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THE WORLD BANK
Washington, D.C.

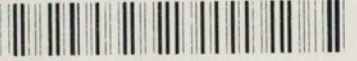
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PUBLIC DISCLOSURE AUTHORIZED

McNamara Papers

1974 (Nov.-Dec)
Vol. 44

THE WOODS BOND GROUP
Archives



1771913

A1995-252 Other #: 3 306049B

President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 44

DECLASSIFIED
WBG Archives

491/4/264

December 20, 1974

Mr. Kurt Waldheim
Secretary-General
United Nations, N.Y. 10017

Dear Secretary-General:

You will recall that, in October, the members of the Administrative Committee on Coordination agreed that each of us would consider how the ACC, through you as our Chairman, might best assist the September 1975 Special Session of the General Assembly to identify issues requiring international action for their solution and with which the Special Session could deal. We undertook to send you our suggestions in this connection by January 15, 1975. I hope that what follows will be helpful to you in carrying out your heavy responsibilities during this critical period for the United Nations.

I would urge you to propose that the Special Session direct its attention to five issues in particular, in terms of their relationship to economic and social development: food; rural poverty; education; health and nutrition; and the transfer of real resources. Underlying all of these influences on economic development and interacting with them is, of course, the population problem. Rapid population growth perpetuates rural poverty and malnutrition in many countries; it is making it harder to reach social targets, such as universal literacy and more equitable income distribution; it is reducing opportunities for education and for productive employment. But notwithstanding the intimate relationship between population growth and the quality of development -- the numbers of persons who are adequately fed, literate, who share equitably in income growth, and who are productively employed -- the dimensions of the problem and its sensitivity lead me to conclude that it could not be effectively dealt with at the Special Session as a specific agenda item. The subject is bound to be raised in connection with, for example, food, and I am inclined to believe that this may lead to more realistic discussion in the General Assembly than would take place if this always divisive issue were to be taken up separately.

Let me now briefly sketch the considerations which have led me to choose the five issues I have identified as urgently calling for attention.

First, food. The current food crisis is a result not only of temporary difficulties but also of long-term trends which have moved several countries

close to the margin of subsistence. In the last two decades, food production has barely kept pace with population growth and the dependence of the developing countries on imports of cereal from North America has increased. Although the arable area in the developing countries expanded by 0.7% annually, productivity lagged far behind what appeared feasible. In the years 1969-1971, there were food deficits in 56 out of 96 developing countries; in 24 of the 56, supply fell short of meeting demand by more than 10%. Over half of the developing countries are periodically confronted with food problems. At least 460 million people in the Third World suffer from inadequate nutrition, or are victims of periodic famine conditions.

Unless vigorous measures are taken very soon, the food problem of the developing world is likely to worsen. The World Bank staff has estimated that food demand will rise by 3.6% per annum; on the basis of current trends, the annual growth in production can be expected to be only 2.6%. A major effort by both food-deficit and food-surplus countries is therefore required.

Second, rural poverty. The locus of the world food problem coincides to a large extent with that of the general problems of poverty and underdevelopment. About 85% of the total food deficit occurs in countries of South Asia and Sahelian Africa (plus Ethiopia), which contain nearly 60% of the developing world's rural poor. The low output per acre in these countries is the major cause of both the world food problem and the most dire poverty. Even if the food-surplus countries produced enough to feed the growing world population, the poor and hungry nations would still lack purchasing power, and the problem of distributing, to and within these countries, food in the amounts required even to maintain the present low standard of consumption would be insoluble. National efforts, as well as international assistance, must therefore concentrate on improving the productivity of the small subsistence farmer in the food-deficit countries themselves.

The attack on low productivity must be supplemented by measures designed to facilitate better management, national and international, of the food supply, including a global stockpiling and emergency food supply system. Some increase in food aid is likewise essential, although too great a reliance by the developing countries on food aid and imports will in the long run only aggravate the problem. Few developing nations now have a coherent food production policy or an effective rural development strategy. A review of national food production policies adding up to a reasonable global strategy is imperative.

As to education, over the past few decades most developing countries have emphasized investment in this sector. During the years 1950-1970, enrollment at the primary, secondary and higher levels grew by 5% - 12% a year. Illiteracy was reduced from 59% in 1960 to 50% in 1970.

However, there are growing indications that this effort is losing impetus. The number of illiterates in developing countries is expected to increase. The problem is aggravated by the fact that much investment in education has been misdirected. There has been undue emphasis on higher education and on high-cost investment in the formal education structure, with the adoption of standards wholly inappropriate for inculcating the basic skills by means of which the mass of the population might participate in the development process. In many countries, more than 50% of the resources available for education has been devoted to secondary and higher education, although the number of students at these levels has been less than 20% of total enrollment. Moreover, in many cases the kind of education being provided does not facilitate achievement of the development objectives of the country concerned.

There are three main tasks for the developing countries in the years ahead. First, education should be made more relevant, to develop the kinds of skills responsive to country needs: functional education for the rural sector, for example. Second, some form of low-cost mass education is required if the mass of the population is to participate effectively in the development process. The quality and efficiency of primary school education should be raised, and programs aimed at out-of-school youths and adults should be adopted. In the poorest countries, where primary school enrollment is low, non-formal "basic education" will be an important supplement to the formal education system. "Basic education" aims at special groups with minimum learning needs, and reaches its targets through restructured primary schools or non-formal programs. Third, measures should be taken to counteract, as far as possible, the bias of most education systems in favor of urban and higher-income groups. Appropriate recruitment, selection, promotion and financial support policies should be developed, supported by general education policies designed to equalize educational opportunity.

Unless developing countries act now, with the support of the international community, to increase and redirect their educational activities in the light of development needs, they will enter the twenty-first century with their potentially most productive resource -- their people -- badly prepared and doomed to live in ignorance and poverty.

The fourth issue on which I would hope the Special Session might focus is health and nutrition. Although developing countries have made progress in disease control and in combatting malnutrition over the last two decades, ill health and malnutrition are still the principal factors governing the condition of the poorest segments of the developing countries' population.

A core disease pattern dominated by faecally-transmitted and airborne disease afflicts particularly those whose water and sanitation facilities are inadequate, and whose housing is unsuitable and over-crowded. The effects are compounded by inadequate protein and caloric intake, iron deficiency anaemia, and lack of vitamins. Disease, inadequate nutrition, poverty and a high birth rate are mutually reinforcing: those who are poorly fed are most vulnerable to disease, and high child mortality encourages high rates of procreation. Life expectancy at birth exceeds 70 years in most developed countries; in Asia it is 49 years, in Africa only 43. The incidence of communicable and nutritional diseases is higher among children. About 30% of the pre-school age population in developing countries is more than 25% below standard weight. In many of these countries, more than two-thirds of the children suffer from iron deficiency anaemia, while as many as half are afflicted by deficiency of vitamin A.

The economic costs of ill health and inadequate nutrition are only just beginning to be realized. Malnourished babies have smaller brains, which may impair their learning ability. Morbidity and mortality reduce the labor force, and weakness impairs labor productivity. Disease also causes wastage of natural resources through under-exploitation of their potential, as in areas infested by the tsetse fly.

Reduction of the economic costs of malnutrition and ill health is more a matter of the design of nutrition programs and health promotion services than of cost, even for the poorest developing countries. It costs only \$20 a year to supplement a child's daily intake by 600 calories and 20 grams of protein. A \$500 million program spread over 10 years would eliminate most deficiencies of vitamins and other nutrients. But despite low costs and high benefits, nutrition projects are not directed to the most vulnerable groups, and insufficient use has been made of mass techniques. Health services likewise require redesign. They benefit relatively small segments of the urban population, and need to be reoriented from their emphasis on curative to an emphasis on preventive (and environmental) measures, available at low cost to the mass of the population. Community-based programs and greater use of auxiliary personnel are among the reforms needed.

The fifth issue on which the Special Session might focus is the transfer of real resources. The development assistance targets for the Second Development Decade, which were unanimously adopted by the General Assembly in 1970, called for the economically-advanced countries to provide annually, beginning in 1972, minimum net financial

resource transfers equivalent to 1% of their GNP; those countries unable to achieve the target by 1972 would undertake to do so before 1976. The economically-advanced countries were, in addition, called upon to increase progressively their official development assistance (ODA), to reach a minimum of 0.7% of GNP by the middle of the decade. These targets were generally accepted by the industrialized countries, members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

However, the ODA of the 17 members of DAC in fact fell from 0.34% of GNP in 1970 to 0.31% in 1973. Only five countries have reached or passed the 1% target. Only one is expected to reach the ODA 0.7% target by 1975. For DAC members as a group, the prospects are for a further erosion of assistance through inflation.

The need for the development assistance effort to regain momentum could not be more pressing, particularly for those recipient countries most severely affected by inflation, rising energy costs, and shortages of food and fertilizer. About 800 million persons in countries with a per capita income of less than \$200 are likely to suffer serious economic hardship and will realize only negligible income growth during the rest of the decade. The World Bank staff estimates that a reversal of this trend will require an increase in concessional assistance from \$12 billion in 1973 to \$30 billion in 1980 (in current dollars).

The members of DAC have now been joined by net oil-exporting countries as contributors of development assistance. Nevertheless, the current aid flows from both groups together are inadequate. The economically-advanced countries of the OECD and Eastern Europe and the net oil-exporting countries should forge a new consensus on resource transfer goals and how the burden should be shared among them, and I think the Special Session could usefully address itself to this objective.

Redefining assistance targets will not be easy. The focus must be on the volume of assistance, particularly for the poorest countries. Aid pledges will remain empty of meaning unless they are accompanied by indication of how they are to be implemented, that is, by specifying the practical steps to be taken by individual donors in making annual or multi-year budget commitments and the ways by which access to their capital markets may be increased. Recipient countries, for their part, could help to crystallize a new approach to development cooperation goals by pledging sufficient self-help targets to maximize domestic resource utilization, attract private capital, and use foreign aid most efficiently.

Mr. Kurt Waldheim

- 6 -

December 20, 1974

Should these proposals commend themselves to you, I should be pleased to make available as supporting documentation for the Special Session Bank staff studies dealing with agriculture, rural development, education, health, and nutrition.

I am taking the liberty of sending copies of this letter to my colleagues on the ACC.

Sincerely,

Robert S. McNamara

SEBoskey/MLHoffman:tsb ✓

cc: Office of the President (2)

491/4/263

December 20, 1974

Dear Ad:

Thank you for your letter of December 2 concerning the Resolution of the World Food Conference on "Policies and Programs to Improve Nutrition" and on the development of intersectoral food and nutrition plans. We were pleased to see the attention directed to nutrition in the World Food Conference resolutions, and share your recognition of the importance of focusing attention on developing national food and nutrition plans.

We note that you will shortly be sending us a project proposal and our staff will give it careful consideration when received. We look forward to studying these documents and will contact you concerning them promptly thereafter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

KKanagaratnam:RMcNamara:bmm
12/20/74

December 20, 1974

491/4/262

Dear Abdlatif:

I was happy to learn that Messrs. Ahmad and Haq had an opportunity to meet with you in Kuwait recently. I understand that you were concerned about the lack of information on financial assistance by OPEC member nations and the distorted view about OPEC's contribution to development which may result. It is a problem which we too are worried about.

For the past several months the Bank has attempted to collect information on aid given by OPEC countries. The attached set of tables, which summarize the first conclusions of our efforts, was distributed to the Executive Directors of the Bank just a few days ago. We intend to continue and expand this reporting system to ensure that accurate information is transmitted to governments. We would be happy to receive suggestions from you or other members of OPEC as to how we could improve our reporting.

I look forward to seeing you in Washington in January.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Abdlatif Al-Hamad
Director General, Kuwait Fund
for Arab Economic Development
Kuwait

ALjungh:RMcN:mss

491/4 1260

DEC 20 1974

Dear Mr. M'Bow:

I have just received your letter of December 3, 1974, and am pleased to learn about the good reception given to our Cooperative Program by your General Conference. Now that you have been authorized to continue the Program, we can get on with the review that you have suggested. Indeed, our staff has already begun internal discussions, looking towards such a review.

With best personal wishes,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. Amadou-Mahtar M'Bow
The Director-General
United Nations Educational,
Scientific and Cultural
Organization
Place de Fontenay, 7
F 75700 Paris, France

MLHoffman/pnn

cc: Mr. McNamara's files (2)
Mr. Ballantine
Mr. Carriere
Mr. Merriam

491/4 1259

December 20, 1974

Dear Bill:

I understand that Chuck Cooper has asked Bill Gaud whether we would be willing to accept a notification by the United States under which the United States would agree to make its contribution to the Fourth Replenishment and which would also indicate that delivery of your letters of credit for the several installments would be made only after enactment of the appropriations therefor.

We can do so. Such a notification could read substantially as follows:

As United States Governor I hereby cast the votes of the United States in favor of Resolution No. 92 of the Board of Governors of the International Development Association.

The United States hereby agrees to contribute to the International Development Association the sum of \$1,500,000,000 as provided in Resolution No. 92, to be paid in four installments of \$375,000,000 each. We note that the Resolution gives us the right, which we expect to exercise, to postpone payment of the first installment by 12 months. As you know, letters of credit for each of the installments will be delivered only after enactment of an appropriation therefor.

We are all deeply grateful for your personal interest in this matter -- without it the issue would be dead and IDA would cease operations when we run out of commitment authority in January.

With best wishes to you and Carol for the holiday season.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
William Simon
Secretary of the Treasury
Washington, D. C. 20220

LNurick/ABroches:RMcN:mss

COPY

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS

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

Area Code 202 • Telephone - EXecutive 3-6360

491/4 /258

DEC 20 1974

Monsieur le Président,

J'ai l'honneur d'accuser réception de votre lettre du 3 décembre faisant suite à la nomination de Monsieur Nassim Kochman au titre de Conseiller Spécial.

Je vous remercie très vivement de vos aimables propos à l'égard de la Banque et de votre invitation à me rendre en République Islamique de Mauritanie, à laquelle j'ai été particulièrement sensible. Si, étant donné mes engagements actuels, je ne puis envisager un voyage en Mauritanie dans un avenir proche, croyez bien que je ne manquerai pas de répondre à votre très aimable invitation aussitôt que je le pourrai.

Veuillez agréer, Monsieur le Président, l'expression de ma plus haute considération.

(Signed) Robert S. McNamara
Robert S. McNamara

Son Excellence
Monsieur Moktar Ould Daddah
Président de la République
Nouakchott
Mauritanie

cc: for Mr. McNamara's Office (2) ✓

Cl. and cc: Messrs. Chaufournier
Gué

cc: Mr. Razafindrabe

JNo81:dlt
December 19, 1974

49114 1256

DEC 19 1974

Dear Mr. Ecevit:

Thank you for your letter of November 13, 1974. I fully understand the circumstances that made the postponement of my visit necessary and hope that it can be rescheduled at a more appropriate time in the not too distant future.

I was also looking forward to discussing with you your thoughts and ideas on Turkish development, especially since some of your views, as you have indicated, correspond with some of the new directions in development which the Bank is now embarked upon. Whenever I am in Turkey, I would still hope to have the opportunity to meet with you, in whatever capacity you may then be serving your country.

As I noted in my letter to you of last July, along with the rapid expansion of the Bank's lending to Turkey in recent years has come an increasing need for improving the coordination, implementation, and preparation of projects. I was very pleased to learn that under your leadership, concrete steps were being taken to meet this need. I hope that these efforts will continue, thus enabling Turkey to benefit fully from the assistance offered by the Bank.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. Bülent Ecevit
Chairman of the Republican Party
Büyük Millet Meclisi
Ankara, Turkey

cc to Messrs. Benjenk, Bart, Springuel
cc to Mr. McNamara's files (2)

GPark/RSpringuel/MPBart/MPBenjenk:af

OUTGOING WIRE

591/4 1255

TO: MR. TEIICHIRO MORINAGA
GOVERNOR
BANK OF JAPAN
TOKYO

DATE: DECEMBER 18, 1974

CLASS OF SERVICE: TELEX

COUNTRY: (JAPAN)

TEXT:
Cable No.:

I SHOULD LIKE TO EXPRESS MY CONGRATULATIONS TO YOU ON YOUR
APPOINTMENT AS GOVERNOR OF THE BANK OF JAPAN. I LOOK FORWARD
TO CONTINUING THE MOST COOPERATIVE AND PRODUCTIVE RELATIONSHIP
WHICH WE HAVE ESTABLISHED BETWEEN THE WORLD BANK AND THE BANK
OF JAPAN. I LOOK FORWARD TO MEETING WITH YOU AND RECEIVING
THE BENEFIT OF YOUR VIEWS AND GOOD COUNSEL. PLEASE ALSO EXTEND
MY CONGRATULATIONS TO THE NEW DEPUTY GOVERNOR, MR. MAYEKAWA.
KINDEST REGARDS.

ROBERT S. McNAMARA
PRESIDENT
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME EUGENE H. ROTBERG

DEPT. TREASURER'S

SIGNATURE *E. Rotberg*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: EHRotberg:emk

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Cleared with and cc to:

Mr. McNamara ✓

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Checked for Dispatch

491/4/254

DEC 18 1974

Dear Ted:

Thank you for your letter enclosing the President's report on the highlight's of ODC's program for 1974 and 1975. I certainly agree that 1974 will be long remembered as a turning point in making the world an interdependent economic whole. Here in the Bank we have been very impressed by much of the work of ODC in the past year, particularly its publications. We shall continue to work with you in 1975. To that end I shall ask that the Bank's contribution be maintained at the \$30,000 level, sustaining the increase which we provided temporarily last year.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Rev. Theodore M. Hesburgh, C.S.C.
Chairman of the Board
Overseas Development Council
1717 Massachusetts Avenue, N.W.
Washington, D.C. 20036

JEM:rgw
December 13, 1974

491/4/253

December 17, 1974

The Honorable
Alhaji Shehu Shagari
Federal Commissioner for Finance
Federal Ministry of Finance
Lagos
Federal Republic of Nigeria

Dear Commissioner Shagari:

The International Bank for Reconstruction and Development (hereinafter called the Bank), an international institution created by an intergovernmental agreement known as the Articles of Agreement of the International Bank for Reconstruction and Development, to which the Federal Republic of Nigeria is a party, hereby confirms the terms and conditions of the loan which the Federal Republic of Nigeria (hereinafter called Nigeria) has offered to make to the Bank:

1. Nigeria will lend to the Bank and the Bank, as authorized by its Executive Directors, will borrow from Nigeria, on the terms and conditions in this letter set forth or referred to, the sum of two hundred forty million United States Dollars (US\$240,000,000) (hereinafter called the Loan), such amount being the approximate equivalent as at November 20, 1974, of two hundred million Special Drawing Rights.
2. (a) Nigeria shall make the proceeds of the Loan available in the following installments:

US\$120,000,000 on December 19, 1974; and
US\$120,000,000 on January 16, 1975.
- (b) Payment of each such installment shall be made by Nigeria on the aforementioned installment dates in Federal Reserve Bank of New York funds to the Federal Reserve Bank of New York, New York, for the account of the Bank.
- (c) Against payment of each such installment the Bank shall deliver to Nigeria ten Interim Certificates in the form of the Interim Certificate attached hereto as Annex 1, each representing US\$12,000,000 of each of the ten maturities of the Loan. The Interim Certificates shall bear the dates of the respective payments which they represent.

3. (a) The Bank shall pay interest at the rate of eight per cent (8%) per annum on the principal amount of the Loan outstanding from time to time from the date of payment of each installment in accordance with the provisions of paragraph 2 of this letter.
- (b) Interest shall be payable in United States Dollars semi-annually on June 16 and December 16 in each year, the first interest payment falling due on June 16, 1975.
- (c) Interest shall be computed on the basis of a 360-day year of twelve 30-day months.
4. The principal amount of the Loan shall be repaid in ten equal annual installments of twenty-four million United States Dollars (US\$24,000,000) each on December 16 in each of the years 1980 to 1989, inclusive.
5. (a) At any time after June 16, 1975, if Nigeria shall so request, the Bank shall within 60 days after receipt of such request deliver at par to Nigeria, against the return of any Interim Certificate to the Bank, definitive Coupon Bonds in the denomination of US\$1,000,000 with all unmatured interest coupons attached (hereinafter called the Bonds), in the same aggregate principal amount and with the same maturity as referred to in such Interim Certificate delivered to the Bank.
- (b) Bonds when delivered shall be dated the interest payment date next preceding the first request by Nigeria for delivery of Bonds pursuant to this paragraph 5. The Bonds shall be in the form of the form of Coupon Bond attached hereto as Annex 2.
- (c) Upon any delivery of Bonds appropriate adjustment shall be made so that there shall be no loss to Nigeria or to the Bank in respect of interest on the principal amount of the Loan represented by such Bonds.
- (d) The Bank undertakes to pay all expenses incurred in printing and delivering said Bonds to or for account of Nigeria.
- (e) Upon the request of Nigeria, the Bank shall use its best efforts to assist Nigeria in marketing any of the Bonds.

6. (a) To the extent that Bonds have not been issued pursuant to the terms and conditions set forth or referred to in this letter, payments of principal of and interest on the Loan shall be made to the account of the Central Bank of Nigeria with the Federal Reserve Bank of New York, New York, for the account of Nigeria, or such other account in the United States of America as Nigeria shall timely advise the Bank.

(b) The payment of the principal of any Bonds issued pursuant to the terms and conditions set forth or referred to in this letter shall pro tanto discharge the obligation of the Bank to repay the principal of the Loan; and the payment of interest on any such Bonds shall pro tanto discharge the obligation of the Bank to pay interest on the Loan.
7. The Bank covenants that, so long as any amount of the Loan not represented by Bonds shall be outstanding and unpaid, the Bank will not cause or permit to be created on any of its property or assets any mortgage, pledge or other lien or charge as security for any notes, bonds or other evidence of indebtedness heretofore or hereafter issued, assumed or guaranteed by the Bank for money borrowed (other than purchase money mortgages, pledges or liens on property purchased by the Bank as security for all or part of the purchase price thereof), unless the principal amount of the Loan not represented by Bonds shall be secured by such mortgage, pledge or lien or charge equally and ratably with such other notes, bonds or other evidences of indebtedness.
8. If the Bank shall default in the payment of the principal of, or interest on the Loan, or in the payment of the principal of, or interest on, or in the performance of any covenant in respect of a purchase fund or a sinking fund in, any notes, bonds (including the Bonds) or similar obligations which shall have been issued, assumed or guaranteed by the Bank and such default shall continue for a period of 90 days, then at any time thereafter and during the continuance of such default Nigeria may deliver or cause to be delivered to the Bank at its principal office in the City of Washington, District of Columbia, United States of America, written notice that Nigeria elects to declare the principal of the Loan not represented by Bonds to be due and payable, and on the thirtieth day after such notice shall be so delivered to the Bank the principal of the Loan not represented by Bonds and any interest accrued on such principal and not yet paid shall become due and payable, unless prior to that time all such defaults theretofore existing shall have been cured.

9. (a) Any dispute between Nigeria and the Bank concerning the interpretation or application of the terms or conditions set forth or referred to in this letter which is not settled by negotiation, shall be submitted, at the request of either party, to the decision of a single arbitrator selected by agreement of the parties, or failing such agreement, appointed by the President of the International Court of Justice at the request of either party.
- (b) The parties shall fix the amount of the remuneration of the arbitrator and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount before the arbitrator shall commence the proceedings, the arbitrator shall fix such amount as shall be reasonable under the circumstances. Nigeria and the Bank shall each defray its own expenses in the arbitration proceedings. The costs of the arbitrator shall be divided between and borne equally by Nigeria and the Bank. Any question concerning the division of the costs of the arbitrator or the procedure for payment of such costs shall be determined by the arbitrator.
10. Any notice or request required or permitted to be given or made under the terms or conditions set forth or referred to in this letter shall be in writing or by telex and addressed to the respective party at its address hereinafter specified:

Permanent Secretary
Federal Ministry of Finance
Lagos
Nigeria

Cable address:

PERMFIN
Lagos, Nigeria

International Bank for
Reconstruction and Development
1818 H Street, N. W.
Washington, D. C. 20433
United States of America

Cable address:

INTBAFRAD
Washington, D. C.

If the foregoing correctly sets forth the understanding between Nigeria and the Bank, you are requested to confirm the agreement of Nigeria by signing the form of confirmation on this letter and returning it to the Bank.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

CONFIRMED:

FEDERAL REPUBLIC OF NIGERIA

By _____
Federal Commissioner for Finance

Lagos, December , 1974

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

TMCasser/mr
December 12, 1974

International Bank for Reconstruction and Development

Washington, D. C.

Interim Certificate No. _____

(not transferable)

Due December 16, _____

executed pursuant to the letter agreement between the Federal Republic of Nigeria and the International Bank for Reconstruction and Development dated December 17 and December , 1974, for a loan in the principal amount of United States Dollars two hundred forty million (US\$240,000,000).

This Interim Certificate represents twelve Coupon Bonds in the denomination of US\$1,000,000 each, to mature on December 16, _____.

This Interim Certificate shall be returned to the International Bank for Reconstruction and Development against delivery of an equal principal amount of the definitive Coupon Bonds, free of charge, to the Federal Republic of Nigeria or against repayment of the installment of the loan represented by this Certificate.

This Interim Certificate is not an obligation of any government.

**International Bank for Reconstruction
and Development**

By _____
Treasurer

FORM OF COUPON BOND

US\$1,000,000

No. _____

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

8% Serial Bond of 1974

Due December 16, _____

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, an international institution established by Articles of Agreement among the respective Governments signatory thereto (hereinafter called the Bank), for value received, hereby promises to pay to the bearer hereof, on the sixteenth day of December _____, at the office or agency of the Bank in the Borough of Manhattan, in The City of New York, the sum of

ONE MILLION DOLLARS

in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and to pay interest thereon from the date hereof at said office or agency in like coin or currency at the rate of eight per centum (8%) per annum, payable semi-annually on _____ and on each _____ and _____ thereafter until payment of said principal sum has been made or duly provided for, but until the maturity hereof only upon presentation and surrender of the coupons hereto attached as they severally mature.

This Bond is one of an authorized issue of bonds of the aggregate principal amount of US\$240,000,000, known as the 8% Serial Bonds of 1974, of the Bank (hereinafter called the Bonds), maturing serially from December 16, 1980 to December 16, 1989.

The Bank covenants that, so long as any of the Bonds shall be outstanding and unpaid, the Bank will not cause or permit to be created on any of its property or assets any mortgage, pledge or other lien or charge as security for any notes, bonds or other evidences of indebtedness heretofore or hereafter issued, assumed or guaranteed by the Bank for money borrowed (other than purchase money mortgages, pledges or liens on property purchased by the Bank as security for all or part of the purchase price thereof), unless the Bonds shall be secured by such mortgage, pledge or other lien or charge equally and ratably with such other notes, bonds or evidences of indebtedness.

If the Bank shall default in the payment of the principal of, or interest on, or in the performance of any covenant in respect of a purchase fund or a sinking fund in any notes, bonds (including the Bonds) or similar obligations which shall have been issued, assumed or guaranteed by the Bank and such default shall continue for a period of 90 days, then at any time thereafter and during the continuance of such default the holder of any of the Bonds may deliver or cause to be delivered to the Bank at its principal office in the City of Washington, District of Columbia, United States of America, written notice that such holder elects to declare the principal of all Bonds held by him (the serial numbers of which shall be set forth in such notice) to be due and payable, and on the thirtieth day after such notice shall be so delivered to the Bank the principal of such Bonds shall become due and payable, unless prior to that time all such defaults theretofore existing shall have been cured.

The Bank may deem and treat the bearer of any Coupon Bond, and the bearer of any coupon for interest on any Bond, as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary; and all payments to such bearer shall be valid and effectual to discharge the liability of the Bank upon such Coupon Bond or such coupon to the extent of the sum or sums so paid.

No recourse shall be had for the payment of the principal of, or the interest on, this Bond or any part thereof, or for any claim based hereon or otherwise in respect hereof or of the indebtedness represented hereby or by the coupons appertaining hereto, against any governor or executive director, or alternate of either, or against any officer or employee, as such, past, present or future of the Bank or of any successor to the Bank, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, any right to such recourse being by the acceptance hereof and as part of the consideration for the issue hereof expressly waived and released.

This Bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the certificate of Federal Reserve Bank of New York, or its successor, as Fiscal Agent, hereon endorsed.

THIS BOND IS NOT AN OBLIGATION OF ANY GOVERNMENT.

IN WITNESS WHEREOF the Bank has caused this Bond to be signed in its name with the facsimile signature of its President and countersigned with the facsimile signature of its Treasurer, and a facsimile of its official seal to be printed or engraved hereon and to be

attested with the facsimile signature of its Secretary, and the coupons for said interest bearing the facsimile signature of its Treasurer to be attached hereto.

Dated _____.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By _____
President

Countersigned: _____
Treasurer

Attest:

Secretary

AUTHENTICATION CERTIFICATE

This is to certify that this Bond is one of the issue of Bonds herein described.

**FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent**

By _____
Authorized Signatory

(Back-Middle Panel)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

US\$1,000,000

8% Serial Bond of 1974

Due December 16, _____

Interest Payable

June 16 and December 16

Principal and Interest Payable

in the

Borough of Manhattan, The City of New York

(Form of Coupon)

ON THE SIXTEENTH DAY OF _____, 19____, INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT will pay to bearer, upon surrender of this coupon, at the office or agency of said Bank in the Borough of Manhattan in The City of New York FORTY THOUSAND DOLLARS in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, being six months' interest then due for its 8% Serial Bond of 1974, No. _____, due _____.

Treasurer

491/4/252

DEC 17 1974

Cher Monsieur le Ministre,

Je vous remercie de votre lettre du 4 novembre et des termes chaleureux dans lesquels vous avez bien voulu parler des efforts de la Banque en faveur des pays en voie de développement.

J'ai été très heureux d'apprendre que vous souhaitiez continuer à mettre votre considérable expérience en ce domaine au service de la lutte contre le sous-développement.

Il m'aurait été certainement très agréable de vous avoir à nos côtés à la Banque. Comme vous le savez probablement toutefois, la Banque suit dans la plupart des cas une politique de promotion interne, à laquelle nos pays membres attachent une importance particulière. De surcroît, à la suite des derniers remaniements dans l'organisation de la Banque, je ne crois pas pouvoir disposer à l'heure actuelle d'un poste qui puisse convenir à vos compétences et à vos désirs.

Permettez-moi cependant de vous remercier de votre intérêt pour notre institution, dont j'apprécie hautement les motifs. Il n'est pas impossible que l'avenir me permette de faire appel à vous et je ne manquerais pas, à cet égard, de rester en contact avec vous.

J'ai été très sensible à votre démarche qui témoigne de l'excellence de nos relations passées.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Mansour Moalla
32, avenue de la République
Carthage, Tunisie

Cleared and cc: Mr. Bart
cc: Mr. Benjenk

AEELmendorf/FLaporte/JGuillot-Lateat/sn

TRANSLATION

His Excellency
Mansour Moalla
32, avenue de la République
Tunis, Tunisia

Dear Mr. Minister:

Thank you for your letter of November 4, and the warm words with which you speak of the efforts of the Bank in support of the developing countries.

I was very pleased to learn that you would like to continue to place your considerable experience in this field at the service of the battle against under-development.

It would certainly be pleasant for me to have you working at the Bank. However, as you probably know, the Bank follows in most cases a policy of internal promotion, to which our member countries attach particular importance. In addition, following the latest changes in the organization of the Bank, at the present time, I do not believe there is a position available which would correspond to your competence and your desires.

Permit me nevertheless to thank you for your interest in our institution and the motives for your concern. It is not impossible that the future will permit me to call upon you. In this connection, I will not fail to remain in contact with you.

I was touched by your approach, which testifies to the quality of our relations in the past.

Sincerely yours,

Robert S. McNamara

491/4 1251

DEC 17 1974

Dear Mr. Tatsumi:

I have been told of your generous gift of some 40,000 yen to me for the assistance to the poorest in the world's population.

I would like to thank you personally for your thoughtfulness, and I have asked Mr. Soejima to donate the sum to the local branch of the United Nations Children's Fund.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Takeo Tatsumi
c/o Mr. Aritoshi Soejima
Director, World Bank Tokyo Office
Kokusai Building
1-1, Marunouchi 3-chome
Chiyoda-ku
Tokyo 100, Japan

WDCClark:mmh
December 13, 1974

491/4 1249

DEC 16 1974

His Excellency
Gaafar Mohamed Nimeiri
President
The Democratic Republic of the Sudan
Khartoum, Sudan

Excellency:

Thank you very much for your letter of November 12, 1974, conveyed under cover of a letter from Mr. Adnan Khashoggi. I was particularly heartened and gratified by your encouraging remarks about the role of the World Bank in assisting the development of poor countries, including the Sudan.

I was pleased to note from your letter that you anticipate continued support from the Arab oil-exporting countries. There is no doubt that the Sudan will require a very large flow of capital assistance from abroad during the coming years to help finance its development program, and as you know it is our view that much of this assistance must be on concessional terms if your country's debt service burden is to be kept within manageable limits. This is particularly the case in Sudan where your need for the infrastructure investment required to support directly productive investment in agriculture and industry is unusually great. It is for this reason that the World Bank has emphasized the development of transport, electricity and education. We therefore welcome signs that the flow of concessional assistance from Arab countries is increasing and that agencies such as the Arab Fund, through its Agricultural Project Identification Mission, and the Kuwait Fund, through its financing of the ADAR study of transportation, are helping to channel future assistance into productive uses in a coordinated program.

The role of the private sector in promoting the economic development of Sudan is clearly of critical importance. In this connection I am sure you are correct when you state in your letter that overseas firms can be very helpful in contributing their resources, skill and experience to the solution of your problems. I look forward to learning much more about the detailed manner in which your Government intends to proceed on this matter.

As you know I had a most interesting meeting with Sayed Ibrahim Moneim Mansour in July of this year and the issues discussed at that meeting were taken up again during the Bank's Annual Meeting in Washington in September. I am most anxious that my staff should be in constant consultation with your Government on the whole range of development policy issues that confront your country. The issues raised in your letter cannot be discussed in detail other than face-to-face discussion and I have instructed Mr. Stanley Please, who is Director of the Bank's Department responsible for lending to Sudan, to visit Sudan early in January to pursue the matters raised in your letter.

The Bank's staff will also be available to meet with representatives of the Triad Group. We will keep the Minister of Finance fully informed of any discussions we have with Triad.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

JBurrows/JDucker/SPlease/lo
12-10-74

cc: Messrs. Mekki
Knapp
Cargill
Husain
Gustafson
Please
Hornstein
Kaji

cc: Mr. Adnan M. Khashoggi
Chairman, Triad Group
175 S. San Antonio Road
Los Altos, California

491/4/248

DEC 11 1974

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow two hundred and forty million dollars (\$240,000,000) from the Federal Republic of Nigeria.

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 proposed borrowing by the Bank and to agree 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
William E. Simon
Secretary of the Treasury
Treasury Department
Washington, D.C. 20220

cc: Mr. Sethness, Executive Director
For Mr. McNamara's office (2) ✓
Messrs. Rotberg, Treasurer
Gabriel, Controller
Asser, Legal
Deely, Treasurer's

JPUhrig:maf
December 10, 1974

497/4/247

DEC 11 1974

Monsieur le Président,

J'ai l'honneur d'accuser réception de votre message du 26 septembre 1974 que Son Excellence l'Ambassadeur Yaguibou a bien voulu, le 8 novembre dernier, me faire tenir au sujet du projet Tambao.

Nous, à la Banque, comprenons parfaitement que votre Gouvernement attache une grande priorité à ce projet dont la réalisation permettrait d'évacuer le minerai de manganèse et d'assurer de meilleures liaisons de transport avec la côte. Monsieur Chaufournier, à peine rentré de son voyage en Haute-Volta où il m'a dit d'ailleurs avoir reçu un accueil d'une exceptionnelle qualité, vous a certainement exposé de vive voix notre manière de voir. Notre seul souci au stade actuel, Monsieur le Président, est en effet de nous assurer que votre pays pourra réellement tirer d'un investissement aussi important que celui prévu pour le chemin de fer la totalité des avantages qu'il est en droit d'en attendre et que le projet n'aboutira pas, en fin de compte, à représenter une charge pour votre économie. Ainsi que nous l'avons déjà souligné, il nous paraît à cet égard absolument essentiel que la Haute-Volta obtienne des promoteurs miniers des engagements qui assureraient au projet un taux de rentabilité d'au moins 10 à 15%.

Dans cet esprit, nous sommes d'avis qu'une réunion du Gouvernement, des promoteurs et de la Banque, devrait se tenir dans le meilleur délai, pour examiner cette question plus avant. Nous pensons que la troisième semaine de janvier qui avait été suggérée par vos collaborateurs comme une date possible pour une telle réunion nous conviendrait parfaitement et nous serions heureux d'avoir une confirmation de votre part à ce sujet.

Veillez, Monsieur le Président, agréer les assurances de ma plus haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Lieutenant Général
Aboubakar Sangoulé Lamizana
Président de la République de Haute-Volta
Ouagadougou, Haute-Volta

Cl. with & cc: MM. Chaufournier
Thalwitz
Pouliquen
Cash
cc: MM. Wright o/r, Levi
El Maaroufi
MLBazin:hp

491/4 1246

MR. ABDLATIF AL-HAMAD

DECEMBER 11, 1974

ALSUNDUK

LT

KUWAIT

KUWAIT

EYE AM GRATEFUL TO LEARN THAT THE COUNCIL OF MINISTERS OF THE GOVERNMENT OF KUWAIT HAS APPROVED A MOST GENEROUS CONTRIBUTION TO THE WEST AFRICAN RIVERBLINDNESS PROGRAM STOP THIS GESTURE WILL NO DOUBT BE MOST WELCOME BY THE PARTICIPATING AFRICAN COUNTRIES SINCE THE PROGRAM IS OF THE HIGHEST PRIORITY FOR THE DEVELOPMENT OF THEIR HUMAN AND ECONOMIC RESOURCES

ROBERT S. MCNAMARA

INTRAFRAD

Robert S. McNamara

President

cc: M. Razafindraba
Messrs. Chaboournier, Wright o/s
Thalwitz, Hoffman, Delaume,
Jones, Bazin, Garff, El Maaroufi

DGarff:MLBazin:ALjungh:ml

491/4 243

December 10, 1974

MEMORANDUM FOR MR. CARGILL

Before we negotiate a U.S. underwriting limited to First Boston and Morgan Stanley as managers, please discuss with me the desirability of adding Salomon Brothers as a third manager. They and First Boston have proven much more innovative and wise in counseling us on how to minimize costs and maximize volume without penalties to the soundness of our financial structure.

Robert S. McNamara

cc: Mr. Rotberg

RMcN:mss

491/4/242

DEC 9 1974

Dear Mr. Msuya:

I am writing to thank you for your letter of November 22, 1974 which summarized the policy objectives of your Government in light of the current economic situation facing Tanzania.

Mr. Husain has informed me of the full and frank discussion he had with President Nyerere, you and other members of the Government on Tanzania's economic objectives and programs. We in the Bank find ourselves in accord with your Government's objective to carry the benefits of economic development to the mass of the Tanzanian people. I do hope that we shall continue to help you in this endeavour and that your Government and we can work together to increase production, particularly of food, so that the shortage of resources will not frustrate your development objectives. I understand that work is either already under way or is being initiated on several far-reaching projects in agriculture and rural development.

I have already submitted to the Bank's Executive Directors proposals for the \$30 million program loan and I hope that in the months to come other projects will mature for Bank and IDA lending.

With best personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable C.D. Msuya
Minister for Finance
Ministry of Finance
P.O. Box 9111
Dar es Salaam
Tanzania

cc: Mr. McNamara's office (2)
Messrs. Knapp, Please
December 5, 1974

RStern/SSHusain:pe

491/4/247

DEC 9 1974

Your Highness:

I should like to thank very warmly Her Royal Highness Princess Tharwat and yourself for the generous hospitality and kindness extended to my wife, myself and my associates during our recent visit to the Hashemite Kingdom of Jordan. I had looked forward to this visit for a very long time; the personal part Your Highness kindly took in it made it all the more enjoyable and interesting, whether in the fascinating field trips or in the many discussions which gave me an opportunity of learning at first hand how your Government intends to support Jordan's economic and social development.

I came back with two basic impressions which I should like to share with Your Highness. On the one hand, despite the many constraints faced by Jordan, its development potential -- especially that related to projects in the Rift Valley package -- is considerable. On the other, the planning and project preparation machinery is not fully attuned to the need of tailoring investments to the most urgent economic and social objectives and to the resources likely to be available. I hope very much that the plan of action we agreed upon at our concluding meeting with Your Highness and with His Excellency the Prime Minister (which is summarized in the attached note) shall pave the way for substantial assistance by the World Bank Group and shall enable us to help you mobilize as efficiently and expeditiously as possible the large amounts of finance required from other sources. Meanwhile, we are proceeding with the projects immediately at hand (phosphatic fertilizers, potash, education and power).

Many thanks again for a visit which my wife and I will remember fondly. I look forward to hearing from Your Highness about any further developments which you may wish to bring to my attention.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Royal Highness
Prince Hassan Bin Talal
The Royal Palace
Amman, Jordan

EGonella/MPBart:cek 12-6-74
cc: Mr. McNamara's office (?)

Summary

of

Meeting of November 16, 1974

Present:

His Royal Highness Prince Hassan, His Excellency Ziad El-Rifai
Mr. McNamara, Mr. Benjenk, Mr. Bart

1. The World Bank is eager to help Jordan to the maximum extent possible correct its basic economic disequilibria through substantial direct financial assistance for priority projects and the organization of joint financing operations with other donors. The prerequisite for such assistance is an improved coordination and planning mechanism within the Government which would ensure that, at the macroeconomic, sectoral and project levels, decisions are taken within the framework of an integrated plan and in light of the most urgent priorities.

2. At the macroeconomic level, it is essential that the large Rift Valley package be integrated in the current 3-year Plan to the extent necessary, and that preparations be started for the next Plan so as to put the considerable investments planned for the Rift package in the perspective of the overall development of Jordan. As a first priority, a review should be made of the progress achieved under the 3-year Plan and of the aggregate fiscal and balance of payments situation during the Plan period. This should lead to estimates of the domestic and foreign resources available for development expenditures during the remainder of the Plan and of the possible financial gap. Priorities should be established among the investments planned so as to time their implementation as and when additional resources become available.

3. Subject to the outcome of the above analysis, the World Bank would be prepared to take the lead in organizing the preparation and financing of the agricultural and mining and related infrastructure programs contained in the Rift Valley package. Priorities should be established among the various elements of each program.

4. The World Bank stands ready to provide technical assistance for the above, either directly or through the UNDP/IBRD planning team, the use of which by the Government could be increased.

5. The Government will designate a focal point responsible for relations with the Bank and for coordination within the Government on matters related to Bank activities in Jordan.

497/4/240

DEC 9 1974

Dear Mr. Prime Minister:

I should like to thank you warmly for the welcome and kindness you extended to me and my associates during our visit to Jordan. It was a very great pleasure to visit your beautiful country and of considerable interest for me to learn at first hand how your Government intends to support Jordan's economic and social development.

I came back impressed by Jordan's considerable potential for development and, at the same time, by the fact that the planning and project preparation machinery is not fully attuned to the need of tailoring investment to the most urgent economic and social objectives and to the resources available. I hope very much that the plan of action (summarized in the attached note) we agreed upon at our concluding meeting with Your Excellency and His Royal Highness the Crown Prince shall pave the way for substantial assistance by the World Bank Group and shall enable us to help you mobilize as efficiently and expeditiously as possible the large amounts of finance required from other sources. Meanwhile, we are proceeding with the projects immediately at hand (phosphatic fertilizers, potash, education and power).

I look forward to hearing from you on any further developments you may wish to bring to my attention.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

His Excellency
Ziad El-Rifai
Prime Minister
Amman, Jordan

EGonella/MPBart:mew 12-6-74
cc: Mr. McNamara's Office (2)

20/1/74

Summary

of

Meeting of November 16, 1974

Present:

His Royal Highness Prince Hassan, His Excellency Ziad El-Rifai
Mr. McNamara, Mr. Benjenk, Mr. Bart

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4. The World Bank stands ready to provide technical assistance for the above, either directly or through the UNDP/IBRD planning team, the use of which by the Government could be increased.

5. The Government will designate a focal point responsible for relations with the Bank and for coordination within the Government on matters related to Bank activities in Jordan.

MPBart:cek 12-6-74

491/4/239

DEC 9 1974

Dear Dr. Salem:

I should like to thank you warmly for the kindness extended to my wife, myself and my associates, during our visit to Jordan. I would particularly like to thank you and Mrs. Salem for the very pleasant dinner party you gave us.

I am glad to have had the opportunity of visiting your beautiful country, and to learn at first hand the Government's plans and problems with regard to Jordan's economic and social development. I need hardly say how crucial I consider the role of the National Planning Council in mapping such development in light of the most urgent objectives and of the resources available. Jordan is indeed entering a new phase in the successful story of its development and I believe that its potential and the efforts and resources needed to develop it represent a much greater challenge than heretofore, to which I am sure the National Planning Council will rise.

I am confident that your own contribution in this regard will be essential to enable the World Bank to play the role which the Government has asked us to assume.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Khalil Salem
President
National Planning Council
Amman, Jordan

cc: Mr. McNamara's Office (2)

cc: Egonella/MFBart:sh

491/4/238

DEC 9 1974

Dear Mr. Prime Minister:

It was indeed a pleasure to visit Syria and to meet with you and members of your Government. I appreciated very much our discussions and I am glad to have had the opportunity to learn at first hand how your Government plans to contribute further to the already impressive economic and social achievements of Syria and how the World Bank can assist your efforts.

I came back with two impressions which I conveyed, in the course of our discussions, to Their Excellencies the President of the Republic and the Ministers of Economy, of the Euphrates Dam and of Finance, and which I should like to share with Your Excellency. On the one hand, I was deeply impressed by the accomplishments of Syria with the completion of the Lake Assad dam and power facilities in a comparatively short time, by the scope of the planned irrigation development in the Euphrates valley and by its expected impact on Syria's economy. On the other, I felt that an even more intensive effort is required now on the Government's part to choose between the different basic options open to it as regards the large population needed for the settlement of the Euphrates valley, the land tenure arrangements, the crop rotations and the extent of mechanization or of labor intensive cultivation. I am sure that the Syrian authorities realize the urgency of the decisions required on these crucial points and will take soon the measures which are essential to ensure that planning for the social, land development and production aspects is brought to the same level of efficiency as that demonstrated for the impressive engineering works.

On the basis of the warm and solid relations which exist between Syria and the World Bank, I look forward confidently to increasing cooperation and, in particular, to bringing to fruition Bank financing of the projects which I discussed with yourself and with members of your Government.

With warm personal regards,

Sincerely,
(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Mohamed Al Ayoubi
Prime Minister
Damascus, Syria

EGonella:MPBart/st
cc to Mr. McNamara's file (2)

491/4/237

DEC 9 1974

His Majesty
King Hussein bin Talal
The Royal Palace
Amman, Jordan

Your Majesty:

I am sorry it was not possible to meet with you during my recent visit to the Hashemite Kingdom of Jordan. It was indeed a very great pleasure to visit your beautiful country and to see parts of it in the company of His Highness Prince Hassan. I am glad to have had the opportunity to learn at first hand in my discussions with His Highness, with His Excellency The Prime Minister and with members of your Government, how Jordan plans, under your leadership, to move ahead with its economic and social development.

I very much appreciated the warm and frank discussions I had in Jordan, and I will continue to follow with personal interest the progress made in integrating the large Rift Valley Program in Jordan's overall development plan and in identifying priorities. I came back with two basic impressions which I conveyed to His Highness Prince Hassan and His Excellency The Prime Minister, and I should like to share them with Your Majesty. On the one hand, despite the many constraints faced by Jordan, its development potential -- especially that related to projects in the Rift Valley package -- is considerable. On the other, the planning and project preparation machinery is not fully attuned to the need of tailoring investments to the most urgent economic and social objectives and to the resources likely to be available. I hope very much that the plan of action agreed upon at the concluding meeting with His Highness Prince Hassan and with His Excellency The Prime Minister (which is summarized in the attached note) shall pave the way for substantial assistance by the World Bank Group and shall enable us to help Jordan mobilize as efficiently and expeditiously as possible the large amounts of finance required from other sources. Meanwhile, the Bank Group is proceeding with the projects immediately at hand (phosphatic fertilizers, potash, education and power).

I am confident that these efforts should enable Jordan to bring to fruition as efficiently and expeditiously as possible the large investments contemplated.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

EGonella/MPBart:sh
December 9, 1974

cc: Mr. McNamara's Office (2)

Summary

of

Meeting of November 16, 1974

Present:

His Royal Highness Prince Hassan, His Excellency Ziad El-Rifai
Mr. McNamara, Mr. Benjenk, Mr. Bart

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3. Subject to the outcome of the above analysis, the World Bank would be prepared to take the lead in organizing the preparation and financing of the agricultural and mining and related infrastructure programs contained in the Rift Valley package. Priorities should be established among the various elements of each program.

4. The World Bank stands ready to provide technical assistance for the above, either directly or through the UNDP/IBRD planning team, the use of which by the Government could be increased.

5. The Government will designate a focal point responsible for relations with the Bank and for coordination within the Government on matters related to Bank activities in Jordan.

491/4/236

DEC 9 1974

Dear Mr. Minister:

It was indeed a very great pleasure to visit your beautiful country. I was very impressed with its wealth of monuments and much appreciated the opportunity of visiting Petra with your guidance. I would like to thank you and Mrs. Barakat warmly for the hospitality and kindness extended to my wife, myself and my associates, and for the beautiful presents.

With my warm personal regards,

Sincerely,

[(Signed) Robert S. McNamara]

Robert S. McNamara

His Excellency
Ghaleb Barakat
Minister of Tourism and Antiquities
Amman, Jordan

EGonella:sh NOV 27 1974

cc: Mr. McNamara's Office (2)

491/4/235

DEC 9 1974

Dear Mr. President:

It was for me a very great pleasure to visit Syria and to have had the opportunity of exchanging views with your Excellency on the cooperation between your Government and the World Bank which, I am glad to say, is now established on cordial and solid relations. My meetings with members of your Government and the field trip to Thaura were also of special interest inasmuch as they enabled me to learn how, under your leadership, Syria is moving ahead impressively with its economic and social development. The completion of the Lake Assad Dam and power facilities is a striking illustration of this achievement. I was also deeply impressed by the scope of the planned irrigation development of the Euphrates Valley, the complexity of its rural development aspects, and the importance of its objectives.

You can be assured that the World Bank will devote special attention to supporting the efforts of your Government for the development of Syria and to bringing to fruition the projects for which you expressed the wish that Bank financing be provided. I confidently look forward to increasing cooperation with Syria.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Hafiz Al-Assad
President of the Republic
Damascus, Syria

cc: Mr. McNamara's Office (2)

McNella:sh

491/4/234

DEC 9 1974

Dear Mr. Minister:

Upon returning recently from my visit to Syria, I am writing to thank you warmly for the hospitality and kindness extended to my wife, myself and my associates during our visit to your country.

I would particularly like to thank you and Mrs. Inady for the very pleasant dinner party you gave.

I am glad to have had the opportunity to learn at first hand how your Government intends to contribute further to the already impressive economic and social achievements of Syria. You can be assured that we, in the World Bank, will do all we can to support the efforts of your Government in this field, and we look forward to increasing cooperation with your country.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mohamed Inady
Minister of Economy
and Foreign Trade
Damascus, Syria

NOV 27 1974

EGonella:sh

cc: Mr. McNamara's Office (2)

491/4/233

DEC 9 1974

Dear Mr. Minister:

Upon returning recently from my visit to Syria, I would like to thank you warmly for the welcome and hospitality extended to my wife, myself and my associates during our visit to your country. I would particularly like to thank you for the very pleasant dinner party you gave on our last night in Damascus.

I was very impressed with the manner in which Syria moves ahead with its economic and social development, and I look forward to increasing cooperation between your country and the World Bank.

With my best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mohamed Cherif
Minister of Finance
Damascus, Syria

EGonella:sh

NOV 27 1974

cc: Mr. McNamara's Office (2)

491/4 1232

DEC 9 1974

Dear Deputy Prime Minister:

Upon returning recently from my visit to Syria, I am writing to thank you warmly for the welcome and kindness extended to me and my associates during our visit to your country.

I am glad to have had the opportunity to learn at first hand how your Government intends to contribute further to the already impressive economic and social achievements of Syria. You can be assured that we, in the World Bank, will do all we can to support the efforts of your Government in this field, and we look forward to increasing cooperation with your country.

With warm personal regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mohamed Haidar
Deputy Prime Minister
for Economic Affairs
Damascus, Syria

EGonella:sh NOV 27 1974

cc: Mr. McNamara's office (2)

491/4/231

DR. HECTOR HURTADO
MINISTER OF FINANCE
CARACAS

DEC 6 1974

IBF/GOVT.

EXT. 5921

VENEZUELA

REURCAB ON URBAN TRANSPORTATION STOP EYE HAVE INSTRUCTED MR. SINGH
COMMA DEPUTY CHIEF COMMA URBAN PROJECTS DIVISION COMMA TO GO TO CARACAS
ON DECEMBER EIGHT FOR THREE DAYS TO GET FROM YOU AND OTHER GOVERNMENT
AUTHORITIES ALL NECESSARY INFORMATION ABOUT THIS REQUEST STOP EYE WOULD
BE GRATEFUL IF YOU CAN HAVE NECESSARY ARRANGEMENTS MADE FOR HIS MEETINGS
THERE ON DECEMBER NINE AND TEN STOP WE WILL BE AGAIN IN TOUCH WITH YOU
AFTER MR. SINGH RETURNS TO WASHINGTON STOP BEST WISHES

(Signed) Robert S. McNamara
ROBERT S. MCNAMARA

Robert S. McNamara

491/4/230

DEC 6 1974

Dear Mr. Rosenthal:

I am writing to congratulate you on the excellent series of reports in The New York Times over the past six months on the world food situation and the problems it raises for the United States administration, the Congress, and for the people of the United States.

Your former colleague and friend Michael Hoffman, who represented the Bank at the recent World Food Conference in Rome, tells me that the series of articles was frequently referred to. The material was well used by many of the non-governmental organizations present at the Conference in their lobbying with government delegations to be more responsive to the needs of the hungry nations. I hope The New York Times will continue to devote special attention to the world's food problems, which are certainly not going to disappear unless and until food production begins to increase significantly in the food deficit developing countries themselves.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Abe Rosenthal
Managing Editor
The New York Times
229 West 43rd Street
New York, New York 10036

WDC1ark:MLHoffman:sf

491/4 1229

DEC 6 1974

Dear Mr. Vat Ho,

Thank you for your letter of December 2nd, 1974 enclosing a letter from His Excellency Minister Khy Taing Lim, dated November 20th, 1974, inviting the Bank to be represented at the meeting of the Exchange Support Fund (ESF) on December 5th in Manila.

While the Bank has been represented as an observer at earlier meetings of the ESF, I regret that on this occasion your invitation did not arrive in time for us to make the necessary arrangements to be represented. However, the IMF, which will be represented in Manila, has agreed to inform us of the discussions and conclusions of the meeting.

I would be grateful if you would kindly so inform His Excellency Minister Khy Taing Lim.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Yok Lan Vat Ho
Charge d'Affaires a.i.
Embassy of the Khmer Republic
Washington, D.C.

NAGibbs:vmk

Cleared with & cc: Mr. Sandberg
cc: Mr. Kirmani

491/4/228

December 6, 1974

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

Dear Ad:

As I told you on the telephone, I have been considering how to respond to the Resolution of the World Food Conference requesting the World Bank, FAO and UNDP to organize a Consultative Group on Food Production and Investment in Developing Countries and would like to put forward for your consideration my preliminary views as to how we might proceed. I am writing in a similar vein to Rudy Peterson.

I believe there is a somewhat better than even chance that if we act quickly, decisively, and in full accord with each other, this initiative of the WFC can be converted into a practical operation of great potential benefit to our developing member countries, as well as to those governments seriously interested in trying to help them increase and improve the quality of their food production. But this can only happen if we set up machinery that will work. Fortunately, the governments who sponsored and put through the Resolution in the Conference did not try to impose a structure, but left it almost entirely up to us to come forward with proposals that we think could work.

All our experience -- and we have quite a lot by now -- demonstrates that an essential condition for successful operation of inter-governmental consultative groups addressed to practical development objectives is that there be an able chairman and a strong secretariat with undivided responsibility backed by the resources of an agency with substantive competence in the field in question. I have heard how the political bargaining at the Conference led to a proposal that the new International Fund for Agricultural Development be given a joint UN/FAO secretariat and how you and your associates strongly and successfully opposed this as unworkable. I am sure you will agree with me that the same considerations apply to a Consultative Group.

December 6, 1974

I propose, therefore, that we should interpret the Conference Resolution language "to be staffed jointly by UNDP, FAO and IBRD" to mean that the secretariat should receive substantive inputs and probably contain staff members of all three agencies, but it should not be a three-headed animal with undivided responsibilities.

I understand that most, if not all, of the principal sponsors of the establishment of a Consultative Group feel that the Bank should provide the chairman. I am prepared to do this provided that the secretariat is also located in the Bank and made responsible to the chairman. I believe we can obtain the services of a chairman of high international standing who will be acceptable to the principal developing countries concerned, the DAC countries and the OPEC countries. I would, of course, consult with you and Rudy before making an appointment. I would propose to appoint as executive secretary an experienced and senior international civil servant, also in agreement with you. I would suggest that you and Rudy each designate a vice chairman for the Group and that you consider seconding at least one or two members from the FAO staff to work as part of the secretariat, which might consist initially of, say, five or six professionals.

I would not want you to think from the above that I attach more importance to form than to the substance of what the Consultative Group should seek to accomplish, who should participate in it, etc. It is only that while to advance much beyond what the Conference Resolution says concerning its functions and objectives will take some time, I believe that we should seize now the initiative which the Conference Resolution invites us to take and decide how to organize this new Consultative Group.

I would appreciate your reaction to these proposals.

Sincerely,

Robert S. McNamara

MLHoffman:tsb
December 4, 1974

cc: Office of the President (2) ✓
Messrs. Knapp
Cargill
Baum
W. Clark
Yudelman
Stern
Carriere
Burney/Grenfell

491/4 1227

December 6, 1974

Mr. Rudolph A. Peterson
Administrator
United Nations Development Programme
866 United Nations Plaza
New York, N.Y. 10017

Dear Rudy:

As I told you on the telephone, I have been considering how to respond to the Resolution of the World Food Conference requesting the World Bank, FAO and UNDP to organize a Consultative Group on Food Production and Investment in Developing Countries and would like to put forward for your consideration my preliminary views as to how we might proceed. I am writing in a similar vein to Ad Boerma.

I believe there is a somewhat better than even chance that if we act quickly, decisively, and in full accord with each other, this initiative of the WFC can be converted into a practical operation of great potential benefit to our developing member countries, as well as to those governments seriously interested in trying to help them increase and improve the quality of their food production. But this can only happen if we set up machinery that will work. Fortunately, the governments who sponsored and put through the Resolution in the Conference did not try to impose a structure, but left it almost entirely up to us to come forward with proposals that we think could work.

All our experience -- and we have quite a lot by now -- demonstrates that an essential condition for successful operation of inter-governmental consultative groups addressed to practical development objectives is that there be an able chairman and a strong secretariat with undivided responsibility backed by the resources of an agency with substantive competence in the field in question. As you probably know, the political bargaining at the World Food Conference led to a proposal that the new International Fund for Agricultural Development should be given a joint UN/FAO Secretariat. Boerma and his associates strongly and successfully opposed this as unworkable. I

December 6, 1974

am sure you will agree with me that the same considerations apply to a Consultative Group. I propose, therefore, that we should interpret the Conference Resolution language "to be staffed jointly by UNDP, FAO and IBRD" to mean that the secretariat should receive substantive inputs and probably contain staff members of all three agencies, but it should not be a three-headed animal with divided responsibilities.

I understand that most, if not all, of the principal sponsors of the establishment of a Consultative Group feel that the Bank should provide the chairman. I am prepared to do this provided that the secretariat is also located in the Bank and made responsible to the chairman. I believe we can obtain the services of a chairman of high international standing who will be acceptable to the principal developing countries concerned, the DAC countries and the OPEC countries. I would, of course, consult with you and Ad before making an appointment. I would propose to appoint as executive secretary an experienced and senior international civil servant, also in agreement with you. I would suggest that you and Ad each designate a vice chairman for the Group and that you consider seconding at least one member from the UNDP staff to work as part of the secretariat, which might consist initially of, say, five or six professionals.

I would not want you to think from the above that I attach more importance to form than to the substance of what the Consultative Group should seek to accomplish, who should participate in it, etc. It is only that while to advance much beyond what the Conference Resolution says concerning its functions and objectives will take some time, I believe that we should seize now the initiative which the Conference Resolution invites us to take and decide how to organize this new Consultative Group.

I would appreciate your reaction to these proposals.

Sincerely,

Robert S. McNamara

MLHoffman:tsb
December 4, 1974

cc: Office of the President (2) ✓
Messrs. Knapp
Gargill
Baum
W. Clark
Yudelman
Stern
Carriere
Burney/Cranford

491/4 k26

for Mr. McNamara's office

DEC 5 1974

Monsieur le Président,

J'ai l'honneur d'accuser réception de votre lettre du 18 novembre courant m'invitant à assister au Congrès de l'International Association of Seed Crushers (IASC) qui se tiendra à Abidjan du 2 au 7 mars 1975.

Je vous remercie vivement de cette aimable invitation. Malheureusement, mon emploi du temps ne me permettra pas d'assister personnellement au Congrès de l'IASC; nous vous communiquerons prochainement le nom d'un de nos collaborateurs qui représentera le Groupe de la Banque Mondiale à cette réunion.

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

(Signed) Robert S. McNamara
Robert S. McNamara

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

cc: M. Rasafindrabe

cc: Messrs. Rowe
Gué

HOSchulte/aps

491/4/225

December 5, 1974

His Excellency
Sheikh Mujibur Rahman
Prime Minister of the People's
Republic of Bangladesh
Gana Bhagan
Dacca, Bangladesh

Dear Mr. Prime Minister:

Since our meeting in Washington on October 1, the first meeting of the Bangladesh Aid Group has taken place. I understand the Group got off to a good start, establishing the atmosphere of constructive partnership between Bangladesh and its friends, which is a necessary basis for the sustained development assistance which Bangladesh will require. I hope this view is consistent with the reports you have on the meeting.

The report I received has caused me to reflect on the discussion we had in October. Several matters I then raised became subjects of significant discussion at the meeting. I would like to mention them to you at this time because I hope we may take advantage of the arrival in Dacca of our new Resident Representative in Bangladesh, Mr. Leonard Weiss, to discuss these subjects with you.

The first concerns the vital importance of making the fullest use of existing capacity and, in this connection, making expeditious and effective use of resources that have already been committed to Bangladesh from abroad. As I had done on October 1, many delegations at the Aid Group meeting called attention to the existence of a large pipeline of undisbursed commitments and, more importantly, to the fact that many projects of vital importance to Bangladesh had fallen seriously behind in execution. It is probable that some of the fault lies in the procedures of the donors, including ourselves, and it was agreed in Paris that the subject of aid administration should receive the urgent attention of donors as well as of your officials. I hope that you will impress upon your officials the importance of improving project administration.

As for IDA projects, I have invited your representatives in Washington to begin monthly meetings on project execution with members of my staff. At these meetings, which either I or my Senior Vice President will try personally to attend, we shall systematically review, project by project, the progress that is being made, the difficulties that have emerged, and the steps that need to be taken to deal with them. I am also proposing that after each

meeting in Washington, Mr. Weiss should meet in Dacca with the appropriate officials of your Government to follow up on the review. With such monthly meetings in Washington and in Dacca, I hope we can overcome existing difficulties in the execution of our projects, anticipate and avoid future ones, and significantly speed up disbursements. I might note that we have such a procedure with India and it has proved helpful.

In this connection, several of the delegations at the Aid Group meeting suggested that consultations be arranged in Dacca between local representatives of the Aid Group and officials of your Government, to assure the speedier implementation of existing projects. This proposal was welcomed by the Bangladesh delegation. We shall initiate through our Mission in Dacca the necessary arrangements to assure continuing local consultation on this subject.

A second matter which I raised on October 1 and which became the subject of discussion in Paris, concerns the crucial importance of appropriate arrangements between the Government of Bangladesh and the International Monetary Fund. No doubt Mr. Ahsan, the leader of the Bangladesh Delegation, has informed you of the views expressed at the meeting.

For myself, I would like to make three points. First, as much as \$75 million could become available (even without taking into account the possibility of using the new Extended Fund Facility) if an understanding is reached between Bangladesh and the Fund. Second, the achievement of an understanding between Bangladesh and the Fund looms large in the minds of most donors, and will evidently contribute much to their willingness to assist in providing the external resources Bangladesh needs. Third, the kinds of measures which would be involved in an understanding between Bangladesh and the Fund have a bearing on Bangladesh's development capability.

In these circumstances, I hope it will be possible for Bangladesh and the Fund to resume discussions. I have expressed this view to the Fund, and have been assured that it, too, would welcome such an opportunity.

With all good wishes.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

LWeiss: WDiamond: RMcNamara:bmm
December 5, 1974

cc: President's Office (2) ✓

491/4 1224

BANKITALIA
ROME

DECEMBER 3⁴, 1974

FULL RATE

ITALY

FOR DR. GUIDO CARLI

GOVERNOR

REFERENCE MY TELEXES OF NOVEMBER 11, 1974 TO YOURSELF AND THE MINISTER OF THE TREASURY AND FOLLOWING THE CONVERSATIONS BETWEEN MR. ERCOLANI AND MR. SELLA I UNDERSTAND THAT TWO BILLION DOLLAR DEPOSIT BY DEUTSCHE BUNDESBANK SECURED BY GOLD DEPOSIT BY BANCA D'ITALIA IS FOR A TERM OF SIX MONTHS AND MAY BE RENEWED ONLY BY FURTHER AGREEMENT BETWEEN THE TWO BANKS STOP ON THAT UNDERSTANDING AM PLEASED TO CONFIRM THAT WORLD BANK CONSIDERS THAT THIS SECURITY ARRANGEMENT CONSTITUTES AN EXCEPTION TO THE NEGATIVE PLEDGE CLAUSES IN ITS GUARANTEE AGREEMENTS WITH THE ITALIAN REPUBLIC PERMITTED BY THE AGREEMENTS THEMSELVES STOP PLEASE INFORM MINISTER OF THE TREASURY OF THE FOREGOING STOP-BEST REGARDS

ROBERT S. McNAMARA

Robert S. McNamara

cc: Mr. Broches

Executive Offices

JEKnapp:vm X-2004

C
O
P
Y

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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

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

491/4 1223

DEC 4 1974

Excellency:

Further to our discussion last week, I would like to thank you for your letter of November 19 on the proposed loan for the Suez Canal Rehabilitation Project. I am most appreciative of your help in this matter. As you know, the loan to the Suez Canal Authority is scheduled for consideration by the Executive Directors on December 3, 1974.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ashraf Ghorbal
The Ambassador of the
Arab Republic of Egypt
Washington, D.C. 20008

cc: ✓ for Mr. McNamara's Office (2)

cc: Messrs. Paijmans, Broches

MSAiyer/sjw
November 27, 1974

OUTGOING WIRE

491/4 1222

TO: HIS EXCELLENCY
DR. ABDEL AZIZ HEGAZY
PRIME MINISTER
PRIME MINISTRY
CAIRO

DATE: DEC 3 1974

CLASS OF FULL RATE
SERVICE: ~~ST~~ (x 2001)

COUNTRY: ARAB REPUBLIC OF EGYPT

TEXT: AM PLEASED INFORM YOU THAT OUR BOARD TODAY APPROVED BANK LOAN OF DOLLARS
Cable No.: FIFTY MILLION FOR SUEZCANAL REHABILITATION PROJECT AND BANK LOAN AND IDA
CREDIT OF DOLLARS THIRTYFIVE MILLION EACH FOR AGRICULTURAL AND INDUSTRIAL
IMPORTS PROJECT STOP AM GLAD THAT BANKGROUP HAS THIS OPPORTUNITY TO
PARTICIPATE IN YOUR COUNTRY'S ECONOMIC DEVELOPMENT PROGRAMS IN THE CONTEXT
OF YOUR GOVERNMENT'S CURRENT ECONOMIC FOCUS AND POLICIES STOP I WAS ALSO
DELIGHTED TO RECEIVE NEWS OF SUCCESSFUL COFINANCING ARRANGEMENTS
SPECIFICALLY FOR BANK PROJECTS WHICH YOU NEGOTIATED RECENTLY WITH
SAUDIARABIA STOP
BEST REGARDS

ROBERT S. MCNAMARA
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Robert S. McNamara

DEPT. President

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: A. Devar/sjw

December 3, 1974

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Al Atrash
cc: H.E. Mr. Chorbai, Ambassador of ARE
cc: for Mr. McNamara's Office (2)
cc: Messrs. Benjenk, Paijmans, Wapenhans,
Fuchs, Elliott, Moore, Gavin,
Hassan, Awunyo

For Use By Communications Section

Checked for Dispatch: _____

cc: President E1227

C
O
P
Y

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.
Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAFRAD

491/4 1221

December 3, 1974

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

Dear Sirs:

Under date of July 31, 1974 we confirmed by letter certain information and opinions expressed to you. With respect to the financial statements of International Bank for Reconstruction and Development as of June 30, 1974 and for the fiscal years ended June 30, 1973 and 1974 to be included in the Prospectus relating to the offering of the Five Year Notes of 1975 due 1980 and the Ten Year Notes of 1975 due 1985 we confirm that, to the best of our knowledge and belief, the statements made in said letter are correct as of this date (except that payments due to the Bank under loan agreements but unpaid as of November 29, 1974 are as shown in the list attached). There have been no developments since July 31, 1974 which would materially affect the financial statements for the year ended June 30, 1974. In addition, we know of no event since July 31, 1974 which, although not affecting such financial statements has caused or is likely to cause any material change, adverse or otherwise, in the financial position or results of operation of the Bank.

The unaudited financial statements of the Bank as of September 30, 1974 and for the three month periods ended September 30, 1973 and 1974, included in the Prospectus, have been prepared in conformity with generally accepted accounting principles applied for each such period on a basis consistent in all material respects with that followed in the preparation of the financial statements for the year ended June 30, 1974 and we are not aware of matters or occurrences up to the present time which would materially affect such statements.

President

Vice President and General Counsel

Controller

Attachment

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

List of Payments due but not Received Under Loan Agreements

As of November 29, 1974

<u>Loan No.</u>	<u>Due Date</u>	<u>US\$ Equivalent</u>
710 SL	October 1, 1974	\$ 101,387
766 GUI	October 1, 1974	15,125
936 MOR	October 1, 1974	11,615
812 BR	October 15, 1974	14,614
855 IRN	October 15, 1974	30,179
856 IRN	October 15, 1974	36,762
873 TU	October 15, 1974	1,501
717 IRN	November 1, 1974	77,857
850 MOR	November 1, 1974	19,944
881 TUN	November 1, 1974	4,060
927 IRN	November 1, 1974	6,678
255 CO	November 15, 1974	1,202,521
388 SL	November 15, 1974	173,080
565 BR	November 15, 1974	4,777
657 YU	November 15, 1974	26,266
694 UNI	November 15, 1974	52,662
697 IRN	November 15, 1974	3,220
733 AR	November 15, 1974	70,785
772 SP	November 15, 1974	258,617
776-1 BT	November 15, 1974	153,595
852 PNG	November 15, 1974	36,741
912 AL	November 15, 1974	74,249
913 AL	November 15, 1974	22,500
947 YU	November 15, 1974	132,778
1000 IRN	November 15, 1974	125,938
	Total	\$ 2,657,451

491/4 /220

December 3, 1974

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow seven hundred and fifty million dollars (\$750,000,000) from the Saudi Arabian Monetary Agency.

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 proposed borrowing by the Bank and to agree 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
William E. Simon
Secretary of the Treasury
Treasury Department
Washington, D.C. 20220

cc: Mr. Charles O. Sethness, Executive Director
For Mr. McNamara's office (2) ✓
Messrs: Rotberg
Gabriel
Sella
Sec. Div. Files

REDeely:ls

491/4 1219

HIS EXCELLENCY
MR. ANWAR SADAT
PRESIDENT OF THE ARAB REPUBLIC OF EGYPT
OFFICE OF THE PRESIDENCY
CAIRO

DEC 3 1974

LT (x 2001)
FULL RATE

ARAB REPUBLIC OF EGYPT

MY GREAT PLEASURE TO INFORM YOU THAT OUR BOARD OF DIRECTORS TODAY APPROVED
A BANK LOAN OF DOLLARS THIRTYFIVE MILLION AND AN IDA CREDIT OF DOLLARS
THIRTYFIVE MILLION TO ARAB REPUBLIC OF EGYPT FOR FINANCING OF IMPORTS AND
A BANK LOAN OF DOLLARS FIFTY MILLION FOR SUEZCANAL REHABILITATION PROJECT
STOP AM ESPECIALLY PLEASED AT THIS OPPORTUNITY FOR BANK TO CONTRIBUTE TO
EGYPTS DEVELOPMENT PROGRAM AND I LOOK FORWARD TO A CONTINUATION OF A CLOSE
RELATIONSHIP BETWEEN BANK AND ARAB REPUBLIC OF EGYPT IN THE SPIRIT OF OUR
CONVERSATION OF LAST FEBRUARY STOP

WARMEST REGARDS

ROBERT S. MCNAMARA
INTBAFRAD

Robert S. McNamara
President

- cc: Mr. Al Atrash
- cc: Mr. Ghorbal, Ambassador, ARE
- cc: Messrs. Benjenk, Paijmans, Wapenhans,
Fuchs, Elliott, Moore, Gavin,
Hassan, Awanyo
- cc: ✓ For Mr. McNamara's Office (2)

MSAiyer/sjw
December 3, 1974

691/4/216

GENERAL ANASTASIO SOMOZA DEBAYLE

December 2, 1974

PRESIDENT OF THE REPUBLIC

IBF GOVT.
Ext. 2571

EL RETIRO

MANAGUA

NICARAGUA

PLEASE ACCEPT MY SINCERE CONGRATULATIONS ON YOUR INAUGURATION AS
PRESIDENT OF NICARAGUA STOP MY COLLEAGUES IN THE WORLD BANK AND I
LOOK FORWARD TO A FRUITFUL RELATIONSHIP BETWEEN YOUR GOVERNMENT AND
THE WORLD BANK IN ORDER TO CONTRIBUTE TO THE FULFILLMENT OF NICARAGUA'S
ASPIRATION FOR ECONOMIC AND SOCIAL ADVANCEMENT STOP CORDIAL REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA

INTB&FRAD

Robert S. McNamara

- cc. Mr. V. Gavidia Hidalgo, Executive Director
- cc. for Mr. McNamara's office (2) ✓
- cc. Mr. Alter
- cc. Mr. Krieger
- cc. Mr. Flood (c/v), Div. Chief, LAC I

GCastaneda:mck

491/4/212
November 27, 1974

Mr. James A. Perkins
Chairman
International Council for
Educational Development
680 Fifth Avenue
New York, N.Y. 10019

Dear Jim:

This letter responds to both of your communications of November 13, 1974.

First, with regard to the non-formal education study we feel that the ICED has produced a valuable report in a hitherto largely unexplored field, which should continue for some time to be of service not only to the Bank but to the development community at large. We can agree also that it is a better study than it might have been as a result of the additional funds put into it by the ICED. With respect to the funding, although the figure of \$250,000 was based on an estimate provided by ICED, which got locked into our budget, I think it is a fair contention that a study of this quality would have been difficult to produce for that amount. Considering these factors, together with the non-profit status of ICED, although the Bank's administrative budget is also tight, I am authorizing an additional payment of \$50,000 in consideration of the additional services rendered by the ICED.

Second, you have asked whether the Bank would be prepared to take the initiative in exploring the prospects for continuation of the study on Higher Education for Development currently sponsored jointly by the Bellagio Group. Without prejudicing any future support the Bank might provide in this area, and quite apart from the fact that as yet we have no indication of what the first report will show or what follow-up will be needed, I would still have some hesitancy in committing the Bank to any leadership role at this time. As you know, higher education (in universities at least) has never been a major target for Bank assistance; nor have we developed as yet a substantial body of experience in this area which would give credibility to a leadership role. The Bank has good hopes for the Bellagio Group as an effective medium of consultation among the major educational assisting agencies, and I also hope that ICED will continue to be considered a useful instrument in carrying out Bellagio Group projects. At present, however, I feel that all purposes will be better served if the Bank continues to keep a low profile and offer its support selectively to well defined projects.

Mr. James A. Perkins

- 2 -

November 27, 1974

As you will have seen in the recent Sector Policy Paper, the major thrust of Bank educational financing - and exploration - will be toward basic education, permitting greater mass participation in development by the rural and other poor. In this connection you mention the possibility of joint support for continuing activities by ICED to assist governments to implement the recommendations of the non-formal education report and you ask whether the Bank "would indicate a willingness to support a consortium venture on this front also". I understand that Coombs and Ballantine have been discussing this as between ICED and the Bank and I hope they will continue to do so. I understand also that the report you are preparing for UNICEF on basic education, which complements the Bank study and rounds out the overall picture, is nearly completed. I would think that both studies should be taken into account in considering follow-up activities which might be assisted jointly by members of the Bellagio Group, and if you do expect the question to come up at Geneva in February I would hope that the various agency representatives would have both the reports and a program of follow-up activities in their hands prior to the meeting.

In closing, I can assure you that I also believe a private international association like the ICED has a major job to do and I personally welcome the leadership that you and Phil Coombs have given to this revitalized enterprise.

With best personal wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Baum
Mr. Adler
Mr. John King

DSBallantine/hl

491/4/209

NOV 27 1974

Dear Dr. Saad:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

In my opinion, nobody is better qualified to carry out these responsibilities than Mr. Kochman, a Mauritanian national, who combines great competence with demonstrated energy and initiative. His broad cultural background and, in particular, his keen diplomatic skill, make him eminently suitable for such a position. Besides, he has acquired a complete knowledge of the structure and procedures of our institutions. I have personally always admired his indefatigable efforts and the distinction with which he has protected and promoted the interests of the eighteen developing countries of Africa he has represented since 1963, within the Board of Executive Directors of which he is the Dean.

I am convinced that with his background he will bring into service his invaluable experience in the discharge of his new duties to the mutual benefit of the OPEC member countries and our institutions.

Sincerely

(Signed) Robert S. McNamara
Robert S. McNamara

Dr. Ahmed Zaki Saad
Counselor to His Majesty
the King of Saudi Arabia
12-202, International Monetary Fund
Washington, D.C. 20431

MNKochman/plc
November 26, 1974

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

491/4/208

NOV 27 1974

Excellency:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Sheikh Abdul Aziz Al-Thani
Minister of Finance and Petroleum
P.O. Box 83
Doha, Qatar

MMKochman/rh
November 26, 1974
cc: For Mr. McNamara's Office (2)

491/4/208

NOV 27 1974

Dear Mr. Minister:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

Su Excelencia
Sr. Gumersindo Rodriguez
Ministro de Planificacion
Ministerio de Planificacion
Caracas, Venezuela

MNKochman/rh
November 26, 1974

cc: Mr. McNamara's Office (2)

499/4/207

NOV 27 1974

Your Highness:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Highness
Sheikh Hamdan Bin Rashid Al Maktoum
Deputy Prime Minister and Minister
of Finance, Economy and Industry
Abu Dhabi, United Arab Emirates

MNKochman/rh
November 26, 1974

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

491/4/206

NOV 27 1974

Dear Mr. Minister:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mohammad Zarrouh Ragab
Minister of Treasury
Ministry of Treasury
Tripoli, Libyan Arab Republic

MNKochman/rh
November 26, 1974

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

491/4205

NOV 27 1974

Dear Governor:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Rachmat Saleh
Governor
Bank Indonesia
P.O. Box 422
Jakarta, Indonesia

MMKochman/plc
November 26, 1974

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

491/4 204

NOV 27 1974

Dear Mr. Minister:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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I am convinced that with his background he will bring into service his invaluable experience in the discharge of his new duties to the mutual benefit of the OPEC member countries and our institutions.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Abdul Rahman Salim Al-Ateeqy
Minister of Finance and Oil
Ministry of Finance and Oil
P.O. Box 9
Kuwait, State of Kuwait

MNKochman/plc
November 26, 1974

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

491/4/203

NOV 27 1974

Dear Mr. Minister:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Hushang Ansary
Minister of Economic Affairs
and Finance
Teheran, Iran

MNKochman/
November 26, 1974

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

491/4/202

NOV 27 1974

Dear Mr. Minister:

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Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Amin Abdul Karim Kalamchi
Minister of Finance
Ministry of Finance
Baghdad, Iraq

MNKochman/plc
November 26, 1974

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



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

491/4/201

OFFICE OF THE PRESIDENT

NOV 27 1974

Monsieur le Ministre,

J'ai sérieusement réfléchi, depuis un certain temps, à la nécessité d'instaurer des rapports encore plus étroits entre les Etats membres de l'OPEP et nos institutions. A cette fin, il m'a paru essentiel de me prévaloir de façon permanente de l'assistance d'un haut fonctionnaire qui devrait consacrer toute son attention à l'intensification des relations entre l'OPEP et le Groupe de la Banque Mondiale. Dans cette perspective, j'ai le plaisir de vous écrire pour vous informer que j'ai nommé M. Mohamed Nassim Kochman comme mon conseiller spécial afin de nous aider, M. Cargill et moi-même, à maintenir une liaison plus étroite avec les pays membres de l'OPEP.

A mon avis, rares sont les personnes qui sont mieux qualifiées pour s'acquitter de ces responsabilités que M. Kochman, ressortissant mauritanien, qui allie une grande compétence à une énergie et un esprit d'initiative dont la preuve n'est plus à faire. Ses vastes connaissances et son sens aigu de la diplomatie le désignent tout particulièrement à cette tâche. En outre, il connaît parfaitement bien les structures et les procédures de nos institutions. Pour ma part, j'ai toujours admiré les efforts inlassables et la distinction dont il a fait preuve pour défendre les intérêts des dix-huit pays africains qu'il représentait depuis 1963 au sein de notre Conseil d'Administration dont il était le doyen.

Je suis persuadé qu'avec son expérience inappréciable il apportera sa contribution au renforcement du dialogue entre les Etats membres de l'OPEP et nos institutions.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
M. Ismail Mahroug
Ministre des Finances
Palais du Gouvernement
Alger, Algérie



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

491/4/200

OFFICE OF THE PRESIDENT

NOV 27 1974

Monsieur le Ministre,

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Veuillez agréer, Monsieur le Ministre, l'expression de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
M. Augustin Boumah
Ministre d'Etat Délégué à la Présidence
de la République Chargé du Plan, du
Développement et de l'Aménagement
du Territoire
Libreville, République Gabonaise

49A 14 1999

NOV 27 1974

Dear Mr. Minister:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Su Excelencia
Sr. Econ. Jaime Moncayo Garcia
Ministro de Finanzas
Ministerio de Finanzas
Quito, Ecuador

MNKochman/plc
November 26, 1974

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

491/4 1198

NOV 27 1974

Dear Mr. Commissioner:

I have for some time past given serious thought to the need for closer ties with OPEC members of our institution. For this purpose it was considered essential that I should have the assistance of a senior officer on a full-time basis who could devote his exclusive attention towards the intensification of the desired relations between the OPEC members and the World Bank Group. In this connection, I take pleasure in writing to you to bring to your attention that I have appointed Mr. Mohamed Nassim Kochman, Executive Director of the Bank, to be my special adviser to assist Mr. Cargill and myself in discharging our responsibilities for closer liaison with OPEC member countries.

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Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

The Honorable
Alhaji Shehu Shagari
Federal Commissioner for Finance
Federal Ministry of Finance
Private Mail Bag No.12591
Lagos
Federal Republic of Nigeria

MNKochman/plc
November 26, 1974

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

491/4/197

NOV 27 1974

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow an aggregate principal amount of \$500,000,000 in the markets of the United States of America through an issue of five year notes in the aggregate principal amount of \$300,000,000 and an issue of ten year notes in the aggregate principal amount of \$200,000,000. The interest rates and the prices of the notes have not yet been determined.

The Government of the United States of America is hereby requested, in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement, to approve the proposed borrowings by the Bank in the markets of the United States of America of such amounts as may be raised by the issuance of not exceeding \$500,000,000 aggregate principal amount of notes. The Government of the United States of America is further requested to agree, pursuant to the same provision of the Articles of Agreement, that the proceeds of such borrowings may be exchanged for the currency of any other member of the Bank without restriction.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
William E. Simon
Secretary of the Treasury
Treasury Department
Washington, D.C. 20220

Cleared with and cc: Mr. Dennis Koromzay, Legal Department
cc: Mr. Charles O. Sethness, Executive Director
For Mr. McNamara's office (2) ✓
Messrs: Eugene H. Rotberg, Treasurer
K. Georg Gabriel, Controller
Deely/Sec.Div. Files

DEHarris/mh
November 26, 1974

491/4 1196

November 26, 1974

Dear Mr. Bell:

Mr. McNamara asked that the enclosed Education Sector Policy paper be sent to you as he thought you would like to have it.

Mr. McNamara appreciates the assistance of the Ford Foundation in the discussions which have been reflected in the paper.

Sincerely,



Muriel Lee
(Secretary)

The Honorable
David E. Bell
Executive Vice President
The Ford Foundation
320 East 43rd Street
New York, New York 10017

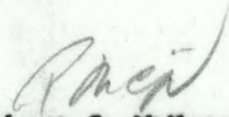
491/4/194

November 25, 1974

MEMORANDUM FOR DR. ROTA

In your memorandum dated November 20, subject: Cooperation with the Federal Republic of Germany, you questioned the provision of article 3(a) which states ". . . will at least once a year review with each other their assistance programmes with a view to identifying as early as possible programmes/projects suitable for co-financing . . ." You said "This provision is perfectly logical in the context of the Draft Agreement, but seems to exclude from a similar opportunity all those countries that do not have a specific cooperation agreement with the Bank."

In my telephone conversation with you this morning I stated that we did not believe our annual review with the Federal Republic would go beyond the information available in the monthly reports, but that if additional information on projects was provided to the Federal Republic, we would make such data available to you and any other Director who wished to receive it.


Robert S. McNamara

cc: Mr. Knapp
RSCN:ms

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara, President

FROM: Giorgio Rota, Executive Director

SUBJECT: Cooperation with the Federal Republic of Germany

DATE: November 20, 1974

I wish to convey to you some comments on the Draft Agreement between the Bank and the Federal Republic of Germany, which I received in annex to document R74-225 of November 14, 1974.

4/21
While I think all of us should welcome this type of cooperation between the Bank Group and an industrial member country, it is my opinion that we have to avoid making it appear as a possible discrimination against other member countries, currently interested in the execution of projects in the developing countries.

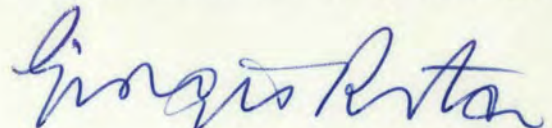
I find perfectly acceptable, from my point of view, the provisions relating to joint appraising, parallel or joint financing and procurement. What I find less agreeable, and in fact I have to object to, is the provision of article 3(a) which states, I quote:....."will at least once a year review with each other their assistance programmes with a view to identifying as early as possible programmes/projects suitable for co-financing....." unquote.

This provision is perfectly logical in the context of the Draft Agreement, but seems to exclude from a similar opportunity all those countries that do not have a specific cooperation agreement with the Bank.

In other words, what I wish to ask on behalf of the group of countries I do represent, is to have once a year, or more often if advisable, access to a complete list of projects considered by the Bank, for study and/or implementation in the developing member countries. In particular, my interest goes to those projects that, being in a preliminary stage of consideration, are not included in our monthly reports.

I hope, Mr. President, you will appreciate my concern in this field and will provide according to my wishes.

Since this subject would not be of interest to all the members of the Board, I do not intend to circulate this memorandum to my colleagues.



cc.: Mr. J. Burke Knapp

491/4 1193

NOV 25 1974

Sir:

I enclose copy of a letter dated November 18, 1974 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. Taro Hori, 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
Washington D.C.

Donald D. Fowler:nsp
November 21, 1974

491/4 192

VIRGILIO GALVEZ MADRID
MINISTRO RELACIONES EXTERIORES
TEGUCIGALPA
HONDURAS

NOV 22 1974

IBF GOVT.
Ext. 3462

REURCABLE NOVEMBER 15, 1974 STOP BANK ACCEPTS WITH PLEASURE YOUR INVITATION
TO ATTEND MEETINGS SCHEDULED DECEMBER 6-7 STOP BANK WILL BE REPRESENTED
BY MR LUIS ESCOBAR SPECIAL REPRESENTATIVE FOR INTERAMERICAN AFFAIRS AND
MR FLOOD CENTRAL AMERICA DIVISION CHIEF STOP REGARDS

(Signed) Robert S. McNamara
ROBERT S. McNamara

INTBAPRAD

Robert S. McNamara

cc: Mr. McNamara's Office (2) ✓
Mr. Gavidia Hidalgo, Executive Director
Mr. Alter
Mr. Escobar
Mr. Krieger
Messrs. Flood/Vandendries

Swissman:mw/mdk

491/4/191

November 21, 1974

Dear Rene:

Upon my return from a field trip, I find your cable and would like to tell you, in reply, how rewarding I have found our association. I wish you well in the years ahead.

Under your stewardship, Unesco has responded ever more helpfully to the needs of its members, particularly the developing countries. The close working relationship between Unesco and the World Bank, exemplified by the cooperative program, initiated during your tenure, testifies to your determination in the search for meaningful solutions to the problems of those countries.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Rene Maheu
United Nations Educational,
Scientific and Cultural
Organization
7, Place de Fontenoy
F 75700 Paris, France

cc: Mr. Clark
Mr. Ballantine
Mr. Carriere, Paris Office

LPChatenay:RSMcNamara:ml

491/4/190

NOV 20 1974

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow five million dollars (\$5,000,000) from the Government of Trinidad and Tobago.

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 proposed borrowing by the Bank and to agree 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
William E. Simon
Secretary of the Treasury
Treasury Department
Washington, D.C. 20220

cc: Mr. Sethness, Executive Director
Cleared with and cc: Messrs. Sella and Goldberg
cc: For Mr. McNamara's office (2)
Messrs. Rotberg, Treasurer
Hittmair, Deputy Treasurer
Gabriel, Controller
Deely/Sec.Div. Files

JP Uhrig:CE
November 15, 1974

491/4/188

Memorandum to Files

1. Mr. Zaki Saad and Mr. Shoaib just called to report that in response to Zaki Saad's cable of last week, the Saudi Arabian Government has responded to ask whether the Management of the Bank fully supported Zaki Saad's recommendation that Saudi Arabia lend to the Bank \$750 million for 10 years at 8-1/2%. The incoming Saudi Arabian cable stated that the writer viewed Zaki Saad's proposal "favorably" and was prepared to submit it to the Council of Ministers for formal approval.

2. I stated to Zaki Saad that the Management of the Bank would accept \$750 million (denominated in dollars) at 8-1/2% for 10 years subject to Board approval. Further I urged him to act speedily on the matter because market returns were changing and we had other financing operations under consideration.

Robert S. McNamara
November 19, 1974

cc: Mr. Cargill
Mr. Shoaib

491/4/187
NOV 19 1974

Mr. A. Broches, Secretary General

Robert S. McNamara, Chairman, Administrative Council

Designation of Panel Member Pursuant to Article 13(2)
of the Convention

This is to notify you that I have designated Mr. Fuad Rouhani, 16 Kh. Rasht (Behjatabad), Teheran, Iran, with whose curriculum vitae you are familiar, to the Panel of Arbitrators.

(Signed) Robert S. McNamara

cc: Mr. McNamara's office (2)

ABroches:csh
November 11, 1974

491/4/186

SAYED MAREI

NOVEMBER 19, 1974

SEC GEN WORLD FOOD CONFERENCE

TELEX 61181 FOODAGRI

ROME

(3585)

ITALY

EYE HAVE JUST HAD A REPORT FROM OUR REPRESENTATIVES ON THE OUTCOME OF THE
WORLD FOOD CONFERENCE STOP EYE WISH TO CONGRATULATE YOU ON YOUR ENERGETIC
AND SUCCESSFUL EFFORTS IN BRINGING THE CONFERENCE TO ACHIEVEMENTS FAR GREATER
THAN ANYONE ANTICIPATED

MCNAMARA

INTBAFRAD

Robert S. McNamara

President

MLHoffman:RSMcNamara:ml



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

499/4/185

OFFICE OF THE PRESIDENT

November 8, 1974

MEMORANDUM FOR PRESIDENT'S COUNCIL

During my absence, Mr. Knapp will be acting
on my behalf November 11-12 and Mr. Cargill Novem-
ber 13-15.

A handwritten signature in blue ink that reads "Robert S. McNamara".

Robert S. McNamara

cc: Executive Directors

491/4/183

November NOV 8 1974

Dear Fred,

I am writing to thank you for your letter of October 24 concerning the Bangladesh Aid Group.

I was very pleased to learn that your Government sent such a distinguished delegation to the meeting. I was also pleased to learn the details of your aid to Bangladesh this year, which is not only timely and generous but very responsive to the most urgent needs of the country.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. F. H. Wheeler
Secretary to the Treasury
The Treasury
Canberra, A.C.T. 2600
Australia

DADunn:lhv

491/4/182

NOV 8 1974

Dear Jerry:

Thank you for your letter of October 2 on the MIT Industrial Liaison Program. As you point out, our staff has had many contacts with MIT. Moreover, since these have been valuable to us, I am sure that they will continue and, hopefully, will be of mutual benefit. We have seriously considered whether there would be advantage in formalizing these contacts through the establishment of an ILP liaison officer, but, in view of their varied nature, have come to the conclusion that it would be better to continue the relationship as it is. Nevertheless, I wish you every success with the program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jerome B. Wiesner
President
Massachusetts Institute of Technology
Cambridge, Mass. 02139

cc: for Mr. McNamara's Office (2) ✓
Mr. Stern
Mr. van der Tak
Mr. Weiss
Mrs. Hughes

BBKing:gm

November 7, 1974

491/4/181

November 8, 1974

Dear Mr. Deputy Prime Minister:

Thank you for your letter of October 28, 1974 regarding the proposed program loan to Korea.

As a former Governor of the Bank, you will be aware that program loans are made only in exceptional circumstances. It was because we realized that Korea had developed a growth momentum that could be retarded markedly by the impact of the energy crisis that we agreed to recommend to the Executive Directors a program loan of US\$75 million. While we will give careful consideration to your request for an increase in the amount of the loan to US\$100 million, we need to assess the dimensions of the financing problem Korea is now facing in the light of the findings of the appraisal mission, before we take a decision on the magnitude of the assistance we afford to Korea in this exceptional form. I shall inform you of our decision as soon as it is taken.

I would like to take this opportunity to offer you my warmest congratulations on your new appointment and to wish you every success.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Duck Woo Nam
Deputy Prime Minister and
Minister, Economic Planning Board
Seoul, Republic of Korea

DLoos/lka

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

491/4/1180

NOV 7 1974

Dear Congressman Seiberling:

Thank you for your letter of October 22, 1974 enclosing your proposed "Food Research and Development Act," to help develop new food technologies.

The contrast you draw between consumption patterns of rich and poor nations is staggering indeed, and I share your view that this imbalance must be redressed. Expanding food production and improving nutrition must be our fundamental objective, and I hope the World Food Conference now convening in Rome will be able to move in this direction.

At the latest World Bank/IMF Annual Meeting I pointed out that if the present trend continues, grain import requirements alone could double between 1970 and the middle of the next decade. That means the poor countries would be seeking to import from 70 to 80 million tons a year, for which the annual foreign exchange cost could reach \$20 billion.

The Bank Group's direct lending for agricultural projects came to over \$950 million in fiscal 1974. Most of our efforts in the field of research and development have been directed through the Consultative Group on International Agricultural Research (CGIAR) which met recently in Washington. The enclosed statement will give you an idea of the scope of this Group's activities.

Much more needs to be done, however. The objectives of your proposed legislation will help focus attention on this urgent matter. Please let me know if you require any further information from the Bank.

With best wishes,

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
John F. Seiberling, M.C.
U.S. House of Representatives
Washington, D.C. 20515

PBRiddleberger/JEMerriam:pam

491 / 4 / 79

November 6, 1974

Dear Mr. Tae:

Thank you for your letter of October 18 informing me of your appointment as President of the Korea Steel Corporation. I feel sure that your varied experience will stand you in good stead in the discharge of your responsibilities as head of the Corporation, which has a very important role to play in Korea's economic development.

It was kind of you to express your appreciation of the cooperation and assistance extended to you. I can assure you that it gave me great pleasure to be associated with you in your very successful efforts at planning and directing the Korean economy.

With best wishes for your success in your new sphere of activities.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Tae, Wan-Son
President
Korea Steel Corporation
C. P. O. Box 6924
Seoul 100
Republic of Korea

DLoos/pme

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

491 12/177

NOV 6 1974

Dear Mr. President:

I recall our past meetings in Bucharest and in Washington and I believe you very well know my own satisfaction at seeing Romania participate actively in the work of the World Bank. You may perhaps know, Mr. President, my deep concern that development assistance be directed increasingly at the lower income groups in the developing countries, particularly through integrated rural development programs, in areas of rural poverty. A new Rural Development Division has been established in the Bank and it is staffed with a group of experienced, high-level experts.

I am particularly pleased that we are actively seeking to have a distinguished Romanian scholar, Professor Michael Cernea, member correspondent of the Romanian Academy of Social and Political Sciences in Bucharest, join us as the Rural Sociologist in the Rural Development Division. In this connection, I am writing to you in your capacity as the Honorary President of the Romanian Academy of Social and Political Sciences to consider the release of Mr. Cernea, on a three-year leave of absence basis, to join our staff. We are convinced that Professor Cernea would contribute to our understanding of rural development problems and to enable us to share with the developing world some of the impressive results which Romania has achieved in its rural program.

As Honorary President of the Academy, you may be as proud as I am that a Romanian scientist, Professor Cernea, can participate so prominently in our rural development work.

Sincerely,

((Signed) Robert S. McNamara

Robert S. McNamara

Honorary President of the
Academy of Social and Political
Sciences
Nicolae Ceausescu
Bucharest, Romania

JDNorth/TBTorrance/kal
October 31, 1974

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

491/4/176

HIS EXCELLENCY
ABDUL RAHMAN SALEM ALATEEQY
MINISTER OF OIL AND FINANCE
KUWAIT

NOVEMBER 5, 1974

FULL RATE
(2001)

KNOWING OF YOUR DESIRE TO HAVE THE DATE OF THE NEXT ANNUAL MEETING
SHIFTED COMMA EYE AM PLEASED TO INFORM YOU THAT WE WERE ABLE TO ARRANGE
FOR IT TO BE HELD FROM SEPTEMBER ONE THROUGH SEPTEMBER FIVE 1975 STOP
WARM REGARDS

ROBERT S. MCNAMARA
INTBAFRAD

Robert S. McNamara
President
RSMcNamara:SElFishawy:ml

cc: Mr. Cargill
Mr. El Fishawy

491/4/175

NOV 5 1974

Dear Mr. Verhelst E.:

Thank you for your letter of October 9, 1974, concerning your son Juan Manuel Verhelst Berrocal, who is interested in joining the Bank's Young Professionals Program.

I think perhaps our correspondence crossed in the mail, since on September 4, 1974, the staff of the Young Professionals Program sent a letter to your son together with a Personal History form so that he could make a formal application for the Young Professionals Program. I assume that this material has now been received by your son.

In the event that this earlier letter of September 4 has gone astray, I enclose for your information a copy of the letter together with a Personal History form and a pamphlet describing the Young Professionals Program.

Please be assured that upon receipt of this material all due consideration will be given to your son's candidacy in the Young Professionals Program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jose M. Verhelst E.
Colonia El Prado
2a Calle No. 208
Tegucigalpa, Honduras
Central America

c.c. Mr. Juan M. Verhelst Berrocal

Enclosures

c.c. for Mr. McNamara's office (2)

MFH/lpc (November 4, 1974)

491/4/174

INTBAFRAD
NEW DELHI

NOVEMBER 5, 1974

TELEX

(2001)

INDIA

GILMARTIN FOR WEINER STOP WILL BE HAPPY TO MEET WITH SUBRAMANIAM WHILE HE IS IN WASHINGTON IN JANUARY TO DISCUSS THE PROGRAM OF ACTION YOU OUTLINED IN YOUR CABLE

ROBERT S MCNAMARA

Robert S. McNamara

President

RMcN:ms

491/4/173

OUTGOING WIRE

TO: DR. JORGE MEJIA PALACIO
PRESIDENTE
ASOBANCARIA
BOGOTA, D.E.

DATE: NOVEMBER 5, 1974

CLASS OF
SERVICE: FULL RATE
4770

COUNTRY: COLOMBIA

TEXT: THANK YOU FOR THE KIND INVITATION TO MRS. MCNAMARA AND MYSELF TO ATTEND
Cable No.: THE CONVENTION OF BANKS AND FINANCIAL INSTITUTIONS IN MEDELLIN
NOVEMBER 7 TO 9 STOP REGRET THAT OTHER COMMITMENTS MAKE IT IMPOSSIBLE
FOR US TO ATTEND STOP REGARDS

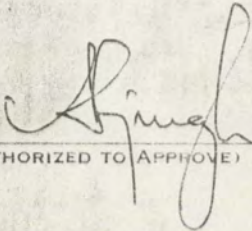
ROBERT S. MCNAMARA
PRESIDENT
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Robert S. McNamara

DEPT.

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: FSporon-Fiedler:al
757

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Gerald Alter
Mr. Gunter K. Wiese,
Director, LAC II
Mr. H. van der Heijden,
Div. Chief
Mr. C. N. Quijano, Res. Rep., Bogota

For Use By Communications Section

Checked for Dispatch: _____

491/4/1771

NOV 4 1974

Dear Dr. El-Sayyed:

Thank you very much for your letter of September 29. We have carefully reviewed the possibilities of seconding our Mr. I. Serageldin to the Arab Educational, Cultural and Scientific Organization for the period of one year. We see substantial merit in close cooperation between your and our organization which could embrace the exchange of staff, if and when practicable. In this particular case, we are, however, unfortunately not able to respond positively to your request.

The reason simply is that Mr. Serageldin is a key member of the Bank's team, extending technical assistance in education and manpower development to Saudi Arabia. The work of the team has reached a critical point, at which discontinuities of staff would have a significant disruptive effect. I do hope, however, that this activity in itself will contribute to closer working relationships between your organization and ours.

While I regret that our response cannot be more forthcoming at this time, I suggest that we keep the possibility of staff exchange in mind against a more convenient opportunity.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Abdel Aziz El-Sayyed
Director General
The Arab Educational, Cultural,
and Scientific Organization
109 Tahrir Str. Dokki
Cairo
Arab Republic of Egypt

Cleared with & cc: Mr. M. Benjenk
cc: for Mr. McNamara's Office (2)
cc: Mr. I. Cargill
cc: Mr. R. Clarke

WAWapenhans:rs
October 31, 1974