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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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The World Bank Group
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 1069815
 A1994-037 Other # 38 Box # 183963B
 Public Relations - Speeches - Mr. Woods - A - Z - 1966



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1969 - 1971.

RECORDS MANAGEMENT SECTION
February 1969

World Affairs Council -
Pittsburgh

November 25, 1966

Dear John:

I was glad to have your letter of November 11 urging me to accept the World Affairs Council's invitation to speak at the annual membership dinner next spring.

As I wrote Mr. Phelps, I wish it were possible for me to accept. However, during the first half of 1967 I will be fully occupied with the effort to obtain a replenishment of funds for the International Development Association. This is a most urgent and important task, and I must keep my schedule as free as possible for travel which may arise in connection with it.

I greatly appreciate the Council's invitation.

Sincerely,

(Signed) George D. Woods

George D. Woods

Mr. John D. Harper
President
Aluminum Company of America
Alcoa Building
Pittsburgh, Pa. 15219

DCF:js *OG*

John

November 25, 1966

Dear Mr. Phelps:

I greatly appreciate your kind invitation of November 7 to speak at the annual membership dinner of the World Affairs Council of Pittsburgh next spring.

While I would like very much to do so, the fact is that I feel it imperative to keep my schedule free during the first half of 1967 for travel that may be necessary in connection with efforts to replenish the financial resources of the International Development Association.

Again, I appreciate the Council's invitation and regret that I am unable to accept.

Sincerely,

(Signed) George D. Woods

George D. Woods

Mr. Wm. Walter Phelps, Jr.
President
World Affairs Council of Pittsburgh
Kaufmann's 10th Floor
400 Fifth Avenue
Pittsburgh, Pa. 15219

DCF:js *QCF*

JW

W. Speech

November 25, 1966

Nov 24/66

Dear Bruce:

I was glad to have your letter about the invitation from the World Affairs Council to speak at the annual membership dinner. It is a source of real regret to me that I am not able to accept.

During the first half of 1967, I must keep myself free for necessary travel in connection with the effort to raise additional funds for the International Development Association, a task I consider to be of the greatest urgency.

I would like to speak at the Council's annual membership dinner, and would do so with pleasure were it not for this other, compelling, consideration.

Sincerely,

(Signed) George D. Woods

George D. Woods

Mr. A.B. Bowden
Executive Vice President
Mellon National Bank and Trust
Company
Mellon Square
Pittsburgh, Pa. 15230

DCF:js *DCJ*

Handwritten initials

Woods Speech
W.A. Council

Mr. Woods

November 17, 1966

Harold Graves

Invitation to Speak to Pittsburgh World Affairs Council

The World Affairs Council of Pittsburgh is an important organization in that city, enjoying substantial support from civic leaders and senior members of the business community. Aside from the listing of the Council's directors, some evidence of the level of the organization is indicated by the fact that its executive director is Max Bishop, a retired foreign service officer of considerable distinction, and a former U. S. ambassador to Thailand.

The Information Department thinks that if your schedule will allow, it would be well for you to accept this invitation. If the IDA situation permitted, it would give you an excellent platform from which to talk on that subject. On the other hand, if the situation were such that you wished to give a more general speech on the activities of the Bank Group, that would be entirely appropriate.

Since you are being invited as the principal speaker and since the occasion is one of the Council's major annual events, it would not seem correct to suggest a substitute.

If you feel that you could accept, and will suggest two or three possible dates, we will draft an appropriate response to Mr. Phelps as well as letters to Bruce Bowden and John Harper.

HNG
HNG:ap

OFFICE MEMORANDUM

TO: Mr. Woods *11/18*

DATE: November 17, 1966

FROM: Harold Graves *HNG*SUBJECT: Invitation to Speak to Pittsburgh World Affairs Council

The World Affairs Council of Pittsburgh is an important organization in that city, enjoying substantial support from civic leaders and senior members of the business community. Aside from the listing of the Council's directors, some evidence of the level of the organization is indicated by the fact that its executive director is Max Bishop, a retired foreign service officer of considerable distinction, and a former U. S. ambassador to Thailand.

The Information Department thinks that if your schedule will allow, it would be well for you to accept this invitation. If the IDA situation permitted, it would give you an excellent platform from which to talk on that subject. On the other hand, if the situation were such that you wished to give a more general speech on the activities of the Bank Group, that would be entirely appropriate.

Since you are being invited as the principal speaker and since the occasion is one of the Council's major annual events, it would not seem correct to suggest a substitute.

If you feel that you could accept, and will suggest two or three possible dates, we will draft an appropriate response to Mr. Phelps as well as letters to Bruce Bowden and John Harper.

HNG:ap

On balance I prefer not to tie myself up on this type of thing. The answer is in the negative. Draft ltr on basis I feel it imperative to keep free to travel as may be dictated by IDA fund raising effort during first half 1967

Tom 11/18

S This is ORIGINAL. Graves
 has submitted a reply. *Jan 23 AM*

Form No. 89
 (2.66)

INTERNATIONAL BANK FOR
 RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
 ASSOCIATION

has submitted a reply.

INTERNATIONAL FINANCE
 CORPORATION

ROUTING SLIP

Date
 Nov. 14, 1966

OFFICE OF THE PRESIDENT

Name	Room No.
Mr. Graves	
Mr. Woods	
<i>I send a photocopy of this down to Mr. Graves, explaining</i>	
To Handle	Note and File
Appropriate Disposition	Note and Return
Approval	Prepare Reply
Comment	Per Our Conversation
Full Report	Recommendation
Information	Signature
Initial	Send On

Remarks

Further to other correspondence on this subject.

that you had not seen

G. C. Wishart

Frc

ALUMINUM COMPANY OF AMERICA

ALCOA BUILDING - PITTSBURGH, PENNSYLVANIA 15219

JOHN D. HARPER, President

Op. Files
NOV 14 REC'D
w. Speech



ALCOA

November 11, 1966

Mr. George D. Woods, President
International Bank for Reconstruction and
Development
1818 H. Street, N. W.
Washington, D. C. 20433

Dear George:

I understand that Mr. Walter Phelps has written you and asked you to speak at the Annual Meeting of the World Affairs Council of Pittsburgh next spring. I would like to second this invitation. The World Affairs Council of Pittsburgh has been a very active organization and one that receives a great deal of support. I am sure that you can expect a good audience and an interested audience if you are able to take time from your busy schedule to visit with us in Pittsburgh.

Best personal regards.

Sincerely,



JDH:lf

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

Nov. 9, 1966

Mr. Woods:

Please see attached letter from Mr. Bowden. I have held up sending the original letter of invitation to Mr. Graves until you should see this supporting letter.


GCWishart

Send both
To Graves
11/9

NOV 9 REC'D

MELLON NATIONAL BANK AND TRUST COMPANY

MELLON SQUARE

PITTSBURGH, PENNSYLVANIA 15230

A. B. BOWDEN
EXECUTIVE VICE PRESIDENT

November 7, 1966

Mr. George D. Woods, President
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington 25, D. C.

Dear George:

I believe you will have received, or will shortly receive, a letter from Walter Phelps, the President of the World Affairs Council of Pittsburgh, inviting you to address the dinner meeting on the occasion of the Council's annual meeting sometime in April or May of 1967. Walter is Vice President in charge of our International Department and I believe he has called on you in Washington and that you have also met him at various international banking functions.

We believe that the World Affairs Council is an extremely worthwhile organization and that it is doing an excellent job to promote wider discussion and better understanding in Pittsburgh of the problems facing the United States in the area of foreign affairs. The Council has the wholehearted support of the management of Mellon Bank, and a number of our officers participate actively in its various programs. I should like to urge your favorable consideration of Walter's invitation if you can fit it into your schedule. It would be good to see you again in Pittsburgh and, in addition, I think you will find the Council will provide a very worthwhile and attentive audience.

Best regards.

Sincerely,

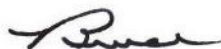


ABB:dd

ack. Nov. 25/66

International Bank for Reconstruction

18th Street, N.W.

CI:1 111 8-101974
Washington, D.C.
1974

ROUTING SLIP

Date
Nov. 9, 1966

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Graves

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

What is your advice regarding this invitation. Unless you advise otherwise, I would rather not take this on myself. Would it be a suitable opportunity for an appearance by a senior officer of the Bank? Please let me have an appropriate reply to send.



G. D. Woods

NOV 9 REC'D



WORLD AFFAIRS COUNCIL OF PITTSBURGH

Kaufmann's 10th Floor • 400 Fifth Avenue, Pittsburgh, Pa. 15219 • Area Code 412 / 281-7970

Founded in 1931 as the Foreign Policy Association

November 7, 1966

Mrs. W. B. K. [INT'L DEPT] S. 11/9

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Wm. Walter Phelps, Jr.

Vice Presidents

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Thomas C. Keeling, Jr.
Maxwell D. Millard
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Craig Thompson
John Troan
T. Ames Wheeler

Mr. George D. Woods

President

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

Dear Mr. Woods:

The World Affairs Council of Pittsburgh is the organized effort of concerned citizens who seek for themselves and for the community greater appreciation, knowledge and understanding of the world environment. The Council is a non-partisan and non-profit corporation designed solely for educational purposes. The Annual Meeting of the membership is held in the spring. For a number of years now we have been successful each year in obtaining as our principal speaker and guest of honor on this occasion an outstanding leader from the business world. This year, the world's fiscal and financial problems and prospects are among if not actually the most important in world affairs. There is no one better qualified than you to discuss these matters for us.

With this background, it is my great honor and pleasure to extend to you on behalf of the Board of Directors a most cordial invitation to address the Annual Dinner meeting of the World Affairs Council of Pittsburgh at a date in April or May to suit your convenience. If you are able to accept our invitation, we shall make all travel and other arrangements to suit your wishes.

Along with your many friends in Pittsburgh, I am indeed hopeful that we may have the pleasure of welcoming you to our city this coming spring.

Sincerely yours,

Wm. Walter Phelps, Jr.
Wm. Walter Phelps, Jr.
President

WWP:lf

ack. Nov. 25/66

N.Y. Bond Club

*Woods - Speech
Ben Fils*

November 30, 1966

Dear Bill:

Thank you very much for your letter dated November 23 enclosing a set of newspaper clippings and photographs. I was glad to get a glimpse of you at The Bond Club luncheon, and I appreciate your thought in sending me these reminders of the occasion.

To scrapbook

Warm regards.

Sincerely yours,

(Signed) George D. Woods

George D. Woods

Mr. William H. Long, Jr.
Doremus & Company
120 Broadway
New York, N. Y. 10005

RBSteckhan:pk *RBS*

NOV 25 REC'D

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WILLIAM H. LONG, JR.
Chairman

120 BROADWAY, NEW YORK, N.Y. 10005 212 964-0700


November 23, 1966

Dear George:

So glad to see you in such good health and spirits at the Bond Club luncheon. That was, indeed, an interesting speech and in this connection I thought you might like to have the attached set of clippings and photographs for your files.

With warm personal regards, believe me,

Faithfully yours,


William H. Long, Jr.

Mr. George D. Woods
International Bank for Reconstruction &
Development
1818 H Street, N.W.
Washington, D. C.

ack Nov 30/66

November 22, 1966

Dear Eddie:

Thank you for your letter dated November 14 ✓
and for the very nice Steuben ashtray, which arrived
in good condition. When you asked me to talk to the
Bond Club, I felt that I could not refuse--the Bond
Club, its members and the business of which they are
representative have been my life over more years than
I care to recall.

Old associates, of course, can make a
critical audience and it was with some trepidation
that I prepared and delivered my talk. Now that the
task is accomplished, I can only say how much I enjoyed
being with you and how much I appreciated the recep-
tion given to what I had to say.

I value the ashtray as a permanent reminder
of my good friends on the Advisory Council and Board
of Governors, and of what seemed to me to be a most
pleasant occasion.

Warm regards.

Cordially,

(Signed) George D. Woods

George D. Woods

Mr. Edward Glassmeyer, President
The Bond Club of New York
14 Wall Street
New York, N. Y. 10005

GCWishart:pk

Woods - S.
B Club

NOV 23 REC'D

MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

GEORGE J. LENESE
CHAIRMAN OF THE BOARD

November 21, 1966

Mr. George D. Woods
President
International Bank for
Reconstruction and Development
Washington, D. C.

Dear George:

I just want to send you a short note to
congratulate you on your very fine talk before
The Bond Club.

I wanted to shake your hand as the meet-
ing broke up, but you were surrounded by admirers.
I did not get a chance.

With all good wishes,

Sincerely yours,

George

GJL:vs

Mr. Woods

11/23

*To see, please. I suggest.
This one does NOT require
a reply.*

*Jim
23 Nov.*

*Woods-Speech -
B Club*

Mr. Viggo Christensen

November 18, 1966

Doris R. Eliason

Mr. Woods's Speech to the New York Bond Club

Attached is an address by Mr. Woods made November 14, which has only been circulated to the New York press, to Executive Directors and Department Heads, and requests. I suppose in staff circulation at least one copy reached the Paris office, but I do not know if you have it. We are not printing the speech.

Attachment

DRE/va

DR 6

to Special -
Bond C.

November 16, 1966

Dear John:

Thank you for your note dated November 14. ✓

It was thoughtful of you to write and I appreciate it. I thoroughly enjoyed the opportunity of seeing so many old friends including yourself at the Bond Club luncheon last Monday. It was very pleasant to be back in the old surroundings.

Warmest regards to you both, in which
Louie joins.

Sincerely yours,

(Signed) George D. Woods

George D. Woods

Mr. John M. Schiff
Kuhn, Loeb & Co.
Forty Wall Street
New York, N. Y. 10005

GCWishart:pk

GC

The BOND CLUB of NEW YORK

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WILLIAM H. TODD
ARTHUR L. WADSWORTH
LEWIS M. WESTON
ORLAND K. ZEUGNER

November 14, 1966

Mr. George D. Woods, President
Inter-American Development Bank
808 - 17th Street
Washington, D.C. 20577

Dear George:

I have lost track of the number of members who have congratulated me for having you as our speaker today and I personally want to thank you for the time you have taken to come to New York and be with us.

Under separate cover and on behalf of the governors, I am sending you an engraved token of our appreciation for your talk. I do hope it will grace your study and that your friends who smoke will put it to use.

May I again thank you, George, on behalf of myself, our Board of Governors and all the members who had the privilege of hearing your provoking message.

Sincerely,



EG/kb

Rec'd
11/21/66

ack. Nov. 22/66

A. B. HAGER, JR.
30 BROAD STREET
NEW YORK, NEW YORK 10004

November 14, 1966

Hon. George D. Woods, President
International Bank for Reconstruction
& Development
1818 H Street, N. W.
Washington, D. C. 20433

Dear George:

I was particularly sorry that I was not able to go to the Bond Club luncheon today to see you and hear your speech. As you can imagine we have 17 balls in the air at this particular moment and it was just impossible for me to leave the office.

I hope that you will let me know the next time you are in New York as I would very much like to have a brief visit with you.

With all best wishes.

Sincerely yours,

Bill

ABH:G

Mr. Woods. 11/16

Please see.

*JW
15 Nov.*

Forty Wall Street
New York, N.Y. 10005

KUHN, LOEB & CO.

November 14, 1966

Dear George:

It was good to see you today and to hear your excellent speech. For thousands of years back through the Biblical days, the world, no matter what the religion, has taken for granted the existence of poor and starving people. Society has preached the necessity of helping these individuals but, until quite recently, no effort was made to reach the cause. Today, at least, we are thinking what might be done over a period of time to cure this situation and to bring about some hope for the improvement of the condition of this and coming generations. It is a new philosophy, and I am happy that you are preaching it.

All good wishes.

Sincerely,


John M. Schiff

Mr. George D. Woods
International Bank for Reconstruction
and Development
Washington, D. C.

A

ack. Nov. 16/66

SA 2

Woods - Special

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

SecM66-357

FROM: The Secretary

November 14, 1966

Address by Mr. George D. Woods to the New York Bond Club

There is attached for your information the text of an address delivered by Mr. George D. Woods today to the members of the New York Bond Club.

Distribution:

Executive Directors and Alternates
President
President's Council
Executive Vice President, IFC
Deputy Executive Vice President, IFC
Department Heads, Bank and IFC



International Bank for Reconstruction and Development
International Finance Corporation
International Development Association



1818 H STREET, N.W., WASHINGTON, D.C. 20433, U.S.A. TELEPHONE: EXECUTIVE 3-6360

Address by Mr. GEORGE D. WOODS, President, World Bank Group,
to the New York Bond Club, November 14, 1966

It is good to be back in these familiar surroundings and to see so many old friends and familiar faces. It is now nearly four years since I left private banking to join the World Bank -- time goes quickly. During these four years I have come to appreciate more and more the great contribution which the New York banking community makes not only to the business life of this country but to the business of the world. The World Bank has reason to be ever grateful to you for the support you have given it over the years. Without this support, the Bank's role as a development finance institution would have been a much harder one to play. And I take this opportunity, on behalf of our Executive Directors and Governors, of expressing our sincere thanks.

Since the last occasion on which the President of the World Bank addressed the Bond Club, which was when Eugene Black came in 1952, there has been considerable growth and change in our business. From a membership of 54 in 1952 we have now grown until we have 105 shareholder governments. Today the Bank is lending at the rate of about \$800 million a year and its loan portfolio is \$6.9 billion. It has financed about 1,000 projects in 79 countries. It administers IDA, the International Development Association, a separate but affiliated fund founded in 1960 to supply very poor countries with finance on highly concessionary terms to enable their development to go forward. Another affiliate, IFC, the International Finance Corporation, which

opened its doors in 1956, is entering its second decade with excellent prospects which I will touch on in a few minutes.

The core of the Bank's business -- and in this respect what goes for the Bank also goes for IDA -- continues to be lending, under government guarantee, for comparatively large projects in power, transport, communications, industry, and agriculture. And in case you may from time to time read of failures or frustrations in this or that developing country, let me remind you that in all these major sectors with the exception, for certain countries, of agriculture, the record of the developing countries during the past 10 to 15 years is one of continuous progress. Installed power capacity more than doubled in the decade 1953-63. Mining production in developing countries has risen at almost 7 per cent yearly, compared to 2 per cent in the industrialized regions. The industrial production of these countries has doubled in the past decade; production of steel has tripled. We have plenty of evidence that the Bank's role in all this as a financial counsellor, technical adviser and friendly critic is vastly greater than would be suggested by looking only at our financial stake in these developments.

The knowledge that agriculture in many parts of the world has stubbornly resisted innovation and adaptation to the requirements of rapid population growth is no longer confined to those of us close to the development process. Hardly a day passes without some notice in the press about new and alarming evidence that humanity as a whole faces, and indeed is already in, a food crisis, the consequences of which no one can foresee. It has not been easy for an institution like the World Bank, located at the center of the industrial world, and specialized in the techniques of sophisticated finance, to find ways and means of reaching down to the farmer in the field with help that he is able and willing to use. Nevertheless,

we began some years ago to place more emphasis on the agricultural side of our activities and on the contribution that our investments in other sectors, such as fertilizer production and distribution, could make toward breaking through the agricultural impasse.

I should also mention briefly another sector which has been attracting an increasing amount of our attention and which is beginning to loom larger in our activities. I refer to the general field of education but more particularly to those branches of education which can be shown to contribute directly to the improvement of productivity in the developing countries. In our opinion the most important of those branches today are technical education, vocational training, secondary education -- which in many countries is a critical bottleneck -- and teacher training. In this field, as in others, the Bank finances projects, not general budget support. The amount involved is not large compared to what we loan in other sectors. Nevertheless, we have so far made loans and credits amounting to nearly \$100 million, virtually all of it being spent on buildings and equipment.

I would like to give special emphasis today to current activities of IFC, the International Finance Corporation, partly because this is our affiliate concerned entirely with private enterprise in the developing countries, and partly also because some of the most interesting current developments affecting the whole World Bank Group center around it. As you may have noticed, the pace of IFC activities is quickening. The foundation for this was laid five years ago when it was authorized to provide equity as well as fixed interest finance without government guarantee, for private enterprise. Incidentally, IFC is the only intergovernmental organization

which invests in equities. As we expected, the scope for investments, given this new flexibility, is such that IFC can employ considerably larger funds than were available on the basis of its original capital of approximately \$100 million, plus profits and the proceeds from sales of portfolio assets. This is what lies behind our announcement last month, that the World Bank has agreed to open a \$100 million line of credit in favor of IFC. This is the first Bank accommodation on the basis of recent amendments to the Articles of Agreement of the two institutions permitting such transactions.

This arrangement will enable IFC eventually to employ its entire capital and surplus in equity, supported where appropriate by fixed interest investments financed through the Bank line of credit. At least as important, it will enable IFC to take on larger commitments and to do business with a greater variety of enterprises.

When IFC goes into an enterprise, it never goes in alone. Whenever you read that IFC has invested this or that amount, you may be sure that a significant multiple of the figure is being provided by private investors as part of the same operation. Indeed, IFC's financial contribution is often comparatively small, its most important role being that of a minority partner unusually well placed to put together proposals for financing which are attractive to other investors, including a growing number of investors in the developing countries themselves.

It is in this connection that I would like to refer to the fertilizer industry. Over the past year we have given a great deal of thought to fertilizer production, and with good reason. With the world's population growing at a rapid rate and food surpluses running down, an immense job

needs to be done -- and quickly -- to raise food production. Fertilizer should be a vital instrument in achieving this.

The challenge of increasing fertilizer production and use illustrates particularly well the importance of private know-how and private capital to those of us who work for long-term growth in the developing countries today. Important raw material resources, presently unutilized, are available. Natural gas associated with petroleum production, is being flared in the Middle East, Africa and Latin America. In addition, large known deposits of potash and phosphate in developing countries are available to be opened up. The technology is there, in this case in the form of remarkable technical advances involved in the synthesis of ammonia for the production of nitrogenous fertilizer. And the technically competent management and capital will be there too, if we can demonstrate that there are markets and reliable systems for distribution to the farmers in the underdeveloped world.

In recent months IFC has taken the lead for the World Bank Group in discussions for establishing new fertilizer plants in developing countries in partnership with major oil and chemical companies in the United States, Europe and Japan. These discussions have already led to an agreement with Western European and Senegalese investors to finance a fertilizer project in Senegal, the first to be built in West Africa. In addition, negotiations have just been completed for financing by U.S. and Brazilian private investors and industrialists and IFC to build a new fertilizer complex in Brazil, and I believe these are just the beginnings.

* * * *

Perhaps the principal problem which I face as I speak to you today is that of finding new resources for the Bank and IDA on the scale that will be necessary if the development effort symbolized by our organizations is not to face a serious loss of momentum. So far as the Bank is concerned, the problem resolves itself into that of gaining access on a sufficient scale to the capital markets of North America and Western Europe. This audience does not need me to tell it that money is scarce and expensive today.

Like any other large borrower, we would, of course, like to see lower long-term interest rates. In our case this is not because it makes any great difference to our own financial position but because the rates at which we borrow determine the rates at which we can lend, and higher interest rates mean a higher debt service burden and consequently limits the amount which a country, like any other borrower, can prudently obligate itself for. Nevertheless, the Bank can borrow all the money it needs in competition with the best the market has to offer whenever we are given the chance to do so. The creditworthiness of our bonds is not in doubt. As you well know, all of the lending investment rating services in the U.S. now give them a Triple-A rating. They enjoy high marketability.

We must, however, obtain permission from the governments of the member countries in whose markets we wish to borrow. I am happy to say that so far, despite the real difficulties which many of these governments are facing in the present situation of combined tight money and balance of payments troubles, there has been a ready appreciation of the desirability of allowing the Bank continuing access to capital markets, and I

expect within the next few months to be able to announce new issues of Bank bonds in several markets.

When I spoke earlier of the kinds of projects we finance and the standards we apply, I could speak for the Bank and IDA in one breath. But when it comes to raising money to carry on the work, IDA and the Bank are totally different animals. All the Bank asks for is access to capital markets and the cooperation of your profession. IDA, on the other hand, has to get practically all its resources from governments.

The day will come, of course, when repayments on IDA's credits will begin to generate a significant amount of money which then can be reinvested. But because IDA gives credits for 50 years, with a 10-year period of grace, that time is far in the future. Meanwhile, the pressing needs of our poorer member countries -- some in Asia, others in South America and in Africa -- for development finance on concessional terms can only be met if governments -- and this means principally the seven governments that furnish 85 per cent of IDA's capital -- are prepared to continue their support. I am now engaged in discussions with these governments with a view to replenishing IDA's resources for the next few years at a level that would enable us to take on an appreciably larger share of the burden of assisting those developing countries that are poor but have promise. While progress is painfully but understandably slow, I feel that the effort will not be in vain. I believe the long period of discussions with governments and the resulting better understanding of the necessity for well administered finance for sound development will ultimately bear fruit.

Although you gentlemen will never have any IDA bonds to sell, I believe that if you think about it, you will agree that you, too, have a stake in the continuation of this side of our business. Do not think for a moment that IDA's money is being frittered away or poured down that proverbial rat hole. It is going into building exactly the basic infrastructure that sets a country on its feet and paves the way for agricultural, commercial and industrial growth. Many of today's IDA countries may be, and if we can carry on on an appropriate scale I am confident they will be, viable and profitable trading and financial partners in the years to come. I don't mean in one development decade -- for in these matters one must think in generations, not decades. But in time some of them or their institutions will be ready to come to the capital market right here in New York. I assure you that in this development business stranger things have happened.

* * * *

Gentlemen, I would like you to raise your sights for a few minutes to the bigger issues involved in matters of worldwide economic development. If there were to appear on this planet tomorrow a new country with a population nearly as big as the U.S. or the Soviet Union, larger than Britain, France and Germany combined -- some 200,000,000 or more -- I think you will agree that this would be an event of far-reaching significance. Foreign offices and defense establishments would have to adjust themselves to this new presence; so would ministries concerned with international trade, finance and the distribution of the world's physical resources. And these adjustments would not be minor. In this country and

in others, they would be matters of the highest policy, concerning cabinets and heads of governments.

You may say that this is fanciful, yet in the past five years the population of the developing countries has grown by over 200,000,000 souls -- a number comparable to that of all Africa south of the Sahara or all of South America. While this is certainly not the same as the emergence of a single new country, it is emphatically a circumstance of great weight in world affairs. It speaks urgently for seeking a new balance in the relations between the rich and the poor countries.

Yet the pages of recent history show little recognition by the industrial countries that the equivalent of a new continent has been added to the less developed world, or that, despite population controls which are starting to take effect, a second such equivalent will be added in the next five years. The low-income countries must finance their development effort mostly out of exports to industrial countries -- and they are increasingly able to produce for export. The trade policy of the industrial countries in 1966 still offers the low-income countries too few opportunities. The flow of finance for development has not noticeably increased. In fact, by some important measures it has declined.

Paradoxically, at the same time that the relative volume of aid has been dwindling, the capabilities of the developing countries have been growing. More than a year ago I stated that it was the judgment of the World Bank staff that for the balance of the 1960s, the developing countries -- outside the Sino-Soviet areas -- each year could effectively use, on the average, some \$3 to \$4 billion more of development finance than they are now

receiving. This judgment was based on estimates country-by-country of the capacity of the developing countries:

- to save and to export;
- to follow acceptable economic policies; and
- to plan and carry out high-priority development.

We have kept these estimates under review, and I today confirm and underline our judgment of the summer of 1965.

The capacity of the industrialized countries to support an effective assistance effort also has been rising. Assuming that effective financial assistance would cost an added \$3 to \$4 billion a year, the industrialized countries can certainly afford it. Their national income has been increasing, in the aggregate, at the rate of \$40 to \$50 billion a year.

Most of the great powers of this era are now, and for some time have been, engaged in examining at high government levels matters which they consider of pressing and mutual concern:

- fundamental changes in trade and tariff policies;
- the shape and functioning of the international monetary system;
- organization for defense within the North Atlantic Alliance.

Yet, looking ahead over the next ten years, where are the threats to international tranquility and order:

- Are they confined to balance and maintenance of military strength among the most powerful nations?
- Or to financial questions among the richest?
- Or is there also a threat arising from the possibility that, without concerted and adequate help from abroad, a large part of humanity will remain on the ragged edge of subsistence?

I deeply believe this possibility is one which presents a real and present danger. It seems to me that we cannot avoid increasingly frequent threats to international tranquility -- to say nothing of our individual peace of mind -- if so many people continue to live so close to starvation, and without hope for improvement in the lifetimes of their children or even their grandchildren.

I have found myself recently on more than one occasion calling to the attention of the members of the Bank's Board of Executive Directors the tremendous technological developments of our times -- those that are operational and those looming just over the horizon -- that seem to me to offer possibilities of major breakthroughs on some of our most difficult development problems. Some of these things are still pretty far up in the stratosphere so far as consideration of financing is concerned. But on others we are already doing some hard homework so that our staff can acquire the expertise necessary to evaluate proposals.

Among significant breakthroughs already proven, I have mentioned those affecting the production of ammonia which have brought the vision of enormously increased supplies of low-cost fertilizer in the developing countries closer to realization. Indeed, it is not too much to say that the big obstacles now lie primarily in relations between the international companies capable of building and operating plants applying the new technologies and the governments of the countries where the greatest food shortages exist.

Another important example of a technology that needs only to be applied on a sufficient scale is the recent improvement in methods of birth

control. These may not be the ultimate answers but they do seem to offer the first real possibility of reducing the world's population growth to more manageable proportions.

Looking only a little farther ahead, it is possible to foresee the day when radio and particularly television will be used effectively and widely to raise educational standards and to supplement the efforts of scarce teacher personnel.

Perhaps only slightly further off is the possibility of the combination of nuclear power generation with water desalinization, on a scale that would importantly affect the economics of power production and the supply of water for human and industrial use. As a result of these developments, at a later stage, desalinized water might even become economically available in the large quantities that are needed to irrigate water-starved lands with as yet undefinable but certainly far-reaching implications. And it should be observed that fertilizers always must be complemented with a sufficient supply of water.

Even farther out -- literally 23,000 miles out -- is the Comsat satellite and all it portends for the intensification of communications between peoples and governments hitherto remote from each other in almost every sense of the word.

Also somewhere out there is the supersonic transport with equally exciting implications for the whole world, now scheduled for operation in less than ten years.

These are some of the things which lead me to conclude that those who continue to be skeptical about the chances of success of a well thought-out

attack on the problems of poverty and backwardness in what we call the developing countries, using both public and private resources well within the capacity of the industrial countries to provide, may not see matters in true perspective.

My message to you today is that we in the World Bank believe that broadly speaking the road we are on is in the right direction and that if followed diligently, but also intelligently and very selectively, it will lead us toward that evasive "better world" which has beckoned people -- farmers, manufacturers, traders and money men -- for generations, as indeed it always will.

Mr. Woods

October 31, 1966

Lars J. Lind

Draft of Remarks to New York Bond Club, November 14, 1966

Attached you will find a first and rather rough draft of your address to the New York Bond Club, which has been written by Richard Clements following a conversation with Mr. Demuth. The draft will of course need tightening, checking and polishing but is submitted now for your comments as requested.

cc: Mr. Demuth

LJL
LJL/jsw

1) Main note 10/13/66 mgl
2) S →
out 10/24/66
11/2

BLYTH & Co., INC.
14 WALL STREET
NEW YORK CITY

EDWARD GLASSMEYER
SENIOR VICE PRESIDENT

September 21, 1966

Miss Bernadette Schmitt
Secretary to Mr. George D. Woods
International Bank for Reconstruction
and Development
Washington, D.C. 20433

Dear Miss Schmitt:

As you undoubtedly know, Mr. Woods telephoned the good news to me today that he is willing to speak at our November meeting.

He is presently uncertain as to which date he will select but I have suggested to him that he can make up his mind as late as Friday, October 14th.

To repeat the information of my previous letter, we have the following dates at The Bankers Club:

Wednesday, November 9	Tuesday, November 15	/ noted on col.
Thursday, November 10	Monday, November 21	
Monday, November 14 <i>OK</i>	Tuesday, November 22	

When Mr. Woods makes his decision would you be kind enough to telephone my secretary, Miss Kathleen Barrett at 212-REctor 2-1900 and she will immediately set the wheels in motion.

Also tell Mr. Woods that I would expect him to bring one or two of his associates with him to this luncheon and if you would be kind enough to advise me the names of these gentlemen,

Vac - due Mon 10/3

(out 10-14 THRU 17,)

Will advise later.

I would be most grateful to hear from you.

g | I wish you would ask Mr. Woods whether he would object to the press being invited and if he will have a prepared text. If he does have such a text, it is customary to arrange for copies to be given to the press the morning of the luncheon.

- no
- will arrange

As you know, I am leaving the country this weekend and will be back in the office on Monday, October 24th.

Sincerely yours,

Edward S. Sawyer

EG/kb

BLYTH & Co., INC.
14 WALL STREET
NEW YORK CITY

EDWARD GLASSMEYER
SENIOR VICE PRESIDENT

September 6, 1966

*To decide
by Oct 14*

Phone

Miss Bernadette Schmitt
Secretary to Mr. Woods
International Bank for Reconstruction
and Development
Washington, D.C. 20433

Dear Miss Schmitt:

Thank you for your letter acknowledging
my letter inviting Mr. Woods to be the speaker
at the first luncheon of The Bond Club.

I note that Mr. Woods will return
around the 8th of September.

If it is at all possible I would be
most grateful to receive a response from you
at the earliest possible time inasmuch as I
must be in Europe for almost a month commencing
the middle of September.

Sincerely yours,

Edward Glassmeyer

EG/kb

September 2, 1966

Dear Mr. Glassmeyer:

In Mr. Woods's absence, I acknowledge with thanks your letter of August 29, in which you invite him to be the honored guest and speaker at this year's first luncheon of The Bond Club of New York, sometime in November.

Mr. Woods has been out of the country on a combined holiday and business trip for the past month, and will not return until about the 8th of September. Your letter will be brought to his attention at that time.

Sincerely yours,

Bernadette Schmitt
Secretary to Mr. Woods

Mr. Edward Glassmeyer
The Bond Club of New York
c/o Blyth & Co., Inc.
14 Wall Street
New York, N.Y., 10005

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August 29, 1966

Mr. George D. Woods, President
 International Bank for Reconstruction
 and Development
 1818 H Street, N.W.
 Washington, D.C.

Dear George:

It was such a pleasure to catch up with you at the Bohemian Grove last month and I trust that you have survived this experience in good fashion.

As one of my first official duties as President of the Bond Club, may I hereby cordially invite you to be the speaker at our first luncheon.

As you know, each year we have four lunches for our membership and for each of these we invite a guest of honor who also is the speaker of the day.

Each of the following dates have been reserved for us by The Bankers Club and I do hope that one of these would conform to your busy schedule.

Wednesday, November 9
 Thursday, November 10
 Monday, November 14

Tuesday, November 15
 Monday, November 21
 Tuesday, November 22

The choice of a subject will be yours, speeches usually last thirty minutes, the audience is restricted to members and fire laws limit the attendnace to approximately 300.

ack. Sept. 2/66

As a former member of our Club I do hope that you are able to select one of the above dates.

Your acceptance will be greatly appreciated by me personally and also by each member of my Board and by your many friends who are members of the Club.

With kind regards,

Sincerely yours,

A handwritten signature in blue ink, appearing to be 'E. Glassmeyer', written over the printed name.

Edward Glassmeyer

EG/kb

L'École des S. Politiques

ROUTING SLIP

Date
Nov. 17, 1966

OFFICE OF THE PRESIDENT

Name

Room No.

~~1. Mr. Graves~~ *WJ*

2. Mr. Madenet *WJ*

3. Files

Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks



G. D. Woods

From

Woods - Sp.
NOV 17 REC'D

CRÉDIT COMMERCIAL
DE FRANCE

PARIS, LE 15th November, 1966.

103, AVENUE DES CHAMPS ELYSÉES

← DCT

LE DIRECTEUR GÉNÉRAL



Mr. George D. Woods,
President and Chairman,
International Bank for Reconstruction
and Development,
WASHINGTON D.C., U.S.A.

Dear Mr. President,

Now that our group of alumnis of the Ecole des Sciences Politiques is back home, after our fortnight's trip, it is my first duty to thank you most warmly for the welcome we received from you and your officers.

We thoroughly enjoyed the very pleasant lunch which you offered us and were most interested in the briefing given to us afterwards by Mr. Jacques Bernard Chadenet. I am writing to him to thank him specially.

We were much impressed by the broadening of your Bank's aims and achievements, and the hours spent there will remain for us all one of the highlights of our visit to the United States, which on the whole has been a great success.

I hope to be able to call on you again when I return, probably next year, to Washington, and I remain,

Yours respectfully,

J. BERTHOUD
Président de l'Association des
Anciens Elèves de l'Ecole des
Sciences Politiques

CROSS REFERENCE SHEET

COMMUNICATION: SENIOR STAFF MEETING SSM/M/66-42

DATED: November 4, 1966

TO:

FROM:

FILED UNDER: SENIOR STAFF MEETING

SUMMARY:

VISIT OF FRENCH FINANCIAL GROUP

3. Mr. Chadenet reported that an informal group of about 60 French bankers and brokers, alumni of the "Ecole des Sciences Politiques", who were visiting Canada and the United States, had visited the Bank on October 31. A luncheon at which Mr. Woods had presided and an information conference had both been successful. Mr. Rist added that he had heard many expressions of appreciation on the part of the visitors.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

Mr. Woods

Yves
I have
sent
them
through
this
year

Here is a clean copy of
the "remarks" which ^{10/29}

Benjamin will read, in
French, on your behalf
at the lunch on Monday
Oct. 31.

JW 28 Oct.

cash

Speech for Mr. Woods at luncheon on October 31

It gives me great pleasure to welcome you formally to the World Bank today. We are honored that you have found time during your brief stay in Washington to visit us. The distinguished place of learning which you all attended is well known to us here; indeed, there are a few people on the World Bank staff -- and I would be happy if there were more -- who are also graduates of "Les Sciences Po." The Bank has always greatly valued its close links with France, and I am referring now both to our links with your Government and also with the French financial community. Historically, it is a fact that the first loan the Bank ever made was to France. This was over 19 years ago, in May 1947. The amount of the loan was \$250 million and its purpose to assist in financing the reconstruction and development of the French economy after the heavy blows inflicted upon it during World War II. There can be no doubt the money was put to good use. Today, of course, the French economy is one of the strongest in the world and is relatively *less affected* ~~free~~ of the inflationary pressures which are troubling many industrial countries.

by

Let me hasten to add that none of the Bank's 1947 loan to France is ~~now~~ held by us; the last of it, in fact, was sold to French financial institutions in July 1963. As you know, one of the ways in which the Bank raises money for its work in the field of economic development is by selling off parts of its loans. This can occur either at the time the loan is made, or subsequently. The 1947 loan to France was one of the most sought-after by investors, an indication of the rapidity with which France re-established her international credit status after World War II. The Bank of France was itself a substantial buyer of this loan, taking up about \$170 million in three large purchases in March 1962 and in April and July of the following year. The remainder was sold to private institutional investors and government agencies. ¹

We received our money with interest - 14 years before the final maturity d. e.

This afternoon, Mr. Bernard Chadenet, who is Associate Director of our Projects Department, will describe the over-all activities of the Bank. As a foreword to his talk, may I remind you of the enormous amount which still has to be done to raise the living standards of the developing countries. In the past five years the population of the developing countries has grown by over 200 million, a number larger than the population of the United States, and about four times the population of France. It has been a tremendous struggle for these countries to keep pace with this population growth, let alone raise the living standards of their people.

The task ahead can be simply illustrated. In 40 of the about 80 developing countries who are members of the World Bank there are today 750 million people with per capita incomes of only about 600 francs. At the Ministerial Meeting of the Development Assistance Committee of the Organization for Economic Cooperation and Development in July, I posed these questions. Looking ahead over the next ten years, where are the threats to international tranquility and order? Are they confined to balance and maintenance of military strength among the most powerful nations? Or to financial questions

among the richest? Or is there also a threat arising from the possibility that, without concerted and adequate help from abroad, a large part of humanity will remain on the edge of subsistence? I believe that this is a possibility which represents a real and present danger to peace in the world. I believe it is a matter which should receive attention at the highest levels of government in the approximately 20 capital exporting countries of the world.

Before concluding my brief remarks, may I first pay tribute to the part which France has played in the affairs of the World Bank since its foundation in 1946. The Bank and France have worked closely together and see eye to eye on many matters relating to economic development. This was made clear by your Finance Minister, Mr. Debré, at the annual meetings of the World Bank and the International Monetary Fund here in Washington in September. It is noteworthy that France is one of the very few countries whose total assistance to developing countries has been at or above the target of one per cent of national income during the past four years.

We are very pleased to have the opportunity of welcoming you at lunch. I hope you find your visit with us both interesting and enjoyable.

RClements/GDWoods
October 27, 1966

PROJET - DISCOURS DE MONSIEUR WOODS - DEJEUNER DU 31 OCTOBRE

Je suis très heureux de vous accueillir aujourd'hui parmi nous et vous remercie, au nom de la Banque Mondiale, d'avoir trouvé le temps de nous rendre visite, malgré la brièveté de votre séjour à Washington. Tous ici, nous connaissons la célèbre école dont vous êtes anciens élèves. Nous avons d'ailleurs parmi notre personnel quelques diplômés des "Sciences Po", et je dois dire que je serais heureux qu'il y en ait davantage. La Banque a toujours attaché un grand prix à ses liens étroits avec la France. Et je parle aussi bien de nos liens avec votre gouvernement que de ceux avec la communauté financière de votre pays. Il est un fait historique que c'est à la France que la Banque a accordé son premier prêt, en mai 1947, c'est-à-dire il y a plus de 19 ans. Le montant du prêt était de 250 millions de dollars et son objet était d'aider au financement de la reconstruction et du développement de l'économie française, si durement éprouvée par la seconde guerre mondiale. Et je dois dire que la France a su faire bon usage de cet argent. Aujourd'hui, comme chacun sait, l'économie française est l'une des plus solides du monde. Elle est d'autre part relativement moins touchée par les pressions inflationnistes dont nombre de pays industriels souffrent à l'heure actuelle.

Je dois vous dire tout de suite que nous ne détenons plus aucune portion de ce prêt accordé à la France en 1947. En effet, la dernière tranche de ce prêt a été cédée en juillet 1963 à des établissements financiers de votre pays. Vous n'êtes pas sans savoir que l'un des moyens dont la Banque dispose pour obtenir les fonds destinés au développement économique consiste justement à vendre à des tiers une partie de ses prêts. Cette opération peut être conclue soit au moment de l'octroi du prêt, soit par la suite. Le prêt de 1947 accordé à la France a été l'un des plus recherchés par les investisseurs; ce qui illustre la rapidité avec laquelle votre pays a réussi à retrouver la confiance internationale au lendemain de la seconde guerre mondiale. La Banque de France a d'ailleurs elle-même participé à l'achat d'une part substantielle de ce prêt, puisqu'elle a racheté en trois fois (en mars 1962 et en avril et juillet 1963) un montant total approximatif de 170 millions de dollars. Le solde a été vendu à des investisseurs institutionnels privés et publics. Je me félicite du fait, qu'en ce qui concerne ce prêt, nous sommes rentrés dans nos fonds 14 ans avant l'échéance originellement prévue.

Cet après-midi, M. Bernard Chadenet, Directeur associé de notre Département des Projets et Réalisations, vous décrira les activités générales de la Banque. En guise d'introduction, j'aimerais vous rappeler la tâche énorme qui reste à accomplir pour relever le niveau de vie des habitants des pays en voie de développement. Au cours des cinq dernières années, la population de ces pays a augmenté de plus de 200 millions d'hommes, soit un nombre supérieur à la population des Etats-Unis et environ quatre fois celle de la France. Et pour faire face à cet accroissement de population, sans qu'il soit même question d'envisager un relèvement quelconque du niveau de vie, ces pays ont eu à lutter très dur.

La tâche à accomplir peut être illustrée assez simplement: dans la moitié des quelque 80 pays en voie de développement qui sont membres de la Banque Mondiale, on compte à l'heure actuelle 750 millions d'hommes dont le revenu s'établit aux alentours de 600 francs par an. Or, au cours de la réunion ministérielle du Comité d'aide au développement de l'Organisation de coopération et de développement économiques, qui s'est tenue en juillet dernier, j'ai posé trois questions. Pour les dix années à venir, quelles sont les menaces qui pèsent sur la tranquillité du monde et l'ordre international? Ces menaces ne concernent-elles que l'équilibre et le maintien de la puissance militaire des nations les plus fortes? Ou ne concernent-elles que les problèmes financiers entre les nations les plus riches? Ou, enfin, y a-t-il également une menace provenant du fait qu'à défaut d'une aide concertée et efficace de l'étranger, une part importante de l'humanité pourrait continuer de vivre dans la misère? A mon avis, cette possibilité constitue un danger à la fois réel et actuel, qui menace la paix du monde. Je pense qu'il s'agit là d'un problème auquel les dirigeants des gouvernements des quelque 20 pays exportateurs de capitaux doivent s'intéresser de très près.

Je voudrais maintenant, avant de conclure, rendre hommage à la France pour le rôle qu'elle a joué dans les affaires de la Banque Mondiale depuis sa création en 1946. La Banque et la France ont collaboré étroitement et partagé le même point de vue sur un grand nombre de problèmes touchant au développement économique. M. Debré, votre Ministre des finances, a d'ailleurs confirmé cette constatation au cours de l'Assemblée annuelle de la Banque Mondiale et du Fonds Monétaire International qui s'est tenue ici à Washington au mois de septembre dernier. Je crois utile de souligner que la France est l'un des très rares pays dont l'aide totale fournie aux pays en voie de développement au cours de ces quatre dernières années ait atteint ou dépassé l'objectif de un pour cent du revenu national.

Nous sommes très heureux de l'occasion qui nous est donnée de vous recevoir aujourd'hui à déjeuner, et j'espère sincèrement que vous trouverez cette visite à la fois agréable et intéressante.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

x
Je me félicite de fait, ^{qu'en ce qui concerne} ~~que~~ ^{ce prêt.}
sommes rentrés dans nos fonds 14
ans avant l'échéance originellement
prévue.

Mr. Benjenk
Room 553

PROJET - DISCOURS DE MONSIEUR WOODS - DEJEUNER DU 31 OCTOBRE

vous

Je suis très heureux de vous accueillir aujourd'hui parmi nous et je remercie, au nom de la Banque Mondiale, d'avoir trouvé le temps de nous rendre visite, malgré la brièveté de votre séjour à Washington. Tous ici, nous connaissons la célèbre école dont vous êtes anciens élèves. Nous avons d'ailleurs parmi notre personnel quelques diplômés des "Sciences Po", et je dois dire que je serais heureux qu'il y en ait davantage. La Banque a toujours attaché un grand prix à ses liens étroits avec la France. Et je parle aussi bien de nos liens avec votre gouvernement que de ceux avec la communauté financière de votre pays. Il est un fait historique que c'est à la France que la Banque a accordé son premier prêt, en mai 1947, c'est-à-dire il y a plus de 19 ans. Le montant du prêt était de 250 millions de dollars et son objet était d'aider au financement de la reconstruction et du développement de l'économie française, si durement éprouvée par la seconde guerre mondiale. Et je dois dire que la France a su faire bon usage de cet argent. Aujourd'hui, comme chacun sait, l'économie française est l'une des plus solides du monde. Elle est d'autre part relativement exempte des pressions inflationnistes dont nombre de pays industriels souffrent à l'heure actuelle.

Je dois vous dire tout de suite que nous ne détenons plus aucune portion de ce prêt accordé à la France en 1947. En effet, la dernière tranche de ce prêt a été cédée en juillet 1963 à des établissements financiers de votre pays. Vous n'êtes pas sans savoir que l'un des moyens dont la Banque dispose pour lever les fonds destinés au développement économique consiste justement à vendre une partie de ses prêts. Cette opération peut être conclue soit au moment de l'octroi du prêt, soit par la suite. Le prêt de 1947 accordé à la France a été l'un des plus recherchés par les investisseurs; ce qui illustre la rapidité avec laquelle votre pays a réussi à retrouver la confiance internationale au lendemain de la seconde guerre mondiale. La Banque de France a d'ailleurs elle-même participé à l'achat d'une part substantielle de ce prêt, puisqu'elle a racheté en trois fois (en mars 1962 et en avril et juillet 1963) un montant total approximatif de 170 millions de dollars. Le solde a été vendu à des investisseurs institutionnels privés et publics.

Cet après-midi, M. Bernard Chadenet, Directeur associé de notre Département des Projets et Réalisations, vous décrira les activités générales de la Banque. En guise d'introduction, j'aimerais vous rappeler la tâche énorme qui reste à accomplir pour relever le niveau de vie des habitants des pays en voie de développement. Au cours des cinq dernières années, la population de ces pays a augmenté de plus de 200 millions d'hommes, soit un nombre supérieur à la population des Etats-Unis et environ quatre fois celle de la France. Et pour faire face à cet accroissement de population, sans qu'il soit même question d'envisager un relèvement quelconque du niveau de vie, ces pays ont eu à lutter très dur.

TRANSLATION SECTION 1936/66
Translated From: English 10/27 By: MV/jd

La tâche à accomplir peut être illustrée assez simplement: dans la moitié des quelque 80 pays en voie de développement qui sont membres de la Banque Mondiale, on compte à l'heure actuelle 750 millions d'hommes dont le revenu s'établit aux alentours de 600 francs par an. Or, au cours de la réunion ministérielle du Comité d'aide au développement de l'Organisation de coopération et de développement économiques, qui s'est tenue en juillet dernier, j'ai posé trois questions. Pour les dix années à venir, quelles sont les menaces qui pèsent sur la tranquillité du monde et l'ordre international? Ces menaces ne concernent-elles que l'équilibre et le maintien de la puissance militaire des nations les plus fortes? Ou ne concernent-elles que les problèmes financiers entre les nations les plus riches? Ou, enfin, y a-t-il également une menace provenant du fait qu'à défaut d'une aide concertée et efficace de l'étranger, une part importante de l'humanité pourrait continuer de vivre dans la misère? A mon avis, cette possibilité constitue un danger à la fois réel et actuel, qui menace la paix du monde. Je pense qu'il s'agit là d'un problème auquel les gouvernements des quelque 20 pays exportateurs de capitaux doivent s'intéresser de très près.

dirigeant de
Je voudrais maintenant, avant de conclure, rendre hommage à la France pour le rôle qu'elle a joué dans les affaires de la Banque Mondiale depuis sa création en 1946. La Banque et la France ont collaboré étroitement et partagé le même point de vue sur un grand nombre de problèmes touchant au développement économique. M. Debré, votre Ministre des finances, a d'ailleurs confirmé cette constatation au cours de l'Assemblée annuelle de la Banque Mondiale et du Fonds Monétaire International qui s'est tenue ici à Washington au mois de septembre dernier. Je crois utile de souligner que la France est l'un des très rares pays dont l'aide totale fournie aux pays en voie de développement au cours de ces quatre dernières années ait atteint ou dépassé l'objectif de un pour cent du revenu national.

Nous sommes très heureux de l'occasion qui nous est donnée de vous recevoir aujourd'hui à déjeuner, et j'espère sincèrement que vous trouverez cette visite à la fois agréable et intéressante.

In honor of
ASSOCIATION DES ANCIENS ELEVES DE LA RUE SAINT-GUILLAUME
(List of Participants Attached)

LUNCHEON - MONDAY, OCTOBER 31, 1966 - 12:30 P.M.
Executive Dining Room - 1818 H Street, N. W.
Washington, D. C.

Host: Mr. George D. Woods, President of IBRD, IFC, IDA *

Executive Director and Alternate Executive Directors:

- Mr. Rene Larre, Executive Director for France, IBRD, IFC, IDA and IMF **
- Mr. Jean Malaplate, Alternate Executive Director for France, IBRD, IFC, IDA
- Mr. Gerard M. Teyssier, Alternate Executive Director for France, IMF

Officers and Staff:

- Mr. J. Burke Knapp, Vice President, IBRD, IDA
- Mr. Martin M. Rosen, Executive Vice President, IFC
- Mr. S. Aldewereld, Vice President and Director of Projects Department, IBRD, IDA

- ✓ Mr. Munir Benjenk, Senior Loan Officer, Africa Department, IBRD, IDA
- Miss Marie Louise Cathala, Assistant to Mr. Leonard Rist
- Mr. Bernard Chadenet, Associate Director, Projects Department, IBRD, IDA
- Mr. Roger A. Chaufournier, Deputy Director, Western Hemisphere Department, IBRD, IDA
- Mr. S. R. Cope, Director, Europe and Middle East Department, IBRD, IDA
- Mr. Georges R. Delaume, Attorney, Legal Department, IBRD, IDA
- Mr. William Diamond, Director, Development Finance Companies Department, IFC
- Mr. Abdel G. El Emary, Director, Africa Department, IBRD, IDA
- Mr. Cherif Hassan, Deputy Director, Department of Investments, Africa, Asia and Middle East, IFC
- Mr. Michael L. Hoffman, Associate Director, Development Services Department, IBRD, IDA
- Mr. Lars Lind, Deputy Director, Information Department, IBRD, IFC, IDA
- Mr. Andre Nespoulous-Neuville, Economist, Economics Department, IBRD, IDA
- Mr. Xavier de la Renaudiere, Senior Loan Officer, Africa Department, IBRD, IDA
- Mr. Leonard B. Rist, Special Adviser to the President, IBRD, IDA
- Mr. Yves Rovani, Financial Analyst, Projects Department, IBRD, IDA
- Miss Rena Zafirou, Economist, Economics Department, IBRD, IDA

Note: * IBRD - International Bank for Reconstruction and Development
 IFC - International Finance Corporation
 IDA - International Development Association
 ** IMF - International Monetary Fund

ASSOCIATION DES ANCIENS ELEVES DE LA RUE SAINT-GUILLAUME
187, Boulevard St. Germain, Paris 7ème - LIT. 91-62-C.C.P. 3059-16

(BANKING AND STOCK EXCHANGE GROUP OF THE ALUMNI OF THE
ECOLE DES SCIENCES POLITIQUES)

Dejeuner à la Banque Internationale - du 31 Octobre 1966
à midi et demi

M. Jean-Claude AUBURTIN	Directeur Général de l'Union Française de Crédit pour le Commerce et l'Industrie.
M. Didier BACOT	Chef de Service Honoraire à l'E.D.F.
M. Pierre BARTHOLIN	Président de Pechiney Entreprises, Directeur de la Cie Pechiney.
M. Paul-Henri BERGERET	Directeur Général de France-Placement.
M. Régis BERLAND	Dir. Gal Adj. de la Société Centrale de Banque.
Mlle. Andrée BERLY	Secrétaire Général Administratif de l'Association.
M. Jacques BERTHOUD	Directeur Général du Crédit Commercial de France. Président de l'Association.
M. Philippe BONNET	Inspecteur Général à la Banque de France.
M. René BONNET	Agent de Change près la Bourse de Paris.
M. Jacques BUISSON	Agent de Change près la Bourse de Paris.
Mlle M. France CARRERE	Rédactrice à la Direction Générale du Crédit Lyonnais.
M. Claude CELLIER	Gérant de Fahnestock and Co.
M. Philippe DENIS	Directeur de la Banque de Neuflyze, Schlumberger Mallet et Cie.
M. Jean-Pierre DESBONS	Morgan Guaranty Trust à New York.
M. Xavier DUPONT	Co-Gérant de la Charge d'Agent de Change, Henri Mollard.
M. Louis EMY	Directeur de l'Union Maritime et Financière.
M. Louis FAUCHIER-MAGNAN	Agent de Change près la Bourse de Paris.
M. Richard FIEZ	Analyste et Conseiller Financiers à Zurich.
M. Jean-Claude GABRIEL	Dir. Adj. à l'Union Intercontinentale de Banque.
M. Pascal GEORGES-PICOT	Att. de Dir. à la Banque de Suez, Union des Mines.

M. Philippe GIFFARD	Directeur Gal Adj. du Crédit Industriel de l'Ouest.
M. René GIRARD	Attaché de Direction à la Banque Régionale d'Escompte et de Dépôts.
Mme du GRANRUT née Claude de RENTY	Chargé de Mission au Cabinet du Secrétaire d'Etat auprès du Premier Ministre.
M. Hubert GROSPELLIN	Ss-Directeur de la Bourse à la B.P.P.B.
M. Thierry d'HAUTEVILLE	Dir. Adj. de la Banque de Suez, Union des Mines.
M. Pierre HENNIQUEAU	Directeur du Crédit Chimique.
M. André HUBERT-BRIERRE	Fondé de Pouvoirs d'Agent de Change.
M. Paul JENNY	Directeur Général de la Sté Robert Lefebvre et Cie, Courtiers de Banque Agréés.
M. Henri KATZ	Directeur Financier de la Sté Générale Alimentaire.
M. Philippe de LA MOISSONNIERE	Fondé de Pouvoirs d'Agent de Change.
M. Rémy LEBEL	Agent de Change près la Bourse de Paris.
Eric LARSEN	Attaché à l'Union Européenne Industrielle et Financière
M. Pierre LE BESNERAIS	Directeur de l'Union de Crédit pour le Bâtiment.
M. Rober LE GUAY	Agent de Change près la Bourse de Paris.
M. Yves LE GUAY	Directeur de la Banque de l'Entreprise
M. Pierre LE ROUX	Directeur Adjoint de Sogenin.
M. Jacques MAHOT de LA QUERANTONNAIS	Notaire à Paris.
M. Pierre MURON	Directeur Adjoint de la Société Générale.
M. Jean-Pierre PARODI	Secrétaire Gal du Journal "l'Usine Nouvelle".
M. Michel PERIER	Secr. Gal Adj. de la Cie des Agents de Change de Paris.
M. Pierre PERROT	Ss-Dir. à la Banque Parisienne pour l'Industrie.
M. Pierre PHILIPPE	Vice Président Délégué de Pan-Holdings et Président and Director Général de la CIPEC.
M. Bernard PIERRE	Agent de Change près la Bourse de Paris. Président du Groupe Banque et Bourse de l'Association.
Mme Bernard PIERRE née Roselyne REGEY	

M. Louis PRANGÉY	Directeur de l'Union Industrielle de Crédit.
Mlle Bernadette PREVOST	Chef du Service Juridique et Fiscal de la Fédération Nationale des Constructeurs Promoteurs.
M. François ROBERT-GORSSE	Directeur Gal Adj. de la Banque Monod-La-Hénin
M. Alfred ROYER	Bureau de Recherches de Pétrole.
M. Jean SCALBERT	Directeur à la Banque Scalbert.
M. Rémi SCHELCHER	Fondé de Pouvoirs d'Agent de Change.
M. Charles SEBLINE	Rédacteur au Secr. du Comptoir des Entrepreneurs.
Mlle Françoise SIMON	Chef de Service à la Caisse de Retraite et de Prévoyance des Cadres de la Presse.
M. Gérard STEVENIN	Analyste Financier, Charge Rondeleux.
M. François TABARD	Chef de Division au Département de la Bourse de la Société Générale.
Mme Nicole TAYON	Fondé de Pouvoirs de la Banque Ciale de Paris.
M. Jean-Marie THOMAZEAU	Morgan Guaranty Trust à New York.
M. Michel TOLLU	Fondé de Pouvoirs d'Agent de Change.
M. Henri TOURET	Administrateur Directeur Général de Cofincau.
M. Henri VIAUX	Président Directeur Général de l'Union d'Escompte, Président Directeur Gal de la Sté de Credit a l'Achat de Matériel d'Equipement C.A.M.E.
M. Jacques VINCENOT	Directeur Général Adjoint de la Banque Française et Italienne pour l'Amérique du Sud.
M. Jacques de VIRIEU	Conseiller Economique de la Sociét Française d'Assurances pour Favoriser le Crédit.
M. Bertrand VIRIOT	Stagiaire à New York.
M. Henri WALLON	Directeur du Crédit du Nord, Direction de Paris.
M. Jean du PRE de ST. HAUR	Financial Attaché, French Consulate, New York City

LUNCHEON - MONDAY, OCTOBER 31, 1966 - 12:30 P.M.

<u>Table</u> <u>No.</u>	<u>Visitors</u>	<u>Table</u> <u>No.</u>	<u>Visitors</u>
6	Mr. AUBURTIN	6	Mr. TABARD
7	Mr. BACOT	3	Mrs. TAYON
1	Mr. BARTHOLIN	3	Mr. THOMAZEAU
6	Mr. BERGERET	7	Mr. TOLLU
2	Mr. Berland	7	Mr. TOURRET
4	Miss BERLY	2	Mr. VIAUX
1	Mr. BERTHOUD	1	Mr. VINCENOT
8	Mr. P. BONNET	3	Mr. de VIRIEU
3	Mr. R. BONNET	3	Mr. VIRIOT
7	Mr. BUISSON	2	Mr. WALLON
8	Miss CARRERE	4	Mr. du PÔLE de ST. NAUR
7	Mr. CELLIER		
8	Mr. DENIS		
3	Mr. DESBONS		
8	Mr. DUPONT		<u>IBRD, IFC, IDA; IMF</u>
2	Mr. EMY	1	Mr. WOODS
4	Mr. FAUCHIER-MAGNAN		
4	Mr. FIEZ	1	Mr. LARRE
5	Mr. GABRIEL	8	Mr. MALAPLATE
8	Mr. GEORGES-PICOT	2	Mr. TEYSSIER
7	Mr. GIFFARD		
3	Mr. GIRARD	2	Mr. KNAPP
8	Mrs. du GRANRUT	8	Mr. ROSEN
3	Mr. GROSPERRIN	7	Mr. ALDEWERELD
2	Mr. d'HAUTEVILLE		
7	Mr. HENNIQUEAU	2	Mr. BENJENK
8	Mr. HUBERT-BRIERRE	7	Miss CATHALA
5	Mr. JENNY	1	Mr. CHADENET
8	Mr. KATZ	5	Mr. CHAUFOURNIER
5	Mr. de la MOISSONNIERE	3	Mr. COPE
3	Mr. LARSEN	6	Mr. DELAUME
2	Mr. LEBEL	3	Mr. DIAMOND
7	Mr. LE BESNERAIS	6	Mr. EL EMARY
5	Mr. R. LEGUAY	7	Mr. HASSAN
8	Mr. Y. LEGUAY	7	Mr. HOFFMAN
7	Mr. LE ROUX	3	Mr. LIND
3	Mr. MAHOT de la QUERANTONNAIS	2	Mr. NESPOULOUS-NEUVILLE
8	Mr. MURON	3	Mr. de la RENAUDIERE
4	Mr. PARODI	4	Mr. RIST
2	Mr. PERIER	8	Mr. ROVANI
7	Mr. PERROT	5	Miss ZAFIRIOU
4	Mr. PHILIPPE		
1	Mr. PIERRE		
2	Mrs. PIERRE		
2	Mr. PRANGY		
6	Miss PREVOST		
2	Mr. ROBERT-GORSSE		
8	Mr. ROYER		
2	Mr. SCALBERT		
8	Mr. SCHELCHER		
6	Mr. SEBLINE		
7	Miss SIMON		
3	Mr. STEVENIN		

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

OFFICE OF THE PRESIDENT

~~gcu~~

I think I'd say
about 1 sentence asking
Benjank to deliver
the attached remarks
in French on my behalf.

Ask him to look
them over and make
changes as he feels advisable
Mans 10/25

Speech - Woods

OFFICE MEMORANDUM

TO: Mr. George D. Woods

DATE: October 24, 1966

FROM: Lars J. Lind *Lars J. Lind*SUBJECT: Suggested remarks at luncheon for former students of Ecole des Sciences Politiques

I attach draft remarks for the luncheon with the former students of Ecole des Sciences Politiques on October 31. It has been seen by Bernard Chadenet.

You might wish to be much briefer, but the suggested remarks covering 7 to 8 minutes are submitted in case you want to give a short speech to this important group of Frenchmen.

*Mr. Woods 10/25**This is too long, I am afraid.*

BENSENK will be delighted to interpret for you if you wish him to do so. It would be helpful to him to have an advance copy of your remarks.

for 2400.

Speech for Mr. Woods at luncheon on October 31

It gives me great pleasure to welcome you formally to the World Bank today. We are honored that you have found time during your brief stay in Washington to visit us. The distinguished place of learning which you all attended is well known to us here; indeed, there are a few people on the World Bank staff -- and I would be happy if there were more -- who are also graduates of "Les Sciences Po." The Bank has always greatly valued its close links with France, and I am referring now both to our links with your Government and also with the French financial community. Historically, it is a fact that the first loan the Bank ever made was to France. This was over 19 years ago, in May 1947. The amount of the loan was \$250 million and its purpose to assist in financing the reconstruction and development of the French economy after the heavy blows inflicted upon it during World War II. There can be no doubt the money was put to good use. Today, of course, the French economy is one of the strongest in the world and is relatively free of the inflationary pressures which are troubling many industrial countries.

Let me hasten to add that none of the Bank's 1947 loan to France is now held by us; the last of it, in fact, was sold to French financial institutions in July 1963. As you know, one of the ways in which the Bank raises money for its work in the field of economic development is by selling off parts of its loans. This can occur either at the time the loan is made, or subsequently. The 1947 loan to France was one of the most sought-after by investors, an indication of the rapidity with which France re-established her international credit status after World War II. The Bank of France was itself a substantial buyer of this loan, taking up about \$170 million in three large purchases in March 1962 and in April and July of the following year. The remainder was sold to private institutional investors and government agencies.

This afternoon, Mr. Bernard Chadenet, who is Associate Director of our Projects Department, will describe the over-all activities of the Bank. As a foreword to his talk, may I remind you of the enormous amount which still has to be done to raise the living standards of the developing countries. In the past five years the population of the developing countries has grown by over 200 million, a number larger than the population of the United States, and about four times the population of France. It has been a tremendous struggle for these countries to keep pace with this population growth, let alone raise the living standards of their people.

The task ahead can be simply illustrated. In 40 of the about 80 developing countries who are members of the World Bank there are today 750 million people with per capita incomes of only about 600 francs. At the Ministerial Meeting of the Development Assistance Committee of the Organization for Economic Cooperation and Development in July, I posed these questions. Looking ahead over the next ten years, where are the threats to international tranquility and order? Are they confined to balance and maintenance of military strength among the most powerful nations? Or to financial questions

among the richest? Or is there also a threat arising from the possibility that, without concerted and adequate help from abroad, a large part of humanity will remain on the edge of subsistence? I believe that this is a possibility which represents a real and present danger to peace in the world. I believe it is a matter which should receive attention at the highest levels of government in the approximately 20 capital exporting countries of the world.

Before concluding my brief remarks, may I first pay tribute to the part which France has played in the affairs of the World Bank since its foundation in 1946. The Bank and France have worked closely together and see eye to eye on many matters relating to economic development. This was made clear by your Finance Minister, Mr. Debré, at the annual meetings of the World Bank and the International Monetary Fund here in Washington in September. It is noteworthy that France is one of the very few countries whose total assistance to developing countries has been at or above the target of one per cent of national income during the past four years.

We are very pleased to have the opportunity of welcoming you at lunch. I hope you find your visit with us both interesting and enjoyable.

RClements/GDWoods
October 27, 1966

Mr. Chadenet
Mr. Deely

October 24, 1966

Richard Clements R.C.

Draft of Mr. Woods' speech

I attach a draft of Mr. Woods' speech for the luncheon for the group from L'Ecole des Sciences Politiques on October 31. I would be grateful if you could let me have your comments some time this afternoon, as I would like to send it to Mr. Wishart by this evening.

RC/mj

Woods-Speech-OECD/DAC

Form No. 27
(7-61)
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RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
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DATE: OCTOBER 7, 1966

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COUNTRY: BRAZIL

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OCTOBER 7, 1966

DATE

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DECODED BY:	<i>L. Baum</i>

OCT 5 1966

Projects Dept. Correspondence

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DATE _____

L. Baum

L. Baereng

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W. 10/19

W-564 WE ASK FOR BANK AUTHORIZATION TO PUBLISH IN OUR MAGAZINE REVISTA BRASILEIRA DE TRANSPORTES THE PORTUGUESE VERSION OF A SPEECH MADE BY MR. GEORGE WOODS IN JULY 20 1966. THIS SPEECH HAS BEEN PUBLISHED IN SPANISH BY THE BANK. REGARDS

LAFAYETTE GEIPOTRIO

MT

ack. Oct 1/66

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RIO DE JANEIRO

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alpha x Development & Resources
x Lilienthal

September 20, 1966

Dear David:

This is a belated acknowledgment of your note of August 22. It arrived during my absence from the country on a combination vacation and business trip, from which I returned last week.

Thank you for your kind remarks about my DAC statement. I will touch on the same subject at the Fund-Bank Governors' Meetings next week. There is some reason--admittedly slight--to believe that something may come of the suggestion that the financing of development be considered at the highest levels in the industrialized countries. Anything that you can do, with the group at Carnegie or elsewhere, to focus thinking on the problems of the decades ahead (after attempting to identify them) is of course constructive. Your voice is heard and listened to in numerous forums which an ex-Wall Streeter will never be able to penetrate.

Thank you for your note and for your efforts.

With warm personal regards,

Cordially,

(Signed) George D. Woods

George D. Woods

Mr. David E. Lilienthal
Development and Resources Corporation
One Whitehall Street
New York, New York 10004

GDWoods/s
cc: 1) Mr. Aldewereld (with incoming) ✓
2) Files

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August 29, 1966

Secretary to the President
World Bank
1818 H. St. N.W.
Washington, D.C.

Dear Madam:

Thank you for your kindness in forwarding a copy
of Mr. Woods', 1966 address to the Spring session of the
Economic and Social Council in answer to my teletype of
August 22.

Yours sincerely,

(Miss) Eileen B. Morash,
Librarian.

EBM/sm

ROUTING SLIP

Date
Aug. 24, 1966

OFFICE OF THE PRESIDENT

Name	Room No.
Mr. Aldebereld <i>8/24</i>	
Mr. Woods on return	

<input type="checkbox"/>	To Handle	<input type="checkbox"/>	Note and File
<input type="checkbox"/>	Appropriate Disposition	<input type="checkbox"/>	Note and Return
<input type="checkbox"/>	Approval	<input type="checkbox"/>	Prepare Reply
<input type="checkbox"/>	Comment	<input type="checkbox"/>	Per Our Conversation
<input type="checkbox"/>	Full Report	<input type="checkbox"/>	Recommendation
<input checked="" type="checkbox"/>	Information	<input type="checkbox"/>	Signature
<input type="checkbox"/>	Initial	<input type="checkbox"/>	Send On

Remarks

M. b.
M. Lee

Frc

AUG 24 REC'D

x Dev. Resources Corp.

DEVELOPMENT AND RESOURCES CORPORATION *x Lilienthal*

DAVID E. LILIENTHAL
CHAIRMAN OF THE BOARD

JOHN OLIVER
PRESIDENT

ONE WHITEHALL STREET
NEW YORK, N. Y. 10004
(212) WHITEHALL 4-4521

August 22, 1966

Hon. George D. Woods
President
International Bank for Reconstruction and Development
1818 H Street, N. W.
Washington, D. C. 20433

8/17

Dear George:

A month ago you talked to the Ministerial Meeting of the Development Assistance Committee of OECD. Your appraisal (taken together with the facts contained in Mr. Aldewereld's candid and forceful address at the University of Uppsala in May) goes to the heart of the disequilibrium in the world today as nothing that has been said or written in recent history.

In the Benjamin Fairless Lecture series which I am giving at Carnegie Tech this fall, I am going to set out my concept of managerial leadership. The closing lecture will be on the role of managerial leadership in development, as I conceive of it. I intend to refer at some length to your OECD remarks.

The invited audience of the Fairless series ordinarily includes most of the major leaders of American industry. You invited the Ministers to make their contribution to a basic examination of our development policies and methods in the light of the critical issues described by you and Mr. Aldewereld; I hope the heads of industry in Pittsburgh will consider the examination you call for something they also should give serious attention to.

With best wishes, as always,

Sincerely,
David E. Lilienthal
David E. Lilienthal
Chairman of the Board

DEL:mb

ack Sept 20/66

RECEIVED
GENERAL FILES
COMMUNICATIONS

1966 AUG 24 AM 8:34

Doc 39

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[Faint, illegible text block]

I N C O M I N G C A B L E

DATE AND TIME OF CABLE: AUGUST 22, 1966 354PM

LOG NO.: WU 35 - AUGUST 22

TO: SECRETARY TO THE PRESIDENT

FROM: MONTREAL

R O U T I N G	
ACTION COPY:	MR. WOODS' OFFICE
INFORMATION COPY:	
DECODED BY:	

TEXT:

KINDLY FORWARD A COPY OF MR. GEORGE D. WOODS ADDRESS ON
 FEBRUARY 25, 1966 TO THE SPRING SESSION OF THE ECONOMIC AND
 SOCIAL COUNCIL TO THE UNDERSIGNED BY AIRMAIL. THANK YOU

*Sent 8/22/66
S.*

E MORASH NATIONAL FILM BOARD OF CANADA
 P O BOX 6100
 MONTREAL

MT

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: August 16, 1966

TO: Mr. Corrado Sellaroli
IBRD
Paris

FROM: Mr. Lars Lind

FILED UNDER: Translation- General

SUMMARY: Re: Translation of Mr. Woods' DAC speech, Mr. Hoffman's paper on Aid Coordination prepared for the Ditchely Conference, and The Bank Annual Report.

HEADQUARTERS:
WASHINGTON D. C. 20433

*Sparks-Wood
D6C
100 files
x 20th anniversary*

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CABLE ADDRESS-INTBAFRAD



INTERNATIONAL DEVELOPMENT ASSOCIATION

CABLE ADDRESS-INDEVAS



EUROPEAN OFFICE:
4, AVENUE D'IÉNA
PARIS (16^e) - FRANCE
TELEPHONE: KLEBER 25-10

INFORMATION SERVICES
TEMPORARY ADDRESS
12, RUE DE PRESBOURG, PARIS 16^e
TELEPHONE 704.78.20
TELEX: INBAFRAD 25831 F

August 10, 1966

Mr. Lars Lind
Deputy Director of Information
I.B.R.D.
Washington, D.C. 20433

Dear Mr. Lind,

On July 29 I asked Harold whether we should reprint in booklet form the text of Mr. Wood's speech at DAC, as we have done on several other occasions. Do you think it would be suitable?

*1/Revised
8/16/66*

Attached please find a further set of clippings on the 20th Anniversary of the Bank, and a couple of clippings on your trip in Norway.

Corrado Sellaroli

Corrado Sellaroli

*RECEIVED
AUG 11 1966*

RECEIVED
GENERAL FILES
COMMUNICATIONS
1966 AUG 12 PM 3:21

COMMUNICATIONS SECTION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20540

INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D.C. 20540

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
WASHINGTON, D.C. 20540

WASHINGTON, D.C. 20540

INTERNATIONAL DEVELOPMENT ASSOCIATION
WASHINGTON, D.C. 20540



INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

WASHINGTON, D.C. 20540

Original to be held here for Mr. Woods.
Copy sent to Portugal.

AUG 10 REC'D



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

OFFICE OF THE CHAIRMAN

August 9, 1966.

Dear George:

I was delighted to get your letter of July 26 enclosing your remarks to the Ministerial Meeting of the Development Assistance Committee of OECD. I have read and reread your comments on pages 5 and 6, as you suggested, and congratulate you on the simple, direct way in which you highlight the heart of the problem. I hope this will bear fruit.

You have gotten a good press on the IDA proposal and I do hope it can be implemented. I will certainly be glad to help in any way I can.

I had sent you a little birthday greeting just before you got away but know it missed you and will be here when you return.

Our visit in Fort Lauderdale certainly put me in good shape for the operation and I am recuperating very rapidly. Cynthia and I are going up to Maine for a while and will hope to see you in September.

With all good wishes,

Cordially yours,

A handwritten signature in cursive script, appearing to read "Bill".

Wm. McC. Martin, Jr.

The Honorable George D. Woods,
President,

International Bank for Reconstruction and Development.

RECEIVED
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COMMUNICATIONS

1966 AUG 10 AM 8:29

RECEIVED - [illegible]

[illegible]

Mr. Wishart:

Woods Speech - DAC

When Mr. Woods was in London recently he asked me to send a copy of his DAC speech to Mr. Greenwood, and I attach hereto his acknowledgment of same.

Kind regards.

With the Compliments of the Mora

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

*London Office:
New Zealand House,
Haymarket, London, S. W. 1.
England*

*Mr. Woods 9/0
+ to see on
return.*

*fw
15/10*



MINISTER OF OVERSEAS DEVELOPMENT
ELAND HOUSE, STAG PLACE
LONDON S.W.1
TELEPHONE: VICTORIA 2377

9th August, 1966.

Dear Miss Reade,

Mr. Greenwood has asked me to thank you very much for sending him a copy of Mr. Woods' speech at the Development Assistance Committee of OECD on the 20th July, which he read with much interest.

Yours sincerely,
Margaret Fairlie

(Miss M. Fairlie)
Assistant Private Secretary

Miss Mora Reade.

RECEIVED
GENERAL FILES
COMMUNICATIONS

1966 AUG 15 AM 8:40

August 4, 1966

Dear Mr. Murphy:

I write to acknowledge receipt of your letter of August 2^v addressed to Mr. George D. Woods, President of the World Bank, who is at present overseas. As requested, I have pleasure in enclosing two copies of the press release, issued on July 20, 1966, containing the remarks made by Mr. Woods to the Ministerial Meeting of the Development Assistance Committee of the OECD on that date.

I shall retain your letter for Mr. Woods to see on his return here in mid-September. I know he would wish me to thank you for it.

Yours sincerely,

G. C. Wishart
Personal Assistant to Mr. Woods

Mr. Michael J. Murphy
National Catholic Welfare
Conference
350 Fifth Avenue
New York, New York 10001

- 9/10
1. Mr. Woods to see + incoming.
 2. Copy to Dept. of Information (Mrs. F. Lissner).

THE FORD FOUNDATION
477 MADISON AVENUE
NEW YORK, NEW YORK 10022

AUG 5 1966

McGEORGE BUNDY
PRESIDENT

August 3, 1966

Dear George:

I have read through the statement you made at the DAC meeting, and I am delighted to have it. I will be talking to David Bell about it, and if we can seize any idea that will give a push to your statement, we will.

As ever,

Ma

McGeorge Bundy

Mr. George D. Woods, President
International Bank for Reconstruction and Development
1818 H Street, N. W.
Washington, D. C. 20433

*Mr. Woods on return.
Photocopy sent to Portugal
on 5 AUG.*

AUG 4 REC'D

CATHOLIC RELIEF SERVICES — NATIONAL CATHOLIC WELFARE CONFERENCE
350 FIFTH AVENUE
NEW YORK, N. Y. 10001

Cable Address:
CATHWEL

Telephone:
LW 4-9300

August 2, 1966

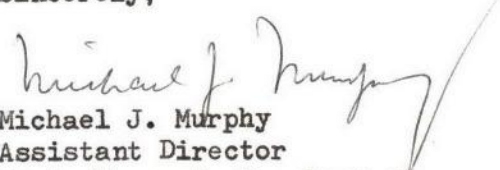
Mr. George D. Woods
President, World Bank
20 Exchange Place
New York, New York

Dear Mr. Woods:

I have read some excerpts from the address you gave recently at the Ministerial Meeting of the Development Assistance Committee of the OECD, and am much interested in seeing the full speech. I would appreciate it if you are able to send me two copies of this speech.

Please accept my congratulations on your attempt to stimulate a re-examination of the whole current approach to development assistance.

Sincerely,


Michael J. Murphy
Assistant Director
Socio-Economic Development

ack - Aug 7/66

Woods - George -
DAC
AUG 3 REC'D

THE SECRETARY OF DEFENSE
WASHINGTON

2 August 1966

Dear George:

I strongly support the suggestion
which you made on pages 5 and 6 of your state-
ment at the DAC meeting.

Sincerely,



Robert S. McNamara

Mr. George D. Woods, President
International Bank for Reconstruction
and Development
Washington, D. C. 20433

Copy to Mr. Woods in
Portugal. § 8/3

RECEIVED
GENERAL FILES
COMMUNICATIONS

1966 AUG -3 AM 10: 34

Woods Speech DAC 8

COMMITTEES AND SUBCOMMITTEES:

- AERONAUTICAL AND SPACE SCIENCES
- ARMED SERVICES
 - CHAIRMAN, SUBCOMMITTEE ON NATIONAL STOCKPILE AND NAVAL PETROLEUM RESERVES
 - PREPAREDNESS INVESTIGATING SUBCOMMITTEE
 - CENTRAL INTELLIGENCE SUBCOMMITTEE
- FOREIGN RELATIONS
 - CHAIRMAN, NEAR EASTERN AND SOUTH ASIAN AFFAIRS SUBCOMMITTEE
 - DISARMAMENT SUBCOMMITTEE
 - CANADIAN AFFAIRS SUBCOMMITTEE
- APPROPRIATIONS
 - EX OFFICIO MEMBER FOR DEFENSE, MILITARY CONSTRUCTION, AERONAUTICAL AND SPACE APPROPRIATIONS
- DEMOCRATIC POLICY COMMITTEE

STUART SYMINGTON
MISSOURI

STANLEY R. FIKE
ADMINISTRATIVE ASSISTANT

United States Senate
WASHINGTON, D.C.

July 29, 1966

Mr. G. C. Wishart
Personal Assistant to Mr. Woods
International Bank for Reconstruction
and Development
Washington, D.C. 20433

Dear Mr. Wishart:

Thanks for sending me the remarks of Mr. Woods
as of July 20. I appreciate receiving them.

Sincerely,



Stuart Symington

SS:ag

1. Mr. Woods. cy to Portugal

2. Mr. Brooks / TO See

JW
1 Aug.

[Faint, illegible text, possibly bleed-through from the reverse side of the page]

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1966 JUL 31 PM 8:43

RECEIVED
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COMMUNICATIONS
1966 AUG -1 PM 8:46

CROSS REFERENCE SHEET

COMMUNICATION: Letter

DATED: July 29, 1966

TO: Mr. Harold Graves

FROM: Mr. Corrado Sellaroli
IBRD
Paris

FILED UNDER: Public Relations- Articles- General

SUMMARY: Mr. Sellaroli asks whether the Bank plans to reprint in booklet form the text of Mr. Woods' speech at DAC in various languages.

ack Aug 16, 1966

filed translation - ger

*Speech-Woods
08/2/00c*

OUTGOING WIRE

TO: MILLER
INBAFRAD
PARIS

DATE: July 25, 1966

CLASS OF
SERVICE: Tel ex

1+

COUNTRY: FRANCE

TEXT:
Cable No.: 566 Would you please write Cy Sulzberger and Aschinger saying that Mr. Woods wished them to see his recent speech to DAC, and particularly call their attention to his proposal that the foreign ministers confer on international development policy.

GRAVES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Harold N. Graves, Jr.

DEPT. Information

SIGNATURE *Harold N. Graves, Jr.*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)
HNG:ap

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Checked for Dispatch: *fre*

OUTGOING WIRE

TO: **SELLAROLI
INBAFRAD
PARIS**

DATE: **July 20, 1966**

CLASS OF
SERVICE: **Telex**

RCH

COUNTRY: **FRANCE**

TEXT:
Cable No.: *555*

Your 537 -- Title should read "Remarks of Mr. George D. Woods,
President of the World Bank Group, to the Ministerial Meeting of the
Development Assistance Committee of OECD, Washington, D. C., July 20, 1966."

Graves

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME **Harold N. Graves, Jr.**

DEPT. **Information**

SIGNATURE *Harold N. Graves, Jr.*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

HNG:ap

ORIGINAL (File Copy)

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Checked for Dispatch: *[Signature]*

I N C O M I N G C A B L E

DATE AND TIME OF CABLE: JULY 20, 1966 7PM
LOG NO.: TELEX - JULY 20
TO: INTBAFRAD
FROM: PARIS

R O U T I N G	
ACTION COPY:	INFORMATION DEPARTMENT
INFORMATION COPY:	
DECODED BY:	

TEXT:

537 FOR GRAVES
PLEASE INDICATE TITLE OF WOODS SPEECH

SELLAROLI

FCA



FOR IMMEDIATE RELEASE

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

1818 H STREET, N.W., WASHINGTON D. C. 20433 TELEPHONE: EXECUTIVE 3-6360

For release on delivery,
expected at about 12:00 noon, EST
July 20, 1966

Remarks of Mr. George D. Woods,
President of the World Bank Group,
to the Ministerial Meeting
of the Development Assistance Committee of OECD
Washington, D.C.
July 20, 1966

When I last had the honor of addressing the Ministerial Meeting of this Committee a year ago, I suggested that the time had come to take bold decisions about the volume and character of development assistance. I think we must all be deeply disappointed, 12 months later, that these decisions still wait to be taken. Let me state again my conviction that the amount of financial assistance to the developing countries is inadequate by any reasonable standard -- whether it is considered in relation to the growth rate the industrial countries say they are willing to help the developing countries to achieve, or by the amount of capital which the developing countries themselves are able to use to good purpose.

* * *

If there were to appear on this planet earth tomorrow a new country with a population, say, as big as that of the United States or the Soviet Union -- some 200 million or more -- this would be an event of far-reaching significance. Foreign offices and defense establishments would have to adjust themselves to this new presence; so would ministries concerned with

international trade, finance and the distribution of physical resources in the world. In many countries, the necessary adjustments would be matters of the highest policy, to be determined by cabinets and chiefs of government.

You may say that this is fanciful. Yet in the past five years the population of the developing countries has grown by over 200 million souls -- a number larger than the population of the United States, and comparable to the population of the Soviet Union, of Africa south of the Sahara, or of all Latin America.

While this is certainly not the same as the emergence of a single country, it is emphatically a circumstance of great weight in world affairs. It presents new tasks to the political and administrative organizations of the developing countries, and bears heavily on their physical and financial resources. It speaks urgently for striking a new balance in the relations between high and low-income countries.

* * *

Yet the pages of recent history show little recognition by the industrial countries that the equivalent of a new continent has been added to the less developed world, or that, despite population controls which are starting to take effect, a second such equivalent will be added in the next five years. The low-income countries must finance their development effort mostly out of exports to industrial countries -- and they are increasingly able to produce for export. But the trade policy of the industrial countries in 1966 still offers them too few opportunities. The flow of financing for development has not noticeably increased. In fact, by

some important measures it has declined.

Since 1961, the level of official net capital flows from OECD countries to the developing countries has remained static at about \$6 billion a year. As a proportion of the rising incomes of the OECD countries, these net official flows declined from an estimated eight-tenths of one per cent to six-tenths of one per cent. The export of private capital increased, but most of it was directed to only a few countries, and discouragingly little of it went to the poorer ones.

We know and agree that the terms of development finance must be made easier for the developing countries. But the reverse is happening. As the Chairman's Report points out, the recent trend toward improvement in loan terms has been more than offset by a decline in the amount of grants. Today the average terms of assistance are harder than they were last year or the year before, and the prospects are disturbing.

At the same time, more and more of the flow of finance is being counterbalanced by the debt service paid by the developing countries. Service on public and publicly guaranteed debt more than doubled between 1961 and 1965. More than half the inflow of development finance is now being offset by the return flow in the form of amortization, interest and dividends.

Paradoxically, at the same time that the relative volume of aid has been dwindling, the capabilities of the developing countries have been growing. Last year, I reported the judgment of the World Bank staff that for the balance of the 1960s, the developing countries -- outside the Sino-Soviet areas -- each year could effectively use, on the average, some \$3 to \$4 billion more of development finance than they are now receiving.

This judgment was based on estimates of the capacity of the developing countries to save and to export, to follow acceptable economic policies, and to plan and carry out high-priority development. We have kept these estimates under review, and this review confirms and underlines our judgment of a year ago. And in this connection I wish to reassure the Chairman, who on page 51 of his draft report wonders if we are basing these estimates on what he calls "our fairly high standards of economic justification for external assistance." We are. We have only one standard.

The capacity of the industrialized countries to support an effective assistance effort also has been rising. Assuming that effective financial assistance would cost an added \$3 to \$4 billion a year, the industrialized countries can certainly afford it. Their national income has been increasing, in the aggregate, at the rate of \$40 to \$50 billion a year; and if over the last five years, only one per cent of that increase had been devoted to additional development support, we should by today be not very far from a satisfactory level of assistance.

In the meantime, the contrast between the rich and the poor continues to be both striking and, it must be said, ominous. The 20 or so industrial countries of Western Europe, North America and the western Pacific now account for over a thousand billion dollars of the world's product. These 20 countries, with less than a fifth of the world's population, produce and enjoy more than half the world's wealth. By contrast -- taking only the developing countries within the World Bank's membership -- another segment which is half of the world's population accounts for only one-sixth of world product.

It is unrealistic to think that this state of affairs can persist. Surely any government, if half or more of its people lived in poverty, either would make strenuous efforts to help them or would itself fail to

survive. Through changes in communications and transportation, the world each year becomes a smaller neighborhood, and what is intolerable in a single nation inevitably -- and quickly -- will become intolerable in the community of nations.

* * *

Many of the industrialized countries represented here today are now, and for some time have been, engaged in examining at high levels of their governments matters which they consider to be of pressing and mutual concern. Foreign ministers and commerce ministers and others are negotiating fundamental changes in trade and tariff policies; finance ministers are conferring on the troublesome problem of international monetary policy; and the foreign ministers and defense ministers of the North Atlantic Treaty nations are facing up to problems of defense organization.

Yet, looking ahead over the next ten years, where are the threats to international tranquility and order? Are they confined to balance and maintenance of military strength among the most powerful nations? Or to financial questions among the richest? Or is there also a threat arising from the possibility that, without concerted and adequate help from abroad, a large part of humanity will remain on the ragged edge of subsistence? I believe this is a possibility which presents a real and present danger.

What is now necessary, I suggest, is that the governments represented in this room should give to consideration of their policies relating to development finance a priority at least comparable to consideration of their other basic concerns. After twenty years of experience -- and to

some extent of frustration -- the time has come, I believe, for a thorough examination of the objectives we are trying to achieve in our relationships with the developing world, of the importance of those objectives to the national interests of the DAC countries, and of the adequacy of the resources, the mechanisms and the techniques which are being employed to attain those objectives.

The kind of examination I have in mind would engage foreign ministers and finance ministers as well as development ministers. It would put the world-wide aid effort -- which has emerged somewhat haphazardly from the post-war reconstruction program -- in a well thought out and agreed upon place in the whole scheme of international affairs. It might implement some of the thought-provoking suggestions made last May by the American Secretary of the Treasury, Mr. Fowler, in a speech to a meeting of bankers in Spain.

* * *

The industrial countries here represented have been assisting world development for a span of two decades. In that time, science, technology and the means of creating material prosperity have advanced at a rate unprecedented in history. We can say confidently that the knowledge and the means exist to enlarge greatly the resources of the world, and to help many millions to achieve, or at least approach, decent living standards for the first time. A solution to the problem of hunger, one of the major problems which will be discussed here, is certainly not beyond our reach if we arrive at a plan and coordinate our efforts to implement it.

Agriculture is entitled to the highest priority, not only in the context of the food shortage, but also, and importantly, because up to 80 per cent of the people in the underdeveloped world depend on it for a livelihood, and because in many countries, the output of agriculture is the biggest single item of production. However, as is true of most development matters, we must stay with the problem of agriculture for the necessary period of years. Unhappily, there are no shortcuts to sound development.

All along the development front, the policies which must now be evolved and the actions which must be taken transcend the interests of any particular group of nations; they involve all. Today, the disparity between the living standards of a prosperous fraction of mankind and the rest of humanity is a gulf that separates the two; but tomorrow it may swallow up both rich and poor in political strife and economic chaos. We must begin to act decisively, and now, to avoid that outcome.

*Speeches - Wood
OECD*

OUTGOING WIRE

TO: **SELLAROLI
INBAFRAD
PARIS**

DATE: **July 20, 1966**

CLASS OF
SERVICE: **Telex**

COUNTRY: **FRANCE**

TEXT: 549 Mr. Woods will not refer to IDA in DAC speech, but we mailed you draft
Cable No.: text Monday and will be sending corrections and instructions to release a
bit later today

GRAVES

*o.c.k. July 20/66
534*

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME **Harold N. Graves, Jr.**

DEPT. **Information Department**

SIGNATURE *Harold N. Graves, Jr.*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)
HNG:ap

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Checked for Dispatch: *[Signature]*

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: SELLAROLI
INBARAD
PARIS

DATE: July 20, 1966

CLASS OF
SERVICE: Telex

COUNTRY: FRANCE

TEXT: 249 Mr. Woods will not refer to IDA in DAC speech, but we mailed you draft
Cable No.: text Monday and will be sending corrections and instructions to release a
dit later today

GRAVES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

CLEARANCES AND COPY DISTRIBUTION:

NAME

Harold N. Graves, Jr.

DEPT.

Information Department

SIGNATURE

[Handwritten Signature]

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

HNG:sp

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(IMPORTANT: see Secretariat Guide for preparing form)

Checked for Dispatch:

*Speeches - Wood -
OECD*

OUTGOING WIRE

TO: **SELLAROLI
INBAFRAD
PARIS**

DATE: **July 20, 1966**

CLASS OF
SERVICE: **Telex**

147

COUNTRY: **FRANCE**

TEXT:

Cable No.: **550** Woods speech can be distributed five o'clock your time. Following are final corrections.

Paragraph one ^{*line six*} -- delete "wholly!"

Paragraph five next to last sentence -- change "yet" to "but"; and change "little opportunity" to "few opportunities."

Paragraph six in second sentence delete of "their national incomes!"

Paragraph seven ^{*line two*} change "yet" to "but!"

Paragraph eight last sentence -- insert "development" before "finance."

Paragraph ten third sentence -- delete "gross!" Same sentence delete "have arrived at an almost" and substitute "not be very far from a" etc.

Paragraph twelve ^{*line one*} substitute "unrealistic" for "folly!" Third sentence delete "startling!" Delete fourth sentence entirely.

Paragraph thirteen -- delete second sentence substituting following:

"Foreign ministers and commerce ministers and others are negotiating fundamental changes in trade and tariff policies; finance ministers are conferring on the troublesome problem of international monetary policy; and the foreign ministers and defense ministers of the North Atlantic Treaty nations are facing up to problems of defense

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME

DEPT.

SIGNATURE *Howard R. Sampson*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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OUTGOING WIRE

TO: **SELLAROLI
INBAFRAD
PARIS**

DATE: **July 20, 1966**

CLASS OF
SERVICE: **Telex**

COUNTRY: **FRANCE**

Page two

TEXT:
Cable No.: **550 continued**

organization."

Paragraph fourteen line three put question mark after "powerful nations" and begin new sentence with "Or." Last sentence now begins "I believe this is a possibility which presents"etc.

Paragraph fifteen line two -- delete "development" before "policies" and insert after "policies" "relating to development finance" etc. Line five substitute "we" for "you". Line six substitute "our" for "your". Line seven substitute "the DAC" for "your own". Line eight insert "the" before mechanisms and "the" before techniques.

Paragraph sixteen line one substitute "engage" for "concern" and insert "ministers" after "foreign."

Paragraph seventeen line one after countries insert "here represented." Add to end of that paragraph comma "if we arrive at a plan and coordinate our efforts to implement it." Following that add new paragraph --

"Agriculture is entitled to the highest priority, not only in the context of the food shortage, but also, and importantly, because up to 80 per cent of

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME

DEPT.

SIGNATURE *Harold D. Searns, Jr.*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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Checked for Dispatch: *RC*

OUTGOING WIRE

TO: **SELLAROLI
INBAFRAD
PARIS**

DATE: **July 20, 1966**

CLASS OF
SERVICE: **Telex**

COUNTRY: **FRANCE**

Page three

TEXT:

Cable No.: **550 continued**

the people in the underdeveloped world depend on it for a livelihood, and because in many countries, the output of agriculture is the biggest single item of production. However, as is true of most development matters, we must stay with the problem of agriculture for the necessary period of years. Unhappily, there are no shortcuts to sound development."

Paragraph nineteen now begins "All along the development front, the policies" etc.

GRAVES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME **Harold N. Graves, Jr.**

DEPT. **Information**

SIGNATURE *Harold N. Graves, Jr.*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

For Use by Archives Division

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: *lra*

OUTGOING WIRE

TO: SELLAROLI
INBRAD
PARIS

DATE: July 20, 1966

DATE:

Service: Telex

CLASS OF
SERVICE

COUNTRY: FRANCE

Page three

TEXT:
Cable No. 250 continued

etc.

Paragraph nineteen now begins "All along the development front, the policies" are no shortcuts to sound development."

the problem of agriculture for the necessary period of years. Unhappily, there production. However, as is true of most development matters, we must stay with in many countries, the output of agriculture is the biggest single item of the people in the underdeveloped world depend on it for a livelihood, and because

GRAVES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME: Harold N. Graves, Jr.

DEPT: Information

SIGNATURE: *[Signature]*

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

ORIGINAL (File Copy)

(IMPORTANT: See Secretariat Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

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Checked for Dispatch:

Files

INCOMING CABLE

DATE AND TIME OF CABLE: JULY 20, 1966 1556
LOG NO.: TELEX - JULY 20
TO: INTBAFRAD
FROM: PARIS

ROUTING	
ACTION COPY:	INFORMATION DEPARTMENT
INFORMATION COPY:	
DECODED BY:	

TEXT:

534 FOR GRAVES
REYR 549 RECEIVED DRAFT OF WOODS SPEECH AND READY
FOR RELEASE AFTER CORRECTIONS BUT WHAT ABOUT
STATEMENTS REPORTED YESTERDAY IN FIN TIMES, NEW
YORK TIMES ETC?

SELLAROLI

*Answered
by telephone
H. N. S. J.*

MT

INCOMING CABLE

DATE AND TIME OF CABLE: **JULY 19, 1966 1528**

LOG NO.: **TELEX - JULY 19**

TO: **INTBAFRAD**

FROM: **PARIS**

TEXT:

ROUTING	
ACTION COPY:	INFORMATION DEPARTMENT
INFORMATION COPY:	
DECODED BY:	

529 FOR GRAVES

PRESS HERE EMPHASIZES MR. WOODS STATEMENT ABOUT
FOURFOLD INCREASE OF IDA RESOURCES. MAY WE HAVE
FULL TEXT OF THE SPEECH AT DAC OECD MEETING?

THANKS REGARDS

SELLAROLI

MT

Mr. George D. Woods

July 19, 1966

Harold N. Graves *HNG*

DAC Speech

Here is the reading copy of your speech. I made a number of small changes at Irving's suggestion. The only one of any note is on page 8, and it changes the language at the top of the page to read,

"The kind of examination I have in mind would engage foreign ministers, etc."

We had said "concern" foreign ministers, but -- as Irving pointed out -- the ministers already are concerned with development assistance, so that a verb connoting somewhat more active participation seemed desirable.

Encls.

HNG:smg

July 19, 1966

Dear Mr. Cassavetes:

I have sent you 100 copies of Mr. Woods's DAC speech for distribution to the press. Mr. Woods particularly asks, however, that they not be given out until he has begun to speak, and I hope you will be able to manage distribution of the text accordingly.

Sincerely yours,

Harold N. Graves, Jr.
Director of Information

Mr. Francis Cassavetes
Development Assistance Committee
Organization for Economic Cooperation
and Development
Room 1008-A, U.S. Department of State
Washington, D.C.

HNG:esp

HNG

*Hand delivered with
100 speeches.*

Speech - Woods -
DAC

**AIR MAIL
SPECIAL DELIVERY**

July 18, 1966

Dear Corrado:

Here are copies of a text of the remarks that Mr. Woods intends to make at the meeting of DAC ministers here in Washington on July 20. This undoubtedly will not reach you in time for you to distribute it on the 20th, but it may help you to have texts available, not only in English but also in French and German, if not Italian.

Sincerely yours,

Harold Graves

Enclosures

**Mr. Corrado Sellaroli
European Office
IBRD
4, Avenue d'Iena
Paris 16e
France**

HNG:ap

Final ?

July 18 Draft of DAC Speech for Mr. Woods

When I last had the honor of addressing the Ministerial Meeting of this Committee a year ago, I suggested that the time had come to take bold decisions about the volume and character of development assistance. I think we must all be deeply disappointed, 12 months later, that these decisions still wait to be taken. Let me state again my conviction that the amount of financial assistance to the developing countries is ~~wholly~~ inadequate by any reasonable standard -- whether it is considered in relation to the growth rate the industrial countries say they are willing to help the developing countries to achieve, or by the amount of capital which the developing countries themselves are able to use to good purpose.

* * *

If there were to appear on this planet earth tomorrow a new country with a population, say, as big as that of the United States or the Soviet Union -- some 200 million or more -- this would be an event of far-reaching significance. Foreign offices and defense establishments would have to adjust themselves to this new presence; so would ministries concerned with international trade, finance and the distribution of physical resources in the world. In many countries, the necessary adjustments would be matters of the highest policy, to be determined by cabinets and chiefs of government.

You may say that this is fanciful. Yet in the past five years the population of the developing countries has grown by over 200 million souls -- a number larger than the population of the United States, and comparable to the population of the Soviet Union, of Africa south of the Sahara, or of all Latin America.

While this is certainly not the same as the emergence of a single country, it is emphatically a circumstance of great weight in world affairs. It presents new tasks to the political and administrative organizations of the developing

countries, and bears heavily on their physical and financial resources. It speaks urgently for striking a new balance in the relations between high and low-income countries.

* * *

Yet the pages of recent history show little recognition by the industrial countries that the equivalent of a new continent has been added to the less developed world, or that, despite population controls which are starting to take effect, a second such equivalent will be added in the next five years. The low-income countries must finance their development effort mostly out of exports to industrial countries -- and they are increasingly able to produce for export. Yet the trade policy of the industrial countries in 1966 still offers them too little opportunity. The flow of financing for development has not noticeably increased. In fact, by some important measures it has declined.

Since 1961, the level of official net capital flows from OECD countries to the developing countries has remained static at about \$6 billion a year. As a proportion of the rising incomes of the OECD countries, these net official flows declined from an estimated eight-tenths of one per cent of their national incomes to six-tenths of one per cent. The export of private capital increased, but most of it was directed to only a few countries, and discouragingly little of it went to the poorer ones.

We know and agree that the terms of development finance must be made easier for the developing countries. Yet the reverse is happening. As the Chairman's Report points out, the recent trend toward improvement in loan terms has been more than offset by a decline in the amount of grants. Today the average terms of assistance are harder than they were last year or the year before, and the prospects are disturbing.

At the same time, more and more of the flow of finance is being counter-balanced by the debt service paid by the developing countries. Service on public and publicly guaranteed debt more than doubled between 1961 and 1965. More than half the inflow of finance is now being offset by the return flow in the form of amortization, interest and dividends.

Paradoxically, at the same time that the relative volume of aid has been dwindling, the capabilities of the developing countries have been growing. Last year, I reported the judgment of the World Bank staff that for the balance of the 1960s, the developing countries -- outside the Sino-Soviet areas -- each year could effectively use, on the average, some \$3 to \$4 billion more of development finance than they are now receiving. This judgment was based on estimates of the capacity of the developing countries to save and to export, to follow acceptable economic policies, and to plan and carry out high-priority development. We have kept these estimates under review, and this review confirms and underlines our judgment of a year ago.

The capacity of the industrialized countries to support an effective assistance effort also has been rising. Assuming that effective financial assistance would cost an added \$3 to \$4 billion a year, the industrialized countries can certainly afford it. Their gross national income has been increasing, in the aggregate, at the rate of \$40 to \$50 billion a year; and if over the last five years, only one per cent of that increase had been devoted to additional development support, we should by today have arrived at an almost satisfactory level of assistance.

In the meantime, the contrast between the rich and the poor continues to be both striking and, it must be said, ominous. The 20 or so industrial countries of Western Europe, North America and the western Pacific now account

for over a thousand billion dollars of the world's product. These 20 countries, with less than a fifth of the world's population, produce and enjoy more than half the world's wealth. By contrast -- taking only the developing countries within the World Bank's membership -- another segment, which is half of the world's population accounts for only one-sixth of world product.

It is folly to think that this state of affairs can persist. Surely any government, if half or more of its people lived in poverty, either would make strenuous efforts to help them or would itself fail to survive. Through startling changes in communications and transportation, the world each year becomes a smaller neighborhood, and what is intolerable in a single nation inevitably -- and quickly -- will become intolerable in the community of nations. ~~If the living standards of the less developed countries do not show a stronger trend toward improvement, there must in the end be some kind of upheaval that will rock the lives of all of us.~~

* * *

Many of the industrialized countries represented here today are now, and for some time have been, engaged in examining at high levels of their governments matters which they consider to be of pressing and mutual concern. Finance ministers are conferring on the problem of international monetary policy; foreign ministers and commerce ministers and others are negotiating fundamental changes in trade and tariff policies; and ^{the} foreign and defense ministers of the North Atlantic Treaty nations are facing up to problems of defense organization.

Yet, looking ahead over the next ten years, where are the threats to international tranquility and order? Are they confined to balance and maintenance of military strength among the most powerful nations? Or to financial questions among the richest? Or is there also a threat arising from the

possibility that, without concerted and adequate help from abroad, a large part of humanity may remain on the ragged edge of subsistence? I believe that that possibility presents a real and present danger.

What is now necessary, I suggest, is that the governments represented in this room should give to consideration of their ~~development~~ ^{relating to development finance} policies a priority at least comparable to consideration of their other basic concerns. After twenty years of experience -- and to some extent of frustration -- the time has come, I believe, for a thorough examination of the objectives you are trying to achieve in your relationships with the developing world, of the importance of those objectives to the national interests of your own countries, and of the adequacy of the resources, ^{the} mechanisms and ^{the} techniques which are being employed to attain those objectives.

The kind of examination I have in mind would concern foreign ^{ministers} and finance ministers as well as development ministers. It would put the world-wide aid effort -- which has emerged somewhat haphazardly from the post-war reconstruction program -- in a well thought out and agreed upon place in the whole scheme of international affairs. It might implement some of the thought-provoking suggestions made last month by the American Secretary of the Treasury, Mr. Fowler, in a speech to a meeting of bankers in Spain.

* * *

The industrial countries have been assisting world development for a span of two decades. In that time, science, technology and the means of creating material prosperity have advanced at a rate unprecedented in history. We can say confidently that the knowledge and the means exist to enlarge greatly the resources of the world, and to help many millions to achieve, or at least approach, decent living standards for the first time. A solution to the urgent

problem of hunger, one of the major problems which will be discussed here, is certainly not beyond our reach.

The policies which must now be evolved and the actions which must be taken transcend the interests of any particular group of nations; they involve all. Today, the disparity between the living standards of a prosperous fraction of mankind and the rest of humanity is a gulf that separates the two; but tomorrow it may swallow up both rich and poor in political strife and economic chaos. We must begin to act decisively, and now, to avoid that outcome.

12:45 p.m.

*Speech - Wood
x DEW*

INCOMING CABLE

DATE AND TIME OF CABLE: JULY 15, 1966 1441
LOG NO.: TELEX - JULY 15
TO: INTBAFRAD
FROM: PARIS

ROUTING	
ACTION COPY:	MR. DEMUTH <i>J</i>
INFORMATION COPY:	
DECODED BY:	

TEXT:

517 FOR DEMUTH
DAC CHAIRMAN THORP TRIES TO SCHEDULE MR. WOODS
SPEECH FOR WEDNESDAY JULY 20TH ABOUT NOON

PAIJMANS

MT

INCOMING CABLE

ROUTING

ACTION COPY: MR. DENNIS
INFORMATION
COPY:
DECIDED BY:

JULY 15, 1966

TELEX - JULY 15

PARIS

PARIS

DATE AND TIME
OF CABLE

FROM

TO

RE

TEXT

NY FOR DENNIS

DAG CHAIRMAN WOULD LIKE TO SCHEDULE MR. WOODS

SEARCH FOR WEDNESDAY JULY 20TH ABOUT NOON

PARIS

JUL 15 9 55 AM 1966

COMMUNICATIONS
SECTION

Wiesbaden

Woods Speech

FORM NO. 92 (10-61)		IDA	IBRD	IFC
CORRESPONDENCE RECORD FORM				
FROM Arnold T. Lamping Bolderberg Meetings The Hague			DATED May 12, 1966	
SUBJECT Letter re: Mr. Woods speech in the Wiesbaden Conference, with enclosure. Addressed and				
REFERRED TO Mr. Woods			DATE RECEIVED May 18, 1966 jgv	

April 5, 1966

Dear Mr. Camu:

Thank you for your note of March 31, ✓
1966. I am glad you considered my contribution
at the Bilderberg Meeting to be helpful and a
useful addition to the general discussion.
I appreciated the opportunity of participating
in this Conference where I renewed my acquaint-
ance with the distinguished representatives of
governments, business and finance who were also
present.

With all good wishes,

Sincerely,

(Signed) George D. Woods

George D. Woods

Mr. L. Camu
Banque de Bruxelles
2, rue de la Regence
Brussels, Belgium

BANQUE DE BRUXELLES

SOCIÉTÉ ANONYME

LE PRÉSIDENT

APR 4 REC'D

2, rue de la Régence,
Bruxelles.

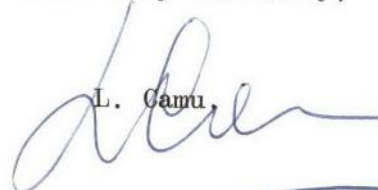
31st March, 1966.

Dear Mr. Woods,

I did not have the opportunity to congratulate you personally after the remarkable address which you gave at Wiesbaden about the policy of the International Bank for the developing countries. As you know, I am a long-standing admirer of the great work accomplished by your Bank. It was therefore a particular pleasure for me to hear your brilliant analysis of your current problems.

With kindest regards,

Yours very sincerely,


L. Camu

Mr. George Woods,
President & Chairman,
International Bank for Reconstruction & Development,
1818 H Street, N.W.,
Washington, 25. D.C.

ackn. April 5, 1966

Chem. Bank-Int. Advisory Board

April 20, 1966

Dear Joe:

Thank you for your letter of April 14, 1966. One of the nice things about attending Baxter Jackson's dinner for the Chemical Bank International Advisory Board was the opportunity it afforded me of meeting again with many old friends. I was sorry that I did not see you there but completely understand your inability to be present. I am glad you considered my talk hit the right note. The present times are not always easy for an institution like the World Bank but I am an optimist by nature and believe we are making progress. I entirely agree that the Convention on the Settlement of Investment Disputes, already signed by 36 countries and ratified by 5 countries--20 ratifications are necessary before it becomes effective--should be of real assistance to overseas investors.

Warm personal regards and all good wishes.

Cordially,

(Signed) George D. Woods

George D. Woods

Mr. Joseph A. Bower
218 El Brillo
Palm Beach, Florida

April 19, 1966

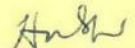
Dear Bill:

Mr. Woods is not in the Bank this morning, but I know that when he returns, he will be most interested to see your editorial on his recent talk to the group at New York Chemical. He considers your continuing interest in the subject of economic development to be most helpful.

Sincerely yours,

Harold Graves

Mr. Willard C. Rappleye, Jr.
Editor
The American Banker
67 Pearl Street
New York
New York 10004


HNG:ap

cc: Mr. Woods

Mr. Graves

April 19, 1966

W. L. Bennett



Here is Bill Rappleye's editorial comment in the American Banker of April 15, concerning Mr. Woods' talk to the International Advisory Board of Chemical Bank New York Trust Company. Bill as you know published the entire talk in the American Banker of April 7, under the section titled "Required Reading." You or Mr. Woods might drop him a note on his "thoughtful" editorial.

WLB#jl

218 EL BRILLO
PALM BEACH, FLORIDA

APR 18 REC'D

April 14, 1966

Mr. George D. Woods, President
International Bank for
Reconstruction and Development
Washington, D. C.

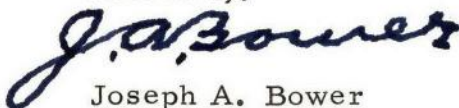
My friend George:

I regret very much that I was not able to attend the recent meeting of the Chemical Bank International Advisory Board. For personal reasons I have not been able to attend meetings of the last two years and am so pleased that they continue to re-elect me each year as an Honorary Member of the Committee. Baxter always sends me a complete record of the proceedings, addresses, etc. In my opinion no address that the committee has been privileged to hear has been more informative on an interesting subject than the address you made.

You made it very clear how the institution is serving all mankind throughout the world. Of particular interest to me was your telling about the arrangement you were developing for the settlement of investment disputes. That is a very constructive step forward for the solution of one of the problems always confronting an overseas investor.

My regards and best wishes to you.

Sincerely,

A handwritten signature in cursive script that reads "J. A. Bower". The signature is written in dark ink and is positioned above the printed name.

Joseph A. Bower

1966 APR 16 PM 2:00

COMMUNICATIONS SECTION

April 7, 1966

Mr. F. Arthur Mayes
President
American Foreign Insurance Association
110 William Street
New York 38, N.Y.

Dear Mr. Mayes:

Thank you for your letter of March 23. I am pleased that you found my remarks at the International Advisory Board dinner worthwhile.

It is clear that the problem of capital flight is a serious one. It is less clear, I think, that the problem can be dealt with through investment guarantees or insurance. Private investors in developing countries are led to send funds abroad because of their misgivings concerning political or economic stability at home. To offer an investor a guarantee in this situation would be to offer him protection against the acts of his own government. This is, politically, rather awkward. It is one thing for the United States to agree with its own nationals that it will indemnify them if a foreign government takes certain action which causes them to suffer a loss. It would be quite another thing for the United States to offer to indemnify the nationals of country X for losses caused by the action of the government of that country. I do not say that nationals of country X would not be pleased to be able to obtain such guarantees; I say only that it would be politically difficult, if not impossible, for any U.S. administration to obtain legislative authorization to offer them.

It would be about as difficult, politically, to offer investors protection against the acts of their own governments through the medium of a multilateral guarantee scheme such as is now under consideration within the Bank. This particular issue has not yet been reached in the course of our own discussions. However, a report of the Council of the Organisation for Economic Co-operation and Development on a possible scheme, which has been the point of departure for the Bank's analysis, suggested the desirability of appropriate arrangements to assure that nationals of the "host country" (i.e. the country in which the guaranteed investment is to be made) do not benefit from any compensation paid under a guarantee. Thus the group of governments which would be the underwriters of a multilateral scheme were opposed, at least when the OECD Council report was written, to interposing the scheme between an investor and its own government.

Mr. F. Arthur Mayes

- 2 -

The problem which concerns you can be resolved, I think, only by eliminating the political and financial instability which is the cause of flight capital. The developing countries must tackle this problem themselves. I think they are becoming increasingly aware of their responsibilities in this area and, by and large, are increasingly determined to adopt policies conducive to domestic stability and productive investment.

I appreciate your writing to me.

Sincerely yours,

(Signed) George D. Woods

George D. Woods

86
SEBoskey:tsb

Woods - Leach -
Pen.

Man. - Dept
+ File

April 6, 1966

Dear Dick:

Thank you very much for your thoughtful wire after Baxter Jackson's dinner. I do not have copies of the talk I made, but I have asked Baxter to send you some copies as he told me he was having it reproduced.

Warm regards.

Cordially,

(Signed) George D. Woods

George D. Woods

Mr. Richard C. Patterson, Jr.
110 William Street
New York, N. Y. 10038

GDWoods/s

Woods - Speech - Pen.

March 30, 1966

Dear Don:

Thank you for your nice note of March 28, 1966. I am glad you thought the Chemical Bank dinner talk hit the right note. I enjoyed the evening and the opportunity it afforded of seeing so many old friends again. I was particularly glad to see you looking so healthy and relaxed. Some time soon when you are in Washington let me buy you a lunch.

Warm regards.

Sincerely,

(Signed) George D. Woods

George D. Woods

Mr. Donald C. Cook
President
American Electric
Power Company, Inc.
2 Broadway
New York, New York 10008

G-DW / GCWishart:lgn

H

Woods - Speech - Pen.

SPECIAL DELIVERY

March 28, 1966

Dear Bill:

Here is a copy of the talk which
George Woods gave on March 22 to the
International Advisory Board of the
Chemical Bank New York Trust Company.

Sincerely,

Harold Graves

Enclosure

Mr. Willard C. Rappleye, Jr.
Editor
The American Banker
67 Pearl Street
New York
New York

HNG

HNG:ap

MAR 30 REC'D

AMERICAN ELECTRIC POWER *Company, Inc.*



2 Broadway, New York, N. Y. 10008
HA 2-4800

DONALD C. COOK
President

March 28, 1966

Dear George:

I want you to know how much I enjoyed your magnificent presentation last Tuesday. Not only was your prepared talk one that badly needed to be made -- and it was an excellent one -- but you did a terrific job in answering the questions. I thought the way you handled the question regarding the Indian situation was really outstanding.

Best regards.

Sincerely,

Mr. George D. Woods
International Bank for
Reconstruction and Development
Washington, D. C.

ack. Mar. 30/66

COMMUNICATIONS

1966 MAR 30 AM 8:42

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AMERICAN ELECTRIC POWER COMPANY, INC.

General Files

Woods Speech File

INCOMING CABLE

DATE AND TIME OF CABLE: MARCH 25, 1966 1000

LOG NO.: WU 14 - MARCH 25

TO: GRAVES INTBAFRAD

FROM: WIESBADEN

TEXT:

ROUTING	
ACTION COPY:	INFORMATION DEPARTMENT
INFORMATION COPY:	✓ MR. WOODS' OFFICE
DECODED BY:	

HOLD JACKSON SPEECH UNTIL WE DISCUSS ADVISABILITY PUBLISHING IT NEXT
MONDAY REGARDS

WOODS

AB

TYPED

GENERAL FILES
COMMUNICATIONS

MAR 25 11 14 AM 1966

YB

MOODS

MOODS RECEIVED

ROYD JACKSON SEARCH UNIT RE DISCLOSE WHATSHELLER SUBSTANCES IN NEWS

LEAD

FROM

MEMPHIS

TO

CHICAGO TELETYPE

ON

APR 21 - MARCH 22

OF CYCLE
DATE AND TIME

MARCH 22 1966 1000

DECLARED BY	RECEIVED BY
COMMUNICATIONS	MR. MOODS, CHIEF
COMMUNICATIONS	COMMUNICATIONS DEPARTMENT
	RECORDING

COMMUNICATIONS CENTER

[Handwritten signature]

March 24, 1966

Mr. Patterson's secretary advised that speech has not been reproduced for distribution. If copies are made we shall be glad to send five to Mr. Patterson. If the speech is not being distributed we shall let her know.

Address:

M.E.L.

Mr. Richard C. Patterson, Jr.
110 William Street

New York, N. Y. 10038

Tel. BA 7-5540.

INCOMING CABLE

DATE AND TIME
OF CABLE:

MARCH 23, 1966

LOG NO.:

WU 1 - MAR 24

TO:

WOODS INTBAFRAD

FROM:

NEW YORK

ROUTING

ACTION COPY: MR. WOODS

INFORMATION
COPY:

DECODED BY:

TEXT:

DEAR GEORGE:

LAST NIGHT WAS THE FIRST TIME I HAD THE PRIVILEGE OF HEARING
YOU ADDRESS AN AUDIENCE. LET ME SAY IN JUST A WORD THAT YOU
WERE MAGNIFICENT AND YOUR ANSWER TO THE QUESTION ON INDIA WAS
SUPERB. I LEARNED MUCH FROM YOUR TALK AND HAVE REQUESTED YOUR
SECRETARY TO SEND ME FIVE COPIES - ONE FOR MYSELF AND FOUR FOR
DISTRIBUTION TO FRIENDS

DICK PATTERSON

Mr. Woods

Please see. The secretary
telephoned after receipt of
this telegram and I asked
Marie to reply as above.

I understand H. Graves has asked
you whether the speech may be reproduced.
JW

MT

24 MAR

MAR 24 1966

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING CABLE

ROUTING

ACTION COPY: MR. WOODS
INFORMATION
COPY:
DECIDED BY:

MARCH 23, 1966

WU I - MAR 24

WOODS INTBAPRAD

NEW YORK

DATE AND TIME OF CABLE

LOG NO.

TO

FROM

TEXT

DEAR GEORGE:

LAST NIGHT WAS THE FIRST TIME I HAD THE PRIVILEGE OF HEARING YOU ADDRESS AN AUDIENCE. LET ME SAY IN JUST A WORD THAT YOU WERE MAGNIFICENT AND YOUR ANSWER TO THE QUESTION ON INDIA WAS SUPERB. I LEARNED MUCH FROM YOUR TALK AND HAVE REQUESTED YOUR SECRETARY TO SEND ME FIVE COPIES - ONE FOR MYSELF AND FOUR FOR

DISTRIBUTION TO FRIENDS

DICK PATTERSON

Mr. Woods

*Please see the enclosure
attached after receipt of
the telegram and I should
like to see you.*

MAR 24 8 36 AM 1966

GENERAL FILES COMMUNICATIONS

TYPED BY THE COMMUNICATIONS UNIT

ORIGINAL



MAR 25 REC'D

110 WILLIAM STREET
~~NEW YORK 38~~
NEW YORK 38

OFFICE OF
THE PRESIDENT

March 23, 1966

Mr. George D. Woods, President
International Bank for
Reconstruction and Development
Washington, D.C.

Dear Mr. Woods:

Your talk on Tuesday evening at the dinner of the International Advisory Board of Chemical Bank New York Trust Company was both interesting and enlightening and two facets were particularly appropriate, namely, the participation of private capital in the economic and industrial development of the emerging countries and your somewhat qualified but nevertheless optimistic outlook for the future of India.

Time did not permit an additional question but there is one which has been of concern to me for the past several years and for which various, but I believe unsuccessful, proposals have been made.

You mentioned the investment guarantees available to private capital and against political risks which I believe include nationalization, non-convertibility, devaluation, and even harassment, and it is my understanding that these guarantees are available only to American investors. During the frequent trips which I make to South America, and other areas of the world, I have gathered an impression of resentment on the part of the local private investors that these guarantees are not available to them.

One of the major problems in the developing countries is stemming the outflow of private local capital to banks

Adv. April 7



110 WILLIAM STREET
~~110 WILLIAM STREET~~
NEW YORK 38

Mr. George D. Woods, President
International Bank for
Reconstruction and Development

March 23, 1966

in Switzerland and the United States which creates an ever-increasing need for foreign capital either under the auspices of A.I.D. programs or through private investment.

It seems to me that steps should be taken to extend the guarantees to local national investors thereby making available far more indigenous money than is now obtainable in the developing countries of the world. It follows that my question to you would have been: "has any consideration been given to such extensions of the guarantee programs".

Very truly yours,

F. Arthur Mayes
President

FAM:ph

AFIA Member Companies are represented in the countries shown below. A branch office is located in each of the cities specifically listed.

*Designates Control Branches

†Special Representative

ARGENTINA BUENOS AIRES	GERMANY	MARTINIQUE
AUSTRALIA SYDNEY* ADELAIDE BALLARAT BRISBANE CAIRNS CANNBERRA GRAFTON HOBART LAUNCESTON MACKAY MARYBOROUGH MELBOURNE NEWCASTLE ORANGE PERTH ROCKHAMPTON SHEPPARTON TAMWORTH TOOWOOMBA TOWNSVILLE WAGGA WAGGA WARRNAMBOOL WOLLONGONG	GIBRALTAR GREAT BRITAIN LONDON GREECE GUADELOUPE GUAM AGANA HONG KONG VICTORIA* KOWLOON TSUN WAN YUEN LONG INDIA BOMBAY* AHMEDABAD AKOLA ALLEPPEY BANGALORE CALCUTTA COCHIN GAUHATI GONDAL INDORE CITY JAMNAGAR MADRAS MADURAI NEW DELHI PATNA POONA SECUNDERABAD SURAT TUTICORIN IRELAND ITALY ROME* BOLOGNA FLORENCE GENOA MILAN PADUA IVORY COAST JAMAICA JAPAN TOKYO* ASAHIKAWA FUKUOKA GIFU HAKODATE HIROSHIMA KAWASAKI KITA-KYUSHU KOBE MISAWA NAGOYA NIIGATA NUMAZU OSAKA OTARU SAGAMIHARA (Zama) SAPORO SENDAI SHIZUOKA TACHIKAWA YOKKAICHI YOKOHAMA YOKOSUKA KOREA SEOUL KUWAIT † LEBANON BEIRUT LIBYA MALAGASY MALAYSIA SINGAPORE* KUALA LUMPUR	MEXICO MEXICO, D. F. (Correspondent) MOROCCO CASABLANCA NETHERLANDS NEW ZEALAND WELLINGTON* AUCKLAND CHRISTCHURCH DUNEDIN HAMILTON HASTINGS INVERCARGILL LEVIN LOWER HUTT MASTERTON NAPIER NELSON NEW PLYMOUTH PALMERSTON NORTH ROTORUA TAURANGA TIMARU WHANGAREI NORTHERN IRELAND NORWAY OKINAWA NAHA PAKISTAN KARACHI, W. P.* LAHORE RAWALPINDI DACCA, E. P. LYALLPUR NARAYANGANJ PARAGUAY PERU † PHILIPPINES MANILA* BACOLOD CEBU CITY DAVAO CITY QATAR REPUBLIC OF THE CONGO RHODESIA SALISBURY SENEGAL SOUTH AFRICA JOHANNESBURG* CAPE TOWN DURBAN PORT ELIZABETH SPAIN MADRID SUDAN SURINAM THAILAND † TRINIDAD AND TOBAGO PORT OF SPAIN TURKEY (Affiliated Company) VENEZUELA CARACAS* MARACAIBO VALENCIA WESTERN SAMOA WEST INDIES FEDERATION



AFIA

AMERICAN FOREIGN INSURANCE ASSOCIATION

161 WILLIAM STREET • NEW YORK, N. Y., 10038

JANUARY 1, 1965

CONSOLIDATED STATEMENT OF

MEMBER COMPANIES



AN ASSOCIATION OF AMERICAN CAPITAL STOCK COMPANIES PROVIDING FIRE, MARINE, CASUALTY, AND SURETY INSURANCE PROTECTION OVERSEAS

William E. Newcomb, Chairman
F. Arthur Mayes, President

Total Assets: \$5,688,071,211

Premiums Written: \$2,198,863,897

Capital Paid In: \$214,367,407

Liabilities Reserves: \$2,825,576,878

Policyholders' surplus: \$2,648,126,926

AMERICAN FOREIGN INSURANCE ASSOCIATION
CONSOLIDATED STATEMENT OF MEMBER COMPANIES
JANUARY 1, 1965

United States Offices

NEW YORK

161 William Street • New York, N. Y. 10038
WOrth 4-4990

CHICAGO

Insurance Exchange Bldg.
175 West Jackson Blvd.
Chicago, Illinois 60604
HArrison 7-9848

LOS ANGELES

Suite 401
3400 West 6th Street
Los Angeles, California 90005
DUnkirk 5-4131

DALLAS

Vaughn Building
1712 Commerce Street
Dallas, Texas 75201
Riverside 8-9064

SAN FRANCISCO

Russ Building
235 Montgomery Street
San Francisco, California 94104
982-1540

HOUSTON

Central National Bank Bldg.
2100 Travis Street
Houston, Texas 77002
CApitol 4-6543

WASHINGTON

Woodward Bldg.
733 15th Street, N.W.
Washington, D. C. 20005
EXecutive 3-4760

World Headquarters: **New York, N. Y.**

member companies	total assets	premiums written	liabilities reserves	capital paid in	policyholders' surplus
Aetna Insurance Company Hartford, Conn. (1819)	\$ 420,547,638	\$ 251,493,700	\$ 292,039,040	\$ 10,000,000	\$ 118,508,598
The American Insurance Company Newark, N. J. (1846)	256,874,277	104,875,425	136,496,961	10,501,770	109,875,546
Boston Insurance Company Boston, Mass. (1873)	97,410,934	57,462,375	68,677,576	5,000,000	23,733,358
Fireman's Fund Insurance Company San Francisco, Calif. (1863)	858,994,915	283,163,648	458,895,983	15,318,799	384,780,133
Glens Falls Insurance Company Glens Falls, N. Y. (1849)	235,340,886	126,458,617	157,216,427	7,000,000	71,124,459
Great American Insurance Company New York, N. Y. (1872)	523,411,528	187,212,295	230,376,380	15,501,145	277,534,003
Hartford Fire Insurance Company Hartford, Conn. (1810)	895,231,059	259,355,612	264,447,662	55,000,000	575,783,397
The Home Insurance Company New York, N. Y. (1853)	808,043,926	289,892,247	428,412,374	22,336,885	357,294,667
The Phoenix Insurance Company Hartford, Conn. (1854)	334,574,277	142,727,106	160,443,678	10,000,000	164,130,599
Reliance Insurance Company Philadelphia, Pa. (1817)	392,848,793	153,537,256	197,607,125	23,061,295	172,180,373
St. Paul Fire and Marine Insurance Company St. Paul, Minn. (1853)	517,819,565	211,335,344	260,226,261	32,347,513	225,245,791
United States Fire Insurance Company New York, N. Y. (1824)	227,120,103	87,566,848	115,434,016	6,300,000	105,386,087
Westchester Fire Insurance Company New York, N. Y. (1837)	119,853,310	43,783,424	55,303,395	2,000,000	62,549,915
Totals...	\$5,688,071,211	\$2,198,863,897	\$2,825,576,878	\$214,367,407	\$2,648,126,926

Speech - Woods - Pan.

OUTGOING WIRE

TO: **GEORGE D. WOODS**
Bilderberg Conference
Nassauerhof
Wiesbaden

DATE: **March 23, 1966**

CLASS OF SERVICE: **LT**

RCC

COUNTRY: **Germany**

TEXT: **ONE**
Cable No.:

American Banker newspaper impressed by reports of your Baxter Jackson speech. Would like earliest permission to publish text. May we agree and may we provide existing copy here or wait for your return with reading copy.

GRAVES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME **Harold Graves**
DEPT. **Information Department**

SIGNATURE *Harold Graves*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

HNG/jsw

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

For Use by Archives Division

Checked for Dispatch: *RCC*

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO:

GEORGE D. WOODS
Bilderberg Conference
Nassauerhof
Wiesbaden

COUNTRY:

Germany

TEXT:
Cable No.:

ONE

DATE:

March 23, 1966

CLASS OF
SERVICE

LT

RCR

reading copy.
and may we provide existing copy here or wait for your return with
speech. Would like earliest permission to publish text. May we agree
American banker newspaper impressed by reports of your Barker Jackson

GRAVES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

CLEARANCES AND COPY DISTRIBUTION:

NAME

Harold Graves

DEPT.

Information Department

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO REPRESENT THE ORGANIZATION)

COMMUNICATIONS
GENERAL FILES

HNG\jw

DISPATCHED

For Use by Archives Division

ORIGINAL (File Copy)

[IMPORTANT: See Secretariat Guide for prepared form]

Checked for Dispatch:

RCR

Speech - Woods - Pen.
Filed

MAR 25 REC'D

CHEMICAL BANK NEW YORK TRUST COMPANY

International Division
20 PINE STREET, NEW YORK

Mailing Address
P. O. BOX 1585
CHURCH STREET STATION
NEW YORK, N. Y. 10008

WERNER J. GUNZBURGER
Assistant Secretary

March 23, 1966

Mr. George D. Woods, President
International Bank for Reconstruction
and Development
Washington, D.C. 20433

Dear Mr. Woods:

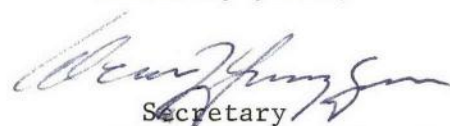
May I express to you my sincere appreciation, both personally and on behalf of my associates, for the most excellent presentation you gave last night at the University Club.

I have rarely seen an audience as interested as the one that had the pleasure of listening to you. The combination of the speaker's importance, the acuity of the topic, and the concepts and philosophy on international finance expressed by you contributed to this effect.

As you requested, I am returning herewith your notes. With your permission we are distributing your address internally as well as to the members of our International Advisory Board.

Again many thanks for your help, and with kind regards,

Sincerely yours,



Secretary
International Advisory Board

Encl.

212 - 770-1234

Mr. Woods

Please see - I presume
No reply is required.

Notes: Called Mr. Gunzburger
about American Embassy.
He said O.K. They were fresh
& cc blank to Subdir Gen. Rel.
11/20/66

JW
25 MAR

? Mr. Jackson ?

Klosser

1966 MAR 25 PM 3:32

RECEIVED
COMMUNICATIONS
SECTION

INTERNATIONAL ROAD FED.

Mr. Bernard Chadenet

May 24, 1966

Warren C. Baum *wcb*

Speech for International Road Federation Meeting

Attached is a draft paper on "The Financing of Highways and Highway Systems in Developing Countries" to be given by a Bank representative, on behalf of Mr. Woods, at the Fifth World Meeting of the International Road Federation in London in September, 1966.*

I would be grateful for your early approval of this draft, since the IRF were expecting to have advance copies earlier this month.

cc: Mr. J. Burke Knapp

Encl.

MC * Friday, the 23rd

MCherniavsky/zh

Mr. Hardy

May 2, 1966

Harold Graves

Mr. Woods's Speech to IRF

Thank you very much for letting me see the draft speech for the International Road Federation Meeting. I found the paper extremely interesting, and I hope that you will let me have a final text when one is ready.

For the sake of reducing the text, I have bracketed some language on pages 2, 4, 5 and 10 which could conceivably be sacrificed without losing the line of argument or detracting from the interest of the paper. In any case, the long paragraph on page 5 seems to me to be confusing, since it mixes two kinds of proportions -- proportions within the financing of a given highway project, and proportions within the total public expenditures of a developing country. The other changes I have suggested are minor and largely self-explanatory. On page 12, however, I have suggested you delete the expression "foreign aid," since this is a term which Mr. Woods does not like to have used in connection with Bank financing.

On page 13, I would suggest we not speak of IDA as a "soft loan agency"; many people still have the impression that this means that IDA lends on the basis of different technical and economic standards from the Bank. For the same reason, it might be helpful to add to the middle paragraph on page 14 some such language as the following:

"Perhaps I should remark, parenthetically, that while the Bank and IDA provide capital on different financial terms, their project standards are exactly the same and, in fact, the two institutions are served by exactly the same staff."

Attachment



HNG:ap

Messrs. Graves
Baum, Geolot, Adler, North
S. C. Hardy

April 29, 1966

Mr. Woods' Speech to IRF

Attached is a draft text for a speech on "The Financing of Highway Systems in Developing Countries" to be given at the IRF Fifth World Meeting in September, 1966, in the U. K.

Your comments or suggested amendments would be appreciated, and should reach Mr. Hardy (Room 406) by 5:30pm on Thursday, May 5.

Please note:

(a) Since the present text runs about 4,500 words, already exceeding the IRF's "desirable maximum length" of 4,000 words, any proposed amendments should be in the direction of curtailing, rather than lengthening, the text.

(b) The IRF have indicated that we can write the text as a speech or as a more formal paper. The first course has been tentatively chosen.

Encl.
SCHardy:gh
Bank

HARVARD

May 13, 1966

Dear Bert:

Thank you for your note of May 10. I missed you when I visited the Finance Club at Harvard University but understood you were out of the country. I had a thoroughly enjoyable time visiting with the members of the Club--their questions were penetrating and they entertained me in a most hospitable manner.

Warm regards,

Sincerely,

(Signed) George D. Woods

George D. Woods

Mr. Bertrand Fox
Harvard University
Graduate School of Business
Administration
Boston, Massachusetts 02163

GCWishart:lgn

lgn

MAY 12 REC'D

HARVARD UNIVERSITY

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION

GEORGE F. BAKER FOUNDATION

BERTRAND FOX
*Edsel Bryant Ford Professor
of Business Administration
and
Director of Research*

SOLDIERS FIELD
BOSTON, MASSACHUSETTS 02163

May 10, 1966

Mr. George D. Woods
International Bank for Reconstruction
and Development
Washington, D. C.

Dear George:

For the first time in a half a dozen years I have been out of the country checking up on some School activities in Switzerland and France. Imagine my chagrin on my return to find that you have been here at the School speaking to our Finance Club. I sincerely regret that I could not have been here to have heard you and to have had a chance to chat with you.

I understand by the grapevine that you do not disagree too strenuously with my analysis and appraisal of the Kaiser Jeep situation.

My very best to you.

Sincerely,



Bertrand Fox

BF:cgw

ackn. May 13, 1966

Liason.
Harvard

HARVARD UNIVERSITY

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION

GEORGE F. BAKER FOUNDATION

602 - Super -
10 MAY file
MAY 9 REC'D

CHARLES M. WILLIAMS
Edmund Cogswell Converse
Professor of Banking and Finance

SOLDIERS FIELD
BOSTON 63, MASSACHUSETTS

5/9
May 6, 1966

Mr. George D. Woods, President
International Bank for Reconstruction
and Development
1818 H Street, NW
Washington, D. C.

Dear Mr. Woods:

A few minutes ago I was acting in my role as Faculty Advisor to the Finance Club of the Harvard Business School, and reviewing the program of the past year with the outgoing president, Ed Stone. As we looked back, it became evident that the Club had had its most successful year in a long time with a number of outstanding sessions. Further, it was clear that you had supplied a splendid finale for the year's program. As you doubtless could sense, your talk was very well received indeed and the 175 or so of students and faculty attending felt richly rewarded for having foregone the temptations of being out in our first real spring day.

Ed Stone and other student members of the Finance Club also told me how much they appreciated and enjoyed the opportunity to visit with you over cocktails and at dinner at the Faculty Club. It was a wonderful experience for them and I very much regretted that an urgent, but very much less interesting, dinner appointment prevented me from sharing the opportunity to exchange ideas with you.

Sincerely yours,

Charles M. Williams
Charles M. Williams

CMW:dla

416 Mt. Auburn St
Cambridge, Mass.

Reason for visit

APR 21 REC'D

19 April 1966

4/21

File

Dear Mr. Woods:

On behalf of the Finance Club of
Harvard Business School, I write now to
thank you for last night's visit.

We came away much wiser and
absolutely beguiled by your job, your
bank, and your incisive wit and charm.
You must forgive us for the four hours
of "grilling" but I guess we'll learn how
to be nice to guests and calm our enthusiasms
some time.

I shall send your newspaper clippings
next week. Once again my deepest thanks.

Lucy

Ed Stone
Pres, Finance Club.

The man we have been dealing with at Finance Club
is MR. DONALD P. REMEY

When you've figured out which plane you can catch
to Boston on Monday, if you will let Mr. Wishart
or me know we can contact Mr. Remy so that he
can arrange for your car to University etc.

B. Schmitt 4/13

Woods - Spreads
A. K. & REC'D Howard

HARVARD UNIVERSITY

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION

GEORGE F. BAKER FOUNDATION

OFFICE OF THE DEAN

SOLDIERS FIELD

BOSTON, MASSACHUSETTS 02163

April 5, 1966

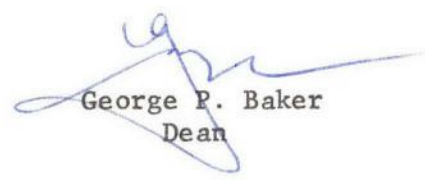
4/6
Mr. George D. Woods, President
International Bank for Reconstruction and Development
Washington, D.C. 20433

Dear George:

I'm delighted that you can be at the School on April 18 and only wish I could be here on that day. You are very thoughtful to take the time to come here.

With very best wishes,

Sincerely yours,


George P. Baker
Dean

GPB:tcs

Mr. Woods to see.

~~File~~
~~Destroy 2~~

April 4/18



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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

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

SPECIAL DELIVERY

March 29, 1966

Dear Nat:

I'm sorry to thrust this at you somewhat suddenly. It concerns a speech for Mr. Woods to give at the Harvard Business School Finance Club on April 18. (George knows you are not leaving until April 25, I gather.) He emphasizes that he doesn't want a major effort. I should think that one of the talks you wrote for Joe Barr, with some retouching, might do very well.

I'm leaving this afternoon on a hasty trip to Geneva, Paris and London, but expect to be back at work on April 7.

Sincerely,

A handwritten signature in cursive script that reads "Harold Graves".

Harold Graves

Attachments

Mr. Nathaniel McKitterick
1220-16th Street, N. W.
Washington, D. C. 20036

Speech - Woods -

Harvard

SPECIAL DELIVERY

March 29, 1966

Dear Nat:

I'm sorry to thrust this at you somewhat suddenly. It concerns a speech for Mr. Woods to give at the Harvard Business School Finance Club on April 18. (George knows you are not leaving until April 25, I gather.) He emphasizes that he doesn't want a major effort. I should think that one of the talks you wrote for Joe Barr, with some retouching, might do very well.

I'm leaving this afternoon on a hasty trip to Geneva, Paris and London, but expect to be back at work on April 7.

Sincerely,

Harold Graves

Attachments

Mr. Nathaniel McKitterick
1220-16th Street, N. W.
Washington, D. C. 20036

HNG

HNG:ap

*copy filed under
Liaison Harvard*

March 28, 1966

Dear Mr. Remey:

Thank you for your letter of March 21, 1966, confirming that Monday, April 18, is a convenient date for me to meet with the Finance Club of the Graduate School of Business Administration of Harvard University. Nearer the date, I shall advise you of my arrival time in Boston.

In response to your request for background material, etc., for your campus newspaper, I enclose a short biographical note and also a photograph. I have not yet decided what the subject of my talk will be but enclose booklets describing the work of the International Bank for Reconstruction and Development, the International Finance Corporation and the International Development Association--the three institutions which make up the World Bank Group. I think that these booklets will give you the necessary background information for your article.

Sincerely,

(Signed) George D. Woods

George D. Woods

Mr. Donald P. Remey
The Finance Club
Graduate School of Business Administration
Harvard University
Boston 63, Massachusetts

GW

GCW:GDW:ml

DRAFT - GCW:ml 3/24

Dear Mr. Remey:

Thank you for your letter of March 21, 1966, confirming that Monday, April 18, is a convenient date for me to meet with the Finance Club of the Graduate School of Business Administration of Harvard University. ~~I am looking forward to the occasion.~~ Nearer the date, I shall advise you of my arrival time in Boston.

In response to your request for background material, etc., for your campus newspaper, I enclose a short biographical note and also a photograph ~~of myself~~. I have not yet decided what the subject of my talk will be but enclose booklets describing the work of the International Bank for Reconstruction and Development, the International Finance Corporation and the International Development Association--the three institutions which make up the World Bank Group. I think that these booklets will give you the necessary background information for your article.

Sy,

GDW

Mr. Woods:

How would you wish to handle the preparation for your talk to the Finance Club, please?


GCW

Ask Graves
to give the
job to McKittrick
3/28

MAR 23 REC'D

The Finance Club

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
HARVARD UNIVERSITY

SOLDIERS FIELD
BOSTON 63, MASS.

March 21, 1966

Mr. George D. Woods, President
International Bank for Reconstruction and
Development
1818 H Street, NW
Washington, D. C. 20433

Dear Mr. Woods:

We are delighted that you will be able to speak to our members on Monday, April 18th. I have made the proper arrangements for both the meeting and the dinner on that date.

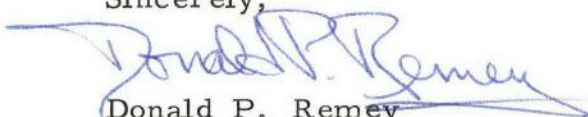
Our meetings generally begin at 4:00 pm and run for about 90 minutes. Our past guests have spoken about 30-45 minutes, leaving the balance of the period open for questions from the floor. We have a podium from which you may speak. A microphone is also available, so there will be no problem in everyone hearing you.

In the week preceding your visit, we plan to place an article in our campus newspaper. If you could manage to send me some biographical material and some general comments on your talk, we would see that they are used in our publicity. A picture of yourself, any size, would also be helpful.

I assume that you will be flying to Boston. We would be honored to arrange your transportation to and from the airport, if you so desire.

Please let me know if you have any questions.

Sincerely,


Donald P. Remey

DPR:dla

*Replied by Mr. Woods actm.
3/28/66
March 28, 1966*

5 - out
when we
leave

March 17, 1966

Dear George:

We spoke on the telephone regarding the invitation I received from the officers of the Student Finance Club of the Graduate School of Business Administration and I have now written to Mr. Donald P. Remy, Speakers Chairman, accepting the invitation and nominating Monday, April 18, as a suitable date. I enclose a copy of my letter to Mr. Remy for your information.

Warm personal regards.

Sincerely,

(Signed) George D. Woods

George D. Woods

M George P. Baker, Dean
Graduate School of
Business Administration
Harvard University
Boston, Massachusetts

GCWisahrt



March 17, 1966

Dear Mr. Remy:

Thank you for your letter of March 3, 1966, which I have delayed replying to until I could see more clearly my commitments over the next two months. I appreciate the invitation from The Finance Club of the Harvard Business School to be the guest speaker at one of your meetings and also to join the Faculty and Club members for dinner at Kresge Hall thereafter. The date of Monday, April 18, would be a suitable one for me and, if this date also meets the convenience of The Finance Club, I shall be happy to accept your invitation.

Please also let me have some background information regarding the proceedings generally followed at your meetings--for example, for what length of time should my talk run; I shall, of course, be glad to respond to questions from your members.

With best wishes,

Sincerely,

(Signed) George D. Woods

George D. Woods

Mr. Donald P. Remy
Speakers Chairman
The Finance Club
Graduate School of
Business Administration
Harvard University
Boston, Massachusetts

cc: Dean G. P. Baker

GCWishart:lgn

h

MAR 4 REC'D

HARVARD UNIVERSITY

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION

GEORGE F. BAKER FOUNDATION

OFFICE OF THE DEAN

Apr 18-22

SOLDIERS FIELD
BOSTON, MASSACHUSETTS 02163
March 3, 1966

phone

Mr. George Woods
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

Dear George:

The officers of the Student Finance Club tell me that they are inviting you to come to the Business School and address them sometime later in the spring. I should like to second their invitation.

The Club programs at the Business School are intended to supplement the teaching programs and objectives of the School. Firsthand acquaintance with individuals who directly influence our society provides unique opportunities for the entire Harvard Business School Community.

I hope that you will be able to accept the students' invitation. It would be a great pleasure to all of us to have you here.

With kind regards,

Sincerely yours,

[Signature]
George P. Baker
Dean

cc: Mr. Remy

Mr. Woods
How would you
wish to reply to
these 2 letters?

ackn. March 17, 1966

JW
4 MAR.

1966 MAR -4 AM 10:45

RECEIVED
FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS

The Finance Club

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
HARVARD UNIVERSITY

SOLDIERS FIELD
BOSTON 63, MASS.

March 3, 1966

Mr. George Woods
International Bank for Reconstruction
and Development
1818 H Street, NW
Washington, D. C. 20433

Dear Mr. Woods:

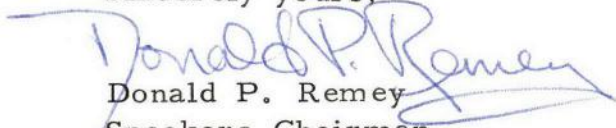
On behalf of the Finance Club of the Harvard Business School, I would like to extend an invitation to you to address our group this spring.

The Finance Club is composed of approximately 350 students in the M.B.A. Program. It is organized not to educate the members in the field of finance, but rather to further the working knowledge of those interested in this field. Among our members and the faculty there are a number of people interested in the field of international finance and economic development.

Our program consists of six meetings a year, at which prominent men from the financial world are invited to speak. This year our speakers have included Mr. David Rockefeller, Mr. Albert H. Gordon and Mr. George Moore. Our meetings begin at 4 PM and run for about an hour. A reception is generally held after the meeting to provide an opportunity for the members to meet the speaker on an informal basis. Following the reception, we would be pleased to have you join a group of faculty and club members for dinner at Kresge Hall.

Since we believe that any topic regarding the World Bank would be of interest, we would like to leave the topic to one of your own choosing. Our schedule is flexible, so if you could select some possible dates in April or early May, I will make the proper arrangements.

Sincerely yours,


Donald P. Remey
Speakers Chairman

COMMUNICATIONS

COMMUNICATIONS SECTION

1966 MAR 4

1966 MAR 4

1966 MAR 4

International Board for Communications

1966 MAR 4

1966 MAR 4

1966 MAR 4

1966 MAR 4

1966 MAR 4

1966 MAR 4

1966 MAR 4

1966 MAR 4

1966 MAR 4 11:00 AM

RECEIVED
GENERAL FILES
COMMUNICATIONS

PLATE 1

February 11, 1966

Dear Mr. Ambassador:

Mr. George D. Woods has asked me to send you enclosed two copies of a speech he made at a dinner of The Pilgrims in London on November 29th last.

Yours sincerely,



G. C. Wishart
Personal Assistant to Mr. Woods

His Excellency
Dr. Mostafa Kamel
Embassy of the United Arab
Republic
2310 Decatur Place, N.W.
Washington, D.C. 20008

Woods - Speech -
Files
Pilgrims

CHEMICAL BANK NEW YORK TRUST COMPANY

20 PINE STREET

NEW YORK, N. Y. 10015

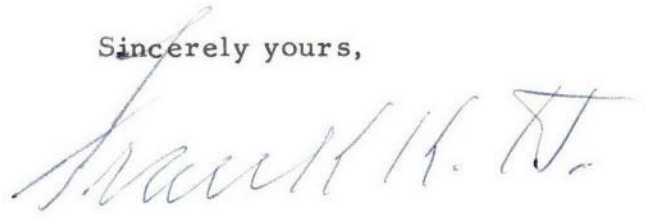
FRANK K. HOUSTON
HONORARY CHAIRMAN

February 1, 1966

Dear George:

I have received and have read with much interest copy of your speech delivered at The Pilgrims Dinner in London on November 29th, and wish to thank you for favoring me with this copy.

Sincerely yours,



Mr. George D. Woods
President
The World Bank
Washington, D.C.

- 2/4
1. Mr. Woods to see.
 2. ~~Mr. Graves to see.~~

JWH
3/24

1966 FEB - 3 PM 11:18
COMMUNICATIONS
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U. S. DEPARTMENT OF JUSTICE

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Woods-Speech
ECOSOC

Mr. Woods

January 5, 1967

Harold Graves

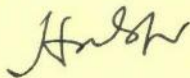
ECOSOC Record

Here, for correction, is the draft summary record of the afternoon session of ECOSOC on the day when you attended. Your remarks are summarized on pages 12-13. On page 12, the last sentence, at least, of the summary of your remarks is wrong. Mr. Consolo suggests that "international monetary problems" be changed to "international economic problems."

The summary record of the morning session, containing a paraphrase of your speech, was corrected against the full text of the speech and returned to ECOSOC last Tuesday.

cc: Mr. Consolo

HG/mj



OFFICE MEMORANDUM

TO: Mr. Woods *1/6*

DATE: January 5, 1967

FROM: Harold Graves *HG*SUBJECT: ECOSOC Record

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*Telephoned to U.N.
Office Jan. 9.
HG*

UNITED NATIONS
ECONOMIC
AND
SOCIAL COUNCIL



PROVISIONAL

E/SR.1458
27 December 1966

ORIGINAL: ENGLISH

Resumed Forty-first Session

PROVISIONAL SUMMARY RECORD OF THE ONE THOUSAND FOUR HUNDRED
AND FIFTY EIGHTH-MEETING

Held at Headquarters, New York,
on Tuesday, 20 December 1966, at 3.30 p.m.

CONTENTS

Basic programme of work of the Council in 1967 and consideration of the provisional agenda for the forty-second session (E/L.1147 and Add.1-2, L.1148 and Add.1, L.1151) (continued)

Report of the International Bank for Reconstruction and Development and of the International Development Association (E/4272 and Add.1) (continued)

Report of the International Finance Corporation (E/4273 and Add.1) (continued)

Amendments to rules 20, 22 and 23 of the rules of procedure of the Economic and Social Council concerning the Vice-Presidents (E/4291; E/L.1150)

Corrections to this record should be submitted in one of the three working languages (English, French or Spanish), preferably in the same language as the text to which they refer. Corrections should be sent in triplicate within three working days to the Chief, Conference and Meetings Control, Office of Conference Services, Room 1104, and also incorporated in mimeographed copies of the record.

AS THIS RECORD WAS DISTRIBUTED ON 27 DECEMBER 1966, THE TIME-LIMIT FOR CORRECTIONS WILL BE 30 DECEMBER 1966.

Publication of the final printed records being subject to a rigid schedule, the co-operation of delegations in strictly observing this time-limit would be greatly appreciated.

66-34928

/...

PRESENT:

President:

Mr. BOUATTOURA (Algeria)

Members:

Mr. ABERKANE Algeria

Mr. BELEOKEN Cameroon

Mr. MACDONALD Canada

Mr. FIGUEROA Chile

Mr. MUZIK Czechoslovakia

Mr. ZOLLNER Dahomey

Mr. JATIVA Ecuador

Mr. VIAUD France

Mr. PITHER Gabon

Mr. CARANICAS Greece

Mr. PARTHASARATHI India

Mr. RAHNEMA Iran

Mr. KADRI Iraq

Mr. MERTZ Luxembourg

Mr. FILALI Morocco

Mr. Amjad ALI)
Mr. AHMED) Pakistan

Mr. LOPEZ Philippines

Mr. MURGESCU)
Mr. POPA) Romania

Mr. KAREFA-SMART Sierra Leone

Mr. WEITERGREN Sweden

Mr. MAKEEV Union of Soviet Socialist
Republics

Sir Edward WARNER United Kingdom of Great Britain
and Northern Ireland

Mr. KOTSCHNIG)
Mr. BLAU) United States of America

Mr. ZULUAGA Venezuela

PRESENT (continued):

Observers for States Members of the United Nations:

Mr. ONKELINX	Belgium
Mr. TELL	Jordan
Miss TABARA	Lebanon
Mr. OMEISH	Libya
Mr. SELFE	South Africa
Mr. AKSIN	Turkey

Representatives of specialized agencies:

Mr. ORR	Food and Agriculture Organization
Mr. WOODS)	International Bank for
Mr. MENDELS)	Reconstruction and Development

Secretariat:

Mr. de SEYNES	Under-Secretary for Economic and Social Affairs
Mr. HILL	Deputy Under-Secretary for Economic and Social Affairs
Mr. KITTANI	Secretary of the Committee

BASIC PROGRAMME OF WORK OF THE COUNCIL IN 1967 AND CONSIDERATION OF THE PROVISIONAL AGENDA FOR THE FORTY-SECOND SESSION (E/L.1147 and Add.1-2, L.1148 and Add.1, L.1151) (continued)

Mr. MURGESCU (Romania) observed that the note by the Secretariat (E/L.1151) showed that provision had been made for a joint meeting of the Committee for Programme and Co-ordination, the officers of the Council and the Administrative Committee on Co-ordination to be held in the week preceding the forty-third session of the Council. He had the honour to announce that his Government invited the Council to hold that meeting at Bucharest and was prepared to meet the additional expenditure occasioned by the organization of the meeting outside Headquarters or one of the regional offices.

Should the Council accept the invitation, his Government would work out the necessary technical and other arrangements with the Secretariat.

The PRESIDENT suggested that the Council should decide, in principle, to accept the invitation from the Government of Romania, subject to its formal acceptance by the Committees concerned, and that it should request the Secretariat to discuss the detailed arrangements for the meeting with the Romanian delegation and report to the Council at its forty-second session.

It was so decided.

Mr. AHMED (Pakistan) proposed, with reference to paragraph 10 of document E/L.1147, that the Council should include in its draft agenda for the forty-third session the question of a meeting of the Ad Hoc Working Group on the Question of a Declaration on International Economic Co-operation; that the Council should amend the title of item 5 in the draft agenda for the forty-third session (E/L.1147, p. 8) to read "External financing of economic development of the developing countries" and should add under item 5 a sub-item (c) entitled "Outflow of capital from the developing countries"; that, with reference to the suggestion on page 9 of document E/L.1148, the Council should use for the item in question the title of General Assembly resolution 2188 (XXI); that, with reference to the suggestion on page 18 of document E/L.1148 and the proposal already made by the representative of France (E/SR.1456), the Council should include an appropriate

(Mr. Ahmed, Pakistan)

item in the agenda for the forty-second and forty-third sessions under which it would consider the implementation of the recommendation of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies.

It was so agreed.

REPORT OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AND OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION (E/4272 and Add.1) (continued)

REPORT OF THE INTERNATIONAL FINANCE CORPORATION (E/4273 and Add.1) (continued)

Mr. Amjad ALI (Pakistan) said that the most encouraging feature of the reports of the Bank and its subsidiaries was the marked flexibility evident in their recent operations. One example of the efforts of the Bank to adapt its policies to prevailing conditions was the departure from its original policy of lending for "bankable" projects only; the International Finance Corporation (IFC) and the International Development Association (IDA) had, in fact, been set up as a result of the Bank's recognition of the needs of the developing countries for investment in education, agriculture, transport and communications. The stark facts of the world food situation made the Bank's recent emphasis on agricultural projects all the more gratifying. It had become clear to the world community that, even if the developing countries succeeded in arresting population growth in the years to come, famine could not be avoided unless those countries' efforts to increase agricultural production were supplemented by external finance to enable them to mechanize and introduce modern farming methods.

As he had remarked at an earlier meeting of the Council, the external finance required could come from only two sources: aid and trade. The developing countries were justifiably concerned about recent trends in aid-giving; such factors as the failure of the industrialized countries so far to replenish the funds of IDA and the continuing high rates of interest on bilateral and multilateral loans were discouraging. International efforts to improve the trade revenues of developing countries had also been disappointing: the failure to secure agreement on a stable and reasonable market price for cocoa was an example of the reluctance of developed countries to abandon the control they exercised, through marketing arrangements, over the lives and destinies of the primary producing countries. It

/...

(Mr. Amjad Ali, Pakistan)

was therefore regrettable that the international financial institutions, while prepared to help producer countries to overcome the disastrous effects on their economies of fluctuating market prices, considered that they were not empowered to invest in such undertakings as the proposed cocoa buffer stock, which would avert situations of that kind.

In conclusion, it was his delegation's hope that the industrialized countries would act on the suggestion made by the President of the Bank for a joint examination of their policies and priorities in the granting of development assistance.

Mr. MAKEEV (Union of Soviet Socialist Republics) said that the reports of the Bank and IMF provided the clear picture of the international economic situation which United Nations bodies had come to expect in those annual reports. His delegation agreed with the general conclusion of both bodies that international conditions for the economic development of the developing countries had become less favourable in the year under review. One of the major reasons for that trend was the growing international tension caused by the war in South-East Asia: its effects on the world economy and on the capital market, in particular, were reflected in the decline in the developing countries' exports and in the flow of external resources to them.

The developing countries pinned their hopes on the international financial institutions and it was disappointing that the level of Bank and IDA loans - approximately \$1,000 million in the year under review - had not changed noticeably in recent years. On the other hand, repayments to the Bank, at \$328 million, and to its creditors had shown an increase, without any corresponding rise in lending.

The Bank defended the high cost of its credit to developing countries by asserting that, as one of many lending institutions, its policies had to be governed by the commercial and financial considerations affecting all banking operations. It was, however, also an organ of the United Nations system with specific responsibility for aiding developing countries and should therefore be expected to react to recent trade pressures by raising its rates on the international capital market rather than by increasing its interest rates on development loans from 5.5 to 6 per cent. Its reserves were, after all, sufficient for it to show restraint in such situations.

(Mr. Makeev, USSR)

A number of developing countries were adversely affected by the Bank's continuing refusal to grant loans for State-owned or State-sponsored projects. Such a practice was surprising in an institution which had shown some readiness to change its policies in other matters, and it was to be hoped that pressure from its members would induce it to abandon that attitude in the near future.

The relationship of the Bank and IMF to the United Nations system required them to act in accordance with decisions and resolutions of the General Assembly and the Security Council. It was therefore regrettable that they had so far taken no steps to comply with resolutions on assistance to Portugal; loans had, in fact, been granted to that country and were being used to sustain its colonial wars in Africa. Moreover, the General Assembly had recently adopted resolution 2158 (XXI) which, inter alia, laid down guidelines for the operations of foreign investors in the developing countries. The co-operation of the United Nations financial institutions was vital in all such matters and the United Nations was entitled, under the respective articles of agreement, to demand it.

The development of a new compensatory financing scheme by IMF was encouraging, even if not a completely satisfactory solution to the problem. The recent limited participation of developing countries in the discussions on international monetary reform was also gratifying. His delegation believed, however, that the existing structure of the Fund was too rigid to allow the full participation of all countries in decisions on that subject and that only the Conference on Trade and Development provided the kind of representative forum required for the purpose.

Mr. PARTHASARATHI (India) remarked that assistance from the World Bank and its affiliates was particularly valuable to developing countries because it was not tied to purchases in any single country. It was gratifying that the Bank had intensified and expanded its assistance in the farm sector and had sent 115 agricultural missions to members countries in the period under review. The stronger emphasis on education was also welcome. The inclusion of tourism in IFC activities was very timely in view of the fact that 1967 had been designated International Tourist Year, and the new arrangements for a Bank loan to IFC would no doubt permit still further diversification of its activities. Four new members

(Mr. Parthasarathi, India)

joined the Bank during the past year and Indonesia's decision to seek re-admission was welcome.

Another source of satisfaction was the close co-operation between the Bank and other United Nations organizations and specialized agencies, which would doubtless be extended to UNIDO. A number of studies were being carried at the request of UNCTAD and constructive relationships had also been established between the Bank group and the Inter-American, African and Asian Development Banks.

Emphasis had rightly been placed on creating capacity in developing countries for the large-scale manufacture of fertilizers. India had assigned the highest priority to the production of chemical fertilizers and had made firm financing arrangements, under which it had received the valuable support of the Bank and IFC for a number of projects which would meet its growing needs for chemical fertilizers in the next five years. In that connexion, the readiness of the Bank and its affiliates to consider financing certain Government-owned enterprises with a record of successful management was of particular importance, since the high level of capital and technical resources required left room for both public and private enterprise in fertilizer production.

The Bank had intensified its efforts to co-ordinate development assistance and a number of additional consultative groups had been formed. Although the work of those groups was sometimes difficult, misunderstandings could be eliminated if both developed and developing countries were genuinely committed to the achievement of economic progress and it was to be hoped that the Bank and the industrialized countries would take steps to correct the anomalous situation where donor countries insisted that the recipient countries should formulate longer-term development strategy and policies, while they themselves could make no commitment of aid beyond a period of one year.

The picture of trade and aid contained in the second part of the Bank's report was not encouraging: the growth rate of developing countries had been slow, their exports continued to lag, aid-flows were static and population growth and higher expectations had given rise to increasingly urgent demands. In that connexion, the

(Mr. Parthasarathi, India)

response of the developed countries to the imaginative request for a substantially higher level of replenishment of IDA funds would show how much faith they really had in the Development Decade. It would be a tragedy if the response fell short of the high, but practical, level of replenishment requested. The development situation was indeed grim and required the mobilization of all possible resources. The initiative in development assistance clearly lay with the developed countries and it was therefore appropriate that the President of the Bank had suggested a thorough examination by those countries of the fair trade and aid policies.

Mr. BELEOKEN (Cameroon) commended the Bank on its efforts to accelerate the economic growth of developing countries. The intensification of assistance in the agricultural sector was particularly welcome, but it was regrettable that neither the Bank nor IMF was prepared to help those countries in the fundamental matter of stabilizing the export prices of their commodities. Because of the lengthy and difficult procedure of preparing and submitting projects, Cameroon had so far received little assistance from the Bank or the Fund, although as an essentially agricultural country it suffered greatly from fluctuations in commodity prices. The Bank and IMF should therefore review their statutes and policies so that, instead of asking developing countries to spend several years preparing and submitting projects, they could help to meet the urgent need to stabilize commodity prices and thereby to guarantee the financing of economic development.

His delegation was greatly concerned at the fact that during the recent negotiations on cocoa a paper had been circulated by IMF stating that the price of cocoa should be stabilized at eighteen or nineteen cents a pound. It was disturbing that IMF should have taken a position on the matter, particularly when the producers had rejected that low level as unrealistic. A representative of the Fund should therefore explain the premises on which the conclusions of the paper were based and IMF's general position in connexion with the negotiations.

Mr. LOPEZ (Philippines) said that his delegation shared Mr. Wood's concern over the paradox of great poverty in the presence of great plenty. The prospects of receiving assistance from industrialized countries were indeed poor if they were not even prepared to be generous in times of prosperity. Despite their commendable efforts and the record total of disbursements in 1965-1966, the Bank had been compelled to borrow in international capital markets at high rates of interest, while IDA reserves were dwindling. Although the request for the replenishment of resources at a higher level was welcome, due account must be taken of the terms as well as the gross amount of assistance, and it was therefore disappointing that bilateral and multilateral assistance was becoming more difficult to obtain, although a few donor countries had taken steps to liberalize their lending policies.

The Bank could play a valuable role in co-ordinating aid from donor countries and the establishment of the new consultative groups was to be welcomed. The Philippine delegation shared the view that the providers of aid should give a reasonable indication of the level of assistance that might be expected during the period of the development plan for which the aid was to be used. The Bank should also try to offer loans at lower interest rates, with longer maturity and grace periods.

It was to be hoped that the Horowitz proposal for an interest equalization fund subsidized by developed countries would win general approval, especially as the contributions required from the developed countries would be comparatively small.

Countries like the Philippines often found it extremely difficult to obtain external assistance because they were no longer in the first stages of development. Nevertheless, assistance was urgently required and a courageous and imaginative approach to development was needed.

Mr. CARANICAS (Greece) welcomed the intensification of the Bank's operations in both traditional and new areas. The formation of new consultative groups was a result of the desire of donor countries to internationalize aid and to spread the burden fairly. There was, however, no guarantee that an agreement to

(Mr. Caranicas, Greece)

provide untied financial aid to a particular country on soft terms would not be upset by countries which were willing to finance their own exports. The difference between consultative groups and aid consortia was that the latter, which were generally preferred by recipient countries made specific pledges; however, Greece's own experience of a consortium had shown that the difference was not as great as might appear and that a consortium could become a vehicle for promoting its members' export trade. It was to be hoped that the consultative groups still in the formative stage would help to evaluate projects financed bilaterally and that the Bank would do its best to recommend better terms for aid and to co-ordinate assistance in particular sectors.

In view of the present high interest rates and the possibility of still further increases, the Bank might be advised to slow down its activities for the time being. A detailed study of the Horowitz proposal would be valuable, despite the reservations of experts from some developed countries.

A serious problem was the mounting indebtedness of developing countries and a further hardening of loan terms could be expected. It was to be hoped that the Bank would therefore protect those countries from harmful fluctuations by tackling the urgent problem of stabilizing commodity prices. Despite greater needs and expectations, the developed countries were not giving more aid to the developing countries, and it was significant that there had so far been no response to the call for a higher level of replenishment of IDA resources. It was clear that the developing countries, which had insufficient resources to pay for all the imports they needed, must either add to their debt burden or cut back vital imports.

Although Greece had not yet received any assistance from the Bank, it looked forward to the start of its operations in Greece and hoped that the Bank's invitation to send a mission to Washington indicated that such assistance would shortly begin.

Mr. RAHNEMA (Iran) paid a tribute to the work of IMF and of the International Bank and its affiliates. His delegation was particularly glad to note that the Bank had increased its activities in agriculture and education. At the same time, the failure so far to replenish the resources of IDA gave serious

(Mr. Rahnema, Iran)

grounds for concern and he hoped that that problem could be solved as soon as possible so that there would be no lack of continuity in the operations of IDA. He agreed that the end of the General Assembly was not the best time to take up the reports of the Fund and the Bank and that it would be better to discuss them at the Council's summer session.

Mr. WOODS (President, International Bank for Reconstruction and Development) observed that the Council had held a useful exchange of views and that the Bank group would take into account the comments made by the various delegations. He assured the representative of Greece that the Bank would closely examine the points he had raised; if the Bank had invited a mission from Greece to Washington, it was certain that Greece's request for a loan was being favourably considered. He agreed with the representative of Cameroon that the procedures of the Bank might seem somewhat strange and complicated at first sight, but he hoped that with closer contacts the new members of the Bank group would come to understand its problems. He also assured the representative of Cameroon that the Bank was determined to expand its activities further in agriculture. He hoped that the Economic and Social Council would be used to an increasing extent for an exchange of views between the Bank group and both the industrialized and the developing countries. In particular, the Bank was prepared to contribute to a fuller discussion of international monetary problems at the Council's summer session.

Mr. PINERA (Chile) agreed with the President of the Bank that the time had arrived for the industrialized countries to make a joint and thorough examination of what they were trying to achieve in their relationships with the developing world. He suggested that a summit meeting should be held between representatives of the industrialized countries and representatives of the Third World to discuss the paradox of poverty in the midst of plenty.

Mr. BELEOKEN (Cameroon) asked the President of the Bank whether the Bank group had any plans for financing buffer stocks of primary commodities.

/...

Mr. WOODS (President, International Bank for Reconstruction and Development) replied that the officials of the Bank fully realized the importance of maintaining fair prices for primary commodities. He had discussed the financing of buffer stocks with the Secretary-General of UNCTAD and with the Permanent Representative of Pakistan to the United Nations but saw no point in repeating those conversations in the Council.

The PRESIDENT proposed that the Council should take note with satisfaction of the reports of the Bank and the International Development Association (E/4272 and Add.1) and of the International Finance Corporation (E/4273 and Add.1).

It was so decided.

AMENDMENTS TO RULES 20, 22 AND 23 OF THE RULES OF PROCEDURE OF THE ECONOMIC AND SOCIAL COUNCIL CONCERNING THE VICE-PRESIDENTS (E/4291; E/L.1150) (continued)

Mr. LOPEZ (Philippines) introduced draft resolution E/L.1150 which had been agreed upon during informal consultations. The words "concerning the Vice-Presidents" should be deleted from the title. The new text differed from the one put forward by the Philippines (E/4291) in that rule 20 now stipulated that each of the Vice-Presidents should be Chairman of one of the Sessional Committees. Also, an annex had been inserted setting forth the principle of equitable geographical distribution and making clear the fact that each year one of the regional groups would not be represented on the Bureau.

Mr. RAHNEMA (Iran) said it had been agreed that Iran should be a sponsor of draft resolution E/L.1150. He recalled that before the election of the President of the Council in 1966 the Asian group had withdrawn their own candidate in favour of the candidate put forward by the African group. He hoped therefore that the office of President for 1967 would be given to an Asian country and announced that Iran would put forward a candidate.

Mr. MUZIK (Czechoslovakia) supported the draft resolution, particularly the procedure set forth in the annex. During the informal talks, no agreement had been reached on the order in which the office of President of the Council would rotate among the various regional groups. That question was left open and the present wording would allow it to be solved at a later date. Nevertheless, the Socialist countries felt that one of them was entitled to the office in 1967.

Mr. MAKEEV (Union of Soviet Socialist Republics) thought that the procedure suggested in the annex to the draft resolution would encourage unnecessary rivalry between the various groups of States. The fact that every year one group would be excluded from the Bureau of the Council would make election very difficult. He therefore proposed that paragraph 2 of the annex should read: "The three Vice-Presidents of the Council shall also be elected on the basis of equitable, geographical distribution from the regional groups other than the two regional groups to which the President and outgoing President belong." The order of the groups given in paragraph 1 of the annex was purely alphabetical and in no way prejudged the question as to which group would provide the President in 1967. He hoped that by the spring session of the Council a new edition of the rules of procedure would be published incorporating the amendments that had been made during 1966.

Mr. RAHNEMA (Iran) said he had no objection in principle to the Soviet Union amendment to the annex but felt that, in the interest of flexibility, it would be better to retain the text as it stood.

Mr. LOPEZ (Philippines) agreed with the representative of Iran. The question of actual candidatures and the order in which the offices of the Council would rotate among the various groups should be left until later. The annex should therefore be kept unchanged with the list of States remaining in English alphabetical order. The Council should adopt the draft resolution without change, leaving the questions raised by the Soviet Union representative to be decided on in further negotiations.

Mr. ZOLLNER (Dahomey) supported the draft resolution as it stood and felt that any change in it would upset the delicate compromise which had been reached during the informal negotiations.

Mr. BELEOKEN (Cameroon) said that he too could support the draft resolution without any changes. The inclusion of the Soviet Union amendment might make the text too rigid.

Mr. MAKEEV (Union of Soviet Socialist Republics) said he still felt that the formula he had suggested would avoid unnecessary dissension among the various groups but he would not press it to a vote.

Draft resolution E/L.1150 was adopted unanimously.

Woods - General -
Ecosoc



International Bank for Reconstruction and Development
International Finance Corporation
International Development Association

1818 H STREET, N.W., WASHINGTON, D.C. 20433, U.S.A. TELEPHONE: EXECUTIVE 3-6360

Hold for Release
10:30 AM EST
December 20, 1966

As Prepared for Delivery

Address to the U. N. Economic and Social Council
by Mr. George D. Woods,
President of the World Bank,
the International Finance Corporation,
and the International Development Association,
December 20, 1966: United Nations, N. Y.

Mr. Chairman, Members of the Council:

I am always glad to have the opportunity to appear before the Economic and Social Council to discuss, and answer questions relating to, the work of the World Bank Group. On this occasion, I especially appreciate the willingness of the Council to hear me at the end of a long session, and just before the beginning of the holiday season. Fortunately, you have documentation which reports the activities of the Group up to a recent date, and I will be able to keep my remarks reasonably brief.

* * *

For the Bank Group, the fiscal year ended June 30, 1966, was in large part a year in which earlier trends were confirmed. The volume of operations continued high: for the fourth year out of the past five, the Bank, the International Development Association (IDA) and the International Finance Corporation (IFC), together, committed over a billion dollars. Disbursements against commitments -- the actual flow of cash -- continued to rise. The momentum of our operations cannot continue much longer, however, unless finance for both the Bank and IDA is arranged, a subject to which I will revert.

Throughout the Group, we continued to widen the pattern of our operations. IFC, which previously had confined its commitments almost entirely to industrial development, in recent months has made investments in such varied endeavors as power supply, agriculture and tourism. The Bank and IDA went on helping to put down the foundations of economic growth in the form of transportation and electric power projects, and also went deeper into the development of human resources.

Since I reported to the Council last February, assistance for five more education projects has been approved -- in Jamaica, Kenya, Pakistan, Thailand and Tunisia. A total of 14 such projects have now been assisted by the Bank and IDA, half of them in Africa.

We are continuing to make strenuous efforts toward providing answers for the problems of agriculture. A billion dollars already has been invested by the Bank Group in agricultural projects. At the present time, about 30 more projects involving \$350 million of Bank or IDA financing are in the process of appraisal or negotiation. About 50 others are in various stages of preparation. They include schemes for agricultural credit, farm roads, irrigation, cooperative farming, land clearance, livestock production and plantation development.

The progress we have made in education and agriculture reflects, in significant measure, the effectiveness of the cooperation which has been arranged between the Bank Group, on the one hand, and Unesco and FAO on the other.

Our offices in western and in eastern Africa, established in 1964 and 1965, respectively, have taken an increasingly active role in assisting the countries of Africa to draw up agricultural schemes. "Experiences with Agricultural Development in Tropical Africa," an intensive and instructive study made by a team headed by Mr. John de Wilde of the Bank's staff, will be published as a book this winter.

An outstanding opportunity for achieving important additions to agricultural production in a very few years lies in the increased production and use of chemical fertilizers. The developing countries themselves have in abundance the raw materials needed for this production. To take advantage of the opportunity presented thereby, however, will require the importation of capital and technology from the industrialized countries.

The IFC has been taking the lead for the World Bank Group in discussions looking toward the establishment of new fertilizer plants in the developing countries in partnership with domestic firms and oil and chemical companies in North America, Western Europe and Japan. So far, two important projects have reached the financing stage -- one in Senegal, the first fertilizer plant in West Africa, the other in Brazil, where population growth is among the highest in the world but fertilizer consumption is among the lowest. About a dozen other projects are under discussion.

When I spoke to this Council earlier this year, I remarked that to create facilities for the manufacture, and to develop systems for the distribution, of adequate supplies of fertilizer would take time -- probably upwards of three years. Our progress would be faster than it has been if it were more fully realized that the most expeditious way to proceed is for the developing countries to welcome and to afford hospitable treatment to those who have the technical knowledge and some of the capital necessary to bring about the quickest possible results. Failure to enlist that help, it seems to me, will have two effects: It will increase the threat of hunger; and it will undermine the independence of the developing countries by making them more and more dependent on the high-income countries able to export food.

The members of the Council already are quite familiar with the Bank's long-standing interest in encouraging private initiative and investment, both domestic and international. Since I last spoke to the Council, the World Bank Group has committed more than \$325 million to the financing of private industry in developing countries. During the year, we have also taken certain other steps designed to quicken the economic growth of the developing countries through encouraging larger infusions of private capital.

After several years of preparation by the Executive Directors and staff of the Bank, a Convention on the Settlement of Investment Disputes has now come into force; and I hope that it will play a part of some importance in stimulating investor confidence. Through the Convention there now exists an International Centre providing facilities for the settlement, by voluntary recourse to conciliation or arbitration, of investment disputes between states and foreign investors. The Administrative Council of the Centre will have its first meeting in six weeks. Its immediate task will be to elect a secretary-general, who will be the principal officer of the Centre, and to establish rules for the institution and for the conduct of arbitration and conciliation proceedings. So far 23 countries have ratified the Convention; 26 additional countries have signed the Convention and are proceeding with the process of ratification.

I am also glad to report that a draft of a multilateral investment insurance scheme has been completed by the Bank's staff. This study, you may recall, was requested by the United Nations Conference on Trade and Development (UNCTAD) and was based on earlier work done by the Organization for Economic Cooperation and Development (OECD). The draft has been submitted to member governments for review and comment -- not as a definitive proposal, but as a basis for further consideration and discussion. The scheme provides for insuring new private investment made in a developing country against risks of a non-commercial nature. A few capital-exporting countries already have investment insurance schemes of their own. The provision of similar facilities on an international scale could be another step toward removing some of the fears which inhibit the flow of capital to the developing nations, although nothing accomplished on the international level can be widely effective unless the host countries affirmatively create a hospitable climate for investors.

* * *

One of the lessons which emerged clearly from the reappraisal of development policies carried out by the United Nations at the end of the first half of the Development Decade was that there must be more international coordination to eliminate wasteful overlapping of development assistance and to ensure that the funds available are used to the best possible effect. The Bank, for its part, has sought to contribute to this objective by organizing consultative groups of aid-giving nations for nine developing countries, including groups recently formed for Korea and Peru. Nineteen countries now belong to one or more consultative groups led by the Bank; and let me remark that one of them -- the Republic of China -- not so long ago was itself a major recipient of aid.

The primary objective of aid coordination is to accelerate development. This means that countries for which coordinating groups are formed should be

attempting earnestly to improve their economic performance; while the industrial countries participating in a group should recognize a responsibility for using their best efforts to assure that a recipient country, given good performance on its part, will receive financial support on an adequate scale and on suitable terms. The work of the consultative groups has proved to be a delicate and sometimes difficult business. The risk is always present that the recipient country will consider the group chiefly as a means of dunning the high-income countries for more finance, and that the industrial countries will think of it mostly as a convenient way of pressing for changes in the performance of the recipient, without assuming appropriate responsibility for the sustained capital flow that may be needed to translate good performance into a satisfactory rate of economic growth. When these attitudes dominate, consultative groups cannot be fully successful. To be effective, there must be a true wedding of interests, with both the developed and the developing countries genuinely committed to the achievement of economic progress.

Increased coordination on a regional basis is also likely to be needed if the most productive use is to be made of the development finance at our disposal. Since the winter meeting of the Council, two new regional financing institutions have joined the family already represented by the Inter-American Development Bank: The African Development Bank has opened its doors for business, and the Asian Development Bank has held its inaugural meeting. We have cordial and constructive relationships with all three of these institutions, and we believe that the value of their work will steadily increase.

Bearing in mind the economies to be achieved by large-scale production and the heavy initial capital investment required by modern technology, it is questionable whether some of the smaller developing countries can hope for satisfactory progress unless they are prepared to participate in regional schemes for economic integration of one sort or another. In my view, schemes involving regional collaboration should be among the first concerns of these new institutions. The World Bank Group will always be ready to consider joint financing of well-conceived projects, regional or otherwise, that the regional banks bring forward.

One major field for coordination in development assistance which is as yet untouched is that between the countries of Western Europe, North America and Japan, on the one hand, and those of Eastern Europe on the other. Of course, to the extent that bilateral assistance programs are used as instruments of ideological, strategic or diplomatic rivalry, they have less than full value as aids to economic growth. I see no reason why we should accept this position as unchangeable. I appreciate that many obstacles are likely to be encountered in any attempt to bring about sustained coordination between all interested countries, and it would be foolish to pretend that the hopes of success are high. Yet the gains for the welfare of the developing countries could be so great that every possibility for achieving such coordination should certainly be explored.

* * *

To maintain the momentum of its lending operations, to which I referred earlier, the World Bank must continuously borrow funds in the capital markets of the world, the principal one of which is New York. At the present time we are endeavoring to obtain necessary permissions from governments and are in discussions with bankers, in Europe and the United States, looking toward additional World Bank bond issues in our current fiscal year. At a time when money is tight everywhere, the terms of our recent borrowings have steadily stiffened. The cost to the Bank of our bond issue in the United States last June was almost 5 1/2%; the placement of two-year notes arranged in September with central banks throughout the world cost us 6%; and our Canadian bond offering last month cost just over 6 1/2%. We are continuing 6% as the standard rate which we charge on loans, but the position is being kept under review.

So far as resources for the International Development Association's concessional or soft-term loan operations are concerned, the situation is now extremely critical. The end of IDA's resources uncommitted for specific projects in the pipeline is only weeks away. Discussions looking toward the IDA replenishment have been going on since I submitted a proposal to the 18 donor governments last July. Although a number of these governments have expressed a willingness to provide support for new IDA commitments on a sharply expanded scale, the over-all pace of the discussions has been and continues to be discouragingly slow. IDA depends primarily on the support of 7 governments who have in the past provided 85% of its funds. Currently, a few of these are facing balance-of-payments and budgetary problems. There is an understandable concern that contributions to IDA should not compound these difficulties; but, in fact, the proposal I made in July provided that funds for IDA's new replenishment would not start being paid over to IDA until three years from now, and that payments would be spread out over three annual installments. The immediate and vital IDA requirement is the ability to continue to make firm commitments to finance sound development. Disbursements against these commitments follow over periods of years. With the passage of months since the submission of my proposal, it is now certain that there will be some interruption in the continuity of the IDA operation. I hope it will not be a prolonged interruption; a modest one will not do irreparable damage. Unhappily, it is impossible to predict at the moment how soon this matter will be settled.

* * *

In closing, let me note that we continue to be confronted by the paradox of great poverty in the presence of great plenty. The industrial countries have never been so prosperous as they have been this year; but they also are facing many competing and unprecedented demands for capital. Among these demands, those relating to the developing countries have never had a high priority, and further erosion of the position now seems to be taking place. As we all know, in 1965, for the fourth consecutive year, the amount of international development finance available from public sources declined as a proportion of the national incomes of the capital-exporting nations; and the trend will not be reversed in 1966.

I am increasingly convinced that the time has arrived for the industrialized countries to make a joint and thorough examination of what they are trying to achieve in their relationships with the developing world. I believe these countries

countries ought to proceed with all possible speed to measure the importance of these relationships in the spectrum of their own national objectives -- to gauge the adequacy of both the resources and the mechanisms which are being employed in development assistance. Such an examination, it seems to me, should be given a priority comparable to that being accorded to other international problems -- in the fields of defense, monetary measures and trade -- which confront the industrialized countries today. It should engage foreign ministers and finance ministers as well as development ministers, and it should attempt to put the effort to increase and accelerate development into a well thought out and agreed place in the scheme of international affairs.

The kind of international evaluation I have in mind would require thorough preparation by qualified staff. It would not limit itself to a general review of aims, but would attempt to lay down new goals and new approaches and to give a new emphasis to the development assistance effort of the industrialized nations.

Such an examination could be a step in the formulation of an international policy for economic development, as suggested last August by Secretary-General Prebisch of UNCTAD -- a policy which would embrace both development finance and international trade and tariffs, a policy in which measures to be taken by high-income countries and by developing countries would converge.

The beginning of a determined and concerted assault on world poverty -- both short-range and long-term -- could thereby be mustered. Agreement on this kind of united effort seems to me ultimately inevitable. Let us hope it comes soon.

OUTGOING WIRE

TO: CHRISTENSEN
INTBAFRAD
PARIS

DATE: DECEMBER 19, 1966

CLASS OF SERVICE: *LF Telex*

277

COUNTRY: FRANCE

TEXT:
Cable No.:

916 WASHINGTON TIME
OKAY DISTRIBUTE ECOSOC SPEECH 11:00 AM ~~EST~~ DECEMBER TWENTY

GRAVES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Agnes L. Maher

DEPT. Information

SIGNATURE *Agnes L. Maher*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

HG/ALM:ap

ORIGINAL (File Copy)

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NAME

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TEXT

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OKVA DISTRIBUTABLE ECOSOC SPEECH 11:00 AM 1966 DECEMBER TWENTY
WASHINGTON TIME

COPIES:

SEVEN

BY: IS
IN: LAFVLFVD
TO: CHRISJENSEN

SEKAISE
CLASS OF

PL 1000

DATE

DECEMBER 18, 1966

OUTGOING MIBE

ASSOCIATION

INTERNATIONAL DELEGATION

(A-2)

FORM NO. 25

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

Woods - Speech
20500

OUTGOING WIRE

TO: CHRISTENSEN
INTBAFRAD
PARIS

DATE: DECEMBER 18, 1966

CLASS OF
SERVICE: LT

COUNTRY: FRANCE

BY W I

TEXT:
Cable No.:

HERE ARE CORRECTIONS TO WOODS TEXT OF DECEMBER FIFTEEN. PLEASE CONTINUE HOLDING FOR POSSIBLE FURTHER CORRECTIONS AND FINAL OKAY TO DISTRIBUTE.

PARAGRAPH TWO DELETE LAST THREE WORDS. PARAGRAPH FIVE SECOND SENTENCE DELETE OVER. PARAGRAPH ELEVEN DELETE LAST SENTENCE AND SUBSTITUTE QUOTE DURING THE YEAR COMMA WE ALSO HAVE TAKEN CERTAIN OTHER STEPS DESIGNED TO QUICKEN THE ECONOMIC GROWTH OF THE DEVELOPING COUNTRIES THROUGH ENCOURAGING LARGER INFUSIONS OF PRIVATE CAPITAL. UNQUOTE PARAGRAPH TWELVE DELETE FIRST SENTENCE. PAGE FIVE FOURTH LINE FROM BOTTOM SUBSTITUTE ANY FOR APPROPRIATE. LAST LINE SUBSTITUTE BE EFFECTIVE FOR ACHIEVE RESULTS. PARAGRAPH SIXTEEN FIRST SENTENCE REPLACE COLLABORATION WITH COORDINATION AND REPLACE EFFECTIVE WITH PRODUCTIVE. PARAGRAPH EIGHTEEN FIRST SENTENCE REPLACE COLLABORATION WITH COORDINATION. BEGIN NEXT SENTENCE OF COURSE COMMA AND DELETE ARE LIKELY TO. PAGE SEVEN TOP LINE REPLACE COOPERATION WITH COORDINATION. DELETE FOURTH LINE AND SUBSTITUTE THAT EVERY POSSIBILITY FOR ACHIEVING SUCH COORDINATION SHOULD CERTAINLY BE EXPLORED. PARAGRAPH NINETEEN MIDDLE DELETE AND NOTE. PAGE EIGHT THIRD LINE DELETE AGGRAVATED. PARAGRAPH TWENTY-ONE AFTER 1965 MAKE IT

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME Harold Graves

DEPT. Information

SIGNATURE *Harold Graves*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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OUTGOING WIRE

TO: CHRISTENSEN
INTBAFRAD
PARIS

DATE: DECEMBER 18, 1966

CLASS OF
SERVICE: LT

COUNTRY: FRANCE

PAGE TWO

TEXT:

Cable No.: FOURTH INSTEAD OF FIFTH. PUT A SEMICOLON AFTER NATIONS AND ADD QUOTE AND THE
TREND WILL NOT BE REVERSED IN 1966. UNQUOTE PARAGRAPH TWENTY-TWO DELETE AT
LEAST AND WHOLE WORLD WIDE. PARAGRAPH TWENTY-FIVE SECOND SENTENCE DELETE
WORDS FOLLOWING INEVITABLE AND LEAVE THIRD SENTENCE AS IS.

GRAVES

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY: *Harold Graves*

NAME Harold Graves

DEPT. Information

SIGNATURE *Harold R. Graves*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

HG:ap

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HC: 25

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SIGNATURE

[Handwritten Signature]

TEXT

Information

NAME

Harold Graves

MESSAGE AUTHORIZED BY

[Handwritten Signature]

DESPATCHED AFTER HOURS

DATE 12-18

INITIALS *[Handwritten Initials]*

SECRETARIES AND COPY

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GRAVES

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COPY NO: 1521

REVICE

PAGE TWO

SERVICE GRADES OF

FI

BIRTH

IMMEDIATE

TO:

CHRISTENSEN

DATE:

DECEMBER 18, 1950

ONGOING WORK

ASSOCIATION

RECONSTRUCTION AND DEVELOPMENT

CORPORATION

INTERNATIONAL DEVELOPMENT

INTERNATIONAL BANK FOR

INTERNATIONAL FINANCE

Speech-Woods
ECOSOC

December 16, 1966

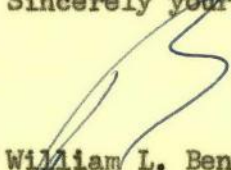
Dear Bob:

Here is the speech George Woods will make to the Economic and Social Council of the United Nations (ECOSOC) in New York. He is scheduled to talk to an ECOSOC meeting starting at 10:30 a.m. next Tuesday, December 20th; and his address is expected to be the first item on the agenda.

The pertinent section regarding the International Development Association, begins with the second paragraph on Page 5. As you know from Harold, the current situation is that IDA's commitments already on the books plus others immediately under consideration will have earmarked virtually all available funds, thereby preventing the taking on of additional commitments. The key to the problem is, of course, the willingness of the major capital exporting members of IDA to make further funds available and the magnitude of such additional contributions.

We enjoyed very much lunching with you today, and Harold and I send all best wishes for a Merry Christmas and a Happy New Year.

Sincerely yours,



William L. Bennett
Information Department

Mr. Robert W. Dietsch
Scripps-Howard Newspaper Alliance
1013 - 13th Street
Washington, D.C.

Enc:

WLB:js

Woods Speech -
Ecosoc

SPECIAL DELIVERY

December 15, 1966

Dear Grafia Finckenstein:

Here is a draft text of the speech which Mr. George Woods is to give to the Economic and Social Council of the United Nations on December 20. Our European office will, as usual, give you corrections and final instructions about release time.

Sincerely yours,

Harold Graves

Enclosure

Huberta Grafia Finckenstein
5201 Stieldorferhohn u Sieburg
Siegburgerstrasse
Federal Republic of Germany

cc: Mr. Christensen


HG:ap

Identical letter to Mr. Hayles, London

December 15, 1966

Dear Viggo:

Here are three copies of the draft of Mr. Woods's talk to ECOSOC. We have sent copies to London and to the Graf in Bonn. I leave you to decide whether it should be forwarded for translation and release in Rome.

The text can be distributed for immediate release at 10:30 a.m., New York time, on December 20. We will cable you final clearance of the text as early as possible on Monday, the 19th.

Sincerely,

Harold Graves

Enclosures

Mr. Viggo A. Christensen
European Office
IBRD
12, Rue de Presbourg
Paris 16e
France



HG:ap

Woods - Graves

Mr. Woods

December 14, 1966

Harold Graves

Invitation to speak to the Annual Meeting of the Savings Banks
Association of New York State

1. Austin S. Murphy, Managing Director of this Association, has asked whether or not you would be receptive to an invitation to speak to the Annual Meeting of this group on April 27, 1967. You are given a choice of timing -- morning or afternoon session or at a luncheon. May I recommend that if you decide to accept this engagement you choose the luncheon as the point where all attending the meetings are most likely to be present.

2. This is not a convention. It is a working session and attendance is limited to senior officers of the 126 mutual savings banks in the State. About 400 such officials are expected to be on hand.

3. As you know, the mutual savings banks in New York State are the largest concentration of such institutions in the world. Currently their assets are in excess of \$35 billion; and after much selling over the years they still, as a group, hold more than \$50 million of World Bank bonds. They are now 83% invested in mortgages and Dr. Murphy told Bill Bennett that the group feels this is too great a concentration in real estate investment and it is time to diversify. Dr. Murphy believes that a talk by you to the senior officials of the mutual savings banks in New York next April would come at a "propitious time for both the savings banks and the World Bank."

4. This invitation has been discussed with Mr. Cavanaugh who urges that you accept. Morgan Stanley & Co. agrees with Mr. Cavanaugh, stressing that such a talk fits within a program of speaking to key investment groups within the United States, on behalf of the Bank. May I add my own recommendation that you accept the invitation.

5. If you do accept it will be the first time since October 1959 -- more than seven years ago -- that the President or any other senior official of the World Bank will have spoken to a major association of mutual savings banks.

WLB/HG:ap

cc: Mr. Fulton/Mr. Noone
Mr. Bennett

[Handwritten signature]

Forest - Woods

Form No. 27
(7-61)
INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: **Sellaroli**
INBAFRAD 62164
Paris

DATE: **December 14, 1966**

CLASS OF SERVICE: **Telex**

2, 7

COUNTRY: **France**

TEXT:
Cable No.: **908**

Unable give you title of Mr. Woods' Paris speech now or in immediate future. President du Groupe de la Banque Mondiale is in order for invitations. Regards

LIND

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME **Lars J. Lind**
Information Department

DEPT.

SIGNATURE *Lars J. Lind*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

LJL/jsw

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12/15/66

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DEPT

Information Department

NAME

John J. Galt

MESSAGE AUTHORIZED BY

SECURITY AND COPY DISTRIBUTION

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FIN

Information, regarding

Finance. President of Banque de la Banque mondiale is in order for

Director of the Loan Office of Mr. Woods, Paris agrees now on in immediate

COPY NO: 008

TEXT

COPY NO: Finance

Paris
IMBANKAD ESTER
SULLIOTT

3:2
SERVICES
CLASS OF

Delex

TO:

DATE: December 14, 1966

OUTGOING WIRE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

FORM NO. 33
12-66

[Handwritten signature]

FORM No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

7/18

NAME

ROOM NO.

1) Mr. Woods

7/20

1220

2) General Files

233

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

XX

Information

Signature

Initial

Send On

REMARKS

From

Harold Graves

Speeches - Wood
ECOSOC

July 19, 1966

Dear Dr. Harriss:

In a review of correspondence for June, your letter of the 7th has come to my attention. I was pleased to know, and I am sure Mr. Woods will be also, that you have selected his talk to the United Nations Economic and Social Council for your forthcoming volume of readings for students of economics.

Sincerely yours,

Harold N. Graves, Jr.
Director of Information

Dr. C. Lowell Harriss
Department of Economics
Columbia University in the City
of New York
Hamilton Hall
New York, N.Y. 10027

DRE/ps

DKG
7/20/66

Columbia University in the City of New York | New York, N.Y. 10027

DEPARTMENT OF ECONOMICS

Hamilton Hall

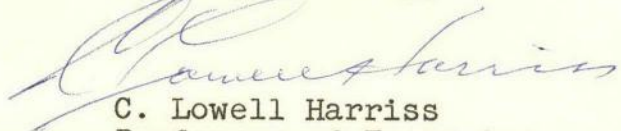
June 7, 1966

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

Gentlemen:

If possible I should like to receive two more copies of the address by Mr. Woods before the Economic and Social Council of the United Nations on February 25, 1966. I should like to use most of the contents in a volume of readings for students of economics. I see no copyright and trust that you will have no objections. In due course my publisher will make formal application for permission, but at this stage I wish to assure myself that you will ~~have no objections~~ *are agreeable.*

Yours very truly,


C. Lowell Harriss
Professor of Economics

CLH:iw

ack July 19/66

m3k

Sent 6/8/66

*Wrote on Complimentary slip - no copyright
& free to use text*

eds + compiler

HARRISS, Clement Lowell, academic; b. Fairburg, Neb., 1912; B.S., Harvard, 1934; Ph.D., Columbia, 1940; student U. Chgo., 1936-38. With Columbia since 1938, prof. econ. since 1938; with Nat. Bur. Econ. Research, 1940-43; with U.S. Treasury, 1941-43; with Netherlands Sch. Econ., 1953-54; with U. of Strasbourg (France), 1960-61. Fields Public Finance and Fiscal Policy; Monetary Theory & Policy. DOC. DIS. Gift Taxation in the United States, 1940.

PUB. History and Policies of the Home Owners Loan Corp., 1951

The American Economy, 1962

American Public Finance (with W. J. Shultz), 1959

RES. Taxation of estates and capital in gen.

Federal tax reform

MEM. Am. Finance Assn., Regional Sci. Assn., Royal Econ. Soc.

x Segba Expansion
Woods - Elosac Speech
WX to Alpha

June 1, 1966

Dear Mr. Sanz:

Thank you for your kind letter of May 13, which I found here on my return from Europe. I greatly appreciate your comment on my address of last February to the United Nations Economic and Social Council.

In accordance with your request, the Information Department of the International Bank has already mailed you copies, in Spanish, of the last annual reports of the Bank and the International Finance Corporation. The Bank's report also covers the activities of the International Development Association.

I have read your remarks about SEGBA with interest. As you probably know, the Bank has just had a mission in Buenos Aires which examined the situation and expansion plans of SEGBA. We are now awaiting the mission's report.

With kindest regards,

Sincerely yours,

(Signed) George D. Woods

George D. Woods

Mr. Eulogio Sanz
Av. R. Saenz 616
Buenos Aires, Argentina

cc: Messrs. Wishart, Chaufournier, Sheehan/Rovani

JFajans:mdk
[Handwritten initials]

ROUTING SLIP

Date
May 24, 1966

OFFICE OF THE PRESIDENT

Name

Room No.

~~Mr. Alber~~ JK

~~Mr. Knapp~~ JK

~~Mr. Woods~~ JK

can you think up?
some unnecessary reply?
ADH

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

I understand from Joe Fajans that Mr. Knapp spoke to you about this letter. You will see Mr. Knapp's note on my routing slip below and note that Mr. Knapp feels that Mr. Woods should sign the reply. No doubt your Department will want to prepare a reply for Mr. Woods to send.

G. C. Wishart

ROUTING SLIP

Date
May 20, 1966

OFFICE OF THE PRESIDENT

Name		Room No.
Mr. Knapp		
<i>I would suggest that this award be Woods return.</i>		
To Handle		Note and File
Appropriate Disposition		Note and Return
Approval		Prepare Reply
Comment		Per Our Conversation
Full Report		Recommendation
Information		Signature
Initial		Send On

Remarks

In Mr. Woods's absence, perhaps you would wish to sign a reply to this letter. Could we have a copy for Mr. Woods to see on his return.

GW
G. C. Wishart

x Segba Expansion

Mrs Lee
Room 1220

Eulogio Sanz
Av. R. Saenz Peña 616
Buenos Aires

May 13, 1966

Mr. George D. Woods
President, World Bank
1818 H Street, N.W.
Washington, D.C.

Dear Sir:

- I have just received a copy of the speech you delivered on February 25. In it you expressed a thought of great importance to the future of Latin America:

"Nothing depresses me quite so much as seeing a carefully researched and evaluated investment opportunity going a-begging because those responsible are in the last analysis unwilling to commit themselves."

I was director of CADE and SEGBA for 16 years and I could sense the importance of your institutions, just as I repeat the great truth of your thought expressed above. Since March 10, 1964 when Mr. Gotelli and I resigned, SEGBA has appointed more than 1000 employees (outside of agreement)* with salaries in excess of MN\$40,000 a month. Most of them are recommended by committees of the governing party and are worthless for the position to which they were appointed, many of them women who can't even type. Discipline has vanished; the union carries more and more weight and therefore the technical principles that we had imposed for many years have disappeared and that is the reason for the recent blackout.

Today, Mr. René Brosens, the former president of CADE and SEGBA for 30 years and of SOFINA from 1948 to 1950, and I propose to help to solve the problem of collective housing on the basis of construction of mono blocks by the PNV system in use in Montevideo, Uruguay with the approval of the IDB and ADELA.

Please send me the last Annual Report of your Bank and IFC and IDA.

My congratulations, again, on the clarity of your thinking. May you continue to serve the progress of mankind.

Eulogio Sanz

*T.N. The reference is not clear; possibly some overall agreement with the labor union.

TRANSLATION SECTION 919/66
Translated From: Spanish: 5/20/66 By: GA:jn

ack. June 1, 1966

Woods Speech
20302

Mr. s Lee
Room 1220

REPUBLIC OF NICARAGUA
CENTRAL AMERICA.

Ministry of Finance
and
National Credit.

No.
Ref: 7613

NATIONAL PALACE
Managua, D.N.

Mr. Luis Machado,
Executive Director of the
International Bank for Reconstruction
and Development,
Washington, D.C.

Dear Mr. Machado:

ED's (No copy in file)

I am pleased to acknowledge receipt of your letter dated 15 March, enclosing a copy in Spanish of the speech made by the President of the International Bank for Reconstruction and Development, Mr. George D. Woods, to the United Nations Economic and Social Council on 25 February last.

With regard to those paragraphs of the speech in question which appear on Page 15 and refer to the plan to set up a tele-communications system between the five countries of Central America and Panama, which Mr. Woods considers to be of the highest priority from the point of view of the economic integration of the area, I have pleasure in informing you that due note has been taken of those paragraphs and a copy of them forwarded to the administrative departments concerned, in order that a decision with regard to this most important scheme may be taken at the earliest possible moment.

In conclusion, I should like to express my appreciation of your kindness in sending me this document.

Sincerely yours,

(signed)

RAMIRO SACASA GUERRO
Minister of State in the Department
of Finance and National Credit.

TRANSLATION SECTION	639/66
Translated From: Spanish: 4/11/66	By: GHS:bd

APR 6 1966

OFFICE MEMORANDUM

TO: Mr. George D. Woods

DATE: April 5, 1966

FROM: Luis Machado

SUBJECT: ECOSOC Speech - February 25, 1966.

I know you will be pleased to read the annexed letter No.7613, dated March 26, 1966, which I received yesterday from Mr. Ramiro Sacasa Guerrero, Minister of Finance of Nicaragua, praising your speech at the last meeting of the ECOSOC and informing us that he is giving it a wide distribution among all Government Officials.

cc: Mr. Alter
Mr. Vignes

Mr. WOODS, 4/11
Translation of the attachment
has just been received. jw
11 APR.

Mr. George D. Woods

Luis Machado

ECOSOC Speech - February 25, 1966.

ops files
Central America
Regional project

April 5, 1966

I know you will be pleased to read the annexed letter No.7613, dated March 26, 1966, which I received yesterday from Mr. Ramiro Sacasa Guerrero, Minister of Finance of Nicaragua, praising your speech at the last meeting of the ECOSOC and informing us that he is giving it a wide distribution among all Government Officials.

cc: Mr. Alter
Mr. Vignes



MINISTERIO DE HACIENDA
Y
CREDITO PUBLICO

PALACIO NACIONAL
Managua, D. N.,

Nº
Ref.

7613

26 de Marzo de 1966.

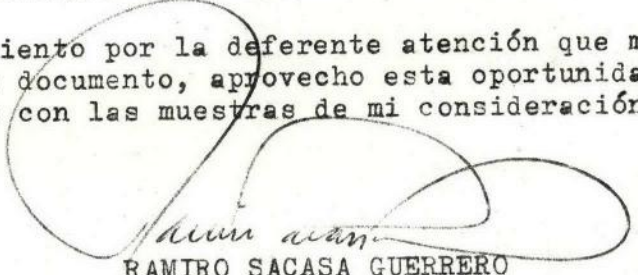
Honorable Señor Don Luis Machado,
Director Ejecutivo,
Banco Internacional de Reconstrucción y Fomento,
Washington, D. C.,
20433.
U.S.A.,

Muy distinguido amigo:

Tengo el agrado de avisar recibo de su atenta carta fechada el 15 de los corrientes con la cual me adjunta una copia en español del discurso pronunciado por el Presidente del Banco Internacional de Reconstrucción y Fomento, Señor George D. Woods, ante el Consejo Económico y Social de Las Naciones Unidas, del 25 de Febrero próximo pasado.

En relación a los párrafos de dicho discurso contenidos en la página 15 referente al Proyecto de establecer un sistema de Telecomunicaciones entre los 5 países de Centro América y Panamá, que el Señor Woods, considera de la más alta prioridad para el Proceso de Integración Económica de la Región, me es grato expresarle que se ha tomado debida nota y se ha dado traslado de los mismos, a las Dependencias Administrativas correspondientes, con el propósito de activar la más pronta resolución sobre tan importante Proyecto.

Al expresarle mi reconocimiento por la deferente atención que me ha dispensado al enviarme dicho documento, aprovecho esta oportunidad para saludarlo muy cordialmente con las muestras de mi consideración más distinguida,


RAMIRO SACASA GUERRERO
Ministro de Estado en el Despacho de
Hacienda y Crédito Público

C.c.
M. de Defensa.
Oficialía Mayor.
Srita. D. Orozco.
Archivo.

MOR/fide.--
Inc. anexo.



Nº
Ref.

MINISTERIO DE HACIENDA
Y
CREDITO PUBLICO

PALACIO NACIONAL
Managua, D. N.,

-15-

Me complace decir que el tipo de actuación de que hablo es evidente en una creciente cantidad de países. Pero no puedo insistir suficientemente en el hecho de que la tarea de atraer el capital y las capacidades necesarias para nuestro trabajo sería mucho menos difícil si más gobiernos dedicaran mayor atención -- comprometieran, en el fondo, más de su prestigio -- a la dura empresa de la preparación de proyectos. Esta significa mucho más que la simple confección de planes y que la realización de estudios de ingeniería. Significa, de manera particular, compromisos de las autoridades responsables....compromisos en dinero, en talento directivo y, a menudo, en dirección política. Nada me deprime más que ver desperdiciada una oportunidad de inversión, cuidadosamente investigada y evaluada, porque, en último análisis, quienes son responsables no están dispuestos a comprometerse. Hoy día en Centro America, por ejemplo, todo está preparado para establecer un sistema regional de telecomunicaciones que apresuraría materialmente la integración económica de los Países de esa región. Y todos están de acuerdo en que la integración es el camino por el cual se marchará al futuro. El Programa de Desarrollo de las Naciones Unidas suministró más de US\$600.000 para financiar un estudio de viabilidad de este proyecto, que fue realizado bajo la dirección del Banco Mundial. Desde hace algún tiempo hemos estado preparados -- y seguimos estándolo -- para ayudar al financiamiento de la ejecución del estudio. Pero tres de los cinco gobiernos interesados tienen todavía -- que tomar una decisión.

Quizás nos equivocamos en este caso al emprender el estudio, porque ninguna proposición de proyecto tiene validez hasta tanto se sientan comprometidos quienes se supone que serán los beneficiados. Pero no creo que estuvimos equivocados. Lo que falta, al igual que en otros casos similares, es el sentido de urgencia, un sentido de prioridad, cuya ausencia parece a menudo desmentir la existencia de las grandes necesidades, de las cuales tenemos plena conciencia todos los que nos encontramos en esta sala.

FORM No. 97
(8-64)

IDA

IBRD

IFC

OFFICE OF THE PRESIDENT - CORRESPONDENCE RECORD

FROM Machado	DATE RECEIVED March 28, 1966
	DATED March 25
SUBJECT AND REMARKS Memo--re ECOSOC Speech and encloses 2 ltrs from President CenBank Guatemala and Sec'y Gen Nat'l Econ. Planning Commission Guatemala	
REFERRED TO Alter info	DATE March 28
FINAL ACTION	DATE

Speech - Woods 9/2/66
Mrs. Lee
Room 1220

CENTRAL BANK OF HONDURAS

Tegucigalpa, D. C.
March 24, 1966

Dr. Luis Machado
Executive Secretary
IBRD
Washington, D. C.

Dear Friend:

ED's (no copy - file)
I had the pleasure of receiving your letter of March 15, 1966, in which you enclosed a copy in Spanish of the speech given by the President of your Bank, Mr. George D. Woods before the Economic and Social Council of the United Nations on February 25, 1966.

What is stated on page 15 of that speech is tragic and I hope you will be able to come, as you offered, to find out where the problem lies and what we can do.

Thank you for your courtesy.

Sincerely yours,

Roberto Ramirez,
President

TRANSLATION SECTION #613/66
Translated From: Spanish 4/4/66 By: GA:mh

Mr.s	Lee
Room	1220

REPUBLIC OF NICARAGUA
CENTRAL AMERICA.

Ministry of Finance
and
National Credit.

No.
Ref: 7613

NATIONAL PALACE

Managua, D.N.

Mr. Luis Machado,
Executive Director of the
International Bank for Reconstruction
and Development,
Washington, D.C.

Dear Mr. Machado:

I am pleased to acknowledge receipt of your letter dated 15 March, enclosing a copy in Spanish of the speech made by the President of the International Bank for Reconstruction and Development, Mr. George D. Woods, to the United Nations Economic and Social Council on 25 February last.

With regard to those paragraphs of the speech in question which appear on Page 15 and refer to the plan to set up a tele-communications system between the five countries of Central America and Panama, which Mr. Woods considers to be of the highest priority from the point of view of the economic integration of the area, I have pleasure in informing you that due note has been taken of those paragraphs and a copy of them forwarded to the administrative departments concerned, in order that a decision with regard to this most important scheme may be taken at the earliest possible moment.

In conclusion, I should like to express my appreciation of your kindness in sending me this document.

Sincerely yours,

(signed)

RAMIRO SACASA GUERRO
Minister of State in the Department
of Finance and National Credit.

TRANSLATION SECTION

639/66

Translated From: Spanish: 4/11/66 By: GHS:bd



MINISTERIO DE HACIENDA
Y
CREDITO PUBLICO

PALACIO NACIONAL
Managua, D. N.,

Nº
Ref.

7613

26 de Marzo de 1966.

Honorable Señor Don Luis Machado,
Director Ejecutivo,
Banco Internacional de Reconstrucción y Fomento,
Washington, D. C.,
20433.
U.S.A.,

TRANSLATED

APR 11 1966

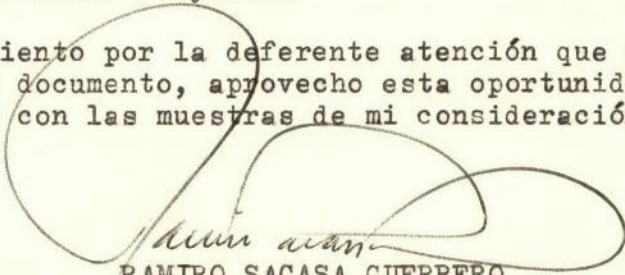
I.B.R.D.

Muy distinguido amigo:

Tengo el agrado de avisar recibo de su atenta carta fechada el 15 de los corrientes con la cual me adjunta una copia en español del discurso pronunciado por el Presidente del Banco Internacional de Reconstrucción y Fomento, Señor George D. Woods, ante el Consejo Económico y Social de Las Naciones Unidas, del 25 de Febrero próximo pasado.

En relación a los párrafos de dicho discurso contenidos en la página 15 referente al Proyecto de establecer un sistema de Telecomunicaciones entre los 5 países de Centro América y Panamá, que el Señor Woods, considera de la más alta prioridad para el Proceso de Integración Económica de la Región, me es grato expresarle que se ha tomado debida nota y se ha dado traslado de los mismos, a las Dependencias Administrativas correspondientes, con el propósito de activar la más -- pronta resolución sobre tan importante Proyecto.

Al expresarle mi reonomiento por la deferente atención que me ha dispensado al enviarme dicho documento, aprovecho esta oportunidad para saludarlo muy cordialmente con las muestras de mi consideración más distinguida,


RAMIRO SACASA GUERRERO

Ministro de Estado en el Despacho de
Hacienda y Crédito Público

c.c.
M. de Defensa.
Oficialía Mayor.
Srita. D. Orozco.
Archivo.

~~MOR/fide.--~~
Inc. anexo.



MINISTERIO DE HACIENDA
Y
CREDITO PUBLICO

PALACIO NACIONAL
Managua, D. N.,

Nº
Ref.

-15-

Me complace decir que el tipo de actuación de que hablo es evidente en una creciente cantidad de países. Pero no puedo insistir suficientemente en el hecho de que la tarea de atraer el capital y las capacidades necesarias para nuestro trabajo sería mucho menos difícil si más gobiernos dedicaran mayor atención -- comprometieran, en el fondo, más de su prestigio -- a la -- dura empresa de la preparación de proyectos. Esta significa mucho más que la simple confección de planes y que la realización de estudios de ingeniería. Significa, de manera particular, compromisos de las autoridades responsables....compromisos en dinero, en talento directivo y, a menudo, en dirección política. Nada me deprime más que ver desperdiciada una oportunidad de inversión, cuidadosamente investigada y evaluada, porque, en último análisis, - quienes son responsables no están dispuestos a comprometerse. Hoy día en - Centro America, por ejemplo, todo está preparado para establecer un sistema regional de telecomunicaciones que apresuraría materialmente la integración económica de los Países de esa región. Y todos están de acuerdo en que la integración es el camino por el cual se marchará al futuro. El Programa de Desarrollo de las Naciones Unidas suministró más de US\$600.000 para financiar un estudio de viabilidad de este proyecto, que fue realizado bajo la - dirección del Banco Mundial. Desde hace algún tiempo hemos estado prepara- dos -- y seguimos estándolo -- para ayudar al financiamiento de la ejecución del estudio. Pero tres de los cinco gobiernos interesados tienen todavía -- que tomar una decisión.

Quizás nos equivocamos en este caso al emprender el estudio, porque - ninguna proposición de proyecto tiene validez hasta tanto se sientan compro- metidos quienes se supone que serán los beneficiados. Pero no creo que es- tuvimos equivocados. Lo que falta, al igual que en otros casos similares, es el sentido de urgencia, un sentido de prioridad, cuya ausencia parece a menu- do desmentir la existencia de las grandes necesidades, de las cuales tenemos plena conciencia todos los que nos encontramos en esta sala.

OFFICE MEMORANDUM

Woods - Speech - ECOSOC

TO: Mr. George D. Woods

DATE: March 25, 1966

FROM: Luis Machado

TRANSLATED

SUBJECT: ECOSOC Speech

MAR 28 1966

I.B.R.D.

As you know I sent copies of your speech before the United Nations Economic and Social Council to all the important government officials and leaders of the banking and financial circles of the Central American countries that I represent. I know you will be delighted to learn that it has had a very favorable reaction, as evidenced by the two letters I have received this morning from the President of the Central Bank of Guatemala and the Secretary General of the National Economic Planning Commission, which I am enclosing herewith.

I know that you will be also delighted to learn that the Ambassador of Nicaragua has requested six additional copies, in Spanish, for distribution among the Government Officials of Nicaragua, although I have already sent copies directly to them.

Encs. 2

~~Mr. Alter~~
Info
Wood

Mr. Woods 3/29
The enclosures were in Spanish but I have had them translated and attached below.

JW
28 MAR.

MAR 21 REC'D

OFFICE MEMORANDUM

TO: Mr. George D. Woods

DATE: March 21, 1966

FROM: Luis Machado

SUBJECT: ECOSOC Speech - February 25, 1966

I know you will be glad to read the annexed copy of the letter that I have received from His Excellency, The Ambassador of Costa Rica, praising your speech at the Economic and Social Council of the United Nations last February, particularly in your reference to the present status of the Central American Telecommunications Project.

Mr. Woods 3/21

The attachment is in SPANISH only - I shall have it translated for you on your return.

JMW 21 MAR

OK

18 de marzo de 1966

TRANSLATED

MAR 23 1966

I.O.R.D.

Mi distinguido amigo:

Tengo el gusto de referirme a su atenta comunicación de fecha 15 de marzo en curso, junto con la cual se sirvió enviarme copia en español del discurso pronunciado por el señor George D. Woods ante el Consejo Económico y Social de Naciones Unidas, el día 25 de febrero último.

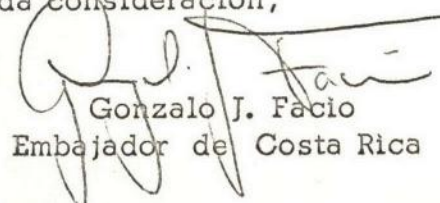
Mucho le agradezco el envío de la versión castellana de ese importante discurso, que ya había tenido el placer de leer en su idioma original.

Me parecen muy atinadas las afirmaciones que el señor Presidente del Banco hace en la página 15 de la versión castellana. Estoy plenamente de acuerdo con Mr. Woods en cuanto critica la actitud de ciertos gobiernos centroamericanos que no han querido tomar las decisiones necesarias para llevar adelante el proyecto regional de telecomunicaciones, cuyos estudios están ya concluidos.

Es realmente inexcusable esa reticencia de tres gobiernos centroamericanos en llevar adelante un proyecto que es de primerísima prioridad para la cabal integración económica de Centro América.

Le ruego hacer llegar a Mr. Woods mis efusivas felicitaciones por su discurso ante el Consejo Económico Social de Naciones Unidas, y en especial por haber enfocado en la firma valiente en que lo hizo el problema creado por los intereses que se oponen a que tres gobiernos centroamericanos tomen las decisiones necesarias para llevar adelante el proyecto regional de telecomunicaciones.

Del Señor Director con toda consideración,


Gonzalo J. Facio
Embajador de Costa Rica

Sr. Luis Machado
Director Ejecutivo
Banco Internacional de Reconstrucción
y Fomento,
Washington, D. C.

Mr. Woods 3/28

Mrs. Lee
Room 1220

To see - this is the English translation
of the letter, in Spanish, which Dr. Machado
sent up for you to see. *see 23 MAR.*

Embassy of Costa Rica
Washington, D.C. 20008

March 18, 1966

Ref.: 0329

Mr. Luis Machado,
Executive Director,
International Bank for
Reconstruction and Development,
Washington, D.C.

~~Mr. Woods~~
Info
Woods 3/28

My dear friend,

I have pleasure in referring to your letter of March 15, 1966 with which you enclosed a copy in Spanish of the speech delivered by Mr. Woods before the United Nations Economic and Social Council on February 25.

I thank you sincerely for sending me the Spanish version of this important speech, which I had already had the pleasure of reading in the original English.

In my opinion, the statements by the President that appear on page 15 of the Spanish version are most apt. I fully concur in Mr. Woods' criticism of certain Central American governments that have not shown willingness to take the necessary decisions to carry forward the regional telecommunications project, the studies for which have already been concluded.

This disinclination on the part of three Central American governments to carry forward a project that is of the highest priority for the over-all economic integration of Central America is truly inexcusable.

I should be grateful if you would convey to Mr. Woods my most sincere congratulations on his speech before the United Nations Economic and Social Council and in particular on his courageous and firm stand with respect to the problem created by the interests that are obstructing the taking by the Central American governments of the necessary measures for the advancement of the regional telecommunications project.

Yours very truly,

(signature)

Gonzalo J. Facio
Ambassador of Costa Rica.

TRANSLATION SECTION 544/66
Translated From: Spanish 3/23/66 By: GAG/jd

CONSEJO NACIONAL DE PLANIFICACION

ECONOMICA
GUATEMALA, C. A.

NUMERO	0601
CLASIFICACION	SG./48-66

SIRVASE REFERIRSE AL NUMERO Y CLASIFICACION DE ESTA NOTA

Guatemala, 22 de marzo de 1966

Señor Luis Machado
Director Ejecutivo
Banco Internacional de
Reconstrucción y Fomento
Washington, D.C. 20433

TRANSLATED

MAR 28 1966

I.B.R.D.

Estimado señor Machado:

Agradezco a usted el envío del discurso pronunciado por el Presidente del Banco, Señor George D. Woods, ante el Consejo Económico y Social de las Naciones Unidas, el 25 de febrero recién pasado.

He encontrado el citado documento de gran interés para varios de los técnicos y de las agencias gubernamentales del país. Por consiguiente trataré de darle la mayor difusión, avisándole que con ese fin lo haré reproducir en varias copias.

Abrigo la esperanza de que como siempre usted siga cosechando tantos éxitos en sus negocios con el Banco Mundial y los países cuya representación tiene usted a su cargo. Mientras tengo la oportunidad de saludarlo personalmente, reciba el afectuoso saludo de su amigo y servidor,


J. Antonio Palacios G.
Secretario General



NATIONAL ECONOMIC PLANNING COUNCIL
Guatemala

0601

March 22, 1966

Mr. Luis Machado
Executive Director
IBRD, Washington, D.C.

Dear Mr. Machado,

Thank you for sending me the speech delivered by the President of the Bank, Mr. George D. Woods, before the United Nations Social and Economic Council on February 25 last.

In my view the speech holds great interest for several of the country's technicians and government agencies and I shall therefore try to have it distributed as widely as possible. I would advise you that for this purpose I shall be having a number of copies made of it.

I trust that your dealings with the World Bank and with the countries you represent may continue to prove as fruitful as in the past and, until I have the opportunity to greet you personally, please accept, etc.

(sgd.) J. Antonio Palacios G.

Secretary-General.

BANCO DE GUATEMALACORRESPONDENCIA
DEL PRESIDENTE

04806

Guatemala, 21 de marzo de 1,966

TRANSLATED

MAR 28 1966

I.B.R.D.


Señor Doctor Luis Machado
Director Ejecutivo
Banco Internacional de Reconstrucción y Fomento
Washington D. C. 20433,
U. S. A.-

Estimado Señor Director:

Me es muy grato acusar recibo de su atenta comunicación de fecha 15 de marzo en curso, con la que tuvo la gentileza de remitir una copia en español del discurso pronunciado por el Presidente del Banco, Señor George D. Woods, ante el Consejo Económico y Social de las Naciones Unidas, el 25 de febrero del presente año.-

He tomado debida nota de los valiosos conceptos contenidos en el mismo, especialmente a lo referente al párrafo contenido en la página 15 como usted lo indica, ya que es de verdadera importancia para el proceso de la integración económica de la Región.-

Aprovecho la oportunidad para agradecerle tan interesante envío y aprovecho la oportunidad para reiterarme con toda consideración su deferente servidor y amigo,



Arturo Pérez Galliano
Presidente

II.

Mrs. Lee

Room 1220

BANCO DE GUATEMALA,
Guatemala

04806

March 21, 1966

Mr. Luis Machado
Executive Director
IBRD, Washington D.C.

Dear Mr. Machado,

I have great pleasure in acknowledging receipt of your letter of March 15 with which you kindly enclosed a copy in Spanish of the speech delivered by Mr. George D. Woods, President of the Bank, before the Economic and Social Council of the United Nations on February 25.

I have taken due note of the commendable views expressed in the speech, especially with regard to the paragraph on page 15, which you pointed out, since it is of real importance for the process of economic integration of the Region.

I take this opportunity of thanking you for sending me such an interesting document. Please accept, etc.

(sgd.) Arturo Pérez Galliano
President

TRANSLATION SECTION 577/66

Translated From: Spanish: 3/28/66 By: RFW:jn

Mr. Woods to see - no reply seems required for
Woods - Beach -
MAR 8 REC'D
Ecosoc

3/11

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

File

OFFICE OF
THE ADMINISTRATOR

March 7, 1966

The Honorable
George D. Woods
President
The World Bank
1818 H Street, N.W.
Washington, D. C.

Dear George:

I was very glad to have with me at Oxford the speech you made before the United Nations Economic and Social Council on February 25. It is not only a good speech but it came in handy.

To Prebisch you are Matthew, Mark, Luke and John all rolled into one. He talked constantly of the aid gap, and said that you had declared it to be in the neighborhood of between \$3 and \$4 billion a year. He repeated this over and over again, both in his main speech and in his answers to questions.

Robert Gardiner of the Economic Commission of Africa likewise quoted you to this effect, as did Mr. William Clark of the Overseas Development Institute.

One of the main themes which I wanted to push was the importance of performance. Happily, your speech ties performance squarely into your \$3 to \$4 billion estimate. So I quoted scripture too.

I also liked the bit about marrying agriculture and industry rather than letting them exist in a perpetual state of divorce. I also quoted you to this effect -- giving credit where credit is due.

I saw Johnny Miller at the Conference but did not have much of a chance to talk to him. Do send him a copy of your speech if you have not already done so. He was very much interested in it.

Mr. Woods' office confirms that PARIS OFFICE has a supply of copies of Ecosoc speech. Jan. 8 MAR.

Sincerely yours,

Bill

William S. Gaud
Deputy Administrator

AGENCY AND INTERNATIONAL BUREAU

1966 MAR -8 PM 12:35

COMMUNICATIONS
RECEIVED
MAR 8 1966

1966 MAR -8 PM 12:35
COMMUNICATIONS
RECEIVED
MAR 8 1966

COMMUNICATIONS
RECEIVED
MAR 8 1966

COMMUNICATIONS
RECEIVED
MAR 8 1966

Speech - Woods -
ECOSOC

March 3, 1966

Dear Dr. Leoni:

As promised in my letter of February 9, I am sending you herewith a copy of the speech Mr. George D. Woods gave to ECOSOC last Friday in New York. You are most cordially invited to use it in the same way you used Mr. Woods's speech to the same body last year.

Yours sincerely,

Lars J. Lind
Deputy Director of Information

Encl.

Dr. Francesco Leoni
Direttore
"Relazioni"
Rivista di Studi Politici ed Economici
Viale Giulio Cesare 2
Rome
Italy

LJL
LJL/jsw

cc: Mr. Christensen

Woods - Speech - ECOSOC

HEADQUARTERS:
WASHINGTON D. C. 20433

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CABLE ADDRESS-INTBAFRAD



INTERNATIONAL DEVELOPMENT ASSOCIATION

CABLE ADDRESS-INDEVAS



EUROPEAN OFFICE:
4, AVENUE D'IEÑA
PARIS (16^E) - FRANCE
TELEPHONE: KLEBER 25-10

March 3, 1966

Mr. Harold N. Graves, Jr.
Director of Information
I.B.R.D.
Washington, D.C. 20433

Dear Mr. Graves,

Mr. Woods' ECOSOC speech, which has arrived here, has received considerable attention in the press, and I think we should give it a very wide distribution. Since the text reached us five days after Mr. Woods made the speech, we only sent it to the English-speaking press "for information". We are now having translations made into French, German and Italian, and are wondering whether we should not distribute this speech directly in its printed version. In previous years it was printed in French and German, but this year I should also like to propose preparation of an Italian brochure (the cost of printing 1,000 copies of Mr. Woods' Annual Meeting Address in Italian was \$68). Please let us know at your earliest convenience whether you agree to our going with printed versions.

*English - 28 copies
ordered 10,000 -
usually sent
them 500*

May I take this opportunity to remind you of Jean-Pol's letter of January 28, concerning figures for Professor Guillaumont in Dakar.

Paris - P.R.

Yours sincerely,

Corrado Sellaroli

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



INTERNATIONAL DEVELOPMENT ASSOCIATION

INTERNATIONAL DEVELOPMENT ASSOCIATION
1818 L STREET, N.W.
WASHINGTON, D.C. 20543
TELEPHONE: 205-477-1000



March 2, 1966

Mr. David M. Hayes, Jr.
Director of Information
I.D.A.
Washington, D.C. 20543

Dear Mr. Hayes:

Mr. Hayes' 20502 report, which has arrived here, has received considerable attention in the news, and I think we should give it a very wide distribution. Since the text reached us five days after Mr. Hayes sent the speech, we only sent it to the English-speaking press "for information". We are now having translations made into French, German and Italian, and are wondering whether we should not also include this report directly in its printed version. In previous years it was printed in French and German, but this year should also like to propose preparation of an Italian brochure (the cost of printing 1,000 copies of 20 pages, Annual Meeting, address in Italian was \$10). Please let us know if your earliest convenience when you send us our notes with related material.

May I take this opportunity to remind you of Jean-Louis' letter of January 24, concerning letters for Professor Gellerman in Dakar.

Yours sincerely,
James R. Young

James R. Young

1966 MAR -8 PM 9:09

RECEIVED
GENERAL FILES
COMMUNICATIONS

March 3, 1966

SPECIAL DELIVERY

Dear Sir:

I am enclosing three copies of the summary of Mr. Woods's closing remarks at the ECOSOC session of last Friday, February 25. As you will see, Mr. Woods has made some slight changes from the draft you sent us through Mr. Consolo.

Sincerely yours,

Lars J. Lind
Deputy Director of Information

Encls.

Chief
Conference and Meetings Control
Office of Conference Services
United Nations
Room 1104
New York
New York

cc: Mr. Woods
Mr. Consolo

LJL
LJL/jsw

Mr. Woods, President of the International Bank for Reconstruction and Development, said that the comments of the members of the Council would be useful in chartering the future activities of the Bank Group.

The 50 missions dispatched in the first seven weeks of the year was not to be taken as a norm, although it was likely that there would be more missions in 1966 than in 1965. The World Bank shared the concern expressed in the Council regarding the need to promote the commodity exports of the developing countries and the problem of the debt burden of those countries. International development capital should be made available in larger amounts and on better terms. He was glad that members of the Council had recognized the role which IDA could play in that connection.

There was certainly a need for concerted efforts on the part of the international institutions. The Bank would continue to cooperate with the United Nations and its Specialized Agencies and with the United Nations Development Programme. Collaboration would also be established with the new Organization for Industrial Development and with the regional development banks.

He had no fear of government-owned industries. He did, however, have misgivings about the efficiency of government management of industry. Nonetheless, he thought the Bank would be able to identify several government-owned enterprises with a record of successful management and the Bank Group would then be prepared to consider financing those enterprises.

Woods - Speech - ECOSOC
W.

3/2 OFFICE MEMORANDUM

TO: Mr. Woods

FROM: Lars J. Lind *Lars J. Lind*

SUBJECT: Summary Remarks -- ECOSOC

OK

DATE: March 2, 1966

Attached is a draft summary of your final remarks at the ECOSOC session on the Bank. It is intended for the ECOSOC official summary record and was given to us this morning through Mr. Consolo. The ECOSOC draft has been changed somewhat by Mr. Demuth and it is his version that is attached.

Consolo
3/2

Mr. Consolo informs me that ECOSOC needs an approved version urgently, preferably today by telephone.

Attachment

LJL/jsw

Mr. Woods, President of the International Bank for Reconstruction and Development, said that the comments of the members of the Council would be useful in chartering the future activities of the Bank Group.

The 50 missions dispatched in the first seven weeks of the year was not to be taken as a norm, although it was likely that there would be more missions in 1966 than in 1965. The World Bank shared the concern expressed in the Council regarding the need to promote the commodity exports of the developing countries and the problem of the debt burden of those countries. International development capital should be made available in larger amounts and on better terms. He was glad that members of the Council had recognized the role which IDA could play in that connection.

There was certainly a need for concerted efforts on the part of the international institutions. The Bank would continue to cooperate with the United Nations and its Specialized Agencies and with the United Nations Development Programme. Collaboration would also be established with the new Organization for Industrial Development and with the regional development banks.

He had no fear of government-owned industries. He did, however, have misgivings about the inefficiency of government management of industry. Nonetheless, he thought the Bank would be able to identify several government-owned enterprises with a record of successful management and the Bank Group would then be prepared to consider financing those enterprises.

Mr. Lind:

Mr. Consolo just called from New York to give the following over the phone ^{immediate} for your/action: He asked that this be taken to you directly at the Staff Mtg.

"The provisional record of Mr. Woods' reply to the statements made by delegations on the Bank day, February 25. Is there any corrections that should be submitted in English, in triplicate, by March 4 to the Chief, Conference ~~on~~ Meetings Control, Office of Conference Services, Room 1104, at the United Nations?"

and

Mr. Woods, President of the International Bank for Reconstruction and Development said that the comments of the members of the Council would be useful in ^{charting the future} ~~evaluating the progress made in the~~ activities of the Bank Group.

~~The record of 50 missions dispatched in the first seven weeks of the year was due to the celebration of year-end holidays all over the world and would not be sustained. However, it was hoped that there would be~~ more missions in 1966 than in 1965. The World Bank shared the concern expressed in the Council regarding the need to promote the commodity exports of the developing countries and the problem of the debt burden of those countries. International development capital should be made available in larger amounts and on better terms. He was glad that members of the Council had recognized the role which IDA could play in that connection.

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Because of the poor operating performance of many of the enterprises owned by the Government

He had no fear ~~complex~~ about government ownership of industries.

He did, however, have misgivings about the efficacy of Government management, however,

did give rise to some misgivings. ~~It~~ was planned to assist a small number of government-owned enterprises which had been found to have a record of successful management.

and expected

that the Bank would be able to identify several

the Bank and would then be prepared to

Mr. Lind:

Should there be any corrections, they should be immediately phoned to

Mr. Yakushkin at the UN Office of Conference Services: phone: Plaza

4-1234, ext. 123.

consider financing assist them financially

Woods Speech - Ecosoc

INCOMING CABLE

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151 FOR LIND

**FRENCH PAPERS MENTION WOODS ECOSOC SPEECH. WE HAVE NOT RECEIVED
IT PROBABLY DUE TO FRENCH POST STRIKE. MAY WE HAVE THE FULL
TEXT? ALSO HAVE NOT RECEIVED NEW PAGE ONE OF FRIEDMAN ARTICLE**

SELIAROLI

MT

Speech - Woods -

ECOSOC

Mr. Friedman

February 17, 1966

Harold Graves

ECOSOC Speech

I thought I should report to you that in further discussion, the ECOSOC draft has been amended or modified in response to some of your principal points about the speech, as follows:

(1) Language has been provided to indicate that the Bank is not only interested in projects, and the emphasis on projects has been somewhat diminished.

(2) Amendments have been made to eliminate the anomaly of starting the agricultural discussion with emphasis on the food problem, and then concluding it with a description of steps being taken to increase the production of cash crops for export.

(3) The language about balance of payments and the level of development assistance is coming out.

HNG
HNG:ap

SPECIAL DELIVERY

February 15, 1966

Dear Nat:

A few comments have come in on the new ECOSOC draft.

Geoffrey Wilson has some which he will tell you about directly.

Mike Hoffman has two comments. One concerns the second sentence at the top of page 9 -- "A great deal of technical knowledge" etc. Mike remarks (and the Agriculture Division concurs) that, in fact, we need much more knowledge than we have about tropical agriculture, and suggests that the sentence be modified slightly to indicate that we are aware of that fact. In the third paragraph on page 9, Mike is very skeptical about the statement that "more and more economists are concluding that substantial additional labor can be employed productively on the land" etc. In fact, it seems all too likely that better management techniques would reduce the amount of labor employed.

One or two people remarked that there was a slight anomaly in the agricultural passage as a whole. That is, the passage starts with a strong reference to food for home consumption, but the examples of Bank action that are given deal with the production of cash crops for export. The Agriculture Division has dealt with this point, and with Mike Hoffman's second point, in a slight re-draft of this last paragraph on page 9. A copy is attached.

I still think that we ought to do something to recognize Irving Friedman's point about the scope of the Bank's concern with development problems. Irving does not think, nor do I, ^{that} any more than a sentence is needed, but to say simply that the Bank's "primary" concern is with projects seems to leave too much unsaid.

I have suggested to Mr. Wishart that Thursday afternoon would be a good time to get at a more or less final version of the speech, but I have not yet heard from Mr. Woods on this. It turns out that even Thursday afternoon will be fairly late, since Mr. Woods is going to be away on the following Monday and Tuesday, February 21 and 22.

Sincerely yours,

Harold Graves

Enclosure

Mr. Nathaniel McKitterick
1220-16th Street, N.W.
Washington, D.C. 20036

J. H. N.
HNG:ap

Then again there is among many politicians in the underdeveloped world a prejudice against agriculture and in favor of industry. The latter appears as the wave of the future, while the former suggests stagnation and subjugation associated with the past. However, in most developing countries agriculture provides employment for the vast majority of the people, raw materials for industrial growth and the exports necessary for financing development. More and more economists are concluding that much greater emphasis should be given to agriculture if economic aspirations of the underdeveloped world are to be realized. The solutions remain the most difficult in all of the development process, but it is now widely recognized that satisfactory solutions in agriculture are central to continued progress. The need to persuade hundreds and thousands of small farmers to change their ways simultaneously suggests no simple or single remedy. But it is widely recognized that the task must start by giving change in the rural areas top priority.

*Speech - Woods -
ECOSOC*

Mr. Friedman

February 11, 1966

Harold Graves *Hahn*

Mr. Woods's ECOSOC Speech

Here is Mr. McKitterick's second draft of Mr. Woods's ECOSOC speech.

You may be particularly interested in the paragraphs that have survived, as a basis for further discussion, on the subject of the relationship, if any, between the balance of payments problems of the European countries and the contributions of these countries to economic development. These paragraphs begin near the top of page 14.

These paragraphs, of course, are open to amendment or deletion. In general, I am disappointed that Mr. McKitterick was not more responsive to your comments.

Attachment

HNG:ap

Woods - Speech -
ECOSOC

Mr. Wilson

February 11, 1966

Harold Graves

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Attachment

HNG
HNG:ap

*Woods - Speech -
Ecosoc*

OFFICE MEMORANDUM

TO: Mr. Wilson

DATE: February 11, 1966

FROM: Harold Graves *HNG*SUBJECT: Mr. Woods's ECOSOC Speech

Here is Mr. McKitterick's second draft of Mr. Woods's ECOSOC speech.

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Attachment

HNG:ap

Mr. Woods

February 10, 1966

Nat McKitterick

ECOSOC Speech -- Second draft

The attached draft takes account of the comments of several members of the staff.

The section on fertilizers is left blank, pending some guidance from you. I am appending Mr. Hoffman's re-write of Mr. Demuth's original language. I am still very unhappy with it. In talking over the matter with Mr. Miller on his recent visit, we both agreed that if you are not ready to make a major pronouncement now, it would be better to say nothing of substance. We would recommend a major speech directed to this subject before the assembled bankers in Madrid this May, to which we understand you have been invited.

As I told Mr. Wishart, I will be in New York Monday, Tuesday and Wednesday of next week.

Attachment

NM:ap

February 10, 1966

....This Council has grown in two ways since it was last my privilege to appear before you. It has grown both in size and in the range of responsibilities assigned to it by the General Assembly.

It is fair to say now that just about all the shades of opinion in the United Nations toward economic and social development are represented in this Council. This is well, since it is your charge to oversee the far-flung and expanding works of the United Nations which are related to economic and social development. As these words are used in common U.N. parlance, they touch upon virtually all the activities in which ordinary human beings are engaged.

Inevitably, each organization which reports to you each year has only a partial view of the many affairs you oversee. We are each advocates for some special point of view within the universe of economic and social development. We each ask to be understood; we each lay claim to your special attention; yet often our language must seem quite incoherent to you. As if there were not enough natural languages dividing us, we must also accommodate the new and often awkward, technical languages of economic and social development.

Yet, gradually, as we counsel together, I submit that understanding and a sense of common purpose grow -- as they must, if the economic and social environment of this planet is to improve. I submit that even the awkward new languages come to be better understood, so that when we say a word like "profit," we agree that we are not talking about morality, but about efficiency; and when we say a word like "efficiency," we agree we are talking about how well a man or an institution produces goods and services which people want and can use -- and nothing more. Or when we talk about "planning," we mean creating means through which various interest groups can resolve their differences around the common problems of their economic growth, and not about imposing arbitrary solutions. Or even

when we talk about "development," we are talking about a very special state of affairs, and not, alas, about the normal state of human society.

I submit that it is through counseling together at meetings like this, where all the major streams of political thought are represented, that we can hope to find that minimum degree of precision in our debate out of which some enduring international cooperation can grow.

Within the United Nations family, the ^{Wing} World Bank Group's principal operational task is to provide finance for specific projects, designed to raise the level of productivity and to stimulate economic growth. The word "project" is not a rigid, inelastic word; it can and does cover a growing number and variety of investments, as the reports before you amply illustrate. But it is a vital word in our operations because it permits the degree of precision necessary for lasting and constructive cooperation between those who have funds to invest and those who so desperately need investment funds. In my own mind as I view the stream of projects which pass over my desk on the way to a final judgment in our Board Room, I constantly ask the question, "Is this a project which promises to make a lasting contribution to increasing productivity? Will it produce recurring wealth necessary, not just to repay the loan but at the same time to add something to the well-being of the people of the country?"

You have before you in our annual reports and two supplementary documents an account of the projects which we have helped to finance in the 18 months leading up to the beginning of the present year. Let me bring the record right up to date, and in the process give you an impression of the range of projects in which we are actively interested.

Since January 1 of this year alone, the International Development Association has announced \$65.3 million in credits, directed at projects in Pakistan, Tanzania,

Basutoland and Ethiopia -- for agricultural credit, industrial imports, grain storage and handling, roads and school building. Another dozen Bank loans and IDA credits are on the point of being presented to our directors; they involve, among other things, finance for roads, electric power, water supply and port facilities in Latin America; water supply and a development bank in Africa, and power in Asia.

Also since January 1, the International Finance Corporation ^{has} announced two transactions -- one in Ethiopia and one in Venezuela -- which involve underwriting issues of public shares in new and expanding manufacturing enterprises in these countries. Helping local investors to buy into ownership of new, local industries -- to share directly in the risks and rewards of their own industrial development -- is the essence of IFC's work. There is no more important work done by the World Bank Group, for there is no substitute for mobilizing local savings and putting them to work productively in local enterprises, as all of you who are familiar with the development process know.

This is just the work currently at or near the end of our production line. We also dispatched nearly 50 missions in the first seven weeks of this year -- missions ranging from a single man surveying a new project proposal to missions, staffed with a number of experts, whose charge is to appraise projects in depth or to survey a broad spectrum of development activity. Some missions are concerned with pre-investment or feasibility studies, often assigned to us by the United Nations Development Program -- studies of a sort which in the past have resulted in sizable new investments. During these seven weeks we also formally opened the second of our regional offices in Africa, this one in Nairobi. We hope it will help African governments increase the flow of good projects, which we very much want in order to increase the pace of our operations in Africa. This same office, I might add, will oversee our Agricultural Development Service in Africa,

which is to provide member governments with experienced technicians to help with agricultural improvements and reforms.

Following the meeting of the Consultative Group for Tunisia in Paris last December, a similar group met in the same city to review the development problems and prospects of Nigeria. Plans are going forward for meetings this spring in London of the Consultative Groups for Malaysia and Thailand and, in Paris, of the Consultative Group for Colombia. We are trying to schedule more of these meetings in tandem -- and in European capitals -- by way of economizing on the time and talent of those whose support is so essential for the on-going development work in these countries.

In January we celebrated the tenth anniversary of our staff college, the Economic Development Institute. EDI has graduated more than 500 officials, carefully selected from nearly 100 member countries and territories, who are now performing key "management" roles in the economic development of their countries. In the year beginning this March, the EDI will conduct six courses in three languages. In addition to its basic course, offered in English and in a shorter form in French, EDI now offers regular courses in project evaluation in English and Spanish, and special courses in the evaluation of industrial and agricultural projects.

* * *

ant
Woods

This staff work, a more complete description of which is contained in the documents before you, has one thing in common; it is designed to increase the volume and variety of projects which come to us for finance. What is sometimes called "the project approach" is the hallmark of our work. To illustrate the flexibility of this approach I would like to spend a few moments reviewing what we have been doing in two areas which have occupied a great deal of our attention since I was privileged to join the World Bank Group -- education and agriculture.

As you know, much of our work in these two areas involves close cooperation with Unesco and FAO. These cooperative arrangements were started a year and a half ago in an effort to make more efficient use of the many talents employed in the U.N. family. We are receiving useful professional consultation from both Unesco and FAO, and I hope in turn we are helping them to master the techniques of project finance. In any case, so far as the World Bank Group is concerned, I want to express my satisfaction with these new arrangements and to say it is our intention to build upon them in the years ahead. I do not have to tell this Council that there is a grave need to economize on talent and on time in the work of the United Nations agencies.

Education is the newest branch of development finance. The very idea of preparing "bankable" projects in education wasn't taken seriously until a few years ago. Economists have been telling us for much longer that the largest common denominator in economic development (besides human energy, perhaps) is the skills that have to be learned. But the idea of investing money, on banking terms, in the accumulation of intellectual capital is only beginning to be exploited.

Yet how vast the need is! According to our investigations at least half of the developing countries are already allocating 20% or more of their public expenditure to education. Yet in very few, if any of these countries, is the enrollment of students in courses of instruction related to economic development anywhere near adequate. In most countries of Asia and the Middle East enrollments in higher education are under 2% of the university level age group -- as against 12% in Japan, for example. In Sub-Sahara Africa the share is about three-tenths of 1%. The need to increase enrollments in local institutions is even greater when one considers the losses suffered in sending students to universities in the developed countries. In some cases up to a third do not return home to practice their skills, thus constituting a costly contribution of intellectual talent from those who need it most to those who have most.

In addressing ourselves to this vast problem, our first task was to put together sensible projects. We cannot contribute indiscriminately to the educational budgets of member countries. Our task is to finance economic development, and not all instruction can be said to be related to that task. Primary education is vital, of course, but in our opinion the more crucial gaps are in secondary education, and in instruction in science and technology and in the several vocational skills -- from crafts to business administration -- including teacher training in all these areas.

In themselves these are vast areas of need and it is no easy job to identify practical, bankable projects within them. Between March of 1964 and the end of last year we dispatched 72 missions to member countries, 34 in cooperation with Unesco, for the purpose of finding, preparing and appraising specific projects. We are just beginning in this business but we can point to 16 loans and credits, totaling nearly \$110 million, completed or nearing completion. Let me cite two by way of illustrating how we define "bankable" projects in education.

Among our first investments were two IDA credits to Pakistan, totaling \$13 million. (I am sure you are aware that whether the investment comes from IDA or the Bank depends solely on the financial position of the borrowing country, not on the nature of the project.) These credits are helping to expand the facilities for technical training in agricultural science in two leading Pakistani universities -- Lyallpur in West Pakistan and Mymensingh in East Pakistan. The former has been offering professional degrees in agriculture for 40 years; the latter is brand new. Our investments will pay for half the costs of construction and equipment installation at these two universities to permit the present enrollment of 1,500 students to reach 6,000 by 1970.

The credits are also financing construction and equipment installation at

six polytechnic schools in West Pakistan and eight in East Pakistan. By 1970 enrollment at these schools should increase from 1,700 today to 7,000. A small portion of these credits is also being used to pay part of the costs of teacher training needed to staff expansion at these 14 schools. This investment goes to the Technical Teacher Colleges at Karachi, Rawalpindi and Dacca to help pay for expatriate staff at those colleges and to finance teacher training for Pakistanis abroad.

In contrast, our most recent investment, a \$7.2 million IDA credit to Ethiopia, is directed at strengthening secondary education. It will help to finance an \$11 million equipment and construction program in Ethiopia's 77 secondary schools. These schools graduate today less than 1,000 students. The present program aims at increasing the number threefold.

At two of the schools -- at Nazareth and Dire Dawa -- adult evening instruction will be offered to local craftsmen and businessmen. Another part of the same project includes construction and equipment installation at Ethiopia's two major technical training institutes. Finally, again part of the credit is earmarked for teacher training -- within the education department of Haile Selassie I University in Addis Ababa. Here our investment is being made in cooperation with the United States Agency for International Development.

When this project in Ethiopia is completed, enrollment in secondary education will increase from 33,000 students to about 51,000. Instead of only 1% in the 13 to 18 age classes going to school, about 1.7% will attend. Obviously, this beginning is a modest one, but in absolute numbers it is of great importance to the country's educational development.

I cite these examples to show that there is nothing narrow about the project approach as applied to education. Yet we are trying to achieve the same kind

of precision in our loans and credits for education which we seek in other kinds of World Bank Group operations... the kind of standards necessary to permit lasting and constructive relationships with our borrowers. We want to be sure that the kinds of instruction we support are related to present and likely employment opportunities in a given country and to the obvious manpower requirements of that country.

I might add, by way of digression, that we are watching very carefully the new ways in which technology -- particularly the media of mass communications -- is being applied to teaching. Ten years from now I would be very much surprised if these new applications did not suggest projects requiring large-scale finance, which could be bankable. But this depends not so much on innovations in electronics as it does on the imagination of those in the developing countries to whom these new applications hold out the most promise. Technology is not the toy of the prosperous; it is, potentially, the servant of all societies trying to engineer an escape from their poverty. The application of technology to teaching will get its real justification in the developing countries where the needs are so vast. However, as in all matters of education, progress must come from within -- from a clear idea of what should be taught and a firm determination to set high standards of teaching and then stick to them. I know these things will come, as surely as new technical innovations will come. And when they do, there will be a good case for providing financial support.

* * *

Financing agricultural development presents somewhat different problems. A great deal of technical knowledge exists about how to make land yield a bigger harvest. Hundreds of specialists have been at work in the field for many many years and whole libraries of research have been compiled. Yet I do not have to tell you that no sector of development has resisted innovation more stubbornly than agriculture.

The reasons for this stubborn resistance are not hard to come by. The huge rural population, which makes up the majority in the underdeveloped world, quite understandably clings to the attitudes and practices of the past. ^{It is} They ^{are} the least able to take risks, the least receptive to technical assistance. ^{It is} They are penalized both by the vagaries of world prices and by the natural desire of governments to keep the price of food low for the thousands who are crowding into the towns and cities each year. And often still there is opposition to change on the part of traditional landlords and overseers who believe that their status and incomes depend upon preserving the status quo in the countryside.

Then again there is among many politicians in the underdeveloped world a prejudice against agriculture and in favor of industry. The latter appears as the wave of the future, while the former suggests stagnation and subjugation associated with the past. However, in some countries it is now clear that the price of neglecting agriculture will most assuredly be mass starvation in the towns and cities; there simply is no alternative in these countries to according a higher priority to growing more food at home. And more and more economists are concluding that substantial additional labor can be employed productively on the land provided the farmer is offered better incentives and taught better management techniques. The solutions remain the most difficult in all of the development process, but it is now widely recognized that satisfactory solutions in agriculture are central to

to continued progress. The need to persuade hundreds and thousands of small farmers to change their ways simultaneously suggests no simple or single remedy. But it is widely recognized that the task must start by giving change in the rural areas top priority.

The steady rise in the number and variety of World Bank Group loans and credits for agriculture in the past two years testifies to the growing awareness among member governments that higher priority and greater leadership must be forthcoming as a matter of urgency. At the end of 1965 we had 25 agricultural projects in the process of being appraised or negotiated, involving possible Bank or IDA finance of about \$250 million; in addition, there were 43 projects "in the pipeline" at various stages of identification and preparation. Two years ago at the end of 1963, we had only 7 projects under appraisal or negotiation; another 19 were "in the pipeline". The total workload of our Agricultural Division, which includes technical assistance and agricultural sector reviews in addition to project operations, has increased over threefold during this two-year period. At the end of 1965 the Bank in cooperation with FAO had 61 projects and other operations underway; the Bank alone was undertaking an additional 56 operations.

Just as important as the volume of our work in agriculture is the variety of projects we are helping to finance. Time does not permit me to illustrate adequately the range of our on-going work, but I would like to mention two kinds of projects which we consider very important.

One of the major objectives of our current work is to find projects which reach the smaller farmers and help them to move from subsistence to cash farming. Loans and credits for this purpose are, typically, small and are often difficult to negotiate and even more difficult to administer. It is quite easy to fashion such projects in the professional offices of the Bank or FAO, but it is something

else again to work them out with the relevant departments of member governments, whose own commitment and follow-through will determine whether the projects actually produce results. Still, we are finding that the time and effort is very worthwhile.

Of particular importance to me are our loans and credits to small farmers in Africa. In Kenya we are helping farmers to grow tea for the first time, sometimes on hardly more than an acre of land. We are also actively interested in another tea project in Uganda and ^a/similar project in Nigeria, where cocoa, of course, is a major cash crop. In these cases our loans and credits are used to finance some road building, some provision of machinery, some costs of the technical staff employed, and some of the planting materials needed.

Over the past year more than half of our lending for agriculture has gone to provide credit to farmers and farm co-operatives. Here again the problem is to devise projects which have a reasonable prospect of working. Many people and institutions are involved all along the line, and building the necessary minimum of precise commitment into each agreement is inevitably time consuming. In Uruguay, for example, the World Bank Group has been interested for many years in financing livestock development. We have only recently begun to make significant progress -- but progress there is. Our first loan to Uruguay coincided with the establishment of an autonomous Honorary Commission for Livestock, composed of Uruguayan ranchers and officials, which is appraising loan applications from individual farmers. Our finance may be used to pay for imported equipment, seed, or even some imported fertilizer, once the Commission has appraised each farmer's plans and his ability to carry them out. In connection with this loan we arranged for technical consultants from Australia and New Zealand to help Uruguayan ranchers improve pasture

development and to train a local cadre of technicians to carry on the work of encouraging improvement. The first loan was followed by a second, last year, which amounted to \$12.7 million. Uruguayan farmers and ranchers are investing nearly an equal amount from their own resources, while the Uruguayan Government and the Bank of the Republic of Uruguay are investing an additional \$10.7 million.

(Add section on fertilizer)

* * *

I have been talking a lot about the project approach in this year's review of the work of the World Bank Group, and I know there are those who will feel that this approach is inadequate to the vast needs for development finance which exist in the underdeveloped world. We are all familiar now with the statistics of need which have been gathered in so many quarters to illustrate the great and growing gap between the wealth and welfare of groups of countries today. These illustrations are alarming; they should alarm the conscience of men everywhere. But when it comes to raising capital for development I would not be serving my clients well if I were to encourage them to believe that these statistics are in any way a substitute for projects -- liberally defined, soundly conceived and daringly planned.

Our own contribution to calculating the need for external development capital is set out in the annual report before you. We calculate that the developing countries as a group -- ignoring wide differences in capacity and performance -- could effectively use, on the average, some \$3 billion to \$4 billion more in development aid than they are now receiving. I believe this to be so on the basis of our experience, but that capital will not be forthcoming simply as a result of our educated guess. It will only be forthcoming if the developing

countries can express their needs in sound projects which promise to raise the productivity of their people.

I can't stress enough the fact that the job of enlisting the needed capital and skills for our work would be much less difficult if member governments would devote more attention -- more prestige, in fact -- to the hard business of project preparation. Project preparation involves a lot more than simply drawing up plans and engineering studies. In particular, it involves commitments by responsible authorities... commitments of money, of managerial talent and very often of political leadership. Nothing depresses me quite so much as seeing a carefully researched and evaluated project going a-begging because those responsible are in the last analysis unwilling to commit themselves. Today in Central America, for example, the stage is set for building an integrated system of telecommunications which could materially improve economic growth in that region in a relatively short period of time. The United Nations Development Program invested more than \$600,000 to make the study, which was completed by the World Bank Group. We are and have been ready to proceed with the financing for some time. But three of the five governments concerned have yet to decide.

Maybe we were wrong in this case to undertake the study, for no project proposal is worth anything until those who are supposed to benefit are committed to it. But I don't think we were wrong. What's missing in this and other cases like it is a sense of urgency -- a sense of priority, the absence of which seems too often to belie the great needs of which we are all so aware.

I appreciate the very serious problems which most governments in the developing countries face these days in trying to resolve the grave differences which exist among their people. I am not unmindful of the welter of competing and conflicting claims which are made on their very meager resources. But I am also aware

of what can be done when governments undertake to resolve differences around the common problems of their economic development. I am also aware of what can be done when economic development is given top priority in the allocation of scarce resources.

Who? The job of enlisting the needed capital and skills for our work would likewise be less difficult if the developed countries would recognize the same kind of priority in the allocation of their external aid. Nothing like a comparable effort, of course, is required from the developed countries. These countries are on record, pledging 1% of their gross national product to assist the development of other countries. But even this pledge is not being honored either in volume or in quality. And I would not be serving my clients well if I pretended that the reasons given for not honoring this pledge are very persuasive.

The most common reasons given now, of course, are the balance of payments problem and the great demands on savings in the developed countries for economic and social programs at home. I am too experienced a banker not to realize that the problems of managing prosperity are no less exacting to ministers of finance than the problems of managing development. I understand why ministers of finance in the developed countries like, for example, to draw a clear line between their balance of payments problem and the problem of providing an adequate supply of development finance. But I have to object -- I have to become alarmed -- when these problems prevent the developed countries from working out ways and means of allocating among themselves even the modest burden of development assistance which has so long been agreed upon.

It is becoming increasingly clear that it is the developing countries which will suffer first and most from failure of the developed countries to manage their prosperity without restricting the flow of capital and of development aid.

When one considers that development assistance, by and large, simply pays for the export of goods and services from the developed countries to the developing countries, it is not surprising that restrictions on the flow of development assistance in the name of balance of payments control are very difficult to explain and to justify. In these circumstances is it too much to ask that the developed countries agree among themselves on ways and means of allocating the modest burden which do not aggravate the problems of managing prosperity? Isn't this really the minimum which is due in light of the oft-stated pledges of these countries?

As it is there is already a growing waste in development aid, which results from the common practice of tying aid to sources of supply in the donor country in order to protect the balance of payments. There is another extravagance in the practice of charging very high interest rates on medium-term loans, even as some countries -- Britain and Sweden, in particular -- have recognized that long-term credits at very low or token interest rates are much more suited to the projects being financed. Again, I ask, is it impossible for the developed countries to work out a more sensible and less disruptive allocation of a burden, which all of them have constantly recognized must be shouldered in the name of helping those trying to engineer an escape from the worst parts of their poverty?

Of course, what makes it most difficult to enlist the capital and skills needed for our work is the fact that so much of the real progress being made is hidden under a barrel of political complaint and controversy. We talk a great deal about the importance of international co-operation for social and economic development, but nowhere is it the real news of the day. Other diversions, more or less hostile to the aim of increasing productivity, continually crowd the stage.

It needn't be this way. We in the World Bank have been able to continue our work in the face of some very noisy diversions of late, and we have every intention of continuing to do so. We can do this partly because we are engaged in works of construction which people can see and whose benefits people can use. More important, we can continue our work because underneath all the posturing and strife reflected so amply in our newspapers, there is a hard core of men and women from all countries who are dedicated to getting on with the job of development. I just wish these men and women could be heard more in their own lands and in the world at large. I just wish they were accorded the prestige which politicians and military men in all countries still reserve too often for activities which impede economic development and at times make progress virtually impossible.

When is it that men and governments will come to attach the same priority and prestige to providing jobs and to producing things society wants which is now attached to making war or to waving the flags of nationalism? You know and I know that governments which do not cultivate this kind of prestige are destined to see their people remain mired in their poverty.

Nathaniel McKitterick

Suggested language from Mr. Hoffman

The shocking and frightening forecasts of food shortages, which may in some countries assume crisis proportions, make it urgent to intensify efforts to bring about a rapid increase in food production in the developing world. The principal means for doing so is through the use of modern production techniques -- fertilizers, pesticides, better tools and improved seeds. Each of these is essential and serves to reinforce the others. Of all the technical factors, however, increased use of fertilizer offers the best promise for a quick and striking increase in food production. The Bank has therefore decided to give major new emphasis to operations designed to make possible a massive increase in fertilizer use through the creation or expansion of productive facilities in the developing countries themselves. The basic resources -- petroleum, phosphate rock and potash -- exist in the developing countries themselves. But they are seldom all in the same country. To this end, we shall welcome and give priority consideration to all proposals which come to us, from any source, for technically sound and economically justified fertilizer production projects in those countries.

We have only begun to examine the possibilities and complexities of this undertaking. We know that within the industrialized countries there exists a large reservoir of capital and technology, keenly interested in investment in productive facilities of this kind, provided that there is assurance that the investments will be welcomed and fairly treated. The role which I see for the Bank Group is that of a catalyst, using whichever of the financial techniques available to it may be most appropriate to a given situation -- in some cases making loans directly for a fertilizer facility, in others guaranteeing loan capital put up by private investors or subscribing, through IFC, to the equity

of such enterprises. We would be prepared to use our good offices as well, where this seems likely to be useful, to bring governments and potential investors together and to help them work out mutually satisfactory arrangements. We are, in short, prepared to do whatever we appropriately can to stimulate and facilitate investment in this field. It will of course be essential at the same time to plan for expanded programs of extension services to encourage and instruct farmers to use fertilizer and for programs of agricultural credit to help them buy the materials. Some recasting of governmental pricing, import and other policies to facilitate production and distribution of fertilizer may also prove necessary.

We approach the problem with no preconceptions and we shall not be doctrinaire in our response. We are starting down a long road, but I hope that, when a report on the Bank's activities is presented to the Council next year, we shall be able to inform you not merely of intentions but of progress.

Speech - Woods -
ECOSOC

Mr. Wilson

February 4, 1966

Harold Graves *HLW*

ECOSOC Speech

Here is a copy of Nat McKitterick's first draft of Mr. Woods's ECOSOC speech. Apart from Mr. Woods, copies are being sent to Mr. Friedman, Mr. Hoffman, Mr. Chadenet (and Messrs. Ballantine and Evans), Dr. Adler and, in IFC, Mr. Rosen and Mr. Richards.

Attachment

HNG:ap

Woods - Speech -
ECOSOC

Mr. Woods

February 4, 1966

Harold Graves *HG*

ECOSOC Speech

Here is a copy of Nat McKitterick's first draft of your ECOSOC speech. Copies of the draft also have been given to Mr. Knapp, Mr. Wilson, Mr. Friedman, Mr. Hoffman, Mr. Chadenet (and Messrs. Ballantine and Evans), Dr. Adler and, in IFC, Mr. Rosen and Mr. Richards.

Attachment

HNG:ap

JAN 28 REC'D

W

Woods - Speech - ECOSOC

NATHANIEL M. MCKITTERICK
CONSULTANT
1220 SIXTEENTH STREET, N.W.
WASHINGTON, D. C. 20036
PHONE: 638-6141

January 27, 1966

Mr. George Woods
International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D. C. 20433

Dear Mr. Woods:

I have Dick Demuth's proposed section on fertilizers for the ECOSOC speech. I have some comments on same.

These are all very nice generalizations, which, for those who have studied the matter, suggest a lot of interesting and concrete investment ideas. If fertilizers hadn't become so darn fashionable, thanks to LBJ, A.I.D. and the Agriculture Department, this language, no doubt, would get some attention. As it is, I am very afraid it will do no more than get some notice of a "me-too" variety. I think we are missing a very good opportunity.

If we can't be concrete-- if we can't suggest, for example, three world centers of production for basic fertilizer components (e.g. ammonia) in the Middle East, Latin America and the Far East-- then at least we ought to be more creative politically in making our generalizations. Some suggestions:

(1) We should present our ideas in the context of industrialization, not in the context of the food crisis. Again it is a matter of avoiding "poor mouth" talk in favor of something more constructive. The problem, after all, is not technical, but social and political. On the one hand, it is a problem of persuading millions of peasants to change their ways simultaneously and use fertilizers. On the other, it is a problem of showing borrowing governments how it is a good political thing for them to give a higher priority to investment in fertilizers. The latter is done best by presenting our ideas in the context of industrialization, rather than in the context of the food crisis. There is no shortage of people crying havoc over food; it's almost as fashionable as advocating birth-control. We ought to be leading these fashions, not following them. This we do by presenting our ideas in the context of industrialization -- not seeming to be against industrialization as the present draft will be read by those who want so to do.

(2) And instead of exhibiting our knowledge of how fertilizers are made, why don't we mention specific countries? Waste gas in Kuwait. Potash in Jordan and Israel. Phosphates in Spain and Morocco. (And a similar pattern, if there is one, in Latin America.) Why not point out that it would be cheaper if India and Pakistan and Egypt could import some fertilizer components from their neighbors for blending or refinement at home? And why not suggest the trade benefits which might result from such arrangements? The accent here would be on economizing capital -- leaving more for other job-creating investments.

(3) With a more imaginative and concrete cover for the subject, then maybe the good idea of underwriting private investment in this field wouldn't look so naked, as it does in the present draft. Foreign private investment in the exploitation of fertilizer components is, after all, only slightly less unpopular in most of our noisier borrowing countries than is the same investment in oil. The fact that the two are so closely linked only makes the public relations problem more difficult. Finally, it seems to me from talking at the White House and A. I. D. that LBJ's program is going to boil down to a "U. S. fertilizer for peace" sort of thing, and surely we should accent a different approach.

I realize this is a hot subject on your desk now so I don't want to mess with it without your instructions. I do feel, however, that there is an awfully good public relations opportunity here. If now is not the time to be more concrete, could we not simply limit reference to the subject in ECOSOC to an announcement to the effect that the Bank has a major proposal in the works, which you hope to make publicly in the near future?

Sincerely,



Nathaniel McKitterick

NMcK/hs

M.A. Hood

REVISED DRAFT

January 26, 1966

Draft of Paragraphs on Fertilizer for Inclusion in ECOSOC Speech

Because of the critical importance of increasing food production within the developing world, the Bank has invested heavily in the agricultural sector and has steadily raised the level, and significantly widened the range, of its assistance. By the end of 1965, Bank loans directly for agriculture totaled \$692 million and IDA credits had reached over \$220 million. Our activity in the agricultural field has risen sharply in the last few years. At the end of 1963, only seven projects, calling for about \$100 million of Bank group financing, were in process of being appraised or negotiated; at the end of 1965, there were 25 projects at a similar stage, calling for \$270 million of Bank group funds. In addition, more than 40 proposals are at an earlier stage of investigation, over twice as many as at the end of 1963.

The shocking and frightening forecasts of food shortages, which may in some countries assume crisis proportions, make it urgent to intensify efforts to bring about a rapid increase in food production in the developing world. The principal means for doing so is through the use of modern production techniques -- fertilizers, pesticides, better tools and improved seeds. Each of these is essential and serves to reinforce the others. Of all the technical factors, however, increased use of fertilizer offers the best promise for a quick and striking increase in food production. The Bank has therefore decided to give major new emphasis to operations designed to make possible a massive increase in fertilizer use through the creation or expansion of productive facilities in the developing countries themselves. To that end, we shall welcome and give priority consideration to all proposals

which come to us, from any source, for technically sound and economically justified fertilizer production projects in those countries.

The natural resources needed for fertilizer production -- in particular, petroleum hydrocarbons, phosphate rock and potash -- can be found in many parts of the developing world, although rarely together. In some developing countries the abundance of one or more of these resources -- especially natural gas, which is so often simply flared -- would support a level of production far outstripping domestic needs, even assuming a great increase in local fertilizer consumption; these countries could become the source of exports to other parts of the developing world where these resources are lacking. Elsewhere, the production potential based on limited local resources is likely to fall well short of satisfying consumption requirements; these countries are promising markets for raw materials, such as liquefied natural gas and phosphate rock, or for intermediate products such as ammonia, or even for final solid fertilizer products from other developing countries. Possibly it will prove appropriate and feasible in a number of instances to work out regional schemes of production and distribution, calling for construction of different but complementary kinds of facilities in various developing countries within the region, and making feasible production on a large enough scale to take full advantage of the latest technological advances, of economies of size and of cheap bulk transport.

We have only begun to examine the possibilities and complexities of this undertaking and I cannot do more today than sketch, in broadest outline, what we envisage. We know that within the industrialized countries there exists a large reservoir of capital and technology, keenly interested in investment in productive facilities of this kind, provided that there is assurance that the investments will be welcomed and fairly treated. The

role which I see for the Bank group is that of a catalyst, using whichever of the financial techniques available to it may be most appropriate to a given situation -- in some cases making loans directly for a fertilizer facility, in others guaranteeing loan capital put up by private investors or subscribing, through IFC, to the equity of such enterprises. We would be prepared to use our good offices as well, where this seems likely to be useful, to bring governments and potential investors together and to help them work out mutually satisfactory arrangements. We are, in short, prepared to do whatever we appropriately can to stimulate and facilitate investment in this field. It will of course be essential at the same time to plan for expanded programs of extension services to encourage and instruct farmers to use fertilizer and for programs of agricultural credit to help them buy the materials. Some recasting of governmental pricing, import and other policies to facilitate production and distribution of fertilizer may also prove necessary.

We approach the problem with no preconceptions and we shall not be doctrinaire in our response. We are starting down a long road, but I hope that, when a report on the Bank's activities is presented to the Council next year, we shall be able to inform you not merely of intentions but of progress.

SEB/pnn

Psych-Woods -

ECOSOC

January 25, 1966

Dear Nat:

Here are the pages on fertilizer. You were right -- the language, as you see, is intended for absorption into the ECOSOC draft. As you thought, private capital rears its head in these paragraphs. The development strategy seems a little old-fashioned: I doubt if anyone seriously thinks that "the principal means" of increasing agricultural production, as suggested here, is purely technological. As I mentioned, Mr. Woods will see this language tomorrow (Thursday) afternoon.

Sincerely yours,

Harold Graves

Enclosure

Mr. Nathaniel McKitterick
1220-16th Street, N.W.
Washington, D.C. 20036

HNG
HNG:ap

Mr. Woods

January 24, 1966

Harold Graves

ECOSOC Documents

The delegates to ECOSOC will have four documents in their possession when you speak to them next month.

The first two documents are the Bank/IDA and IFC Annual Reports, which have been given the numbers E/4129 and E/4130.

The third document is a supplement to both Annual Reports. Since it relates to both, it has been given two numbers: E/4129/Add.1 and E/4130/Add.1. The document is dated 6 January.

The fourth document is a summary of the Annual Reports, such as all the specialized agencies were asked to prepare this year. It also has been given two numbers: E/4129/Add.2 and E/4130/Add.2. It also is dated 6 January.

Unfortunately, the documents already had been distributed to the Economic and Social Council before you expressed a desire to have the Information Department noted as the source of these papers.

cc: Mr. McKitterick

HNG
HNG:ap

Woods - Speech -
ECOSOC

Mr. Grenfell

January 22, 1966

Harold Graves

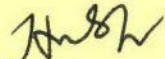
ECOSOC Speech

Apart from what Mr. McKitterick is doing on the draft of the ECOSOC speech for Mr. Woods, Mr. Demuth believes we should be ready to draft a section of this speech, from three to five pages long, describing the activities of the Bank in lending and technical assistance.

With that in mind, please read over the attached Newsletters for 1945: they will give us some idea of what items might be dealt with in such a section. Also, get us an appointment to see Mr. Demuth on Tuesday afternoon or thereafter.

Please return the Newsletter file to me.

Attachment


HNG:ap

Woods - Speech -
Canada

Mr. Woods

January 21, 1966

Harold Graves *HNG*

Canadian Speeches

Mr. Stewart says that when you are introduced in Montreal and Toronto, guests will be invited to ask questions at the end of your talk.

He says that one question you may be asked is about the amount of supply and consultant contracts that have gone to Canadians under Bank loans. The figure is about \$160 million.

cc: Mr. Wishart

HNG:ap

Mr. Woods

January 18, 1966

Harold Graves

Draft Speech for Canada

The first paragraph is written as you might give it in Montreal, with a reference to the fact that you are going on to Toronto the next day.

In the bottom paragraph on page 1, there is a reference to Henry Borden, put in parentheses; he will be at the Toronto dinner, but not in Montreal.

On the second page (paragraph 2) there are references to Plumtre and Escott Reid, also parenthesized; they would be appropriate in Toronto, but not particularly to the point in Montreal.

cc: Mr. Westcott

Attachment


HNG:ap

Mr. Friedman

January 18, 1966

Harold Graves

Mr. Woods's Canadian Speech

I have attached for your information and possible comment a draft text of a talk which Mr. Woods is to give in Canada next Monday. I think that there isn't much in it that needs to concern you, but you might wish to glance particularly at the last two pages (which are more rhetoric than economics). I have asked Julian Grenfell to carry on from here, and would be most grateful if you could give him any comment you have in a day or so. His telephone extension is 2320 and the room number is 452.

Attachment

HNG:ap

HNG

Mr. Wilson

January 18, 1966

Harold Graves

Mr. Woods's Canadian Speech

Here is a draft of Mr. Woods's Canadian speech, along the lines we talked about in his office this morning. As it stands, it is about twenty minutes long.

I have asked Julian Grenfell (Extension 2320, Room No. 452) to carry on from here, and would be grateful if you could give your comments to him.

Attachment

HNG:ap

Handwritten signature

Speech - Woods -
Canada

January 17, 1966

Dear Nat:

We were talking the other day about a "laundry list" for the ECOSOC draft. Here are two documents that might be of some help. One is Bill Bennett's review of the calendar year 1965. The other is the supplementary information given to ECOSOC itself; we don't think there will be any consequential addition to this except for the Canadian bond issue.

Sincerely yours,

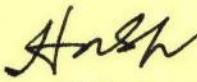
Harold Graves

Enclosures

Mr. Nathaniel McKitterick
1220-16th Street, N. W.
Washington, D. C. 20036

P.S. -- Just now, I learn, as you did, that Mr. Woods, in fact, does not want to trudge through all this material in his speech.

HNGJr.



HNG:ap

January 10, 1966

Dear Professor Mason:

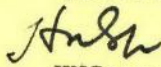
Nathaniel McKitterick has asked me to send you this copy of a draft of a speech which Mr. Woods is to give in Montreal and Toronto later this month to members of the Canadian financial community. If you have any comments for Mr. McKitterick, would you give them to him directly? His office address in Washington is 1220-16th Street, N. W. (Zip Code number 20036), and his telephone number is 638-6141.

Sincerely yours,

Harold N. Graves, Jr.
Director of Information

Enclosure

Professor Edward Mason
Littauer Center
Harvard University
Cambridge
Massachusetts


HNG:ap

Speech - Woods

Mr. Handfield-Jones

January 10, 1966

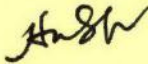
Harold Graves

Mr. Woods's Canadian Speech

Nat McKitterick has finished his first draft of Mr. Woods's speech for Toronto and Montreal. It is attached, and Mr. McKitterick says the following:

"Quite off-the-record and unofficially, would you give me your views on this? I can be reached anytime Monday, Tuesday or Wednesday at 638-6141. Many thanks for your stimulating thoughts."

Attachment



HNG:ap