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Fonds: Records of the Office of the President

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THE WORLD BANK
Washington, D.C.

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McNamara Papers

1975 (Jul. - Aug.)

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The World Bank Group
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Chronological files - (outgoing) - Chrons 72

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

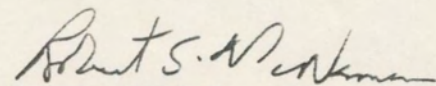
494 13 204

Office of the President

August 23, 1979

MEMORANDUM FOR THE PRESIDENT'S COUNCIL

I will be away from the office from August 24th through August 31st. In my absence Mr. Cargill will serve for me.


Robert S. McNamara

OFFICE MEMORANDUM

494/3/203

TO: Members of the President's Council
FROM: Ernest Stern, VP, Operations *ES*
SUBJECT: Mr. McNamara

DATE: August 16, 1979

As you know, Mr. McNamara was ill yesterday and it now develops that he has a case of shingles. He has been admitted to the Georgetown University Clinic, where he is expected to stay for a few days. He is doing well. As you know, this disease can be exceedingly painful. Mrs. McNamara requests that no one contacts him for the time being.

I will keep you informed, but it is quite probable that when he recovers sufficiently that he will proceed with his previous plans to go on vacation.

494/3/202

AUG 14 1979

Alejandro

Dear Mr. Orfila:

Thank you for your letter of August 2. Mr. Nicolas Ardito Barletta will be available to participate in the work of the group of experts on a personal basis.

I share your view of the importance of expanded cooperation for development in the Western Hemisphere and am sure that the group of experts will be able to assist you in identifying priority items for action.

Sincerely,

Rob
(Signed) ~~Robert S. McNamara~~

Robert S. McNamara

Mr. Alejandro Orfila
Secretary General
Organization of American States
17th Street and Constitution Ave., N.W.
Washington, D.C. 20006

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

NABarletta/EStern:dpw 8/14/79

494/3/201

AUG 14 1979

His Excellency
Jose Lopez Portillo
President of Mexico
Mexico City, Mexico

Dear Mr. President:

I am writing to call your attention to one of the activities in which the World Bank is engaged which, although relatively modest in scale, is highly important for economic development and, I believe, well worthy of Mexico's support. I refer to the Consultative Group on International Agricultural Research (CGIAR). The World Bank, together with the United Nations Development Programme and the Food and Agriculture Organization, are co-sponsors of the CGIAR.

The CGIAR is an informal group of major aid donors, both multilateral and bilateral, and of private foundations, which finances 12 international agricultural research institutes around the world, dealing with food crops important to the diet of the neediest. In 1980 there will be 30 donor members of the Group, contributing about \$120 million, and we would like to enlarge this list to include a few of the more important developing countries which have been closely associated with the international research effort and which can bring to bear the unique perspective of a developing country. One of the oldest and largest of the institutes, the Centro Internacional de Mejoramiento de Maiz y Trigo (CIMMYT), is located in Mexico, where I understand it has enjoyed a long and continuing relationship with Mexico's own agricultural research effort. "Mexican wheat" has in fact become a symbol of agricultural technology successfully transforming food production in a number of developing countries.

The CGIAR system as a whole has benefitted from collaborative arrangements with Mexican institutions, such as INIA and CIANO. In addition to CIMMYT, Mexico has cooperated fruitfully with the Centro Internacional de Agricultura Tropical, and through it, with the International Rice Research Institute, and also with the Centro Internacional de la Papa.

The CGIAR-supported institutes have already had a major impact on food production and standards of nutrition in many of the world's poorest countries, but much remains to be done, and complex challenges lie ahead.

His Excellency
Jose Lopez Portillo

- 2 -

I am, therefore, writing to ask for your personal support for the proposal that Mexico become a contributing member of the CGIAR. Arrangements for joining the CGIAR are simple, and discussions at the working level have been going on for some time between our staff, primarily through the CGIAR Chairman, Mr. Warren Baum, who is also a vice-president of the World Bank, and Mexican officials, notably Mr. Jesus Silva-Herzog of the Secretaria de Hacienda y Credito Publico. Your own commitment to support for international agricultural research will be of the greatest assistance in achieving a positive outcome from these discussions.

I would emphasize that our particular interest in having Mexico become a member of the CGIAR is to benefit from its participation in the activities and deliberations of the Group. Contributions are entirely voluntary, and the size of individual contributions varies widely with the circumstances of each donor country or institution. In the case of Mexico and other developing countries, I would think that a contribution in the range of US\$500,000 to \$1,000,000 annually would be appropriate, but this is open to discussion.

I am enclosing a brief note which summarizes the organization of the CGIAR and outlines the activities it supports.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Enclosure

CGIAR Secretariat:evl/File E
August 13, 1979

cleared with Mr. N. Ardito-Barletta, LCNVP

cc: Mr. J. B. Knapp, CON
Mr. N. Ardito-Barletta, LCNVP
Mr. M. Yudelman, AGR
Mr. M. Lejeune, CGR
Mr. D. Ritchie, CGR
Dr. J. Coulter, CGR
for Mr. McNamara's Office (2)

August 7, 1979

THE CONSULTATIVE GROUP ON INTERNATIONAL
AGRICULTURAL RESEARCH

1. The Consultative Group on International Agricultural Research (CGIAR) mobilizes financial support for international agricultural programs of research and training whose purpose is to increase the quantity and improve the quality of food production in developing countries. More than 5,000 staff, including over 500 senior scientists, are now at work in international programs supported by the Group. Their research and training activities encompass crops and animals which account for three-quarters of the food supply of developing countries and for a still higher proportion of their protein intake.
2. The Consultative Group operates under the Chairmanship of the World Bank, with the FAO and UNDP as co-sponsors. It began work in 1971 with 23 countries and organizations as members; it now has 42 members, including countries which represent each of the five developing regions of the world. A complete list is attached as Annex I. The number of donors within the Group has grown from 13 in 1972 to 28 in 1979, with 30 expected in 1980. The annual contributions to research programs sponsored by the Group have increased from \$15 million to an expected \$103 million in 1979.
3. The activities supported by the Group aim to meet the need for special international research and training efforts in critical aspects of food production unlikely otherwise to be covered adequately by existing research facilities.
4. Staff services for the Group are provided by its Secretariat and by its Technical Advisory Committee (TAC), composed of 13 eminent international experts. TAC advises the Group, in both the technical and socioeconomic spheres, on the main priorities and gaps in agricultural research related to developing countries. It recommends and organizes feasibility studies looking toward the establishment of new research efforts, and it makes recommendations to the Group concerning the acceptance of additional programs, either of existing centers or in the form of new institutions. TAC also advises the Group on the effectiveness of programs already in being. The membership of TAC is drawn equally from the developing and the developed countries.
5. The Group defines international research to mean research which is of wide usefulness regionally or globally and is independent of purely national interest. All the research programs being supported by the Group have international governing bodies and international staffs. The Group believes that the concentration of highly skilled staffs in international centers of excellence, appropriately linked to national research and production systems, offers an effective way of developing much needed new technologies and greatly increasing agricultural output and farm income.
6. In 1979 members of the Group are supporting 12 agricultural research programs which are internationally governed and internationally staffed and which include a new service for assisting national agricultural research. Another international agricultural research institute has been adopted for funding from 1980. The organizations supported by the Group are:

The International Rice Research Institute (IRRI),
Los Banos, the Philippines.

Centro Internacional de Mejoramiento de Maiz y Trigo (CIMMYT),
El Batan, Mexico.

The International Crops Research Institute for the Semi-Arid
Tropics (ICRISAT),
Hyderabad, India.

The International Institute of Tropical Agriculture (IITA),
Ibadan, Nigeria.

Centro Internacional de Agricultura Tropical (CIAT),
Cali, Colombia.

The International Center for Agricultural Research in the
Dry Areas (ICARDA), with a principal station in Aleppo, Syria
and one planned for a high altitude location.

The International Livestock Center for Africa (ILCA),
Addis Ababa, Ethiopia.

Centro Internacional de la Papa (CIP),
Lima, Peru.

The International Laboratory for Research on Animal Diseases (ILRAD),
Nairobi, Kenya.

The International Board for Plant Genetic Resources (IBPGR),
Rome, Italy.

The West Africa Rice Development Association (WARDA),
Monrovia, Liberia.

The International Food Policy Research Institute (IFPRI),
Washington, D.C., U.S.A., to be funded from 1980.

The International Service for National Agricultural Research (ISNAR),
to have its headquarters in the Netherlands.

Brief information on each of these is in Annex II.

7. The international agricultural research centers have made major contributions to food production in the developing countries. These contributions already have been widely recognized: CIMMYT and IRRI jointly received the Unesco Science Prize in 1970 for their development of new, high-yielding varieties of wheat and rice; and Dr. Norman Borlaug, Director of CIMMYT's wheat research, was awarded the Nobel Prize for Peace in that same year.

8. Since the formation of the Consultative Group, strong encouragement has been given to expanding the work of the international agricultural research system beyond the biological research with which the system originated. As a

consequence, the existing centers are enlarging their efforts, particularly in two directions. They have added significantly to the size of their staffs for the study of the economic and social aspects of crop and systems improvements, and, as a group, they are continuing to intensify efforts to put the findings of the centers to work within national programs of production and research. This will be facilitated by the establishment within the CGIAR system of the new service to assist developing countries in strengthening national research (ISNAR).

9. Building on the work of the 1960s, the Consultative Group-sponsored research system has been very successful. A wider application of findings is continually under way. (Estimates of areas planted to "high-yielding varieties" are imprecise because countries vary in their definitions of such varieties -- or may not record them at all -- and in the consistency of the data recorded, but bearing in mind these reservations, the latest estimates for 1976/77 are about 28.8 million ha for wheat and about 24.6 million ha for rice). Food crop varieties are being developed which are drought tolerant, disease and pest resistant and can increase yields with a minimum of purchased inputs. Much now depends on international and national economic and social policies which will help in the application of the recent and anticipated research results in the poorest areas of the world.

10. Much also depends on adequate funding of research: any proposal for such research carries financial implications of a long-term continuing nature and entails larger outlays for outreach activities to enable the research to be adapted effectively in national research and adopted more speedily by the farmers of the developing countries. The Consultative Group continues therefore to seek support for new work where this is considered to be a vital contribution toward solving problems of hunger and rural poverty.

World Bank
Ford Foundation
International Development Research Centre
Killogg Foundation
Rockefeller Foundation
United Nations Development Programme
United States Agency for International Development
World Health Organization
World Meteorological Organization
World Trade Organization
World University Service
World Veterinary Service
World Wildlife Fund
World Bank
Ford Foundation
International Development Research Centre
Killogg Foundation
Rockefeller Foundation
United Nations Development Programme
United States Agency for International Development
World Health Organization
World Meteorological Organization
World Trade Organization
World University Service
World Veterinary Service
World Wildlife Fund

CONSULTATIVE GROUP ON INTERNATIONAL AGRICULTURAL RESEARCH

Membership as of August 1, 1979A. Continuing MembersCountries

Australia	Germany	New Zealand	Switzerland
Belgium	Iran	Nigeria	United Kingdom
Canada	Italy	Norway	United States
Denmark	Japan	Saudi Arabia	
France	Netherlands	Sweden	

International Organizations

African Development Bank
 Arab Fund for Social and Economic Development
 Asian Development Bank
 European Economic Communities
 Food and Agriculture Organization
 Inter-American Development Bank
 International Bank for Reconstruction and Development
 International Fund for Agricultural Development
 United Nations Development Programme
 United Nations Environment Programme

Foundations

Ford Foundation
 International Development Research Centre
 Kellogg Foundation
 Rockefeller Foundation

B. Fixed-Term Members Representing Developing Countries, 1979-80

Asia: India ^{1/}	Southern and Eastern Europe: Greece
Philippines ^{1/}	Romania
Africa: Kenya	Near East: Egypt
Senegal	Syria
Latin America: Costa Rica	
Peru	

^{1/} Expected to become continuing (donor) member as from 1980.

International Research Centers
and Programs Supported by the CGIAR

Centro Internacional de Agricultura Tropical (CIAT)

CIAT, which has its headquarters in Colombia, is concerned with the humid lowland tropics of the Western Hemisphere. It has programs in both plant sciences (cassava, field beans, maize and rice) and animal sciences (cattle and swine) the emphasis in the latter being on animal nutrition.

It began to assemble its permanent staff in 1970 and its collaborative rice research program with IRRI and the Colombian Rice Research Institute, ICA, led to the production of high-yielding varieties that were widely adopted by Colombia farmers, leading to a doubling of average yields. Work on cassava has shown that yields can be doubled when simple and cheap cultural practices are used to grow the best local lines. Selections from superior germ plasm increased these yields substantially.

Centro Internacional de Mejoramiento de Maiz y Trigo (CIMMYT)

CIMMYT, which is based in Mexico, has an outstanding record of success in breeding wheat varieties that give large yield increases under favorable soil fertility and moisture conditions. The work now in hand, and needed for the foreseeable future, is designed to maintain these yields where the effects of attacks from pests and disease and of drought and low soil fertility are damaging. The appearance of new races of fungi in Pakistan, and the increased seriousness of diseases of minor importance in the past, as for example in Brazil, show the need for this emphasis. Thus the program for crossing winter and spring wheats to achieve drought tolerance and disease resistance is of great importance. Work on triticale (a cross between wheat and rye), a man-made plant, with many desirable qualities, has overcome problems of grain size and quality.

The germ plasm bank at CIMMYT is a source of material for maize breeders around the world where the major objectives are short plants, resistant to disease and pests, and having high-quality protein and a tolerance for an adverse climatic regime. Varieties of maize with high-quality protein are already under trial in several parts of the world and these show promise of improving the quality of the diets not only of humans but also of animals where surpluses of such material are available for animal production.

Centro Internacional de la Papa (CIP)

This center, based in Peru, has a mandate for dealing with a single crop; however, the potato has a potential for providing additional food over a great range of ecological conditions. It is a crop which, per unit of land, has one of the highest food yields, both in quantity and quality.

Consequently, the program at the center, though sharply focussed on one crop, is aimed at increasing its adaptability and improving its performance not only in the traditional potato-growing areas but in other areas where it could make a

major contribution to the alleviation of food shortages. CIP shares the advantages of the centers working on maize, wheat and rice in being able to utilize an enormous amount of basic research information accumulated in the developed countries. Consequently, it can use such information to develop programs aimed at solving major disease problems like late blight and bacterial wilt with the hope of fairly rapid results.

International Center for Agricultural Research in the Dry Areas (ICARDA)

This is the newest international research center to be established under the auspices of the CGIAR. It has been set up to deal with the problems of the dry, winter precipitation areas (annual precipitation between 200 mm and 600 mm) of the Near and Middle East and North Africa. The research program will be concerned with (i) crop improvement of barley, durum wheat, broad beans, lentils and forage legumes; (ii) soil and water management in rainfed agriculture; and (iii) farming systems, including animal production.

Because of the range of ecological conditions, particularly winter temperatures, the center is operating in several locations. An agreement has been signed with Syria to establish a principal research station there and other research sites have been selected. The center has been able to build up its staff rapidly and has, at present, about 20 senior scientists out of a planned total of about 60. The scientists are operating from temporary accommodations, but planning of the laboratories and field station buildings is now under way at the site near Aleppo, Syria, which is already in production.

International Crops Research Institute for the Semi-Arid Tropics (ICRISAT)

ICRISAT, based in India, was created to improve the food supply of the 400 million people who depend on rainfed agriculture in the semi-arid tropics, an area defined roughly within the belt of 400 to 1,200 mm of rainfall. The center has two major objectives, one being the genetic improvement of two cereals (sorghum and millet) and three grain legumes (chickpea, pigeonpea and groundnut) and the other development of principles for farming systems which will be applicable over a wide range of dryland environments in the semi-arid tropics.

ICRISAT was incorporated in July 1972. Since then staff recruitment has proceeded. Work began in temporary quarters, but permanent facilities are now almost complete.

International Livestock Center for Africa (ILCA)

ILCA's basic mandate is to improve livestock production in tropical Africa. Its research approach is multidisciplinary, with an emphasis on social and economic research, as the constraints to increased production are as much sociological and economic as they are technical. To enable the center to study the wide range of production systems which exist in Africa and to complement on-going research and development efforts at the national and regional level, ILCA will also be carrying out almost half of its research activity away from its headquarters in Ethiopia. ILCA's first priority will also be inventory and evaluate what is known about existing livestock systems before starting to synthesize

new approaches to animal production.

Monitoring programs are under way in Ethiopia, Kenya and Botswana. Studies in livestock production systems are taking place in Mali and an agreement has been concluded with the Government of Nigeria for a program in the humid zone. Cattle production systems are being studied in the Highlands of Ethiopia. Construction of the headquarters complex began in September 1976 and is expected to be completed in 1979-80.

International Laboratory for Research on Animal Diseases (ILRAD)

ILRAD, which is in Kenya, has the most sharply defined mandate of any center in the CG system. Its initial objective is to develop effective control measures of two major animal diseases limiting livestock production in Africa: trypanosomiasis and east coast fever. The general approach will be immunological. If the intensive research activity produces effective techniques for control of these diseases, ILRAD's Board of Trustees may recommend the study of other animal diseases.

ILRAD estimates that if these two diseases can be controlled, large areas of Africa could be opened to livestock, and production could be doubled.

During 1976, ILRAD scientists succeeded in culturing trypanosomes in the laboratory, which is likely to be a significant development in the worldwide research on trypanosomiasis for the next two or three years.

International Institute of Tropical Agriculture (IITA)

This center, based in Nigeria, has programs on maize (linked to CIMMYT), cassava, and rice (linked to IRRI), as well as a grain legume improvement program involving soybean and cowpea. IITA also has a farming systems program, within which a major thrust is devoted to the development of technology for managing soils in the humid tropics under a system of sustained continuous cultivation. This work has shown that, using herbicides (and no tillage), water receptivity of the soil can be greatly improved and erosion controlled; surface soil temperature can be reduced by mulching, thus improving germination.

Work on cowpeas has produced varieties that are more tolerant of the serious pest problems of the humid zones. Since this is a major crop of the sub-humid and semi-arid zones, IITA has extended its research into these areas also. Research on soya beans has shown the value of the Asian varieties in their ability to modulate and fix nitrogen under West African conditions. Maize varieties with resistance to streak virus are now being used increasingly in the Nigerian Accelerated Food Production Program.

International Rice Research Institute (IRRI)

Along with CIMMYT, IRRI (which has headquarters in the Philippines) is the oldest and best known of the international research centers. It is one

of the centers concerned with only one crop. It has a well-known record of success in developing high-yielding varieties of rice, the staple food in low-income countries of Asia, many of which are densely populated.

IRRI's current research program is aimed at capitalizing on recent advances, not only by breeding newer rice varieties with tolerance to an even wider range of pests and diseases, but also by intensifying the use of land where, by tradition, rice has been the sole crop. Rice varieties that mature quicker release land for other crops and the center's multiple-cropping program is designed to find ways of utilizing such land for additional food production by small farmers.

West Africa Rice Development Association (WARDA)

WARDA is unlike the other international centers and programs within the CGIAR. It is an association of 14 West African countries cooperating in rice research and development. The Consultative Group supports its basic research program for coordinated rice trials. About 120 variety, herbicide, insecticide and fertilizer trials are carried out annually.

International Board for Plant Genetic Resources (Genes Board)

The mandate of the Board as defined by the Consultative Group is to promote an international network of genetic resource activities for collection, conservation and utilization of plant germ plasm. In addition to supporting the collection of germ plasm of important crops, the Board is sponsoring an information storage and retrieval system for management of genetic resources. It has sponsored the creation of 5 crop Germ Plasm Advisory Committees -- for wheat, maize, rice, sorghum and millets, and Phaseolus beans. It has supported intensified collection efforts in the Mediterranean region, of sorghum and millets in the Sahelian Zone, roots and tubers in various parts of Africa, forage legumes in Latin America and groundnuts in Brazil. A plan for a genetic resources support unit in South East Asia has been formulated and a regional plan of action for South East Asia has been agreed with the countries of the region.

International Food Policy Research Institute (IFPRI)

IFPRI does research on selected policy problems affecting the production, consumption, availability and equitable distribution of food with particular reference to the needs of low-income countries, and the most vulnerable groups in those countries. Unlike the other international institutes in the system, it does not itself do any biologically based research. Its work is organized in four research units -- Trends Analysis, Production Policy, Consumption Policy, and Trade Policy.

International Service for National Agricultural Research (ISNAR)

This new service is being established in recognition of the great need to strengthen many national agricultural research programs in developing countries so that the technologies produced by the international institutes can be adapted

and put to effective use. At the request of a developing country, ISNAR will be prepared to assist in identifying research problems, formulating research policies, building up appropriate institutional arrangements, and promoting specific national or regional research programs.

494/3 200

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

Office of the President

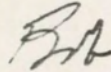
August 13, 1979

Dear David:

In your letter dated July 30 you suggested we invite Mr. Al Hamad, Chairman of the Commercial Bank of Kuwait, to the World Bank/IMF Meetings to be held in Belgrade in October. We have issued the invitation and I am grateful for your suggestion.

With best wishes,

Sincerely,



Robert S. McNamara

Mr. David Rockefeller
Chairman of the Board
The Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, N.Y. 10015

RSMcNamara:js
cc: Mr. Damry

C
O
P
Y

494/3/199

The World Bank / 1818 H Street, N.W., Washington, D.C. 20433, U.S.A. • Telephone: (202) 393-6360 • Cables: INTBAFRAD

AUG 13 1979

Dear Mr. Mapa:

Pursuant to Section 7.9 of the Staff Retirement Plan, as amended through December 22, 1978, I should like to appoint you, effective immediately, a member of the Pension Finance Committee. The appointment would be for a term of three years.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. Bernard Holland, the Secretary of the Pension Finance Committee.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Placido L. Mapa, Jr.
12448 Over Ridge Road
Potomac, Maryland 20854

Attachment

Accepted: _____

Date: _____

cc: Mr. McNamara's Office (2)

HOchoa/enh
8/10/79

494/3/198

AUG 13 1979

Sir:

I enclose copy of a letter dated August 2, 1979 from the Governor, Sveriges Riksbank, the official channel of communication between the Government of Sweden and the Bank, requesting that you extend to Mr. Hans Lundstrom, an Executive Director in the International Bank for Reconstruction and Development, the privileges and immunities accorded to officials of Specialized Agencies referred to in paragraph 4 of Section 15 of Article V of the Headquarters Agreement between the United Nations and the United States.

In the event that you decide to accede to this request, I wish to inform you that, as President of the Bank, I shall have no objection.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Enclosure

The Honorable
The Secretary of State
Department of State
Washington, D.C. 20520

HRMalik/PNDamry:df

Stockholm, August 2, 1979



THE GOVERNOR

Mr Robert S. McNamara
President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
WASHINGTON, D.C. 20433

Dear Mr McNamara,

As you know, Mr Hans Lundström is the principal representative of Denmark, Finland, Iceland, Norway and Sweden among the Executive Directors of the International Bank for Reconstruction and Development and resides in Washington, the permanent Headquarters of the Bank. The Bank is a specialized agency of the United Nations.

According to paragraph 4, Section 15, Article V, of the Agreement between the United Nations and the United States of America, regarding the Headquarters of the United Nations, dated June 26, 1947, principal resident representatives of member countries to specialized agencies of the United Nations with Headquarters in the United States are entitled to the privileges and immunities covered by said agreement under the conditions therein provided.

I have the honor to request that you communicate to His Excellency the Secretary of State of the United States of America our desire that His Excellency extend the privileges and immunities covered by said international agreement to Mr Lundström; and I beg you, in transmitting this request, to express to the Secretary of State of the United States your views thereon.

A handwritten signature in cursive script, appearing to read 'Carl-Henrik Nordlander'.

Carl-Henrik Nordlander

494 13/196

AUG 9 1979

Dear Mr. Vratusa:

On behalf of my wife, my associates and myself, I would like to thank you for your hospitality and everything you did which contributed to the success and enjoyment of our visit to Slovenia. Even though there was limited time available, the excellent arrangements you had made for us ensured that we were able to cover a lot of ground.

I was pleased to hear that you are placing strong emphasis on increasing co-financing efforts and expanding export-oriented activities. I was also very interested to hear from you that Slovenia is considering joint ventures with the less developed regions in Yugoslavia. Considering the complementary employment problems of Slovenia and the less developed regions, this seems a very valuable initiative. You mentioned that World Bank participation in such joint ventures would be welcome. I would be happy to have my colleagues at the Bank follow this matter up further if you wish.

Finally, I would like to say that through Slovenia's participation in nation-wide projects funded by the Bank, we have developed a very fruitful relationship with Slovenia. I hope this will continue to be strengthened as we move together into new initiatives for development of the less developed regions of Yugoslavia.

Once again, Mr. Vratusa, please accept our thanks for a highly instructive and enjoyable visit.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Anton Vratusa
President
Republican Executive Council
Ljubljana
Republic of Slovenia
Yugoslavia

cc: Messrs. William Clark, Knox, Koch-Weser, A. Karaosmanoglu, El Darwish,
Chopra

494 / 3 / 195

AUG 9 1979

Dear Mr. Kostic:

On behalf of my wife, my associates and myself, I would like to thank you for your hospitality and everything you did to ensure the success and enjoyment of our recent trip to Yugoslavia.

Even though the time was short, the visits to the widely different regions of Serbia, Kosovo, Macedonia and Slovenia provided me with a better understanding of the status of development in Yugoslavia. They also gave me the opportunity to view at first hand the remarkable achievements in economic and social development which have taken place since my last visit to Yugoslavia in 1970. May I say that in recent years I have been watching with growing interest the evolution of your unique system of workers' self-management. It was therefore particularly rewarding for me to see this system successfully at work.

My visit, I hope, reaffirmed the excellent relationship which the Bank has enjoyed with Yugoslavia since our first lending operation thirty years ago. Time permitted me to visit only a small number of the many projects in which the Bank has been involved. These, however, demonstrated our highly valuable cooperation in the past. Discussions throughout the country confirmed the potential for our cooperation in the future.

We would like to express our appreciation for the excellent program arranged for us and for the extremely efficient way in which your colleagues in the Federal Secretariat organized our activities. We would be grateful if you could also pass on our thanks to all those whom we met in Belgrade and contributed to making our visit so enjoyable.

Once again, Mr. Kostic, please accept my personal thanks for all your efforts on our behalf which ensured the success and enjoyment of this visit.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Petar Kostic
Federal Secretary for Finance
Federal Secretariat for Finance
Bulevar Avnoja 104
11070 Belgrade
Yugoslavia

cc: Messrs. William Clark, Knox, Koch-Weser, A. Karaosmanoglu, El Darwish,
Chopra

PMCurley:fi

494/13/194

AUG 9 1979

Dear Mr. Oruci:

On behalf of my wife, my associates and myself, I would like to thank you for everything you did to ensure the success and enjoyment of our visit to Kosovo.

As you know, we at the Bank are aware of the fundamental problems facing your Province. Indeed, the basic thrust of our lending in Yugoslavia is towards the development of the less developed regions, of which Kosovo is the least advantaged.

I was therefore very interested to hear of the efforts being made to tackle Kosovo's unemployment and low productivity problems. The emphasis which you are placing on the development of labour intensive projects is in line with the way we in the Bank believe these problems should be tackled. We would of course be willing to give you any assistance we can.

Once again, Mr. Oruci, please accept our thanks for your hospitality and for contributing to make our visit to Yugoslavia such an instructive and enjoyable one.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Bahri Oruci
President
Provincial Executive Council
Pristina
Province of Kosovo
Yugoslavia

cc: Messrs. William Clark, Knox, Koch-Weser, A. Karaosmanoglu, El Darwish,
Chopra

PMCurley:fl

494 13 1973

AUG 9 1979

Dear Mr. Stambolic:

On behalf of my wife, my associates and myself, I would like to thank you for everything you did to ensure the success and enjoyment of our visit to Serbia. The opportunity to talk informally to you and your colleagues about the status of development of the less developed regions of Serbia provided an excellent prelude to my visit to Kosovo. I was particularly interested in hearing about your plans for development of the Morava region and the emphasis which you are placing on the role of small-scale industries.

Once again, Mr. Stambolic, please accept our thanks for your hospitality and for contributing to our most instructive and enjoyable visit to Yugoslavia.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ivan Stambolic
President
Republican Executive Council
Belgrade
Republic of Serbia
Yugoslavia

cc: Messrs. William Clark, Knox, Koch-Weser, A. Karaosmanoglu, El Darwish,
Chopra

PMCurley:fl

494 / 3 / 1972

AUG 9 1979

Dear Mr. President:

On behalf of my wife, my associates and myself, I would like to thank you for the hospitality you extended to us during our recent visit to Yugoslavia. A high point for me of our visit was being able to discuss freely with you over lunch the general problems of development and other world issues.

My visits to the widely different regions in Yugoslavia provided me with a better understanding of the status of development in Yugoslavia. They also gave me the opportunity to view at first hand the remarkable achievements in economic and social development which have taken place since my last visit to Yugoslavia in 1970 and to see your unique system of workers' self-management operating successfully.

Let me again reaffirm the excellent relationship which the Bank has enjoyed with Yugoslavia since our first loan thirty years ago. In any country, but particularly in a country like Yugoslavia which devotes such a high proportion of its own resources to development, the Bank can only play a very small part in financing the total development effort. Nevertheless, I hope that we have contributed to Yugoslavia's development in terms of providing a coordinating and institution building role. I am confident that the very valuable cooperation which we have had in the past will continue and even be strengthened in the future.

May I thank you again, Mr. President, for the warm hospitality extended to us by yourself and your country.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Josep Broz Tito
President
Federal Socialist Republic
Belgrade
Yugoslavia

cc: Messrs. William Clark, Knox, Koch-Weser, A. Karaosmanoglu, El Darwish,
Chopra

PMCurley:fl

494 / 3 / 1991

Dear Mr. Popov:

On behalf of my wife, my associates and myself, I would like to thank you for everything you and your colleagues did to ensure the success and enjoyment of our trip to Macedonia. The lunch you gave us at the Club of Delegates was one of the high points of our visit to Yugoslavia.

I was extremely impressed with the results of your development efforts in Macedonia. The emphasis on well-planned labor intensive projects as a means of providing more employment is commendable. I was also pleased to hear about your initiatives with small hydro-power and irrigation systems.

The field trips which were arranged with such efficiency provided me with a welcome opportunity to view at first hand a few of the smaller projects in which World Bank funds have been successfully used. Particularly impressive was the high productivity of the individual sector in Macedonia achieved through successful co-operation between the individual and social sectors. We look forward to continuing the excellent relationship which we have enjoyed with Macedonia as we cooperate on more projects in the future.

Once again, Mr. Popov, please accept our thanks for a highly instructive and enjoyable visit.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Blagoj Popov
President
Republican Executive Council
Skopje
Republic of Macedonia

cc: Messrs. William Clark, Knox, Koch-Weser, A. Karaosmanoglu, El Darwish,
Chopra

PMCurley:fl

494/3/1990

August 9, 1979

Dear Gavra:

On behalf of Margaret, my associates and myself, I would like to thank you again for the excellent arrangements you made for us on our recent visit to Yugoslavia. Margaret particularly enjoyed Angelica's company and was greatly touched by the many kindnesses shown to her. The visit could not have been more pleasant.

We are looking forward to returning to Yugoslavia in October and hope to see you both again at that time.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Gavra Popovic
Assistant Federal Secretary
for Finance
Belgrade

PMCurley;RSMcNamara:bam
August 9, 1979

494/3 1089

AUG 8 1979

Dear Mr. Minister:

I thank you for your letter filled with interesting information about Norway's international trade particularly in textiles.

As I am sure you know I certainly did not intend to single out Norway for blame in tightening its quotas on textiles - and indeed I mentioned it only in a list of five countries. I do indeed know what a comparatively good record Norway has in freeing trade from barriers.

But I was seeking to make the point - so apparent from the developing countries' point of view - that everywhere barriers are rising against the manufactures of the newly industrializing countries. It is that trend we need to turn around for the benefit of all. I know that we can count on Norway's help in this.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Hallvard Bakke
The Royal Norwegian Ministry of
Commerce & Shipping
Oslo, Norway

WDClark:sf

494/3/88

AUG 7 1979

Dear Mr. Ortiz Mena:

Thank you for your invitation to the meeting of the regional banks and the World Bank in Belgrade. My schedule during the Annual Meeting period is extremely full. Therefore, as in the past, I will ask Mr. Stern, Vice President for Operations, to represent me. He will be in touch with your staff to convey our comments on the proposed agenda. Once the agenda is settled, he will indicate which other members of the Bank staff will participate in the meeting.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Antonio Ortiz Mena
President
Inter-American Development Bank
808 17th Street, N.W.
Washington, D.C. 20577

EStern/lms
August 6, 1979

494/13/1086

AUG 3 1979

Office of the President

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow an aggregate principal amount, not exceeding \$350,000,000, 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, 1979 and to mature September 15, 1981. 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 \$350,000,000 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
G. William Miller
Secretary of the Treasury
Washington, D.C. 20220

cc: Mr. Edward R. Fried, Executive Director
Mr. William P. Dixon, Alternate Executive Director
Mr. Robert S. Watson, U.S. Treasury
Mr. Joseph Winder, U.S. Treasury

Cleared with and cc: Mr. David Mead, Legal Dept. *DM*
For Mr. McNamara's office (2)
Mr. Moeen A. Qureshi, Vice President, Finance
Mr. Eugene H. Rotberg, Vice President and Treasurer
Fin. Ops. Div./US\$ #127

DHarris/mlo
August 2, 1979

494/3/184

AUG 2 1979

Dear Dr. Tolba:

Thank you for your letter of July 13, enclosing a copy of the draft of a "Joint Declaration of Principles", by which the international development financing agencies would agree to introduce environmental considerations in all projects and programs which they finance; it is contemplated that the "Declaration" would be signed by the agency heads just before the General Assembly's Special Session.

As far as concerns the World Bank, the "Declaration" embodies a policy which the Bank has been following for some years. I am pleased that this undertaking, in which Bank staff have taken an active part, is proceeding satisfactorily. I hope that the next month's meeting to consider the draft, to be held at the Bank's European Office, will be productive. You may be sure that the Bank's representatives will do whatever they can to be helpful.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. M. K. Tolba
Executive Director
United Nations Environment Programme
P.O. Box 30552
Nairobi, Kenya

JALee/SEBoskey:az

cc: Dr. Lee

49413/182

AUG 1 1979

Dear Mr. Rusinaru:

On behalf of my wife, my associates and myself, I would like to thank you for everything you and your associates in BAFI did to make our recent visit to Romania so instructive and enjoyable. I know you played an important role in the organization and execution of our program of visits - a program which enabled me to gain the maximum first-hand knowledge possible in my short visit of Romania's economic achievements and of some of the projects on which we have co-operated.

We in the Bank look forward to continuing the good relationship we enjoy with BAFI as we co-operate on more projects in the coming years.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Ion Rusinaru
President
Bank for Agriculture and Food Industry
strada Smirdan, 3
Bucharest
Romania

Cleared with and cc: Mr. Koch Weser
WSHumphrey/jp

494/B/101

AUG 1 1979

Dear Mr. Vice Prime Minister:

On behalf of my wife, my associates and myself, I would like to thank you and your associates for everything you did to make our recent trip to Romania so interesting and enjoyable. I was immensely impressed by the achievements of Romanian agriculture and the whole development at Sadova-Corabia - in which we played a very small part - is one of the most remarkable agricultural schemes I have seen anywhere in the world. I particularly appreciated the opportunity for our discussions at Prejmer and subsequently on the journey back from Brasov to Bucharest. In the World Bank we are proud to be associated with the Romanian agricultural development and look forward to continuing our close co-operation in the future.

The lunch you gave us at Prejmer was one of the high points of our visit. I am most grateful to Mr. Rusinaru for his contribution to the success of our visit and we look forward to our continued work with him in our agricultural lending program.

Once again, Mr. Vice Prime Minister, please accept our thanks for a most instructive and enjoyable visit.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency Angelo Miculescu
Vice Prime Minister and Minister of
Agriculture and Food Industry
Ministry of Agriculture, Food Industry and Water
Bulevardul Republicii 24
Bucharest, Romania

WSHumphrey/jp
cleare- with and cc: Mr. Koch Weser

494/3/100
AUG 1 1979

Dear Mr. Popescu:

On behalf of my wife, my associates and myself, I would like to thank you for everything you and your associates in BAFI did to make our recent visit to Romania so instructive and enjoyable. I know you played an important role in the organization and execution of our program of visits - a program which enabled me to gain the maximum first-hand knowledge possible in my short visit of Romania's economic achievements and of some of the projects on which we have co-operated.

We in the Bank look forward to continuing the good relationship we enjoy with Investment Bank as we co-operate on more projects in the coming years.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Cheorghe Popescu
President
Investment Bank of Romania
str. Doamnei 4
Bucharest, Romania

WSHumphrey/jp
Cleared with and cc: Mr. Koch-Weser

494/3/179

AUG 1 1979

Dear Mr. Vice Prime Minister:

On behalf of my wife, my associates and myself, I would like to thank you and your associates for everything you did to make our recent trip to Romania so interesting and enjoyable. I appreciated very much the opportunity to see at first hand some of the enormous progress made by Romania in its economic and social development since my last visit. I was most interested by the presentation which you and some of your ministerial colleagues gave us of your plans for the period 1981-85. Your past record in achieving plan goals bodes well for the success of the next plan. I was most encouraged to find that we both agreed on the great importance of export performance in achieving your future plan targets.

My visits to the different projects were tangible evidence of the success of our co-operation in the past and the potential for co-operation in the future. You are aware of the constraints which exist on our ability to provide a higher level of lending for Romania. I have no doubt from our past experience and what I have seen that whatever funds we can provide can be well and efficiently used. As I mentioned to you, I am giving sympathetic consideration to your request on the level of lending for FY1979/80. We will be in touch with you again on this as soon as it is possible for us to come to a decision.

We would like to express our appreciation for the excellent program arranged for us and for the efficient way in which your associates in the Ministry of Finance together with Mr. Rusinaru and Mr. Popescu organized the activities. I would also like you to pass on my special thanks to Mr. Mada who interpreted for me for most of my discussions in addition to looking after countless details of the program.

Once again, Mr. Vice Prime Minister, please accept our thanks for a most instructive and enjoyable visit to Romania and for the hospitality you personally provided.

With best personal regards.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency Paul Niculescu-Mizil
Vice Prime Minister and Minister of Finance
Ministry of Finance
Strada Doamnei 8
Bucharest, Romania
Cleared with and cc: Mr. Koch Weser
WSHumphrey/jp

494/3/178

AUG 1 1979

Dear Mr. President:

On behalf of my wife, my associates and myself, I would like to thank you and your wife for the hospitality you extended to us during my recent visit to Romania. We particularly appreciate the dinner which you gave us and I was delighted to be able to have the opportunity for the discussions we had together both on the development of further co-operation between Romania and the World Bank and also about wider issues affecting the political, economic and social development of the whole world.

As I mentioned to you when we met, I was very impressed by everything I saw in your country - in particular the dedicated and determined way in which your associates in government and the Romanian people, under your leadership, are pursuing a high rate of economic and social development. In any country - but particularly in a country like Romania which devotes such a very high proportion of its own resources to development - the Bank can only play a very small part in the total development effort. However I am confident that our co-operation in the coming years will continue to intensify.

I would like to express our thanks to Vice Prime Minister Niculescu-Mizil and Vice Prime Minister Miculescu together with all their associates who did so much to make our all too short visit to your country both interesting and enjoyable.

Once again, Mr. President, may I express our appreciation for your country's hospitality.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency Nicolae Ceausescu
President of the Socialist Republic of Romania
Acadimier Street 34
Bucharest, Romania

Cleared with and cc: Mr. Koch Weser
WSHumphrey/jp

OFFICE MEMORANDUM

493/3/177

TO: Mr. Bernard Holland, Secretary,
Pension Finance Committee
FROM: I.P.M. Cargill, Chairman
SUBJECT: Resignation from Committee

DATE: August 1, 1979

I.P.M. Cargill

Because of the realignment of my duties, I resign as Chairman
of the Pension Finance Committee, effective immediately.

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

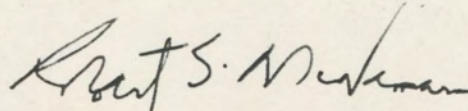
Office of the President

Dear Mr. Qureshi:

Pursuant to Section 7.9 of the Staff Retirement Plan, as amended through December 22, 1978, I should like to appoint you, effective immediately, as Chairman of the Pension Finance Committee and an ex-officio member of the Pension Benefits Administration Committee. The appointment would be for a term of one year.

If you are willing to accept this appointment, please sign the attached copy of this letter, where indicated, and send it to Mr. Bernard Holland, the Secretary of the Pension Benefits Administration Committee.

Sincerely,



Robert S. McNamara

Mr. Moeen A. Qureshi
11108 Gilcrist Court
Potomac, Maryland 20854

Attachment

494/3/176

July 31, 1979

Price Waterhouse & Co.
1801 K Street, N.W.
Washington, D.C. 20006

Dear Sirs:

We confirm to the best of our knowledge and belief, the following representations made to you during your examination of the financial statements of International Development Association for the fiscal year ended June 30, 1979, for the purpose of expressing an opinion as to whether the financial statements present fairly the financial position, the results of operations and the changes in resources available for commitment of the Association in conformity with generally accepted accounting principles.

1. We acknowledge management's responsibility for the fair presentation in the financial statements of the financial position, results of operations and changes in resources available for commitment in conformity with generally accepted accounting principles.
2. To the best of our knowledge and belief, all accounting and financial records and related data of the Association have been made available to you. We are not aware of any accounts, transactions or material agreements not fairly described and properly recorded in the financial and accounting records underlying the financial statements.
3. We are not aware of any irregularities involving management or employees who have significant roles in the system of internal accounting control or any irregularities involving other employees which could have a material affect on the financial statements. The Association has complied with all aspects of any contractual agreements that would have a material affect on the financial statements in the event of noncompliance.
4. The financial statements at June 30, 1979 include all cash and bank accounts, and all other properties and assets of the Association required to be included therein in accordance with generally accepted accounting principles. The Association has satisfactory title to all recorded assets and there are no liens, encumbrances or security interests of any important consequence on any assets of the Association.
5. All development credits and related accrued income are considered collectible and, as of this date, no losses from development credits are foreseen or anticipated. At the close of business on July 31, 1979, all payments to the Association required under development credit agreements have been made with the exception of payments amounting to the equivalent of \$791,284 per the attached list.

6. At June 30, 1979, all effective development credit commitments arising on or before that date were recorded in the accounts. Development credits approved but not effective at June 30, 1979 amounted to \$1,697,300,000.
7. All known liabilities of the Association are included in appropriate classifications in the financial statements at June 30, 1979, and we have no knowledge of any litigation pending or threatened against the Association or of any other contingent liabilities of any consequence.
8. Effective April 1, 1978 with the adoption of the Second Amendment to the Articles of Agreement of the International Monetary Fund, (the Fund) currencies no longer have par values in terms of gold. Accordingly, as of that date, it is no longer possible to translate into current U.S. dollars the gold dollar of 1960 which is stated in the Association's Articles as the unit of its subscriptions. The General Counsel has rendered a legal opinion concluding in substance that upon the entry into force of the Second Amendment references in the Association's Articles of Agreement to the 1960 dollar should be read as referring to the SDR, as determined from time to time by the Fund. The Executive Directors have neither approved nor disapproved that opinion by any formal action. Nor have they taken any other action to resolve the problem stated in the previous paragraph.

In the absence of formal action by the Executive Directors on the General Counsel's opinion referred to above, the subscriptions and supplementary resources have been expressed on the basis of that opinion, in the belief that it gives a fair representation of the Association's situation. Maintenance of value obligations were calculated on the basis of the SDR, and presented as "Notional amounts required to maintain value of currency holdings" under "Other assets" and "Liabilities," in view of their provisional character resulting from the absence of formal action by the Executive Directors. One member government has stated that it could not accept at the present time the maintenance of value obligations which would flow from the legal opinion. Some other governments have taken the position that maintenance of value had to be based on the SDR. This difference of opinion has not been resolved.

The Association has not yet decided how to deal with the obligations of its borrowers under development credit agreements which are payable in terms of 1960 gold dollars. Amounts due in respect of principal and service charges are presently being billed to the borrowers at the current dollar value of the 1960 dollar at March 31, 1978 (\$1.20635 per 1960 dollar), subject to possible future adjustment, and in the financial statements the disbursed portion of development credits is translated into dollars at this rate.

July 31, 1979

Nothing has come to our attention which would lead us to conclude that the June 30, 1979 financial statements should express the value of the Association's subscriptions and supplementary resources by any standard other than the SDR. However, it continues to be appropriate in our view to continue to bill borrowers in the manner described in the preceding paragraph.

9. The financial statements and appended notes include all disclosures necessary for a fair presentation of the financial position and results of operations of the Association. The Association has not entered into any agreements not in the ordinary course of business, or into any transactions or agreements with related parties except those transactions identified in the financial statements. No matters or occurrences have come to our attention up to the present time which would materially affect the financial statements and related disclosures for the year ended June 30, 1979 or, although not affecting such financial statements or disclosures, have caused or are likely to cause any material change, adverse or otherwise, in the financial position or results of operations of the Association.

Sincerely,

(Signed) Robert S. McNamara

President

Vice President and General Counsel
as to Paragraphs 7 and 8 only

Controller

Attachment

cc: Messrs. Nurick - Vice President and General Counsel
Scott - Assistant General Counsel
Hattori/Chang
Perch/Gray
Duarte

File: PW&Co. Audit - 1979
IDA-LM#10:A6-8

494/3/175

JUL 31 1979

Dear Mr. Davis:

Thank you for your letter recommending that the World Bank institute a minority business set-aside program, and indicating your firm's interest in the Bank's contract for janitorial services here in Washington.

I have received a supporting letter from General Price on this same subject, and enclose for your information, a copy of my reply.

As you will note, there are institutional constraints -- arising out of the Bank's international character -- on our establishing minority business set-aside programs. Such programs clearly have merit for national institutions. In an international institution such as ours they just are not feasible for the reasons I have indicated to General Price.

We are, however, pleased that you are bidding on the contract, along with other firms, and hope that you will appreciate our need to follow standard competitive bidding procedures in this matter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jerry Davis, Jr., CBSE
President
Unified Services, Incorporated
1730 M Street, N.W., Suite 515
Washington, D.C. 20036

Encl: Copy of reply to General Price.

cc: for Mr. McNamara's Office (2) ✓

Cleared with & cc: Mr. Paijmans, VP AOP
Mr. Twining, Director, ADM

JLMaddux:dw

484/3/174

Office of the President

July 31, 1979

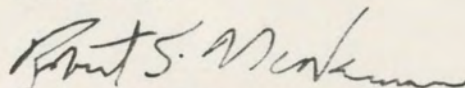
Dear General Price:

Thank you for your letter requesting that the World Bank develop a minority business set-aside program in the United States, and that it select the pending custodial contract as a starting point in the program, and award the contract to Unified Services, Inc., a minority owned business in Washington, which would undertake to hire as many Vietnam Veterans as possible.

I share your concern over the employment problems of minorities, and of veterans, and regret that the inevitable constraints imposed on our policies by the international character of the Bank do not make it possible for us to establish a set-aside program. However, we will be considering competitive bids for the new contract for custodial services, here in Washington, in December. So far some twenty-six firms have indicated that they are interested. Among these is Unified Services, Inc. We are in touch with Unified Services, and we urge them to bid on the contract just as all the others are doing.

It was good of you to write to me.

Sincerely,



Robert S. McNamara

Brigadier General George B. Price, U.S.A., Ret.
TechDyn Systems
205 S. Whiting Street, Suite 404
Alexandria, Va. 22304

cc: Mr. Jerry Davis, Jr., CBSE
President, Unified Services Inc.
1730 M Street N.W., Suite 515
Washington, D.C. 20036



Record Removal Notice



File Title Chronological files - (outgoing) - Chrons 72	Barcode No. 1771959
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Document Date July 26, 1979	Document Type Letter
---------------------------------------	--------------------------------

Correspondents / Participants
 To: His Excellency, The Deputy Foreign Minister Shah Mohammad Dost
 From: Robert S. McNamara

Subject / Title
 Termination of Mr. Hadayetullah Amin Arsala and Dr. Naik Mohammad Kamrani.

Exception No(s).

1 2 3 4 5 6 7 8 9 10 A-C 10 D Prerogative to Restrict

Reason for Removal
 Personal Information.

Additional Comments

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 Feb 4, 2013
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674/3/172

JUL 26 1979

Dear Professor Levering:

Thank you for your letter requesting an interview concerning the Buddhist crisis in Vietnam in 1963.

I appreciate the importance of your research and regret having to decline. In my present position as an international civil servant, heading a U.N. development agency with 134 member nations, it would be inappropriate for me to comment on past or present military policies of any of these governments, including my own.

I do hope you will understand, and please accept my best wishes for the success of your book.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Professor Ralph B. Levering
Department of History
Western Maryland College
Westminster, Maryland 21157

JLMaddux:mwm
July 25, 1979

2.7 Levering, R.

Class of Service: TELEX

Date: JULY 26, 1971

494/3/71

Telex No.:

Originators Ext: 72001

12

10

0 START
HERE

1 TO

FEDERAL OFFICE OF FOREIGN ECONOMIC AFFAIRS

CITY/
COUNTRY

BERNE SWITZERLAND

MESSAGE
NO.:

**FOR AMBASSADOR PAUL JOLLES, SECRETARY OF STATE. EYE TOO WAS SORRY
WE WERE UNABLE TO MEET IN MANILA OR GENEVA BUT AM DELIGHTED TO
KNOW YOU WILL BE IN WASHINGTON DURING THE WEEK OF SEPTEMBER
SEVENTEEN. WOULD IT BE POSSIBLE FOR YOU TO LUNCH WITH ME AT THE
BANK TUESDAY SEPTEMBER EIGHTEEN AT ONE PM QUERY MARGARET JOINS ME
IN BEST WISHES TO YOU AND ERNA. BOB MCNAMARA**

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END
OF
TEXT

NOT TO BE TRANSMITTED

SUBJECT:

DRAFTED BY:
Robert S. McNamara

CLEARANCES AND COPY DISTRIBUTION:

AUTHORIZED BY (Name and Signature):
Robert S. McNamara
Robert S. McNamara

DEPARTMENT:
President

SECTION BELOW FOR USE OF CABLE SECTION
CHECKED FOR DISPATCH

494/3/170
July 25, 1979

MEMORANDUM FOR MR. CARGILL

As we discussed before you left for Japan, I believe it would be wise to hold the IDA VI meeting in Yugoslavia on either the Saturday or Sunday preceding the Governors' meeting. However, last week in Romania and Yugoslavia I was told they had received no invitation to any such meeting. Have the invitations gone out? If not, when do you plan to send them?

Robert S. McNamara

cc: Mr. Qureshi
Mr. Knapp
Mr. Nurick

RMcN:bmm

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

494/3/169

Office of the President

JUL 25 1979

Dear Halfdan:

Many thanks for your letter of June 19 about the Independent Commission for studying the long-term strategy of the Onchocerciasis Control Programme.

We have been following closely the formation and initial work of the Commission. We have all been impressed, first, by the speed with which you have got the thing under way and secondly by the dynamic way in which Dr. Smith is approaching his task.

We shall certainly look forward to hearing of the progress of the work. One point that Dr. Smith raised with our staff recently and that may need careful watching is the relation of the work of the Commission with that of the study of the Senegal-Guinea extension approved at last year's meeting of the Joint Coordinating Committee. As the results of the latter study could be a critical element in the long-term strategy for the Programme, we shall have to be careful to ensure that it is closely coordinated with the Commission's work.

Please let us know if there is anything the Bank can do to help the work of the Commission.

With kind regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Halfdan Mahler
Director General
World Health Organization
1211 Geneva 27
Switzerland

494/3/768

Class of Service: TELEX

Date: _____

Telex No.: _____

Originators Ext: 72001

12

10

TO WORLD FOOD COUNCIL

CITY/COUNTRY UNATIONS, NEW YORK

MESSAGE NO FOR ARTURO TANCO, PRESIDENT. I AM MOST APPRECIATIVE OF YOUR
 4 KIND INVITATION TO ATTEND AND TO ADDRESS THE MINISTERIAL
 5 SESSION OF THE WORLD FOOD COUNCIL MEETING IN OTTAWA,
 6 SEPTEMBER 4-7. I ENTIRELY AGREE WITH YOUR EMPHASIS ON THE
 7 IMPORTANCE OF NATIONAL FOOD STRATEGIES. AS YOU KNOW, THE
 8 BANK IS PREPARED TO HELP GOVERNMENTS TO WORK OUT APPROPRIATE
 9 PLANS. HOWEVER, SEPTEMBER IS AN EXCEPTIONALLY BUSY TIME IN
 10 THE BANK, AFTER THE BOARDS SUMMER RECESS AND IMMEDIATELY
 11 PRIOR TO THE BANKS ANNUAL MEETING. I MUST THEREFORE, WITH
 12 REGRET, RESPOND THAT I AM UNABLE TO ACCEPT YOUR INVITATION.
 13 MONTAGUE YUDELMAN WILL BE ATTENDING THE SESSION TO REPRESENT
 14 THE BANK. WITH KIND REGARDS, MCNAMARA

END OF TEXT

NOT TO BE TRANSMITTED

SUBJECT:

DRAFTED BY:

SEBoskey:di *8.3*

CLEARANCES AND COPY DISTRIBUTION:

AUTHORIZED BY (Name and Signature):

Cleared in substance & cc:
Mr. Yudelman, AGR

Robert S. McNamara

DEPARTMENT:

President

SECTION BELOW FOR USE OF CABLE SECTION
CHECKED FOR DISPATCH

494 B / 167

JUL 13 1979

Sir:

I enclose copy of a letter dated July 11, 1979 from the Ministry of Finance of Japan, the official channel of communication between the Government of Japan and the Bank, requesting that you extend to Mr. Seiji Morioka, an Executive Director in the International Bank for Reconstruction and Development, the privileges and immunities accorded to officials of Specialized Agencies referred to in paragraph 4 of Section 15 of Article V of the Headquarters Agreement between the United Nations and the United States.

In the event that you decide to accede to this request, I wish to inform you that, as President of the Bank, I shall have no objection.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Enclosure

The Honorable
The Secretary of State
Department of State
Washington, D.C. 20520

cc: Mr. McNamara's Office

HRMalik/SKHan:df
7/12/79

494 B/166

JUL 13 1979

Dear Dr. Kopper:

Thank you very much for advising me that the recent World Bank issue of 7-3/4% Deutsche Mark Bonds of 1979, due 1991 has been well received in the market. I would like to express to you our appreciation for the continued excellent support and advice which the Deutsche Bank AG is giving the World Bank in respect of its financial operations.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Hilmar Kopper
Member of the Board
Deutsche Bank AG
Postfach 2631
Junghofstrasse 5-11
6000 Frankfurt/Main 1
Federal Republic of Germany

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

JPUhrig:ls

494/3/165
JUL 13 1979

His Excellency
D. Jaime Garcia-Añoveros
Minister of Finance
Calle Alcalá 11
Madrid 14, Spain

Dear Mr. Minister:

I have just received a report from Mr. J. Burke Knapp regarding his meeting with you in Madrid on June 25, and I should like to send you my warm thanks for receiving him for purposes of a discussion regarding the amount of Spain's contribution to the next (Sixth) IDA Replenishment.

As you know, the international community has recently been giving special attention to the plight of the poorer developing countries and their urgent need for additional concessional assistance, especially in the light of the latest increases in oil prices. It seems to me that this situation makes a pressing call upon all of us in a position to do so to augment both the amount and the effectiveness of external assistance to these countries. The World Bank Group, because of its central position in the family of international development institutions, feels a sense of great responsibility in this matter. We are therefore bending every effort toward mobilizing more concessional funds for assistance to the poorer developing countries, and toward making further improvements in the administration of the funds provided to us. In particular, we are re-orienting our activities toward a direct attack upon the appalling conditions of poverty that exist in these poorer developing countries.

IDA will play a key role in this program since the great bulk of its assistance is rendered to countries whose per capita income still remains below \$300 a year. Hence, there is nothing to which I attach higher priority than the successful conclusion of the international negotiations for the Sixth Replenishment of IDA Resources that are now under way.

As we prepared for these negotiations it became apparent that the major donor countries, who must continue to bear the main burden of the Replenishment, would find their efforts to obtain money from their Parliaments and Congresses greatly strengthened if a number of the more advanced developing countries were to demonstrate their sense of international responsibility by making contributions to IDA in amounts consistent with their resources and capabilities. In approaching such countries we have had the great advantage of being able to cite the examples of Spain, Yugoslavia and Korea, who have contributed to IDA Replenishments in the past and who are participating in the present negotiations. For example,

494/3/164

JUL 12 1979

Dear Mr. Kamhawi:

Thank you for your letter of June 21, 1979 written to me after your recent visit to the Bank, which I hope you found useful. I have received a full briefing on the contents of your discussion with Mr. Benjenk and his colleagues.

In the meantime the official request of the Palestine Liberation Organization, addressed to the Chairman of this year's Annual Meeting of our Board of Governors, as well as that addressed to the Secretary of the Bank have been received. The former has been conveyed to the Chairman and the Executive Directors of the Bank have been sent a copy of your official request by the Secretary.

Please accept, Mr. President, the assurances of my high consideration.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Walid Kamhawi
President
Palestine National Fund
P. O. Box 7309
Damascus, Syria

Cleared with and cc: Messrs. Damry, Clark, Nurick

MPBenjenk/11j
July 10, 1979

494/3/163
JUL 13 1979

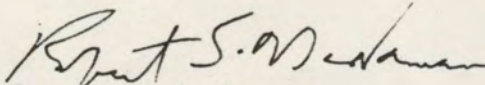
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Designation of Alternate Staff Members to Serve on
Committees under Section 7 of Article V
of the Articles of Agreement

Pursuant to Resolution No. 79-15 adopted by the Executive Directors on July 5, 1979, I designate the following staff members of the Bank to serve on the committee required to report on a loan under Section 4 of Article III of the Articles of Agreement in the absence or inability to act of the respective officers specified in such Resolution:

- (a) In the absence or inability to act of the Vice President, Operations, the person he shall have designated to act in his absence;
- (b) In the absence or inability to act of the Vice President, Finance, the Controller;
- (c) In the absence or inability to act of the Vice President and General Counsel, the person he shall have designated to act in his absence;
- (d) In the absence or inability to act of the Regional Vice President concerned with the loan, the person he shall have designated to be in charge of the Region in his absence;
- (e) In the absence or inability to act of the Vice President, Projects Staff, the person he shall have designated to be in charge of the Central Projects Staff in his absence.

This designation is effective from July 6, 1979.


Robert S. McNamara
President

494/3/161
JUL 12 1979

M. Bernard Clappier
Gouverneur
Banque de France
B.P. 140-01
F75049 Paris, France

Dear Mr. Governor:

I am writing at the express instance of the Executive Directors of the World Bank, representing our 134 member governments, to urge your Government to reconsider its attitude towards the taxation of our French staff stationed in Paris on income they derive from the Bank.

The Articles of Agreement of the Bank preclude a member government from taxing the compensation of staff except in the case of its own nationals. At its Inaugural Meeting in 1946, the Board of Governors of the Bank formally resolved to recommend that, in the interests of equity among member governments and equality among the staff, member governments act additionally to exempt their own nationals from tax on such income. The relevant extract from the Articles of the Bank and the text of the Board of Governors Resolution are attached.

In the event, 56 member governments have subsequently acceded to a Convention of Privileges and Immunities under which they have, inter-alia, waived their right to tax compensation paid by the Bank to their own nationals on the staff. Moreover, no member government, other than the United States, taxes Bank compensation earned abroad by its nationals residing abroad. As a result our French staff stationed outside France are not liable to tax on their Bank income. Thus, the only staff who remain liable to tax are some 1,450 US staff, wherever in the world they may be assigned, and the 24 French and 2 UK staff assigned to our offices in Paris and London respectively. Together they account for about one-quarter of our total staff.

Since three-quarters of our staff are thus not liable to tax on their Bank income, Bank salaries are fixed and paid on a net of tax basis. However, it would clearly be impossible for the Bank to attract competent staff who are liable to tax without some system for offsetting their tax liabilities. The Bank has, therefore, been obliged to adopt a system of tax reimbursement, the resulting financial burden is considerable since the

costs, amounting to some \$21.2 million in Fiscal Year 1979 or 7.2% of our Administrative Budget, are borne by the Bank out of its operating income. This direct charge on the Bank is a matter of serious and increasing concern to member governments, particularly since it is in large measure financed by the interest and other charges paid by developing countries on the loans and credits they receive from the Bank. As such, it constitutes a sizable transfer of resources from our poorer member governments to the Treasuries of three of our major industrialized countries.

Although the present system of tax reimbursement served its purpose well in earlier years, it has clearly outlived its usefulness. The search for a system that would achieve the twin objectives of equity among member governments and equality among the staff has been the most intractable problem addressed by the Joint Bank/IMF Committee on Staff Compensation Issues throughout its eighteen months of deliberations. The Committee's conclusions confirmed our earlier studies that no system of tax reimbursement can be devised which would provide equality of treatment between staff liable to tax on their Bank incomes and those who are not liable.

The inability of the Bank in these circumstances to provide, and to be seen to provide, equality of treatment to all staff, irrespective of nationality, continues to be a major cause of divisiveness among the staff and undermines sound personnel management. The Committee concluded that the only solution which would provide for such equality (and meet the objective of equity among member governments) would be found in the fulfilment of the Resolution of the Board of Governors cited earlier, namely that all member governments act to exempt from taxation the income of their nationals derived from the Bank. The Committee recommended with considerable reservations that, should the governments concerned not so act, the Bank should adopt a system of tax reimbursement which, in the case of our US staff at least, would be based on average rather than the present standard deductions. An average deductions system would reduce somewhat the financial burden on the Bank of the costs of tax reimbursement to individuals and would give rise to serious technical problems. It would thus do little to resolve the basic personnel management dilemma, even if the technical problems can be overcome.

The Committee, therefore, recommended that:

"the Bank and Fund should again discuss with the governments concerned the possibility of their taking the necessary steps to eliminate the burden that results from the taxation by those governments of their nationals employed in their own countries by the Bank and Fund."

Joint Committee report paragraph 6.42(iii)

The Executive Directors endorsed this recommendation and resolved that before proceeding with the introduction of a new system of tax reimbursement, strong representations should be made to the three Governments concerned to exempt their nationals from tax liability on their Bank incomes.

Such action by the governments would at one stroke enable the Bank to provide equality of treatment for all staff and eliminate the need for any form of payment to offset their tax liabilities. It would, of course, be consistent with your Government's practice in the case of French nationals employed by international organizations headquartered in Paris. The Executive Directors recognized that action to exempt our staff from taxation on their Bank incomes might take some time to achieve. They trusted, however, that it would prove possible for your Government readily to agree to remove the inequitable financial burden on other member governments by reimbursing the Bank for expenditures incurred on tax reimbursement payments made to our French staff. We appreciate, of course, that in large measure the solution to the very real problems we face depends primarily on the response of the US authorities. Nevertheless the principle is important and we believe that early and sympathetic consideration by your Government would be a major factor in the satisfactory resolution of these problems.

At the request of the Executive Directors, I am addressing a similar letter to the Governors of the Bank for the US and the UK. I understand that Mr. de Larosiere will be raising the same issues with you at the instance of the IMF Executive Board.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

RAClarke:ean
Typed July 11, 1979

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

EXTRACTS FROM BANK'S STATUTORY INSTRUMENTS
RELATING TO TAX LIABILITIES OF STAFF

Article VII Section 9(b) of the Articles of Agreement of the Bank, provides:

"No tax shall be levied on or in respect of salaries and emoluments paid by the Bank to executive directors, alternates, officials or employees of the Bank who are not local citizens, local subjects, or other local nationals."

Resolution No. 11 of the Inaugural Meeting of the Board of Governors in March 1946 reads:

"WHEREAS: Appropriate measures for the elimination or equalization of the burden of national taxes upon salaries and allowances paid by the International Bank for Reconstruction and Development are indispensable to the achievement of equity among its members and equality among its personnel,

THEREFORE: The Board of Governors of the International Bank for Reconstruction and Development recommends to the members of the Bank that necessary action be taken by them to exempt from national taxation salaries and allowances paid out of the budget of the Bank to the President, the Executive Directors and their Alternates, and to the staff of the Bank."

694/3/160

JUL 12 1979

The Right Honourable
Gordon Richardson, M.B.E.
Governor, Bank of England
Threadneedle Street
London EC2R 8AH, England

Dear Mr. Governor:

I am writing at the express instance of the Executive Directors of the World Bank, representing our 134 member governments, to urge your Government to reconsider its attitude towards the taxation of our British staff stationed in London on income they derive from the Bank.

The Articles of Agreement of the Bank preclude a member government from taxing the compensation of staff except in the case of its own nationals. At its Inaugural Meeting in 1946, the Board of Governors of the Bank formally resolved to recommend that, in the interests of equity among member governments and equality among the staff, member governments act additionally to exempt their own nationals from tax on such income. The relevant extract from the Articles of the Bank and the text of the Board of Governors Resolution are attached.

In the event, 56 member governments have subsequently acceded to a Convention of Privileges and Immunities under which they have, *inter alia*, waived their right to tax compensation paid by the Bank to their own nationals on the staff. Moreover, no member government, other than the United States, taxes Bank compensation earned abroad by its nationals residing abroad. As a result our British staff stationed outside the United Kingdom are not liable to tax on their Bank income. Thus, the only staff who remain liable to tax on their Bank income are some 1,450 US staff, wherever in the world they may be assigned, and the 24 French and 2 British staff assigned to our offices in Paris and London respectively. Together they account for about one-quarter of our total staff.

Since three-quarters of our staff are thus not liable to tax on their Bank income, Bank salaries are fixed and paid on a net of tax basis. However, it would clearly be impossible for the Bank to attract competent staff who are liable to tax without some system for offsetting their tax liabilities. The Bank has, therefore, been obliged to adopt a system of tax reimbursement the resulting financial burden of which is considerable since the costs, amounting to some \$21.2 million in Fiscal Year 1979 or 7.2% of our Administrative Budget, are borne by the Bank out of its operating income. This direct charge on the Bank is a matter of serious

and increasing concern to member governments, particularly since it is in large measure financed by the interest and other charges paid by developing countries on the loans and credits they receive from the Bank. As such, it constitutes a sizeable transfer of resources from our poorer member governments to the Treasuries of three of our major industrialized countries.

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At the request of the Executive Directors, I am addressing a similar letter to the Governors of the Bank for France and the United States.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

RAClarke:ean
Typed July 11, 1979

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

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THEREFORE: The Board of Governors of the International Bank for Reconstruction and Development recommends to the members of the Bank that necessary action be taken by them to exempt from national taxation salaries and allowances paid out of the budget of the Bank to the President, the Executive Directors and their Alternates, and to the staff of the Bank."

494/3/159

Office of the President

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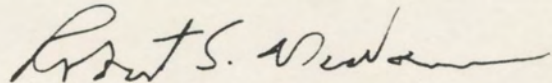
~~CONFIDENTIAL~~
OCT 24 2012

WBG ARCHIVES

FROM: The President

Chairmanship of the Board During my Absence

I propose to be away from Washington from July 15 through July 23 on a visit to Yugoslavia, Romania and to attend the ECOSOC meeting in Geneva. In accordance with the Rules of Procedure, I propose to designate Mr. E. Stern, Vice President, Operations, to act as Chairman of the Board during my absence and that of the Senior Vice President.



Distribution:

Executive Directors and Alternates

cc: Mr. Stern

494/3/158

JUL - 6 1979

Dear Ivan:

Thank you for your letter of June 12th, about Mr. Diep Ngoc Vuong.

At first sight, Mr. Diep's training and background are not a close fit for our requirements, but I have passed on Mr. Diep's resume to our Director of Personnel Management, who will be glad to look into possibilities for him.

I appreciate your writing to me on Mr. Diep's behalf.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Ivan Selin
Chairman
American Management Systems, Inc.
1515 Wilson Boulevard
Arlington, Virginia 22209

Cleared by Mr. Pollan

cc: Mr. McNamara's Office
PMD Front Office (Log No. 40363)

psd (June 29, 1979)

494/3 / 156

JUL - 6 1979

Dear Mr. M'Bow:

I refer to your letter of June 7, 1979, (ref. DG/0.4) concerning the special issue of Mainichi in Japan which is to carry messages in connection with the International Year of the Child.

I am pleased to send you a short message, attached, on the subject of "children, the hope of the 21st century".

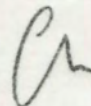
Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Amadou-Mahtar M'Bow
Director General
United Nations Educational,
Scientific and Cultural Organization
7, place de Fontenoy
75700 Paris, France

Attachment

 LPChatenay:di
July 5, 1979

494 / 3/154

JUL 3 1979

Dear Mr. Nsekela:

Thank you for your letter of 18th June 1979 informing me about the details of the Arusha Conference on Southern African Development Coordination. I have already received the formal invitation to the conference from the President of Botswana, to which you refer.

Unfortunately, my schedule will not permit me to attend this important conference and I have had to inform the Governments of Botswana and Tanzania accordingly. Our Board will be discussing the Bank Group's budget and program on the day of the opening of the conference. However, I have asked Mr. Ravi Gulhati, the Bank's Chief Economist for the Eastern Africa Region, to attend the conference and to report to me on its outcome.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Hon. Amon J. Nsekela
High Commissioner
Tanzania High Commission
43, Hertford Street
London, W1Y 7TF
England

FSO'Brien:daz
June 29, 1979

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