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Series: Chronological file (outgoing)

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

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THE WORLD BANK  
Washington, D.C.

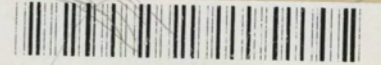
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The World Bank  
1818 H Street NW  
Washington DC 20433  
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**PUBLIC DISCLOSURE AUTHORIZED**

McNamara Papers

1976 (Aug.-Oct)

The World Bank Group  
**Archives**



1771942

A1995-252 Other #: 4

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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 55

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WBG Archives



492/3/360

OCT 28 1976

Dear Mr. Teich:

Thank you for your letter. Duke Merriam has told me of your many conversations with him and of your special interest in communication as an aspect of the development process. We need to know a good deal more about this, and I hope you will keep in touch with Duke in this regard.

As to an interview on the evolution of my views over the past decade or so, I doubt that there is much to say that is not already on the record or, more important, that would serve to broaden public knowledge of my present work. I find that ad hominum reporting usually obscures the main ideas that others in the Bank and I are trying to present. Accordingly, I must decline your thoughtful offer.

With regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Stephen S. Teich  
c/o WBAI-FM Pacific Radio  
670 West End Avenue  
New York, New York 10025

JEMerriam:esp



492/3/359

October 27, 1976

MEMORANDUM FOR MR. KNAPP

I have just read John Adler's memorandum dated October 26, subject: Board Schedule through December 1976. John reports that in the last week, five projects scheduled for December have slipped to January.

When you return, I hope you will meet with each of the Regions to lay out a realistic projects program for the second half of our Fiscal Year.

To the extent that any Region cannot complete the program approved last June, we should transfer commitment authority and personnel budget authorizations from that Region to other Regions.

We all recognize that both IDA and IBRD are restricted to levels of operation in Fiscal '77 below those which would be required to meet the needs of the developing countries. In such circumstances, would it not be inexcusable to fail to fully utilize our commitment authority?

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Regional VPs  
Mr. Cargill  
Mr. Adler

RMcN:mss



492/3/358

OCT 27 1976

Dear B.K.,

Thank you for your note. I am sure your new Ambassador will not lack for guides to Washington, but I look forward to meeting him and I shall be very glad to add my bit. I am leaving for South Asia next week and hope to be in India by November 6. It will be nice to visit in this period of economic advance.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
B. K. Nehru  
High Commissioner for India  
India House  
Aldwych  
London WC2B 4NA  
England

ESTern/ls  
October 26, 1976





INDIA HOUSE,  
ALDWYCH,

LONDON WC2B 4NA

September 30, 1976.

My dear Bob,

Our new Ambassador to the United States is my very old friend and very distinguished diplomat, Kewal Singh. I am taking the liberty of asking him to call on you after his arrival in the hope that you will give him some guidance on finding his way through the Washington jungle.

Kewal Singh has never been posted in the United States before, but he has been our Ambassador, among other places, to Pakistan, Bonn and Moscow. Thereafter he was for many years India's Foreign Secretary and Head of the Diplomatic Service. You will find in him not only an experienced diplomat, but a very charming individual devoted to the cause of Indo-American friendship.

With warmest personal regards,

Yours sincerely,

*BK*  
(B.K. Nehru)

Mr. Robert McNamara,  
President,  
World Bank,  
1818 "H" Street, N.W.  
WASHINGTON DC (USA)



492/3/356

October 28, 1976

Dear Walter:

I am most grateful for the thoughtful comments which you sent me on my Manila speech, in your letter dated October 14. I too firmly believe that the concept of coordinated public/private sector credit advances provides a strong basis for meeting more of the future financial requirements of developing countries. We are most appreciative to the Bank of America for taking the lead in the private sector for further exploration of such credits. We will be delighted to associate ourselves with you.

I am leaving today for Asia and expect to return to Washington in mid-November. Early in December I must be in Tokyo and shall probably have to return there after the Japanese election but before mid-May. It is becoming increasingly unlikely, therefore, that I will be able to participate in the International Monetary Conference. I regret that this is the case, for I know the Conference would not only be an excellent forum but an educational experience for me.

Again, many thanks for the time you took to comment on my speech.

With best wishes,

Sincerely,

Robert S. McNamara

Mr. Walter E. Hoadley  
Executive Vice President  
Bank of America  
San Francisco, California 94137

RMcN:bmm



492/3/355

OCT 21 1976

Dear Mr. Vianna:

Thank you very much for your letter of October 4 which Ambassador Pinheiro kindly delivered to me. I appreciate your warm comments and your confirmation of the close similarity of the goals our two institutions are pursuing.

Allow me to convey my hearty congratulations to you for the important role you have played in leading BNDE toward the impressive completion of its first 25 years. Indeed, I was very much complimented by your kind invitation to me to address a seminar next July at BNDE's anniversary commemoration. Unfortunately, the commemoration will be at a time when the World Bank will have just completed its fiscal year and begun another, perhaps the busiest time of the year for us and hence a difficult time for me to travel. I am therefore unable to accept your invitation. Of course, I would immediately let you know if unexpectedly a trip proved possible.

Again, thank you for your letter and congratulations on your achievements at BNDE.

With best regards,

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Mr. Marcos Pereira Vianna  
Presidente  
Banco Nacional do Desenvolvimento  
Economico  
Avenida Rio Branco, 53  
Rio de Janeiro, RJ  
Brasil

cc: His Excellency  
Joao Baptista Pinheiro  
The Ambassador of Brazil  
3006 Massachusetts Ave., N.W.  
Washington, D.C. 20008

cc: Messrs. Krieger, Wiese, Skillings, Glaessner, Renger

EESenner:jbv  
October 19, 1976



492/3/354

October 20, 1976

Dear Michael:

As I feared, events here will prevent me from attending your conference on "Values and Decision-Making in Modern Democratic Societies". In particular, after returning from Asia, I must attend a meeting of the Ford Foundation Trustees during the dates on which your meetings are scheduled. I wish it were otherwise.

With best wishes,

Sincerely,

Robert S. McNamara

Mr. Michael Stewart  
Director, The Ditchley Foundation  
Ditchley Park, Enstone  
Oxfordshire OX7 4ER  
England

RMcN:bmm



492/3/353

OCT 20 1976

Dear Mr. McSweeney,

I have received your letter of October 13 transmitting a message from Sir John Foster concerning his resignation as arbitrator in the proceedings of Holiday Inns and Occidental Petroleum versus the Government of Morocco. I am informed that the matter of Sir John's resignation was considered and disposed of pursuant to the Convention on the Settlement of Investment Disputes and the Arbitration Rules applicable to the proceedings. You may wish to inform Sir John that I have asked the Secretary-General of the International Centre for Settlement of Investment Disputes to transmit his message to the members of the Tribunal.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. William McSweeney  
President  
Occidental International Corporation  
1747 Pennsylvania Avenue, NW  
Washington, DC 20006

ABroches:HMB  
October 20, 1976

cc: Office of the President (2)



C  
O  
P  
Y

492/3/352

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

October 15, 1976

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

Dear Sirs:

With respect to the publication of the Prospectus, dated October 15, 1976, relating to the offering of the 7.75% Deutsche Mark Bonds of 1976, in the principal amount of DM 250 million, we reconfirm the statements made in our letter of July 30 and September 8, 1976 (except that payments due to the Bank under loan agreements but unpaid as of October 14, 1976 are as shown in the attached list).

There have been no developments since September 8, 1976, which would materially affect the financial statements included in the above Prospectus, and in addition, we know of no event since this date, 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 operations of the Bank.

Sincerely,

\_\_\_\_\_  
President

*Piv Sch*

\_\_\_\_\_  
Assistant General Counsel

\_\_\_\_\_  
Controller

Attachment



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

List of Payments due but not Received Under Loan Agreements

As of October 14, 1976

<u>Loan No.</u>	<u>Due Date</u>	<u>US \$ Equivalent</u>
944 LE	March 15, 1976	\$ 264,554
877 LE	April 1, 1976	24,750
938 IVC	June 15, 1976	825
129 LE	August 2, 1976	1,166,748
807 VE	August 16, 1976	19,505
391 VE	September 1, 1976	17,570
980 OM	September 1, 1976	23,632
985 OM	September 1, 1976	10,312
581 TUN	September 1, 1976	3,115
944 LE	September 15, 1976	298,947
779 TUN	September 15, 1976	5,580
551 CO	October 1, 1976	26,221
1142 DO	October 1, 1976	34,221
400 HO	October 1, 1976	322,771
620 PA	October 1, 1976	28,050
877 LE	October 1, 1976	24,750
63 TU	October 1, 1976	967,655
782 YU	October 1, 1976	310,970
836 YU	October 1, 1976	126,515
1162 IVC	October 1, 1976	21,000
1177 IVC	October 1, 1976	38,500
710 SL	October 1, 1976	185,881
1172 TA	October 1, 1976	106,320
902 IN	October 1, 1976	<u>103,615</u>
	Total	<u>\$ 4,132,007</u>



492/3/348

October 15, 1976

MEMORANDUM FOR MR. BROCHES

At times it may be necessary for both you and Lester to be away from the office at the same time. But prior to such occasions please discuss the matter with me. This subject came to my attention when I learned that both of you were absent from the Bank this week.

Robert S. McNamara

cc: Mr. Nurick

RMcN:bmm



492/3/347

OCT 15 1976

Dear Dr. Sudeary:

Thank you for your letter of October 1 in which you express the wish of the Preparatory Commission of the International Fund for Agricultural Development to seek the cooperation of the World Bank and request that the Bank make available the services of consultants to assist the Commission in its work.

I would like to confirm the statement of the Bank's representative at your last meeting that the Bank hopes to be able to develop harmonious working relations with IFAD. I look forward to discussing ideas of mutual interest with the President of IFAD, once he is appointed. In the interim I am prepared to consider making Bank expertise available to the Preparatory Commission in its assigned task. To this end I have asked Mr. Montague Yudelman, Director of the Agriculture and Rural Development Department, to get in touch with you directly to determine the most suitable arrangement whereby the Bank can help the Commission in its important role.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Abdelmuhsin M. Sudeary  
Chairman  
Preparatory Commission of IFAD  
Headquarters  
Via delle Terme di Caracalla  
Rome 00100 Italy

Cleared with and CC: Messrs. Baum  
Chateney

CC: Mr. Burmester

MYudelman:lkt  
October 14, 1976



492/3/346

OCT 14 1966

CESAR VIRATA  
SECRETARY OF FINANCE  
DEPARTMENT OF FINANCE  
MANILA  
PHILIPPINES

2466

LT

ON MY RETURN TO HEADQUARTERS I WOULD LIKE TO SEND YOU MUCH MORE THAN FORMAL  
THANKS FOR ALL THAT YOU DID TO MAKE OUR MEETINGS IN MANILA SO PLEASANT AND  
FRUITFUL STOP ONE OF THE BEST RESULTS WAS YOUR ELECTION AS CHAIRMAN OF THE  
DEVELOPMENT COMMITTEE AND I LOOK FORWARD EAGERLY TO WORKING WITH YOU STOP

MARG JOINS ME IN SENDING OUR THANKS AND BEST WISHES TO YOU AND JOY STOP

ROBERT S. MCNAMARA

Robert S. McNamara, President

World Bank

WDClark:mmh



492/3/345

OCT 14 1976

HIS EXCELLENCY  
FERDINAND E. MARCOS  
PRESIDENT, REPUBLIC OF PHILIPPINES  
MALACANANG PALACE  
MANILA  
PHILIPPINES

2466

LT

ON MY RETURN TO WASHINGTON I WOULD LIKE TO EXPRESS THE WARMEST THANKS  
OF MYSELF CMA MY WIFE AND ALL MY ASSOCIATES FOR ALL THE HELP AND HOSPITALITY  
EXTENDED BY THE GOVERNMENT OF THE PHILIPPINES AND ESPECIALLY YOURSELF AND  
THE FIRST LADY DURING OUR ANNUAL MEETING STOP WE SHALL ALL LONG REMEMBER  
WITH PLEASURE OUR FIRST GOVERNORS' MEETING IN SOUTH EAST ASIA WHICH TOOK  
PLACE IN YOUR BEAUTIFUL AND FRIENDLY LAND STOP

WITH EXPRESSIONS OF MY HIGHEST RESPECT AND REGARD STOP

ROBERT S. McNAMARA

Robert S. McNamara, President

World Bank

WDClark:mah



492/3/344

GOVERNOR GREGORIO LICAROS  
CENTRAL BANK  
MANILA

OCT 14 1976

2466

PHILIPPINES

LT

ON MY RETURN TO HEADQUARTERS I WOULD LIKE TO SEND YOU THE WARMEST THANKS OF MYSELF AND ALL MY ASSOCIATES FOR THE EXCELLENT ARRANGEMENTS MADE FOR THE GOVERNORS' MEETING STOP I HOPE YOU WILL AGREE WITH ME THAT WE MADE SOME REAL PROGRESS IN THE TASK WHICH CONCERNS US ALL SO DEEPLY CMA THE DEVELOPMENT OF OUR MEMBER COUNTRIES STOP I LOOK FORWARD TO OUR CONTINUED ASSOCIATION IN THIS WORK STOP

ROBERT S. McNAMARA

Robert S. McNamara, President

World Bank

WDClark:mmh



492/3/343

MAURICE WILLIAMS

OCTOBER 11, 1976

OECD

TELEX 620160

PARIS

Ext. 3585

FRANCE

IF THE DEVELOPMENT COMMITTEE IS TO BE QUOTE REBORN UNQUOTE COMMA IT IS ESSENTIAL  
 THAT ITS EXECUTIVE SECRETARY BE AN ACTIVE PARTICIPANT IN THE DISCUSSIONS  
 RELATING TO THE MAJOR PROBLEMS OF THE DEVELOPING COUNTRIES STOP WOULD IT NOT  
 BE WISE THEREFORE TO ASK DICK KING TO JOIN US AT THE TIDEWATER MEETING IN  
 JAPAN IN DECEMBER QUESTION ~~SOMEONE MENTIONED TO ME THAT THE TIDEWATER~~  
~~PARTICIPANTS WERE BEING HOUSED IN SOME SPECIAL ACCOMMODATIONS STOP EYE HOPE~~  
~~WE WON'T ALLOW ACCOMMODATION RESTRICTIONS TO STAND IN THE WAY OF ASSURING~~  
~~PROPER PARTICIPATION IN THE MEETING STOP REGARDS~~

MCNAMARA

INTEAFRAD

COPY TO:

Mr. van Lennep  
OECD, Paris

Robert S. McNamara

cc: Mr. van Lennep

President

RSMcN:ml



492/3/350

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

Office of the President

October 8, 1976

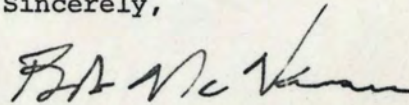
Dear Governor:

Now that the 1976 Annual Meetings are over, I would like to express my warm appreciation for the admirable manner in which the proceedings of the Meetings were conducted under the able chairmanship of yourself and your fellow Chairman from Syria.

I know that we can all look back upon this past eventful week with a feeling of satisfaction at a heavy schedule being completed smoothly.

Mrs. McNamara and I were delighted that your charming wife accompanied you and we look forward to meeting again.

Sincerely,



Robert S. McNamara

*Congratulations on a great job.  
Do let us know  
when you next  
come to the U.S.*

The Honorable  
Mohammad Imady  
Chairman, Board of Governors  
International Monetary Fund  
Room D 563  
Philippine International Convention Center  
Manila



492/3/351

October 8, 1976

Dear Governor:

Now that the 1976 Annual Meetings are over, I would like to express my warm appreciation for the admirable manner in which the proceedings of the Meetings were conducted under the able chairmanship of yourself and your fellow Chairman from Syria.

I am certain that we can all look back upon a most successful and eventful week with satisfaction at having completed a heavy schedule smoothly and efficiently.

Mrs. McNamara and I were delighted to make the acquaintance of your charming wife and we look forward to renewing our acquaintance in the future.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable  
Sadek Ayoubi  
Chairman, Board of Governors  
International Bank for Reconstruction  
and Development  
Room D564  
Philippine International Convention Center  
Manila

PNDamry/bm



492/3/349

October 6, 1976

PERSONAL AND CONFIDENTIAL

MEMORANDUM FOR MR. CHADENET  
MR. KRIEGER

Nicholas Barletta, Minister of Planning and Economic Policy of Panama, told me in great confidence that he plans to leave his government assignment approximately six months from now and would be interested in working in the Bank if we had any appropriate position for him.

What do you suggest?

Robert S. McNamara

RMcN:mss



492/3/341

ROBERT S MCNAMARA

SEPTEMBER 30, 1976

PICC  
MANILA

TELEX

PHILIPPINES

ADAM YARMOLINSKY REQUESTS REPLY TO FOLLOWING MESSAGE. WORLD AFFAIRS  
COUNCIL OF BOSTON HAS CHOSEN YOU FOR ANNUAL HERTER MEMORIAL AWARD. COUNCIL  
WISHES DEMONSTRATE SUPPORT BEFORE WIDE NEW ENGLAND AUDIENCE FOR VITAL  
IMPORTANCE BUILDING NORTH SOUTH RELATIONSHIPS AT THIS TIME. LAST THREE  
AWARDS KISSINGER, KENNEDY, RICHARDSON. WILL TELEPHONE YOU WASHINGTON  
OCTOBER TWELVE RE POSSIBLE DATES SECOND HALF NOVEMBER OR EARLY DECEMBER  
FOR AWARDS LUNCH.

BLANCHE MOORE

Mr. Spangler-Executive Director of Council  
617: 267 6674

Blanche M. Moore  
Office of the President

BMM



## OFFICE MEMORANDUM

by Peg Stroud  
~~D-326~~  
492/3/340

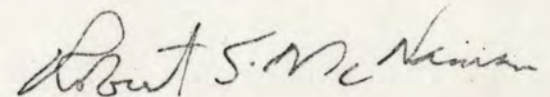
TO: Mr. Y. Khelif, Executive Director

DATE: September 24, 1976

FROM: Robert S. McNamara

SUBJECT: TUNISIA: Third Window Eligibility

1. Thank you for your memorandum of September 17, drawing my attention, in connection with the negotiations on a Second Agricultural Credit project in Tunisia, to the question of Tunisia's eligibility for Third Window financing.
2. As I indicated in my memorandum of May 14 on the same subject, when we compared Tunisia with other countries we found that Tunisia clearly meets the criteria of performance and creditworthiness. However, as I wrote then, we regard the country as a marginal claimant for Third Window resources under the other two criteria for eligibility, poverty and access to alternative sources of capital. The table you attached to your September 17 memorandum places Tunisia's 1972 GNP per capita marginally higher than that of the other countries with which you compare it; the country's outstanding growth record and terms of trade gains since 1972 now put Tunisia in an even stronger position, as reflected in the 1975 GNP per capita figures circulated on August 6, 1976 under cover of R76-204. With regard to Tunisia's access to alternative sources of finance, we have noted that, as you say, the Government is prudently limiting its recourse to borrowing on commercial terms and that it is only beginning to establish Tunisia in the international financial markets. We believe that the country's debt servicing capacity would permit substantial borrowing from these sources while the close links with its traditional bilateral sources of concessionary finance, as well as with the Arab sources of capital, should enable it to obtain the official aid on softer terms needed to maintain the overall debt burden at a manageable level.
3. Under these circumstances, our position remains that, given the extremely limited Third Window funds available, we must give higher priority for the time being to countries that are poorer than Tunisia. If the donor countries to the Interest Subsidy Fund should decide to increase their contributions and make a second tranche of Third Window lending possible, we would, of course, reexamine the case of Tunisia.





492/3/339

September 24, 1976

Dear Stu:

Before leaving tonight for Manila to attend the Annual Meeting of the Governors of the World Bank and the International Monetary Fund, I want to join with others in paying tribute to you for a lifetime of service to our nation. As business leader, governmental executive and, for the past 24 years a source of enlightenment in the Senate, you have been an inspiration to me and to countless other Americans.

You are so young in heart, both in action and spirit, that I know we will all continue to benefit from your wisdom for many years to come. I, in particular, am grateful for the help I have received from you in the past and I know I can count on similar assistance in the future.

With best wishes,

Sincerely,

Robert S. McNamara

The Honorable  
Stuart Symington  
United States Senate

RMcN:bmm



492/3/338

SEP 24 1976

Dear Mr. Minister:

Please refer to your letter of September 7, 1976, proposing arrangements for the co-financing of development projects by your Ministry and the International Bank for Reconstruction and Development or the International Development Association. I am happy to inform you that the arrangements proposed in your letter are acceptable to the Bank and IDA, and I agree that they shall take effect on the date of this letter.

I would like also to take this opportunity to express my appreciation for the interest which the Netherlands has shown in associating its aid program with the World Bank, and I look forward to close and fruitful co-operation in the financing of high-priority development projects, particularly those directed to alleviating the needs of the poorest 40% of the population of the developing countries.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

The Honorable J.P. Pronk  
Netherlands Minister for  
Development Co-operation  
Financial and Economic Development  
Co-operation Department  
Ministry of Foreign Affairs  
The Hague  
The Netherlands

cc: Mr. Baum  
Mr. Broches  
Mr. Cargill  
Regional Vice Presidents

RAHornstein:cbk



492/3/337

September 24, 1976

Dear Maury:

In your letter dated September 17, you suggested that I lead the discussion at the Tokyo Tidewater meeting on the subject of "Reappraisal of Development Strategy and Types of Assistance."

Would it not be wise to ask someone else, for example, either Michanek or Pronk, to take the lead in such a discussion -- I have served as a discussion leader at several Tidewater meetings and I do not wish to dominate or appear to dominate the proceedings.

With best wishes,

Sincerely,



Robert S. McNamara

Mr. Maurice J. Williams  
Chairman  
Development Assistance Committee  
2, rue Andre Pascal  
Paris XVI

cc: Mr. Wm. Clark  
RMcN:bmm



402/3/336

September 20, 1976

MEMORANDUM FOR MR. WEINER

The "Annual Report on Operations Evaluation" states, "OED plans to be more selective in future performance audits . . . Only 10 to 20% of all completed projects will continue to be subjected to a thorough, independent review by OED."

I have no objection to OED using the Project Completion Report to whatever extent it considers justified. However, it must be understood that OED's use of the Project Completion Reports does not relieve OED of the responsibility for the content of each Project Performance Audit Report.

Robert S. McNamara

RMcN:mss



492/3/335

September 20, 1976

MEMORANDUM FOR MR. BAUM

Of the 30 Project Performance Audit Reports in process as of July 1, 1976, only 16 will include Project Completion Reports.

Why will not all of the Audit Reports include Completion Reports?

Robert S. McNamara

cc: Mr. Weiner

RMcN:mss



492/3/334

SEP 20 1976

Dear Mr. Zeldenstein:

Thank you for sending me the Council's report on information activities in 1976. I was glad to learn that you are now developing a press list which would substantially increase the reach of the Council's publications and special reports.

The Bank's budget for the current fiscal year includes a \$40,000 contribution to the Council's information program. I have asked the Information & Public Affairs Department to remit the amount.

I hope that your discussions with Dr. Kanagaratnam on opportunities for further collaboration between our two organizations will be productive, and regret that it was necessary for me to be out of Washington during your visit here. I look forward to hearing more of the new programs as laid out in your Future Directions papers.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. George Zeldenstein  
President  
The Population Council  
245 Park Avenue  
New York, N.Y. 10017

Cleared with and cc: Dr. Kanagaratnam  
cc: Mr. Burmester

JEM:rgw

September 16, 1976



492/3/333

SEP 20 1976

Dear Barney:

I would like to express my great appreciation for the time and effort that you and the other members of the Population Advisory Panel have devoted to considering how the World Bank's population efforts can be made more effective. I am deeply grateful for the sacrifices all of you have made to present to the Bank a comprehensive, readable and extremely useful Report on your deliberations and recommendations.

Your final Report has been distributed to the Executive Directors of the Bank, and I would expect to discuss it with them some time this Fall. Meanwhile, my colleagues and I have begun to give the document the careful study that it warrants.

You are aware, I know, of my firm commitment to assist the developing countries in lowering their excessive rates of population growth — rates which are crippling their development efforts. My concern is that more needs to be done worldwide to ease this critical problem. The Panel's efforts will, I am sure, enable the World Bank Group to utilize its resources more effectively in this endeavor.

I look forward to continuing to draw upon the experience and counsel of the Panel as our work in implementing the Report progresses.

With warmest personal regards,

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Bernard Berelson  
Chairman External Advisory Panel on Population  
24 MacLean Circle  
Princeton, N.J. 08540

Copies to: Mr. A. Chandra Sekhar  
Dr. Ronald W. Freedman  
Mr. Göran Ohlin  
Dr. F.T. Sai

cc: Mr. McNamara's office (2)  
Mr. Warren C. Baum (cleared)



492/3/332

SEP 17 1976

His Excellency  
Lic. Daniel Oduber  
President of the Republic  
of Costa Rica  
San Jose  
Costa Rica

Dear Mr. President:

Thank you for your letter of August 3. I am pleased that your Government has developed and presented to us a project for rural development. The problem of rural poverty is of mutual concern, and the World Bank is fully prepared to cooperate in support of your efforts to deal with it. My staff advises that detailed discussions of the project have already taken place with Government representatives and that we are planning to send a project appraisal mission to Costa Rica later this month. There is, however, one matter of concern to us in this connection. I understand that there is a possibility of a substantial overlap between the agricultural credit portion of the proposal presented to us and a proposal for an agricultural credit loan being sent to the Inter-American Development Bank. I am informed that discussions have begun on this matter between officials of the Government and the Bank with a view to clarifying the situation in time to avoid any delay in our processing of the project. Our desire is to work out a solution which will maximize the benefit to Costa Rica of the resources that might be made available from both the Bank and the IDB for agriculture and rural development.

With regard to the proposal for a permanent Bank office in Costa Rica for Central America and Panama, I regret that I cannot hold out much hope that we will be able to establish such an office any time in the near future. In reviewing your request, we came to the conclusion that it would require a number of persons in different fields of expertise



Translation of Letter  
Dated August 3, 1976

Mr. Robert S. McNamara  
President  
World Bank  
Washington, D. C.

Dear Mr. President:

During your visit to our country in November of 1975, we informed you of our plans for intensification of our efforts to eliminate poverty in rural areas and requested technical and financial assistance from the World Bank for this purpose.

We hope that the proposal we made to you for the establishment in our country of a permanent Bank mission to assist the countries of Central America and Panama in preparation and execution of projects has been favorably received, and that the mission will be established in the near future.

As we then informed you, we have prepared, on a priority basis, a modest program of rural development which is scheduled to commence in early 1977 and which, in order to obtain the necessary financing for its implementation, is now being presented through you to the Bank.

Yours very sincerely,

Daniel Oduber

GDolenc/GFFlood



Lic. Daniel Oduber

- 2 -

for an office of this kind to be useful. Under the circumstances, and given Costa Rica's close geographic proximity to Washington, it would be difficult for us to justify opening an office in Costa Rica. Nevertheless, I fully appreciate the importance to the countries of Central America and Panama of improved project preparation and implementation capacity, particularly in the fields of agriculture and rural development. My staff is now reviewing with the United Nations Development Programme and the OAS how we might cooperate more closely in order to assist the Central American countries in these areas.

I retain fond memories of my trip to Costa Rica last November. It was indeed a most stimulating and rewarding experience.

With kind personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. McNamara's Office (2)

Cleared with and cc:

Mr. Lerdaun, Director, LAC I

Mr. Haasjes, Division Chief, LAC Projects

GFFlood/GDolenc:mdk

Typed: September 13, 1976



492/3/331

SEP 17 1976

Dear Dr. Ali,

Thank you very much for your letter of August 22, 1976 which was delivered to me by your delegate, Dr. A.S. Heiba.

Your interest in the Gorgol Irrigation Project in Mauritania is most encouraging as we share your concern to complete in the shortest possible time the preparation of this important project, the financing requirements of which will in all probability exceed the resources we would be able to devote to it. In this spirit we have had very frank and constructive conversations with Dr. Heiba covering the concept of the project and the various technical, administrative and financial obstacles to be overcome in order to bring it to fruition. We look forward to a continuation of this constructive dialogue through the remaining stages of project preparation.

I sincerely hope that we can build on this present dialogue the basis for mutual cooperation in support of the priority development programs of those countries in which we share a common interest.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

H.E. Dr. Ahmad Mohamed Ali  
President  
Islamic Development Bank  
Jeddah, Saudi Arabia

September 16, 1976  
cc. Messrs. de la Renaudière, Meimaris, Gois, Ginnsz  
Ms. Ono

MGillette:ceh



UNOFFICIAL TRANSLATION OF OUTGOING LETTER

September 9, 1976.

His Excellency  
Ismael Touré  
Minister of Economy and Finance  
Conakry,  
GUINEA

Mr. Minister,

Thank you for your letter of August 3 regarding infrastructure financing for the Nimba Iron ore project.

Recognizing the importance your government attaches to the mining sector, we would be pleased to participate in the financing of the Nimba project once suitable conditions for such financing have been established. Infrastructure would however, be but one component of an integrated investment program for the project as a whole. It would be useful, therefore, for us to indicate to you our view of the project's current status.

The Nimba project has comparative advantages in that its abundant high-grade reserves of iron ore are located near the existing LAMCO railway. Considerable quantities of ore could thus feasibly be extracted from Nimba at reasonable cost and should consequently be of interest to most ore consumers.

We know that you are making great efforts to involve potential consumers as shareholders in this venture; but diversification of shareholdings should not be taken too far. It is essential that a few major firms, which would consume large quantities of Nimba ore, provide a substantial part of the capital for the venture and that one of them play a leading role in its technical and financial preparation, and ultimately in its execution. While realizing that your government has been working in this direction, we believe that further progress needs to be made to place the project on a sound footing.

We hope to keep in touch with you on this and other points and are planning to send a mission in the near future to discuss the project with you. In the meantime, we ask you to inform us of all advances in the technical preparation of the project, in particular regarding the additional necessary drilling and the development of the mining plan. We would also like to be kept informed of the status of negotiations with Liberia and LAMCO on the implementation of the agreement to use the LAMCO rail line for ore evacuation. Looking forward to hearing your views concerning the suggestions we have made, I remain,

Sincerely,

FBallard/XdelaRenaudière/rv

Robert S. McNamara



4912/3/330

cc: for Mr. McNamara's Office

SEP 17 1976

Son Excellence  
Ismael Touré  
Ministre du Domaine de l'Economie,  
et des Finances  
Conakry,  
GUINEE

Monsieur le Ministre,

Je vous remercie vivement de votre lettre du 3 août relative au financement de l'infrastructure nécessaire pour la réalisation du projet d'exploitation des gisements de minerai de fer du Mont Nimba.

Nous savons l'importance que votre gouvernement, parallèlement à ses efforts en matière de développement rural et d'infrastructure, attache au secteur minier et pour notre part nous serons heureux de nous associer au financement du nouveau projet que vous envisagez quand seront réunies les conditions permettant de mettre en place un tel financement. Il va de soi, en effet, que le financement de l'infrastructure fera partie d'un programme intégré d'investissements concernant l'ensemble des éléments du projet. Il conviendrait donc que nous fassions avec vous le point détaillé de la situation actuelle du projet et des engagements qui ont été pris par vos différents partenaires publics et privés.

Nous savons que votre projet dispose d'un certain nombre d'atouts importants: un minerai abondant et de haute teneur, situé à proximité d'une infrastructure existante: le chemin de fer de LAMCO. Il est donc probable que ce projet pourra produire d'importantes quantités de minerai de fer à un coût d'investissement et de production raisonnable et, par conséquent, devrait intéresser au grand nombre d'acheteurs éventuels. Nous avons d'ailleurs suivi avec intérêt les efforts faits par le Gouvernement guinéen pour associer de tels partenaires à ce projet.

Dans le passé, nous n'avons jamais manqué de vous indiquer de la façon la plus ouverte les éventuels points faibles de ce projet. Il est bon que la Guinée ait pu associer au projet plusieurs gouvernements et sociétés privées susceptibles d'acquérir des parts plus ou moins grandes de la production. Cette diversification ne devrait pas être poussée trop loin. Il est en effet indispensable qu'un petit nombre de grandes entreprises, directement consommatrices de grandes quantités de minerai, prennent une



part très substantielle du capital, l'une d'elles jouant un rôle éminent dans la promotion technique et financière du projet, dans la préparation d'un plan optimal d'investissement et d'exploitation de la mine, dans la conception des contrats d'achat à long terme et autres engagements assurant la viabilité financière de l'opération, dans la mise au point d'un plan de financement satisfaisant et ultérieurement dans la gestion. Nous savons que les autorités guinéennes ont effectivement travaillé dans cette direction: nous pensons néanmoins que de nouveaux progrès dans cette voie sont absolument nécessaires pour établir le projet sur des bases efficaces.

Compte tenu de tout ce qui précède, nous souhaitons donc reprendre contact avec vous et envisageons d'envoyer prochainement une mission qui pourrait discuter des principaux problèmes posés. Dans l'intervalle, nous vous serions très reconnaissants d'une part de bien vouloir nous faire connaître les dispositions qui sont prises pour poursuivre les explorations nécessaires en vue de préciser davantage encore les renseignements déjà disponibles sur les réserves de la mine, et préparer le plan minier, d'autre part de nous tenir au courant des négociations poursuivies avec le Libéria et LAMCO en vue de déterminer de façon détaillée, dans le cadre des accords de principe déjà conclus, les conditions et modalités d'évacuation du minerai, enfin de nous communiquer vos vues sur les suggestions contenues dans la présente lettre.

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

(Signed) Robert S. McNamara

Robert S. McNamara

PBallard/XdelaRenaudière/rv  
September 9, 1976



492/3/329

cc: Mr. McNamara's Office (2) ✓

Son Excellence  
Léopold Sédar Senghor  
Président de la République  
du Sénégal  
Président de l'Organisation  
pour la Mise en Valeur du  
Fleuve Sénégal  
Dakar, Sénégal

SEP 17 1976

Monsieur le Président,

Je vous remercie vivement de votre lettre du 13 juillet que votre Ambassadeur à Washington vient de nous faire parvenir. Comme nous l'avons indiqué lors de la conférence de Dakar que vous avez organisée en juin dernier, nous souhaitons apporter notre soutien au programme de l'OMVS et envisageons favorablement de participer au financement d'éléments de l'infrastructure régionale, si les études d'exécution qui ont déjà commencé ou vont être prochainement lancées démontrent ou confirment leur justification. Pendant l'exécution de ces études, nous souhaitons vivement contribuer à d'autres éléments du programme de l'OMVS et je suis heureux de saisir cette occasion pour vous indiquer nos vues sur les différents aspects de nos interventions.

Comme vous l'avez vous-même exposé de façon si convaincante lors de votre discours du 14 juin à l'ouverture de la conférence de Dakar, il est nécessaire et urgent d'entreprendre un vaste programme d'investissements permettant aux pays riverains du Sénégal de mieux utiliser les ressources hydrauliques de la région et d'acquérir une maîtrise de l'eau sans laquelle des progrès décisifs ne peuvent pas être obtenus dans le domaine agricole et qui seule mettra les habitants de la zone à l'abri des catastrophes climatiques des années 1972-73.

Néanmoins il va de soi que la construction des barrages de Diama et de Manantali ne représente qu'une partie d'un programme beaucoup plus vaste, comportant notamment la réalisation de projets hydroagricoles nationaux bénéficiant de cette infrastructure. Comme vous le savez les études de factibilité de l'OMVS sont basées sur une cadence d'aménagements d'au moins 5.000 hectares par an dès les premières années, qui devrait s'accélérer rapidement au cours des années suivantes. Il paraît donc essentiel de parallèlement à l'étude et à la réalisation de l'infrastructure régionale, les pays riverains et les organismes d'aide s'emploient activement à préparer et réaliser des projets d'irrigation permettant sinon d'atteindre ces cadences accélérées, du moins d'augmenter progressivement les rythmes d'aménagement actuellement réalisés.



C'est dans cet esprit que nous suivons les efforts des organismes nationaux de développement rural pour planifier, étudier et exécuter des programmes de développement spécifique. Comme vous le savez, au Sénégal, après avoir financé l'aménagement du polder de Dagana, nous envisageons de financer prochainement le projet de Debi-Lampsar. En Mauritanie, une mission récente de la Banque a examiné avec les autorités mauritaniennes un programme d'assistance à SONADER. L'intensification de ces actions de développement nous paraît tellement importante que nous souhaitons lui consacrer une part substantielle des fonds que le Groupe de la Banque peut envisager d'affecter au programme de l'OMVS.

En concentrant une part importante de nos activités sur ce type d'interventions, nous avons en fait le sentiment de contribuer de façon positive et immédiate à la réalisation des objectifs que se propose l'OMVS. Une intensification du rythme des aménagements hydro-agricoles ne peut, à notre avis, qu'encourager les bailleurs de fonds à consacrer des ressources importantes à l'infrastructure régionale. Sans elle, au contraire, il est à craindre que même les plus convaincus deviennent hésitants.

Voici donc quelques réflexions que m'inspire votre importante lettre et quelques idées que je souhaitais vous communiquer au sujet du programme de mise en valeur du fleuve Sénégal. Encore une fois bien que nous ne soyons pas encore en mesure de porter un jugement définitif sur tous les éléments de l'infrastructure régionale envisagés, nous examinerons les résultats des études en cours avec la plus grande attention et restons prêts à envisager une contribution substantielle au financement de cette infrastructure. Les montants que nous pourrions alors consacrer à ce financement dépendront d'un très grand nombre de facteurs, dont notamment, le volume général des ressources dont disposerait à ce moment-là le Groupe de la Banque Mondiale; mais sans attendre le moment de cette décision, nous souhaitons oeuvrer de façon constructive en faveur du programme régional, en aidant à la préparation et à la réalisation de nombreux aménagements hydroagricoles qui constituent, nous semble-t-il, la justification véritable de l'ensemble de l'investissement.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Cleared in substance and cc: Mr. Thalwitz, Mr. van Gigch

cc: Messrs. Sadove  
Chaufournier  
Wright  
Bazin  
Gillette  
Whyte  
Meimaris

Messrs. Brown  
King  
de Leede  
de Liedekerke  
Gisle  
Jones  
Ms. Ono

XdeLaRenaudière:dlt  
September 13, 1976



492/3/328

cc. Mr. McNamara's office

SFP 16 1976

Dear Mr. Labidi:

I would like to thank you for your letter of August 20 in which you indicated your appreciation for the cooperation that has developed over the years between the African Development Bank and the World Bank Group.

We too would like to express our thanks for the efforts made by the ADB since its creation and particularly during your term as President, toward the development of smooth and effective working relations between our two institutions. This cooperation has, of course, been highly beneficial to our member countries.

I would like to wish you all success in your new endeavors.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Abdelwahab Labidi  
62 Bis Rue de la Tour  
75016 Paris  
France

September 15, 1976

cc. Mr. Chaffey

XdeLaRenaudiere:tp



492/3/326

SEP 13 1976

**Distinguidos Sres. Ministros:**

Tengo el agrado de dirigirme a usted en respuesta a su atenta carta del 27 de agosto de 1976, en la que nos informan que la Entidad Binacional Yacyretá enviará al Banco un estudio financiero actualizado de este proyecto de aprovechamiento hidroeléctrico del Río Paraná.

Al respecto, quisiera comunicarle que el 10 de marzo de 1976, en ocasión de mi visita al Paraguay, tuvimos una reunión con los ejecutivos de Yacyretá, los señores Legisa, Rodas, Lamónica y Ferreira. En esa reunión tuve la oportunidad de enterarme de la importancia de este proyecto para Argentina y Paraguay y de expresarles el interés del Banco Mundial en analizar los aspectos técnicos, financieros y económicos del proyecto. Quisiera por tanto reiterar, señores Ministros, nuestro interés en analizar los citados estudios tan pronto estén a nuestra disposición. Una vez que hayamos completado el análisis de los estudios, me comunicaré nuevamente con ustedes para transmitirles nuestras conclusiones preliminares.

Me valgo de esta oportunidad para reiterarles, señores Ministros, las expresiones de mi más distinguida consideración y aprecio.

Muy atentamente,

(Signed) Robert S. McNamara  
Robert S. McNamara

Excelentísimo  
General D.I.M. Cesar Barrientos  
Ministro de Hacienda de la  
República del Paraguay  
Asunción, Paraguay

Excelentísimo  
Dr. Jose Alfredo Martinez de Hoz  
Ministro de Economía de la  
República de Argentina  
Buenos Aires, Argentina

Cleared with and cc: Messrs.: Wiese, Director, LAC II  
van der Meer, Director, LAC Projects

Rarrivillaga/dpb

Sept. 10, 1976



492/3/325

SFP 13 1976

**Distinguidos Sres. Ministros:**

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Muy atentamente,

(Signed) Robert S. McNamara

Robert S. McNamara

Excelentísimo  
General D.I.M. Cesar Barrientos  
Ministro de Hacienda de la  
República del Paraguay  
Asunción, Paraguay

Excelentísimo  
Dr. Jose Alfredo Martinez de Hoz  
Ministro de Economía de la  
República de Argentina  
Buenos Aires, Argentina

Cleared with and cc: Messrs. Wiese, Director, LAC II  
van der Meer, Director, LAC Projects

Rarrivillaga/dpb

Sept. 10, 1976



492/3/324

SEP 10 1976

Dear Mr. Ambassador:

Thank you for your letter of August 25, 1976, transmitting the invitation of Mr. Bunroku Yoshino, Deputy Minister for Foreign Affairs, to the Eighth Tidewater Conference to be held in Japan from December 3 to 5, 1976.

I am pleased to accept the invitation and would be obliged if you would let Mr. Yoshino know that I look forward with pleasure to participating in the Conference.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Fumihiko Togo  
Ambassador of Japan  
Embassy of Japan  
2520 Massachusetts Avenue, N.W.  
Washington D.C. 20008

LPChatenay:sf



492/3/323

**DECLASSIFIED**

**OCT 23 2012**

SEP 10 1976

**CONFIDENTIAL**  
**WBG ARCHIVES**

Dear Halfdan:

I must apologize for not replying earlier to your letter of August 3 about the leadership of the Onchocerciasis Control Program, but I have been away from the office most of August and have only now had time to consider your proposal.

My reaction is very positive. We value Marc Bazin highly in the Bank and would normally be reluctant to release him. However, this would be a unique opportunity for him to broaden his experience by participating directly in the management of a program with which, as you point out, he has long been closely associated, and I therefore readily agree to your proposal, it being, of course, understood that while on this assignment he would be acting entirely under the authority of WHO and not of the Bank.

As to the ways and means of putting the proposal into effect, one possibility would be for the Bank to grant Mr. Bazin leave of absence, initially for a period of two years, and he could then enter into a contract with WHO for this period. He plans to visit Geneva next week to discuss this matter, and our Personnel Department will, of course, be ready to help if called upon.

Sincerely,

**((Signed)) Robert S. McNamara**

**Robert S. McNamara**

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

cc: **Mr. Wright  
Mr. R. Clarke  
Ms. S. Boskey  
Mr. Bazin**

**EPWright/lgl  
Sept. 9, 1976**



492/3/321

DEUTSCHBANK  
FRANKFURT

SEPTEMBER 10, 1976

ORIGINATOR'S EXT: 2228

TELEX

GERMANY

ATTENTION: DR. WILFRIED GUTH  
MANAGING DIRECTOR

THANK YOU FOR YOUR CABLE OF SEPTEMBER 8 CONFIRMING THE SIGNING OF THE AGREEMENT FOR OUR PUBLIC AND PRIVATE ISSUES AGGREGATING DM 400 MILLION STOP LET ME TAKE THIS OPPORTUNITY TO EXPRESS MY APPRECIATION FOR THE INITIATIVES WHICH THE DEUTSCHE BANK HAS TAKEN IN OPENING UP OPPORTUNITIES FOR THE WORLD BANK TO RAISE FUNDS IN THE CAPITAL MARKETS THROUGH PUBLIC ISSUES AND PRIVATE PLACEMENTS STOP WITH BEST WISHES

ROBERT S. MCNAMARA  
PRESIDENT  
INTBAFRAD

H. C. Hittmair  
Treasurer's

I/ P. M Cargill



492/3/320

SEP 8 1976

~~SEP 8 1976~~

SWISS BANK CORPORATION

1, AESCHENVORSTADT  
CH-4002 BASLE  
SWITZERLAND

ATTENTION DR. FRANZ LUTOLF  
GENERAL MANAGER

TELEX NO.  
62773

I WOULD LIKE TO EXPRESS MY APPRECIATION TO YOU FOR THE PRIVATE  
PLACEMENT OF SWF 100 MILLION EXTENDED TO THE WORLD BANK BY YOUR  
INSTITUTION AND FOR YOUR COOPERATION IN THE WORLD BANK'S ENDEAVORS  
TO RAISE FUNDS IN THE PRIVATE AND PUBLIC MARKETS OF SWITZERLAND.  
PLEASE EXTEND MY APPRECIATION TO THE OTHER MEMBERS OF THE BANKING  
SYNDICATE FOR THEIR VALUABLE SUPPORT OF OUR BORROWING OPERATIONS.

(Signed) Robert S. McNamara

ROBERT MCNAMARA  
PRESIDENT

INTBAFRAD

Eugene H. Rotberg /Cargill

Treasurer's

JRadifera:jme

cc: Messrs McNamara (2)  
Cargill, Goodman, Rothenbuhler,  
Deely, Uhrig



492/3/319

SEP 8 1976

Dear Dr. Hegazy:

I was glad to receive your letter indicating that you have decided to re-activate your Accounting and Managerial Consultancy firm. I, of course, remember meeting with you and very much appreciated your personal efforts to enhance co-operation between Egypt and the World Bank during your term as Prime Minister.

I brought your letter to the attention of Mr. Benjenk who has passed on the information you supplied to the two staff members of the Bank most directly concerned with Consultancy Services: Mr. C. Finne, Consultant Services Officer on the Projects Advisory Staff, who is concerned with the needs of our borrowers for expert assistance and Mrs. F.G. Stone, Chief, Consultants Section of our Personnel Department who provides similar services for our own internal needs. Both will place the name of your firm on our roster of experts and make available, as appropriate, your informational brochure to interested parties.

Wide international experience, such as yours, is a scarce commodity and its use in the cause of development is one of the aims of this institution. Your interest in development and your offer to make yourself available for our particular work in the field is very much appreciated.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. A. M. Hegazy & Co.  
Accountants and Management Consultants  
3 Manshat el Kataba  
P.O.B. 2321  
Cairo, Egypt

cc: for Mr. McNamara's Office

cc: Messrs. Benjenk, Burmester, Knox

KDJones/MBenjenk:baf



492/3/318

SEP 8 1976

Dear Mr. Minister:

Thank you for your kind letter of August 14, 1976 expressing your gratitude for the interest that I have shown in India's population problem. I was pleased to have had the opportunity to meet Mr. Gian Prakash, Secretary to the Ministry of Health and Family Planning, and to learn more about your National Population Policy.

My colleagues and I are indeed interested in assisting your Government's efforts to cope with its problem of rapid population growth. We look forward to receiving the proposal for a second population project. You may be assured that the Bank will continue to assist India in this important work in any way feasible.

I am also grateful for the copy of your April 16, 1976 National Population Policy statement.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Karan Singh  
Minister of Health and Family Planning  
New Delhi, India

cc: Mr. Stern, Vice President, South Asia  
Mr. Blobel, Director, South Asia  
Mr. Rajagopalan, Assistant Director, South Asia  
Mr. Alisbah, Division Chief, South Asia  
Dr. Kanagaratnam, Director, Population Projects o/r  
Mr. Jones, Project Officer, Population Projects o/r

HWMessenger/rb  
August 26, 1976  
INDIA/PNP



492/3/317

COPY

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

September 8, 1976

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

Dear Sirs:

With respect to the financial statements of the International Bank for Reconstruction and Development as listed in the Table of Contents of the Prospectus relating to the offering of the 7.75% Deutsche Mark Bonds of 1976, in the principal amount of DM 250 million, we confirm that, to the best of our knowledge and belief, the statements made in our letter of July 30, 1976, relating to the annual audit of the Bank's accounts for the fiscal year ended June 30, 1976, are correct as of this date (except that payments due to the Bank under loan agreements but unpaid as of September 7, 1976 are as shown in the attached list).

There have been no developments since our last letter of July 30, 1976, which would materially affect these financial statements, and in addition, we know of no event since this date, 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 operations of the Bank.

Sincerely,

(Signed) Robert S. McNamara

-----  
President

(Signed) A. Broches

-----  
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 September 7, 1976

<u>Loan No.</u>	<u>Due Date</u>	<u>US \$ Equivalent</u>
944 LE	March 15, 1976	\$ 264,554
877 LE	April 1, 1976	24,750
427 UNI	July 15, 1976	5,000
129 LE	August 2, 1976	1,166,748
983 CM	August 2, 1976	44,154
807 VE	August 16, 1976	19,505
815 TUN	August 16, 1976	1,710
861 MOR	August 16, 1976	1,058,998
907 LBR	August 16, 1976	50,555
553 SL	August 16, 1976	56,450
440 SU	August 16, 1976	9,445
677 BR	September 1, 1976	14,915
738 CO	September 1, 1976	75,250
450 ME	September 1, 1976	42,025
610 ME	September 1, 1976	118,680
391 VE	September 1, 1976	17,570
980 OM	September 1, 1976	23,632
985 OM	September 1, 1976	10,312
581 TUN	September 1, 1976	6,550
858 TUN	September 1, 1976	52,500
531 YU	September 1, 1976	30,405
608 YU	September 1, 1976	81,475
678 YU	September 1, 1976	306,360
1174 BF	September 1, 1976	21,750
1063 TA	September 1, 1976	8,215
753 MA	September 1, 1976	5,070
789 IN	September 1, 1976	221,030
	Total	<u>\$ 3,737,608</u>



4912/3/315

AUG 20 1976

Re: Proposed Consultative Group for Egypt

Dear Brad:

Following discussions between the Government of the Arab Republic of Egypt and the Bank, the Bank has been requested by that Government to establish a consultative group to assist in coordinating the aid provided to Egypt. The attached Aide Memoire explains in some detail the principal features that the proposed consultative group would have.

The purpose of this letter is to invite the United Nations Development Programme to participate as a member of such a group. A similar invitation is being sent to other major donor governments and agencies which have been actively providing assistance to Egypt in the past year. At this time these are: the Governments of Canada, Denmark, France, Germany, Iran, Japan, Kuwait, Netherlands, Qatar, Saudi Arabia, United Arab Emirates, United Kingdom, and United States and the African Development Bank, the Arab Fund for Economic and Social Development, the International Monetary Fund, and the Islamic Development Bank.

I would very much hope that it will be possible for the United Nations Development Programme to respond favorably to this invitation by September 15, 1976. A first meeting of the group is tentatively planned for late 1976 or January 1977. We hope to issue specific invitations for the first meeting, together with the agenda, as soon as the membership has been determined and the date of the meeting established.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Bradford Morse  
Administrator  
United Nations Development  
Programme  
1 United Nations Plaza  
New York, New York 10017

cc: Messrs. Wapenhans, Paijmans, Knox, Asfour o/r  
MSAiyer:bp  
8/18/76

cc: For Mr. McNamara's Office



AIDE MEMOIRE  
CONSULTATIVE GROUP  
FOR THE ARAB REPUBLIC OF EGYPT

Introduction

1. The Government of the Arab Republic of Egypt (Egypt) and the World Bank (Bank) have been pursuing an active dialogue in Egypt's economic policies and development. In this context, the desirability of establishing a consultative group of donors to Egypt has been discussed on a number of occasions. The Egyptian Government has now formally requested the Bank to organize such a group. In the Bank's view the establishment of a mechanism at this time for consultation between Egypt and bilateral and multilateral aid-giving donors would be of considerable benefit and importance to Egypt, and would significantly contribute to the value of the international effort in support of its economic development. In order to be effective, a consultative group normally includes the recipient country, major aid donors and--in addition to the Bank which acts as the Chairman--certain international organizations. This Aide Memoire provides information on the manner in which a consultative group arrangement for Egypt would operate.

The Consultative Group

2. The consultative group would, as is customary, be designed primarily to provide a framework for discussion and exchange of views within which interested bilateral aid-giving donor governments and other agencies can assess Egypt's development, performance, potential and aid requirements. It would also serve to identify Egypt's priority development needs and enable donors to form a view on the type, volume and terms of assistance most appropriate to the circumstances of the recipient country. The consultations of such a group would not in any way detract from bilateral relationships between donor governments or agencies and Egypt, and donor governments or agencies would not be expected to formally pledge specific amounts or types of development assistance in the group meetings. The role of the group, therefore, is purely advisory and as a forum for "consultation" as implied by its title. Also the group is not in any way a decision-taking body. Agreements on the actual amounts or type of aid or the areas to which it would be directed would continue to be reached on a bilateral basis by each of the donors participating in such a group with Egypt.

3. The Bank would provide--from time to time and in any case prior to meetings of the consultative group--factual and analytical material necessary to enable the participants to make a balanced assessment of the country's progress, of the difficulties it encounters, of its prospects and priority needs, and--where appropriate--of how the members of the group can contribute to development efforts. As in the case with other consultative groups the Bank would convene and chair the meetings of the Egypt group and provide the secretariat services. Technical subcommittees may be formed at a later stage to address specific sectoral issues as needed.



4. Should the participants in the group wish, the Bank whenever able will also be prepared to assist in identifying, preparing and analyzing priority investment projects which would be suitable for external financing and which could form the vehicles through which aid could be provided by the donors. Similarly, the Bank would be prepared to assist in identifying and securing needed technical assistance in the various areas of the Egyptian economy.

5. Thus the setting up of a consultative group which would meet periodically would represent a constructive contribution, and enable a coordinated and thus more effective assistance effort by donors, to Egypt's economic development.

Specific Objectives of the  
Consultative Group for Egypt

6. The objectives of the proposed consultative group would include the following:

- (a) provide a forum for Egypt to inform interested countries and agencies of its development problems and goals, thus promoting a better understanding of its development process, the particular difficulties encountered during this process, and the country's long-term prospects;
- (b) enable the participants--both Egypt and the donors--jointly to review and consider Egypt's development programs and needs in a comprehensive, continuing fashion, on the basis of detailed information and analysis which will mainly be provided by the Bank;
- (c) provide opportunities for exchange of information among donors about their respective programs and activities and thus achieve a higher degree of coordination with a view to enhancing the implementation and complementarity of aid efforts;
- (d) foster greater regularity in decisions by donors on development assistance to Egypt, and in consequence attain greater continuity in aid flows;
- (e) help adjust the character and terms of aid to Egypt's particular circumstances; and
- (f) reduce duplication of effort in the presentation and review of programs and projects, and disparity of criteria and terms of aid from various sources.

Participation

7. For this consultative group to be functional and achieve its objectives, it should initially consist of as many as possible of the approximately



ten countries that have provided substantial assistance to Egypt in the last few years, and of interested international and regional organizations actively providing assistance to Egypt. The determination of potential participants to be invited has been made in consultation with the Government of Egypt.

8. The existence of a consultative group also tends to facilitate significantly informal consultations and coordination outside the more formal periodic meetings. Senior officials may find it easier to consult with their counterparts in the recipient country, donor countries, agencies and the Bank alike on matters pertaining to the shaping of their aid efforts. In the proposed consultative group for Egypt in particular, consultations on project selection, preparation and execution--areas in which the Bank is prepared to make a contribution whenever able--could become of significant importance for the various aid donors.

#### Meetings of the Consultative Group

9. It is proposed that the group be established in the first instance with a term of approximately three years since it is designed essentially to support Egypt in overcoming the problems which currently confront its economy and to launch the country firmly on the path towards realizing its long-term potential. The exact duration of this first phase for which the group would last could be decided upon during the first meeting of the group. Also, if necessary, its life could later be extended if the participants so desire. The consultative group might initially meet about twice a year with less frequent meetings likely to occur in later years. Meetings would normally take place in the Bank's European Office in Paris which is centrally located for most participants and which provides support and facilities for such meetings.

10. The discussions of the consultative group would take place on the basis of documents which normally include a recent report on Egypt's economy, prepared by the Bank, and a program of development schemes, and statement of current and proposed economic policies and development strategy, prepared by the Government. Sector reports of particular interest, prepared by the Bank or the Government, may also be the subject of review as appropriate.

11. At the formal meetings, the Chairman would normally make a statement, summarizing the Bank's assessment of the economic situation, commenting on the development strategy for the coming year and reviewing assistance requirements. The strategy of Egypt's medium-term and other development plans would also be discussed, particularly at the first meeting of this consultative group and later if and when a major revision would have been made.

12. The leader of the Egyptian delegation would subsequently make a statement describing in some detail the economic problems of the country, as seen by the Government, and the major policy measures undertaken or contemplated to deal with these problems. The Government would present its proposed investment program within the framework of a medium-term development plan, its estimate of the external aid requirements, and its list of investment projects, broken down by sector and stage of preparation.



13. The ensuing discussions, which would normally last not more than two days, would afford opportunities to systematically review the issues presented and to provide further clarifications. After each meeting the Bank would expect to distribute to participants a summary of proceedings.

14. As mentioned earlier, interested donor governments and agencies are not expected, as a condition of participation, to pledge specific amounts or types of development assistance. Nevertheless participating donor delegations frequently indicate at consultative group meetings the scale of the external assistance they are prepared to consider or to extend, and identify specific projects for which they are willing to consider financial assistance.

15. The discussions of the consultative group meetings would, as is customary, be held in closed sessions restricted to the participants, and not be made public. Brief summary statements may be released to the press at the conclusion of the meetings.

#### Timing and Next Steps

16. Assuming a positive response is received by mid-September 1976 from interested donor governments and from aid-giving agencies to the exploration by the Bank of the degree of support for the formation of a consultative group, the Bank, after consultation with the Egyptian Government, would announce the time for the first meeting of the group and issue formal invitations to the participants. Such a meeting could possibly be scheduled in late 1976 or January 1977.

August 1976



492/3/314

AUG 20 1976

Re: Proposed Consultative Group for Egypt

Dear Johannes:

Following discussions between the Government of the Arab Republic of Egypt and the Bank, the Bank has been requested by that Government to establish a consultative group to assist in coordinating the aid provided to Egypt. The attached Aide Memoire explains in some detail the principal features that the proposed consultative group would have.

The purpose of this letter is to invite the International Monetary Fund to participate as a member of such a group. A similar invitation is being sent to other major donor governments and agencies which have been actively providing assistance to Egypt in the past year. At this time these are: the Governments of Canada, Denmark, France, Germany, Iran, Japan, Kuwait, Netherlands, Qatar, Saudi Arabia, United Arab Emirates, United Kingdom, and the United States and the African Development Bank, the Arab Fund for Economic and Social Development, the Islamic Development Bank and the United Nations Development Programme.

I would very much hope that it will be possible for the International Monetary Fund to respond favorably to this invitation by September 15, 1976. A first meeting of the group is tentatively planned for late 1976 or January 1977. We hope to issue specific invitations for the first meeting, together with the agenda, as soon as the membership has been determined and the date of the meeting established.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Johannes H. Witteveen  
Managing Director  
International Monetary Fund  
700 19th Street, N.W.  
Washington, D.C. 20431

cc: Messrs. Wapenhans, Paijmans, Knox, Asfour o/r

cc: Mr. McNamara's Office  
MSAiyer:bp

8/18/76



492/3/313

August 19, 1976

MEMORANDUM FOR MR. KEARNS

How should we organize to assure careful and continuous monitoring of World Bank projections and statements regarding future events, including commodity price forecasts, ODA projections, "Prospect Paper Projections", etc.?

Please discuss your thoughts with me when I return.

Robert S. McNamara

RMcN:bmm



492/3/312

SHIR INOUE

AUGUST 17, 1976

PRESIDENT

TELEX 5071

ASIANBK

Ext. 3585

MANILA, PHILIPPINES

THANK YOU FOR YOUR TELEX AUGUST SEVENTEEN STOP UNFORTUNATELY MR. MCNAMARA  
WILL NOT BE ABLE TO DECIDE ON HIS APPOINTMENTS DURING ANNUAL MEETING UNTIL  
AFTER HIS RETURN FROM VACATION BY MID-SEPTEMBER STOP EYE HOPE THAT THIS  
IS NOT OF TOO MUCH INCONVENIENCE TO YOU AND EYE WILL OF COURSE INFORM YOU  
OF MR. MCNAMARA'S DECISION AS SOON AS POSSIBLE BEST REGARDS

SVEN BURMESTER

PERSONAL ASSISTANT TO THE PRESIDENT

Sven Burmester

Office of President

SB:ml



492/3/311

August 16, 1976

Dear Mr. Ambassador:

I must thank you for your letter of August 9 and express my regret that you will not be able to continue to give us further help in the negotiations for the IDA-V Replenishment. Mr. Cargill has told me how helpful you have been and I do wish to express my own personal gratitude to you for all that you have done. Let me take this opportunity of wishing you every success in your important new appointment.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
J. H. Lubbers  
Ambassador of the Netherlands  
Royal Netherlands Embassy  
Oscarsgate 29  
Oslo 3, Norway

IPMCargill:plc



492/3/309  
cc: Mr. McNamara (2)

AUG 13 1976

Son Excellence  
Ahmed Sékou Touré  
Président de la République de Guinée  
Conakry  
GUINEE

Monsieur le Président,

J'ai l'honneur de vous remercier de votre lettre du 31 juillet qui m'a été remise par Messieurs les Ministres N'Faly Sangaré et Mohammed Lamine Touré envoyés par vous en mission spéciale pour me communiquer votre message et discuter de ses implications pour l'Accord de Crédit de décembre 1975 sur l'entretien et l'amélioration du réseau routier guinéen. J'ai tenu à y répondre avant le départ de votre délégation.

Dans une très large mesure nous partageons vos vues sur les objectifs à long terme de toute politique de développement. Comme vous, nous pensons que cette politique doit non seulement viser à l'accélération de la croissance, mais associer et intéresser le plus grand nombre. Comme vous, nous pensons que le développement économique de la Guinée suppose avant tout une expansion de la production agricole; comme vous, nous pensons que cette expansion exige une amélioration rapide du réseau routier qui justifie un important programme d'entretien; comme vous, nous souhaitons que ce programme représente une contribution majeure à la relance économique du plus grand nombre de régions possibles.

C'est dans cet esprit que nous pensions avoir conçu avec votre Gouvernement, et puis négocié, le projet en 1975. Portant sur 2.500 kilomètres de routes, il couvrirait près de la moitié du réseau de routes principales de Guinée et le volume des dépenses et du travail envisagés pendant les trois années de réalisation du projet représentait un changement majeur par rapport à la faiblesse des dépenses et des travaux consacrés à l'entretien des routes au cours des années antérieures. La conception et la préparation du programme de ce premier projet avait été précédé d'un travail technique de base important par les autorités guinéennes et par nous-mêmes et la négociation avait donné lieu à des discussions très complètes qui, nous l'espérons, étaient le gage d'un accord détaillé entre les autorités guinéennes et nous-mêmes. Nous sommes donc un peu déçus, après des discussions approfondies avec vos émissaires, de nous apercevoir que le projet ne correspond plus pleinement aux aspirations guinéennes et que vous souhaitez y apporter des changements majeurs.



Certes une part importante du réseau routier n'était pas incluse dans ce programme, mais nous étions décidés à envisager, dans des délais rapides, un deuxième projet qui compléterait les efforts entrepris par le premier en matière de routes principales et commencerait à s'attaquer aux problèmes du réseau de routes secondaires.

Il est essentiel que les projets que nous finançons en Guinée reçoivent l'adhésion de votre pays. Nous sommes donc prêts à accepter certaines modifications dans la conception et l'exécution du projet, à condition qu'elles restent conformes aux principes d'une saine gestion technique, administrative et économique. C'est pourquoi nos services techniques ont préparé, après discussion avec la délégation guinéenne, l'aide-mémoire ci-joint que nous soumettons à votre Gouvernement.

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

(Signed) Robert S. McNamara

Robert S. McNamara

XdelaRenaudière /GBoulch:mee  
August 12, 1976



## A I D E M E M O I R E

Concernant le Premier Projet d'Entretien  
Routier Credit N° 596 Daté 24/12/75 en  
République de Guinée

Objet: Modification du Projet

Au cours d'une mission spéciale auprès de la Banque Mondiale, le Gouvernement guinéen a manifesté le désir de modifier le projet dans le sens d'une extension géographique et de l'inclusion de routes secondaires afin de faciliter la circulation des produits agricoles sur l'étendue du territoire de la République de Guinée.

### 1. Solutions proposées

Deux solutions possibles sont proposées, la première n'altérant pas fondamentalement les principaux éléments du projet original. L'autre entraînant une refonte complète supposerait un nouveau travail préparatoire important.

a. La première solution resterait concentrée sur la réfection et l'entretien d'une partie importante du réseau de routes principales. Deux changements pourraient être apportés: certains matériels et équipements prévus seraient remplacés par le petit outillage destiné aux PRL ruraux proposé par le Gouvernement; de plus, la Banque est prête à revoir la composition du réseau routier à remettre en état et à entretenir dans le projet en fonction des nouvelles priorités guinéennes.

b. La deuxième solution, correspondant davantage au désir de distribuer à une plus grande partie du territoire les bénéfices découlant de l'exécution des travaux du programme, comporterait l'abandon - au moins provisoire - de travaux de réfection du réseau de routes principales, au profit d'un entretien d'urgence d'une beaucoup plus grande partie du réseau, dans la quasi-totalité du pays. La Banque est prête à envisager cette seconde solution, et, avec l'agrément de principe du Gouvernement de la République de Guinée, ses services techniques seraient disposés à en entreprendre la préparation en coopération avec les autorités guinéennes et les ingénieurs-conseil déjà recrutés dans le cadre du projet.

### 2. Action immédiate proposée

Compte tenu de tous les facteurs indiqués dans le message présenté avec la plus grande conviction par la délégation guinéenne, la Banque souhaite vivement poursuivre le dialogue engagé sur cet important projet et parvenir à un accord sur une solution satisfaisant les parties en cause. Une mission technique de la Banque pourrait se rendre à Conakry vers la fin de ce mois en vue de discuter avec les autorités guinéennes de tous les problèmes posés.



Si la première solution consistant en des aménagements mineurs du projet est choisie par les autorités guinéennes, il sera possible de poursuivre rapidement l'exécution de ce projet. Si la seconde solution est choisie, une refonte complète du projet devra être entreprise, qui retardera de plusieurs mois sa réalisation. Dans ce cas, un important travail préliminaire de préparation du projet modifié doit être engagé immédiatement. Ce travail devrait porter notamment sur la définition des tâches à entreprendre, les moyens en personnel, matériel et fournitures, l'organisation et la programmation des travaux. La renégociation de l'Accord de Crédit interviendra lorsque cette préparation sera terminée.

### 3. Conditions d'exécution

Un point important est soumis à l'attention toute particulière du Gouvernement de la République de Guinée. Bien que la Banque soit disposée à envisager une modification substantielle de la composition du projet, elle n'envisage pas de renoncer au principe de l'approche intégrée dans laquelle le projet comprend non seulement l'achat de matériel, mais encore les autres éléments du programme tel que le personnel local et expatrié, les matériaux et fournitures diverses, et les carburants et ingrédients nécessaires à la réalisation des travaux arrêtés. Cette intégration de tous les moyens nous paraît en effet une condition indispensable au plein succès de l'opération. La Banque a pris note des propositions du Gouvernement concernant la suppression des services d'ingénieurs-conseil. Tout en étant conscients de la haute qualité du personnel guinéen affecté au projet, les services techniques de la Banque estiment que l'apport des ingénieurs-conseil est fondamental pour transférer à ce personnel guinéen leurs connaissances sur les méthodes modernes d'entretien et de gestion d'un réseau routier à une échelle très supérieure à ce qui était réalisé jusqu'à présent en Guinée.

le 13 août 1976



492/3/308

August 10, 1976

MEMORANDUM FOR MR. BAUM

SUBJECT: Replacement for Mr. Ballantine

Listed below are names you might include among those you are considering as replacements for Ballantine.

Edward Boyle, a member of the Pearson Commission. An experienced administrator in the field (Minister of Education in the UK), who also has an interest in development (he set up the ODM).

John Vaizey. A brilliant thinker and an expert on education.

Richard Hoggart. Author of an outstanding book "The Uses of Literacy". He took a post at Unesco in 1969.

Vice Chancellor Porter of Fourah Bay, Sierra Leone. Previously Vice Chancellor the Nairobi College of University of East Africa, where he had a tough time politically and came out on top.

Sir Arthur Lewis. (Well known as an economist and agronomist, but originally an education expert).



Robert S. McNamara

RMcN:bmm



492/3/307

Mr. Hori

August 10, 1976

Robert S. McNamara

Official Travel by Executive Directors

1. Thank you for your memorandum of August 6, 1976 regarding our discussion of the previous day. I fear I may have failed to make clear that I was referring to visits to borrowing countries on your way to or from the Annual Meetings at Manila. I am aware that other Directors are contemplating similar travel and I am quite prepared to authorize it as in the interest of the Bank when a Director requests such authorization from the Secretary.

2. Your memorandum, however, relates to a much broader pattern of official travel. As you know, visits to project sites and other places in borrowing countries are sanctioned by the Board from time to time on the advice of CODAM in the case of groups of Directors. I am not aware that CODAM has ever considered making recommendations for this kind of travel or travel to conferences in the case of individuals. I suggest, therefore, that in the first instance you take up the question of a discussion in CODAM with the Chairman of that Committee so that in due course a policy might be evolved by CODAM for consideration by the Board.

PNDamry/bm

(Signed) Robert S. McNamara

cc: Mr. Rota  
Mr. Damry



492/3/306

August 9, 1976

Dear Professor Ayres:

I regret that my absence from this country made it impossible for me to meet with you during the July 7-23 period, which you suggested. When I called Brookings, last week, to try to arrange an appointment convenient to both of us I learned you had returned to California.

Perhaps we could meet when you next come to Washington.

Sincerely,

Robert S. McNamara

Professor Robert L. Ayres  
Department of Political Science  
University of California  
210 Barrows Hall  
Berkeley, California 94720

RMcN:bmm



402/3/305

AUG 6 1976

His Excellency  
Hushang Ansary  
Minister  
Ministry of Economic Affairs  
and Finance  
Avenue Nasser Khosrow  
Tehran, Iran

Dear Mr. Minister:

I have recently had the opportunity of discussing the relations between Iran and the Bank with Dr. Jahangir Amuzegar, and would like to use this occasion to write to you on this subject. I need hardly repeat that I consider these relations to be of great importance to us and that we shall continue to endeavor to make them as beneficial to Iran as is possible under the constraints we face.

I was very pleased to hear from Dr. Amuzegar that your government is also keen to maintain our mutually beneficial activities and I felt that the proposals he made for the future were extremely useful in clarifying a number of points which had been under discussion over the past year. During our discussion Dr. Amuzegar reasserted the desire of the Iranian Government to benefit from both Bank technical assistance and Bank financing and stressed the difficulties experienced by the Ministries responsible for specific sectors or projects in making effective use of our technical assistance when it is separated from financing.

With regard to the proposal we had made in the March 1976 Aide Memoire to review Iran's eligibility for normal Bank lending in light of additional data which would allow a more comprehensive assessment of medium- and long-term economic prospects and borrowing requirements Dr. Amuzegar mentioned the sensitivity of some key data and the difficulty of establishing reliable balance of payments projections. He also felt that, should the Bank consider Iran eligible for a resumption of normal lending in light of this new assessment, such eligibility might soon be overtaken by the rapid growth in per capita GNP in Iran and that this may not therefore be worth the effort.



His Excellency  
Hushang Ansary

-2-

I must say that I am inclined to agree with Dr. Amuzegar on this point, especially in the light of the evolving situation in the Bank. As you know, we are now operating under a rigid lending ceiling while at the same time we are besieged with requests for assistance from developing countries at earlier stages of economic development which are still suffering seriously from the changes that have taken place in the patterns of trade and commodity prices. This is causing us to accelerate our phase-out of higher income countries and to apply even more rigorously the provisions of our Charter which enjoin us not to lend to countries that can be expected to be able to borrow elsewhere on reasonable terms. It has become increasingly clear to me that we would have great difficulty in approaching our Board on loans to Iran unless these could be set up in such a way as to avoid an additional burden on the Bank's capital resources and lending capacity.

Dr. Amuzegar referred to the proposal put forward earlier this year whereby Bank lending to Iran would be matched by Iranian lending to countries selected by mutual agreement, this taking the form of co-financing of projects by Iran and the Bank Group. He explained that the problem of demonstrating "additionality" in Iran's support of the developing countries might be resolved by making this arrangement applicable only to the implementation of new financial commitments made by Iran to developing countries beyond those which it has already undertaken.

I must say, however, that this proposal still seems to me to confront formidable difficulties. How could we convince our Board that even new commitments would not have been made in the absence of action by the Bank, through its loans to Iran, to provide the resources by which you could fulfill these commitments? We could not point to any net gains by the recipient developing countries since they would merely be receiving from Iran what they would otherwise have received directly from the Bank. And in general, it would constitute a difficult precedent for us since it might give rise to other demands upon our resources to finance (indirectly) other countries' aid programs.

In the circumstances I would urge that we seek to achieve the objectives you desire in a much simpler manner, namely by having future Bank loans to Iran accompanied by participation agreements pursuant to which Iran would purchase from the Bank, say, 90 percent of each Bank loan to Iran. This would preserve the lending relationship which both of us feel would bring substantial benefits to the Iranian economy while at the same time minimizing the financial burden imposed upon the Bank.



His Excellency  
Hushang Ansary

-3-

I very much hope that you will give renewed consideration to this idea. I do hope very much that we can find a mutually acceptable arrangement which would maintain a close and effective relationship between Iran and the Bank.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

cc: Mr. McNamara's Office (2)

cc and cleared with: Messrs. Goodman  
Paijmans

CC: Mr. Wapenhans  
cc: Messrs. Cargill  
Knox

cc: Mr. Yahia Khelif, Executive Director

MPBart/JBKnapp:nhl

August 4, 1976.



492/3/304

August 6, 1976

MEMORANDUM FOR DR. JAHANGIR AMUZEGAR

Subject: Relations Between Iran and the World Bank

I very much appreciated the opportunity I had on July 28 of reviewing with you the relations between Iran and the Bank.

The views you expressed on the results of our cooperation in the past, and the proposals made for the future were extremely useful in clarifying a number of points which had been under discussion for the past year. It might be helpful if these were to be conveyed to your government with my own reactions. With the thought that you might wish to do so, I have prepared the enclosed letter to His Excellency Hushang Ansary.

An important matter that was not raised during our discussion is that of the proposal made in the Aide Memoire sent to you on March 25, 1976 to off-set \$50 million against the two Bank loans approved in FY75. I would appreciate your reminding your authorities that we are still anxious to conclude this matter, based on the discussions between Minister Ansary and Mr. Cargill last October.

(Signed) Robert S. McNamara

Robert S. McNamara

GdeLusignan:RMcN:mss



492/3/302

AUG 5 1976

Dear Phil:

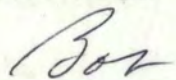
By letter dated January 19, 1976, you asked, on behalf of a constituent, Mr. Custer T. Carland, that we respond to his request to investigate his allegation that he had been slandered by an official of the International Finance Corporation. Mr. Carland proposed to make an investment in Egypt, and the participation of the IFC in the project had been solicited.

In order that the investigation would be entirely independent of the IFC, I asked the Legal Department of the Bank to undertake it. The attorney assigned questioned IFC officials involved in considering the project, including, of course, the official who allegedly committed the slander. At Mr. Carland's request, I sent the attorney to Cairo in May to interview two persons Mr. Carland said had witnessed the slander. He also questioned Egyptian government officials who were familiar with the project and its consideration in Egypt.

All of these persons denied any knowledge of slander, except Mr. Carland's Egyptian representative, who admittedly was only reporting hearsay, and one of the persons Mr. Carland asked us to interview. The latter supported the allegation, but only in part. He also stated that he had had a serious disagreement with the IFC official in question a number of years ago. Mr. Carland's other witness denied any recollection of slanderous remarks. The Bank's Legal Department concluded that it could not regard the allegation as proven on the basis of this evidence.

In May, the IFC also conducted an independent evaluation of the project using personnel not theretofore involved in it. On project grounds, the IFC has decided not to participate in it, and Mr. Carland has been so advised.

Sincerely,



Robert S. McNamara

The Honorable Philip A. Hart  
The United States Senate  
Room 253  
Russell Senate Office Building  
Washington, D. C. 20510



492/3/301

AUG 5 1976

Your Excellency:

Thank you for your letter of June 13 and its enclosure regarding our inquiries about the Carland cold storage project and the circumstances under which the project was considered. Our conclusion was that the allegations which prompted our inquiry were not proven.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency Dr. Mohamed Zaki Shafai  
Minister of Economy and Economic Cooperation  
8 Adly Street  
Cairo  
Egypt



492/3/300

AUG 5 1976

Dear Paul:

This is in reference to your letter of July 22, 1976 requesting David Gill's assistance for a study on the establishment of a Canadian corporation to support Canadian investment in developing countries.

I understand that David Gill has discussed this matter with your associates and feels that it would be feasible for him to be of some assistance on this study while continuing to meet his other work commitments in the Corporation. Accordingly, I have no objection to his providing such assistance as you might need on the proposed study on a part-time basis during the next two months. I appreciate your offer to pay his expenses but, because of his limited involvement, this will not be necessary.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Paul Gérin-Lajoie  
President  
Canadian International Development Agency  
122 Bank Street  
Ottawa  
Canada

cc: Mr. von Hoffmann  
Mr. Gill

HAQureshi:gmb  
August 2 1976



492/3/299

AUG 5 1976

Dear Minister:

I must apologise for being so long in formally answering your kind invitation to speak in Dublin, though our offices have been in touch.

I am afraid I have to refuse as I have found that the pressure of work here and my travels in the developing countries would force me to limit my speaking to the few official Bank and United Nations occasions which occur each year.

But I would very much like to visit you and your colleagues in Ireland on some occasion when I am travelling. Could we discuss this in Manila where I look forward to seeing you in October?

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

The Honourable  
Richie Ryan  
Minister for Finance  
Department of Finance  
Upper Merrion Street  
Dublin 2, Ireland

WDCLARK:sf



492/3/298

AUG 4 1976

Office of the President

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow an aggregate principal amount, not exceeding \$350,000,000, in markets outside the United States of America through an issue of Two Year Bonds of the Bank. The bonds are to be dated September 15, 1976 and to mature September 15, 1978. The interest rate of the bonds has not yet been determined.

The Government of the United States of America is hereby requested, in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement, to approve the borrowing by the Bank in markets outside the United States of America of such amounts as may be raised by the issue of not exceeding \$350,000,000 aggregate principal amount of bonds. The Government of the United States of America is further requested to agree, pursuant to the same provisions of the Articles of Agreement, that the proceeds of such borrowing may be exchanged for the currency of any member of the Bank without restriction.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

cc: Mr. Charles A. Cooper, Executive Director  
Mr. Hal F. Reynolds, Alternate Executive Director  
Mr. Robert S. Watson, U.S. Treasury  
Mr. Bernard Zinman, U.S. Treasury  
Cleared with and cc: Mr. David Mead, Legal Department  
For Mr. McNamara's office (2) ✓  
Messrs. Eugene H. Rotberg, Treasurer  
K. Georg Gabriel, Controller  
Deely/U.S.\$ Bonds #105 # ///

DEHarris/fad  
August 3, 1976



492/3/297

August 2, 1976

Dear Dr. Shafei:

I received with great pleasure your letter of July 15, 1976 concerning the establishment of a Consultative Group for Egypt. The Bank will be happy to begin at once to prepare for the organization of a Group to coordinate economic assistance to Egypt on the basis of the discussions you have had with Bank staff.

We will now proceed to contact those Governments and agencies that we agreed should be invited to participate in such a Group, and I have every hope that we shall meet with a favorable response. We shall, of course, keep you informed of progress.

I look forward to seeing you once again at our Annual Meetings in Manila.

With best personal regards.

Sincerely,

Robert S. McNamara

His Excellency  
Dr. M. Zaki Shafei  
Minister of Economy  
and Economic Cooperation  
8 Adly Pasha Street  
Cairo, Egypt

PJBlay:bp  
7/30/76

Cleared with & cc: Messrs. Bart, Horsley

✓cc: For Mr. McNamara's Office (2)



402/3/296

August 2, 1976

Dear Mr. Minister:

Thank you for your letter of July 10, 1976 and for your kind remarks. It was indeed a pleasure to meet with you in Washington in June and to have a very useful exchange on your Ministry's important program and on Egypt's development efforts. I am grateful to you for conveying the substance of our discussions to His Excellency, President Sadat, and am pleased to learn that steps are being taken to have the draft Five-Year Plan available in the near future.

I am confident that our relations with Egypt, which are already cordial and constructive, will continue to strengthen and to give the Bank Group further opportunities to assist in the tasks which lie ahead for your Government.

Sincerely,

Robert S. McNamara

His Excellency  
Osman Ahmed Osman  
Minister of Housing  
and Reconstruction  
1, Ismail Abaza Street  
Cairo, Egypt

PJBlay/MPBart:rpo  
July 30, 1976  
Cleared with and cc Messrs. Bart and Horsley  
cc Mr. Paijmans o/r  
✓ Mr. McNamara's file (2)