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THE WORLD BANK  
Washington, D.C.

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McNamara Papers

1975 (Mar. - Apr.)

The World Bank Group  
**Archives**



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President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 46

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WBG Archives



492/4/69

April 21, 1975

MEMORANDUM TO MR. BAUM

Status Report on Country Sector Work

1. I am in general agreement with your recommendations on pages 10 and 11.
2. I have some doubt, however, about the "sector memoranda." Will this in fact lead to savings in manpower and avoid updating and revisions?
3. From now on CPPs should contain a specific paragraph on the need for sector work in the country with an annex indicating the proposed five-year program of work and manpower resources required to execute the program. To help do this, please prepare an inventory of sectors and countries covered so far and with what type of report--indicate the countries and sectors in which our present knowledge is inadequate. On the basis of this inventory, prepare a plan for future work to fill in the gaps.

Robert S. McNamara

SBurmester:RSMcN:ml



492/4/168

April 21, 1975

**DECLASSIFIED**  
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**WBG ARCHIVES**

His Excellency  
Sheikh Mujibur Rahman  
President of the People's  
Republic of Bangladesh  
Gana Bhavan  
Dacca, Bangladesh

Dear Mr. President:

I am writing to you again on the subject which I mentioned in my letter to you dated December 5, 1974, and which we also discussed during our conversation on October 1, 1974 on the occasion of your last visit to Washington. I refer to the need for your Government to reach an accommodation with the International Monetary Fund.

I am told by my colleagues in the Bank and in the Fund that during the recent Fund mission, led by Mr. Subimal Mookerjee, very substantial progress was made in reaching agreement on the content of an economic reform package. I know you agree with me that such a package is badly needed to provide the framework upon which real economic development can be built in Bangladesh. I understand, however, that you are reluctant to make a final decision in favor of adopting a reform package because you think additional aid resources would be necessary in order to cushion certain effects of, and to assure the success of, the reforms -- particularly the key reform which would have to be a change in the exchange rate.

I understand that, prior to announcing the necessary actions, you wish to have a strong indication from the Bank and from the Fund that such additional assistance would be forthcoming. I wish to assure you that we are sympathetic with your point of view. If your Government does take action on a program in agreement with the Fund, then we will be willing to approach the members of the Bangladesh Aid Group to say that we think that additional aid should be provided in support of your reforms. We would make every effort to secure such additional aid. Finally, let me say I think the chances of success in raising an amount of additional assistance which seems to us to be appropriate are very good.



Let me say more, however, about what would be the appropriate level of assistance in the circumstances of the type of program under discussion with you. Of course, it is difficult in such a situation to be very precise about the numbers involved, but I think that the magnitudes are reasonably clear. Taking into account the additional imports associated with the introduction of the economic reform program, and our projection of other items in the balance of payments, we think that during your next fiscal year, 1975/76, about \$1,200 million of aid disbursements would be required, compared to about \$1,100 million which we expect to be disbursed in 1974/75. Of this sum, about \$800 million should be disbursed from new commitments of aid (that is, excluding disbursement from the existing pipelines of aid), compared to about \$700 million which is expected to be disbursed from new commitments in fiscal year 1974/75.

I hope that you will find this statement useful in your efforts to reach a decision on an economic reform package, which I consider to be vitally important in Bangladesh's own self-interest, quite aside from the influence it may exercise on external donors. However, let me repeat that if you do take these decisions and reach an accommodation with the Fund, the World Bank will do all that it can to raise resources in support of your development program. We know of course that your Government will make every effort to assure that disbursements from countries not members of the Aid Group would also increase, or at least remain at the same level.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Dr. Sen

DADunn:W.Diamond:J.B.Kapp:RMCN:mss

Mr. Tun Thin



April 17, 1975

492/4/165

MEMORANDUM FOR MR. CARGILL

I continue to feel that our relations with the capital surplus oil producing countries, and with certain other members of OPEC, remain ambiguous with respect to such subjects as technical assistance, offset lending, and Bank borrowing.

Would it not be wise to adopt a procedure under which each meeting of a Bank officer (including Messrs. Kochman and El Fishawy) with representatives of the governments of the capital surplus oil producers (including Nigeria) would be preceded by the preparation of a memorandum which would:

- a. Inform the Bank representative of the present status of negotiations with respect to the provision of technical assistance, future Bank lending, Bank borrowing, changes in subscribed capital, Third Window participation, etc.
- b. Instruct him as to the objectives of the current negotiations insofar as they relate to matters lying outside the range of operational issues normally discussed with member governments.

Such a memorandum might be prepared in the form of an aide memoire. In any event, it should be reviewed and approved by Messrs. Cargill, Knapp and myself.

Robert S. McNamara

cc: Mr. Knapp

RMcN:mss



492/4/164

APR 17 1975

Son Excellence  
Monsieur Léopold Sédar Senghor  
Président de la République  
Dakar, Sénégal

Monsieur le Président,

Je vous remercie vivement de votre lettre du 19 mars et des indications que vous avez bien voulu me donner sur la position adoptée par le Sénégal en ce qui concerne le projet de Dakar-Marine.

Comme vous, nous sommes persuadés que le succès d'une telle entreprise pourrait avoir des conséquences très favorables pour l'économie sénégalaise et faciliter l'essor industriel du pays. C'est d'ailleurs dans cet esprit qu'en 1973 nous avons participé au financement des études destinées à déterminer la factibilité du projet. Cependant, dès l'origine, nous avons souligné l'importance des risques techniques et commerciaux du projet; si le projet n'attire pas le nombre de bateaux nécessaires à sa rentabilité, non seulement le Sénégal sera privé des bénéfices économiques escomptés mais encore le projet pourrait avoir en fait des conséquences très néfastes sur les finances publiques sénégalaises. C'est pourquoi nous avons toujours précisé que nous ne pourrions nous associer au financement de la construction que dans la mesure où d'une part les études entreprises démontreraient la rentabilité du projet et d'autre part les promoteurs privés accepteraient non seulement de financer la superstructure, mais encore de garantir tout ou partie des emprunts que le Sénégal devrait encourir pour réaliser l'infrastructure.

Or, si les études ont montré que le projet était techniquement réalisable, elles n'ont pas manqué de mettre en lumière les conséquences de l'évolution récente du marché du pétrole, la probabilité d'une stagnation voire d'une régression des importations européennes de produits pétroliers, la création envisagée de chantiers de réparation concurrents, notamment dans les pays producteurs de pétrole et l'augmentation de la capacité de raffinage de ces pays, tous facteurs qui ne peuvent que diminuer le nombre de pétroliers de plus de 300.000 tonnes (ceux précisément que Dakar-Marine comptait attirer) susceptibles d'être intéressés par un chantier de réparation navale au Sénégal. En outre, ce



Son Excellence  
Monsieur Léopold Sédar Senghor - 2 -

que les études ne semblent pas avoir suffisamment examiné, c'est l'incidence de la réouverture certaine et de l'élargissement probable du canal de Suez sur le marché accessible à Dakar-Marine (les pétroliers revenant à vide d'Europe qui choisiraient la route du Cap).

Toutes ces données, Monsieur le Président, nous savons qu'elles vous sont connues, comme elles sont certainement connues des trois promoteurs européens qui paraissent prêts à s'associer au Sénégal dans cette entreprise. C'est pourquoi nous ne manquons pas d'être impressionnés par la confiance que le Sénégal et ses associés semblent avoir dans le succès de ce projet et leur détermination à le réaliser. Néanmoins, nous ne pouvons nous empêcher d'être de plus en plus soucieux des risques accrus que prendra le Sénégal en investissant des sommes considérables dans l'infrastructure et en assumant la responsabilité des emprunts nécessaires à sa construction. En effet, tandis que les dépenses de la société de superstructure seront principalement des dépenses d'exploitation largement proportionnelles au chiffre d'affaires, donc compressibles si le chantier n'attire pas le nombre de bateaux nécessaires à la rentabilité globale de l'investissement, ou si le démarrage est particulièrement lent et difficile, les charges afférentes à l'infrastructure sont essentiellement les frais financiers fixes d'un investissement considérable (six fois plus que pour la superstructure) qui pèseront très lourdement sur la société d'infrastructure dès les premières années de l'exécution du projet.

En février dernier, un groupe de travail des co-financiers de l'étude de factibilité a examiné les résultats des études. Les conclusions, très préliminaires, de ce groupe de techniciens ont été résumées dans un compte-rendu que nous avons communiqué à Dakar-Marine et à votre Ministère du plan. Or, ce compte-rendu non seulement mentionne les points sur lesquels les co-financiers souhaitent des renseignements complémentaires, mais encore exprime fortement cette idée des risques inhérents au projet, dans la conjoncture actuelle, tout en indiquant la possibilité de réduire ces risques, en obtenant d'une part des garanties de marché des pays producteurs de pétrole, d'autre part des garanties financières de la part des promoteurs privés du projet.

Dans votre lettre, Monsieur le Président, vous dites que plusieurs pays du Moyen Orient ont donné un accord de principe pour une participation financière au projet. C'est évidemment un élément très favorable, qui, cependant, serait plus déterminant si ces pays pouvaient assortir leur concours financier d'une assurance que leur propre flotte de tankers ou les autres tankers desservant leur territoire réserveraient une certaine priorité au chantier de Dakar. Des assurances de ce genre, si elles prenaient la forme de contrats à long terme, seraient très encourageantes



Son Excellence  
Monsieur Léopold Sédar Senghor - 3 -

pour les bailleurs de fonds et faciliteraient sans doute l'octroi par les promoteurs privés de Dakar-Marine des garanties d'emprunt que pour notre part nous avons toujours jugé indispensables pour protéger le Sénégal contre les risques financiers du projet.

Nous ne savons pas, bien sûr, si de telles assurances peuvent effectivement être obtenues; mais la question mérite certainement d'être posée et la réponse peut être un élément important dans la décision à prendre pour ou contre la réalisation immédiate de Dakar-Marine. Il va de soi, néanmoins, que ces réflexions restent préliminaires et que nous devons vous donner, sur la base des renseignements que nous avons demandés, des indications plus précises sur la rentabilité et les risques possibles du projet.

Je me réjouis beaucoup de pouvoir vous rencontrer lors de votre prochain passage à Washington pour m'entretenir personnellement avec vous non seulement, de façon plus détaillée, de l'avenir du projet de Dakar-Marine, mais encore de quelques autres opérations sénégalaises et régionales--l'OMVS notamment--auxquelles comme vous nous attachons la plus grande importance.

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

(Signed) Robert S. McNamara  
Robert S. McNamara

Cleared with and cc: Messrs. Fuchs/Cash/Duvivier (Industrial Projects)  
Brown (WA2)

cc: Mr. Chauffournier o/r  
Mr. Gillette o/r (WA2)

cc: Mr. Razafindrabe (ED)

XdeLaRenaudière:sjb

4/15/75



His Excellency  
Mr. Leopold Sedar Senghor  
President of the Republic  
Dakar, Senegal

Mr. President,

I greatly appreciate your letter of March 19 and the information you have given me on Senegal's position regarding the Dakar-Marine project.

We believe, as you do, that the success of such an undertaking could have a very favorable impact on the Senegalese economy and could promote the industrial growth of the country. It was in this spirit that we participated in financing in 1973 the studies aimed at determining the project's feasibility. However, from the beginning, we have underlined the importance of the project's technical and commercial risks; for if the project does not attract the number of ships necessary for it to be profitable, not only will Senegal be deprived of the anticipated economic benefits, but the project could also have very serious consequences on Senegal's public finances. This is why we have always specified that we could only be associated with financing the construction of the project if on the one hand the economic studies supported the project's profitability and on the other hand the private sponsors agreed not only to finance the superstructure company but also agreed to guarantee all or part of the loans which Senegal would have to incur in order to build the infrastructure.

Now if the studies have shown that the project is technically feasible, they have also clearly pointed out the impact of recent events in the petroleum industry, the probability of stagnation or even a reduction of petroleum imports in Europe, the creation of competing ship repair yards, notably in OPEC countries, and the growth of refining in these countries; all these factors can only reduce the number of oil tankers greater than 300,000 DWT (precisely the type which Dakar-Marine would count on attracting) which might be interested in using the ship repair yard in Senegal. Moreover, the studies have not sufficiently examined the impact on the market which might use Dakar-Marine (oil tankers coming in ballast from Europe, which would choose the Cape route) of the certain reopening and probable enlargement of the Suez Canal.

We recognize, Mr. President, that all these things are known to you, as they are certainly known to the three European sponsors which appear ready to undertake this project with Senegal. This is why we cannot fail but be impressed by the confidence which Senegal and the sponsors have in the project and by their determination to execute the project. Nevertheless, we have to be more and more concerned about the risks which Senegal will take in investing such large sums in the infrastructure and in assuming the loans necessary for its construction. In effect, whereas the expenses of the superstructure company will be largely operating costs proportional to its turnover and which can be reduced if the repair yard does not attract the number of ships necessary for its overall profitability or if the start-up of the project is particularly slow or difficult, the expenses of the infrastructure company are essentially fixed financial charges on its considerable investment (six times that of the superstructure) which will weigh heavily on the infrastructure company during the first years of project implementation.

In February, a working group of the institutions which co-financed the feasibility studies met to examine the results of these studies. The very



- 2 -

preliminary conclusions of this technical group were summarized in a note which was sent to Dakar-Marine and to the Minister of Plan. This note not only mentioned the points on which the co-financers would hope to have supplementary information but also strongly expressed the idea of the project's inherent risks in the present situation, risks which could be reduced both by obtaining market guarantees from oil producing countries and financial guarantees from the private sponsors.

You indicated in your letter, Mr. President, that several Middle Eastern countries had agreed in principle to participate in financing the project. This is certainly a very favorable aspect which, however, would be more important if these countries could match financial assistance with an assurance that their own tanker fleets or other tankers serving their territory would give priority to the Dakar repair yard. Assurances of this kind, if they took the form of long-term contracts, would be very encouraging for the donor institutions and would facilitate the private sponsors of Dakar-Marine in guaranteeing the infrastructure loans, guarantees which for our part we have always judged to be indispensable in order to protect Senegal from the financial risks of the project.

We do not know if such assurances can really be obtained. However, the question certainly deserves to be examined and the answer could be an important element in the decision for or against undertaking Dakar-Marine in the near future. It goes without saying that these thoughts are preliminary and that we shall give you later, on the basis of the information we requested, more precise indications about the profitability and possible risks of the project.

I would be delighted to be able to meet you during your next visit to Washington to discuss with you personally in detail not only the future of the Dakar-Marine project, but also several other projects in Senegal and in the region - especially OMVS - to which we, like you, attach the greatest importance.

Sincerely,

Robert S. McNamara



492/4 1/162

April 16, 1975

Dear Derek:

In your letter dated April 1 you described the School of Public Health's proposal for a Center for the Study of Complex Health Problems, and you stated that Messrs. Hiatt, Levins and Lewontin were prepared to visit me to discuss the proposal.

I am leaving shortly for a visit to Turkey and the Middle East, but upon my return I shall contact the three gentlemen to arrange a time when we may meet together.

With best wishes,

Sincerely,

Robert S. McNamara

Mr. Derek C. Bok  
President  
Harvard University  
Cambridge, Massachusetts

RMcN:bmm



492/4 /169

APR 15 1975

His Excellency  
Hector Hurtado  
Minister of Finance  
Caracas, Venezuela

Dear Mr. Minister:

We have followed with great interest the proposals of the Venezuelan Government to utilize the Bank as a main channel for recycling the excess liquidity of OPEC countries. The attached memorandum contains some preliminary and informal comments of our staff concerning one of the possibilities --i.e., the establishment of a Trust Fund that would be administered by the Bank and financed mainly by interest and amortization payments received by countries that have provided resources to the IMF Oil Facility. We hope that these comments will be useful and serve as the basis for further discussions with your Government.

We are also analyzing various issues associated with the prospects for substantial purchases of Bank bonds by oil-exporting countries. We expect to send you the results of this study in the near future.

As you know, Mr. Cargill will be in Caracas on April 21 to meet with you and your associates. We hope that you will be able to discuss with him the comments presented in the attached memorandum, as well as the prospects for Venezuela's participation in the Third Window scheme now under active discussion. Mr. Cargill also plans to take up with you the proposal to increase the capital subscriptions of oil-exporting countries in the Bank.

We hope that the outcome of these discussions will be a set of arrangements attractive to Venezuela and other OPEC member countries. We envisage that these arrangements would provide a greater voice for OPEC member countries and the developing countries as a whole in the operations of the Bank through an increased share in Bank capital and the establishment of the proposed Trust Fund and would at the same time continue to provide the guarantee of the Bank's callable capital for Bank bonds purchased by OPEC member countries.

We also hope that such arrangements can be designed so as to provide substantial financial support to all developing countries--the poorest countries as well as those in a more advanced stage of development.



We are prepared, Mr. Minister, to explore jointly with your Government the various approaches for achieving our common purposes. I also wish to take this opportunity to assure you of our appreciation for the leadership being provided by your country in the present complex world economic situation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Attachment

cc: Mr. McNamara's Office (2)

RGonzalez-Cofina/JHADler:mwm



492 14 1159

APR 15 1975

Dear David:

Thank you for your letter of March 28. I am advised that the matter of inviting the Hon. David Montagu to the 1975 Annual Meetings is being attended to and he will be receiving an invitation. We shall be very happy to see him at our Meetings again this year.

Sincerely,

(Signed) Robert S. McNamara

Mr. David Rockefeller  
Chairman of the Board  
The Chase Manhattan Bank  
National Association  
1 Chase Manhattan Plaza  
New York, N.Y. 10015

PNDamry:mtc

cc: Mr. McNamara's Office (2) ✓



APR 15 1975

492/4/1958

Dear Mr. Prime Minister:

I would like to thank you for your kind and warm invitation extended to me and to my wife in your letter of March 23, 1975. Unfortunately, my wife will not be able to accompany me on this occasion.

I look forward to visiting your historic and scenic country, and to see for myself Yemen's achievements. I hope this visit will also enable me to learn how your Government is meeting the challenging problems of economic and social development.

May I take this opportunity, Mr. Prime Minister, to express to you my best wishes, and I look forward to meeting with you soon in Yemen.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
Mr. Abdulaziz Abdul Ghani  
Prime Minister  
Sana'a  
Yemen Arab Republic

cc: Mr. McNamara's office (2)

G.El-Rifai/hj



492/4/155

APR 14 1975

Dear Mr. Ortiz Mena:

Thank you for your letter of April 4 in which you refer to your intention to establish a Latin American Group for International Cooperation in Agricultural Development and Food Production. I am pleased to note that you consider that such a group will be an effective complement to the Consultative Group on Food Production and Investment under the Chairmanship of Ambassador Martin. We attach particular importance to the work of that group which is, as you know, sponsored jointly by the FAO, UNDP and the World Bank.

I welcome opportunities for closer collaboration between our institutions and have been very pleased about the close liason that has already taken place in some of the work we have undertaken in rural development. I also look forward to learning more about the new arrangements that are proposed for stimulating investment in food production in Latin America. In this regard I suggest that, following his arrival, Mr. Yriart contact Mr. Yudelman, the Director of the Agriculture and Rural Development Department, who will be pleased to arrange for him to meet appropriate officers in the Bank.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Antonio Ortiz Mena  
President  
Inter-American Development Bank  
Washington, D.C. 20577

Cleared with and CC: Mr. L. Escobar  
MYudelman:lkt CC: Mr. S. Burmester  
April 10, 1975 CC: Mr. E. Martin  
CC: Mr. L. Christoffersen



492/4/154

APR 14 1975

Dear Secretary-General:

I have received your letter in connection with General Assembly resolution 3336.

I am requesting the appropriate officers of the Bank to examine our records to see whether there is any information we can supply to you which would be of relevance in this instance.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Kurt Waldheim  
Secretary-General  
United Nations  
New York, N. Y. 10017

cc: Mr. McNamara's Office (2)  
Mr. M. Hoffman  
Mr. William Clark

WDCClark:mmh  
April 10, 1975



492/4/153

April 9, 1975

MEMORANDUM FOR MR. COSTANZO

Subject: Proposed Agenda for the June Meeting

1. Mr. Stern has already conveyed our principal concern, which relates to the proposed order in which the topics are to be taken up. In my view, the paper on Capital Requirements of the Developing Countries through 1980 sets the framework within which proposals to increase the transfer of real or financial resources should be considered. Since agreement on the magnitude of the problem should precede the discussion of specific measures I suggest that Items 3 and 4 be combined into one topic entitled: "Resource Requirements of the Developing Countries and Measures to Meet Them" with the following items:

- a) Capital Requirements of Developing Countries: 1975-1980 -- Report of the World Bank;
- b) An Intermediate Financing Facility in the World Bank -- Report of the Bank Executive Board;
- c) Special Trust Fund -- Report of the Executive Boards of the Bank and the Fund;
- d) Access to Capital Markets -- Report by the Secretariat;
- e) Future work program: Other measures necessary to meet the long-term requirements.

2. While I have no objection to Items 5 and 6, (Financial Aspects of the World Food Situation and Information Systems on the Flow of Resources), I wonder whether part of our very limited time should be reserved for discussion of these papers. It might be desirable to circulate them for information, show them in the document list, but not schedule a discussion unless one is requested. Discussion on any specific recommendations could then be taken up when considering the draft communique.

Robert S. McNamara

EStern:RSMcNamara:bmm  
April 4, 1975



492/4/152

APR 9 1975

Mr. John Butter  
Ministry of Finance  
Abu Dhabi, United Arab Emirates

Dear Mr. Butter:

I want to thank you for your kind hospitality and for the most pleasant luncheon you extended to me and my associates at your home in Abu Dhabi. Please convey my warm thanks also to Mrs. Butter.

I would like to confirm here what I mentioned to you during our meeting that in Kuwait we found strong support for the three main points we discussed there with H.H. the Crown Prince and Prime Minister, Sheikh Jaber Al-Ahmad, and H.E. the Minister of Finance, Abdul Rahman Salim Al-Ateeqy. They welcomed the proposed increase in the voting power of, and required increase of capital subscription by, the OPEC countries to 15%. They were strong supporters of the "Third Window" lending facility and indicated that Kuwait is prepared to contribute at least 20 million dollars to this facility. We are hopeful, however, that Kuwait will contribute its full share of 25 million dollars. They also supported the Bank's borrowing program and indicated substantial financial participation in it. We plan to start negotiating specific borrowing transactions in Kuwait by next June.

In Saudi Arabia we also found strong support from the Minister of Finance, H.H. Prince Mosaed Ibn Abdel-Rahman, and the authorities there, at the highest level, for the three main points we discussed with them. They were in favour of the increase of the voting power of the OPEC countries to 15%. They further supported the "Third Window" lending facility and the Bank's borrowing program, indicating strong financial participation in each. The exact amounts will be determined some time in April with regard to the "Third Window" and in July with regard to the borrowing program.

In Doha, we were pleased to find the same spirit of support for both proposals.

Furthermore, we are at present engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC countries. We are also discussing with them and with several OECD countries the "Third Window" proposal.



As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", at the end of this month.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Abu Dhabi.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SELFishawy/rh  
April 8, 1975

cc: Mr. McNamara's Office (2) ✓  
Mr. Cargill



492/4/151

APR 9 1975

His Excellency  
Saif Ghobash  
Minister of State for Foreign Affairs  
Ministry of Foreign Affairs  
Abu Dhabi, United Arab Emirates

Dear Mr. Minister:

It was a great pleasure to meet with you in Abu Dhabi. I want to thank you for all the kind hospitality extended to me during my stay in the United Arab Emirates and for the gracious dinner reception you gave for me and my associates.

I would like to confirm here what I mentioned to you during our meetings that in Kuwait we found strong support for the three main points we discussed there with H.H. the Crown Prince and Prime Minister, Sheikh Jaber Al-Ahmad, and H.E. the Minister of Finance, Abdul Rahman Salim Al-Ateeqy. They welcomed the proposed increase in the voting power of, and required increase of capital subscription by, the OPEC countries to 15%. They were strong supporters of the "Third Window" lending facility and indicated that Kuwait is prepared to contribute at least 20 million dollars to this facility. We are hopeful, however, that Kuwait will contribute its full share of 25 million dollars. They also supported the Bank's borrowing program and indicated substantial financial participation in it. We plan to start negotiating specific borrowing transactions in Kuwait by next June.

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Furthermore, we are at present engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC countries. We are also discussing with them and with several OECD countries the "Third Window" proposal.



- 2 -

As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", at the end of this month.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Abu Dhabi.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

SElFishawy/rh  
April 8, 1975

cc: Mr. McNamara's Office (2) ✓  
Mr. Cargill



492/4/149

APR 9 1975

Dear Mr. Al-Daoud:

It was a great pleasure to meet with you again in Kuwait where I really feel among sincere old friends. I want to thank you for all the kind hospitality extended to me during my stay in Kuwait, and particularly the dinner reception you gave me and my associates.

I hope new formulae for borrowing can be devised in order to continue the mutually beneficial cooperation between the Bank and K.I.C.

Once again I would like to express my warmest thanks for the welcome and hospitality extended to me during my stay in Kuwait.

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Badr Al-Daoud  
Chairman  
Kuwait Investment Company (S.A.K.)  
P.O. Box 1005  
Kuwait, Kuwait

SEIfishawy/rh  
April 8, 1975

cc: Mr. McNamara's Office (2) ✓  
Mr. Cargill



492/4/148

APR 8 1975

The Honorable  
Arthur F. Burns  
Chairman  
Board of Governors of the  
Federal Reserve System  
Washington, D.C. 20551

Dear Sir:

Approximately a year ago the Board of Governors of the Federal Reserve System assisted a firm of consultants, McKinsey and Co., who were retained by the World Bank and International Monetary Fund to study the adequacy of the remuneration of their Executive Directors and Alternates. The study was done on behalf of a joint Bank/Fund committee headed by the Chairman of the Boards of Governors. In June 1974 this committee recommended that the adequacy of Executive Director and Alternate remuneration be reviewed again in 1975 by its successor committee, which has recently been constituted. Mr. Gumersindo Rodríguez, Minister of Planning of Venezuela, and Chairman of the Board of Governors of the Bank, heads this committee, and its members are Mr. Mehdi Samii, President, Agricultural Development Bank, Iran, and Mr. Gaetano Stammati, President of the Banca Commerciale Italiana.

We are therefore writing to enlist your cooperation again in providing to McKinsey and Co. up-to-date information concerning the remuneration of senior persons in your organization who have a broad policy making and review role. This information will be provided only to the committee, and will be held in strict confidence.

If, as we hope, you agree to participate in the review we should appreciate it if you could designate an officer whom McKinsey and Co. may contact directly. We expect McKinsey and Co. to send to him a summary of the direct remuneration data provided by your organization last year and to request him to provide data on remuneration trends since then.

Sincerely yours,

(Signed) Robert S. McNamara

William B. Dale  
Acting Managing Director  
International Monetary Fund

Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development



492/4/147

APR 8 1975

Mr. René Larre  
General Manager  
Bank for International Settlements  
Postfach 262  
4002 Basle  
Switzerland

Dear Sir:

Approximately a year ago the Bank for International Settlements assisted a firm of consultants, McKinsey and Co., who were retained by the World Bank and International Monetary Fund to study the adequacy of the remuneration of their Executive Directors and Alternates. The study was done on behalf of a joint Bank/Fund committee headed by the Chairman of the Boards of Governors. In June 1974 this committee recommended that the adequacy of Executive Director and Alternate remuneration be reviewed again in 1975 by its successor committee, which has recently been constituted. Mr. Gumersindo Rodríguez, Minister of Planning of Venezuela, and Chairman of the Board of Governors of the Bank, heads this committee, and its members are Mr. Mehdi Samii, President, Agricultural Development Bank, Iran, and Mr. Gaetano Stamatii, President of the Banca Commerciale Italiana.

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International Monetary Fund

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Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development



492/4/146

APR 8 1975

Dr. J. Zijlstra  
President  
De Nederlandsche Bank N.V.  
Postbus 98  
NL-1000 Amsterdam  
The Netherlands

Dear Sir:

Approximately a year ago the Nederlandsche Bank N.V. assisted a firm of consultants, McKinsey and Co., who were retained by the World Bank and International Monetary Fund to study the adequacy of the remuneration of their Executive Directors and Alternates. The study was done on behalf of a joint Bank/Fund committee headed by the Chairman of the Boards of Governors. In June 1974 this committee recommended that the adequacy of Executive Director and Alternate remuneration be reviewed again in 1975 by its successor committee, which has recently been constituted. Mr. Gumersindo Rodríguez, Minister of Planning of Venezuela, and Chairman of the Board of Governors of the Bank, heads this committee, and its members are Mr. Mehdi Samii, President, Agricultural Development Bank, Iran, and Mr. Gaetano Stamatii, President of the Banca Commerciale Italiana.

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William B. Dale  
Acting Managing Director  
International Monetary Fund

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Robert S. McNamara  
President  
International Bank for Redonstruction  
and Development

CENTRAL FILES



492/4/145

APR 8 1975

Mr. Gordon Richardson, M.B.E.  
Governor  
Bank of England  
Threadneedle Street  
London EC2R 8AH  
England

Dear Sir:

Approximately a year ago the Bank of England assisted a firm of consultants, McKinsey and Co., who were retained by the World Bank and International Monetary Fund to study the adequacy of the remuneration of their Executive Directors and Alternates. The study was done on behalf of a joint Bank/Fund committee headed by the Chairman of the Boards of Governors. In June 1974 this committee recommended that the adequacy of Executive Director and Alternate remuneration be reviewed again in 1975 by its successor committee, which has recently been constituted. Mr. Gumersindo Rodríguez, Minister of Planning of Venezuela, and Chairman of the Board of Governors of the Bank, heads this committee, and its members are Mr. Mehdi Samii, President, Agricultural Development Bank, Iran, and Mr. Gaetano Stammati, President of the Banca Commerciale Italiana.

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(Signed) Robert S. McNamara'

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William B. Dale  
Acting Managing Director  
International Monetary Fund

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Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development



492/2/144  
APR 8 1975

Mr. Cécil de Strycker  
Governor  
Banque Nationale de Belgique  
Boulevard de Berlaimont, 5  
B-1000 Brussels, Belgium

Dear Sir:

Approximately a year ago the Banque Nationale de Belgique assisted a firm of consultants, McKinsey & Co., who were retained by the World Bank and International Monetary Fund to study the adequacy of the remuneration of their Executive Directors and Alternates. The study was done on behalf of a joint Bank/Fund committee headed by the Chairman of the Boards of Governors. In June 1974 this committee recommended that the adequacy of Executive Director and Alternate remuneration be reviewed again in 1975 by its successor committee, which has recently been constituted. Mr. Gumersindo Rodriguez, Minister of Planning of Venezuela, and Chairman of the Board of Governors of the Bank, heads this committee, and its members are Mr. Mehdi Samii, President, Agricultural Development Bank, Iran, and Mr. Gastano Stammati, President of the Banca Commerciale Italiana.

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(Signed) Robert S. McNamara

William B. Dale  
Acting Managing Director  
International Monetary Fund

Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development



492/4/143

APR 8 1975

Mr. Emile van Lennep  
Secretary-General  
Organization for Economic Cooperation  
and Development  
Chateau de la Muette  
2 rue Andre-Pascal  
75775 Paris, Cedex 16  
France

Dear Sir:

Approximately a year ago the Organization for Economic Cooperation and Development assisted a firm of consultants, McKinsey & Co., who were retained by the World Bank and International Monetary Fund to study the adequacy of the remuneration of their Executive Directors and Alternates. The study was done on behalf of a joint Bank/Fund committee headed by the Chairman of the Boards of Governors. In June 1974 this committee recommended that the adequacy of Executive Director and Alternate remuneration be reviewed again in 1975 by its successor committee, which has recently been constituted. Mr. Gumersindo Rodríguez, Minister of Planning of Venezuela, and Chairman of the Board of Governors of the Bank, heads this committee, and its members are Mr. Mehdi Samii, President, Agricultural Development Bank, Iran, and Mr. Gaetano Stamatii, President of the Banca Commerciale Italiana.

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(Signed) Robert S. McNamara

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William B. Dale  
Acting Managing Director  
International Monetary Fund

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Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development

CENTRAL FILES



492/4/142

APR 8 1975

Dr. Karl Klasen  
President  
Deutsche Bundesbank  
Postfach 2633  
D-6 Frankfurt 1  
Federal Republic of Germany

Dear Sir:

Approximately a year ago the Deutsche Bundesbank assisted a firm of consultants, McKinsey & Co., who were retained by the World Bank and International Monetary Fund to study the adequacy of the remuneration of their Executive Directors and Alternates. The study was done on behalf of a joint Bank/Fund committee headed by the Chairman of the Boards of Governors. In June 1974 this committee recommended that the adequacy of Executive Director and Alternate remuneration be reviewed again in 1975 by its successor committee, which has recently been constituted. Mr. Gumersindo Rodriguez, Minister of Planning of Venezuela, and Chairman of the Board of Governors of the Bank, heads this committee, and its members are Mr. Mehdi Samii, President, Agricultural Development Bank, Iran, and Mr. Gaetano Stamatii, President of the Banca Commerciale Italiana.

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(Signed) Robert S. McNamara

William B. Dale  
Acting Managing Director  
International Monetary Fund

Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development





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

492/4/141

OFFICE OF THE PRESIDENT

April 8, 1975

Memorandum to the Executive Directors

Subject: CAPITAL REQUIREMENTS OF DEVELOPING COUNTRIES: 1975-1980

1. At its meeting in January 1975 the Development Committee agreed that its future work should "focus on the basic long-term needs of the developing countries and, in this connection, welcomed the intention of the President of the Bank to initiate urgently a study of the capital requirements of developing countries to maintain a reasonable rate of growth in per capita income for the remainder of the decade." While the supply of external capital is a crucial element in the prospects of the developing countries, the adjustment of their internal policies to relate them effectively to the changing international situation and to make the best possible use of available resources is of equal importance. As requested by the Committee, the attached study focuses only on the first factor: the requirement for external capital. The study does not discuss in any detail the actions developing countries themselves might take to achieve higher rates of growth with given levels of external capital flows.

2. World economic events in 1973 and 1974 have affected the growth prospects of the developing countries substantially. In combination:

- . the increase in the price of oil
- . the impact of inflation on import prices
- . the decline in the terms of trade
- . the prolonged recession in the industrialized countries

have served to reduce the prospective rates of growth while raising the capital inflows required to achieve them. For 1974, the estimated rate of GDP growth in the Low Income developing countries (those with annual per capita incomes of less than \$200) was only 2.5 percent, half that achieved in 1973 -- average per capita incomes rose not at all for the 1 billion people living in those countries. For 1975, a slight improvement is projected due to improved crop expectations in several countries, but the rate of growth for the remaining years of the decade is projected to be so low that per capita incomes would rise by less than 1 percent per year. For developing countries with per capita incomes of \$200 per year and above, GDP growth was maintained in 1974 at 7.1 percent, but is expected to decline to 5.5 percent in 1975, and to remain at about that level in subsequent years. As a result, GDP growth per capita in these countries is projected to average only 2.5 percent in the five years, 1976-1980.



3. These projections are based on estimates of external capital flows which assume a substantial growth in nominal terms, but no increase in real terms, between 1974 and 1980. They also assume a relatively rapid recovery from recession in the industrialized countries. If that were not to materialize, the projected rates of growth for the developing countries would be lower or the external capital requirements higher.

4. The trade gap of oil-importing developing countries amounted to about 3 percent of their GNP in 1974, up from about 1.5 percent in the late 1960s. In a sense, the events of 1973 and 1974 wiped out the progress developing countries had made in reducing their reliance on external capital. Although capital flows increased in 1974 to finance the trade deficit, it is unlikely that capital supplies will be available from the OPEC and OECD countries to sustain a continuing resource transfer of this magnitude in future years, or that the developing countries would wish to incur the implied volume of debt even if the capital were available. However, the reliance on external capital flows probably cannot be reduced significantly until exports can be built up. The 1975-1980 capital requirements of the oil-importing developing countries should thus be seen as composed of a declining "transitional element", related to export growth, plus the more normal supplement to domestic savings equivalent to about 1.5 percent to 2 percent of their GNP.

5. The projected rates of growth are well below the targets set for the developing countries in the Second Development Decade. For the Low Income countries, as was stated previously, they provide virtually no increase in average per capita income. This means that for hundreds of millions of people in the Low Income countries, throughout the remainder of the decade there is likely to be an actual decline in their already "marginal" incomes. Since this clearly is an unacceptable situation, we have calculated what the additional requirements would be to raise income growth to the Second Development Decade targets.

6. As shown in the table below, the increased capital requirements which would be necessary to achieve the more reasonable rates of growth represented by the DDII targets are massive.

Annual GDP Growth Rates, Per Capita, In Oil-Importing Developing Countries  
And Related Capital Flows in Billions of Dollars

	<u>Average</u> <u>'69-73</u>	<u>1974</u>	<u>1975</u>	<u>Average '76-'80 a/</u> <u>Projected</u>	<u>DDII Target</u>
<u>Growth Rates</u>					
Low-Income Countries	.8	0.0	1.8	.9	2.0
Mid/High Income "	4.1	4.3	2.7	2.5	3.9
<u>Capital Flows</u>					
Net Official Capital	8.61	15.66	19.65	24.66	54.36
Private Capital	8.71	16.09	14.98	18.46	18.46
Total	<u>17.32</u>	<u>31.75</u>	<u>34.63</u>	<u>43.12</u>	<u>72.82</u>
<u>ODA as % Donor GNP</u>					
DAC	.34	.31	.32	.26	.74
OPEC	0.0	1.74	1.76	1.11	1.11

a/ Based on the "High" OECD growth rate, i.e., 6%.



The burden of the increased capital requirement, as the table assumes, would fall principally on Official Flows from DAC members. This is so for two reasons. First, since the capacity of OPEC members to contribute is largely dependent on their current surpluses, which are expected to decline or disappear in a number of countries, it is unrealistic to expect substantial increases above the estimated 1975 level of \$9.7 billion. This would leave Official Flows from OPEC countries at 2.20 percent of GNP in 1980. Secondly, because of the substantial borrowing required to achieve even the lower growth rates, the creditworthiness of many developing countries will be affected adversely, and it is unlikely that private capital markets would provide a significant portion of the additional capital requirements unless creditworthiness is strengthened.

7. The magnitude of the additional capital requirements is so large that it is clearly unrealistic to rely only on additional external capital, from Official Sources, to restore more reasonable rates of growth. Increased Official Capital Flows must be supplemented by measures to:

- a. Expand the export earning capacity of the developing countries,
- b. Strengthen the ability of the developing countries to expand their borrowing in the private capital markets.

These steps by the international community as a whole must be matched by efforts in the developing countries themselves to increase the mobilization and effective utilization of domestic resources and to expand their export volume.

8. The prospects of the oil-importing developing countries as projected in this study, and the magnitude of the effort required to improve on the prospective rates of growth, provide a setting within which to consider and evaluate various proposals likely to come before both the developed and developing countries in the Development Committee and other forums. As the analysis is refined further in the coming months, specific figures may well change, but major trends and the overall magnitude of the problem are not likely to.

9. Among the additional measures which should be considered are:

A. Increases in Official Capital Flows

If the total additional capital required were to come from DAC members, it would raise Official Capital, as a percentage of GNP, to 0.67 percent by 1980. While this may be unrealistically high, the projected pattern would leave Official Flows as a share of GNP at only 0.29 percent by 1980, which is undesirably low. There is therefore need for a significant additional effort, particularly to increase the flow of highly concessional aid (Official Development Assistance).



#### B. Improved Access to Private Capital Markets

The ability to attract additional capital on market terms depends on the market's assessment of credit risks. To the extent that the export earning capacity of developing countries can be increased, creditworthiness will be enhanced. Furthermore, the provision of more adequate information on the current debt and debt management of developing countries can provide a better basis to private institutions for assessing risk -- quite often ignorance and uncertainty limit capital market access. In addition, steps to reduce the risk of lending to individual countries through guarantees or other measures should be explored.

#### C. Increased Lending By Multilateral Institutions

The steps referred to above will not be adequate to meet the capital requirements of many developing countries. For these countries, increased lending by multilateral agencies, including the Bank, can play a major role. By combining the credit risks of a large number of countries, the risk of lending to any one is reduced substantially. To address the problem of countries with marginal creditworthiness, mechanisms like the proposed Third Window in the Bank, which provides an explicit subsidy to offset a part of the increased debt service burden, and the proposed Special Trust Fund can make important contributions.

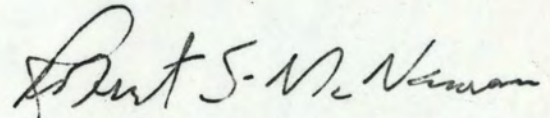
#### D. Actions to Increase Export Earnings

Although progress has been made to reduce the barriers to exports from developing countries, there is still much scope for further action -- both in primary products and manufactured goods. An annual 8.4 percent growth in exports from developing countries has already been projected in the analysis. To improve on this will not be easy. It will require major investments by the developing countries and, in many cases, significant changes in their domestic policies. It will also require that the industrialized countries take steps to permit increased imports from the developing countries. It is estimated that a substantial liberalization of policies affecting imports of primary products by the developed countries would increase developing country exports by \$12 billion per year by 1980. Even partial liberalization could have a substantial impact. In manufactured goods, the developing countries still represent a small share of world trade and are a major factor in only a few products. Avoidance of restrictive measures by the industrialized countries, as the exports of the developing countries grow, is, of course, essential. Beyond that, the efforts that a number of industrialized countries have made in recent years to phase out their less economic industries should be continued and, where necessary, accelerated.



In addition to increasing the capacity of the developing countries to export, renewed attention must be given to stabilizing prices of primary products. The uncertainties created by wide variations in export prices, and hence in terms of trade, are particularly difficult for the developing countries to cope with. Proposals to stabilize primary commodity prices, through the negotiation of production agreements and the creation of buffer stocks, can provide greater certainty to investment even if they do not increase export earnings over a period of time.

10. It will not be easy to agree on specific action programs in the areas listed above. Success depends not only on a perception of the need, but also on measures which may be politically difficult in both developing and industrialized countries. However, without effective action on the several fronts, the prospects for the developing countries during the remaining years of this decade, particularly for the poorest countries, will present an intolerable situation for the world community.



Robert S. McNamara



*Chron*  
492/4/140

April 7, 1975

Honorable Clarence D. Long  
House of Representatives  
Washington, D. C. 20515

Dear Clarence:

Thanks for passing along your thoughtful and provocative statement on aid to India. Much of what you recommend fits closely with what I believe the Bank has been doing in recent years. But there remain some fundamental issues -- How do we interpret these arguments? Do they imply that aid for India has been wasted and should now be curtailed?

There is no doubt in my mind of the continued need for organized aid flows to India. Accordingly, I would like to call to your attention some key points.

Your report notes that India has received a substantial amount of aid. This is true in absolute terms, but the figures are much less impressive when considered in relationship to India's size. For example, Korea on a per capita basis has received nine times as much in official development assistance, and Kenya has received six times as much. India has herself financed the vast part of her investment -- as much as 80% during the first three Five-Year Plans and 92% in the fourth. In my view, India has suffered from a deficiency rather than a surfeit of aid. It should be remembered that it contains nearly half of the population of all our LDC members.

India has recorded some real achievements in the past twenty-five years, especially when the complexity and size of its problem are considered. Indian national income has grown at nearly 4% per annum for the past twenty-five years. As far as we know, this is four times the rate for the preceding fifty years. There are success stories in Indian development. One of these is the ICICI operation which you visited in Bombay earlier this year.

We must also look behind gross measures of growth. It is true that the economic level per capita has not risen much, in part because of rapid population growth. But to end the analysis on that note is to overlook important development achievements -- in life expectancy (from age 32 at birth in 1951 to age 50 in 1970), in literacy (from 15% in 1951 to 36% in 1970), and in establishment of a socio-economic base which makes further growth possible. For example, fertilizer production has grown from 80,000 tons in 1951 to 1,060,000 in 1973/74; the number of villages served by electricity has tripled in the same period.



I agree with your contention that the "heart of India's economic problem is food production. . ." The Bank, since 1968, has substantially increased the volume and range of its assistance to agricultural development. Attached is a list of loans and credits which shows dramatically this emphasis. Our efforts have encouraged others to follow suit. I note with pleasure Finance Minister Subramaniam's remarks of February 28, 1975, when he said:

". . . our ability to meet the minimum basic needs of our people depends crucially on the trend in agricultural production. It is in this light that I regard the claims of agricultural growth as the first charge on our developmental resources . . ."

I would add that I feel strongly that we must meet the world food problem by increasing food production where the hungry people are. This means increasing the productivity of the small farmer -- not solely for egalitarian reasons; it is good economics to seek growth by giving the small farmer a stake in increasing farm output. Many Bank/IDA projects in India are specifically aimed at increasing productivity and incomes of small farmers. A good example is a recent IDA credit of \$35 million to increase and stabilize production in drought-prone areas in four states. When completed, by 1980, this project, taking into account all sources of funding, including a substantial input by the Indian Government, should increase the income of over one million people from the poorest segments of the population.

I would like to add that agricultural development cannot be achieved without substantial capital. Fertilizer plants, factories for the production of farm equipment and electric power are all essential.

You have raised the question of intermediate technology, or in other terms, the correct capital/labor mix. The Bank has undertaken a study of these problems, with particular focus on India and Indonesia. I am enclosing some material which you as a labor economist will find of special interest. Among the preliminary conclusions is that many forms of labor-intensive technology in India are not economic under any system of pricing one might conceive. On the other hand, there is a range of what might be called intermediate technology which can be effectively used to minimize costs while utilizing more labor than would capital-intensive technologies. Our preliminary findings, as outlined in the enclosed reports, are encouraging but I emphasize that these results are experimental and have not been applied on a large scale.

The labor/capital mix can also be determined by proper factor organization holding technology relatively constant. One of the most effective methods is through agricultural credit, whereby small packages of capital are made available to individual farmers in kind, i.e., fertilizers, seeds, and other inputs. This approach is particularly suitable to a financial institution such as the Bank.



As far as the Bank Group is concerned, we see ourselves not simply as transferring capital, but as a catalyst to see that the best and most enlightened forms of development are undertaken in cooperation with the Government of India. I am convinced that, when both our project formulation and capital transfer roles are considered, we are able to make a substantially positive, if inevitably small, contribution to Indian development.

You have raised some fundamental questions in the development dialogue. I am grateful to you for stating these issues forcefully, and hope that in the near future we can get together for a discussion of them.

Sincerely,

Robert S. McNamara

Enclosures

JEMerriam:RMcN:mss



492/4/139

APR 7 1975

Dear Halfdan:

Thank you for your letter of March 24, which followed on my talk with David Hopper, telling me in a general way of your plans for a special program for research and training in tropical diseases to focus, at the start, on Africa. It is an undertaking of potentially great importance for the developing countries and one which interests me very much. I would be glad to consider whether and how the Bank might appropriately support the WHO initiative. As you know, Dr. James Lee, who has been the Bank's Environmental Adviser, has recently been given the additional responsibility of implementing the Bank's health policy. He now heads our Office of Environment and Health Affairs, with the title of Environmental and Health Adviser. I am asking him to represent the Bank at the meeting you are convening on October 6/7, and to report back to me.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

SBoskey:tsb  
April 4, 1975

cc: Office of the President (2)  
Dr. James Lee



492/4/137

APR 7 1975

Dear Mr. Terenzio:

Thank you for your letter of March 25, 1975, and for the invitation to the Symposium on "A New System of International Economic Relations" to be held in Bucharest from May 29-31, 1975.

Much to my regret, I am unable to accept the invitation and have asked Mr. Jean Carriere, Director of the World Bank's European Office, to attend. I am confident he will be able to give the participants a clear view of the Bank's policies and operations as they relate to the subjects under consideration in the Symposium.

Please accept my best wishes for the success of those meetings.

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Pio-Carlo Terenzio  
Secretary General  
Inter-Parliamentary Union  
Place du Petit-Saconnex  
1211 Geneva 19  
Switzerland

cc: Mr. McNamara's Office (2)  
Mr. William Clark  
Mr. Jean Carriere

LPChatenay:mmh  
April 4, 1975



492/4/136

BOOK OF TWO

1. THE HONORABLE  
JOHN TURNER  
MINISTER OF FINANCE  
OTTAWA

2. E. P. NEUFELD, DIRECTOR  
INTERNATIONAL FINANCE  
DIVISION  
MINISTRY OF FINANCE  
OTTAWA

APRIL 7, 1975

L.T.

CANADA

CANADA

GREATLY APPRECIATE YOUR CALL AND YOUR OFFER TO RAISE ISSUES ON OUR ACCOUNT WITH VARIOUS AUTHORITIES IN IRAN KUWAIT SAUDI ARABIA AND ALGERIA DURING YOUR IMPENDING VISIT STOP AS YOU KNOW EYE HAVE VISITED IN THE FIRST HALF OF MARCH KUWAIT SAUDI ARABIA QATAR AND ABU DHABI STOP THE MAIN TOPICS EYE DISCUSSED WITH THE AUTHORITIES THERE WERE THE POSSIBILITY OF INCREASING THE VOTING POWER OF OPEC COUNTRIES AND THEIR SUBSCRIPTIONS IN THE BANK TO 15%, THE "THIRD WINDOW" LENDING FACILITY AND THE BORROWING PROGRAM OF THE BANK FOR 1976 STOP ALPHA IN ALL THE FOUR COUNTRIES THEY STRONGLY SUPPORTED THE INCREASE IN VOTING POWER STOP EYE EMPHASIZED THAT EYE WOULD TRY HARD TO NEGOTIATE SUCH AN INCREASE BUT OTHER MEMBER COUNTRIES OF THE BANK AND PARTICULARLY PART I COUNTRIES WILL HAVE TO GIVE UP PART OF THEIR RELATIVE VOTING POWER IN ORDER TO ACHIEVE SUCH AN INCREASE STOP I HOPE YOU WOULD BE ABLE TO ASSURE THE AUTHORITIES IN THE COUNTRIES YOU ARE VISITING THAT CANADA ON HER PART IS PREPARED TO GIVE UP HER PRE-EMPTIVE RIGHT TO ALLOW THE SPECIAL INCREASE IN THE VOTING POWER OF OPEC COUNTRIES TO 15%.

Robert S. McNamara

cc: Mr. Isbister

President

MNKochman:ElFishawy:IPMCargill:RMcN:mss



PAGE TWO

BETA WITH REGARD TO THE "THIRD WINDOW" KUWAIT WHICH IS TAKING A LEADING ROLE INDICATED THAT THEY ARE PREPARED TO CONTRIBUTE BETWEEN 15 AND 20 MILLION DOLLARS BUT WILLING TO CONSIDER EVEN A HIGHER FIGURE DEPENDING ON OTHER OECD AND OPEC COUNTRIES' CONTRIBUTIONS STOP SAUDI ARABIA QATAR AND ABU DHABI SUPPORTED THE SCHEME AND STATED THEY WOULD CONTRIBUTE STOP THE SPECIFIC AMOUNTS OF THEIR CONTRIBUTIONS WILL BE DETERMINED AFTER THEY COMPLETE THEIR FINANCIAL BUDGETS STOP WE ARE PLANNING TO HOLD A MEETING APRIL 30 OF PROSPECTIVE DONORS FROM OECD AND OPEC COUNTRIES STOP IT WOULD BE VERY USEFUL IF YOU COULD INDICATE CANADA'S PREPAREDNESS TO PARTICIPATE IN THE SUBSIDY FUND STOP

GAMMA IN ALL THE FOUR COUNTRIES WE FOUND STRONG SUPPORT OF THE BANK'S BORROWING PROGRAM STOP THE GOVERNMENTS WILL BE PREPARED TO DISCUSS SPECIFIC AMOUNTS FOLLOWING COMPLETION OF THEIR FINANCIAL BUDGETS STOP

IT WOULD BE HELPFUL TO REPORT THESE RESULTS TO BOTH IRAN AND ALGERIA AND ENLIST THE SUPPORT OF THE FORMER FOR THE THREE POINTS AND OF THE LATTER FOR THE CAPITAL INCREASE AND A CONTRIBUTION TO THE "THIRD WINDOW" STOP HOPE YOUR VISIT WILL BE ENJOYABLE AND FRUITFUL STOP BEST REGARDS

ROBERT S. McNAMARA

ROBERT S. McNAMARA

President

MNKochman:ElFishawy:IPMCargill:RMcN:mss



492 / 4/135

BOERMA  
DIRECTOR-GENERAL  
FAO

April 4, 1975

ROME

TELEX (Ext. 3520)

ITALY

THANK YOU FOR URCAF OF MARCH TWENTYONE PROPOSING AN INCREASE IN THE BUDGET OF THE FAO/IBRD COOPERATIVE PROGRAM FOR BIENNIUM 1976/77 TO BRING THE TOTAL BUDGET FOR THE BIENNIUM UP TO \$13.1 MILLION FROM THE PRESENT \$9.1 MILLION, THE PROPOSED INCREASE OF \$4 MILLION COMPRISING AN INCREASE FOR MANDATORY COSTS AND ADDITIONAL FUNDS TO COVER A PROGRAM INCREASE IN REAL TERMS STOP I HOPE IT WILL BE POSSIBLE TO SUPPORT YOUR PROPOSAL TO EXPAND THE COOPERATIVE PROGRAM TO APPROXIMATELY THIS LEVEL STOP HOWEVER WE ARE AWAITING RECEIPT OF THE AGREED EXPENDITURE AND BUDGET TABLES SO THAT WE CAN REVIEW THE PROPOSAL IN DETAIL STOP IN ADDITION A NUMBER OF DETAILS REGARDING THE EXPENDITURE OF THE CURRENT BIENNIEM AND THE FUTURE RELATIONSHIP YOU PROPOSE BETWEEN CP STAFF AND CP CONSULTANTS REMAIN UNDER DISCUSSION STOP FOLLOWING RESOLUTION OF THESE MATTERS AND A MORE DETAILED UNDERSTANDING OF THE FINANCIAL CONSEQUENCES, WE WILL PROMPTLY COME TO A DECISION STOP BEST WISHES

MCNAMARA  
INTBAFRAD

Robert S. McNamara  
President

Cleared with & cc: Messrs. Baum, Darnell,  
Schulmann  
cc: Messrs. King, Lewis

MVeraart:RSMcNamara:bmm 4/4/75  
Ext. 2001



492/4/134

April 4 1975

MEMORANDUM FOR MR. CARGILL  
MR. CHADENET  
MR. GABRIEL  
MR. CLARKE

To insure that there is complete agreement on financial estimates relating to changes in compensation, please set up a procedure by which all compensation papers to be submitted to the Board pass through the Finance Staff for validation of the cost estimates.

Robert S. McNamara

RMcN:mss



492/4/130

APR 3 1975

His Highness  
Sheikh Jaber Al-Ahmad  
Crown Prince and Prime Minister  
Kuwait, Kuwait

Dear Mr. Prime Minister:

It was a great pleasure to meet with you again both in Kuwait and later in Saudi Arabia. With you and your colleagues and associates I really feel among sincere old friends.

I am pleased to be able to report to you that we found strong support in Saudi Arabia from the Minister of Finance, H.H. Prince Mosaed Ibn Abdel-Rahman, and the authorities there, at the highest level, for the three main points we discussed with them.

They were in favour of the increase of the voting power of, and required increase of capital subscription by, the OPEC Countries to 15%. They further supported the "Third Window" lending facility and the Bank's borrowing program, indicating strong financial participation in each. The exact amounts will be determined some time in April with regard to the "Third Window" and in July with regard to the borrowing program.

Again in Abu Dhabi, where we met with H.H. Sheikh Zayed Ibn Sultan Al-Nahyan, H.E. Sheikh Ahmad Khalifa Al-Sweidi, Minister of Foreign Affairs, and the Minister of Finance, H.H. Sheikh Hamdan Ibn Rashid Al Maktoom, they were appreciative of the Bank's positive response to their request to increase the OPEC Countries' role in the Bank by increasing their voting power from about 5% to 15%. They also strongly supported the "Third Window" interest subsidy fund.

In Doha, we were pleased to find the same spirit of support for both proposals.

At present we are engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC Countries. We are also discussing with them and with several OECD Countries the "Third Window" proposal.



As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window" - among whom Kuwait is certainly a leader - some time next April.

Finally, I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Kuwait.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SEL/Fishawy/rh

cc: Mr. McNamara's Office  
Mr. Cargill

(2) ✓



492/4/129

April 3, 1975

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

Dear Abdlatif:

I hope your trip to South Asia was both satisfactory and successful. Let me say that it was a great pleasure to meet with you again in Kuwait and visit the most elegant new building of the Kuwait Fund. With you and your colleagues and associates I really feel among sincere old friends. I want to thank you for all the kind hospitality extended to me during my stay in Kuwait and particularly the gracious dinner at your home.

I am pleased to be able to report that we found strong support in Saudi Arabia from the Minister of Finance, H.H. Prince Mossaed Ibn Abdel-Rahman, and the authorities there, at the highest level, for the three main points we discussed with them.

They were in favour of the increase of the voting power of, and required increase of capital subscription by, the OPEC Countries to 15%. They further supported the "Third Window" lending facility and the Bank's borrowing program, indicating strong financial participation in each. The exact amounts will be determined some time in April with regard to the "Third Window" and in July with regard to the borrowing program.

Again in Abu Dhabi, where we met with H.H. Sheikh Zayed Ibn Sultan Al-Nahyan, H.E. Sheikh Ahmad Khalifa Al-Sweidi, Minister of Foreign Affairs, and the Minister of Finance, H.H. Sheikh Hamdan Ibn Rashid Al Maktoom, they were appreciative of the Bank's positive response to their request to increase the OPEC'Countries' role in the Bank by increasing their voting power from about 5% to 15%. They also strongly supported the "Third Window" interest subsidy fund.

In Doha, we were pleased to find the same spirit of support for both proposals.



At present we are engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC Countries. We are also discussing with them and with several OECD Countries the "Third Window" proposal.

As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", some time next April.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Kuwait.

Sincerely,

Bob McNamara

Robert S. McNamara

I have put the "worry" beads to excellent use--many thanks

SElFishawy/rh

cc: Mr. McNamara's Office  
Mr. Cargill

(2) ✓



492/4/128

April 3, 1975

MEMORANDUM FOR MR. CARGILL

John Turner, Minister of Finance of Canada, called to say that he is planning to leave shortly on a trip to North Africa and the Middle East where he will meet with the following individuals:

Iran -- The Shah, Hoveyda, Ansari, Yeganeh and Amouzegar;

Kuwait -- The Prime Minister, Ateeqy, the Oil Minister, the Governor of the Central Bank, and the Directors of the Kuwait Fund and the Arab Fund;

Saudi Arabia -- Prince Fahd, Prince Masad (Finance Minister), al-Khayl (Minister of State for Financial Affairs), the Planning Minister, and Quraishi;

Algeria -- Mahroug, Abdesselam, the Minister of Commerce, and Boumediene.

Turner asked if we would send him a list of the issues that we would like to see him raise on our account.

Please prepare a cable which I may sign to him in answer to his request. May I have it by the end of business Friday, April 4.

Robert S. McNamara

RMcN:mss



492/4/127

THE HONORABLE  
MICHAEL SOMARE  
CHIEF MINISTER  
KORIEDOBU

MARCH 29, 1975

FULL RATE X-2274

PAPUA NEW GUINEA

THANK YOU FOR YOUR CABLE OF MARCH 24 STOP WE WOULD WELCOME THE OPPORTUNITY TO DISCUSS THE PROJECT AND TO ADVISE YOU IN ANY ASPECT YOU FEEL WOULD BE USEFUL COMMA INCLUDING TECHNICAL PROBLEMS OR POSSIBILITIES FOR MOBILIZING THE NECESSARY FINANCIAL PACKAGE STOP I DO NOT FEEL IT IS LIKELY THAT IBRD WILL BE ABLE TO PARTICIPATE IN FINANCING THE PROJECT SINCE ANY SIGNIFICANT PARTICIPATION WOULD PROBABLY BE MORE THAN WE COULD HANDLE IN OUR PROGRAM OF PROPOSED LENDING TO PNG STOP WE WOULD HOWEVER BE PLEASED TO HEAR YOUR SUGGESTIONS OF HOW THE BANK GROUP MIGHT BE OF ASSISTANCE TO PNG IN THIS IMPORTANT VENTURE STOP PLEASE ASK AGONIA OR BEATTY TO CABLE THE DATES OF THEIR VISIT TO WASHINGTON TO HELMERS COMMA WHOM I HAVE ASKED TO COORDINATE THE NECESSARY ARRANGEMENTS WITH OTHER BANK STAFF STOP WARM PERSONAL REGARDS

*R McN* 3/29  
ROBERT S. McNAMARA

INTRAFRAD

Robert S. McNamara -- President  
Executive Offices

Cleared with and cc: Messrs. Votaw, Howe  
cc: Messrs. Bell o/r  
Helmrs p/r

LKeough:JBKnapp/vm



492/4/26

March 29, 1975

Gentlemen:

Thank you for your courteous and reasoned letter of March 10 which I have read with great care and shall bear in mind in making any future decisions about lending to Vietnam.

Let me assure you there has been no decision whatsoever at present about any Bank loan to Vietnam. Nor would I recommend any such loan to the Board until I was satisfied on certain points by an appraisal mission drawn from our own international staff. The main point on which I would need to be satisfied is that any project we finance can and will help the people of the land, including especially the very poorest, irrespective of political circumstances.

Such a condition has not been met to date and we have therefore made no loan to Vietnam.

I hope this brief but definite explanation of the principles on which I always seek to act with regard to Bank loans will help to allay the fears which you have expressed in your letter.

Sincerely,

(Signed) Robert S. McNamara]

Robert S. McNamara

Professor Paolo Sylos Labini  
and Others  
Faculty of Economics  
Rome University  
Rome, Italy

WClark:bmm  
3/29/75



492/4/125

March 28, 1975

Mr. McNamara's letter to Egon Bahr filed in GERMANY Country File



492/4/124

MAR 27 1975

Dear Jan:

Last summer, you raised with me the question of international assistance to the countries of the Sahel and of the World Bank's role in this urgent and complicated endeavor.

I am pleased to send you herewith, for your personal use, a copy of the Bank's most recent document on its approach to the economic development of the Sahel. Copies have already been handed to the Executive Director for transmittal to your Government.

This is not our final say in the matter. In the months ahead, the Bank will be reviewing additional development options for the countries of the Sahel. If, in the light of the enclosed document, you and your colleagues have comments or recommendations that you would like the Bank to consider, I would certainly welcome hearing from you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Enclosure

The Honorable  
Jan P. Pronk  
Minister of Development Cooperation  
The Hague  
Netherlands

cc: Mr. McNamara's Office (2)  
Mr. P. Witte, Netherlands ED  
Mr. R. Chaufournier  
Mr. E.P. Wright  
Mr. A. House

LPChatenay/WDCClark:mmh  
March 26, 1975



492/4/117

MAR 24 1975

His Excellency  
Abdul Rehman Salim Al-Ateeqy  
Minister of Finance  
Kuwait, Kuwait

Dear Mr. Minister,

It was a great pleasure to meet with you again both in Kuwait and later in Saudi Arabia. With you and your colleagues and associates I really feel among sincere old friends. I want to thank you for all the kind hospitality extended to me during my stay in Kuwait.

I am pleased to be able to report to you that we found a strong support in Saudi Arabia from the Minister of Finance, H.H. Prince Mosaed Ibn Abdel-Rahman, and the authorities there, at the highest level, for the three main points we discussed with them.

They were in favour of the increase of the voting power of, and required increase of capital subscription by, the OPEC Countries to 15%. They further supported the "Third Window" lending facility and the Bank's borrowing program, indicating strong financial participation in each. The exact amounts will be determined some time in April with regard to the "Third Window" and in July with regard to the borrowing program.

Again in Abu Dhabi, where we met with H.H. Sheikh Zayed bin Sultan Al-Nahyan, H.E. Sheikh Ahmad Khalifa Al-Sweidi, Minister of Foreign Affairs, and the Minister of Finance, H.H. Sheikh Hamdan bin Rashid Al Maktoom, they were appreciative of the Bank's positive response to their request to increase the OPEC Countries' role in the Bank by increasing their voting power from about 5% to 15%. They also strongly supported the "Third Window" interest subsidy fund.

In Doha, we were pleased to find the same spirit of support for both proposals.

At present we are engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC Countries. We are also discussing with them and with several OECD Countries the "Third Window" proposal.



As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", some time next April.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Kuwait.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SElFishawy/rh

cc: Mr. McNamara's Office (2) ✓



492/4/116

March 24, 1975

His Excellency  
Sheikh Abdul Aziz Al-Thani  
Minister of Finance and Petroleum  
P.O. Box 83  
Doha, Qatar

Dear Mr. Minister,

It was a great pleasure to meet with you again in Doha and I want to thank you for all the kind hospitality extended to me during my stay in Qatar.

I am pleased to be able to report to you that in Abu Dhabi, where we met with H.H. Sheikh Zayed bin Sultan Al-Nahyan, H.H. Sheikh Hamdan bin Rashid Al Maktoom, the Minister of Finance, and H.E. Sheikh Ahmad Khalifa Al-Sweidi, Minister of Foreign Affairs, they were appreciative of the Bank's positive response to their request to increase the OPEC Countries' role in the Bank by increasing their voting power from about 5% to 15%. They also strongly supported the "Third Window" interest subsidy fund.

I would also like to confirm what I stated during our meetings that we have found strong support in Saudi Arabia from the Minister of Finance, H.H. Prince Mosaed Ibn Abdel-Rahman, and the authorities there, at the highest level, for the three main points we discussed with them. They were in favour of the increase of the voting power of, and required increase of capital subscription by, the OPEC Countries to 15%. They further supported the "Third Window" lending facility and the Bank's borrowing program, indicating strong financial participation in each. The exact amounts will be determined some time in April with regard to the "Third Window" and in July with regard to the borrowing program.

In Kuwait, where we met with the Prime Minister and Crown Prince, H.H. Sheikh Jaber Al-Ahmad, and the Minister of Finance, H.E. Abdul Rehman Salim Al-Ateeqy, they welcomed the proposed increase in the voting power of the OPEC Countries to 15%. They were strong supporters of the "Third Window" lending facility and indicated that Kuwait is prepared to contribute at least 20 Million Dollars to this facility. We



are hopeful, however, that Kuwait could contribute its full share of 25 Million Dollars. They also supported the Bank's borrowing program and indicated substantial financial participation in it. We plan to start negotiating specific borrowing transactions in Kuwait by next June.

Furthermore, we are at present engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC Countries. We are also discussing with them and with several OECD Countries the "Third Window" proposal.

As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", some time next April, and I am looking forward to hearing from you soon.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Qatar. Please convey my highest respects and warm regards to His Highness the Emir, Sheikh Khalifa bin Hamad Al-Thani.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SELFishawy/rh

cc: Mr. McNamara's Office (2) ✓  
Mr. Cargill



492/4/115

March 24, 1975

The Honorable  
Abdulkadir Qadi  
Director of Financial Affairs  
Ministry of Finance and Petroleum  
P.O. Box 83  
Doha, Qatar

Dear Mr. Qadi,

It was a great pleasure to meet with you again in Doha and I want to thank you for all the kind hospitality extended to me during my stay in Qatar.

I am pleased to be able to report to you that in Abu Dhabi, where we met with H.H. Sheikh Zayed bin Sultan Al-Nahyan, H.H. Sheikh Hamdan bin Rashid Al Maktoom, the Minister of Finance, and H.E. Sheikh Ahmad Khalifa Al-Sweidi, Minister of Foreign Affairs, they were appreciative of the Bank's positive response to their request to increase the OPEC Countries' role in the Bank by increasing their voting power from about 5% to 15%. They also strongly supported the "Third Window" interest subsidy fund.

I would also like to confirm what I stated during our meetings that we have found strong support in Saudi Arabia from the Minister of Finance, H.H. Prince Mosaed Ibn Abdel-Rahman, and the authorities there, at the highest level, for the three main points we discussed with them. They were in favour of the increase of the voting power of, and required increase of capital subscription by, the OPEC Countries to 15%. They further supported the "Third Window" lending facility and the Bank's borrowing program, indicating strong financial participation in each. The exact amounts will be determined some time in April with regard to the "Third Window" and in July with regard to the borrowing program.

In Kuwait, where we met with the Prime Minister and Crown Prince, H.H. Sheikh Jaber Al-Ahmad, and the Minister of Finance, H.E. Abdul Rehman Salim Al-Ateeqy, they welcomed the proposed increase in the voting power of the OPEC Countries to 15%. They were strong supporters of the "Third Window" lending facility and indicated that Kuwait is prepared to contribute at least 20 Million Dollars to this facility. We



are hopeful, however, that Kuwait could contribute its full share of 25 Million Dollars. They also supported the Bank's borrowing program and indicated substantial financial participation in it. We plan to start negotiating specific borrowing transactions in Kuwait by next June.

Furthermore, we are at present engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC Countries. We are also discussing with them and with several OECD Countries the "Third Window" proposal.

As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", some time next April.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Qatar.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SELFishawy/rh

cc: Mr. McNamara's Office  
Mr. Cargill

(2)✓



492/4/114

March 24, 1975

**His Highness  
Sheikh Hamdan bin Rashid Al Maktoom  
Deputy Prime Minister and Minister  
of Finance, Economy and Industry  
Abu Dhabi, United Arab Emirates**

Dear Mr. Minister,

It was a great pleasure to meet with you again in Abu Dhabi. I want to thank you for all the kind hospitality extended to me during my stay in the United Arab Emirates.

I would like to confirm here what I mentioned to you during our meetings that in Kuwait we found strong support for the three main points we discussed there with H.H. the Crown Prince and Prime Minister, Sheikh Jaber Al-Ahmad, and H.E. the Minister of Finance, Abdul Rehman Salim Al-Ateeqy. They welcomed the proposed increase in the voting power of, and required increase of capital subscription by, the OPEC Countries to 15%. They were strong supporters of the "Third Window" lending facility and indicated that Kuwait is prepared to contribute at least 20 Million Dollars to this facility. We are hopeful, however, that Kuwait will contribute its full share of 25 Million Dollars. They also supported the Bank's borrowing program and indicated substantial financial participation in it. We plan to start negotiating specific borrowing transactions in Kuwait by next June.

In Saudi Arabia, we also found strong support from the Minister of Finance, H.H. Prince Mosaed Ibn Abdel-Rahman, and the authorities there, at the highest level, for the three main points we discussed with them. They were in favour of the increase of the voting power of the OPEC Countries to 15%. They further supported the "Third Window" lending facility and the Bank's borrowing program, indicating strong financial participation in each. The exact amounts will be determined some time in April with regard to the "Third Window" and in July with regard to the borrowing program.

In Doha, we were pleased to find the same spirit of support for both proposals.



Furthermore, we are at present engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC Countries. We are also discussing with them and with several OECD Countries the "Third Window" proposal.

As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", some time next April, and I am looking forward to hearing from you.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Abu Dhabi.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SElFishawy/rh

cc: Mr. McNamara's Office  
Mr. Cargill

(2) ✓



492/4/113

March 24, 1975

His Excellency  
Sheikh Ahmad Khalifa Al-Sweidi  
Minister of Foreign Affairs  
The Palace of the Ruler  
Abu Dhabi, United Arab Emirates

Dear Mr. Minister,

It was a great pleasure to meet with you again in Abu Dhabi. I want to thank you for all the kind hospitality extended to me during my stay in the United Arab Emirates.

I would like to confirm here what I mentioned to you during our meetings that in Kuwait we found strong support for the three main points we discussed there with H.H. the Crown Prince and Prime Minister, Sheikh Jaber Al-Ahmad, and H.E. the Minister of Finance, Abdul Rehman Salim Al-Ateeqy. They welcomed the proposed increase in the voting power of, and required increase of capital subscription by, the OPEC Countries to 15%. They were strong supporters of the "Third Window" lending facility and indicated that Kuwait is prepared to contribute at least 20 Million Dollars to this facility. We are hopeful, however, that Kuwait will contribute its full share of 25 Million Dollars. They also supported the Bank's borrowing program and indicated substantial financial participation in it. We plan to start negotiating specific borrowing transactions in Kuwait by next June.

In Saudi Arabia we also found strong support from the Minister of Finance, H.H. Prince Mosaed Ibn Abdel-Rahman, and the authorities there, at the highest level, for the three main points we discussed with them. They were in favour of the increase of the voting power of the OPEC Countries to 15%. They further supported the "Third Window" lending facility and the Bank's borrowing program, indicating strong financial participation in each. The exact amounts will be determined some time in April with regard to the "Third Window" and in July with regard to the borrowing program.

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Furthermore, we are at present engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC Countries. We are also discussing with them and with several OECD Countries the "Third Window" proposal.

As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", some time next April.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in Abu Dhabi. Please convey my highest respects and warm regards to His Highness Sheikh Zayed bin Sultan Al-Nahyan.

Sincerely,

(Signed) Robert S. McNamara<sup>1</sup>

Robert S. McNamara

SElFishawy/rh

cc: Mr. McNamara's Office (2)✓  
Mr. Cargill



492/4/112

March 23, 1975

His Highness  
Prince Mosaed Ibn Abdel-Rahman  
Minister of Finance  
Riyadh, Kingdom of Saudi Arabia

Dear Mr. Minister,

It was a great pleasure to meet with you again in Riyadh. With you and your colleagues and associates, I really feel among sincere friends. I want to thank you for all the kind hospitality extended to me during my stay in the Kingdom.

I am pleased to be able to report to you that in Abu Dhabi, where we met with H.H. Sheikh Zayed bin Sultan Al-Nahyan, H.H. Sheikh Hamdan bin Rashid Al Maktoom, the Minister of Finance, and H.E. Sheikh Ahmad Khalifa Al-Sweidi, the Minister of Foreign Affairs, they were appreciative of the Bank's positive response to their request to increase the OPEC Countries' role in the Bank by increasing their voting power from about 5% to 15%. They also strongly supported the "Third Window" interest subsidy fund.

In Doha, we were pleased to find the same spirit of support for both proposals.

I would also like to confirm what I already stated during our meetings in Riyadh that we have found in Kuwait strong support for the three main points we discussed there with H.H. the Crown Prince and Prime Minister, Sheikh Jaber Al-Ahmad, and H.E. the Minister of Finance, Abdul Rehman Salim Al-Ateeqy. They welcomed the proposed increase in the voting power of, and required increase of capital subscription by, the OPEC Countries to 15%. They are strong supporters of the "Third Window" lending facility and they indicated that Kuwait is prepared to contribute at least 20 Million Dollars to this facility. We are, however, hopeful that Kuwait could contribute its full share of 25 Million Dollars. They also supported the Bank's borrowing program and indicated substantial financial participation in it. We plan to start negotiating specific borrowing transactions in Kuwait by next June.

Furthermore, we are at present engaged in discussions with Venezuela and Iran with regard to the increase of the voting power of OPEC Countries. We are also discussing with them and with several OECD Countries the "Third Window" proposal.



As I mentioned to you, we hope to be able to convene a meeting, probably in Europe, of the prospective donors to the "Third Window", some time next April.

Once again I would like to express my warmest thanks for the welcome and the hospitality extended to me during my stay in the Kingdom of Saudi Arabia.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

SELFishawy/rh

cc: Mr. McNamara's Office (2) ✓  
Mr. Cargill



492/4/110

March 21, 1975

MEMORANDUM FOR MR. KNAPP  
MR. CARGILL  
MR. CHAUFOURNIER

The most recent report, dated March 19, on "Overdue Service Payments" shows the Central African Republic to be overdue on four payments, one of them due June 15, 1974. Should we not immediately stop disbursements on all Bank loans to the Central African Republic?

  
Robert S. McNamara

RMcN:bmm



492/4/109

March 20, 1975

MEMORANDUM FOR MR. CARGILL

On Monday, March 17, in your absence, I met with John Adler and asked that the Office of the Vice President, Finance, assume responsibility for the following assignments:

1. In order to establish a systematic form of contacts with OPEC countries, please prepare a schedule of visits by Bank personnel for a 12-month period starting April 1, 1975.
2. Prepare instructions to the entire staff (Mr. Kearns to prepare a draft) that no visits to surplus OPEC countries dealing with matters other than those specifically exempted should take place without the knowledge and written concurrence of VP, Finance. Each visit is to take place on the basis of written guideline or aide memoire.
3. Prepare a systematic approach to Iran including when and how this country would be approached on six subjects: (1) capital increase, (2) Third Window, (3) FY75 borrowing, (4) FY76 borrowing, (5) Technical Assistance, and (6) lending program and offset agreements.
4. Prepare note on approach to borrowing from Swiss market in FY76.
5. Prepare note on our borrowing intentions in the US in FY76.
6. Prepare note regarding secondary market for IBRD securities as it exists now and what steps are taken to ensure that it becomes an "optimum market."
7. Prepare five-year plan of central bank issues stating the objective and basis of its derivation. You may wish to aim at an amount outstanding of at least \$3 billion at the end of five years.
8. Prepare plan for IDA5 to cover (a) the basic concept, (b) a schedule of negotiations, and (c) who will be responsible for preparation and negotiations.
9. Together with Mr. El Fishawy, plan briefing of Mr. Al Atrash of the outcome and results of visits to the Middle East.
10. Develop a plan for denominating borrowing in currencies equivalent to SDRs with the help of Messrs. Broches and Nurick.
11. Lay out the strategy and timetable for the increase in capital subscriptions, in coordination with Messrs. Broches and Nurick.



12. Prepare a strategy and timetable for the implementation of Third Window proposal, possibly arranging for a gathering of donors similar to Deputy Meetings for IDA Replenishment during first half of April.
13. With the help of Mr. Kochman, take responsibility for preparation of an extract of the memoranda of conversation of Mr. McNamara's visit to OPEC countries of items for which action would be required and monitor progress of action. Copy of extract should be sent to Mr. McNamara as reminder.
14. Prepare statement of relations of Bank Technical Assistance activities with the ones of UNDP.
15. How and when do you plan to discuss with Venezuela the three issues we have raised with other OPEC members: an increase in their subscribed capital; their participation in the subsidization of the Third Window; our borrowing program for FY76?

Upon your return, please discuss with me how you plan to carry out these tasks and your estimate of when each may be completed.

Robert S. McNamara

RMcN:bmm



492/4/108

MAR 19 1975

Dr. Rodrigo Botero Montoya  
Minister of Finance  
Ministry of Finance  
Bogota D. E., Colombia

Dear Mr. Minister:

It was with great interest that I read your letter of February 24, 1975, conveying the Colombian Government's concern with the need to improve the quality of life of the poorest 50 percent of Colombia's population, with particular emphasis on improving their nutritional status. The World Bank shares your Government's deep concern.

I recall with pleasure President Lopez' visit to the Bank in January 1974, and was particularly interested in his description of the "two Colombias" -- one, predominantly urban and relatively prosperous, the other, predominantly rural and poor.

More than two years ago, the Bank began a dialogue with its member nations regarding programs aimed at promoting both social equity and economic growth. Since then, we have increased our efforts in lending for those programs, particularly in rural areas, where the greatest concentration of poverty is found. A few days ago, the Bank announced a plan for doubling its lending to the world's rural poor by 1979.

Although the close association of poverty, malnutrition, lack of sanitation, disease and illiteracy is well known, these problems are not often viewed in an integrated manner. I, therefore, found your approach especially interesting, since it stressed the interdependence of these factors, which prevent almost half of the world's people from either contributing to or sharing in the benefits of economic development.

At the invitation of the Departamento Nacional de Planeacion, Bank staff members recently visited Bogota to discuss the National Nutrition Plan. They were impressed by its comprehensive scope and innovative approach. I understand that, based upon the Bogota discussions, further



Dr. Rodrigo Botero Montoya

- 2 -

work is being done to formulate specific project proposals in the areas of rural development, nutrition and health, along the lines you mention in your letter.

I am grateful to you for informing me of the strong commitment made by the Government towards helping the poorest Colombians to participate in the economic growth of their country. I feel that such a goal should be fully supported and I would be grateful if you would inform your President that the Bank is prepared to work closely with the Colombian Government in achieving this goal.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Cleared with and cc: Messrs. Goffin, Div. Chief, LAC Projects  
Casazza, Population & Nutrition Projects

cc: Messrs. Franco-Holguin, Executive Director  
Krieger  
Wiese, Director, LAC II  
Kanagaratnam, Director, Population & Nutrition Projects  
Glaessner, Acting Director, LAC Projects  
Quijano, Res. Rep. Bogotá  
Mr. McNamara's Office (2)

NCHughes:slb  
March 12, 1975



492/4/104

March 18, 1975

MEMORANDUM FOR MR. KNAPP

A report which I received today from Warren Baum, entitled: "Nairobi Speech Implementation Program - Progress Report as of February 28, 1975" states: that: "the Brazilian Government's commitment to large-scale programs for improving small farm productivity [is] lacking".

I have long suspected that this was the case. If the Brazilian Government has no program for increasing the productivity and the level of income of large numbers of its poor, are we justified in continuing lending to it? I think not.

RMcN

cc: Mr. Baum  
Mr. Chenery  
Mr. Krieger

RMcN:bmm



492/4/102

Arrangements for Technical Cooperation between the Government of Saudi Arabia and the IBRD as discussed March 11 and 12, 1975 during Mr. McNamara's visit.

On the basis of a request made to Mr. McNamara during his first visit to Saudi Arabia in February 1973, informal arrangements were concluded between the Government and the Bank, which involved the provision of technical assistance by the Bank in a number of sectors. Prior to that time, the Bank had already undertaken to act as Executing Agency for UNDP for a Transport Survey.

During 1974 and early 1975 the technical assistance activities of the Bank in Saudi Arabia have grown very rapidly and are encompassing such sectors as transportation, manpower and education, the Bahrein Causeway and pilgrims accommodation. Requests are pending concerning prefabricated housing, educational construction, project appraisal expertise for the Public Investment Fund and others. The growth of these activities and their range, touching as they do upon vast investment decisions involving billions of dollars, requires a new approach to the cooperative arrangements between Saudi Arabia and the Bank. It requires that, in future, they be programmed on the basis of their priority to the Saudi authorities, the expertise available to the Bank on the subject matters concerned and the high quality manpower available to the Bank to service such a program in the efficient manner which the Government has a right to expect.

In the light of recent requests made during contacts between the Ministry of Finance and the C.P.O. on the one hand, and Bank staff on the other, and pursuant to the discussions just held between the Saudi Government and Mr. McNamara and his associates the following steps (subject where appropriate to approval of the Board of the Bank) would seem to ensure an effective continuation and expansion of the ongoing technical cooperation activities: --

- 1) The Bank agrees with the view of the Saudi authorities that the presence in Riyadh of a Bank resident mission, headed by a senior staff member of recognized technical and managerial competence is an indispensable element for effective Bank technical assistance. The names(s) of proposed members of such a mission will be submitted to the Government very shortly.
- 2) An annual program and budget will be drawn up in the early Spring of each year by the two parties which will reflect the priorities of the Government and the expertise available in the Bank. The first such exercise will be conducted end March/ early April of 1975 to take effect in the (Bank) fiscal year beginning on July 1 1975. The program and budget will include contingencies for unforeseen requests in mid-year.
- 3) In accordance with the suggestion made by the Saudi Arabian authorities in 1973 concerning which a decision was deferred by the Bank pending the initial launching of an effective technical assistance program, it will in the future be appropriate for the major part of the Bank's costs in supplying technical assistance to be reimbursed by the Saudi authorities. The reimbursement would cover the incremental costs to the Bank of professional manpower and supporting staff and structures, while part of the overhead would be absorbed by the Bank's budget. (A rough calculation estimates the respective shares of the full cost at two-thirds and one-third respectively).
- 4) On the basis of presently received requests, it is roughly estimated that 20 direct professional man-years, backed by supporting staff and structures, would be expended by the Bank in the fiscal year 1975/76. This would imply a full cost to the Bank of something on the order of \$3.5 million of which the incremental cost on the order of \$2.5 million would be reimbursed by Saudi Arabia. The exact program and budget and method of payment will be determined during the forthcoming programming discussions to be held in Riyadh shortly.
- 5) The Saudi authorities will establish (or confirm) a point of contact for the initiation and implementation of the program, for each element of which separate, written project agreements will be concluded, outlining the action to be taken. The points of contact in the Bank for correspondence will be the Director, Projects, EMENA Region and the future Resident Representative in Riyadh.



Supplementary Agreement

The Bank will endeavour upon request and whenever possible to help the Saudi Fund for Development organize its activities, evaluate projects and invest its surplus funds. Details of these arrangements and reimbursement methods for assistance provided, whenever appropriate, will be worked out during the Fund's Managing Director's forthcoming visit to Washington in April 1975.

Riyadh, March 12 1975

*Rasul*



Summary of discussion between the Saudi delegation, headed by the Minister of Finance, and Mr. McNamara in Riyadh, March 11 1975

The following five points were discussed in the meeting between the Minister of Finance, the Governor of SAMA on the one hand, and Mr. McNamara and his associates on the other:

- 1) Increase in OPEC countries voting power;
- 2) Third Window;
- 3) IBRD borrowing program Fiscal Year 1976;
- 4) Technical Cooperation between Saudi Arabia and the Bank;
- 5) Bank support to the Saudi Fund for Development.

With respect to the first three, summary notes had been previously prepared, in Arabic and English, and presented by the Bank to the Government. The following conclusions were reached on these three points:

- i) subject to being assured of the wishes of the OPEC countries in this regard, the Bank's management would be willing to try to negotiate an increase in the voting power of the OPEC countries and in their subscribed capital in such a way as to increase their voting power from about 5% to 15%. The Saudi delegation stated its support for such an increase.
- ii) the Saudi Government stated its support for the setting up of a "third window" lending facility within the Bank Group. The principle of the Kingdom's contribution to an interest subsidy fund in this connection was accepted and the amount thereof would be considered by the Government and determined at a later date. The Bank agreed to keep the Saudi Government informed of the support and contributions received from other participating OECD and OPEC countries.
- iii) Mr. McNamara informed the Saudi delegation of the scope of the Bank's borrowing program for FY 1976. He expressed the view that borrowing to the extent of one billion dollars equivalent or more at market rates from Saudi Arabia would be highly desirable and appropriate. The Government confirmed that it would in the future continue lending to the Bank, which it considered as one of the principal beneficiaries of its lending. The amounts for FY 1976 would be determined sometime in July after the budget had been prepared. The question of lending in other than US dollars was raised and Mr. McNamara stated that it would be possible to borrow in a basket of currencies equivalent to SDRs.

With regard to the last two points on the agenda, agreements in principle were reached and embodied in separate memoranda which were initialled by both sides.

Riyadh, March 12 1975

*Rus*

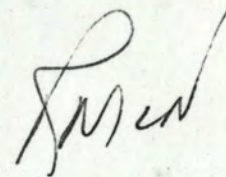


Summary of discussion between the Qatar Government, represented by the Minister of Finance, and Mr. McNamara in Doha, March 13, 1975

The following conclusions were reached:

- 1) Increase in OPEC countries voting power. The Government of Qatar supported such an increase.
- 2) Third Window. The Government supported the establishment of a Third Window lending facility within the Bank Group. The amount of the Government's contribution to the interest subsidy fund (which the Bank had suggested to be 15 million dollars) would be determined upon return of the Ruler. The Minister of Finance stated that he would inform the Bank of the Government's decision soon.
- 3) IBRD borrowing program, Fiscal Year 1976. The Government stated that the amount to be lent to the Bank was under consideration and would be determined by June 1975 in light of Qatar's financial position -- the budget presently includes 200 million dollars for the World Bank and the IMF for 1976.

Doha, March 13, 1975

A handwritten signature in dark ink, appearing to be 'S. M. Al-Jarrah', is written over the typed date.



492/4/101

March 5, 1975

Dear Jim:

First let me congratulate you and your staff on the successful launching of the second Earth Resources Technology Satellite. It is our understanding that all systems are functioning well and that the satellite data retrieved will soon be made available to the nations which are participating in the program.

Second, your letter of February 11, 1975, indicated that NASA would assist the Bank in obtaining imagery of areas of high interest to our development activities. At present we have on-going projects utilizing satellite imagery in Asia (Bangladesh, Burma, India, Indonesia and Nepal) and in the Sahelian countries of Africa which have suffered most drastically from the recent drought. A meeting with your staff involved in international operations and those technicians in the Bank involved in these projects would be most useful to discuss these projects and to determine more precisely the high priority areas, image types and seasonal coverage which would be most useful to our project operations.

Again let me thank you for your assistance.

Sincerely,  
(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable  
James C. Fletcher  
Administrator  
National Aeronautics and  
Space Administration  
Washington, D.C. 20546

WUDrewes:RSMcNamara:ml



492/4/100

March 5, 1975

His Excellency  
Olof Palme  
Prime Minister  
Stockholm, Sweden

Dear Mr. Prime Minister:

I have been encouraged by Ernst Michanek to write personally to you about some activities of the World Bank on the fringe of its main work, which I know have been causing you anxiety.

I am fully aware of, and most grateful for the support that your Government has given to the main thrust of the Bank's program -- particularly the direct attack on poverty through Rural Development. But I am also aware of your misgivings about our activities, or supposed activities, in certain member countries, particularly Chile and Vietnam.

It is because we are about to present to the Board a loan to Chile that I write to you at this time. I attach that section of my report to the Board which deals with our reasons for making the loan, but I would like to explain to you in the confidence of this letter a little more of my personal reasoning, so that if we disagree we at least disagree with full knowledge.

My first objective in making any Bank loan is to help the people, and ultimately the poorest people, of the country. I believe that this loan does help some 130,000 of the most disadvantaged of Chile's population, and our supervision of the project will ensure that the help goes where it is intended and needed. It is not an endorsement or a support of the present Government of Chile. Indeed the policies embodied in this project really sprang from the land reform program of the previous regime.

I am fully aware that the Bank will be criticized for lending to the military junta that now rules Chile, as we were criticized for our education loans to Greece when the military regime ruled there. But I am determined not to turn our development assistance on and off as the political circumstances of a country change. I trust you agree that this kind of principle must be followed by an international institution.



It was my strong desire not to break our aid relationship with Chile when Allende was elected, which led me to send him two private messages offering continued Bank support. The subsequent delays and economic deterioration were not of our making.

As to Vietnam, I intend to abide by the same principles. I will only recommend a loan to the Board if I am satisfied that it can and will help the people of the land, irrespective of political circumstances. Such a condition has not been met to date and we have therefore made no loan to Vietnam.

I would like to end on a less polemic note by mentioning that I had a very warm personal message from President Nyerere last month about the growing Bank involvement in Tanzania, in the course of which he singled out for favorable mention the joint Bank-SIDA rural development project at Tabora. I hope we may together find more such joint projects in more countries where our aims and objectives can be so well harmonized.

Let me emphasize once more how strongly I feel that the World Bank's objectives in aid agree with Sweden's. The Bank can function effectively only if it has a frank and trustful relationship with its member countries. It is my sincere hope that the dialogue with your government in this vein can be further enhanced.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Attachment

WDClark:RMcN:mss



492/4/99

Mailed 5/19/75

Dear Ernst:

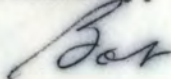
Thank you for your letter of January 20. I have delayed writing until decisions on Chile were made, but now that they have been I enclose a letter to your Prime Minister. I would be grateful if you could give it to him at the earliest suitable moment.

Thank you for giving me your views about the situation in Portugal. We share your feeling that Portugal needs to be assisted at this very difficult time in its history.

Portugal's performance so far in its decolonization program has been very remarkable indeed, considering the short time which has elapsed since the change of government in April. I have myself expressed this view to Foreign Minister Soares when he visited here last Fall.

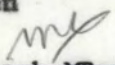
Our Vice President dealing with this region, Mr. Benjenk, visited Portugal last November and, in agreement with the Portuguese Government launched a program of cooperation, which has already manifested itself in the dispatch of an economic mission, which is now preparing its report, and the initiation of a number of project preparation activities. If all goes well we should be able to start a lending program in Portugal some time this year, beginning with industrial finance, transportation and power. I believe that we have established a good spirit of cooperation with the new Portuguese Government after a long hiatus during the colonial war, and I hope that the Government that will emerge as a result of the democratic process will be effective in maintaining economic stability and creditworthiness.

Sincerely,



Robert S. McNamara

Mr. Ernst Michanek  
Director General, SIDA  
105 25 Stockholm  
Sweden

  
WDC:Clark:MBenjenk:sf



692/4/98

March 5, 1975

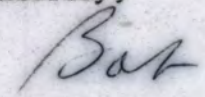
Dear Judith:

Thank you for your letter of February 13 which I found on my return to the office. I am most grateful for your detailed comments about the UK's admirable practice of budgeting the aid program in constant prices. It is, I believe, the only way for aid authorities to set meaningful targets in the highly inflationary situation the world faces at the moment.

At Tidewater, I was pointing to the prevailing procedure which is to budget foreign aid funds at current prices, and to the consequential erosion in the real value of ODA. The World Bank lending program (commitments) have been established in real terms since 1971. Since world inflation rates have turned out to be even worse than our forecasts, the IBRD lending program has been periodically adjusted upwards, most recently in "Review of IBRD/IDA Program and Financial Policies" which was discussed by the Board in January.

I am also grateful for your comments about local cost financing in Bank and IDA projects. Your clarification will help us greatly in preparing the paper on that subject which is to be discussed by the Board on May 20.

Sincerely,



Robert S. McNamara

The Right Honorable  
Judith Hart  
Minister of Overseas Development  
Bland House  
Stag Place  
London SW1E 5DH, England

WDCIark/LPChatenay:RMcN:mss



492/4/97

MAR 5 1975

Monsieur le Président,

J'ai l'honneur d'accuser réception et de vous remercier de votre lettre du 23 janvier 1975 par laquelle vous avez bien voulu m'inviter à participer à la réunion que vous proposiez de tenir à Bamako les 6, 7 et 8 mars prochains au sujet du Barrage de Sélingué. Nous avons noté entretemps que la date en a été reportée aux 17, 18 et 19 avril. Je suis, croyez-le, très sensible à cette aimable invitation, mais des engagements antérieurs ne me permettront malheureusement pas de n'y rendre.

Je vous confirme donc, comme M. Chaufournier en a déjà informé Monsieur le Ministre Sangaré, que la Banque sera représentée à cette réunion par M. Marc Ls. Bazin, Chef de division, Département Afrique de l'Ouest, accompagné d'un expert en irrigation et d'un expert en énergie électrique.

En souhaitant un plein succès aux travaux de cette conférence, je vous prie, Monsieur le Président, d'agréer l'expression de ma plus haute considération.

(Signed) Robert S. McNamara  
Robert S. McNamara

Son Excellence  
Colonel Moussa Traore  
Président du Comité Militaire  
de Libération Nationale  
Président du Gouvernement  
Bamako, Mali

MLBazin:hp

cc: M. A. Razafindrabe, Administrateur

cc: Mr. McNamara's office (2)  
Messrs. Chaufournier  
Wright  
Thalwitz  
Meimaris  
King  
de Liedekerke



492 / 4/74

March 5, 1975

MEMORANDUM FOR MR. CARGILL

Mr. Nurick sent to me a copy of his memorandum to you dated March 1, subject: "Draft Report on Capital Subscriptions for OPEC Countries."

During my absence, please arrange for a discussion of the report with Burke and other senior officers of the Bank. Upon my return, I should like your recommendations as to how we should proceed on this matter.

In para (iv), Lester suggests preparation of a separate note on "further increases in Bank subscriptions which may follow the final decisions to be taken by the Fund on their new quotas." Please ask him to prepare such a note.

Robert S. McNamara

RMcN:bmm



492/4/93

THE HONORABLE  
ABDULKADIR QADI  
DIRECTOR OF FINANCIAL AFFAIRS  
MINISTRY OF FINANCE AND PETROLEUM  
DOHA

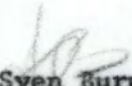
MARCH 5, 1975

TELEX (X 5077)

QATAR

THANK YOU VERY MUCH FOR YOUR TELEX MARCH FIVE STOP MR. MCNAMARA WILL  
ARRIVE FROM RIYADH AT APPROXIMATELY 1100 HOURS THURSDAY MARCH THIRTEEN  
STOP HE WILL BE ACCOMPANIED BY HIS PERSONAL ASSISTANT, MR. BURMESTER,  
AND MR. ELFISHAWY STOP RESERVATIONS HAVE BEEN MADE AT GULF HOTEL IN  
MR. BURMESTER'S NAME STOP WOULD APPRECIATE YOU CONFIRM RESERVATIONS  
KIND REGARDS

BURMESTER

  
Sven Burmester

cc: Mr. El Fishawy

Office of the President

SBurmester/rh



492/4/92

March 4, 1975

Mr. Norman E. Borlaug,  
International Maize and Wheat  
Improvement Center,  
Londres 40,  
MEXICO 6, D.F.

Dear Mr. Borlaug:

Thank you for your letter of February 4, commenting on the world food and fertilizer situation and, in particular, on the situation in South America. I was glad to have your views, and am grateful to you for calling them to my attention.

Generally, my colleagues and I agree with your observations and share your concern over the dramatic increase in fertilizer prices and consequent harm to the small farmer, and the worsening of the already critical food situation. While prices of certain fertilizers appear to have leveled off in the last few months, and we expect them to decline in the not too distant future, the underlying long-term problem of imbalances in demand and supply of fertilizers nevertheless remains, and maximum efforts must be made to overcome it.

One of our first main tasks is to obtain reliable information on the supply/demand situation, and the Bank, as a matter of priority, is now working with other international organizations toward the establishment of an authoritative data system. It is already apparent that new capacity announced within the last year will help to improve the global situation as we saw it perhaps some 12 months ago. We very much agree, however, with your comments about the dangers of concentrating nitrogen production in specific geographic areas, which might increase the vulnerability of developing countries to harmful trends and fluctuations in price and availability.

You will be interested to know that the Bank has recently created a "Fertilizer Unit" to look into this range of problems. Among its first tasks will be to:



Mr. Norman Borlaug

- 2 -

March 4, 1975

- (a) Set up a reliable information system on future supply and demand of fertilizers.
- (b) Assist in removing bottlenecks to existing fertilizer production in developing countries.
- (c) Investigate how the Bank might help to remove constraints in fertilizer use in developing countries by financing production facilities together with distribution/marketing infrastructure.
- (d) Consider regional groupings of developing countries which possess raw materials and convenient markets and where there is advantage in collaboration in manufacture and distribution.

This last objective, of course, is in line with your thoughts on South America. The Bank also sees this area as one for considerable further development.

I shall be pleased to discuss these matters with you when you next visit Washington.

With best wishes,

Sincerely

(Signed) Robert S. McNamara

Robert S. McNamara

Cleared with Mr. M. Yudelman

cc: Messrs. Baum  
Burmester ✓  
Fuchs  
Sheldrick



492/4/91


MAR 4 1975

HIS EXCELLENCY  
SHEIKH AHMAD ABDUL WAHAB  
CHIEF OF ROYAL PROTOCOL  
RIYADH

IBF GOVT

SAUDI ARABIA

FURTHER TO MY CABLE DATED FEBRUARY NINETEEN AND DUE TO THE FACT  
THAT FLIGHT NO. SV 831 ON WHICH EYE ORIGINALLY PLANNED TO ARRIVE  
RIYADH ON SUNDAY MARCH NINE AT 1950 HOURS NO LONGER OPERATES, EYE  
HAD TO CHANGE PLANS STOP EYE AM NOW PLANNING TO ARRIVE RIYADH  
MONDAY MARCH TEN AT 1220 HOURS FLIGHT NO. SV 978 STOP MR. MUNIR  
BENJENK WILL BE ARRIVING SUNDAY MARCH NINE AT 2050 HOURS FLIGHT  
NO. SV 729 STOP  
LOOKING FORWARD SEEING YOU IN RIYADH  
KIND REGARDS

  
ROBERT S. MCNAMARA

Robert S. McNamara  
President

cc: Mr. El Fishawy

SElFishawy/rh



492/4/87

MAR 3 1975

Dear Abdlatif,

Thank you very much for your letter dated February 8 by which I was deeply touched. I treasure your kind assertions. Had I seen the report to which you refer before receiving your letter, I would never have suspected, however, its inaccuracies and misinterpretations. Misquotations by the press sometimes do not come to me as a surprise.

Your dedication and zeal to the cause of economic development is really heartening. I am sure that all concerned with the cause of economic development fully realize that cooperation is both the core and solid basis of their efforts.

Looking forward to meeting you soon,

Sincerely,

Robert S. McNamara

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

SELFishawy/rh

cc: Mr. McNamara's Office (2)



492/4/86

March 3, 1975

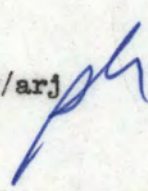
MEMORANDUM

Re: Two-Year Bonds of 1975, due March 15, 1977

Pursuant to Resolution No. 75-22 adopted by the Executive Directors of the Bank on February 18, 1975 for the creation of an issue of bonds to be known as the Two-Year Bonds of 1975, due March 15, 1977, in an aggregate principal amount to be determined by the President or Vice President, Finance or the Treasurer but not to exceed \$240,000,000, and to bear interest at a rate not to exceed 6-3/4% per annum, I have determined that said aggregate principal amount will be \$240,000,000, and said interest rate will be 6.40% per annum.

(Signed) Robert S. McNamara

Robert S. McNamara  
President

PHeininger/arj 



492/4/84

MAR 3 1975

HIS EXCELLENCY  
ABDULRAHMAN SALIM ALATEEQY  
MINISTER OF FINANCE  
KUWAIT

TELEX (X 5077)

KUWAIT

THANK YOU VERY MUCH FOR YOUR CABLE DATED FEBRUARY TWENTYFOURTH WHICH  
EYE FOUND UPON MY RETURN TO WASHINGTON STOP EYE HOPE THAT YOU HAVE  
RECOVERED COMPLETELY AND FULLY STOP PLANNING TO ARRIVE KUWAIT FRIDAY  
MARCH SEVEN AT 1935 HOURS FLIGHT NUMBER KU 102 STOP LOOKING FORWARD  
TO MEETING WITH YOU STOP

KIND REGARDS

*Robert S. McNamara*  
ROBERT S. MCNAMARA

Robert S. McNamara  
President

cc: Mr. El Fishawy

SE1Fishawy/rh



492/4/81

MAR 3 1975

Dear Abdlatif,

Thank you very much for your letter dated February 8 by which I was deeply touched. I treasure your kind assertions. Had I seen the report to which you refer before receiving your letter, I would never have suspected, however, its inaccuracies and misinterpretations. Misquotations by the press sometimes do not come to me as a surprise.

Your dedication and zeal to the cause of economic development is really heartening. I am sure that all concerned with the cause of economic development fully realize that cooperation is both the core and solid basis of their efforts.

Looking forward to meeting you soon,

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

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

SELFishawy/rh

cc: Mr. McNamara's Office (2)