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Fonds: Records of the Office of the President

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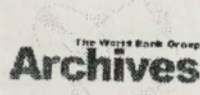
THE WORLD BANK
Washington, D.C.

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McNamara Papers

1968 (Nov. - Dec.)
Vol 4

 **Archives**
1771862
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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 04

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487/6/344

December 30, 1968

Dear Mr. de Sa Almeida:

In Mr. McNamara's absence I should like to acknowledge receipt of the special issue of "Manchete". I shall retain it here for Mr. McNamara to see on his return and I am sure he would like me to thank you most warmly for your kindness.

Sincerely,

Rainer B. Steckhan
Personal Assistant to Mr. McNamara

Mr. Jorge de Sa Almeida
Charge d'Affaires, a.i.
of Brazil
Brazilian Embassy
3007 Whitehaven Street, N.W.
Washington, D.C. 20008

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WBG ARCHIVES

1343

President's Council Meeting, Friday, December 20, 1968

Present: Messrs. McNamara, Knapp, Aldewereld, Broches, Demuth, Friedman, Shoaib, Wm. Clark, Ripman, Rosen

Mr. McNamara expressed his regret at not being able to raise at this time certain Senior Staff salaries as he had originally planned to do. He had, however, put the Board on notice that, if the Board did not act in early January, he would no longer feel committed to the Board not to increase Senior Staff salaries above Executive Directors salaries. The problem was accentuated by the fact that some people in the U.S. Government believed that salary structures of international organizations should be compatible with those in the U.S. Civil Service.

Mr. Aldewereld reported on the recent success and future prospects of bond issues in Germany. It was clear that there was a tremendous pool of capital in Germany which could be put to use for development purposes. Mr. McNamara added that he was thinking in terms of a yearly borrowing program in Germany to be worked out with the German Government at the beginning of the year and covering all lenders, especially the Rheinische Girozentrale. This would permit, for instance, weekly borrowings in small amounts which would not have adverse effects on interest rates in Germany.

Deutschebank, together with Dresdner Bank, had established a dominant position in the foreign bond issue market in Germany. Minister Schiller was bent on reviving competition in the capital market and had encouraged the World Bank to look for additional outlets for its bonds in Germany.

Mr. McNamara stated he was also considering other possible sources of funds such as the Federal Reserve. He had asked Mr. Broches to look into the legality of borrowing from the Federal Reserve. Messrs. Aldewereld and Friedman would work on an increase in borrowing from central banks. In this connection, Mr. McNamara mentioned that he intended to float the next issue with central banks in an increased amount of \$175 million and Dr. Blessing had agreed to underwrite it.

Commenting on the World Bank's reserves, Mr. McNamara expressed his intention to increase the cash balance, including delayed deliveries by about \$1 billion as a reserve for unforeseeables, of which \$400 million had already been added in the last five months.

Mr. McNamara suggested that basic financial information should be made available to Senior Staff and, to that end, Mr. Adler would distribute to Senior Staff every month (a) the monthly financial statements, (b) the lending program by country and by year, and (c) the monthly personnel recruitment status report.

Rainer B. Steckhan

487/6 1342

December 23, 1968

Dear Mr. Kiep:

In Mr. McNamara's absence I would like to acknowledge receipt of your letter dated December 18 concerning the German contribution to IDA. Your letter will be brought to Mr. McNamara's attention on his return to Washington in early January.

Sincerely,

Rainer B. Steckhan
Personal Assistant to Mr. McNamara

The Honorable
Walther Leisler Kiep
Mitglied des Deutschen Bundestages
53 Bonn
Bundeshaus, Zimmer 110S
Federal Republic of Germany

c.c. Mr. Knapp
Mr. Friedman
Sir Denis Rickett

RBSteckhan:emcc *ABS*
IDA

Ta ttilo

487/6/341

December 20, 1968

His Excellency
Julius K. Nyerere
President of the
United Republic of Tanzania
P. O. Box 9120
Dar es Salaam, Tanzania

Dear Mr. President:

I am writing to you regarding Kilombero Sugar Company, the affairs of which were recently the subject of discussions between your Ministers and senior officials of International Finance Corporation. From an up-to-date report, it is clear to me that under present circumstances the Company cannot continue to operate without financial losses which it is unable to absorb.

I will not dispute the decision that has been taken by your Government on the price of sugar and it would not be helpful for me to go back over the past or recall previous understandings. Instead, I wish constructively to look forward to the future and to consider the practical consequences of the position in which the Company presently finds itself as a result of the decisions that have been taken by your Government.

No further financing can be found for the Company and, in result, there are only two courses open; either the Company must close down, or, as your Government appears to contemplate, the business must be transferred to the Government in an expeditious and satisfactory manner.

It is in the interests of Tanzania that sugar production at Kilombero continue and I am sure that neither of us would wish to see continuity of operations interrupted. Therefore, I believe it to be common ground between us that the second course to which I have referred should be followed, and that action accordingly should be taken as a matter of urgency.

The International Finance Corporation will consult with its principal investment partners with a view to preparing a proposal for the sale of its and their respective interests in the business to your Government and will try to reach an agreement with your Government upon an equitable basis which would take proper account of the monies that have been invested. I hope very much that you will instruct your authorities in the same sense and that it will be possible to arrive at such an agreement in the very near future.

I am sure that you appreciate that this matter is of grave concern to me. I have asked Mr. El Emary, Director of the Eastern Africa Department, to deliver this letter to you and to explain the basis of my concern.

Let me assure you, Mr. President, that in writing to you I am motivated by the most earnest desire to assist Tanzania and by the most sincere hope that nothing will stand in the way of continued close and cordial relationships between your country and the World Bank Group.

With warm good wishes and personal regards.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

2/16
JMC
Cleared with and cc to: Messrs. Knapp
Broches
Rosen
cc: Messrs. Richards
Tolley

487/6/340

LUDWIG POUILLAIN

DECEMBER 18, 1968

RHEINISCHE GIROZENTRALE UND PROVINZIALBANK

NLT

BUESSELDORF

GERMANY

THANK YOU VERY MUCH FOR YOUR CABLE OF DECEMBER EIGHTEEN STOP I WAS
DELIGHTED TO HEAR OF THE SPEEDY AND SUCCESSFUL CONCLUSION OF THIS
IMPORTANT OPERATION AND PLEASED WITH THE CORDIAL AND COOPERATIVE
RELATIONSHIPS
~~RELATIONSHIPS~~ THAT HAVE DEVELOPED BETWEEN OUR INSTITUTIONS STOP
BEST WISHES

ROBERT MCNAMARA

INTBAFRAD

Robert S. McNamara

cc: Mr. Aldewereld

President

RBS:RSMcN:m1

487/6/338

December 17, 1968

Dear Gil:

Upon my return to Washington, I wish to thank you again most warmly for all your assistance while I was in India.

As I told you, the briefings you had prepared for me were excellent. My visit to India was exceedingly rewarding and I learned a great deal about the country from my talks with you and your very competent and devoted staff.

With renewed thanks to you and your associates and my best wishes for the holiday season,

Sincerely,

Robert S. McNamara

Mr. William M. Gilmartin
International Bank for Reconstruction
and Development
Post Office Box 416
New Delhi, India

cc: Mr. Cargill

RBSteckhan:RSMcNamara:m1

487/6/337

December 17, 1968

Dear Mr. Finsaas:

Upon my return to the United States, I wish to thank you again most warmly for your kindness and assistance while I was in Pakistan.

I look back on my visit to Pakistan with much satisfaction and I know that you and your associate greatly contributed to making my stay most pleasant and instructive.

With best wishes for a Merry Christmas and a Happy and Healthy 1969,

Sincerely,

Robert S. McNamara

Mr. Torgeir Finsaas
International Bank for Reconstruction
and Development
Post Office Box 1025
Islamabad, Pakistan

cc: Mr. Cargill

RBSreckhan:ml

487/6/336

December 12, 1968

Dear Mr. Vice Chancellor:

My visit to your University, although brief, was most instructive and pleasant. I am enclosing a copy of the Fox Commission Report on the disturbances at Columbia University which I believe I mentioned to you. I hope you will find it interesting.

With renewed thanks for your kindness and with my best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Chaudri Mohammed Ali
Vice Chancellor
Peshawar University
Peshawar, West Pakistan

cc: Mr. Cargill

RBSteckhan:ml

487/6/335

December 12, 1968

Dear Mr. Moro:

On behalf of the Officers of the Bank and myself, I wish to thank, through you, the Director and Officers of Red Nacional de los Ferrocarriles Espanoles for their generous gift of a shipment of Spanish table wine. Spain is famed the world over for its excellent wines and your gift will, I am sure, be much enjoyed by us and our official guests.

With best wishes for a Merry Christmas and a Happy 1969,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Juan Moro
Alternate Executive Director
International Bank for Reconstruction
and Development
Washington, D.C.

RBSteckhan:ml

487/6/334

EDMUND DE ROTHSCHILD

DECEMBER 12, 1968

ROTHSCHILD

LONDON EC4

NLT

ENGLAND

MR. MCNAMARA HAS READ YOUR LETTER WITH GREAT INTEREST AND BEFORE LEAVING WASHINGTON HAS ASKED ME TO SUGGEST REWORDING OF FIRST TWO SENTENCES OF SECOND PARAGRAPH OF YOUR DRAFT AS FOLLOWS QUOTE THE WORLD BANK CONTINUES TO HOPE THAT ULTIMATELY TECHNICAL DIFFICULTIES CAN BE OVERCOME AND SUCH A SCHEME COULD BE MADE TO WORK STOP HOWEVER COMMA ITS PRACTICABILITY WILL BE DEPENDENT ON A POLITICAL SOLUTION STOP UNQUOTE

STECKHAN
PERSONAL ASSISTANT TO PRESIDENT

INTBAFRAD

Rainer B. Steckhan
Office of President

RBSteckhan:ml

~~cc: Messrs. Shoaib, Lejeune, Clark
Baum, Piccagli, Sadove~~

487/6/333

COMMANDER SIR ROBERT JACKSON

DECEMBER 10, 1968

UNISANTE

NLT

GENEVA

SWITZERLAND

WILL BE HAPPY TO SEE YOU FRIDAY AFTERNOON JANUARY SEVENTEEN STOP WILL
TRY TO ARRANGE FOR MIKE PEARSON TO JOIN US AT THAT TIME STOP LATER IF
YOU WOULD PREFER ANOTHER DATE BETWEEN THE THIRD AND THE TWENTYFOURTH
EYE WILL BE HAPPY TO REARRANGE MY SCHEDULE TO ACCOMMODATE YOURS STOP
IN ANY EVENT EYE SHALL LOOK FORWARD TO MEETING WITH YOU

ROBERT S MCNAMARA

INTBAFRAD

Robert S. McNamara

President

RMcN:ml

487/6/332

December 9, 1968

Dear Mr. Governor:

I was very pleased to receive your kind note and to learn you have recovered from your illness..

Mrs. McNamara and I were indeed sorry to miss you and your wife while in Madras, but our visit was thoroughly worthwhile and we much enjoyed our brief stay at Raj Bhavan.

With warm thanks for your hospitality and best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Ujjal Singh
Governor Tamilnadu
Raj Bhavan
Madras, India

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/331

December 9, 1968

Dear Mr. Tata:

Having returned to Washington, I wish to thank you again most warmly for your kindness during my stay in India.

I look back on my visit to Bombay with much pleasure and I found the conversation with you and your friends most enjoyable.

Please convey to your charming wife our thanks for the delightful dinner. Margaret and I hope to see you both on your next visit to Washington.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. J.R.D. Tata
Bombay House
Bruce Street, Fort
Bombay, India

cc: Mr. Cargill

RBSleckhan:RSMcNamara:ml

✓

487/6/330

December 9, 1968

Dear Madame Prime Minister:

On my return to Washington, I am writing to thank you again most warmly for your kindness and hospitality while my wife and I were in your country.

I am deeply grateful to you for the time you devoted to explaining to me India's problems and prospects. Similarly, the series of meetings which had been arranged for my associates and me with ministers and officials of your Government were, from my point of view, exceedingly rewarding.

I came away deeply impressed by what I have seen and heard. Your successes, especially in the fields of agriculture and family planning, have made me optimistic about India's future. We, in the World Bank, will do everything we can to assist you in realizing its full potential.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Her Excellency
Indira Gandhi
Prime Minister
New Delhi, India

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/329

December 9, 1968

Dear Mr. Chief Minister:

Now that I have returned to the United States, I write to thank you most warmly for your courtesy during our visit to India.

Although my visit to Madras was much too short, I enjoyed immensely the opportunity to talk to you and your colleagues and to get a better understanding of the problems and prospects of your state.

I have great hopes for the future of Tamilnadu and I hope the World Bank may play a significant role in your development program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency C.M. Annadurai
Chief Minister, General
Administration Planning and Finance
Fort St. George
Madras 9, India

cc: Mr. Cargill

RBSteckhan:RSMcNamara:m1

487/6 /328

December 9, 1968

Dear Mr. President:

On my return to Washington, may I send Your Excellency my warm thanks for your hospitality in Delhi and for so graciously receiving my wife and me shortly after our arrival.

I came away from my visit to India deeply impressed both by your successes to date and by the enormity of the task that lies ahead. We in the World Bank will do everything within our power to assist you in your development program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Zakir Hussain
President of India
Rashtrapati Bhavan
New Delhi, India

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/327

December 9, 1968

Dear Mr. Minister:

Upon my return to Washington, I wish to thank you again most warmly for the many courtesies you extended to Mrs. McNamara, myself and my colleagues during our visit to India.

I am deeply grateful to you for all the time and energy you devoted to explaining to me India's achievements and needs and I found our final talk in Bombay most useful and rewarding.

I came away deeply impressed by your successes and by the enormity of the task that lies ahead of you. I shall do everything within my power to assist you in carrying it out.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Morarji R. Desai
Deputy Prime Minister and
Minister of Finance
Government of India
New Delhi, India

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/326

December 9, 1968

Dear Doug:

On my return to Washington, I am writing to thank you again most warmly for all the help and hospitality you gave me while I was in New Delhi.

I was immensely impressed by the caliber and dedication of your team and our talks gave me an excellent introduction to a fascinating week in India. During that week nothing impressed me more than India's achievements in agriculture and family planning--I know how much you contributed to both of these advances.

Best wishes for continued success in your work.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Douglas Ensminger
The Ford Foundation
55 Lodi Estate
New Delhi 1, India

vc: Mr. Cargill

RBSteckhan RSMcNamara:ml

✓

487/6/325

December 9, 1968

Dear Mr. Governor:

Now that I have returned to the United States, I wish to thank you again most warmly for your hospitality while my wife and I were in West Bengal.

My visit to Calcutta was probably the most interesting part of my Indian trip and, at the same time, the most depressing one. The task of solving the urban problems of Calcutta is enormous and most urgent and I was much impressed with the efforts of yourself and your colleagues to push ahead with it. Please be assured, Mr. Governor, that the World Bank stands ready to assist you and the people of Calcutta in every way it can.

With renewed thanks for all the time and effort you devoted to making our visit a pleasant one,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Dharma Vira
Governor of West Bengal
Raj Bhavan
Calcutta, India

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/324

December 9, 1968

Dear I.G.:

Having safely returned to Washington, I hasten to send you my warm thanks for all you did to make my visit to India the most pleasant and productive I have had in any country.

The trip gave me fascinating insights into the problems and prospects of your nation and the diversity of its regions. I came away much impressed by the efforts of yourself and your colleagues to promote the economic and social development of your country and I assure you I will do everything within my power to assist you in that effort.

Mrs. McNamara joins me in best wishes to you and your lovely wife.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. I.G. Patel
Special Secretary
Ministry of Finance
Government of India
New Delhi, India

cc: Mr. Cargill

RBSteckhan:RSMcNamara:m1

487/6/323

December 6, 1968

Dear L.K.:

Now that I have returned to Washington, I write to thank you again most warmly for your courtesy during my trip to India.

Although the visit to Bombay was much too short, I immensely enjoyed the opportunity to talk to you and to get a better understanding of the formidable problems with which your Government is faced. I am particularly grateful to you for arranging the delightful luncheon and the various meetings with members of the financial and business communities of Bombay. I found them most instructive indeed.

We all hope you will find an occasion for an early visit to this country.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. L.K. Jha
Reserve Bank of India
Mint Road
Bombay 1, India

cc: Mr. Cargill

RBSreckhan:RSMcNamara:ml

487/6/322

December 6, 1968

Dear Mr. Atayee:

Our visit to Afghanistan was flawless and I am much indebted to you for the excellence of all the arrangements. I would also like you to know how much I benefited from the many informal talks I was able to have with you during my visit. Both my wife and I very much enjoyed your company and we will long remember that fascinating drive from Kabul to the Kyber Pass.

With renewed thanks and best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Abdul Aziz Atayee
President
Treasury Department
Ministry of Finance
Kabul, Afghanistan

cc: Mr. Cargil

RBSteckhan:ml

487/6/321

December 6, 1968

Dear Mr. Governor:

Upon my return to the United States, I write to thank you most warmly for your kindnesses during our stay in Kunduz.

You entertained Mrs. McNamara and myself in a most hospitable manner and we both enjoyed the magnificent horsemanship in that memorable Buz Kashi game. Thank you also for the delightful luncheon and for the opportunity to discuss with you and your colleagues the development potential of the Kunduz region.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Dr. Mohammad Habibi
Governor of Kunduz Province
Kunduz, Afghanistan

cc: Mr. Cargill

RBSteckhan:ml

487/6/320

December 6, 1968

Dear Mr. Prime Minister:

Upon my return to the United States, I hasten to thank you again most warmly for the kindnesses you showed to my colleagues and me during our visit to your country.

The illuminating discussions which I had with you and with your ministers helped me to understand better both the problems and prospects of your country. The conversations left me firmly convinced of Afghanistan's great need for further financial and technical assistance and I hope and believe the World Bank can play an increasing part in providing that assistance.

Mrs. McNamara joins me in best wishes to you and your charming wife.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Noor Ahmad Etemadi
Prime Minister of Afghanistan
Kabul, Afghanistan

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/319

December 6, 1968

Dear Mr. Minister:

Upon my return to the United States, I wish to thank you most warmly for your kindness during our visit to Afghanistan.

I am particularly glad that we were able to spend a day together discussing your plans for development of the Kunduz area. Afghanistan is in great need of further financial and technical assistance and the agriculture sector in particular deserves an increasing amount of our attention. May I assure you, Mr. Minister, that I shall do everything I properly can to see that you get it.

With renewed thanks for all the time and energy you devoted to our very rewarding discussions,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mohammad Akbar Reza
Minister of Agriculture
Kabul, Afghanistan

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/318

December 6, 1968

Your Majesty:

On my return to the United States, may I send Your Majesty my warm thanks for your courtesy in receiving me and for the kind hospitality your Government showed to me and my colleagues while we were in Afghanistan.

My visit, though short, was sufficiently long to demonstrate to me Afghanistan's great need for further financial and technical assistance. I hope and believe the World Bank can play an increasing part in providing that assistance.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

His Majesty
Mohammad Zahir Shah
King of Afghanistan
Kabul, Afghanistan

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/317

December 6, 1968

Dear Mr. Minister:

Now that I have returned to Washington, I am writing to thank you most warmly for the hospitality you showed to me and my colleagues during our stay in Afghanistan.

You and your associates gave us an excellent briefing on Afghanistan's needs and achievements and we came away much impressed with your great desire to spare no efforts in pushing ahead with the economic development of your country. Afghanistan's need for further financial and technical assistance is clear and we hope and believe the World Bank can play an increasing part in providing that assistance. I agree that stationing a Bank resident representative in Kabul would assist in meeting this objective and we shall make a special effort to select a suitable candidate without delay.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mohammad Enwer Ziyae
Minister of Finance
Ministry of Finance
Kabul, Afghanistan

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/316

December 9, 1968

Dear Mr. Minister:

Now that I have returned to Washington, I am writing to thank you again most warmly for the excellent arrangements which were made for our stay in Pakistan.

I look back on my visit with great satisfaction. The many talks with members of your Government helped me to understand better the problems and prospects of your country and I was much impressed by the caliber and dedication of your senior officials. In particular, I wish to tell you how grateful I am to you personally for all the time you gave me. I greatly benefited from our discussion.

Pakistan has had an impressive record of economic growth. I hope and believe the World Bank can assist you in projecting that record into the future.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
N.M. Uquaili
Minister of Finance
Secretariat Block Q
Islamabad, Pakistan

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/315

December 6, 1968

Dear Mr. Governor:

Now that I have returned to the United States, I write to thank you most warmly for your kindness and hospitality while I was in Pakistan.

My visit to Karachi, although short, was both stimulating and enjoyable. I am particularly indebted to you for arranging the several meetings with the leading members of the financial and business community from which I learned so much.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. M. Raschid, Governor
State Bank of Pakistan
Post Office Box No. 471^e
Karachi, Pakistan

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/314

December 6, 1968

Dear Mr. Governor:

Upon my return to the United States, I write to send you my warm thanks for the many courtesies extended to my colleagues and me during our stay in West Pakistan.

Our visit to your Province gave us fascinating insights into its problems and prospects. We were much impressed by the successful efforts of yourself and your colleagues to promote the economic and social development of the area and we hope and expect the World Bank can play a significant role in helping you to continue a sound development program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
General Mohammad Musa
Governor of West Pakistan
Lahore, Pakistan

cc: Mr. Cargill

RBSteckhan:RSMcNamara:m1

487/6/313

December 6, 1968

Dear Mr. Ahmad:

On my return to Washington, I write to thank you again most warmly for the hospitality which you extended to my colleagues and me.

I am particularly grateful to you personally for the time and energy you devoted to explaining to me both the past achievements and the future needs of your economy. The clarity and candor of your presentation was unique and we found the ensuing discussion most stimulating and instructive.

Pakistan has had an impressive record of economic growth--we hope the World Bank can assist your Government in extending that record into the future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable M.M. Ahmad
Deputy Chairman
Planning Commission
Pakistan Secretariat No. II
Rawalpindi, Pakistan

cc: Mr. Cargill

RBSteckhan:RSMcNamara:ml

487/6/312

December 6, 1968

Dear Jonathan:

Now that I have returned to Washington, I write to thank you again most warmly for your kindness during our brief stay in Moscow. Mrs. McNamara and I had a fascinating time in Moscow and we are much indebted to you for your personal contribution in making our visit a most pleasant and instructive one. You were a very welcome companion.

Sincerely,

Robert S. McNamara

Jonathan B. Rickert, Esq.
American Embassy
Box M
APO New York 09664

RBSteckhan:RSMcNamara:m1

487/6/311

THE HONORABLE
MANUEL PEREZ-GUERRERO
PRESIDENT ECONOMIC AND SOCIAL COUNCIL
UNITED NATIONS, NEW YORK

DECEMBER 3, 1968
FULL RATE

AM VERY SORRY TO INFORM YOU THAT DUE TO ILLNESS I WILL BE UNABLE TO
PARTICIPATE THE COUNCIL'S DISCUSSION OF THE ANNUAL REPORTS OF THE
WORLD BANK GROUP ON DECEMBER ~~SIX~~^{FIVE} STOP MR. J. BURKE KNAPP, VICE
PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE BANK IN MY ABSENCE, WILL
PRESENT THE REPORTS ON MY BEHALF STOP PLEASE CONVEY TO THE MEMBERS OF
THE COUNCIL MY SINCERE REGRET AT BEING FORCED TO MISS THIS IMPORTANT
OCCASION

ROBERT S. MCNAMARA
INTBAFRAD

Robert S. McNamara
President
RBSteckhan:ml

cc: Mr. Knapp

487/6/310

December 2, 1968

Dear Joe:

Thank you for your recent letter in which you recommended Mr. Les Finnegan for a position on the Bank's staff.

We shall certainly give Mr. Finnegan every consideration but I cannot be optimistic of the outcome since our needs for people of his particular background and experience, and especially with very little knowledge of developing countries, are, I am sure you will appreciate, extremely limited.

Pennsylvania and the nation lost a great public servant.

Best wishes.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Honorable Joseph S. Clark
United States Senate
Washington, D. C. 20510

RAClarke:RMcN:mss

cc: MF, Clarke

Cleared with Mr. Ripman

487/6/309

November 29, 1968

Dear Dr. Bachmann:

I very much appreciate the thoughtful note which you inscribed in your book, and I am delighted to know that your son is working in the Bank. I shall look forward to meeting him and, through him, to learning more of his father.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Prof. Dr. H. Bachmann
Dufourstrasse 48
St. Gallen, Switzerland

487/6/308

November 29, 1968

Dear Dr. Reinhardt:

Upon my return from an extended overseas visit, I found awaiting me your letter on the results of our latest Swiss Francs Bond Issue. I understand from Mr. Aldewereld that he has an appointment with you on Tuesday, December 10, at which time he will discuss with you the matters raised in your letter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. E. Reinhardt
Swiss Credit Bank
8021 Zurich, Switzerland

cc: Mr. Aldewereld

RBSteckhan:ml

487/6/307

RAINER B. STECKHAN
INTBAFRAD
NEW DELHI

NOVEMBER 20, 1968

FULL RATE

INDIA

8

FOR MR. MCNAMARA: PRESS SUMMARY: EUROPEAN FINANCIAL CRISIS CONTINUES WITH \$400 M ~~MM~~ FRENCH BUDGET CUT AND GERMAN TAX CHANGES CREATING ESTIMATED 4.5% REVALUATION EFFECT. SWISS BANKING CIRCLES URGE NEW BRETTON WOODS EARLY NEXT YEAR. ITALIAN GOVERNMENT RESIGNS. MALI OFFICERS COUP DEPOSES KEITA, FATE UNKNOWN. NYT, WSJ, JOE NOTE ROTBERG APPOINTMENT. RETIRING REPRESENTATIVE CURTIS, POSSIBLE NIXON APPOINTEE, URGES REMOVAL FOREIGN INVESTMENT RESTRICTIONS, GREATER EFFORTS TO HELP DEVELOPING COUNTRIES.

MARGARET S. STROUD
INTBAFRAD

Margaret S. Stroud

Office of the President

Margaret S. Stroud

487/6/306

RAINER STECKHAN
INTBAFRAD
NEW DELHI

NOVEMBER 18, 1968

FULL RATE

INDIA

5

FOR MR. MCNAMARA. NEWS SUMMARY: VANCE OPTIMISTIC ABOUT SAIGON PARTICIPATION
PARKS TALKS; ANNOUNCEMENT EXPECTED NEXT FEW DAYS. PROGRESSIVES APPARENTLY
WEAKENED BY CZECH CENTRAL COMMITTEE; PRO-DUBCEK STUDENTS RIOT. BASLE CENTRAL
BANKERS MEETING FAILS TO AGREE FORMULA FOR CURBING FRANC AND DEUTSCHEMARK
SPECULATION, MEANWHILE D-MARK REVALUATION RUMORS PERSIST; FRANCE REFUSES \$1
BILLION CREDIT AFTER DISAGREEMENT WITH GERMANS ABOUT CONDITIONS. YOUR PAKISTAN
AND INDIAN VISITS REPORTED TIMES, POST, FINANCIAL TIMES. US BISHOPS SAY
CONTRACEPTIVES SINFUL BUT CIRCUMSTANCES MAY LESSEN DEGREE OF SIN. IN OTHER
ACTION, BISHOPS URGE SUBSTITUTION OF EXPENDITURE ON DEVELOPMENT FOR ARMS RACE.
COMMERCE DEPARTMENT AND NIXON AIDE STANS FORESEE RELAXATION OF US FOREIGN
INVESTMENT RULES.

Margaret S. Stroud

Office of the President

487/6/305

November 15, 1968

Dear Mr. Winters:

This is to confirm that Mr. Robert McNamara will be delighted to meet with you at luncheon on Monday, December 16 at 12:30 p.m.

Sincerely,

(Miss) Margaret S. Stroud
Secretary to Mr. McNamara

The Honorable Robert H. Winters
President, Brazilian Light and
Power Company
25 King Street West
Toronto 1, Ontario, Canada

487/6/304

RAINER STECKHAN
INTBAFRAD
ISLAMABAD

NOVEMBER 14, 1968

FULL RATE

PAKISTAN

2

US INCREASINGLY CONCERNED HANOI VIOLATIONS DMZ WHILE US-SAIGON RIFT OVER PARKS TALKS HARDENS. BERLIN FEARS NEW COMMUNIST PRESSURES. BANK OF FRANCE LENDING RATES RISES FROM FIVE TO SIX PERCENT. DE GAULLE DENIES PLAN TO DEVALUE. YOUR MOSCOW VISIT WIDELY COVERED US AND EUROPE. AGENCE FRANCE PRESS STORY SAYS THERE WAS WIDE-RANGING DISCUSSION US-SOVIET RELATIONS. POST QUOTES AMERICAN OFFICIALS AS SAYING KOSYGIN WANTED TO SUGGEST TIME HAD COME FOR SOVIET-AMERICAN TALKS ON CONTROL OF MISSILES. LE MONDE SPECULATES POSSIBILITY TALKS CONCERNED ECONOMIC DEVELOPMENT VIETNAM OR THAT SOVIETS WANTED RENEWED NEGOTIATIONS NUCLEAR PROBLEMS, ANTIMISSILES, DISARMAMENT. NY TIMES SPECULATES DISCUSSION ON REDUCING MISSILE RACE, PARIS TALKS, OR LAYING GROUNDWORK FOR LBJ-KOSYGIN MEETING.

BOARD TOOK UP PAPER ON POLICY TOWARD DEVELOPMENT FINANCE COMPANIES. APPROVED AFTER FULL DISCUSSION WITH SLIGHT CHANGE IN RECOMMENDATION ON SPECIALIZED FINANCING INSTITUTIONS AND RESERVING ON WORKING CAPITAL RECOMMENDATION BECAUSE OF SHORTAGE OF TIME. REMAINING ITEM TO BE DEFERRED UNTIL RETURN DIAMOND EARLY DECEMBER. KAINJI LOAN APPROVED.

Margaret S. Stroud

Office of the President

487/6/303

RAINER STECKHAN (CONTINUED)
INTBAFRAD
ISLAMABAD

NOVEMBER 14, 1968

FULL RATE

PAKISTAN

2 (PAGE 2)

RT. HON. REGINALD PRENTICE, BRITISH MINISTER OVERSEAS DEVELOPMENT, SEEKS APPOINTMENT
MR. MCNAMARA MONDAY, TWENTY-FIFTH AT ELEVEN AM. CABLE REPLY TO MINISTRANT, LONDON.
GARDNER CONFIRMS DINNER DECEMBER EIGHTEENTH.

Margaret S. Stroud

Office of the President

487/6/304

RAINER STECKHAN
INTBAFRAD
ISLAMABAD

NOVEMBER 14, 1968

FULL RATE

PAKISTAN

2

US INCREASINGLY CONCERNED HANOI VIOLATIONS DMZ WHILE US-SAIGON RIFT OVER PARKS TALKS HARDENS. BERLIN FEARS NEW COMMUNIST PRESSURES. BANK OF FRANCE LENDING RATES RISES FROM FIVE TO SIX PERCENT. DE GAULLE DENIES PLAN TO DEVALUE. YOUR MOSCOW VISIT WIDELY COVERED US AND EUROPE. AGENCE FRANCE PRESS STORY SAYS THERE WAS WIDE-RANGING DISCUSSION US-SOVIET RELATIONS. POST QUOTES AMERICAN OFFICIALS AS SAYING KOSYGIN WANTED TO SUGGEST TIME HAD COME FOR SOVIET-AMERICAN TALKS ON CONTROL OF MISSILES. LE MONDE SPECULATES POSSIBILITY TALKS CONCERNED ECONOMIC DEVELOPMENT VIETNAM OR THAT SOVIETS WANTED RENEWED NEGOTIATIONS NUCLEAR PROBLEMS, ANTIMISSILES, DISARMAMENT. NY TIMES SPECULATES DISCUSSION ON REDUCING MISSILE RACE, PARIS TALKS, OR LAYING GROUNDWORK FOR LBJ-KOSYGIN MEETING.

BOARD TOOK UP PAPER ON POLICY TOWARD DEVELOPMENT FINANCE COMPANIES. APPROVED AFTER FULL DISCUSSION WITH SLIGHT CHANGE IN RECOMMENDATION ON SPECIALIZED FINANCING INSTITUTIONS AND RESERVING ON WORKING CAPITAL RECOMMENDATION BECAUSE OF SHORTAGE OF TIME. REMAINING ITEM TO BE DEFERRED UNTIL RETURN DIAMOND EARLY DECEMBER. KAINJI LOAN APPROVED.

Margaret S. Stroud

Office of the President

487/6/302

**RAINER B. STECKHAN
KABUL HOTEL
KABUL**

**UNDEVPRO
KABUL**

NOVEMBER 12, 1968

FULL RATE

AFGHANISTAN

1

**FOR MR. MCNAMARA. MOSCOW VISIT REPORTED BY MOSCOW CORRESPONDENT NY TIMES
SPECULATES AS TO PURPOSE; ASSUMES MISSION ON BEHALF US NOT BANK. NIXON
SAYS JOHNSON SPEAKS FOR NEW ADMINISTRATION ON FOREIGN AFFAIRS UNTIL JANUARY
TWENTY. US CATHOLIC BISHOPS MEETING WASHINGTON EXPECTED TO TAKE MODERATE
BIRTH CONTROL STAND SIMILAR TO FRANCE, BELGIUM, CANADA. AMBASSADOR BRUCE
INVITES YOU STAY EMBASSY NIGHT OF TWENTY-FOURTH AND DINE THERE THAT
EVENING.**

MARGARET S. STROUD

Margaret S. Stroud

Office of the President

Margaret S. Stroud

487/6/309

November 9, 1968

Dear Governor Reagan:

Your letter of October 31 requested an explanation of the position of the World Bank and of the United States with respect to the Bank's loan to Ecuador for a fisheries project. I should emphasize that I can only answer on behalf of the Bank. With respect to your inquiry about the position of the United States Government, you may wish to inquire directly of the United States authorities.

It is one of the Bank's purposes to make loans to encourage the development of productive facilities of less developed countries. Ecuador is a small and extremely poor country, seeking to strengthen an uncertain balance of payments situation by developing the beginnings of a modern fishing industry, and thus in our view the project is well within the Bank's stated purposes.

We were aware of the dispute between the United States and Ecuador on the question of the two hundred mile limit. In deciding whether to lend during the pendency of international disputes of this kind, the Bank considers, among other things, whether the country concerned is willing to enter into discussions to resolve the dispute. Negotiations were proceeding among the Governments of Ecuador, Chile, Peru and the United States on this issue.

Sincerely,

Robert S. McNamara

The Honorable Ronald Reagan
Governor of California
Sacramento, California 95814

cc: Mr. E.J. Rice
Cleared w/and cc: Messrs. Richardson, Walden

RMFrost:FERichardson:RSMcNamara:ml

487/6/300

November 9, 1968

Dear Mr. Minister:

Thank you very much for your letter of October 28, following up on our conversation last month concerning future cooperation between Portugal and the World Bank in the development of agriculture. I am glad to confirm that the Bank is prepared to send a mission to Portugal to study this important sector of Portugal's economy.

I have asked Mr. Lejeune, the Director of the newly formed Europe, Middle East and North Africa Department, to write to you making specific proposals on how we should proceed.

It was a great pleasure to see you here during the Annual Meeting and to have the benefit of your views on many problems of common interest.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

The Honorable
Dr. Joao Augusto Dias Rosas
Minister of Finance
Lisbon, Portugal

407/6/299

MR. SIEM ALDEWERELD
HOTEL TAMANACO
CARACAS, VENEZUELA

NOVEMBER 9, 1968
FULL RATE

ROTBURG CALLED ME TODAY TO SAY HE HAS ACCEPTED EMPLOYMENT WITH
THE BANK. REGARDS.

RMN

ROBERT S. MCNAMARA
INTBAFRED

Robert S. McNamara
President

RMcn:pay

487/6/298

WELLS

NOVEMBER 8, 1968

FAO

NLT

ROME

ITALY

DUE TO BANK DIRECTORS MEETING ON TUESDAY NOVEMBER TWENTYSIX
MR MCNAMARA HAD TO CHANGE TRAVEL PLANS AND UNFORTUNATELY UNABLE
BE IN ROME ON NOVEMBER TWENTYFOUR

PRESIDENT'S OFFICE

INTBAFRAD

Rainer B. Steckhan
Office of President
RBSteckhan:ml

487/6/297

INTBAFRAD

NOVEMBER 8, 1968

NEW DELHI

NLT

INDIA

4

FOR WILLIAM CLARK AT MR MCNAMARA'S REQUEST WE HAVE RESERVED ROOMS FOR
MCNAMARAS AND YOURSELF AT CLARIDGES ON NOVEMBER TWENTYFOUR REGARDS

STECKHAN

Rainer B. Steckhan
Office of President

cc: Mr. Clark's Office

RBSteckhan:ml

487/6/296

November 8, 1968

MEMORANDUM FOR MR. RIPMAN

As I believe you know, we are planning on a very substantial expansion in lending to Development Finance Companies, both to old companies and to new companies which must be organized. Assuming that we continue to believe such an expanded program is required, it will be necessary to increase the staff of the Development Finance Companies Department.

Pending further review of the 5-year lending program for Development Finance Companies, a review which should be completed early in January, I will authorize for the Department a tentative personnel budget as of June 30, 1969 of 34 professionals and 24 non-professionals. You may use this budget as a basis for recruitment between now and mid-January. At that time we should reconsider it in the light of our review of the 5-year lending program.

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Diamond

RMcN:mss

407/6/295

November 8, 1968

Dear Mr. Ambassador:

This is to thank you and Mr. Garcia Mata for your thoughtfulness in sending me a fine set of photographs taken at Acelain and the Experiment Station of INTA during my recent visit to Argentina. I did indeed enjoy visiting your beautiful country and hope that, one day, I will have the opportunity of returning.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Eduardo A. Roca
Embassy of Argentina
1600 New Hampshire Ave., N.W.
Washington, D.C. 20009

487/6/294

November 8, 1968

Dear Pat:

As Mr. Street told you in his letter of October 21, I went to Latin America before I could reply to your letter of October 10 about the proposal for a joint agricultural venture in Indonesia. Meantime, our agricultural experts with experience in Indonesia have looked at the note which you enclosed. We have already done a good deal of work on agriculture in Indonesia and expect our involvement in this sector to be even greater in the future. I think it would be of help to you to have discussions with our experts about this proposal and will welcome you or your associates to the Bank when you come to Washington November 29, or some later date. Needless to say, we shall be glad to do anything we can to help you.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Edmund G. Brown
Ball, Hunt, Hart and Brown
9418 Wilshire Boulevard
Beverly Hills, California 90212

WBrakel:GMStreet:IPMCargill:ml

487/6/293

HONORABLE DAVID K. BRUCE
AMERICAN AMBASSADOR
AMERICAN EMBASSY
LONDON

NOVEMBER 8, 1968

FULL RATE

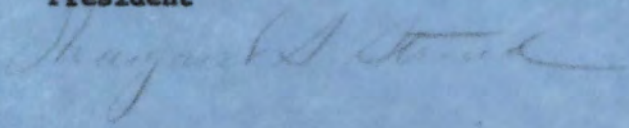
ENGLAND

I PLAN BRIEF STOPOVER IN LONDON TO REPORT TO JENKINS ON MY VISIT TO ASIA.
WILL ARRIVE LONDON LATE SUNDAY AFTERNOON NOVEMBER 24 AND LEAVE ON MONDAY
AFTERNOON AFTER LUNCH WITH JENKINS. MARGARET AND I WOULD ENJOY HAVING
YOU AND EVANGELINE JOIN US FOR DINNER SUNDAY EVENING AT CLARIDGE'S WHERE
WE WILL STAY. I KNOW THAT MAY BE INCONVENIENT FOR YOU. IF SO, MAY I
VISIT YOU AT YOUR OFFICE MONDAY MORNING?

ROBERT S. MCNAMARA
PRESIDENT INTBAFRAD

Robert S. McNamara

President



487/6/292

November 6, 1968

Dear Mr. Ambassador:

Thank you very much for sending me a summary of President Ayub Khan's speech at the ground-breaking ceremony of the Tarbela Dam project. Much to my regret I was unable to attend but I am very much looking forward to my visit in Pakistan.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
A. Hilaly
Embassy of Pakistan
2315 Massachusetts Ave., N.W.
Washington, D.C. 20008

RBSteckhan:ml

487/6 1291

November 6, 1968

Dear Mr. Deacon:

Very many thanks for your kind letter of October 28.

I am honored by your invitation to speak to the Canadian Club of Toronto, at one of its weekly luncheons during the latter part of February or at the beginning of March. With great regret, however, I must decline. The pressure of my responsibilities, both here in Washington and abroad, is forcing me to refuse many invitations which I would normally enjoy accepting. I do hope you understand my situation.

I am very grateful to you for thinking of me, and sincerely sorry that I cannot be more accommodating.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Donald M. Deacon
President
The Canadian Club
37 King Street E
Toronto 1, Canada

PB:RSMcNamara:ml

487/6/290

THE HONORABLE
SARGENT SHRIVER
AMERICAN EMBASSY
PARIS
FRANCE

NOVEMBER 6, 1968

FULL RATE

REURCAB TO MY GREAT REGRET MY SCHEDULE DOES NOT PERMIT A STOPOVER IN
PARIS STOP AM MERELY CHANGING PLANES ENROUTE TO KABUL STOP MANY
THANKS AND WARM REGARDS

ROBERT MCNAMARA

INTBAFRAD

Robert S. McNamara

President

RBSteckhan:ml

487/6 1289

November 5, 1968

Dear Mr. Enriquez:

On my return to Washington, I am writing to thank you most warmly for your hospitality.

The visit to "Mono Azul" and the luncheon you offered in the fine setting of your farm were highlights of our visit to Argentina. It was both relaxing and interesting to spend a few hours in the beautiful countryside of Neuquen Province and to learn from you and your associates more about the problems and prospects of agriculture in your part of the country.

With renewed thanks and best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Manuel Enriquez
Establecimiento Vista Alegre
Neuquen
Provincia del Neuquen
Argentina

cc: Mr. Alter

RBSteckhan:ml

487/6 1288

November 5, 1968

Dear Ed:

Many thanks for sending me a copy
of Dr. Kroese's interesting letter.

I am off to Asia and I hope we may
be able to get together some time in December.

Warm personal regards.

Sincerely,

Rainer B. Steckhan
Personal Assistant to Mr. McNamara

Mr. Edward Lifmann
General Business Services
International
7401 Wisconsin Avenue
Washington, D.C. 20014

487/6 1287

November 4, 1968

Mr. Richard Garis
Executive Secretary
National Ski Areas Assn.
369 Lexington Avenue
New York, New York 10017

Dear Mr. Garis:

Mr. McNamara has asked me to tell you he appreciates your giving him the opportunity to attend the Mid-Winter Convention to be held at Jackson Hole in January. However, his schedule is so heavily committed far into the future that it will not be possible for him to participate in the Convention.

Sincerely,

(Miss) Polly Yates
Secretary to
Mr. McNamara

487/6 1286

FIELD MARSHAL MOHAMMAD AYUB KHAN
PRESIDENT'S HOUSE
RAWALPINDI

NOVEMBER 2, 1968

FULL RATE

PAKISTAN

PETER CARGILL WILL CONVEY THE BANK'S GOOD WISHES AT THE TARBELA GROUND
BREAKING CEREMONY BUT I SHOULD LIKE TO SEND TO YOU AND TO THE PEOPLE OF
PAKISTAN MY OWN SINCERE WISHES FOR THE SUCCESSFUL CONSTRUCTION OF THIS
PROJECT WHICH IS SO VITAL FOR THE FUTURE DEVELOPMENT OF YOUR COUNTRY.
WITH WARM PERSONAL REGARDS AND LOOKING FORWARD TO MEETING YOU SHORTLY.

ROBERT S. MCNAMARA
PRESIDENT, INTBAFRAD

Robert S. McNamara
President

JDRoulet:RMcN:mss

487/6 /285

November 1, 1968

Dear Mr. Hammoud:

I am writing to acknowledge receipt of your letter dated October 31. Mr. McNamara has asked me to thank you for conveying a letter from His Excellency Hassan Abbas Zaki.

With warm personal regards,

Sincerely,

Rainer B. Steckhan
Personal Assistant to Mr. McNamara

Mr. A. Hammoud
Commercial Counselor
United Arab Republic
Interests Section
2215 Wyoming Avenue, N.W.
Washington, D.C. 20008

RBSteckhan:ml

487/6/284

November 1, 1968

MEMORANDUM FOR MR. KNAPP
MR. FRIEDMAN

You sent to me a copy of the statement reflecting your understanding of the relationships between you on economic matters. I have reviewed the draft, made certain changes in it to clarify what I believe to be your meaning, and reproduced it in the attached document. If the statement properly reflects your views, you may wish to distribute it to members of your staff.

Robert S. McNamara

Attachment

487/6/283

HONORABLE CHESTER BOWLES
AMERICAN AMBASSADOR
NEW DELHI
INDIA

NOVEMBER 1, 1968
FULL RATE

MARGARET AND I PLAN TO BE IN INDIA FOR A BRIEF VISIT DURING THE WEEK OF NOVEMBER 18. STOP APPARENTLY I SHALL DINE WITH THE PRIME MINISTER MONDAY EVENING STOP WOULD IT BE AT ALL POSSIBLE FOR YOU TO BREAKFAST WITH ME AT 0800 THAT MORNING? IN ADDITION I HOPE WE COULD KEEP OUR LUNCH APPOINTMENT ON TUESDAY NOVEMBER 19 AT 1300 STOP BEST WISHES TO MRS. BOWLES

ROBERT S. MCNAMARA
INTBAFRAD

Robert S. McNamara
President

RSMcNamara:pay:ml

487/6/282

Mr. J. O. Stone

(Signed) Robert S. McNamara

November 1, 1968

Robert S. McNamara

Interim Financing for IDA

I have been giving some thought in recent weeks to the problems created for IDA as a result of the delay which has occurred in the ratification of the Second Replenishment Resolution. Papers are being circulated today to the Executive Directors of the Part I countries from which you will see that the Canadian Government has told me that, in order to help in meeting these problems, it is prepared to make its contribution to the Second Replenishment available without waiting for the Second Replenishment to become effective. It will do this on the understanding that the advance contribution which it is making will be deemed to be its contribution under the Second Replenishment Resolution if and when it becomes effective.

2. I have been considering what other countries might be willing to take similar action and I know that some of them are actively considering what they might be able to do. I should like to tell you how much I should welcome it if the Commonwealth Government felt able to make a unilateral contribution of this kind. I say this not only because of the position which Australia holds amongst the countries contributing to the Second Replenishment, but also because of the close interest which I know your Government feels in some of the newer and more urgent problems with which IDA is faced. I need only mention, for example, the question of aid to Indonesia where, as you know, we are breaking fresh ground with the establishment of a Resident Mission and have earmarked tentatively for commitment on credits to Indonesia in the present fiscal year an additional \$22 million out of the very slender resources, amounting to \$130 million, at present available to us for commitment.

3. You will understand that it is commitment authority which we most urgently need and we hope that as many countries as possible may be willing to give us authority to commit, in advance of the Second Replenishment, the whole of their contribution to it. The payment of that contribution by the deposit of notes with IDA could then, unless the government concerned wished otherwise, follow the pattern laid down in the Resolution of payment in three annual installments. The actual encashment of the notes so deposited might follow even later according to the rate of disbursement on the credits for which they were committed.

4. We must, of course, continue to hope that action will eventually be taken by the U.S. Congress which will enable the Second Replenishment Resolution to become effective and that, in consequence, the full amount of the intended funds will become available. In the meantime, it would be of the greatest possible value in keeping funds moving forward through IDA to the developing countries if as many as possible of the Part I Governments would agree to make unilateral contributions.

5. I should be most grateful, therefore, if you would ask your authorities to give this matter their serious consideration.



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

1. RBS 11/1
2. Ghaw
487/6/287

OFFICE OF THE PRESIDENT

November 1, 1968

MEMORANDUM FOR MR. KNAPP
MR. FRIEDMAN

You sent to me a copy of the statement reflecting your understanding of the relationships between you on economic matters. I have reviewed the draft, made certain changes in it to clarify what I believe to be your meaning, and reproduced it in the attached document. If the statement properly reflects your views, you may wish to distribute it to members of your staff.

Robert S. McNamara

Attachment

November 1, 1968

Relationship Between the Economic Staff of the Area Departments and the Economic Staff Reporting to the Economic Adviser to the President

1. The Economic Adviser to the President has general responsibility for the technical standards and the quality of the economic work throughout the Bank. The economic staff is distributed among various Departments of the Bank but should be regarded as a single professional corps for purposes of assignments, salary administration, promotions, etc. A positive policy of encouraging lateral transfers among different branches of the economic staff -- especially between country economic work and work in the functional units reporting to the Economic Adviser to the President -- would foster morale and the quality of output.

2. Country economic work -- e.g., economic studies and analyses of individual countries, including appraisal of their creditworthiness, economic performance, and development programs -- is performed by the economic staffs assigned to the Area Departments, operating under the administrative control of the Area Department Director and his Chief Economist. Area Department economists, to the extent practical, will rely upon data collected and processed by the functional units reporting to the Economic Adviser and will utilize standards and analytical approaches developed by these various functional units (e.g., those concerned with creditworthiness problems, development programming and fiscal policies).

3. Country economic missions are organized and scheduled under the immediate direction and supervision of the Chief Economist of the Area Department concerned, acting for the Department Director. The Chief Economist of an Area Department will look to the specialized functional units for needed staff in addition to the economists assigned to his own Department.

4. Country economic policy papers are reviewed in the Economic Committee, chaired by the Economic Adviser to the President who will be advised by the functional units concerned with respect to the methodology and criteria employed. The conclusions and recommendations of the Committee are addressed to the President, or in those cases involving specific lending operations, to the Loan Committee.

5. At all levels in the Bank there is and must be an intimate interplay between lending operations and economic judgments. Lending operations should be directed toward priority economic objectives and must remain within the limits of creditworthiness. Officers conducting lending operations need a timely economic input to incorporate in their lending judgments and have an expert knowledge of the nature and capabilities of their countries ("what makes them tick"), which should be incorporated in economic judgments and economic strategy. It is these intimate interrelationships which make it desirable to weld together in the Area Departments the operating staff and the country economic staff, and both the economic judgments and the eventual lending judgments benefit from this close conjunction.

6. At the departmental level, it is the Area Department Directors, under the immediate supervision of the Chairman of the Loan Committee, who have the primary responsibility for organizing and promoting the lending business of the Bank, and the country economic staffs are therefore placed under their operational direction. At the same time the Economic Adviser to the President has the functional responsibility for assuring the quality of the work of the entire economic staff of the institution, including that portion of it assigned to country economic work. It follows that:

a) Appointments to the posts of Chief Economist and Senior Economist

in the Area Departments should be mutually acceptable to the Area Department Director and the Economic Adviser to the President.

b) In organizing and scheduling country economic work, including country economic missions, the Chief Economist is administratively responsible to the Area Department Head, who must assure that the economic work is appropriately geared to operational requirements. At the same time, because country economic missions employ both the resources of the Area Departments and the specialized talents in the functional units reporting to the Economic Adviser to the President, the latter coordinates the program for economic missions on a Bank-wide basis.

c) In assuring the technical standards and quality of the country economic work, the Chief Economist will follow guidelines established by the Economic Adviser to the President.

7. Conflicts may possibly arise -- although this should be infrequent -- between the economic staff reporting to the Economic Adviser to the President and the economic staff reporting to the Area Department Directors. Such cases should be referred to the Economic Adviser to the President and to the Chairman of the Loan Committee for reconciliation.

487/6/280

THE RIGHT HONORABLE ROY JENKINS
CHANCELLOR OF THE EXCHEQUER
TREASURY CHAMBERS
GREAT GEORGE ST.
LONDON, S.W. 1

NOVEMBER 1, 1968

FULL RATE

ENGLAND

WHILE YOU WERE IN WASHINGTON I PROMISED TO STOP IN LONDON FOR A BRIEF REPORT TO YOU ON MY WAY BACK FROM INDIA. MY TRAVEL SCHEDULE WOULD PERMIT ME TO ARRIVE LONDON LATE SUNDAY AFTERNOON NOVEMBER 24. I MUST FLY TO WASHINGTON MONDAY NOON. BECAUSE SUNDAY EVENING OR MONDAY MORNING IS LIKELY TO BE INCONVENIENT FOR YOU, I WOULD BE HAPPY TO MAKE A SPECIAL TRIP TO LONDON LATER IN THE WINTER. PLEASE LET ME KNOW YOUR CHOICE.

ROBERT S. MCNAMARA

INTBAFRAD

Robert S. McNamara

President

RMcN:mss