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THE WORLD BANK  
Washington, D.C.

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McNamara Papers

1973 (March) Vol. 93



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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 33

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490/1/143

MAR 30 1973

Dear Mr. Zijlstra:

I thank you for your letter of March 12, 1973 and for your invitation to attend the Annual General Meeting of the Bank for International Settlements which takes place in Basle on June 18 next.

Regretfully, I will not be able to attend but I am pleased to inform you that Sir Denis Rickett, Vice President, Mr. Jean Carriere, Director, European Office, and Mr. Robert de Lesseps, Chief, Financial Operations, European Office, will represent the International Bank for Reconstruction and Development at the Annual Meeting.

Lady Rickett and Mrs. de Lesseps will also be in Basle at the time of the Meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. J. Zijlstra  
President  
Bank for International Settlements  
7 Centralbahnstrasse  
CH-4002 Basle  
Switzerland

cc: Mr. McNamara's Office (2)  
Sir Denis Rickett  
Mr. Carriere (Paris)  
Mr. de Lesseps (Paris)

Central Files with incoming letter

LPChatenay:mmcd  
March 28, 1973

490/1/141

ROBERT INGERSOLL  
AMERICAN AMBASSADOR  
AMERICAN EMBASSY

MAR CH 28, 1973

LT

TOKYO

JAPAN

AM MOST GRATEFUL FOR YOUR MARCH SIX LETTER WHICH I FOUND AWAITING ME UPON MY RETURN TO THE OFFICE STOP UNFORTUNATELY CMA FOR ME CMA BECAUSE MY VISIT WILL BE SO SHORT MARG WILL NOT BE WITH ME AND SIMILARLY I THINK IT WOULD BE IMPOSITION UPON YOU AND ELLIE AND PERHAPS INAPPROPRIATE IN EYES OF JAPANESE GOVERNMENT WERE I TO STAY AT RESIDENCE STOP I PLAN ARRIVE TOKYO LATE AFTERNOON WEDNESDAY APRIL EIGHTEEN AND LEAVE TO RETURN TO UNITED STATES LATE AFTERNOON FRIDAY APRIL TWENTY STOP WOULD IT BE POSSIBLE FOR YOU AND ELLIE DINE WITH ME WEDNESDAY EVENING STOP IN ANY EVENT AM LOOKING FORWARD SEEING YOU DURING VISIT ASSUMING YOUR BUSY SCHEDULE OF OFFICIAL CALLS DURING MONTH MAKES THAT POSSIBLE STOP MARG JOINS ME IN BEST WISHES TO YOU BOTH

BOB

ROBERT S. MCNAMARA  
INTBAFRAD

Robert S. McNamara

President

RMcN:bma



490/1/140

MAR 27 1973

Colonel I.K. Acheampong  
Chairman  
National Redemption Council  
Office of the National Redemption Council  
The Castle  
Osu, Accra  
Ghana

Dear Mr. Chairman:

On March 19, 1973, Ambassador Amoneo forwarded to us your Government's reply to the proposal of the creditor governments for a settlement of Ghana's external debt which we submitted to you last November. As requested, we have transmitted the document to the creditor countries concerned.

Last week Mr. Roger Chaufoournier, Regional Vice President for West Africa, had the opportunity of meeting with Lt. Col. Eminent during his visit to Washington for an exchange of views on your Government's reply. We indicated in these discussions that there was need for clarification of certain points in the document if the Bank was to continue to provide its good offices effectively in maintaining a constructive dialogue on the debt issue between the Government of Ghana and the creditor countries. With this end in view, it was agreed that further consultations between your Government and the Bank should take place in Accra with the least possible delay.

In view of the importance we attach to this matter, I am asking Mr. Chaufoournier to proceed to Ghana himself during the week beginning April 2 to meet with you and your officials. I hope that this arrangement will be satisfactory to you, and I



Col. I.K. Acheampong

- 2 -

should be grateful if you would let Mr. Peter Reitter, the Bank's Resident Representative in Ghana, know what would be a convenient day for the meetings.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

PREitter/EPWright:sc  
March 26, 1973

cc: Messrs. Knapp (Office of the President)  
Broches (Office of the General Counsel)  
Wright (Program I, W. Africa)  
de Vries (Office of the Vice President, W. Africa)  
McGibbon (Program I, W. Africa)  
Christoffersen (Program IB, W. Africa)  
Khelif (Executive Director)/Gyasi-Twum (Alt. Exec. Director)





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

h90/1/137

OFFICE OF THE PRESIDENT

MAR 27 1973

Dear Mr. Governor:

I was most pleased that we were able to allot to the Bank of England \$20,000,000 of the World Bank's latest issue of two-year bonds.

The willingness on the part of the central banks, governmental institutions and international organizations to subscribe to these issues is very much appreciated. Such response not only expresses confidence in our bonds as instruments of investment but also is regarded as a very valuable means of support for the World Bank in its efforts to promote the economic development of member countries.

Sincerely,

*Robert S. McNamara*

Robert S. McNamara

*Many thanks for your hospitality*  
The Rt. Hon. Lord O'Brien of Lothbury, P.C., G.B.E.  
Governor  
Bank of England  
Threadneedle Street  
London, E.C.2R 8AH England

*Zedie - it was a most pleasant business.  
Best wishes.  
Bob*



490/1/136



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

OFFICE OF THE PRESIDENT

MAR 27 1973

Dear Governor Ali:

I was most pleased that we were able to allot to Saudi Arabia \$20,000,000 of the World Bank's latest issue of two-year bonds. I am particularly gratified with the support to our development efforts that Saudi Arabia has given in the past, and has now again given through the purchase of World Bank Bonds.

The willingness on the part of the Central Banks, governmental institutions and international organizations to subscribe to these issues is very much appreciated. Such response not only expresses confidence in our bonds as instruments of investment but also is regarded as a very valuable means of support for the World Bank in its efforts to promote the economic development of member countries.

With best regards,

Sincerely,

Robert S. McNamara

His Excellency  
Anwar Ali  
Governor  
Saudi Arabian Monetary Agency  
Jeddah  
Saudi Arabia

*Many thanks for your warm  
hospitality during our  
visit. Mrs. McNamara  
and I are most grateful.  
Best wishes,  
Bob*



490/1/134

MAR 27 1973

Dear Mr. Prime Minister:

Thank you for your letter of March 7, 1973, concerning Mr. William Cosgrove.

The Bank has offered Mr. Cosgrove a position as a sanitary engineer in the Europe, Middle East and North Africa Region. I am advised that the formalities are to be concluded shortly.

We appreciate that the Government of Quebec would like to avail itself, on occasion, of Mr. Cosgrove's particular knowledge of and experience in your Province after he has joined the Bank. I should point out that the demands on our staff are considerable and the timing of their overseas travels quite unpredictable. Nevertheless, subject to mutual agreement on timing, we would be prepared to make Mr. Cosgrove's services available to your Government for short durations.

The Personnel Department of the Bank will shortly be issuing the letter of appointment to Mr. Cosgrove. That letter will contain a clause to the effect that Mr. Cosgrove will be able to take ten working days without pay in addition to his annual leave. I understand that this is acceptable to Mr. Cosgrove and I hope it meets the needs of your Government.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

The Honorable  
Robert Bourassa  
The Prime Minister  
Government of Quebec  
Canada

c.c. Mr. McNamara's Office (2)  
Mr. Benjenk; Mr. Clarke; Mr. Wyatt; Mrs. Stone  
WAWapenhans/FStone:ldb  
March 23, 1973

[Annual <sup>a</sup> report ~~of the~~ progress in dealing with World food problems; progress  
of any on meeting on action program of greater research productivity  
etc for major crops & in major producing nations; actions to be  
taken by the ~~the~~ <sup>see Food For Peace - memo of 3/7/53.</sup>



File

Messrs. Baum and Chenery  
Robert S. McNamara  
Economic Mission Reports

March 26, 1973

490/1/133

For countries in which achieving adequate levels of food production will be a major problem in years to come, should not our economic mission reports give as much attention to this subject as they do to monetary policy, and should not our agricultural sector studies and project programs (including the CPPs) place greater emphasis on it as well?

Which countries are these? How would you plan to address the problem?

cc: Messrs. Knapp  
Yudelman

RMcN:mss

490/1/131

MAR 26 1973

Mr. Antonio Carrillo Flores  
Secretary General for the  
World Population Conference, 1974  
United Nations  
New York, N.Y. 10017

Dear Antonio:

This is in response to your letter of March 7, 1973, in which you asked for information on the constraints on population activities imposed by the shortage of trained people and the possible lines of action for solving the problem.

The World Bank's Sector Working Paper on Population makes reference to the problems of broadening the scope and effectiveness of population programs and the areas of emphasis which will be given in Bank work toward this objective. Training appears as the first of a number of important areas referred to:

"Training. The effective use of family planning facilities depends to a large extent on the quality of the training of personnel available to staff them. Most developing countries suffer from shortages of adequately trained personnel in the three most relevant fields: medical, paramedical and social service. Paramedical personnel play a key role in family planning through provision of services in clinics, in the field, and in maternity hospitals. In rural areas they are often the only persons with whom villagers come in contact; they are therefore a critical class of family planning workers. In addition, voluntary social workers can be trained and mobilized for field work.

"Besides the local training needed for most operational workers, support frequently needs to be given for external training of personnel in the various disciplines at suitable overseas centers. Bank projects have provided for such training of selected personnel to strengthen the programs."

(Population Planning, Sector Working Paper, March 1972, p.34)

The Bank has so far undertaken sector reviews or program analyses in 13 countries. It is fair to say that in each one of these cases the need for the training of staff, in many different skills, emerges as a major constraint.



I attach to this letter a schedule of the first six Bank loans/credits which gives a summary description not only of the projects but also of project components which were built into the Bank projects to help remedy the shortage of trained personnel.

Some of the more practical examples of the constraints that have been seen in Bank work are:

- Shortage of Persons: actual lack of numbers of trained personnel at all levels, but in particular middle- and lower-level staff, to carry out the program tasks required. Such a situation exists critically in Indonesia and in Iran.
- Poorly Trained Staff: adequate numbers of trained personnel often exist but they have had such poor training that their efforts are wasteful and have been known to be counterproductive to program efforts - e.g. India and the Arab Republic of Egypt.
- Inability to Keep in Touch with Program Changes, Technology and Client Response: inadequate consideration is given to re-training and refresher courses to help staff understand program problems and client reactions; this results in poor educational information, and lack of rapport with acceptors.
- Lack of Educational Facilities: inadequate availability of physical facilities, trainers and teaching material for proper training of staff. The latter is very acute for training in the vernacular languages.
- Lack of Senior-Level Trainers and Training Directors: finally, a major constraint is the inadequate level of senior and upper-level trainers who exist in countries to guide and direct these operations. Training has a somewhat unglamorous role and frequently receives less attention in programs than the service function.

The shortage of experienced trainers and training advisors does not exist only in developing countries; it exists in the developed countries as well. This is one reason why it is difficult to meet the problem through technical assistance. Even where competent trainers can be found, their technical qualifications must be matched by personal qualities that overcome cross-cultural barriers created by expatriates' inadequate awareness of cultural and national sensitivities. In our view, a major objective of the international assistance should be to build up training staffs and programs at the national and local levels, holding to a reasonable minimum the use of international training institutions and the use of expatriate personnel in national training activities.



Mr. Antonio Carrillo Flores

- 3 -

I understand that at the recent session of the ACC Subcommittee on Population you discussed the subject of training for family planning with Dr. Kanagaratnam. I have asked him to keep in touch with you and to provide you with additional information if you should wish it.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Attachment

KKanagaratnam:GBBaldwin/bl1

cc: Mr. McNamara's office (2)

Mr. Hoffman



POPULATION AND NUTRITION PROJECTS DEPARTMENT

POPULATION PROJECTS FINANCED BY BANK/IDA (WITH OTHER CONTRIBUTORS WHERE PRESENT)

SUMMARY DESCRIPTION OF PROJECT COMPONENTS AIMED TO REMEDY SHORTAGE OF TRAINED PERSONNEL

<u>Country and Fiscal Year of Loan/Credit</u>	<u>Financing (US\$ Million)</u>	<u>Project Goals</u>	<u>Project Components Aimed to Remedy Shortage of Trained Personnel</u>
1. Jamaica 1970	2.0 - Bank (0.25 - USAID Grant)	To support the Government's National Family Planning Program which aims to reduce the birth rate from 3.5% (1969) to 2.5% (1975) by developing postpartum and home-visiting programs.	<ol style="list-style-type: none"> <li>1. <u>Study</u> to look for ways of making the best use of doctors, nurses, and midwives.</li> <li>2. <u>Scheduling Study</u> of the service-delivery system in the Kingston area to see how to make the best use of professional staff and physical facilities.</li> <li>3. <u>Training advisor</u> to help the National Family Planning Board in planning and monitoring an expanded training effort.</li> <li>4. Construction and equipping of a hospital in which a space for the <u>hospital's midwifery school</u> is provided.</li> </ol>
2. Tunisia 1971	4.8 - IDA	To develop Tunisia's FP services so that FP acceptors will be increased from 21,000 in 1970 to 76,000 in 1976.	<ol style="list-style-type: none"> <li>1. <u>Expansion of a paramedical school</u> to a) increase graduation of nurses and midwives from 150 to 200 per annum; b) to include a postgraduate training section to train instructors and supervisors to handle the training of the additional midwifery personnel.</li> <li>2. <u>Provision of experts</u> to assist in teaching at above-mentioned paramedical school and provision of fellowships for training key paramedical personnel.</li> <li>3. <u>Management Consultants</u> to design and recommend a system which would make an optimum use of the resources and to help the Government implement the system.</li> </ol>



<u>Country and Fiscal Year of Loan/Credit</u>	<u>Financing (US\$ Million)</u>	<u>Project Goals</u>	<u>Project Components Aimed to Remedy Shortage of Trained Personnel</u>
3. Trinidad & Tobago 1971	3.0 - Bank	To strengthen the Government's FP program which plans to lower population growth from 2% in 1970 to 0.9% in 1980.	<ol style="list-style-type: none"><li>1. <u>Extending and replacing the existing facilities of a nursing school</u> to increase student enrollment from 200 to 500.</li><li>2. <u>Construction of one rural community health center</u> to train medical, nursing and other personnel involved in family planning.</li><li>3. <u>Construction of one family planning institute</u> for training of FP workers, and community leaders.</li><li>4. <u>Advisory services</u> to:<ol style="list-style-type: none"><li>a) develop procedures for effective administration of the MCH-FP program</li><li>b) develop a system for continuous evaluation of the program</li><li>c) introduce family life education in schools</li><li>d) strengthen FP education in nursing schools and training of FP personnel.</li><li>e) conduct manpower utilization study for optimum use of medical, paramedical, and other FP personnel.</li></ol></li></ol>
4. Indonesia 1972	13.2 - IDA (13.2 - UNFPA Grant)	To achieve a major expansion of the Indonesian Government's FP program and to broaden the range of its activities. The project aims at increasing the number of acceptors from 270,000 in 1972 to 1,600,000 in 1975.	<ol style="list-style-type: none"><li>1. <u>Construction of 10 new schools</u> to graduate 540 paramedical personnel.</li><li>2. <u>Construction of 6 new provincial training centers and 10 new sub-training centers</u> for the training of medical and non-medical staff of the national FP program.</li></ol>



<u>Country and Fiscal Year of Loan/Credit</u>	<u>Financing (US\$ Million)</u>	<u>Project Goals</u>	<u>Project Components Aimed to Remedy Shortage of Trained Personnel</u>
5. India 1972	21.2 - IDA (10.6 - SIDA Grant)	To support India's family planning program by instituting a comprehensive applied research project in two states to test and evaluate different approaches to the provision of family planning services.	<ol style="list-style-type: none"><li>3. <u>Provision for foreign advisors and fellowships to assist:</u><ol style="list-style-type: none"><li>a) evaluation and research work</li><li>b) hospital postpartum program</li><li>c) information and communication work</li><li>d) population education in schools</li></ol></li><li>4. <u>Providing an advisory team</u> of 3 foreign advisors for 2 years in management, training and communication.</li></ol>
6. Malaysia 1973	5.0 - Bank (4.3 - UNFPA Grant)	To help Malaysia reduce present population growth rate of 2.5% to 1.5% by 1985 by expanding FP services into rural areas and also by improving the effectiveness of National Family Planning Board and Maternal and Child Health Services.	<ol style="list-style-type: none"><li>1. <u>Construction of 1 regional FP training center</u> for training FP workers.</li><li>2. <u>Construction of 13 paramedical schools</u> to increase number of paramedical personnel</li><li>3. <u>Fellowships</u> for the staff of two population centers and personnel working in program administration.</li></ol>
			<ol style="list-style-type: none"><li>1. <u>Construction of 1 new rural health training center and extension</u> of 1 existing RHTC to expand the existing capacity of in-service training of paramedical personnel from 114 to 288 per annum.</li><li>2. <u>Provision of equipment</u> for production of <u>training material</u></li><li>3. <u>Advisory services and fellowships</u> to assist:<ol style="list-style-type: none"><li>a) MCH/FP integration</li><li>b) production of training material</li><li>c) information and communication work</li><li>d) introduction of population education in schools</li></ol></li></ol>



Country and  
Fiscal Year  
of Loan/Credit

Financing  
(US\$ Million)

Project Goals

Project Components Aimed to Remedy  
Shortage of Trained Personnel

e) evaluation and research work.

4. Management Consultants to study institutional and administrative improvements of FP delivery system.

I. H. Kang  
Population and Nutrition Projects Department  
March, 1973



490/1/129

March 24, 1973

Dear Dan:

You were kind enough to send me recently a copy of a letter from Mr. Teare of Northrup PAGE. I appreciate your letting me know of your concern about this case and giving me an opportunity to comment.

If the circumstances were as described in that letter we would probably not be considering assistance for the telephone system in Indonesia. Like power, this is one of the fields where private capital is available, and indeed where suppliers of equipment are anxious to provide credit. In this particular case, the Government of Indonesia - at the level of the Planning Agency, which has responsibility in these matters - decided that the Page proposal was not acceptable. They did not consult with us before coming to that conclusion, and in deciding to seek the assistance of the Bank Group, they did not say why the Page proposal had been rejected. We can only assume that cost was one factor, as well as the burden such a large repayment obligation would create for Indonesia.

From your knowledge of Indonesia, and your recent visit there, you undoubtedly appreciate the very limited capacity of Indonesia to assume debt. The Aid Group, known as IGGI, with the U.S. in the lead, has made clear that their willingness to provide large amounts of concessional aid is conditional, among other things, on the Indonesians keeping strict control of the amount of debt assumed by public agencies on hard terms. This undertaking is expressed in the annual standby agreement with the IMF, and the limits are very stringent indeed.

My associates have discussed the matter with the Page people in meetings arranged at the latter's request, first in Djakarta and more recently here in Washington. They tell me that contrary to what is said in Mr. Teare's letter they took particular care to stress that the Planning Agency reached its decision on the Page proposal without reference to us.

This is a brief comment on a rather complicated matter. If you would find it helpful, I should be happy to have one or two members of the staff call on you at some convenient time to discuss it in more detail.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Honorable Daniel K. Inouye  
United States Senate  
Washington, D. C. 20510

RJGoodman:RMcN:mss

cc: Mr. Knapp  
Mr. Merriam



490/1/128

His Excellency  
Señor Salvador Allende Gossens  
President of the Republic of Chile  
Santiago, Chile

MAR 3 1973

Dear Mr. President:

I was delighted to hear of the discussions that Mr. Jorge L. Tersoglio had with you and your Government recently regarding the relations between Chile and the Bank. Sharing your concern that these links have not been close in the last few years, I wish to assure you, Mr. President, that the Bank has every desire to maintain cordial relations with Chile and to seek ways to cooperate with your Government, in spite of the current difficulties. To this end, the Bank has taken or proposes to take a series of measures, which I outline below.

First of all, I have instructed the staff of the Bank that until further notice they should give the highest priority to accelerating disbursements on existing Bank loans to Chile. I understand that action has been taken already which should result in more expeditious execution of ongoing projects.

Secondly, I want you to know that I would be quite prepared to consider new project loans to Chile, if your Government were to adopt an economic and financial program - I would hope in consultation with the staff of the International Monetary Fund and the Bank - which would restore Chile's creditworthiness, and if some important progress were to be made toward a settlement of the foreign investment disputes.

Thirdly, I am anxious that in the meanwhile we maintain close working relationships in preparing projects for possible future consideration and in carrying forward activities of technical collaboration. For example, the Economic Development Institute (EDI) of the Bank, which is already training several Chileans in its regular courses, would be prepared to increase the number of Chilean trainees and to organize special training courses for Chileans. For this purpose, if you agree, an EDI representative will travel to Chile to discuss the priority needs of the Government and other public institutions. The Bank could also assist or directly participate in selected research projects carried out in Chilean universities and other research centers. Additionally, Chilean participation could be invited to development seminars organized by the Bank. In this connection, consideration is now being given to organizing a meeting of university professors from Andean countries, to discuss economic development problems and policies and possibly project evaluation techniques. If the Government is interested, the Bank will plan to hold this meeting in Santiago.



His Excellency  
Señor Salvador Allende G.

- 2 -

Finally, in spite of the current difficulties to which I have referred above and which I continue to hope will be temporary, I would have no hesitation in recommending to my Executive Directors a loan to Chile in the amount of, say, \$2-3 million to cover the foreign exchange costs of providing technical assistance for development activities in Chile, including the preparation of feasibility or other pre-investment studies related to future development projects. It seems to us that such requirements might well be identified in fields such as agriculture, livestock and fisheries, education, power, water supply and sewerage, etc. If we could receive your proposals for activities of this kind I would be glad to send a mission to Chile to review them with you and to prepare a loan proposal. When submitting this proposal to our Executive Directors I would want to be in a position to outline in general terms the purposes of the loan, but final agreement on the detailed content of the technical assistance sub-projects could be deferred until after the loan has been approved. I would, of course, want to assure the Executive Directors at the time that such a loan was presented that definite arrangements had been made for the resumption of full debt service on Chile's obligations to the Bank for the calendar year 1973.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Messrs. Tersoglio  
Alter  
Gutierrez  
McNamara's office (2) ✓

EFLari/JBKnapp:nsp  
March 21, 1973



490/1/126

MAR 23 1973

Mr. Philippe de Seynes  
Under-Secretary-General  
for Economic and Social Affairs  
United Nations, New York 10017

Dear Mr. de Seynes:

I am happy to respond to your letter of 30 January 1973 inviting the World Bank Group to provide information concerning our activities aimed at eradicating mass poverty and unemployment. As you know, this aim is of particular interest to the World Bank Group and you will recall that I addressed the subject in my statement to the Economic and Social Council on October 18, 1972.

In the long run no direct efforts against poverty and unemployment can succeed without sustained economic growth. Hence, while the Bank Group is increasingly directing attention and assistance to employment and the distribution of income, the transfer of real resources for development assistance continues to increase. In the five years ending in June 1973, the Bank's lending will have doubled from the previous five years. The increase has been proportionately greater to those countries most in need of assistance: lending will triple to African countries and increase four-fold to the poorest countries (those with average per capita incomes less than \$100). In the five-year period beginning July 1973, the Bank Group proposes to increase its lending by an average of 11% per year, and to shift an increasing percentage of these commitments to International Development Association credits.

However, success in aggregate growth terms -- e.g., achievement of the Second Development Decade's 6% growth target -- would not by itself guarantee a significant advance in the quality of life for the majority of the two billion people in the developing countries. Despite historically unprecedented average rates of growth during the past decade, the poorest groups of most developing countries have not benefited to any significant degree from the increase in national income.

Three broad categories of poverty in the developing world may be usefully distinguished. First, there are the very poor countries which have been designated as the least developed. These twenty five nations with populations totalling 140 million have so little wealth that a more



equitable distribution of income would hardly relieve the poverty of most of the population. Second, there are impoverished geographical regions in some of the larger developing countries -- e.g., the northeast regions of Brazil and of Thailand and the southern republics of Yugoslavia.

The third category is the poverty of the low income strata dispersed among the total population in all developing countries. The condition of the poorest 40% is far worse than national averages suggest. In 10 countries with per capita incomes averaging \$145, the poorest 40% of the population receive per capita incomes of \$50; in another 10 countries the average per capita income of the poorest 40% is \$80, while the average for the whole population is \$275.

The possibilities for focusing external assistance on these problems differ among these categories of poverty. The poorest countries can be given preferential terms for assistance. Within the Bank Group, this is accomplished through the International Development Association, the least developed countries receiving assistance in the form of long-term interest-free IDA credits.

It is much more difficult to improve the prospects of the dispersed poor. The affected groups are heterogeneous and the concrete opportunities for improvement are varied, both within and among countries. The Bank Group's response to the poverty and employment problem is taking the form of (1) new or sharply increased assistance within sectors which are especially relevant to poverty and unemployment; (2) new initiatives within the traditional sectors; and (3) support for new departures in governmental policies.

First, three sectors are particularly significant -- population, education, and urbanization. While not yet a large fraction of total Bank assistance (about 8% of the total in 1972), support to these sectors has increased dramatically in the past several years. Assistance for family planning is a long-term investment in the effort against poverty and unemployment; in most developing countries that effort cannot succeed without reductions in the present high growth rates of population. While education is no panacea for unemployment, education and participation in the benefits of economic growth are positively, and highly, correlated. The extension of educational opportunities to disadvantaged groups is essential for increasing their productive potential. This enhanced human resource base, with complementary measures ensuring employment opportunities, permits substantial increases in the real income of previously disadvantaged groups without sacrifices from other groups or future generations. In urbanization projects the Bank is focusing attention on urban projects likely to help groups which have been largely neglected. A promising innovation is the "site and services" project which facilitates private self-help efforts in housing construction and promises substantial improvements in living conditions from modest public resources.



Secondly, there is a changing emphasis in Bank lending in traditional sectors. A very high proportion of the lowest income groups in all developing countries live in the rural areas. The fraction of Bank lending devoted to agricultural development has been increasing; in 1972 it was about 15% of the total. Within the growing agricultural support there has been a shift from basic infrastructure, such as irrigation, toward on-farm activities such as credit and technical services, and toward support activities such as marketing, storage, seed multiplication, and agricultural research. The average size of holdings by participating farmers in agricultural projects financed by the Bank and IDA has declined. Individual projects increasingly include non-agricultural components and stress integrated agricultural development. The Bank is searching actively for means to further these trends and to attack rural poverty directly, while increasing agricultural production.

The World Bank Group activities will involve many related aspects of development policy, other than projects for which the Bank Group will be providing finance. The Bank will direct attention to poverty and employment issues in its country and sector analysis, as well as in its research and support for preinvestment activities. The implications of widespread poverty and unemployment involve a reconsideration of such questions as the distribution of the costs and benefits of taxation and public expenditures, the role of public works, land tenure arrangements and other institutional questions. In all these cases there is insufficient information available at present. While the Bank cannot fill this gap through its own activities, we have started studies on these questions.

The eradication of mass poverty and unemployment is an enormous task which will occupy all of us in the international agencies throughout the Second Development Decade. We in the World Bank look forward to joining in a cooperative effort towards this object. We shall follow the discussions of the ECOSOC on the subject with great interest.

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

EKHawkins/RHofmeister/MLHoffman/pnn

March 21, 1973

Cleared with and copy to Mr. Stern, Sr. Adv., Dev. Policy  
Mr. Stevenson, Dir., DED

copies: Mr. William Clark, Dir., ER  
Mr. Hawkins, Sr. Adv., DED  
Mr. Franco/Mr. Chatenay, IRD  
Mr. Steuber, Paris Office  
Mr. McNamara's files (2)



490/1/121

March 22, 1973

Excellency:

Mr. McNamara was very pleased and touched by your thoughtfulness in sending photographs from his recent visit to Dubai.

Please convey to His Highness, The Ruler, Mr. McNamara's affection and best wishes. He would like once more to express his sincere thanks for the warm hospitality extended during his visit to Dubai.

Sincerely,

Anders Ljungh  
Personal Assistant to Mr. McNamara

His Excellency  
Sayyed Humeid Bin Draï  
Chief of Protocol  
Government of Dubai  
Dubai (Trucial States)



490/1/120

Mr. Luis Ugueto

March 21, 1973

Robert S. McNamara

Impact of Recent Currency Changes

I am responding to your memorandum of March 8. You are raising two sets of questions: What "numeraire" should the Bank use as its unit of account and how would the use of SDRs affect the financial projections? Are the Bank and the Fund following a uniform procedure in the valuation of assets and liabilities held in floating currencies and should they use a uniform procedure?

The Bank's Unit of Account

This question was considered last year at the time of the first devaluation of the US dollar and, as you know, was brought up again in recent meetings of the Executive Directors. It was taken up last month also in a meeting of the Joint Audit Committee for which the Controller prepared the attached memorandum dated February 23, 1973. As discussed in the memorandum, our view is that for the present the advantages of continuing the use of the dollar as the Bank's unit of account outweigh the advantages of changing to the SDR but that this position needs to be reviewed once the shape of future international monetary arrangements has become clearer.

The Controller's memorandum contains in paragraph 7 and in the appendix table a summary of how the use of the SDR as the Bank's unit of account would affect the financial projections. To update this material, I have asked the staff to prepare additional tables (also attached) which show the balance sheet and statement of income and expense projections for the Bank and IDA for FY73 side by side first in 1973 dollars and then in SDRs. The underlying principles remain the same, but the order of magnitude of the impact changes on account of the further depreciation of the dollar in terms of gold and SDRs.

Valuation of Floating Currencies

In the valuation of assets and liabilities held in floating currencies, the Bank and the Fund do not follow the same procedure. Until now, the Bank has not recognized floating rates. Instead we have used for the valuation of assets and liabilities held in the respective currencies the IMF par value or central rate or, in cases in which neither value had been established, the rate at which the member country paid its 9% capital subscription. Until recently, this procedure allowed a reasonably realistic valuation of the underlying assets and liabilities. Now that the number of currencies which are floating, the spread between their market rates and prior par values or central rates and the share of these currencies in the various categories of assets and liabilities are



March 21, 1973

greater than they were in the past, we propose to change the procedure and to apply in future in the case of currencies which are floating the market rates as of the end of each quarterly accounting period. The Fund's practice is to value its holdings of members' currencies at agreed par values or provisional rates communicated to the Fund by each member. For members who are not maintaining their exchange rates within the margins of 1 per cent of the established par values, and whose currencies are used in Fund transactions, the Fund revalues its holdings of such currencies at the representative rates (floating rates) communicated by the members two business days prior to the value date of an operation. These currency holdings are also adjusted at other intervals based on the representative rates as circumstances require.

The Bank's procedures are influenced mainly by the goal to present in the accounts the dollar value of the non-dollar assets and liabilities on a realistic basis and the fact that the maintenance of value obligations apply only to the 9% portion of paid-in capital (and the 90% portion of callable capital), which is to say that the valuation of currency holdings between reporting periods or the dates on which par value or central rate changes are announced is relatively less important. In the Fund's case, on the other hand, the procedures reflect the fact that valuation of a currency is necessary each time a transaction involving that currency takes place and that the maintenance of value obligations apply to the whole of the Fund's holdings of a given currency which makes it much more important to have an accurate value of the various currencies in the accounts at least at regular short intervals.

In sum, therefore, the differences in the financial structures of the two institutions and in the maintenance of value provisions lead to somewhat different procedures used by them in the valuation of assets and liabilities held in floating currencies.

(Signed) Robert S. McNamara

Attachments

cc: Messrs. Aldewereld  
Broches  
Gabriel

VChang:SA:ldb





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

490/1/199

OFFICE OF THE PRESIDENT

MAR 21 1973

Dear Governor:

On behalf of the Executive Directors, Officers and Staff, I would like to express our pleasure at your reappointment to the Board of Governors of the International Bank for Reconstruction and Development as Alternate Governor for Kuwait.

We look forward to your continued participation in our activities and assure you of our cooperation.

With kind regards,

Sincerely,

*Robert S. McNamara*

Robert S. McNamara

Mr. Abdlatif Y. Al-Hamad  
Director General  
Kuwait Fund for Arab Economic  
Development  
P.O. Box 2921  
Kuwait, State of Kuwait

*Margaret and I carry warm  
memories of the  
hospitality of the  
Al-Hamad's.  
Best wishes to you both  
RSM*



490/1/118

MAR 21 1973

To: Mr. Byong H. Shin

Subject: IDA Assistance for Korea

I am sorry that I could not reply earlier to your memorandum of March 5, but as you know I have been away from Washington.

The decision as to how our limited IDA funds should be shared among the potential claimants has always been a very difficult one. In general, as my recent memorandum on IDA lending policies indicated, we have thought it right to allocate an increasing share to the really poor countries, particularly those that are the least developed and that have limited capacity to service debt. As the ability of these countries to use IDA funds effectively has increased, the amounts available for what I would call the marginally eligible countries has tended to shrink. For the next fiscal year we have a particularly difficult problem in that we shall have to provide substantial amounts for Bangladesh and may well have to make some contribution towards the postwar needs of the Indochina countries. In the circumstances, we have had to re-examine our ability to continue allocating any share of IDA funds to the marginal countries, of which Korea is clearly one.

In reviewing the case of Korea I was of course aware of the fact that it is still a relatively poor country and that with its excellent performance it continues to meet two of the criteria we apply in deciding IDA eligibility. I might say in this connection that while I understand your puzzlement about the application of the performance test I would not regard it as a "perverse" criterion. Obviously, countries that are doing well will cease to need IDA assistance at some stage, and there are a number of examples of countries that have ceased to receive IDA credits well before their per capita income reached the cut-off point. In East Asia the Republic of China is such an example. I hope you would agree that the spirit of IDA is that countries should be prepared to see their share of funds go to others less well placed just as soon as their situation warrants the assumption of aid entirely on conventional terms.

As to our judgment on this point in Korea's case, you are quite right that a couple of years ago we were concerned about the rapidly growing resource gap which your government was financing, or permitting the private sector to finance, with rather short-term credits. We attributed this problem to the laudable desire of your government



that the economy should grow at a fast rate, but a rate which seemed to us to be excessive. I know that this view was shared by the Minister of Finance at the time when I talked with him at the 1971 Annual Meeting, and I am delighted that towards the end of last year your government, no doubt in large measure at his urging, decided to adopt a stringent stabilization program. I am told by my associates that, partly as a result of the stabilization measures and partly owing to external factors, the economy is now growing at the more modest rate of 8 to 9% envisaged in the current Five Year Plan. If this rate is maintained for the next two or three years, as is your government's intention, then we feel that a somewhat faster rate of growth should be feasible during the next Plan period while still permitting a significant reduction in the debt service burden.

A few figures will illustrate this point. Assuming that exports grow at 27% a year between now and 1976, as assumed in the Plan, and drop during the succeeding Plan to only half that rate of growth, which we consider to be realistic, then the gross borrowing requirement will remain at around its present level of \$900 million a year through 1975 and will decline thereafter. The speed with which the decline takes place will depend upon the pace of economic growth after 1976. With a 10% growth of GNP the borrowing requirement will drop to around \$280 million in 1980, while with an 11% growth the requirement will be around \$700 million in that year. In both cases, however, the debt service ratio will have peaked in 1971 at about 19% and will decline gradually to 12 to 14% by 1980. In making these projections, we have assumed a level of imports consistent with the growth of the economy and the present mix of approximately 60% of official aid and 40% private borrowing. However, we have also assumed some hardening of the terms of official aid to allow for a substitution of loans on Bank terms for IDA credits and for some of the soft aid now available from the United States and Japan.

If these projections are even approximately correct, and I am assured that if anything they are on the conservative side, it is difficult for me to justify the earmarking for Korea of the small amount of IDA funds that we could at best make available. Much more important in my view is that we should provide a substantial amount of Bank lending. As I am sure you know, I hope to bring projects to the Board this fiscal year which would make a total of almost \$200 million for the year. This will indeed be exceptionally high, but we should be able to lend well over \$100 million in each of the next year or two, assuming the projects come along as planned.

(Signed) Robert S. McNamara

Robert S. McNamara

cleared with and cc: Mr. Knapp )  
cc: Mr. Cargill) with incoming  
cc: Mr. Chenery)

RJGoodman/rf



490/1/115

March 20, 1973

Dear Mr. Minister:

Thank you for your kind letter of March 9, 1973, in which you outlined the arrangements agreed with the staff of the International Development Association for setting the interest rate and adjusting the principal of loans made to ranchers from the proceeds of our third livestock development credit to Bolivia.

In my letter of December 1, 1972 to you, I expressed the hope for an early resolution of the interest rate problem. I am very pleased to learn that it has been possible to reach an agreement satisfactory to all parties. Mr. Wiese will write you shortly to formalize the arrangements.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Lic. Luis Bedregal Rodo  
Minister of Finance  
Ministry of Finance  
La Paz, Bolivia

cc: Messrs. Alter  
Goffin  
van der Heijden o/r  
Mr. McNamara's Office (2)

JFajans:ak



OUTGOING WIRE

TO: HERR BUNDESMINISTER ERHARD EPPLER  
MINISTER FOR ECONOMIC COOPERATION  
MINISTRY FOR ECONOMIC COOPERATION  
D-5300 BONN

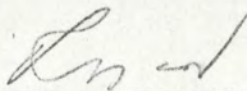
DATE: MARCH 20, 1973

CLASS OF  
SERVICE: LT

COUNTRY: GERMANY

TEXT:  
Cable No.:

MAY I SAY HOW GRATEFUL I AM FOR THE WAY IN WHICH YOU RESPONDED TO THE REQUEST  
MADE IN MY CABLE TO YOU OF MARCH 6 (PARAGRAPH) THE STATEMENT MADE BY HERR  
MOLTRECHT ON YOUR BEHALF AT THE LONDON MEETING OF DEPUTIES WAS MOST HELPFUL  
(COMMA) AND CONTRIBUTED GREATLY TO THE BUILDING UP OF A STRONG BODY OF  
OPINION IN FAVOR OF A HIGH LEVEL OF REPLENISHMENT (PERIOD) I HOPE VERY MUCH  
THAT THIS WILL HAVE ITS EFFECT ON THE ATTITUDE OF OTHER DONORS (PARAGRAPH)  
WITH MY BEST THANKS AND WARM PERSONAL REGARDS

  
ROBERT S. MCNAMARA  
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Robert S. McNamara

DEPT. President

SIGNATURE \_\_\_\_\_  
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: IDA 4 Replenishment

DHFRickett:emcc

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Stedtfeld, Executive Director  
Mr. Adler, P & B

For Use By Communications Section

Checked for Dispatch: \_\_\_\_\_



## OFFICE MEMORANDUM

490 11/112

TO: Executive Directors

FROM: Robert S. McNamara

SUBJECT: Study of Expropriation Policy

**DECLASSIFIED** DATE: March 19, 1973

~~CONFIDENTIAL~~  
**OCT 22 2012**

**WBG ARCHIVES**

Mr. Roland Brown, an English barrister, is presently in Washington on a Ford Foundation grant for study of certain legal aspects of the Bank's operations, in particular our policy on expropriation. Mr. Brown was the Attorney General of the Territory of Tanganyika when it became independent in 1961 and has more recently worked with the Tanzanian Government as a special legal adviser. In this capacity he has been involved in several expropriation questions in which the Bank was interested and has had access to various Bank documents relevant to our policy. He has asked us to provide additional documentation that would help him in his work. To ensure that the study will be based on accurate information, we propose to release to him a number of Bank documents which have been given general distribution to the Executive Directors and through them to member governments.

*Robert S. McNamara*

Distribution:

Executive Directors and Alternates  
President's Council

President has seen



490 / 1 / 110

March 19, 1973

Dear Ms. Harris:

Thank you very much for your letter inviting Mr. McNamara to speak at a UN Association event. Unfortunately, Mr. McNamara's schedule does not include any visits to Britain in the near future, but we will certainly keep the invitation in mind when a suitable occasion arises, knowing the importance of the work performed by your organization.

Sincerely,

Anders Ljungh  
Personal Assistant to  
Mr. McNamara

Ms. Irene Harris  
Appeals Director  
United Nations Association  
of Great Britain and Northern Ireland  
93 Albert Embankment  
London SE1 7TX, England

AL:mss



490/1/108

MAR 9 1973

Dear Mr. Reinhardt:

This is to acknowledge with thanks your letter of January 31, 1973, regarding our expropriation policy, which was brought to my attention on my return recently from a trip to the Middle East.

As you doubtless know, I have also received a letter of the same date on the same subject from Dr. Abs.

I note that you have asked your working group to study the comments we made on individual cases and that you will revert to them in due course. I would be interested to receive any further comments you may have on these cases. As I wrote in my reply to Dr. Abs, either I or my colleagues would be happy to discuss these matters with you or your representatives again.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. E. Reinhardt  
President, Association Internationale  
pour la Promotion et la Protection  
des Investissements Prives en  
Territoires Etrangers  
Paradeplatz 8  
8021 Zurich, Switzerland

LNurick:vv  
March 9, 1973

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

Cleared with Mr. Broches



490/1/107

MAR 9 1973

Dear Dr. Abs:

This is to acknowledge with thanks your letter of January 31, 1973, regarding our expropriation policy, which was brought to my attention on my return recently from a trip to the Middle East.

You make three general observations. As to your first observation, you state that we rely primarily on information supplied by governments applying for loans regarding their efforts to settle expropriation claims and suggest that we should establish a procedure whereby an expropriated investor could make his views known directly to the Bank. When an expropriation dispute is brought to our attention which we think warrants study, we do not primarily confine ourselves to obtaining information about it from the government of the expropriating country. The views of the government of the expropriated investor are usually made known to us by that government, particularly if the dispute is regarded by them as a serious one which may affect our lending operations. In many cases we also obtain the views of the investor himself, either because the investor makes them known to us of his own accord or because we invite him to do so. (Indeed, although not strictly relevant to the point you raise, it should be noted that in cases involving claims arising from defaulted bond issues, we usually have obtained the views of the bondholders' council involved.) We have not believed it advisable to establish a formal procedure describing the manner in which we investigate these claims, preferring to investigate and deal with them as the particular circumstances warrant. A formal procedure would appear to put us in the role of both an investigatory and judicial tribunal, a role which might well be self-defeating and counterproductive. I think that the informal procedures we have followed have not prejudiced our ability to obtain enough information about these claims in order to be able to deal with them properly.

As to your second and third observations, it seems to me that they deal with matters as to which I have already expressed our views and I need not elaborate on them further in this letter, although as I said in my letter of December 13, 1972 to you, either I or my colleagues would be happy to discuss these matters with you or your representatives again.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Hermann J. Abs  
Junghofstrasse 5-11  
Frankfurt (Main)  
Federal Republic of Germany

(Mar. 9, 1973) I.Nurick:vv

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

(Cleared with Mr. Broches)



h 90/1/106

Le 9 mars 1973

Monsieur le Premier Ministre,

Je vous remercie de votre lettre du 16 février 1973, qui réaffirme la volonté du Gouvernement de Sa Majesté le Roi de doter l'ONEP des attributs nécessaires à son bon fonctionnement.

Nous sommes tout particulièrement encouragés par l'assurance que vous avez donnée à Messieurs Hartwich et Springuel que les mesures réellement indispensables seront prises et que l'usage le plus efficace possible des moyens les meilleurs sera fait pour que le prêt (850-MOR à l'ONEP) trouve sa justification économique dans le cadre de la souveraineté nationale du Maroc, de telle sorte que l'ONEP réponde effectivement aux finalités qui lui ont été assignées par le Gouvernement Marocain lors de la signature de l'Accord sus-visé. Je ne doute pas que le Gouvernement pourra bientôt informer la Banque des mesures qu'il a prises; c'est dans cette attente que la Banque a reporté la date-limite de mise en vigueur de l'Accord de Prêt au 20 avril 1973.

Je suis également très sensible à l'appréciation que vous avez exprimée, au sujet des opérations effectuées par la Banque en vue de participer au développement économique du Maroc.

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

Robert S. McNamara

Son Excellence  
Ahmed Osman  
Premier Ministre  
Rabat, Maroc

GHHomsi/RHSpringuel:lo  
March 7, 1973



690/1/105

MAR 9 1973

Mr. Richard A. Debs  
Vice President  
Federal Reserve Bank of New York  
33 Liberty Street  
New York, New York 10045

Dear Mr. Debs:

Pursuant to paragraph 3 of the Fiscal Agency Agreement between the International Bank for Reconstruction and Development and the Federal Reserve Bank of New York, you are hereby authorized and instructed to authenticate and to deliver on or after March 15, 1973 to a representative of each of the purchasers set forth in Schedule A hereto the respective principal amount of Two Year Bonds of 1973, due March 15, 1975 of the International Bank for Reconstruction and Development, set forth in said Schedule with respect to such purchaser. Each such delivery is to be made upon receipt by you of 5.20% Two Year Bonds of 1971, due March 15, 1973, of the Bank or of Federal Reserve Bank of New York funds for our account of an amount equal to the principal amount of Bonds allotted to each such purchaser as set forth in said Schedule plus, in the event all or a portion is to be paid in Federal Reserve Bank of New York funds, accrued interest on such portion at 6-3/4% per annum from March 15, 1973 to the date of delivery of the Bonds in each instance.

Authorized denominations and numbering of such Bonds are as follows: registered Bonds without coupons in denominations of \$1,000 and any multiple thereof, to be numbered ABRB 1 and upwards; and \$1,000, \$10,000 and \$100,000 denomination coupon Bonds to be numbered, respectively, ABM 1, ABX 1 and ABC 1, and upwards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara  
President

Eugene H. Rotberg  
Treasurer

cc and cleared with: Mr. Mwine  
cc: Messrs. Rotberg  
Hittmair  
Deely/SecDivFiles

DEHarris:ktp  
March 7, 1973



**DECLASSIFIED**

~~CONFIDENTIAL~~  
OCT 27 2012

SCHEDULE A

**WBG ARCHIVES** PURCHASERS OF INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
6-3/4% TWO YEAR BONDS OF 1973, DUE MARCH 15, 1975

<u>Purchaser</u>	<u>Amount</u>
The Government of Abu Dhabi Abu Dhabi, United Arab Emirates	\$ 500,000
La Banque Centrale d'Algerie Algiers, Algeria	2,000,000
Banco Central de la Republica Argentina Buenos Aires, Argentina	5,000,000
Reserve Bank of Australia Sydney, Australia	10,000,000
Oesterreichische Nationalbank Vienna, Austria	2,500,000
Bangladesh Bank Dacca, Bangladesh	1,000,000
Banque Nationale de Belgique Brussels, Belgium	15,000,000
Banco Central de Bolivia La Paz, Bolivia	500,000
Banco Central do Brasil Brasilia, Brasil	14,000,000
Bank of Canada as Fiscal Agent of the Government of Canada Ottawa, Ontario, Canada	12,500,000
Central Bank of China Taipei, Taiwan, Republic of China	2,000,000
Banco de la Republica Bogota, Colombia	1,000,000
Central Bank of Cyprus Nicosia, Cyprus	1,500,000
Danmarks Nationalbank Copenhagen, Denmark	2,000,000
Banco Central de Reserva de El Salvador San Salvador, El Salvador	200,000



**DECLASSIFIED**

~~CONFIDENTIAL~~

OCT 22 2012

- 2 -

SCHEDULE A

Purchaser

~~WBG ARCHIVES~~

Amount

National Bank of Ethiopia  
Addis Ababa, Ethiopia

\$ 2,000,000

Bank of Finland  
Helsinki, Finland

5,000,000

Banque de France  
Paris, France

3,000,000

Bank of Ghana  
Accra, Ghana

300,000

Bank of Greece  
Athens, Greece

1,000,000

Bank of Guyana  
Georgetown, Guyana

500,000

Banco Central de Honduras  
Tegucigalpa, Honduras

250,000

Central Bank of Iceland  
Reykjavik, Iceland

2,000,000

Reserve Bank of India  
Bombay, India

1,000,000

Government of India  
(India Supply Mission  
Washington, D.C.)

1,500,000

Bank Markazi Iran  
Tehran, Iran

6,000,000

Central Bank of Ireland  
Dublin, Ireland

1,000,000

Bank of Israel  
Jerusalem, Israel

2,000,000

Ufficio Italiano dei Cambi  
Rome, Italy

10,000,000

The Bank of Japan  
Tokyo, Japan

5,000,000

Central Bank of Jordan  
Amman, Jordan

2,000,000

Central Bank of Kenya  
Nairobi, Kenya

2,000,000



**DECLASSIFIED**

**CONFIDENTIAL**

- 3 -

SCHEDULE A

**OCT 22 2012**

Purchaser

Amount

**WBG ARCHIVES**

The Bank of Korea Seoul, Republic of Korea	\$ 1,000,000
Central Bank of Kuwait Kuwait, State of Kuwait	1,000,000
Central Bank of Libya Tripoli, Libyan Arab Republic	10,000,000
Bank Negara Malaysia Kuala Lumpur, Malaysia	2,000,000
Bank of Mauritius Port Louis, Mauritius	200,000
Banco de Mexico, S.A. Mexico, Mexico	10,000,000
Banque du Maroc Rabat, Morocco	200,000
Nepal Rastra Bank Kathmandu, Nepal	1,000,000
De Nederlandsche Bank N.V. Amsterdam, The Netherlands	3,000,000
Central Bank of Nigeria Lagos, Federal Republic of Nigeria	2,000,000
Norges Bank Oslo, Norway	9,000,000
Oman Currency Board Muscat, Sultanate of Oman	1,000,000
Banco Central de Reserva del Peru Lima, Peru	1,000,000
Central Bank of Philippines Manila, Philippines	200,000
The Government of Qatar Doha, Qatar	100,000
Saudi Arabian Monetary Agency Jeddah, Saudi Arabia	20,000,000
The Monetary Authority of Singapore Singapore, Republic of Singapore	2,000,000



**DECLASSIFIED**

**CONFIDENTIAL**

- 4 -

SCHEDULE A

**OCT 22 2012**

Purchaser

Amount

<b>WBG ARCHIVES</b> South African Reserve Bank Pretoria, Republic of South Africa	\$ 1,000,000
Instituto Espanol de Moneda Extranjera Madrid, Spain	2,000,000
Bank of Sudan Khartoum, Sudan	100,000
The Bank of Tanzania Dar es Salaam, United Republic of Tanzania	3,000,000
Bank of Thailand Bangkok, Thailand	10,000,000
Central Bank of Trinidad and Tobago Port-of-Spain, Trinidad and Tobago	250,000
Bank of Uganda Kampala, Uganda	1,000,000
Bank of England London, England	20,000,000
Banco Central de Venezuela Caracas, Venezuela	10,000,000
National Bank of Viet-Nam Saigon, Viet-Nam	1,000,000
Bank of Yemen Aden, People's Democratic Republic of Yemen	3,000,000
Banque Nationale de Yougoslavie Belgrade, Yugoslavia	3,000,000
Bank of Zambia Lusaka, Zambia	4,000,000
Bank for International Settlements Basle, Switzerland	700,000
The Government of New Zealand Wellington, New Zealand	2,000,000
Reserve Bank of New Zealand Wellington, New Zealand	1,000,000



490/1/103

MAR 7 1973

Dear Mr. Minister:

You will now have received a message from me sent through Mr. Hattori, your Executive Director, saying that I plan to visit Japan from April 18th to April 20th next.

The timing of my visit seems to me to be particularly fortunate coming as it does shortly before the Third Meeting of the Deputies for the IDA Fourth Replenishment which, as you know, is to take place in Tokyo on May 1st and 2nd. This will almost certainly be the decisive meeting in the replenishment negotiations and you will not be surprised if I say that I look upon the Japanese role in these negotiations as being of critical importance. The United States is facing quite unusual difficulties in the Congress over foreign aid of all kinds and over multilateral aid in particular. We shall have a hard task to work out an arrangement which will produce the kind of total that IDA needs and must have, and at the same time provide for some readjustment of the share in contributions of individual countries. Obviously the recent currency changes will be a complicating factor in this situation.

We have had a number of preliminary discussions with your representatives and it is no secret that we hope to secure your support for a very substantial increase not only in the amount of the replenishment but also in the Japanese share. I know that I can count on you to take an imaginative and far-sighted attitude towards this problem.

I shall look forward with great pleasure to my meeting with you in Tokyo and to having an opportunity to discuss these questions with you fully at that time.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Kiichi Aichi  
Minister of Finance  
Ministry of Finance  
Tokyo, Japan

Copy to Mr. Hattori, Executive Director

cc: Mr. McNamara's Office (2)  
cc: Mr. Adler, P & B  
Cleared with and " " " " Mr. Soejima, Tokyo Office

DHFRickett:emcc  
IDA4



490/1/102

MAR 7 1973

Dear Dr. Nayudamma:

Thank you very much for taking the time and trouble to give us the benefit of your wisdom and experience at the management seminar on industrial technology last week. I very much appreciated your remarks, as well as the opportunity to peruse the texts with which you provided me and the others attending the seminar. Thank you also for the excellent tie and parchment figure which you were kind enough to present to me.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Y. Nayudamma  
Council of Scientific and Industrial Research  
Rafi Marg  
New Delhi.

CWeiss:lka  
3/6/73

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



490/7/101

MAR 7 1973

Son Excellence  
Monsieur François Tombalbaye  
Président de la République  
Fort Lamy, Tchad

Monsieur le Président,

Je vous remercie vivement de votre lettre du 3 février et de l'exposé très complet que vous avez bien voulu me faire sur les problèmes économiques très difficiles que rencontre actuellement votre gouvernement. Je suis très sensible à la confiance que vous accordez à nos institutions et puis vous assurer que nous ferons tout ce qui est en notre pouvoir pour renforcer notre coopération et vous aider dans la réalisation des objectifs que vous vous êtes assignés pour le développement de votre pays et l'amélioration du niveau de vie de sa population.

Comme vous l'avez vous-même souligné, nous aussi sommes préoccupés par les problèmes financiers qui peuvent gêner la réalisation de vos objectifs de développement et qui dès maintenant affectent l'exécution de projets déjà financés par nous, à savoir le projet d'entretien routier, les deux projets d'éducation et le projet d'élevage pour lequel un crédit de 2,2 millions de dollars a été approuvé par notre Conseil d'administration au début de 1972. Je suis pleinement conscient des difficultés qu'éprouve votre gouvernement à dégager les fonds de contrepartie nécessaires à la bonne exécution de ces projets. Nous nous rendons compte que ces difficultés sont partiellement imputables à des circonstances indépendantes de votre volonté; c'est pourquoi, dans la mesure où les autorités tchadiennes font les efforts nécessaires pour la solution de ces problèmes, sommes-nous prêts à étudier les mesures permettant de faciliter la relance de ces projets.

Les projets qui ont été les plus touchés sont les deux projets d'éducation qui ont fait l'objet d'une série de discussions entre les services de la Banque et les représentants de votre gouvernement, notamment en janvier dernier à Fort Lamy à l'occasion d'une mission de supervision d'un expert de notre Département Education.



Son Excellence  
Monsieur François Tombalbaye

- 2 -

A l'issue de ces discussions, un certain nombre de modifications ont été envisagées en ce qui concerne la composition de ces deux projets; ces changements sont de nature à assurer la bonne exécution des projets sans en compromettre l'esprit ni l'influence qu'ils doivent avoir sur le développement de votre pays. J'espère soumettre prochainement ces propositions à l'approbation de notre Conseil d'administration.

J'ai noté avec sympathie, Monsieur le Président, votre demande visant à ce que la Banque envoie bientôt une mission à Fort Lamy afin de discuter avec votre gouvernement du rôle que la Banque pourrait jouer dans les années à venir en faveur du développement économique de votre pays. Je pense que ces discussions pourraient avoir lieu à l'occasion d'une revue plus détaillée, à Fort Lamy, des conclusions du rapport de notre mission économique de l'an dernier. Nous avons déjà envoyé des exemplaires du rapport à la Direction du Plan et avons proposé que des discussions aient lieu à Fort Lamy dans le courant du mois d'avril prochain. Compte tenu de votre recommandation, ces discussions ne devraient pas se limiter à l'examen des questions générales, mais devraient également porter sur l'exécution des projets en cours et sur le programme d'opérations et de financement que nous envisageons de réaliser au cours des prochaines années. Cette mission comprendrait donc outre M. Westebbe, l'économiste principal qui avait dirigé notre dernière mission économique, le chef de la Division des Programmes qui suit nos opérations au Tchad, ou son principal adjoint.

En ce qui concerne votre demande relative au détachement d'un expert en matière économique et financière, notre mission d'avril pourra en discuter de façon plus détaillée avec vous pour déterminer dans quelle mesure et sous quelle forme nous pourrions vous assister dans ce domaine.

Je voudrais conclure, Monsieur le Président, en exprimant l'espoir que, maintenant que votre gouvernement a réussi dans une large mesure à résoudre les problèmes de sécurité qui vous ont préoccupé au cours des dernières années, il sera désormais possible à votre pays de consacrer ses énergies et ses ressources aux importantes tâches du redressement économique et financier. De la même façon, vous pouvez compter sur notre appui pour la réalisation de cet objectif.

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

(Signed) Robert S. McNamara

Robert S. McNamara

CVEMunthali/RWestebbe/RAssa/  
XdeLaRenaudière:sjb

cc: Mr. Kochman (Executive Director)

3/6/73



ENGLISH TRANSLATION

His Excellency  
François Tombalbaye  
President of the Republic of Chad  
Fort Lamy  
Chad

Dear Mr. President,

I would like to thank you for your letter of February 8 and for the most comprehensive statement of the economic problems with which your Government is faced. I am most grateful to you for the confidence which you have shown in our institutions, and I would like to assure you that we will do everything possible to assist you in your efforts to develop the country and raise the standard of living of its people.

As you have so correctly noted, we, too, are concerned about the financial problems which are inhibiting the achievement of your development objectives, and which are adversely affecting the execution of projects for which the Bank has already provided financial assistance, namely the highway maintenance project, the two education projects and the livestock development project for which a credit of \$2.2 million was approved by our Board of Directors early in 1972. I am well aware of these problems which, as you have pointed out, stem from your Government's lack of local financial resources, partly caused by circumstances beyond your control, and the resultant inability to find counterpart funds necessary for the successful implementation of these projects. We are prepared to study measures which will make it possible for the execution of these projects to go ahead again.

The projects which have been most affected in this manner are the two education projects which have been the subject of a series of discussions between the staff of the Bank and representatives of your Government. The most recent of these discussions took place in Fort Lamy last January when a member of our Education projects technical staff visited Chad to review progress on the execution of these projects. Following from these discussions a number of changes, which I hope shortly to present to our Board of Directors for consideration, have been proposed in the content of the projects. The proposed changes are intended to ensure the successful implementation of the projects without adversely altering their spirit and their intended impact on the country's development.



We welcome, Mr. President, your request for a Bank mission to visit Chad in the near future for discussions with your Government on the Bank's future role in the economic development of your country. I think that such discussions could take place in Fort Lamy at the time of the proposed review of the conclusions of the report of our economic mission which visited Chad last year. We have already sent copies of the report to the Directorate of the Plan, and have suggested that discussions take place in Fort Lamy sometime in the month of April this year. It is our intention that these discussions should cover not only general economic matters, but that opportunity should also be taken to discuss existing operations and to explore possible future projects. The mission would comprise Mr. Westebbe, Senior Economist, who was leader of the economic mission and the Programs Division Chief in charge of our operations in Chad, or his assistant.

With regard to your request for an economic and financial expert, we suggest that our mission of next April should discuss with you , in detail in what way we could assist you in this field.

I would like to conclude, Mr. President, by expressing the hope that, now that your Government has succeeded, in large measure, in solving the internal security problem with which you have preoccupied yourself during the past several years, it will be possible for your country to direct its energies and resources to the task of solving economic and financial problems. You can count on our support for the realization of these objectives.

Yours sincerely,

Robert S. McNamara



490 / 1/100

DR. EPPLE  
MINISTER FOR ECONOMIC COOPERATION  
MINISTRY FOR ECONOMIC COOPERATION  
  
D-5300 BONN  
  
GERMANY

MARCH 6, 1973

LT

SINCE MY MEETING WITH YOU IN BONN (COMMA) WE HAVE BEEN IN TOUCH WITH OTHER PART ONE COUNTRIES TO TRY TO MOBILIZE AS SUBSTANTIAL A BODY OF SUPPORT AS POSSIBLE AT THE LONDON MEETING IN FAVOR OF A REPLENISHMENT OF IDA AT A HIGH LEVEL (PERIOD) THESE CONTACTS ARE CONTINUING BUT THERE SEEM ALREADY TO BE A NUMBER OF COUNTRIES WHO WOULD EXPRESS SUPPORT FOR THE FIGURE YOU MENTIONED TO ME IN BONN (COMMA) NAMELY 1500 MILLION PRE-DEVALUATION DOLLARS (PARAGRAPH) I KNOW THAT YOU TOLD ME THAT THIS WAS YOUR OWN VIEW AND THAT IT STILL NEEDED TO BE AGREED FINALLY WITH YOUR COLLEAGUES (PERIOD) IF THERE IS NOT TIME FOR SUCH FULL AND FINAL AGREEMENT BEFORE THE LONDON MEETING (COMMA) IT WOULD NEVERTHELESS BE MOST HELPFUL IF YOUR REPRESENTATIVE COULD MENTION THE FIGURE OF 1500 MILLION PRE-DEVALUATION DOLLARS AS BEING THE SORT OF FIGURE TO WHICH (COMMA) IN YOUR VIEW AS THE MINISTER RESPONSIBLE (COMMA) GERMANY SHOULD BE PREPARED TO CONTRIBUTE AT THE LEVEL OF ITS PRESENT SHARE (PERIOD) HE COULD ADD THAT THIS STATEMENT WOULD HAVE TO BE CONFIRMED LATER (PARAGRAPH) I HOPE VERY MUCH THAT YOU MAY FEEL ABLE TO AUTHORIZE YOUR REPRESENTATIVE TO SPEAK ON THESE LINES (PERIOD) A STATEMENT OF A QUALITATIVE KIND (COMMA) HOWEVER

(CONTINUED ON PAGE 2)

Mr. Robert S. McNamara

cc: Mr. Fritz Stadtfeld, Executive Director  
Mr. John Adler, P & B

IDA 4 Replenishment

DHFRickett:emcc



DR. EPPLER

MARCH 6, 1973

LT

GERMANY

PAGE 2

POSITIVE (COMMA) WHICH MENTIONED NO PARTICULAR FIGURE WOULD I FEAR WEAKEN  
SERIOUSLY THE CONSENSUS WHICH WE ARE TRYING TO BUILD UP AT THE LONDON MEETING  
(PARAGRAPH) THERE WILL OF COURSE BE NO DECISION IN LONDON SINCE THERE WILL  
BE IMPORTANT CONTRIBUTORS (COMMA) INCLUDING THE UNITED STATES (COMMA) WHO  
WILL NOT TAKE A POSITION (PERIOD) THE PURPOSE OF THE MEETING WILL BE (COMMA)  
AS YOU AND I AGREED IN BONN (COMMA) TO ENCOURAGE OTHER CONTRIBUTORS TO MOVE  
CLOSER TO THE POSITION ADOPTED BY THE COUNTRIES FAVORING A HIGH LEVEL OF  
REPLENISHMENT (PERIOD) WARMEST REGARDS

(Signed) Robert S. McNamara

ROBERT S. MCNAMARA  
INTBAFRAD

Mr. Robert S. McNamara

cc: Mr. Fritz Stedtfeld, Executive  
Director

Mr. John Adler, P & B

IDA 4 Replenishment

DHFRickett:emcc



490/1/99

MAR 6 1973

Dear L.K.:

I have just learnt of the death of Pitamber Pant. I did not know him well but met him on my visits to India and formed the impression of him as an outstanding person. Of course, the many members of the Bank staff who worked with him over the years have told me of his great abilities and his humanity. I would be grateful if you would convey to your Government and to his family the loss which the Bank feels at the passing away of a dedicated public servant.

Best regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
L.K. Jha  
The Ambassador of India  
Washington D.C. 20035

cc: Mr. McNamara's office (2)

IPMCargill:plc



490 / 1/98

MAR 6 1973

His Excellency  
Valery Giscard d'Estaing  
Minister of Economy and Finance  
Ministry of Economy and Finance  
93 rue de Rivoli  
F-75001 Paris  
France

Dear Mr. Minister:

This is in response to your letter of February 19, containing observations about the Consultative Group on International Agricultural Research and sending me information about a proposal for a project in Upper Volta aimed at control of the vector of Trypanosomiasis.

As one of the sponsors of the Consultative Group, the Bank, let me assure you, is keenly aware of the importance of French agricultural research institutions. The expertise of these institutions already is making its contribution in the Group's endeavors: officials of O.R.S.T.O.M. and I.R.A.T., for instance, are serving on the governing boards of several of the international agricultural research centers being supported by the Group. On a more general plane, the whole Group is benefiting from the participation of a French official of I.E.M.V.T. in the Group's Technical Advisory Committee.

It is the expectation of the members of the Consultative Group that the links between the international research network and national institutes, including those benefiting specifically from French support, will be strengthened. The International Institute of Tropical Agriculture (IITA), based in Nigeria, already has begun a program of cooperation in its own research sphere with national efforts in Africa, including francophone Africa, and will expand this program further. The development of a similar program of cooperation with African countries is one of the first tasks on the agenda of the new International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) based in India.



As you know, members of the Consultative Group at the present time are engaged in formulating plans for the establishment of a research program to promote animal production and health in tropical Africa. The Task Force which has formulated the basic proposals on this matter had the benefit of the services of a French member; your Government and the francophone governments of Africa were consulted by the Task Force. When the new enterprise is created, it is intended that one of its principal activities will be to assist national institutes devoted to animal production and health in tropical Africa, including the francophone countries of that region.

I am grateful for the information you have given me concerning the projected research in Upper Volta on Trypanosomiasis, and am interested to learn that this project is being presented for the consideration of the Technical Advisory Committee of the Consultative Group. If the Committee should recommend the project as falling within the terms of reference of the Consultative Group and as having high priority from an international point of view, the possibilities of its financing will be considered at an early date by the members of the Consultative Group, including the Bank Group.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Office of the President (2)  
Typed on March 5, 1973  
HGraves/RHDemuth:mcj



490/1/95

MAR 6 1973

Dear Mr. Minister:

Thank you for your letter of February 8 and the documents concerning your budget for 1973.

In going through your budget speech and the budget documents, I recalled our discussions in Lusaka about the difficult decisions you and President Kaunda face at this juncture. I have little doubt that with determination and effort the questions of resource mobilization and investment priorities that your Government faces can be resolved. I understand that you have already proposed in your budget specific measures to increase domestic resources for development and to cut back on some of the expenditure of Government agencies. As I mentioned to you, on our side, we would do whatever needs to be done to assist your development effort and we expect to be ready to negotiate loans for the Kafue and education projects during April.

I look forward, Mr. Minister, to continued cooperation between your Government and the Bank, so that you and we together can address ourselves to the pressing needs for development, particularly in rural areas and human resources.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Hon. J.M. Mwanakatwe, MP  
Minister of Finance  
P.O. Box RW62  
Ridgeway  
Lusaka, Zambia

cc: Mr. McNamara's office (2) ✓  
Messrs. Knapp, Bell, Dean

SSHusain:pe  
March 5, 1973



490/1/94

MAR 6 1973

Dear Jaalle Siad:

Thank you for your letter of February 17.

I am pleased to say that since I wrote to you on January 8, we have taken further steps to assist in the development of Somalia. The Mogadiscio Port Project was approved by the Bank's Executive Directors today. The team to appraise the Trans-Juba Livestock Project and the UNESCO/IBRD Education Project Identification Mission both completed their field work in February. Our agriculture project identification mission has recently returned to Somalia to discuss its draft report with your government. We hope that this report will help to identify high-priority rural development activities and provide the basis for preparing specific projects which would be appropriate for financing by IDA.

Regarding the other proposals mentioned in the memorandum given to me in Somalia, I understand that my associates have already discussed with your government what we hope to be able to do over the next few years in terms of financial and technical assistance for project preparation and implementation.

I can assure you that I intend to ensure that all the various projects which we have under consideration in Somalia will receive our full and prompt attention.

Best wishes,

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Jaalle General Mohamed Siad Barre  
President of the Supreme Revolutionary  
Council  
Somali Democratic Republic  
Mogadiscio, Somalia

JMMalone/MLLejeune:nb  
March 2, 1973

cc: Mr. Mohamed Nassim Kochman,  
Mr. Syed Salar Kirmani;  
✓ President's Office (2).



for Mr. McNamara's office

490/1/93

Le 5 mars 1973

Monsieur le Ministre de l'Economie  
et des Finances  
93, rue de Rivoli  
75056 Paris RP  
France

Monsieur le Ministre,

Je vous remercie vivement de la lettre du 8 février relative au projet de chemin de fer Transgabonais que Monsieur Viénot a bien voulu me transmettre en votre nom. Au moment où nous recevions cette lettre, une mission de la Banque était déjà partie pour Libreville pour aviser le Gouvernement gabonais de nos conclusions au sujet de ce projet. A son retour du Gabon, cette mission est d'ailleurs passée par Paris pour s'entretenir avec vos services des raisons de la position prise par la Banque Mondiale et des problèmes posés par notre démarche. M. Knapp, lors de son récent passage à Paris, s'était entretenu de cette question avec Monsieur Pierre-Brossolette.

Je tiens cependant à vous expliquer personnellement quelles considérations nous ont conduits à décider que nous ne pouvions pas participer au financement du Transgabonais, du moins à ce stade.

L'un des principaux problèmes est l'augmentation du coût du projet, que votre lettre ne manque d'ailleurs pas de signaler. En effet, le coût de l'investissement total (chemin de fer Owendo-Booué, installations portuaires et première phase du programme de routes d'accès) est maintenant évalué à environ 59 milliards de francs CFA. Or, au moment même où le coût du projet augmente, nous avons l'impression que s'éloigne la probabilité d'ouverture de la mine de fer de Bélinga, qui demeure la justification principale d'un chemin de fer lourd conçu pour transporter un trafic d'environ 15 à 20 millions de tonnes. En effet, d'une part le marché du minerai de fer s'est affaibli du fait notamment que le Japon a réduit ses objectifs de production d'acier; d'autre part, les sondages effectués ont montré que la qualité du minerai de Bélinga était inférieure aux estimations initiales; enfin, nos discussions avec SOMIFER et Bethlehem Steel et notre analyse du projet minier proprement dit nous ont conduits à



Monsieur le Ministre  
de l'Economie et des Finances

- 2 -

conclure que ce projet ne pouvait devenir rentable pour ses promoteurs que dans le cadre d'une forte augmentation du prix du minerai de fer, qui paraît peu vraisemblable au cours des dix prochaines années. Le fait d'ailleurs que SOMIFER n'ait pas jugé bon d'entreprendre les études géologiques complémentaires nécessaires pour mieux connaître la taille et la qualité du gisement nous paraît confirmer cette indication.

Certes, les avantages forestiers d'un chemin de fer Owendo-Booué sont très importants, notamment depuis la révision du système de permis et de taxes que le Gouvernement gabonais a décidé d'adopter pour intensifier et rationaliser l'exploitation forestière. Mais une grande partie de cette augmentation de la production et des recettes fiscales liées à la réalisation du chemin de fer pourrait être obtenue par l'aménagement du système fluvial et routier existant dont le coût atteindrait vraisemblablement moins du tiers de l'investissement global envisagé pour le Transgabonais.

C'est cette solution que nous avons recommandée au gouvernement et qui nous paraît la meilleure, tant que les chances d'ouverture de la mine apparaissent encore aussi faibles. Nous comprenons que le Gouvernement gabonais n'est pas prêt à suivre cette suggestion et poursuit ses démarches auprès des autres bailleurs de fonds pour assurer le financement du projet. Nous jugeons cette décision regrettable mais souhaitons que si le Transgabonais doit néanmoins être réalisé, son financement soit assuré à des conditions n'aggravant pas excessivement l'endettement du Gabon et soit accompagné d'une politique gouvernementale d'austérité budgétaire, nécessaire pour que le Gabon puisse financer sa contribution et supporter cet endettement.

Nous restons à votre disposition pour toutes discussions que vos services souhaiteraient avoir avec les nôtres au sujet des aspects techniques et économiques de ce projet et serions toujours prêts à réviser notre analyse si des faits nouveaux survenaient qui devaient influencer la justification du chemin de fer. En outre, je tiens à vous assurer que nous continuerons de suivre de très près l'évolution de l'économie gabonaise et poursuivrons l'examen des autres projets qui nous ont été soumis par le Gouvernement gabonais et de toute autre intervention nous permettant de participer activement au développement économique du pays.

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

(Signed) Robert S. McNamara

3/6/73

Robert S. McNamara

RBSteckhan/XdelaRenaudière:sjb  
Translator: RASSA



UNOFFICIAL TRANSLATION

Minister of Economy and Finance  
Treasury Department  
International Affairs  
53, rue de Rivoli  
75056 Paris RP  
France

Dear Mr. Minister:

I am writing to thank you for your message dated February 8 concerning the Gabon railway project which Mr. Viénot conveyed to me on your behalf. When I received your letter a Bank mission had already left to advise the Gabonese Government of the Bank's position on this project. On their way back from Gabon, the mission visited Paris to discuss with your associates the basis for our position and its implications. During his recent stay in Paris, Mr. Knapp had also discussed this matter with Mr. Pierre-Brossolette.

Nevertheless, I would like to personally explain to you the principal reasons why we feel we cannot participate in the financing of this project at this stage.

As you mention yourself, one of the main problems is the increase in project cost. In fact, we now estimate total investment cost for the Owendo-Bocué railroad, timber port facilities at Owendo and major access roads necessary through 1978 to amount to some CFAF 59 billion. At the same time, we believe that the probability of the opening of the Belinga mine which remains the primary justification for a heavy-duty railroad designed for an annual traffic of about 15 to 20 million tons, has become more remote. As a matter of fact, the world iron ore market has recently weakened and Japan, the world's largest importer of iron ore, has reduced its steel production targets for the near future. Moreover, the tests so far undertaken have shown a lower quality of iron ore at Belinga than originally anticipated. In general, our discussions with SOMIFER, especially its principal shareholder, Bethlehem Steel, and a review of the estimated costs and benefits of the exploitation of the Belinga mine seem to indicate that the profitability of such exploitation is not very attractive for its promoters unless world iron prices increase substantially, which does not seem likely for the next 10 years. The fact, for instance, that SOMIFER has not yet decided to spend the estimated US\$ 2 million for geological studies required to assess the size and quality of the deposit and prepare a detailed mining plan, seems to confirm our conclusion.

It is true that the timber benefits attributable to a railroad from Owendo to Bocué are very important, especially because of the new system of taxes and concession fees which was adopted to allow a more



intensive and more rational forest exploitation. However, a large part of the economic benefits of the railroad project in the form of increased forestry production could also be obtained by the improvement and expansion of the existing road/river system at a cost of probably less than one-third of the cost of the railroad.

We have recommended the latter to the Government as the best solution as long as the probability of the opening of the mine remains remote. We understand that the Government of Gabon will not follow our suggestion and continues to solicit the support of other donors for the financing of the railroad project. We regret this decision. However, should the railroad be built anyhow, we hope that it can be financed on conditions which will not further aggravate Gabon's debt service problem and that it will be accompanied by a policy of budget austerity which is necessary to allow Gabon to make its contribution and cover the debt service.

We will always be happy to engage in such discussions of the technical and economic aspects of the project as you may desire, and similarly, we stand ready to adjust our analysis to fit in with any new facts which might affect justification of the project. Moreover, we shall follow closely the development of the Gabonese economy and will continue to appraise whatever other projects have been submitted to us for financing and to assist, in every possible way, the economic development of the country.

Yours sincerely,

Robert S. McNamara



430/1/92

MAR 05 1973

Dear Dr. Salem,

After returning recently from my trip to Lebanon and the Middle East, I would like to thank you for the kindness and hospitality extended to my wife, myself and my associates during our visit to your country. I want particularly to thank you for taking the time to accompany us throughout our trip which enabled us to appreciate your impressive development efforts. This visit was one of the most interesting of my entire trip, and I only wished it had been possible for us to have spent more time with you and your colleagues. I am also very grateful for your help and the time you spent with me when I transited through Beirut on the way back to Washington.

It was a great pleasure to see you and I look forward to seeing you again.

Sincerely,

Robert S. McNamara

Dr. Khalil Salem  
Director General of Finance  
Minister of Finance  
Beirut  
Lebanon

IMWright:dng  
March 2, 1973

cc: Mr. McNamara's Office ✓



490/1/91

MAR 05 1973

Dear Mr. President,

Upon returning recently from my trip to Lebanon, I am writing to thank you for the hospitality and kindness extended to my wife, myself and my associates during our visit to your country. I am glad to have had the opportunity to learn at first hand how your Government intends to tackle the problems of Lebanon's economic development. I would particularly like to thank you and Mrs. Frangie for the very pleasant dinner party you gave on our last night in Beirut.

I very much appreciated our frank discussion, especially concerning the proposed South Beqa'a Irrigation project, and I am pleased to report that the Bank's talks with Mr. Kamal Khouri in Washington at the end of February were very fruitful. It was agreed that the mission to appraise the South Beqa'a project would arrive in Lebanon on April 1 for a stay of about four weeks. Its findings should guide us both as we seek appropriate ways to assist in the development of this region. I am happy that the World Bank and your Government are working together on this project which we sincerely hope will contribute further to the already impressive economic and social achievements which have been made.

I was also most interested in hearing of the priorities and plans which you and your Government have set in order to improve urban infrastructure, particularly in Beirut. You can be assured that we, in the World Bank, will do all we can to support your efforts in this field. We would also be very glad to assist in the development of the Lebanese capital market, which could play a key and even more active financial role in the Middle East.

It was a great pleasure to have met you and I look forward to seeing you again.

Sincerely,

Robert S. McNamara

President Sleiman Frangie  
President of Lebanon  
Beirut  
Lebanon

ASED/DH/MPB  
T.M.H. ch. d. n. e.

cc: Mr. McNamara's office ✓



4 80/1/90

MAR 05 1973

Dear Mr. Minister,

Upon returning recently from my trip to Lebanon and the Middle East, I am writing to thank you, Mrs. Naffah, and your Government for the hospitality and kindness shown to my wife, myself and my associates during our visit to your country. This visit was one of the most interesting of my entire trip, and I only wished it had been possible for us to have spent more time with you and your colleagues. Thank you particularly for the very pleasant luncheon which you gave for us.

I was greatly impressed with the achievements of your Government towards economic and social prosperity. You can be assured that we, in the World Bank, will do what we can to support these efforts. I am pleased to hear that the Bank's discussions with Mr. Kamal Khouri in Washington at the end of February were very fruitful and it was agreed that the mission to appraise the South Beqa'a project would arrive in Lebanon on April 1 for a stay of about four weeks. Its findings should guide us both as we seek appropriate ways to assist in the development of this region.

Sincerely,

Robert S. McNamara

His Excellency  
Fu'ad Naffah  
Minister of Finance  
Beirut, Lebanon

ASED/DH/MPB  
IMWright:dng  
March 2, 1973

cc: Mr. McNamara's office ✓



490/1/89

MAR 05 1973

Dear Mr. Minister,

Having recently returned from my trip to Lebanon and the Middle East, I am writing to thank you and Mrs. Skaff for the hospitality and kindness extended to my wife, myself and my associates during our recent visit to your country. I want particularly to thank you for taking the time to accompany us on a very interesting field trip to the South Beqa'a. Thank you also for the very pleasant lunch you gave for us at that time.

I am pleased to hear that the Bank's discussions with Mr. Kamal Khouri in Washington at the end of February were very fruitful and it was agreed that the mission to appraise the South Beqa'a project would arrive in Lebanon on April 1 for a stay of about four weeks. Its findings should guide us both as we seek appropriate ways to assist in the development of this region.

It was a great pleasure to meet you and I look forward to seeing you again.

Sincerely,

Robert S. McNamara

His Excellency  
Joseph Skaff  
Minister of Hydraulic and  
Electric Resources  
Beirut  
Lebanon

ASED/DH  
IMWright:dng  
March 2, 1973

cc: Mr. McNamara's Office ✓



MAR 5 1973

490/1/86

Dear Ted:

Thank you very much for your letters of February 8 and February 15, which I received on my return from a fascinating trip round the Middle East and in Europe.

I am reading the Agenda for Action with great interest, and hope it will have good impact in this country.

I am increasingly aware of what an uphill struggle there is for all of us in convincing the American public of the importance of an equitable amount of assistance to the developing world. I have watched with great interest and admiration the work of the O.D.C. in the past four years under your guidance and that of Jim Grant. I send you every good wish in the continuance of this work.

I am also asking William Clark to ensure that our regular contribution to the O.D.C.'s work is sent immediately.

With all good wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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





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

OFFICE OF THE PRESIDENT

March 2, 1973

490/1/82

Excellency:

After my return to Washington, I would like to express my sincere thanks to His Highness Sheikh Rashid and yourself for your warm hospitality in receiving my wife, my associates and myself in Dubai, and for the superb lunch which was given us that day. You were particularly kind to come to Abu Dhabi to greet us when we arrived.

The short visit allowed me to understand better the wisdom with which His Highness carries his heavy responsibility and the rapid progress and bright future prospects of Dubai. A tour of the city and visit to the port gave ample evidence of the rapid pace of economic development. We in the World Bank support your efforts for the well-being of all your people and stand ready to assist in every possible way.

Sincerely,

Robert S. McNamara

His Excellency  
Hamdan Bin Rashid Al-Falasa  
Minister of Finance  
Ministry of Finance United Arab Emirates  
Abu Dhabi  
United Arab Emirates



490/1/81



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

OFFICE OF THE PRESIDENT

March 2, 1973

Excellency:

Please accept my most sincere thanks for a memorable visit to Abu Dhabi. Although the visit was short, it gave me an opportunity to appreciate the rapid progress which is being made in Abu Dhabi and the enormous potential which your country holds.

I very much enjoyed the conversation I had with His Highness Sheikh Zayed which allowed me to appreciate the serious determination with which he faces the responsibility of conducting the affairs of a nation which will play a key role in the future of the Arab World. We in the World Bank are in full agreement with your objectives and are prepared to work closely with you in every respect.

With best wishes,

Sincerely,

A handwritten signature in dark ink, appearing to read "R. S. McNamara".

Robert S. McNamara

His Excellency  
Ahmed Khalifa Alsowaidi  
Minister of Foreign Affairs  
Abu Dhabi  
United Arab Emirates





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

490/1/180

OFFICE OF THE PRESIDENT

March 2, 1973

Excellency:

Please accept my sincere thanks for a most enjoyable and fruitful visit to Saudi Arabia.

It was a great pleasure to meet with His Majesty The King and I owe him particular gratitude for receiving me so soon after a tiring journey. The conversation we had allowed me to appreciate his deep devotion to the wellbeing of the people of Saudi Arabia and to the peace and prosperity for all nations in the Arab World. I fully share and support these goals and we in the World Bank stand ready to assist in every respect.

I appreciated the opportunity to meet with the Minister of Finance and officials of your Government. The visit to the Harad agricultural project gave an excellent illustration of the possibilities for agricultural development and economic diversification in Saudi Arabia.

Once again thank you for a memorable visit.

Sincerely,

Robert S. McNamara

His Excellency  
Sheikh Ahmed Abdel Wahab  
Chief of Royal Protocol  
King's Palace  
Riyadh  
Saudi Arabia





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

490 / 1 / 79

OFFICE OF THE PRESIDENT

March 2, 1973

Excellency:

It was a great pleasure to visit your country and I wish to thank you in particular since your personal efforts contributed to make our stay interesting and pleasant, and helped me to understand the great potential of your country.

I look forward to meeting with you when you come to Washington in order to discuss how the World Bank can be of assistance and how we shall proceed in the near future. In the meantime, I have asked that a small group of World Bank staff visit Doha for preliminary discussions.

I also wish to thank you on behalf of my associates and myself for the pleasant dinner you hosted at El Marmar Palace.

With best wishes,

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert S. McNamara".

Robert S. McNamara

His Excellency  
Sheikh Abdul Aziz ibn Khalifa al-Thani  
Minister of Finance  
Ministry of Finance and Petroleum Affairs  
Doha  
Qatar  
Arabian Gulf





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

490/11/78

OFFICE OF THE PRESIDENT

March 2, 1973

Dear Mr. Ali:

After returning to Washington, I would like to express on behalf of my wife, my associates and myself how much we enjoyed our visit to Riyadh. In particular I wish to thank you for your hospitality and all the assistance you gave us. Largely thanks to you I now feel we have a much more firm foundation on which to build future cooperation with Saudi Arabia, both inside the country and in the rest of the Arab World.

I look forward to seeing you soon again.

With best personal regards,

Sincerely,

Robert S. McNamara

Mr. Anwar Ali  
Governor  
Saudi Arabian Monetary Agency  
Post Office Box 394  
Jeddah  
Saudi Arabia





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

490/1/77

OFFICE OF THE PRESIDENT

March 2, 1973

Your Highness:

Please accept my sincere thanks for a memorable visit to Doha and the wonderful hospitality shown us by you and everyone we met.

My brief visit allowed me to appreciate the rapid pace of economic and social advance and the tremendous future potential of your country. The visit to the Umm Said fertilizer plant was a good illustration.

I look forward to meeting with your Minister of Finance when he next visits Washington in order to discuss future plans for cooperation. In the meantime, a group of economic experts will visit Doha shortly to prepare for an economic mission early next year.

I was deeply impressed with the desire of Your Highness to further the wellbeing of your people and the World Bank stands ready to work with you in every respect.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert S. McNamara".

Robert S. McNamara

His Highness  
Sheikh Ahmad Ben Ali Al-Thani  
The Ruler and Prime Minister  
Doha  
Qatar  
Arabian Gulf





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

490/1/76

OFFICE OF THE PRESIDENT

March 2, 1973

Highness:

I wish to thank you most sincerely for a successful and enjoyable visit to Saudi Arabia. It was a great pleasure to meet with you and Mr. Abul Khail and other senior members of your Government.

I was greatly impressed with the achievements of Saudi Arabia and the bright prospects for the future. We in the World Bank wholly support your objectives of economic and social development in Saudi Arabia and the rest of the Arab World and I am convinced that the next few years will see the establishment of close cooperation of the World Bank in your efforts.

Thank you once more for a memorable visit.

Sincerely,

A handwritten signature in cursive script, which appears to read "Robert S. McNamara", is written over the typed name.

Robert S. McNamara

His Royal Highness  
Prince Moussaed bin Abdul Rahman  
Minister of Finance and National Economy  
Riyadh  
Saudi Arabia





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

490/1/75

OFFICE OF THE PRESIDENT

March 2, 1973

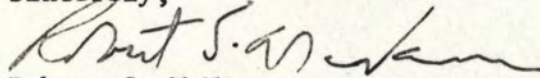
Excellency:

After returning to Washington, I would like to thank you on behalf of my wife, my associates and myself for a most successful visit. The changes which had taken place in Kuwait since my last visit were amazing, and I am greatly impressed with the economic activity in Kuwait, the concern of the leadership for the wellbeing of the people and the prominent role of Kuwait in the Arab World.

It was a great pleasure to meet with His Highness Sheikh Sabah and I fully agree with his view that personal relationships should continue to be strengthened and complemented by cooperation between institutions. I also enjoyed meeting His Highness Sheikh Jaber and particularly appreciated his offer for close and candid exchange of views. We in the World Bank fully share your goals and, in this spirit, stand ready to cooperate in every respect.

You have personally played an important part in establishing our excellent relations and I would like to thank you again for all your efforts. Also, please extend to Mrs. Al-Ateeqi best wishes from Mrs. McNamara and myself and thank her for the excellent luncheon which we were offered in your new home.

Sincerely,

  
Robert S. McNamara

His Excellency  
Abdul Rahman Salim Al-Ateeqi  
Minister of Finance and Oil  
Ministry of Finance and Oil  
Post Office Box 9  
Kuwait, State of Kuwait





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

480/1/74

OFFICE OF THE PRESIDENT

March 2, 1973

Dear Abdlatif:

Please accept my sincere thanks for a memorable visit to Kuwait. As always I enjoyed seeing you and the discussions we had.

The progress made in Kuwait is impressive and the Kuwait Fund is clearly in the forefront as a Kuwaiti institution and as a force for development and stability in the Arab World. I am more than even convinced that cooperation between the Kuwait Fund and the World Bank is essential and will continue to be strengthened.

My wife and my associates join me in thanking you and Mrs. Al-Hamad for the exquisite dinner you offered in your home.

On your recommendation, I am meeting with Mr. Saaty today in order to ensure joint efforts in Sudan's transportation sector.

Once more thank you for an enjoyable visit.

With best regards,

Sincerely,

A handwritten signature in dark ink, appearing to be "RSM", is written below the word "Sincerely,".

Robert S. McNamara

Mr. Abdlatif Y. Al-Hamad  
Director General  
Kuwait Fund for Arab Economic Development  
Post Office Box 2921  
Kuwait, State of Kuwait



490/1/73

MAR 2 1973

Dear Dr. Nurul Islam:

Thank you for your letter of February 9 inviting me and my colleagues in the Bank to participate in the international meeting that is scheduled to take place in Dacca on March 31 and April 1. We in the Bank are, of course, deeply interested in the development of Bangladesh, and we look forward to that meeting with great expectation. While I personally will not be able, unfortunately, to attend the meeting, Mr. Cargill and some of his colleagues from the Asia Regional Office plan to participate.

I send you my best wishes for success at the meeting. With best personal regards,

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Nurul Islam  
Deputy Chairman  
Planning Commission  
Government of Bangladesh  
Dacca, Bangladesh

MHW:ehen/lgl  
March 1, 1973

Cleared w/& cc: Mr. Cargill



490/1/72

MAR 2 1973

Dear Mr. Brito:

Thank you very much for your letter of February 2, 1973, bringing to my attention the forthcoming first Seminar on Brazilian Integration to be held in Rio de Janeiro from April 2-5. I wish to take this opportunity to congratulate the Jornal de Brasil for this initiative. I am confident that the meeting will play an important role in bringing to the attention of investors, both Brazilian and foreign, the enormous economic potential of the various regions of your country. As such, the seminar fits in admirably with the Government's objective of insuring both rapid and balanced economic and social development.

I am pleased to inform you that the World Bank Group will be represented at the seminar by Mr. Kurt B. Eckrich. Mr. Eckrich, who will be accompanied by other members of the staff, is Deputy Director of Investments for South America of the International Finance Corporation.

In accordance with your request, I shall be sending to you within the next few weeks an article on the subject of regional imbalances, a matter which is of great concern to the World Bank and which I was glad to see will be a highlight of the Seminar on Brazilian Integration.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. M. F. do Nascimento Brito  
Vice Presidente Executivo  
Jornal de Brasil  
Av. Rio Branco, 110/2  
Rio de Janeiro, GB, Brazil

Cleared with and cc (with copy of  
incoming letter): Messrs. Bravo, Advisor on Latin American Affairs  
Eckrich, Deputy Director, IFC  
cc: Mr. McNamara's office (2)

RMFernandes:iap  
February 23, 1973



March 1, 1973

His Excellency  
Mr. Albert Bernard Bongo  
President of Gabon  
Libreville, Gabon

Dear Mr. President,

Upon their return from Libreville, Messrs. de la Renaudière and Stockham handed us your letter dated February 15. I understand that your Ambassador to Washington and Mr. Vion, Director General of OCTRA, have since visited the Bank as your emissaries and have had technical discussions with my associates on some of the points you raise in your letter. At their request, we have handed them copies of our appraisal report for onward transmission to FED and other interested donors.

I hope this report will serve as a basis for further discussions leading to a clearer idea on the best course of action to follow. We have received the studies relating to forestry benefits, feeder roads and the Moussa-Bouafé spur which Mr. Vion handed us and will certainly review them carefully. I have noted with particular interest what you say about your contacts with Japanese steelmakers and the representatives of JONIFER. In fact, the mineral aspects of the project are of prime importance and firm commitments by mining companies, with respect to the exploitation of the Belinga deposit, are obviously very relevant to the profitability of the proposed railroad.



The purpose of this letter, Mr. President, is to confirm that we are keenly interested in continuing our dialogue with your Government to ensure that the transport problems of Gabon find an appropriate solution without jeopardizing the balanced development of your country. In this respect we are ready to review with you whatever new elements may emerge concerning the railway project, or an interim solution. In this context, I want to assure you that we will do all we can to continue to assist your country in putting in the infrastructure required for present and future productive activities. In general, we are prepared to make available to Gabon significant amounts of assistance for high-priority economic and social development and will give sympathetic consideration to programs the Government has already brought to our attention or to those it may wish us to review in these fields.

Sincerely,

Robert S. McNamara



490/1/87

For Mr. McNamara's office

MAR 5 1973

**Son Excellence  
Monsieur Albert Bernard Bongo  
Président de la République Gabonaise  
Libreville, Gabon**

**Monsieur le Président,**

A leur retour de Libreville, MM. de la Renaudière et Steichen m'ont remis votre lettre en date du 15 février. Par ailleurs, votre Ambassadeur à Washington et M. Vion, Directeur général de l'OCTRA, ont rendu depuis lors visite à la Banque à titre officiel et ont eu des discussions d'ordre technique avec nos collaborateurs sur certains des points que vous avez soulevés dans votre lettre. Sur leur demande, nous leur avons remis des exemplaires de notre rapport d'évaluation aux fins de transmission au FED et à d'autres bailleurs de fonds intéressés.

J'espère que ce rapport permettra de poursuivre nos discussions afin de parvenir à une idée plus précise du meilleur parti à prendre. M. Vion nous a remis les études concernant la production forestière, le programme de développement routier et la desserte ferroviaire du Haut Ogooué, études que nous ne manquerons pas d'examiner avec le plus grand soin. J'ai noté avec un intérêt tout particulier vos indications au sujet de vos contacts avec les sidérurgistes japonais et les représentants de SONIFER. Le fait est que les aspects minéraliers du projet revêtent une importance primordiale et que l'obtention d'engagements fermes de la part des sociétés minières, en ce qui concerne l'exploitation du gisement de Bilingi, a évidemment une incidence très marquée sur la rentabilité du chemin de fer envisagé.

L'objet de la présente lettre, Monsieur le Président, est de confirmer notre vif intérêt à poursuivre le dialogue avec votre gouvernement pour faire en sorte que les problèmes de transport du Gabon trouvent une solution appropriée sans compromettre le développement harmonieux de votre pays.



A cet égard, nous restons disposés d'une part à examiner tout nouvel élément pouvant influencer le projet de chemin de fer, d'autre part à étudier toute solution intérimaire permettant d'adapter l'infrastructure du pays aux besoins de sa production actuelle et future. En outre, nous sommes prêts à apporter au Gabon une aide importante dans tous les secteurs prioritaires pour son développement économique et social et considérerons avec bienveillance les programmes que le Gouvernement nous a présentés ou pourrait souhaiter nous présenter dans ces domaines.

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

(Signed) Robert S. McNamara

Robert S. McNamara

RBStecken/RAssa:gc

3/1/73



490/1/71

MAR 1 1973

Dear K.T:

It was very kind of you to write and bring me up to date on developments in the economy. It must be heartening to you in particular to review the growth of your economy in 1972. We were especially glad to note the rate of growth of trade and industrial production. We are also pleased to note that you are not overlooking agriculture and that accelerated efforts are being made to bring agricultural development more in line with the growth of the rest of the economy.

All of us here continue to follow economic affairs in the Republic of China with great interest and we wish you continued success in your efforts. We look forward to the results of our next economic mission which, as I am sure you know, is scheduled to begin work in March.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Minister K. T. Li  
Minister of Finance  
Ministry of Finance  
Taipei, Taiwan  
Republic of China

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

cleared with Mr. Goodman - Director  
East Asia & Pacific

DADum:lhv  
February 27, 1973



490/1/70

MAR 1 1973

Dear Mr. Minister:

Thank you very much for your letter of January 31, 1973, introducing Mr. Noenic Spinola of the Jornal do Brasil. Although I was not able to meet with the Brazilian committee that came to Washington on February 6 to extend to the Bank a formal invitation to be represented at the first Seminar on Brazilian Integration, I am well aware of the importance and interest of that meeting. It will, I am sure, highlight the vast opportunities for investment in Brazil's different Regions, thereby contributing to your Government's goal of balanced, as well as rapid, economic growth.

I am happy to inform you that the World Bank Group will be represented at the seminar in Rio from April 2-5 by Mr. Kurt B. Eckrich. Mr. Eckrich, who will be accompanied by other members of the staff, is Deputy Director of Investments for South America of the International Finance Corporation.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

His Excellency  
Antonio Delfim Netto  
Ministro da Fazenda  
Av. Presidente Antonio Carlos, 375  
Rio de Janeiro, GB  
Brazil

Cleared with and cc: Messrs. Bravo, Advisor on Latin American Affairs  
(with copy of incoming) Eckrich, Deputy Director, IFC

cc: Mr. Ljungh (2)

RMFernandes:glw

February 23, 1973



491/1/69

MAR 1 1973

Dear Mr. Assumpcao:

I am writing to express my congratulations to the Brazilian Association of Development Banks for its initiative in organizing the first Seminar on Brazilian Integration from April 2 to 5, 1973, and to extend to you my best wishes for the success of the seminar. I am sure that the seminar will further increase the knowledge and awareness of investors, both Brazilian and foreign, of the enormous potential for development of each of the various regions which comprise your country. As such, you will be contributing towards the Brazilian Government's policy of promoting balanced, as well as rapid, economic growth, inter alia, through the opening up of the interior of the country and the creation of conditions for the settlement of the Center-West and Amazon regions. I am convinced that inequalities in the level of development among different regions of a country can lead to serious economic difficulties and social tensions, and that regional development can play a significant role in achieving an increasingly equitable distribution of the benefits of economic growth. We are aware that meaningful, self-sustained economic growth must result in the mobilization of all national resources, and in particular of the human factor.

I am sorry that my other commitments will not permit me to join you. I have asked Mr. Kurt B. Eckrich, Deputy Director of Investments for South America of the International Finance Corporation, to represent the World Bank Group at the seminar. Mr. Eckrich will be accompanied by other members of our staff.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Lucio Souza Assumpcao  
Presidente  
Associacao Brasileira de Bancos  
de Desenvolvimento - ABDE  
Av. Rio Branco, 147 - 16º Andar  
Rio de Janeiro, GB  
Brazil

Cleared with and cc: Messrs. Bravo, Advisor  
(with copy of incoming on Latin America  
letter) Affairs  
Eckrich, Deputy  
Director, IFC  
cc: Mr. Ljungh (2)

RMFernandes/RFSkillings:nev:jbv



490/1/68

MAR 1 1973

Dear Mr. Minister:

Thank you very much for your letter of January 30, 1973, forwarding an invitation from the Brazilian Association of Development Banks for the World Bank to be represented at the forthcoming first Seminar on Brazilian Integration. Although I was not able to meet with the Brazilian committee that came to Washington on February 6 to extend to the Bank a formal invitation to be represented at the seminar, I am well aware of the importance and interest of that meeting. It will, I am sure, highlight the vast opportunities for investment in Brazil's different Regions, thereby contributing to your Government's goal of balanced, as well as rapid, economic growth.

I am happy to inform you that the World Bank Group will be represented at the seminar in Rio from April 2-5 by Mr. Kurt B. Eckrich. Mr. Eckrich, who will be accompanied by other members of the staff, is Deputy Director of Investments for South America of the International Finance Corporation.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Jose Paulo dos Reis Velloso  
Ministro de Planejamento  
e Coordenacao Geral  
Esplanada dos Ministerios, Bloco 7  
Brasilia, Brazil

Cleared with and cc: Messrs. Bravo, Advisor on Latin American Affairs (with copy of incoming) Eckrich, Deputy Director, IFC

cc: Mr. Ljungh (2)

RMFernandes:glw

February 23, 1973