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THE WORLD BANK  
Washington, D.C.

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SINGH, S. K. - ARTICLES and Speeches (1970 - 1976)

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Singh, S. K. - Articles and Speeches (1970 - 1976) - 1v

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SINCH

## OFFICE MEMORANDUM

TO: Mr. William Clark

DATE: July 7, 1970

FROM: S. K. Singh

SUBJECT: Appearance on a panel discussion on "World Unemployment"

1. I was approached on July 6 to appear on a panel discussion on "World Unemployment" on July 7 with Messrs. James T. Grant and George H. Hildebrand. Mr. Hildebrand is Deputy Under Secretary in USA government (Papers enclosed).
2. Formerly Mr. David Morse, the Director-General, ILO, was to appear. He could not come, and at the last minute, they thought of me as a substitute.
3. I was told that they had already approached Mr. Donald Pryor in the Information and Public Affairs department of the Bank, and were told that if I had no objection, they would not have any.
4. I talked to Mr. Donald Pryor. He was encouraging and said they did not have any objection at all.

Encls: (4)

cc: Messrs. I. S. Friedman  
L. M. Goreux  
D. J. Pryor

*good  
me*

*Davis B.*

---



WELCOME TO THE GEORGETOWN UNIVERSITY FORUM

The Georgetown Forum is now in its twenty-fourth year on radio and its nineteenth year on television in the Washington area. Its purpose has always been clarification -- not controversy. The format of the program is unrehearsed panel discussion on topics of general interest. Guests and moderator work out the general program direction in a brief planning session just before taping. The Forum is pre-recorded separately for both radio and television. It is not a simulcast. The content of the TV and radio segments is not necessarily the same -- nor should it be. The radio audience is national; the television audience is primarily the Metropolitan Washington area.

\*\*\*\*\*

FOR A FULL DESCRIPTION OF THE PURPOSE AND FORMAT OF THE GEORGETOWN UNIVERSITY FORUM, PLEASE READ THE ACCOMPANYING LEAFLET "... SO YOU'RE GOING TO BE ON GEORGETOWN RADIO AND TV". IT CONTAINS IMPORTANT SUGGESTIONS FOR CONDUCTING THE DISCUSSION.

\*\*\*\*\*

The Georgetown University Campus is located at 37th and O Sts., N.W. If you drive to the University, please identify yourself to the guard at the main gate, and he will direct you to parking facilities. We will provide transportation to the television studio and back to Georgetown.

RADIO The radio broadcast is taped in the Raymond Reiss Studio on the main campus of Georgetown University. The transcribed tape is mailed to more than 300 radio stations throughout the United States. These stations include: commercial stations; member stations of the National Association of Educational Broadcasters and the Intercollegiate Broadcasting System; and the Voice of America. A listing of Washington area stations which carry the Forum will be given to you at the taping session. For stations elsewhere, please call the Raymond Reiss Studio, (202) 625-4272.

TELEVISION The television portion is made in the studios of WRC-TV (NBC), Channel 4 -- at 4001 Nebraska Avenue, N.W. The Forum is video-taped in color and is shown locally on Channel 4 on the following **Sunday** at 3:30 P.M.

RECORDING PROCEDURE

- 10:00 A.M. -- Please meet in the Office of Public Affairs, first floor Healy Building, inside the main gate -- on the Georgetown University Campus, 37th and O Streets, N.W. You will then be escorted to the studio.
- 10:00 - 10:30 -- General planning session by guests and moderator.
- 10:30 - 11:00 -- Program is transcribed for radio.
- 11:00 A.M. -- Proceed to Station WRC, 4001 Nebraska Ave., N.W.
- 11:30 - 12:00 -- Program is video-taped.



PERSONNEL

Moderator	Wallace Fanning	EM 2-4000 or Annapolis (301) 798-4051
Director	Rev. Francis J. Heyden, S.J.	625-4227, 625-4758
Program Director	Rev. Daniel E. Power, S.J.	625-4535, 625-4392
Assistant	Mrs. Judith Berson	625-4535
TV Producer	(Call Station WRC)	EM 2-4000, Ext. 222
Radio Studio	Arthur Dietz, Engineer	625-4272

RECORDING SCHEDULE INSIDE

TOPIC "WORLD UNEMPLOYMENT"

PANEL

James T. Grant

George H. Hildebrand

Dr. S. K. Singh

RECORDING DATE Tuesday, July 7, 1970

TV # 991

RADIO # 1234



**georgetown university forum**



### **When You're on Radio . . .**

Re-identify yourself frequently. Visualize the listener who tunes in late and misses the introduction. For him, you are an anonymous voice, and your remarks may therefore lack authority. Say "I, as a professor," or diplomat, or whatever you may be.

Use last names when addressing other panelists on radio: "Dr. Jones," not "John." On TV, you may address each other informally if you wish, because your full name and title will be superimposed on the picture from time to time for identification.

### **When You're on Television . . .**

During the television discussion, please look at and listen to whoever is speaking. The reason is that the Director will often call for a "reaction shot," which means "you, listening." We want to capture the eye contact and immediacy of a discussion among a few people, not a debate in front of a large audience. Television is a very intimate medium: the viewer is still in a one-to-one relationship to you, even though the total audience runs in the thousands. The only exception to this is at the beginning of the program when you are introduced by the moderator, and the end, when he thanks you. As Mr. Fanning reads your name and title, look directly at the lens of the camera (the Director will indicate which camera, prior to the taping), and smile or nod—whichever is most comfortable to you.

Please wear a colored shirt on the taping day. Blue, yellow, tan—anything but white. The Forum is taped in color, and white casts a harsh glare. Ladies may wear pastels or bright colors in solids or small prints.

### **Our Thanks to You for Participating . . .**

We hope that these few hints will make your participation in the Georgetown University Forum discussion a relaxed and rewarding experience. If you would like to discuss any of the above suggestions, please feel free to call Father Power or Mrs. Berson at the Office of Public Affairs, Georgetown University.



..... SO YOU'RE  
GOING TO BE  
ON  
GEORGETOWN  
RADIO  
AND  
TELEVISION!



## Welcome to the Georgetown University Forum . . .

As you will shortly be a panelist on one of our Tuesday tapings, we would like to offer a brief statement of what we are trying to do, together with a few suggestions that may help you express your ideas more effectively on radio and television. Forgive us if we seem to talk down to you.

In an era when most discussion programs are pegged on either the cult of the big name or the lure of confrontation, the Georgetown University Forum remains true to its original aim of "Clarification, not Controversy." Throughout its history—and the program is now in its third decade—the Forum has attempted to feature the issue, not the personality, and the explanation, not the conflict. This is not to say that we do not invite top name panelists (we frequently do), nor that we expect our guests to be in total accord with each other (on the contrary, we would hope that all sides of a question be fairly presented). Our primary emphasis, however is on "content": important topics quietly and reasonably expounded by informed people.

This emphasis on "content" makes the Georgetown University Forum almost unique in our "Medium is the Message" age. We believe that our program has something important to offer. But, in order to compete successfully for an audience that has come to expect fame and flamboyancy in every discussion, we must use certain devices to make the "content" of the discussion emerge more forcefully.

You have been invited to participate because you are knowledgeable in your field, and not because you are a polished television performer. Still, there are a number of things which you, as a panelist, can do to make the discussion vital and engrossing—without sacrificing your dignity or the goals of the program. The following general suggestions apply to both radio and television. They are followed by a few hints for each medium.

## Generally Speaking . . .

1. First and foremost, do not make any lengthy speeches. Believe it or not, on television, a "lengthy speech" is anything that lasts much more than a minute. If you confine your statements to a minute at a time, it is amazing how much you can say. In this matter, we have to bow to the audience's short span of attention.
2. If you see that a fellow guest is coming to the close of his remarks, jump right in. Feel free to interrupt at any time. You need not wait for the moderator to recognize you. In this way, there is no "dead air," and the pace is faster.
3. Try to speak as quickly as is natural and comfortable. If, for example, you lose a word, or forget what you were going to say (and this can happen to anyone), don't waste time trying to pick up the thread. Start fresh with something else. Speak as you normally would in personal conversation.
4. *Never read from notes*, unless you are offering a direct quotation. This is especially bad on TV, but even on radio the reading voice is notably less colorful. If you feel easier having reminders at hand, write them in outline form on 3 x 5 cards.
5. In any discussion on any subject, *nothing* gets your point across more effectively than the use of specific examples. The more the merrier.
6. Try to be as relaxed as possible, under the circumstances. Don't let the fact that you are on radio or TV deter you from your goal of a lively and informed discussion. If you enjoy participating in a good conversation, the audience will sense and share your enthusiasm!

NOTE: Our moderator, ~~Wallace Fanning~~<sup>\*</sup>, is an experienced newsman. His function is to insure a smooth flow of conversation. His questions are designed to bring out points that may not be clear to the audience, or to move the discussion into new areas. Please be assured that he is there to assist you, not to put you on the spot.

\* David Rush, NBC-News. Mr. Fanning is on vacation.





GEORGETOWN UNIVERSITY  
WASHINGTON, D. C. 20007

GEORGETOWN UNIVERSITY FORUM  
TELEPHONE: 625-4535

PRESS ADVANCE

FRANCIS J. HEYDEN, S.J.  
DANIEL E. POWER, S.J.  
JUDITH BERSON

GEORGETOWN UNIVERSITY FORUM - TV NO. 991 - (RADIO NO. 1234)

TITLE: WORLD UNEMPLOYMENT

PANEL: JAMES T. GRANT  
President, Overseas Development Council.

GEORGE H. HILDEBRAND  
Deputy Under Secretary of Labor for International Affairs.

DR. S. K. SINGH  
Economist, World Bank.

MODERATOR: DAVID RUSH - NBC News.

TELEVISION SCHEDULE IN THE WASHINGTON, D.C. AREA:

WRC-TV, Channel 4  
3:30-4:00 P.M., EDT  
Sunday, July 12, 1970

\* \* \* \* \*

In the United States, we worry about an unemployment rate of five percent. However, in many other countries, unemployment is so high that a mere five percent would be cause for rejoicing. This is particularly true in the developing nations where population growth and rapid urbanization are swelling the ranks of the jobless. Around the world, millions of people are unemployed, and the number grows daily. In fact, though we are hardly aware of it in this country, unemployment exists on a massive scale throughout the rest of the world.

To discuss this phenomenon, we present three people who are vitally concerned with the world economy. We ask them to outline the magnitude of the problem and its causes. We ask them also what can be done to slow down this "unemployment explosion" and avert what could well become a world-wide catastrophe.

\* \* \* \* \*

PROGRAM TAPED: July 7, 1970

NOTE: The panel may also include GEORGE L-P WEAVER, Special Assistant to the Director-General of the International Labor Organization.



GEORGETOWN UNIVERSITY FORUM

GEORGETOWN UNIVERSITY

WASHINGTON, D.C.

COMMERCIAL AND EDUCATIONAL STATIONS

AIRING THE

GEORGETOWN UNIVERSITY FORUM

NOVEMBER, 1969

For Date and Time of Broadcast:

CONSULT LOCAL PROGRAM LISTINGS

OR

INQUIRE: STATION PROGRAM DIRECTOR

(Please Refer to Program Number)



ALABAMA

WBIB Centerville  
 WKUL Cullman  
 WAJF Decatur  
 WFIX Huntsville  
 WARF Jasper  
 WLPR Mobile  
 WSHF Sheffield

ALASKA

KUAC\* College

ARIZONA

KALF Mesa

ARKANSAS

KBBA Benton  
 KAWW Heber Springs  
 KDXE Little Rock  
 KNBY Newport  
 KALO Pine Bluff  
 KTPA Prescott  
 KASU-FM\* State Univ.  
 KWAK Stuttgart

CALIFORNIA

KEZY Anaheim  
 KNOB Anaheim  
 KAFY Bakersfield  
 KCHO\* Chico  
 KBOB-FM City of Industry  
 KFMX La Jolla  
 KOST-FM Los Angeles  
 KUSC-FM\* Los Angeles  
 KMFB Mendocino  
 KUTY Palmdale  
 KERS-FM\* Sacramento  
 KRNO San Bernadino  
 KEBS\*\* San Diego  
 KLIV San Jose  
 KUOP-FM\* Stockton  
 KUDU Ventura

COLORADO

KQXI Arvada  
 KKAM Pueblo

DELAWARE

WTHD Millford

DISTRICT OF COLUMBIA

Voice of America  
 WGTB-FM\*  
 WOL  
 WUST  
 NERN\*  
 Radio/TV Reports

FLORIDA

WKKO Cocoa  
 WFSU\* Tallahassee  
 WTAL Tallahassee  
 WFLA Tampa  
 WUSF\* Tampa  
 WAUC Wauchula  
 WPRK-FM\*\* Winter Park

GEORGIA

WABE-FM\*\* Atlanta

HAWAII

KNDI Honolulu

IDAHO

KCRH-FM\* Nampa  
 KBGL\* Pocatello  
 KLIJ Twin Falls

ILLINOIS

WSIU-FM\* Carbondale  
 WNIU-FM\*\* DeKalb  
 WKAN Kankakee  
 WTAQ La Grange  
 WLTL\* La Grange  
 WSMI Litchfield  
 WONC-FM Naperville  
 WIRL Peoria  
 WRRR Rockford  
 WILL\*\* Urbana

INDIANA

WTTS Bloomington  
 WEVC\* Evansville  
 WGCS\* Goshen  
 WHCI-FM\* Hartford City  
 WWSH-FM\* Huntington  
 WAJC\* Indianapolis  
 WATI Indianapolis  
 WBST\*\* Muncie  
 WBKE\* No. Manchester  
 WPGW Portland  
 WISU-FM\*\* Terre Haute  
 WVUR-FM\* Valparaiso  
 WBAA\* West Lafayette

IOWA

KCIM Carroll  
 KSTT Davenport  
 KWLC\* Decorah  
 KXGI Fort Madison  
 KIOA Swan

KANSAS

KFKU\*\* Lawrence  
 KMAN Manhattan  
 KUDL Overland Park  
 KEWI Topeka  
 KWBB Wichita  
 KSWC-FM\*\* Winfield

KENTUCKY

KGOH Grayson  
 WBKY-FM\*\* Lexington  
 WVLK Lexington  
 WEKU-FM\*\* Richmond

LOUISIANA

WIBR Baton Rouge  
 WWOM New Orleans  
 KCIJ Shreveport  
 KNCB Vivian

MAINE

WMEB-FM\*\* Orono  
 WLOB Portland  
 WRUM Rumford

\* NON-COMMERCIAL STATION

\*\* NERN STATION  
 (NATIONAL EDUCATIONAL RADIO NETWORK)



MARYLAND

WITH Baltimore  
 WARM-FM Baltimore  
 WHFS-FM Bethesda  
 WPGC Bladensburg  
 WTRI Brunswick  
 WFRB Frostburg  
 WLMD Laurel  
 WGTS-FM\* Takoma Park  
 WWDC Silver Spring

MASSACHUSETTS

WFCR-FM\* Amherst  
 WBUR-FM\* Boston  
 WHIL Boston-Medford  
 WOKW Brockton  
 WTYM E. Longmeadow  
 WHAV Haverhill  
 R.M. Productions - Northampton  
 WAIC-FM\* Springfield  
 WHYN Springfield  
 WARE Ware  
 WORC Worcester

MICHIGAN

WVAC-FM\* Adrian  
 WAUR Berrien Springs  
 WSWM-FM East Lansing  
 WTRX Flint  
 WERB Garden City  
 WXTO-FM Grand Rapids  
 WIAA\*\* Interlochen  
 WNMR-FM\*\* Marquette  
 WEMU-FM\*\* Ypsilanti

MINNESOTA

KROX Crookston  
 KUMD-FM\*\* Duluth  
 WEBC Duluth  
 KRAD E. Grand Forks  
 KLFD Litchfield  
 KEYL Long Prairie  
 KUOM\*\* Minneapolis  
 KUXL Minneapolis  
 KNXR Rochester  
 KRWB Roseau

MISSISSIPPI

WVMI Biloxi  
 WJMB Brookhaven  
 WKDL Clarksdale  
 WLSM Louisville  
 WOKK Meridian

MISSOURI

KDMO Carthage  
 KCUR-FM\*\* Kansas City  
 KMSM-FM\*\* Rolla  
 KCMW-FM Warrensburg

NEBRASKA

KOZF Omaha

NEVADA

KVLV Fallon  
 KBMI Henderson

NEW HAMPSHIRE

WTSN Dover  
 WUNH-FM\* Durham  
 WFEA Manchester  
 WHEB Portsmouth

NEW MEXICO

Eastern New Mexico Univ.- Portales

NEW YORK

WAMC\* Albany  
 WPTR Albany  
 WAUB Auburn  
 WNBFB Binghamton  
 WFUV\* Bronx  
 WYSL Buffalo  
 WNIA Cheektowaga  
 WIGS Gouverneur  
 WVHC-FM\*\* Hempstead  
 WFMN Newburgh  
 WTHE Mineola  
 WCHN Norwich  
 WMNS Olean

NEW YORK (Con't)

WRVO-FM\* Oswego  
 WSAY Rochester  
 WMHR Syracuse  
 WDLA Walton

NORTH CAROLINA

WISE Ashville  
 WRPL Charlotte  
 WAYS Charlotte  
 WSSB Durham  
 WFLB Fayetteville  
 WCOG Greensboro  
 WBBS Kacksonville  
 WISP Kinston  
 WPAQ Mount Airy  
 WWDR Murfreesboro  
 WPNC Plymouth  
 WRNC Raleigh  
 WSMY Roanoke Rapids  
 WXRO Roxboro  
 WYAL Scotland Neck  
 WFSB Spring Lake  
 WSTH Taylorsville  
 WKLM Wilmington  
 WLLY Wilson  
 WKBX Winston-Salem

NORTH DAKOTA

KDSU\* Fargo  
 KFJM\* Grand Forks

OHIO

WRDL Ashland  
 WOUB\* Athens  
 WCNE-FM\*\* Batavia  
 WBGU\*\* Bowling Green  
 WAWR Bowling Green  
 WBNO Bryan  
 WGUC\*\* Cincinnati  
 WSAI Cincinnati  
 WLW Cincinnati  
 WERE Cleveland  
 WOSU-A/FM\* Columbus  
 WFRO Fremont  
 WKSU-FM\*\* Kent

\* NON-COMMERCIAL STATION

\*\* NERN STATION



OHIO (Con't)

WBRJ Marietta  
 WCMO-FM\* Marietta  
 WMVO Mount Vernon  
 WLKR Norwalk  
 WMUB\* Oxford  
 WRWR Port Clinton  
 WIOI Portsmouth  
 WKTL\* Struthers  
 WOHO Toledo  
 WUJC-FM\* Univ. Heights  
 WHHH Warren  
 WYSO\* Yellow Springs  
 WBBW Youngstown  
 WYSU-FM\* Youngstown

OKLAHOMA

KWOE Clinton

OREGON

KBKR Baker  
 KGRL Bend  
 KOAC\*\* Corvallis  
 KTEC-FM\* Klamath Falls  
 KTIK Pendleton  
 KEX Portland  
 KYXI Portland  
 KGAY Salem

PENNSYLVANIA

WMUH-FM\* Allentown  
 WARM Falls  
 WFRA Franklin  
 Dept. of Public  
 Instruction- Harrisburg  
 WMSP-FM Harrisburg  
 WBZY New Castle  
 WRLC Palmyra  
 WRCP Philadelphia  
 WIFI Philadelphia  
 WDUQ-FM\* Pittsburgh  
 WPIT Pittsburgh  
 WARO Pittsburgh  
 WWDL Scranton  
 WUSV-FM Scranton  
 WRKC\*\* Wilkes-Barre

RHODE ISLAND

WBRU\* Providence  
 WDOM\* Providence  
 WICE Providence

SOUTH CAROLINA

WLOW Aiken  
 Univ. of South  
 Carolina - Columbus  
 WDYX Sumter  
 WALD Walterboro

SOUTH DAKOTA

KESD-FM\* Brookings  
 KELO Sioux Falls  
 KUSD\*\* Vermillion

TENNESSEE

WLSB Copperhill  
 WZYX Cowan  
 WTJS Jackson  
 WUOT-FM\*\* Knoxville  
 WMOT-FM\*\* Murfreesboro  
 WPLN-FM\*\* Nashville  
 WEPG So. Pittsburgh

TEXAS

KHFI-FM Austin  
 KBLT Big Lake  
 KBOX Dallas  
 KTCU-FM\* Ft. Worth  
 WOAI-FM San Antonio  
 KTLW Texas City

UTAH

KBYU-FM\* Provo

VIRGINIA

AFRTS Arlington  
 WIVE Ashland  
 WKYE Bristol  
 WKBY Chatham  
 WEAM Falls Church  
 WYSR Franklin  
 WLES Lawrenceville  
 WLUR\* Lexington  
 WRAA Luray  
 WBRG Lynchburg  
 WCMS Norfolk  
 WPVA Petersburg  
 WENZ Richmond  
 WIKI Richmond

VIRGINIA (Con't)

WKBA Roanoke  
 WLPM Suffolk  
 WEER Warrenton  
 WBCI Williamsburg

WASHINGTON

KPUG Bellingham  
 KERI-FM Bellingham  
 KGTS-FM\* College Place  
 KWSC\*\* Pullman  
 KIXI Seattle  
 KUOW-FM\*\* Seattle  
 KREM Spokane  
 KHIT Walla Walla

WEST VIRGINIA

WVWC-FM\* Buckhannon  
 WCAW Charleston  
 WTIP Charleston  
 WPDY Clarksburg  
 WMMN Fairmont  
 WCEF Parkersburg  
 WMOV Ravenswood  
 WVAR Richwood

WISCONSIN

WAPL-FM Appleton  
 WYLO Milwaukee  
 WUWM\*\* Milwaukee  
 WRST-FM\*\* Oshkosh  
 WNBI Park Falls  
 WPLY Plymouth  
 WTMB Tomah

WYOMING

KLME Laramie

VIRGIN ISLANDS

WSTA St. Thomas

GUAM

KUAM Agana



TELEVISION STATIONS

(In Order of Broadcast)

Washington, D.C.	WRC-TV (Channel 4)
Vermillion, S.D.	KUSD-TV*
Rapid City, S.D.	KBHE-TV*
Bethlehem, Pa.	WLVT-TV*
Altoona, Pa.	WFBG-TV
Bangor, Maine	WEMT-TV

\* EDUCATIONAL STATION



THE WORLD BANK / 1818 H Street, N.W., Washington, D.C. 20433

STATEMENT MADE BEFORE  
THE HOUSE OF LORDS  
SELECT COMMITTEE ON COMMODITY PRICES  
DECEMBER 8, 1976

by Dr. Shamsher Singh  
Chief  
Commodities & Export Projections Division



My Lord Chairman and My Lords:

I deem it a great honor to be present here today. However, before I proceed, I wish to make it clear that the views expressed by me must not be construed as necessarily reflecting any standpoint on the part of the World Bank.

\* \* \* \* \*

Issues relating to the commodity and trade problems of the developing countries need to be seen against the back-drop of growing income disparity between the developed and the developing countries.

1/

Income Disparities Between Nations

	<u>Population 1975 (in millions)</u>	<u>Income per Capita</u>		
		<u>1965</u>	<u>1975</u>	<u>1985</u>
1. Poorest Nations (below \$200 per capita)	1,200	130	150	180
2. Middle-income developing countries (above \$200 per capita)	900	630	950	1,350
3. Developed nations	700	4,200	5,500	8,100

---

Average real incomes in the poorest nations grew by \$2 per year in 1965-75 and will rise by \$50 in 1965-85. The middle-income developing countries have done considerably better and will continue to do better. But per capita real incomes in the rich countries are projected to rise by \$3,900 in 1965-85. The differences in economic well-being are assuming colossal proportions.

Poverty is associated with primary production - for most developing countries, two or three products account for more than 60% of their total exports;

---

1/ Robert S. McNamara, President, World Bank Group:  
Address to the Board of Governors, Manila, 1976.



for small poor countries the proportion rises above 90%. But the products produced by the poor are consumed largely by the rich. On average, 80% of the primary products exported by the developing countries are destined for consumption in the industrialized nations.

Key elements of the problems faced in world trade by most non-oil primary commodities are excessive fluctuations in market prices, sluggish growth in volume of exports, bearish terms of trade, and comparatively few alternatives for diversification (at prevailing relative prices). These problems can be attributed to the structure of the world markets, the protectionist policies pursued by the rich countries (both OECD and the centrally planned) and the poorly conceived policies pursued in many developing countries themselves. My Lords, I will address myself to those issues which are of main interest to you.

Month to month and year to year, variations can be so sharp that prices often double or halve within a year. The cyclical variations over longer periods are well known. Depressed prices act as a disincentive to investment and production and so lead to scarcities. This in turn leads to high prices, which in turn act as an incentive to investment and on to overproduction and surpluses, and back to depressed prices. Commodities most notorious for price instability include cocoa, coffee, copper, jute, sisal and sugar. The index of instability for these products falls between 10 and 15 percent of the long-term trend level of international market prices. Causes of instability stem from both supply and demand considerations although the importance of the source of instability varies from commodity to commodity.



Price stabilization is important for a variety of reasons. For products facing competition from synthetic substitutes, particularly jute and sisal, instability has resulted in a permanent loss of markets. More generally, price stability would imply greater stability in total earnings. This would tend to assure a balanced flow of export earnings and tax revenues, making long-term planning somewhat easier. However, there is no agreed view among economists that fluctuations by themselves are harmful. Our analysis shows that countries with high growth rates in exports (greater than 6% per year) fluctuations were not detrimental to GDP growth. But for countries experiencing low growth of exports, fluctuations were a decisive handicap. Thus, countries which are dependent for their export earnings on those primary products whose growth rate is slow, fluctuations are likely to adversely affect their economic performance.

Sluggish growth in the volume of exports of non-oil primary products is a critical problem. In 1952-72, when world trade rose by 7.3% per year, the expansion in non-fuel primary commodities was slower - 5.2% per year for food and 4.2% for raw materials. The corresponding increase in the exports of developing countries (LDC's) was even slower - 3.2% per year for food and 3.8% for non-oil raw materials.

Our forecasts show that for many important products, the volume of exports from the LDC's will tend to decelerate further:



Historical and Projected Growth Rates of LDC Exports by Volume

(average annual percentages)

	<u>1960/62 - 1972/74</u>	<u>1972/74 to 1980</u>
	<u>Actual</u>	<u>Projected</u>
Coffee	2.1	1.2
Sugar	3.6	1.4
Oranges/Tangerines	5.1	3.5
Lemons/Limes	8.0	6.0
Bananas	2.9	2.0
Fish-meal	5.2	3.2
Jute	-1.2	-4.0
Sisal	-1.3	-5.6
Copper	6.5	4.3

Although, volume of exports of several other products particularly fats and oils, rubber and bauxite will expand faster, the average expansion will continue to be very slow as compared to say, total trade and trade in manufactured goods.

Sluggish growth in volume would cause less concern if primary products were to experience improving terms of trade. Prospects necessarily vary from product to product. Real prices (deflated by prices of manufactured goods exported by the developed countries to the developing countries) compared to say 1967/69 or 1970/72 bench mark years, are expected to improve for sugar, beef, wheat, tropical timber, tin, bauxite and phosphate rock. Prices of most other products, particularly cocoa, coffee, tea, bananas, fats and oils and fibres will

experience a downturn.

In aggregate terms, developments in terms of trade are very revealing; they show a persistent decline for agriculture as summarized below:

Weighted Index of Commodity Prices

(constant U.S. dollars)

1974 = 100

<u>Five Year Periods</u>	<u>Agriculture</u>	<u>Metals, Minerals and Ores</u>	<u>34 Commodities (excluding petroleum)</u>
1950-54	108	85	103
1955-64	95	88	93
1960-64	81	78	80
1965-69	78	100	83
1970-74	83	85	83
1975-79	77	74	77
1980-84	75	83	77

Real prices of metals, minerals and ores will show an improvement over the current depressed levels but no such improvement is foreseen for agricultural products. Agriculture in the developing countries is faced with worsening terms of trade both internally as well as in international markets and warrants a major change in national and international policies. The evolution of agriculture is crucial to the battle against poverty and such worsening of the terms of trade should not be allowed to go on unchecked.



Overall, the cumulative terms of trade loss for the non-oil developing countries has been substantial. The large increase in capital flows to these countries over the years of the current decade has only exceeded their terms of trade loss by a slight margin. But the real pinch was felt by the lower-income countries who also happen to be relatively heavy importers of food and petroleum and where agriculture accounts for too large a share of GDP. In 1969-75, total exports of the lower-income countries changed very little, fluctuating around \$8 billion in constant 1967-69 prices. At the same time they also suffered a terms of trade loss so that their capacity to import actually dropped.

Lower Income Countries' Export Volume and  
Capacity to Import, 1969-76

(billions of 1967/69 U.S. dollars)

	<u>1969</u>	<u>1970</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>
Export (Volume)	7.7	8.2	7.8	7.8	8.1
Terms of Trade Loss	<u>-0.1</u>	<u>-0.8</u>	<u>-0.9</u>	<u>-1.7</u>	<u>-2.2</u>
Export (Capacity to Import)	7.6	7.4	6.9	6.1	5.9

It is true that fundamental obstacles to growth in these countries are attributable to domestic policy, including low agricultural productivity, policies which shelter production from the discipline of international markets, inefficiency in the mobilization and use of resources, and inadequate pursuit of export possibilities particularly in processed products and manufactures. Simultaneously, however, external assistance is also needed by them in stabilizing their export prices, to help them diversify out of weak products and by assuring them access to markets for products which they can supply more cheaply.

The Bank realizes the importance of these factors and has reviewed the commodity problem on several occasions in the past. For example, in 1968/69 the Bank staff undertook a study on "Stabilization of Prices of Primary Products". The Board of Directors of the Bank, after a thorough discussion of the analysis presented and the recommendations made by the staff, decided that the World Bank Group could assist its member countries to help solve the commodity problem in close cooperation with other national and international agencies in several ways, including a financing of diversification projects, assistance to international commodity agreements and strengthening the competitiveness of primary products in world trade through, for example, research and development.

The commodity problem within its broad context of trade policy for development, was also examined in 1969 by the Commission on International Development, headed by the former Prime Minister of Canada, Mr. Lester B. Pearson. The Commission recommended that financing of reasonable buffer stocks in support of well-conceived commodity agreements and policies should be recognized as a legitimate object of foreign aid.

With a view to implement the recommendations of the Pearson Commission and the decisions of its Board of Directors, the Bank enlarged and expanded its role in the diversification of the economies of the developing countries who depend so heavily on exports of usually a couple of primary products. It increased its technical assistance and support of international commodity agreements; it entered into consultative arrangements with specialized commodity bodies to ensure that Bank actions affecting those commodities were consistent with the policies of those bodies. Recognizing the stocking of commodities as a



legitimate and important segment of the production process, the Bank expanded its assistance for food-grain warehousing facilities in several countries. The Bank also took measures to assist the developing countries in helping them process an increasing share of their raw material exports within their own countries, whether it was as simple as washing of coffee beans or more complex as manufacture of plywood.

In 1973, Bank policy towards financing of buffer stocks was once again reviewed by the Board of Directors. The President of the Bank stated that, if buffer stock financing was of broad interest to member governments, and if the IMF and other resources were inadequate for the purpose, he would consider proposing that the Bank provide financial support to countries participating in commodity agreements or financing buffer stocks directly.

In 1974 once again some members of the Board of Directors asked for clarification about Bank policy towards financing of stocks and Mr. McNamara reiterated that the Bank was prepared to examine the issues and intricacies of buffer stock financing, but no request had so far been received.

The Bank Group lending and technical assistance programs emphasize measures to improve export prospects of member countries. In this connection, Bank staff studies try to identify products which are faced with weak market prospects as well as products which may have relatively encouraging demand outlook. These studies are used as a background for project identification and determination of lending policies. In this connection, Bank staff studies have established that a major obstacle to growth of agricultural exports from the developing countries are trade barriers imposed by the developed countries with the purpose of limiting access to, or reserving the market for domestic producers.

If, for example, the developed countries were to gradually dismantle the barriers against imports of sugar, the developing countries could earn, in 1975 dollar terms, an additional \$3 billion a year by 1985 through expanded exports.

In summary, Lord Chairman, the international community could help to solve several of the problems of the poor nations, for example, through:

- adopting measures to reduce instability in markets for primary commodities, whether these are imported or exported by developing countries;
- eliminating or reducing the detrimental impact of protection on the developing countries' agricultural exports,
- providing finance and technology to help countries diversify their productive base.

Importantly, at this juncture, commodity agreements for products exported by developing countries, operating separately or knitted together in the form of an Integrated program, can reduce fluctuations in their foreign exchange earnings and make a vital contribution to their developmental efforts.