McNamara's files (2)

Identical letters sent to:

Dr. U. J. Grant, Director General
Centro Internacional de Agricultura Tropical
Apartado Aereo 67-13
Apartado Nal. 737, Cali, Colombia

Dr. Richard L. Sawyer, Director General
International Potato Center
Apartado 2791, Lima, Peru

490/3/32

JUL 21 1972

Dear Dr. Pino:

I hope that you will be able to join me for dinner at my home on Monday evening, July 31, at the beginning of International Centers Week. The address is 2412 Tracy Place, N. W., and the hour will be 8:00.

At that time, we are gathering Center representatives, foundation officials and a few others to talk about the business of the Consultative Group on International Agricultural Research. There will be no agenda, and the entire evening will be informal. I hope that the occasion will afford an opportunity for the representatives of the Centers to give their views about the way the Consultative Group is operating and to make suggestions for improvement.

I would be grateful if you could let me know in advance of your arrival in Washington whether you can accept this invitation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. John A. Pino
Director
The Rockefeller Foundation
111 West 50th Street
New York
New York 10020

HGraves/RHD:ap
July 19, 1972

cc: Mr. McNamara's files (2)

IDENTICAL LETTERS TO:

TAC

Sir John Crawford
Vice-Chancellor
Australian National University
24 Balmain Crescent
Acton, A.C.T. 2601
Australia

Mr. Peter A. Oram
Senior Agronomist
Policy Advisory Bureau
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
Rome 00100
Italy

FAO

Mr. R. I. Jackson
Deputy Director-General
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
Rome 00100
Italy

Ford Foundation

Mr. David E. Bell
Vice President
The Ford Foundation
320 East 43rd Street
New York, N. Y. 10017

Dr. F. F. Hill
The Ford Foundation
320 East 43rd Street
New York, N. Y. 10017

Dr. Lowell Hardin
The Ford Foundation
320 East 43rd Street
New York, N. Y. 10017

Rockefeller Foundation

Dr. John H. Knowles
President
The Rockefeller Foundation
111 West 50th Street
New York, N. Y. 10020

Mr. Sterling Wortman
Vice President
The Rockefeller Foundation
111 West 50th Street
New York, N. Y. 10020

Dr. John A. Pino
Director
The Rockefeller Foundation
111 West 50th Street
New York, N. Y. 10020

UNDP

Mr. Myer Cohen
Deputy Administrator
United Nations Development
Programme
United Nations
New York, N. Y. 10017

World Bank

Mr. R. H. Demuth
Mr. L. J. C. Evans
Mr. Harold Graves

490/3/31

RALPH W. CUMINGS
RICEFOUND
MANILA

JULY ²⁰~~29~~, 1972

LT

PHILIPPINES

HOPE YOU CAN JOIN ME FOR DINNER MONDAY EVENING JULY 31 AT BEGINNING
OF INTERNATIONAL CENTERS WEEK. GATHERING CENTER OFFICIALS FOUNDATION
REPRESENTATIVES AND A FEW OTHER PERSONS FOR INFORMAL EVENING TO HEAR
CENTER VIEWS ON OPERATIONS CONSULTATIVE GROUP INTERNATIONAL AGRICULTURAL
RESEARCH AND IDEAS FOR IMPROVEMENT. PLEASE LET ME KNOW WHETHER YOU CAN
BE PRESENT.

ROBERT S. McNAMARA

Harold N. Graves, Jr.
Development Services Department

cc: Mr. McNamara's files (2)

490/3/30

ROBERT F. CHANDLER
DIRECTOR
ASIAN VEGETABLE RESEARCH CENTER
P. O. BOX 42
SHANHNA TAINAN
TAIWAN (741)

REPUBLIC OF CHINA

JULY ²⁰ 29, 1972

LT

HOPE YOU CAN JOIN ME FOR DINNER MONDAY EVENING JULY 31 AT BEGINNING
OF INTERNATIONAL CENTERS WEEK. GATHERING CENTER OFFICIALS FOUNDATION
REPRESENTATIVES AND A FEW OTHER PERSONS FOR INFORMAL EVENING TO HEAR
CENTER VIEWS ON OPERATIONS CONSULTATIVE GROUP INTERNATIONAL AGRICULTURAL
RESEARCH AND IDEAS FOR IMPROVEMENT. PLEASE LET ME KNOW WHETHER YOU CAN
BE PRESENT.

ROBERT S. McNAMARA

Harold N. Graves, Jr.

Development Services Department

cc: Mr. McNamara's files (2)

HG:ap

490/3/29

FRANCISCO DE SOLA
CHAIRMAN OF THE BOARD OF CIAT
C/o H. DE SOLA E HIJOS
APARTADO POSTAL NO. 53
SAN SALVADOR

JULY ²⁰~~19~~, 1972

LT.

EL SALVADOR

HOPE YOU CAN JOIN ME FOR DINNER MONDAY EVENING JULY 31 AT BEGINNING
OF INTERNATIONAL CENTERS WEEK STOP GATHERING CENTER OFFICIALS
FOUNDATION REPRESENTATIVES AND A FEW OTHER PERSONS FOR INFORMAL
EVENING TO HEAR CENTER VIEWS ON OPERATIONS CONSULTATIVE GROUP
INTERNATIONAL AGRICULTURAL RESEARCH AND IDEAS FOR IMPROVEMENT STOP
PLEASE LET ME KNOW WHETHER YOU CAN BE PRESENT.

ROBERT S. McNAMARA
INTBAFRAD

Harold N. Graves, Jr.
Development Services Department

cc: Mr. McNamara's files (2)

HNG:jg

Identical cables sent to:

Charles F. Bentley
Chairman of Board of ICRISAT
c/o Ford Foundation
Hyderabad
India

Mariano Segura
International Potato Center
Apartado 2791
Lima
Peru

Bukar Shaib
Ministry of Agriculture
Lagos
Nigeria

*Handed to Secy Shultz
at level 7/20/72*

490/3/28

July 20, 1972

The Honorable
George Shultz
Secretary of the Treasury
Washington, D.C.

Dear George:

We are in the deepest of trouble with the Third Replenishment of IDA. The facts are these:

1. At the Annual Meeting of the Governors of the World Bank Group in September 1969, the Governors established a time schedule for the Third Replenishment of IDA: The formula for the replenishment was to be negotiated in the period October 1, 1969 and July 1, 1970; the negotiated formula was to be ratified by the legislatures of the member governments during the twelve months ending June 30, 1971; and the Third Replenishment funds would be available for commitment by the Bank Group July 1, 1971.
2. During the 9-month negotiating period, the U.S. Government took the lead in suggesting the size of the replenishment and in urging other governments to support it: The U.S. proposed a replenishment of \$1 billion per year, of which the U.S. share was to be \$400 million. Ultimately, the 23 governments involved (including, for the first time, Ireland, Spain and Yugoslavia) agreed upon a replenishment of \$800 million per year, with a U.S. share of \$320 million. In accordance with the original schedule, negotiations were completed in July 1970.
3. Early in 1971 it became apparent that although the legislatures of other governments would be in a position to ratify the agreement by July 1, 1971, the U.S. Congress would not. At that time I discussed the matter with Secretary Connally who, on April 8, 1971, authorized me to say to the Executive Directors of the Bank:

At the present time there appears to be virtually no chance that the necessary IDA legislation will have been passed by the U.S. Congress by June 30th, 1971. I have, however, discussed the matter with the Secretary of the United States Treasury who has assured me:

(a) that President Nixon continues to attach the greatest importance to the replenishment of IDA at the agreed level and will use his influence to the full to secure the passage of the legislation -- the Administration expects passage not later than December 31st, 1971;

(b) that, in the meantime, the U.S. Administration would strongly welcome any steps which other Part I countries are able to take to ensure that IDA is not left without further commitment authority by July 1st next.

4. Acting on the statement of the Secretary, I personally approached the responsible authorities of member governments (including Messrs. Heath, Sato, D'Estaing, Schiller and Benson) to urge them to voluntarily contribute to IDA to permit its operation after July 1, 1971.

In recognition of the President's assurance that he would "use his influence to the full to secure the passage of the legislation" and that "the U.S. Administration would strongly welcome any steps which other Part I countries are able to take to ensure that IDA is not left without further commitment authority," 15 governments took executive and legislative action to advance \$487 million to the Association. That sum, plus the transfer of \$110 million of Bank profits, plus the net gain on revaluation, permitted IDA to continue to process new commitments until the Spring of this year.

Since that time we have been without commitment authority. As of June 30, 1972, for lack of that authority, we were unable to disburse on IDA credits totalling \$162 million for Indonesia, Korea, Pakistan, Morocco, Tunisia, Senegal, Ethiopia and Turkey (in addition to two credits for India) which had been approved by our Board of Directors.

5. It is obvious that the cessation of IDA operations will severely penalize development in the 40 or 45 nations which are so dependent upon it for external support -- nations in which mortality rates are high, illiteracy widespread, unemployment rising, and external debts already at critical levels and increasing.

6. What is not so obvious is that a failure to ratify an agreement negotiated in good faith with the major nations of the world cannot help but undermine the credibility of U.S. foreign policy.

Sincerely,

Robert S. McNamara

490/3/27

19 1972

Excellency:

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

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

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Koshiro Ueki
Minister of Finance
Ministry of Finance
Tokyo, Japan

HNScott:dg
July 19, 1972

cc: Messrs. Aldewereld
Broches
Rotberg
Rutland
Clyde (o/r)
van Saagsvelt (o/r)

490/3/26

JUL 19 1972

Dear Lic. Martinez Dominguez:

This is to thank you for your letter of July 6, 1972, which requests a loan for the development of the Sinaloa River Irrigation Project. I am pleased to inform you that a project supervision mission, which is at present in Mexico City, will hold preliminary discussions about the feasibility study transmitted with your letter. The Bank has already informed staff of the Ministries of Finance and of Hydraulic Resources and Nacional Financiera about the visit of the mission to Mexico.

I greatly appreciate the collaboration which we have received from Nacional Financiera in the last fiscal year, in which Bank lending to Mexico reached a record level and became increasingly diversified. We look forward to continue working closely with you and your colleagues in the future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Lic. Guillermo Martinez Dominguez
Director General
Nacional Financiera S.A.
Isabel la Catolica No. 51
Mexico 1, D.F.

RNelson:kh

Cleared with and cc: Messrs. A. Golan (Agric. Proj)
P. P. Kuczynski (CAC)
cc: Messrs. E. Gutierrez (o/r)
E. P. Wright (o/r)
A. E. E. Ljungh
P. Scherer (CAC)

Letter typed July 17, 1972

EW

490 / 3/22

OFFICE MEMORANDUM

TO: Members of the President's Council
Bank Department Heads

DATE: July 14, 1972

FROM: Anders Ljungh *ALj*

SUBJECT: Memos of Conversation from Meetings in the President's Office

No doubt you find it useful to make records of conversations with visitors from outside the Bank. It would be very much appreciated if this office could be furnished promptly with original and one carbon copy of memoranda of such conversations in which you or members of your staff participate with the President.

President has seen

490/3/21

July 13, 1972

Mr. Lujo Toncic-Sorinj
Secretary-General
Council of Europe
Strasbourg, France

Dear Mr. Toncic-Sorinj:

This will reply to your letter of June 22, transmitting Resolutions 476 and 477 and Recommendation 635, all adopted in 1971 by the Consultative Assembly of the Council of Europe. In compliance with Recommendation 635, you ask for the views of the International Bank for Reconstruction and Development on Resolution 476. Your letter indicates that the two resolutions were first transmitted to the Bank almost a year ago; I regret that they were never acknowledged, but we have no record of having received them.

The Bank is entirely in sympathy with the positions expounded in Resolution 476 and the actions which the Consultative Assembly has urged on its member States. I may note that on several occasions, most recently in an address to the Third United Nations Conference on Trade and Development, I have made a number of the same points, calling attention, for example, to the critical importance of achieving the ODA target of .7% of GNP and of a liberalization of trade. While the recommendations of the resolution are addressed to the Consultative Assembly's member States rather than to the specialized agencies as such, it is relevant to point out that the Bank Group has been providing assistance, technical and financial, for many of the sectors of development with which the resolution is concerned. For example, a number of loans have been made to support reform of education systems, to make them more relevant to the recipient country's needs and its stage of development. One of these, for \$50 million, is a follow-up of an earlier loan which helped to finance the

Mr. Lujo Toncic-Sorinj

- 2 -

July 13, 1972

first stage of a reform of Spain's education system, is the largest the Bank has thus far extended to the education sector. Increased attention is being paid to comprehensive rural development projects, designed to improve living standards and economic prospects for the rural population. Given the nature of the Bank's investment in the financing of family planning programs it is unlikely to be involved directly in biomedical research, the kind of research referred to by the resolution. We are, however, concerned with research related to the operation of family planning programs, and have recently supported a very large experimental and innovative project of that character in India, in which our financing is to be associated with funds from Sweden.

The Bank welcomes the initiative taken by the Consultative Assembly in adopting the resolutions and the recommendation, and expresses the hope that the Assembly's member States will give effect to them.

Sincerely,

Robert S. McNamara

SEBoskey:tsb

cc: Office of the President (2) ✓
Mr. Carriere

49013/18

July 13, 1972

Dear Mr. Prime Minister:

I have read with interest your letter of June 26, 1972, in which you refer to the serious problem of unemployment in your country. In recent years the World Bank has been giving increasing attention to this question with a view to making Bank operations more directly responsive to the employment needs of member countries. Against this background, a Bank economic mission visited your country in April/May of this year with the primary objective of obtaining a fuller understanding of the employment situation and of looking into possible policies and programs aimed at securing a higher rate of employment in the context of a growing economy. The study, presently under preparation, is the beginning of a broader review of the employment problems faced in the Caribbean member countries of the Bank.

Bank staff will be happy to participate with a delegation from Trinidad and Tobago in the forthcoming discussions in Washington on a report prepared by CIAP. As soon as our own study is completed, which I hope will be within the next few weeks, we hope to be in a position to discuss in detail new operations in which the Bank might become involved. Meanwhile, of course, we have a number of projects in Trinidad and Tobago under consideration, including a port improvement project, a second education project and a sugar rehabilitation project. These last two projects have an important bearing on employment, and we are also hoping that the Development Finance Company of Trinidad and Tobago, to which the World Bank recently made a loan of US\$2 million, will make a significant contribution to the creation of new jobs.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Right Honorable
Dr. Eric Williams
Prime Minister
Whitehall, St. Clair
Port-of-Spain, Trinidad

Copy to: Mr. Donatien Bihute
Executive Director for Trinidad & Tobago

HWyss/EPWright:RMcN:mss

490/3/17

For Mr. McNamara's Office

JUL 13 1972

Dear Mrs. Chisholm:

Thank you for your letter of July 5, bringing to my attention the current effort to expand the Big Brothers program in the Washington area.

As I am sure you will appreciate, the Bank Group itself is not able to provide financial support for this program given that its resources are devoted to development activities in the poorer nations of the world. However, there may well be a possibility that individual staff members may wish to participate in the program in one way or another. I have therefore brought your letter to the attention of the Chairman of our Staff Association who will, I am sure, consider how best staff members might help.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Shirley Chisholm
House of Representatives
Washington, D.C. 20515

cc: Mr. James Chaffey
Mr. D. Merriam

RAClarke:ss
July 10, 1972

490/3/16

Messrs. W.S. Gaud, R.H. Demuth, B. Chadenet,
S.R. Cope, E. Stern and D. Semmers

Robert S. McNamara

Staff Compensation Study

DECLASSIFIED July 12, 1972
CONFIDENTIAL
OCT 22 2012
WBG ARCHIVES

We have received a final draft of the McKinsey report on the Staff Compensation Study. The report raises major issues of substance, many of which will eventually involve extensive consultation with the IMF and our own Staff Association, and some at least will be of serious concern to Member Governments.

This is an extremely sensitive area. I have therefore decided to set up a Committee whose terms of reference will be:

to advise the President on the action he should take in the light of the recommendations in the report by McKinsey and Company on a Program of Strengthening Staff Compensation and Personnel Administration.

Mr. Shoab will serve as Chairman of this Committee and Mr. Clarke as Vice Chairman. I would like you to serve on this Committee.

Mr. Clarke will provide you with a copy of the McKinsey report before the end of the day and will arrange for an early meeting of the Committee.

(Signed) Robert S. McNamara

cc: Mr. M. Shoab
Mr. R. A. Clarke
Members of the President's Council

RAC:ss

DECLASSIFIED

CONFIDENTIAL
OCT 22 2012

WBG ARCHIVES

July 12, 1972

490/3/15

MEMORANDUM FOR MR. TWINING

As I mentioned to Mr. Shoab several months ago, I believe we must rescind our policy of assigning cars and chauffeurs to the members of the President's Council. For the present, existing members of the Council may retain their cars, but in the future, as the membership changes, no new car assignments should be made.

/s/ Robert S. McNamara

Robert S. McNamara

cc: Mr. Shoab

490/3/14

→ FOR THE USE OF THE OFFICE OF
THE PRESIDENT (2)

JUL 12 1972

Señor Lic. Luis Scheverría
President of the United Mexican States
Mexico City
Mexico, D.F.

Mr. President:

It was a great pleasure to meet you during your visit to Washington last month and to hear your very illuminating account of Mexico's development problems.

The World Bank has never been more closely associated with the development of the Mexican economy than it is today, and the record lending of US\$277 million completed during our fiscal year just ended puts Mexico along with Brazil well ahead of all other countries at the top of the list of the Bank's borrowers, with Bank loans outstanding to Mexico, including amounts not yet disbursed, now totalling well over US\$1,000 million. The prominent place which loans to Mexico occupy in the Bank's portfolio has naturally given rise to a number of questions about the Bank's role in assisting Mexico's development, and there was an extensive discussion of this subject at the meeting of the Executive Directors on June 20 when the loan to the Comisión Federal de Electricidad was approved. You might be interested in an account of this discussion, and I am enclosing a copy of the summary record of the meeting.

As you know, most of the World Bank loans to Mexico to date have been for power (US\$705 million) and transport (US\$332 million). The Bank has also extended considerable assistance to large and small commercial farmers, including many ejidatarios, through its loans for major irrigation (US\$70 million) and agricultural and livestock credit (US\$165 million). Relatively little of the Bank's lending, however, has been intended to benefit directly the great mass of the rural population, who are living close to the margin of subsistence, mainly in the central and southern states, with per capita incomes below about US\$200 a year (perhaps about 15 million people in all according to data from a 1969 household survey carried out by the Government). There is a strong feeling in our Board - a feeling with which I have considerable sympathy - that, if the World Bank is to continue to lend on a large scale to Mexico, a significant part of the lending should in future be channeled directly into this rural sector to assist your Government in its efforts to raise agricultural productivity, to provide more employment and improve conditions of life in the villages and to secure a better distribution of national income.

There is, of course, no question in our minds that first priority in Mexico's economic policy must continue to be given to measures designed to maintain a sound balance of payments and a satisfactory rate of growth by improving efficiency in the modern sector of the economy, encouraging exports

and mobilizing additional public savings. Your Government has taken a number of important steps in this direction during the past eighteen months, particularly with respect to fiscal policy and the management of the balance of payments, and Bank lending in the traditional fields, along with the new loans recently made for industry and tourism, is designed to assist Mexico in maintaining its remarkable record of sustained economic expansion, which has few parallels in the recent history of the developing world. At the same time, however, the Bank is very much concerned that a balance should be maintained in its lending to Mexico, and that the qualitative aspects of development should not be neglected.

With the aim of diversifying our lending to Mexico along the lines I have described, World Bank staff have been working closely with various agencies of your Government in studying the problems of agriculture and rural development and trying to identify projects suitable for Bank financing outside the modern sector of the economy in which the bulk of our lending to date has been concentrated. I would like to mention particularly the following activities:

- (a) at the request of the Secretariat of the Presidency, an economist from the Bank's Development Research Center has been seconded to work for a year in Mexico on an agricultural sector model which has been developed by the Bank in collaboration with a group of Mexican officials (Grupo de Análisis del Sector Agropecuario);
- (b) the Bank, with the assistance of the UNDP, is working with the Secretariat of Water Resources on a National Water Planning Study which "is intended to develop a systematic process for the selection of programs, projects and policies relating to the best use of hydraulic resources and compatible with the objectives of the national economy". This study, which has just started, will take 2-3 years to complete and will include a detailed analysis of the use of water for agricultural purposes;
- (c) an FAO mission organized under the Bank/FAO cooperative program has been exploring with the Papaloapan Commission the possibility of the Bank financing a rural development project in the Alto Papaloapan basin, together with investments in large-scale irrigation works in the lower part of the basin;
- (d) during the past few months Bank staff have been intensively engaged with the Fondo de Garantía of the Bank of Mexico in the preparation of a new agricultural and livestock credit operation which might include some funds specially reserved for the assistance of low income farmers; and
- (e) Bank staff have been exploring with the Secretariats of Education and Agriculture the possibility of Bank assistance for secondary and non-formal education in Mexico, giving particular emphasis to industrial and agricultural training.

The program of rural roads (caminos de mano de obra) which you yourself mentioned at our meeting would fit in well with the different pattern of lending for which some of our Directors have been pressing, but as I pointed out to Mr. Lajous, this program has not yet been worked out in the form of detailed projects which could be included in the list of projects suggested to the Bank by the Finance Secretariat. Therefore we have not yet given it consideration at the staff level. A federal highway project was, however, included in that list, and several of the roads in it appear to have the development of relatively backward rural areas as their main justification. The Finance Secretariat has also proposed a number of major irrigation projects for Bank financing, including Rio Sinaloa, but these appear to be oriented more towards increasing agricultural exports, which is of course a very important objective, than to assisting low income farmers. In any case, we have some doubts about the economic priority that should be accorded to major new investments in this field until more has been done to build up supporting agricultural services (research, extension, credit, etc.).

One of the Bank's principal concerns in working with your Government in the rural sector will be to ensure that the choice of projects for Bank financing is consistent with your long-range objectives and policies for the development of agricultural production, as well as with the objectives of alleviating poverty and reducing unemployment. Professor Hollis Chenery has told me about his meetings some weeks ago with a number of your own advisers in this field, including Professor Edmundo Flores, Mrs. Navarrete and Dr. Puente Leyva, and it might be useful to arrange a further exchange of views between this group and members of the Bank staff, possibly at the time of our next economic mission to Mexico in October. At the operational level the most difficult problem will be to devise an effective organization for the implementation of projects involving so many different Government agencies and making such heavy demands on trained extension workers and credit agents. We would also have to consider to what extent Bank assistance should be extended in support of nation-wide programs (e.g. for credit, agricultural education or feeder roads) and to what extent concentrated in particular regions of the country where the problems of rural poverty and underemployment are most acute. These are all questions which our staff will be discussing with the Secretariats of the Presidency and Finance during the coming months.

In conclusion, Mr. President, I would like to assure you of the Bank's close and continuing interest in Mexico's economic development and its readiness to assist your Government in whatever ways may be appropriate in the difficult task of maintaining a high rate of growth, while seeing to it that the benefits of growth are more equitably distributed.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

EPWright:vr

typed July 11, 1972

Cleared with and cc: Mr. Chadenet

cc: Messrs. Knapp, Aldewereld,
Chenery, Gutierrez (o/r)
Attachment Nelson

cc: Lic. Hugo Margain, Secretary of Finance
Lic. Adrián Lajous, Executive Director for Mexico



Record Removal Notice



File Title President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 29	Barcode No. 1771898
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Document Date July 13, 1972	Document Type Summaries of Discussions
---------------------------------------	--

Correspondents / Participants

Subject / Title
 Summaries of Discussions at Meeting of the Executive Directors of the Bank and IDA, June 20, 1972.

Exception No(s).

1
 2
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 10 A-C
 10 D
 Prerogative to Restrict

Reason for Removal

Additional Comments
 Pending review by/consultation with the relevant World Bank unit(s).

The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.

Withdrawn by Shiri Alon	Date Nov 19, 2012
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490/3/12

OUTGOING WIRE

TO: BANKITALIA
ROME

DATE: JULY 12, 1972

CLASS OF
SERVICE: TELEX

COUNTRY: ITALY

TEXT:
Cable No.:

FOR DR. GUIDO CARLI, GOVERNOR
VERY PLEASED ABOUT WORLD BANK'S BOND ISSUE IN ITALIAN LIRE
FOR WHICH DOCUMENTS WERE SIGNED TODAY STOP PLEASE ACCEPT
MY SINCERE APPRECIATION FOR GIVING BANK ACCESS TO THE ITALIAN
CAPITAL MARKET STOP REGARDS

ROBERT S. MCNAMARA
INTBAFRAD

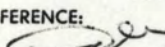
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AUTHORIZED BY:

NAME Robert S. McNamara

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cc: Mr. Aldewereld
Mr. Hittmair

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490/3/10

MEMORANDUM FOR THE RECORD

Visit of the Ambassador of Morocco, Badreddine Senoussi, July 7, 1972

The Ambassador said that he had come to extend to Mr. McNamara an invitation from the King of Morocco to attend the opening of a dam and irrigation scheme in the Rharb area (the Bank made a loan of \$46 million to the Sebou project in 1969), in the period July 15-20, 1972. In view of the importance that the King attaches to this project and the interest that Mr. McNamara has shown in Morocco's development, the King would very much like him to attend.

Mr. McNamara said that he certainly would like to come but, unfortunately, several commitments prevented him from doing so. However, he would investigate whether another senior person in the Bank could accept the invitation and would let the Ambassador know as soon as possible.

AL
July 11, 1972

490/319

JUL 11 1972

Monsieur le Gouverneur,

Je viens de recevoir votre lettre du 22 juin transmettant à la Banque les observations des autorités de la République de Guinée sur le projet de rapport établi par la mission économique de la Banque de novembre 1970. Le document fait l'objet d'un examen attentif par mes services du Département de l'Afrique de l'Ouest qui ne manqueront pas de prendre contact avec vous et le gouvernement guinéen pour un échange de vue plus approfondi.

Je vous prie d'agréer, Monsieur le Gouverneur, avec mes remerciements pour ces documents, l'assurance de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Monsieur N'Faly Sangare
Gouverneur
Banque Centrale de
la République de Guinée
Conakry
République de Guinée

RaphaelMEDA:seb - July 7, 1972

cc: Mr. Ljungh
Mr. Bachman
Miss Noel

TRANSLATION

RMéda:seb

July 7, 1972

Mr. N'Faly Sangare
Governor
Central Bank of the
Republic of Guinea
Conakry
Republic of Guinea

Dear Mr. Governor:

I am in receipt of your letter of June 22 transmitting to the Bank the observations of the authorities of the Republic of Guinea on the draft report written by the Bank's economic mission of November 1970. The document is being carefully examined by my services in the Western Africa Department, who will not fail to make contact with you and the Guinean Government for a more thorough exchange.

Please accept my thanks for these documents.

Sincerely,

INCOMING LETTER

INFORMAL TRANSLATION

RMéda: seb

Central Bank of the
Republic of Guinea
Conakry
Republic of Guinea

June 22, 1972

Mr. President
International Bank for
Reconstruction and Development
Washington, D. C. 20433

Dear Mr. President:

In response to the report you submitted to the
Government of Guinea, following the Bank consultative mission
in late 1970, I have the great honor to forward to you our
observations regarding this report.

Sincerely,

/s/ N'Faly Sangare

490/3/8

HIS EXCELLENCY
HELMUT SCHMIDT
THE MINISTER FOR ECONOMICS AND FINANCE

JULY 7, 1972

MLT

D-5300 BONN

FEDERAL REPUBLIC OF GERMANY

PLEASE ACCEPT MY WARM CONGRATULATIONS AND BEST WISHES ON YOUR APPOINTMENT
AS MINISTER FOR FINANCE STOP I LOOK FORWARD TO RENEWING OUR ACQUAINTANCE
AND TO THE CONTINUANCE OF THE FRUITFUL COLLABORATION BETWEEN GERMANY AND
THE WORLD BANK THAT PROMISES TO BRING GREAT BENEFIT TO THE DEVELOPING
WORLD

rs/ Romen

ROBERT S. MCNAMARA

INTBAFRAD

Robert S. McNamara
President

ALjungli:ml

490/3 14

JUL 6 1972

Dr. H. C. Coombs
Australian Council for the Arts
P. O. Box 302
North Sydney, N.S.W. 2060
Australia

Dear Dr. Coombs:

I want to thank you for your letter of June 19 in which you further comment on your proposals for debt relief to India.

I have explained to you the special problems which the Bank would face if it were to participate directly in an aid relief exercise for India and I appreciate your sensitivity to these considerations as reflected in your final report.

Both Cargill and Votaw have discussed with me the possibility of increasing the amount of industrial imports lending within our lending program for India. I am planning to review our Indian program in September and I will at that time give special consideration to this possibility. You will understand that we must justify additional industrial imports lending to our Directors in terms of our contribution to India's financing of her import requirements rather than an explicit contribution to debt relief. I need not emphasize that any such step is dependent on IDA's replenishment and on general action by the Consortium on debt relief.

I am aware that situations requiring debt relief may arise in other countries in the future and that there may be increasing pressure on the Bank to participate in arrangements for debt relief. For the Bank to yield to such pressure would require in turn financial arrangements designed to ensure unimpaired ability to raise in the capital markets the substantial funds required for the Bank's future lending operations. I cannot help but observe that member governments seem to express one view on the role the Bank should play in the context of the Consortium and another view through their Executive Directors on the Bank's Board. As you mentioned, only one Executive Director has raised with me the question of Bank participation in debt relief. As I have said before, I would welcome a move towards increasing the guarantees provided by our principal member countries in the form of subscriptions to callable capital of the Bank, and toward giving the Bank

Dr. H.C.Coombs - 2

some reasonably solid assurances regarding our future access to their capital markets. Such assurance would make for greater flexibility in the Bank's operations, including the participation in debt relief in appropriate cases.

I would like to use this opportunity to express to you my personal appreciation for your efforts on behalf of the Indian Consortium and the Bank as chairman of this group. My associates have praised your untiring devotion to this difficult task and the wisdom of your proposals. Having read your excellent report, I would like to join them in complimenting you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

JKraske/JBKnapp:jw

490/3/2



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



OFFICE OF THE PRESIDENT

JUL 5 1972

Dr. John A. Hannah
The Administrator
Agency for International Development
Department of State
Washington, D.C. 20523

Dear John:

Your letter of June 15, describes an area in which we are very much interested and in which considerable additional work is certainly desirable. The review of experience to date which you propose is most timely. We will be pleased to participate, to the extent feasible, in the preparation of the Spring Review on Agricultural Credit and in its technical field workshops.

We see no objection to coordinating the work of the proposed rural development study in East Africa so that it will meet the requirements of the Spring Review. I understand that the exploratory conversations with the staff of the Agricultural and Rural Development Division of the Economics Department have already led to agreement to make the material from this study available as one of the possible papers for the Spring Review. We are also prepared to contribute an analysis of our own experience with credit programs in India and Southeast Asia.

Since the basic purpose of the Spring Review is to evaluate AID's experience with a major program of worldwide significance, it would probably not be desirable for us to become a formal member of the steering group. However, whenever appropriate, we would be pleased to send an observer, and we have no hesitation in cooperating in any of the technical field workshops, as time and personnel permit.

The details of our contributions should be discussed as soon as possible with your coordinator, Mr. Rice, after he returns from his present trip.

To facilitate contacts between our organizations, I suggest that Mr. L.J.C. Evans, Director, Agriculture Projects Department, or, in his absence, his Deputy, Mr. Willi Wapenhans, coordinate our activities.

Dr. John A. Hannah

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The importance of adequate credit facilities is increasingly recognized, and the record of the past urgently needs examination so that we can have a better informed view of the problems which the developing countries will face in the 1970's in making agricultural credit increasingly available to small-scale farmers. I am convinced that without credit programs, designed to increase agricultural productivity, we cannot hope to deal with rural poverty nor make small-scale farming a viable component of the economies of the developing countries. We, therefore, look forward to the Spring Review, and we will do all we can to help make it a success.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Estern ~~AW~~

cc: Mr. Evans, APD
Mr. Stevenson, ECD
Mr. Votaw
Mr. Gilmartin