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1971

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REMARKS AT AIRPORT UPON ARRIVAL IN CHAD

1/13/71

My visit to Chad fulfills an old desire, and I look forward with particular pleasure to meeting President Tombalbaye. From him, and from the others I will be seeing, I hope to gain a better understanding of the problems and prospects of your economy, in order to assess what we in the World Bank Group can do to help you cope with the problems and improve the prospects.

Over the past two-and-a-half years, the Bank Group has greatly increased its activities round the world, and especially in Africa. In framing our expansion plans, we have devoted particular attention to countries such as Chad where we had not been active earlier. Our lending here began in August 1968. It now amounts to about \$6 million, which is earmarked for highway maintenance and education. My hope is that over the next five years, if all goes well, that total will rise considerably, and that we will be able to lend for a larger variety of projects. Apart from transport and education, we expect to look closely into the ~~scope for~~ assistance to such sectors as agriculture and telecommunications.

Chad's development presents a number of major problems. Our assistance, I believe, will be the more effective if used in conjunction with the resources that you yourselves mobilize. It is our hope that, together, we will forge a genuine partnership in implementing a pattern of development chosen by Chad and led by Chad. Our aim is the same as yours: to lay the foundations on which the people of this country can build for themselves a better, peaceful and more prosperous future.

REPLY TO TOAST AT PRESIDENT TOMBALBAYE'S FORMAL DINNER AT FORT LAMY

THURSDAY, JANUARY 14, 1971

Mr. President:

I am grateful for your generous remarks, and for the warm hospitality you have extended to Mrs. McNamara and myself during our stay.

That stay has been briefer than I should have liked — and yet it has been intensely stimulating. ~~For it has been filled with fruitful~~ ^{most useful} discussions on the Republic's plans for the future.

I would have liked to travel around this ancient ~~and cultured~~ land: a land, as I know, graced by such ~~great~~ artistic treasures as the prehistoric paintings in the Tibesti, and the ~~exquisite~~ ^{beautiful} terra-cotta figurines of the Sao. But, as I have already found, this is a land that looks not merely to the artifacts of the past, but to the building of a better future.

We in the World Bank are proud to assist in that task, and I confidently hope our assistance will grow in size and quality.

As in every country — everywhere — this Republic has its share of problems. Development is never without difficulties. Indeed, perhaps the most essential ingredient of all development is the determination of a country that its difficulties can be overcome, and that the life of all its people can be enhanced.

The discussions I have had here, Mr. President, make it clear that Chad's determination is strong.

Our determination in the World Bank will be no less strong. We are anxious that the partnership we have begun in highways and education can move on into other vital sectors: sectors that will support the Republic's overall plans for sustained economic and social progress.

But speaking here in Fort Lamy, at the very heart, as you said Mr. President, of Africa, and addressing you, Sir, I realize that I am speaking not only to the President of Tchad but to the Chairman of that great institution, OCAM, which stretches ~~right~~ across Africa from west to east and from the Sahara to the midst of the Indian Ocean. One day I hope to be able to visit each of the member states, but in the meantime since the Heads of States of this organization will be meeting here next week, may I express to them through you, Mr. President, ~~and Chairman~~, the profound and lasting interest which the World Bank takes in the economic and social development of each member nation and the group as a whole.

Most of these States are eligible for assistance from the International Development Association which has been devoting a much larger share of its scarce resources ~~(both men and money)~~ to Africa in recent years. Indeed, today the amount of assistance given by I.D.A. per ^{person} ~~head of population~~ is higher in Africa than in Asia or Latin America. But I am fully aware that in relation to your problems and needs ~~in this area~~ the funds available seem inadequate. I understand, I sympathize, and I promise when the third replenishment of I.D.A. is completed (~~hopefully in the next six months~~) the absolute amount of the resources flowing to Africa will ^{increase substantially.} ~~be more than~~ ~~doubled.~~

May I take this opportunity to express my deep appreciation to you, Mr. President, for the help you personally gave during the negotiations of this Third Replenishment and for the continuous and close interest you have shown in the aims and ideals of the International Development Association.

I ask you, then, ladies and gentlemen, to join me in a toast to President ^{and Mr. Tombalbaye} Tombalbaye — and to the success of the dream that ^{they} ~~he~~ and all of us share: a prosperous future for this Republic, and for all its people.

OFFICIAL VISIT OF MR. ROBERT S. McNAMARA

PRESIDENT OF THE WORLD BANK GROUP

TO THE REPUBLIC OF CHAD

(January 13 - 15, 1971)

TOAST BY THE PRESIDENT OF THE REPUBLIC

Thursday, January 15, 1971

Mr. President,

The whole country of Chad is happy that you are here today; indeed, this event is important on several counts. We are greeting you here today as President of the World Bank Group but also and most specially as an eminent statesman, as a brilliant economist and as a true humanist.

However, our welcome is tinged with regret since you cannot stay longer with us; but we do know that your trips are always planned with the emphasis on speed and, fortunately, efficiency.

It is my turn then to tell you how deeply honored I am today that you were kind enough to accept my invitation and come to Chad at a time when the pressure of work is so great for you. I see in your visit the clear-cut expression of the constant interest you are showing in our continent in general and the poor countries like Chad in particular. I will always be very grateful for your interest.

This visit is no doubt of historic importance for our whole region of Central Africa; it is a proof that you do not forget us in crucial times. It is therefore with real pleasure that the Government, the Party and the people of this country receive you. In a few days, when I meet with the Heads of Member States of the Common African, Malagasy and Mauritius Organization (OCAM), of which I have the honor and privilege of being the

.../...

Chairman, I shall point out that you consider your visit as a particular tribute rendered to a peaceful organization which represents a large part of the African Continent. I know that you would have liked to visit each member state of our Organization if your work allowed you do so. I also know that in the years to come you will seek to know personally the men and the changing realities of our area.

I interpret this visit not only as a mark of special interest for Chad, the geographic heart of Africa, but also as a specific manifestation of your immediate and constructive concern for the improvement of the lot of the whole continent and, more particularly, of the fifteen member states of OCAM. Be assured, Sir, that I will so indicate to my colleagues, the Heads of State of OCAM.

My purpose in inviting you to Chad was quite simple. Frankly, I ardently wishes that you visit, however briefly, a country which is among those which have not been very much favored by nature. I might even venture to say that this country has been penalized by nature. This country is here before your eyes, an immense underpopulated area in relation to its dimensions, at the very heart of the African Continent. A country without sea coast, without known resources, but a country which is fully aware of its potentialities and of its will to develop; for Chad has not yet said its last word.

At the crossroads of the continent, Chad stands ready to act and, in so doing, to bring its modest contribution to the cause of peace and economic and social progress in Central Africa. It will pursue perseveringly its march towards the establishment of an atmosphere of peace, harmony and progress. In so doing, it will remain true to its vocation as the inescapable link between all the States of this area which were formally submitted to

.../...

different colonial influences and which are struggling today to achieve their unity within their diversity.

I would like for you, Mr. President, to visit this vast country so as to see by yourself its potentialities in the field of economic development and, in particular, the contribution that it can bring to peace and to the future stability of this part of our continent. In spite of the brevity of your stay, I dare hope that, when you leave Chad, you will be aware of our problems, our priorities and our innumerable difficulties. On the other hand -forgetting for a few moments the dry statistics- you have been able to see a country which is proud of its history and its traditions and which is working towards one single goal, that is the economic and social betterment of its citizens. This is indeed the picture which I like to think you will take with you.

Today, I will not be telling you any secret when I say that many of my colleagues appreciate and praise your dynamism and your personal contribution to the cause of international cooperation and harmonious development among the member countries of your three organizations. True, there is no perfect man or organization, but we do feel that you spare no effort so that the World Bank Group may indeed fulfil its historic mission which, in the last analysis, is its primary purpose.

Through your hard work, your intellectual courage and your creative imagination you have been able to impart a new orientation to the Bretton Woods Institutions. You have had the courage and the will to change these Institutions, to diversify even more their field of intervention and to increase twofold and sometimes even more the volume of funds made available to the developing countries. This remarkable achievement, which

.../...

has the support of many member states, should continue and improve; and I am sure that you will make every endeavor to see to it that it be so.

Mr. President, I will not attempt to tell an eminent specialist as yourself that, in the last analysis, aid is less important than its terms and that, when one borrows, one must be able to reimburse without putting oneself in jeopardy. This leads me quite naturally to say that the majority of the developing countries which are members of your Institutions and, in any case, practically all the members of OCAM, place all their hopes in the International Development Association (IDA), the progressive and generous branch of the IBRD.

I have personally followed for several years the development of this Association, because I firmly believe in its positive contribution, a contribution which could be even more helpful to us if some changes were considered and, better yet, put into practice. More than anybody else, Mr. President, you know how our economies are precarious, how unbearable the burden of our debt is; you alone can understand beyond and above all the calculations of return and of other sophisticated factors how important for us is the implementation of urgent projects which become even more significant when placed in a long-term context.

This being said, I am happy that this important branch of the Bank, and by that I mean the International Development Association, has emerged stronger from the crisis which it recently faced. I am particularly happy to learn that the Third Replenishment of its resources has been achieved satisfactorily at a level higher than the second replenishment. For the period 1968-1971, the Association had available \$1,170,000,000 while for the period 1971-1974 it will have available \$2,440,000,000.

You know, Mr. President, that the African States, and more especially the French-speaking African States, have always suffered from

the imbalance in IDA assistance. For several years, we have been calling the attention of the high authorities of the Association to this anomaly. I admit, however, and this is borne out by the reports of our Executive Director, that, since you became President of the World Bank Group, real progress has been achieved. However, the Association can do even more and better. You are here in a friendly land and it is the admiration which I have for you which prompts me to be as frank as I am on a subject which is of capital importance for us. To be true, the policy of the International Development Association, as well as its methods, are of special importance for us. This is why I would like to say, on behalf of my 14 other colleagues whom I will shortly meet here, that we trust you and that we count even more than ever before on you to see that the share of Africa in general, and of the OCAM countries in particular, become greater than before and meet better our urgent needs.

The Association is for us of primary concern; international cooperation is still feeling its way amidst immense difficulties which are so deeply rooted that they might jeopardize our whole approach and stymie all our hopes. As you know, aid is becoming smaller and its terms are getting harder. And it is depressing to become every day more aware that the richer countries are slowing down the flow of their resources made available to the countries of the Third World.

At the beginning of this decade, I still believe in your will to infuse renewed vigor into the cooperation between the World Bank Group and the 15 member countries of OCAM. I also dare hope that this decade may bring many more constructive achievements and initiatives than the preceding one. In all sincerity, I do think that yourself and your Organizations have a crucial role to play in this vast undertaking in

the service of peace. I know that you will do so, as always, in a spirit of self-sacrifice and devotion.

This is why Mr. President, through myself and my Government, Chad is happy to greet you in its capital city. This is why I consider essential that your trip through Africa -- and this is an honor for us-- begins in our country.

Your Excellencies, Ladies and Gentlemen, I am happy to ask you to drink to the health of Mr. and Mrs. McNamara and their suite; long live and prosper the cooperation between the Republic of Chad and the World Bank Group.

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1/15/77

REMARKS AT AIRPORT UPON ARRIVAL IN CAMEROON

I have long wanted to visit Cameroon -- a country that, economically and in myriad other ways, typifies so many of the problems as well as the potentialities of Africa. My pleasure in being here is increased by the fact that I will be meeting your distinguished President, a man whose dedication to the unity and progress of his country is recognized far beyond its borders.

Cameroon occupies a place of particular importance in the World Bank Group's program of activity. Under that program, we expect that in the five years through 1973 we will lend twice as much round the world as we did in the previous five years. While the global total will double, the African total will triple. In Cameroon, we hope, the increase will be even bigger.

We are well on the way to achieving these goals. In Fiscal 1970, the worldwide financing commitments of the World Bank Group were 98% above the annual average for 1964-68. Commitments in Africa were 170% higher. And our lending to Cameroon, in that single year, amounted to \$35 million; at this level, it was almost ten times the annual average for 1964-68, and well above the total of all previous lending to this country.

In expanding our worldwide activities, we are not trying simply to do more of what we did before. We are striving to diversify the flow of our assistance, in order that developing countries may be able to attack the crucial bottlenecks to their socio-economic progress. In Cameroon, for instance, we had until a couple of years ago

concentrated on the development of plantation agriculture. In 1969, we made our first loan for water supply. In Fiscal 1970, we began to support projects for education, roads and railways. And, last month, we approved our first credit for port development, at Douala. In the years to come, we hope to look more closely into the possibilities in other sectors as well, such as industry, mining, power, small-holder and subsistence agriculture, and tourism.

While here, I hope to see something of how your development program is working out on the ground. We know, as you do, that in establishing a firm foundation for the development of Cameroon, several problems lie ahead -- those of urbanization and employment, for instance. We shall try to help you as fully as we can, so that your great country can realize its potential and build a better, more prosperous future for its people.

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(JLMaddux)
12-30-70

DRAFT REPLY TO TOAST AT PRESIDENT AHIDJO'S FORMAL DINNER AT YAOUNDÉ
FRIDAY, JANUARY 15, 1971

Cameroon - Mr. President
~~Mr. President:~~

Thank you for your warm remarks, and the gracious hospitality you are extending to Mrs. McNamara and myself.

Almost two thousand
~~Some 1900~~ years ago, the Roman historian Pliny the Elder remarked that there was "always something new coming out of Africa." He was right. And certainly one of the most exciting things to come out of Africa in this last decade is the Federal Republic of Cameroon.

It is a fascinating country, and this morning we had the pleasure of visiting your home city of Garoua, Mr. President. I understand that last fall you visited what happens to be my home city -- San Francisco -- and that you were so struck by the view from the top-floor dining room of one of the hotels, where you had lunch, that you returned there in the evening specifically to see the sunset.

I can only say, Mr. President, that if your view of my home city was as spectacular as the view Mrs. McNamara and I had this *afternoon* ~~morning~~ of your home city by helicopter, then we have each had a very memorable experience indeed!

In the next two days, I am looking forward to seeing a great deal more of your country. It is, of course, far too short a time. But I am afraid that if we stayed here for months we could not exhaust the incredible variety of people and places in this great Republic.

Mr. President, you are one of the ~~outstanding~~ leaders of Africa who have given effective support to the immense value of social and

cultural diversity. There are those in the world who confuse unity with uniformity. It is an unfortunate confusion. For true unity broadens and enhances human society. And mere uniformity narrows and stifles it.

Social and cultural diversity enriches a country. Few countries on earth prove that point in a more attractive way than the Federal Republic of Cameroon, Mr. President. And your wisdom, and vigor, and leadership have made that possible.

We in the World Bank are proud to play a role in the great drama of development that you have initiated. And we look forward to expanding that role. In this past ten years the Republic has achieved -- indeed, even surpassed -- the GNP growth target of the United Nations First Development Decade. But you have wisely concluded that such targets, as necessary as they are, are not the exclusive ingredient of full development. You are looking to the fulfillment of important social goals as well as purely economic objectives.

You have often been quoted as saying that "It is not enough to express the economy of a country in equation form ... that "the ultimate success or failure of the work undertaken depends on men."

I profoundly agree with that, Mr. President.

Individual men and women -- and their own inherent potential -- are not only the ultimate cause of real development, but the ultimate objective as well.

Ladies and Gentlemen, I ask you now to join me in a toast to President Ahidjo -- the father and leader of his country, ~~and a man in whom this Republic, this continent, and indeed the entire world can find~~ ^{and a man of the future}

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1/17/71

REMARKS AT AIRPORT UPON ARRIVAL IN GABON

It is a very great pleasure indeed for me to be here in Gabon, and I look forward eagerly to meeting your President, and seeing something of your fascinating country.

The objective of my visit is simple: it is to observe at first hand some of your efforts in the field of economic development, and to assess what we in the World Bank Group can do to support those efforts more effectively.

The Bank Group has made some contribution to your country's development in the past. We now look forward to making a substantially greater contribution in the future.

The Bank's lending here began in 1959 with a loan of \$35 million for the manganese ore mining project in Moanda which I will be visiting. Since then, we have made loans totaling nearly \$20 million for highway construction and education projects. In the years ahead, we hope not only to continue our assistance for such projects, but also to look into the possibilities in other sectors, such as agriculture, with a view to helping build a stronger and more diversified economy.

Gabon, I am convinced, has a promising potential for development. We in the World Bank Group are anxious to help you transform that potential into reality. In this, we share with you a common aim: to enable the people of Gabon to move forward to the greater prosperity and well-being that I believe to be both their desire and their destiny.

(JLMaddux)
12-31-70

DRAFT REPLY TO TOAST AT PRESIDENT BONGO'S FORMAL DINNER AT LIBREVILLE

MONDAY, JANUARY 18, 1970

Gabon - Mr. President
~~Mr. President:~~

Thank you for your generous remarks, and for the warm hospitality you have extended to Mrs. McNamara and myself.

I am told that a motto which you frequently repeat is the phrase: "Dialogue, Tolerance, Peace."

It is difficult to think of any other three words that are more relevant to the needs of the entire world today.

Here in Gabon, the evidence that these words are meaningful -- and that they are not merely spoken, but are being translated into action -- is clear to anyone who has the good fortune to visit this gracious land.

All of us know the stirring story of how this capital of Libreville -- "the place of liberation" got its name.

Now, a new kind of liberation is taking place in Gabon: a liberation from the deprivations of disease and illiteracy and social and economic inequality.

Under your leadership, Mr. President, history is in a hurry here in Gabon. You are determined that progress shall go forward -- and that it shall go forward not merely for this faction, or that faction, but for all the citizens of the Republic, whatever their differences, whatever their diversity.

We in the World Bank are proud to play a role in this great task, and we are anxious to continue and expand that role.

My visit to various development projects, and my conversations with you and your colleagues about your plans for the future are directed entirely to that end. We in the Bank welcome the opportunity to be a partner of Gabon in its pursuit of progress. We are confident that that partnership will grow.

Ladies and Gentlemen, I ask you to join me in a toast to President Bongo -- to a man whose youth lends vigor to his resolve -- to a man who takes pride in thinking of his role in the Republic as a Rénovateur -- to a man who has indeed renovated the enthusiasm and efforts of the people of Gabon in their building of a better future.

E N D

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OFFICIAL VISIT OF MR. ROBERT S. McNAMARA

PRESIDENT OF THE WORLD BANK GROUP

IN THE REPUBLIC OF GABON

(January 17 - 19, 1971)

TOAST BY THE PRESIDENT OF THE REPUBLIC

Monday, January 18, 1971

Mrs. McNamara, Mr. President, Your Excellencies, Ladies and Gentlemen,

For a developing country, it is a pleasant privilege to receive an official visit from the President of the World Bank Group. As you have seen, this is a gala occasion for the whole country. My Government, my party and the people of Gabon are happy to welcome you, your wife and your delegation in our small but very dear country. I am personally delighted to see you in Libreville - a city proud of its tradition of warm hospitality.

Your visit of the four African States south of the Sahara is an historical event that I would like to place in its true context, namely a visit to Africa. And this makes us all happy. Maybe, too, this is the reason why I cannot help seizing this unique opportunity to voice some thoughts and concerns which are prompted by your presence here among us.

Two years ago, you visited three countries member of our group in the World Bank, namely Senegal, Ivory Coast and the Democratic Republic of the Congo. Your thirst for knowledge has already led you in many other countries members of the Bank, scattered over all the continents. Your present trip has already taken you to the Republic of Chad and the Federal

.../...

Republic of Cameroon; soon you will be in the Islamic Republic of Mauritania. I see in this your constant concern for having a first-hand knowledge of the men and realities of our vast continent in spite of your manifold and heavy tasks. Our sincere thanks go to you.

I was saying one moment ago that we were happy to welcome you here. I so doing, we are welcoming you not merely as President of the World Bank and its Affiliates but above all as a Statesman, as a humanist, as an economist, and more specially as the indefatigable and persevering champion of peace and development. Some will be surprised that I link your visit with both peace in the world and economic and social promotion of the international community. For those who might still have some doubts about your personal attitude, I may suggest that they read your historic speech delivered in Montreal on May 18, 1966 to the American Society of Newspaper Editors while you were still the American Secretary for Defense.

By one of these intriguing twists of fate, you passed, Mr. President, without transition from the Pentagon to the World Bank Group. And there you gave a full evidence of your capabilities while bringing about profound changes in this group of institutions, both in their structures and in their field of intervention and methods of work. Your personal action has been felt in Washington as well as in the member states.

I therefore salute in you today the anonymous fighter for economic and social progress, hence for peace, in the world. More than four years ago, you had indeed already proclaimed that the most important fact in the world of today and in our increasingly dangerous planet is "the direct and constant relationship which exists between violent incidents and the economic condition of the countries" afflicted by poverty, ignorance and political

instability. In your Montreal speech, you made a masterful analysis of this relationship between violence and the socio-economic development of the international community. You even quoted statistics showing that the rich countries were much less subject to violent political and institutional upheavals and coups than the very poor countries.

I therefore firmly believe, as you do, Sir, that there is no doubt that "there exists an indisputable relationship between violence and economic underdevelopment. And that this violence tends to increase rather than decrease". Consequently, your task as President of the World Bank Group is quite clear. Your responsibility is the difficult and sensitive one of providing the developing world with objectively assessed assistance. You are at the head of the most powerful group of financial international institutions which history has known. This group of institutions can be the best possible catalyst to give to the international development aid effort its true significance and the required dimensions.

Of course, I do not underestimate in any way the various obstacles, the hidden pressures and the delicacy of the work before you. No state has become a charitable institution and there is no international organization which is totally disinterested. The ideal situation would be to have bilateral aid go hand-in-hand with multilateral aid. I know that this is utopian because there are conflicts of interest and competition everywhere, even within the Ministries of the member Governments of your organization.

This being said, there remains the style, the substance, the conviction and the will to do better and to act better. And such are your attributes, Mr. President. This is why today we do not see in you the President of the World Bank visiting Gabon, but rather a great man who has come to renew physical contact with our continent. For us Gabonese, your visit takes on new dimensions. And it is a visit which is readily

interpreted as a visit to the whole of Africa and against the backdrop of well understood international cooperation.

I believe, Mr. Chairman, that the future world balance, or better yet, peace and cooperation between peoples, depends only on the measures which are taken to remedy this situation. Such measures are in the hands of those states, international organizations or private foreign investors which are willing to help us while respecting the requirements of our newly acquired sovereignty. As far as Gabon is concerned, and you know that our watchword is "Gabon First", the rights of any man, whatever his nationality, who desires to participate in the building of Gabon will be preserved and guaranteed.

The time has come, I believe, to digress a little and to solemnly state that my Government follows a policy of free trade which it believes can pull our country out of a state of chronic underdevelopment. The doors of Gabon are opened to all those who loyally and honestly wish to help us in our sacred mission, which consists in turning this country into an island of peace and prosperity. To those, I say quite simply: "respect our sovereignty, help us in having our good men participate in the common tasks; get rich while enriching Gabon and the Gabonese; if you believe in this, Gabon will become your second homeland".

No doubt, I am convinced as you are, that in a developing society the deepest commitment remains the daily and stubborn search for security, in the widest sense of the term. In fact, this security must be available to both Gabonese and foreigners; I insist on this, because security alone can bring about development and, therefore, a state of general wellbeing. One does not go without the other and you so aptly stated in Montreal: "in a developing society, security means development.... security is development..."

Mr. President, I have spoken at length of peace, international cooperation and Africa. From time to time, I have mentioned Gabon. I have spoken about you and your qualities. However, this should not be interpreted as an expression of overall satisfaction. This is not my habit, because I always state what I think, even if sometimes I hurt the feelings of my listeners. Tonight I merely wanted to share my thoughts and my immediate concerns.

I do not intend here to speak of the relationship which exists between the World Bank Group and Gabon (this relationship is excellent); I will not mention the numerous projects which have already been financed by your Bank, nor even those which are currently under study. Other more competent than I am have already done so and will do so again tomorrow. Today, you have travelled with your delegation inside Gabon; therefore, you have seen the true Gabon. I believe that, following this journey, I might have the benefit of your impressions and of your comments on our problems.

I did not invite you so that you could hear arguments; rather, I wished you could have a personal knowledge of my people, my country and its reality.

It is in this spirit that I may be allowed to speak of a project which I share with my people. This project is said to be grandiose for a country like Gabon. Some even say that it is a dream. Dream or not, the Trans-Gabon railroad will be built, because it is a viable and economically and socially necessary project. This is our great chance. As my people do, I believe in it firmly and irrevocably. The Trans-Gabon railroad will be built, I am personally convinced of it. And since the name of the World

Bank has been associated with this project, I wish to state here that I personally prefer that this project be undertaken with than without the World Bank. Why? People will ask. Quite simply, because the objectivity and the competence of the World Bank are incontestable and incontestable and because the presence of the World Bank among the promoters of the project will markedly improve it. To be convinced of this, it suffices to see, for example, the beneficial role played by the Bank in the development of iron in Mauritania and of copper and bauxite in Guinea; since we are talking here of a railroad, I may mention also the continued support given by the Bank to the railroads in Senegal, in Mali and in East Africa.

Mr. President, I know that you are placing my allusions in their true context. What is important, as I have told you, is our deep confidence in you because you have faith in your mission, faith in man and faith in a better and peaceful world.

Your Excellencies, ladies and gentlemen, I invite you to raise your glass and drink to the health of Mr. Robert McNamara and of Mrs. McNamara, to the strengthening of international cooperation and above all to the collaboration between the World Bank Group and the Gabon Republic.

& & & & & &

9

SON EXCELLENCE ALBERT-BERNARD BONGO
PRÉSIDENT DE LA RÉP. GAB.
LIBREVILLE

EN QUITTANT LE TERRITOIRE
GABONNAIS JE TIENS A VOUS REMERCIER
EN MON NOM PERSONNEL ET AU
NOM DE MES COLLABORATEURS POUR
L'ACCUEIL CORDIAL QUI NOUS A
ETE RESERVE TOUT AU LONG DE
NOTRE VISITE STOP J'AI ETE TRES
TOUCHE PAR VOTRE CHAUDE HOSPI-
TALITE ET VOS MARQUES DE
SYMPATHIE STOP JE QUITTE CE PAYS
TRES IMPRESSIONNE PAR SES GRANDES
ET MULTIPLES RESSOURCES STOP JE
VOUS SOUHAITE PLEIN SUCCES DANS VOTRE
MISSION AU SERVICE DU PEUPLE GABONNAIS
STOP HAUTE CONSIDERATION

ROBERT S. McNAMARA

10

11/19/71

REMARKS AT AIRPORT UPON ARRIVAL IN MAURITANIA

I am delighted to be here in Mauritania, and particularly to have the opportunity of meeting your President. During this visit, I look forward to seeing something of your vast country, to talking with many of those concerned with your development efforts, and to learning how we in the World Bank Group might help more effectively in promoting those efforts.

The World Bank's interest in Mauritania's development dates back to the historic days when your country stood on the threshold of independence. It was in March 1960 that we ^{agreed} ~~decided~~ to help develop your mineral resources by making a loan of \$66 million for the iron ore project near Fort Gouraud. And it was in the Mauritanian mining industry again -- for the copper project in Akjout -- that the Bank's affiliate, the International Finance Corporation, made a commitment of over \$20 million in May 1968: that was the largest single commitment made by IFC until then, and it is the second largest even today.

Our interest is not confined to mining. We have supported road construction and maintenance projects, while exploring the scope for productive investment in other sectors. As a result, in the years ahead, we look forward to examining the possibilities -- in accordance with the priorities you yourselves have set -- in such sectors as agriculture, transport, communications and education.

In Mauritania, as elsewhere, our aim is to help spread the benefits of development as widely as possible. The central test of success in our common endeavor will lie not in implementing a project here, or a project there; it will lie in the extent to which we can help ^{you} ~~you~~ create a better, more productive life for the people of this country.



(JLMaddux)
12-31-70

DRAFT REPLY TO TOAST AT PRESIDENT DADDAH'S FORMAL DINNER AT NOUAKCHOTT
THURSDAY, JANUARY 21, 1971

Mauritania - Mr. President
Mr. President.

I deeply appreciate your gracious remarks, and the warm hospitality you have extended to Mrs. McNamara and myself.

Africa is an ancient continent: possibly the cradle of mankind itself. Its contrasts, its cultures, its customs are rich and varied almost beyond belief. It is a continent of immeasurable delight and fascination.

But it is far more than just that. It is an ancient continent restless with all the vitality of youth. Its determination to develop -- whatever the difficulties -- is vibrant and vigorous.

One sees that here in Mauritania, Mr. President. And we in the World Bank are proud to be associated with your efforts to enhance the lives of all the peoples of the Republic.

After my visits to various development projects in your country, and my conversations with your colleagues and yourself, I am confident that the World Bank can continue and expand its role in cooperating with your dedicated drive for social and economic progress.

Mr. President, you have often pointed out that Mauritania, with its unique historical and geographical inheritance, plays a particularly valuable role in west Africa.

It serves as a bridge between the Saharan culture of the north, and the sub-Saharan culture to the south. In your own colorful phrase, Mauritania is a trait d'union -- a hyphen -- between these two great African cultural heritages.

Mr. President, it is a mark of your leadership of the Republic that you have welded these two lively streams of tradition into a fruitful unity.

I ask you, Ladies and Gentlemen, to join with me in a toast to the President of the Republic -- and to the realization of his dreams for the enhancement of the future of all its peoples.

E N D

REMARKS UPON DEPARTURE FROM MAURITANIA, JANUARY 21, 1971

In leaving Mauritania I want to express my warm thanks to the President and his Ministers who have given so much of their time to ensuring that we saw and understood both the problems and opportunities which face your vast country. The hospitality which has been shown to myself and Mrs. McNamara and my colleagues has left a lasting impression on us all; we are most grateful.

We have spent two weeks now in this ancient continent of Africa. Its contrasts, its cultures, its customs are rich and varied almost beyond belief. It is a continent of immeasurable delight and fascination; but a continent also that is determined to develop its resources of man and of material.

I have seen that here in Mauritania, and we in the World Bank are proud to be associated with your efforts to enhance the lives of all the peoples of the Republic. Here, as elsewhere, our common aim is to help spread the benefits of development as widely as possible. So the central test of success will lie, not in implementing this or that project, but it will lie in the extent to which we can participate in a sound development plan, prudently financed. Only thus can we help you to create a better, more productive life for the people of this country.

In the all-too-short time I have been in this beautiful country I have been able to see something of your rich mineral resources in Zouerate and Akjoujt, something of your traditional and fascinating livestock economy in several parts of the country, including Senegal River Valley, something of your fisheries in Novadhibou and something of the new towns that are being created.

I have been deeply impressed by the fact that Mauritania acts, to use your President's admirable phrase, as a trait d'union, a hyphen, between the two great African heritages -- the Saharan culture of the North, and the sub-Saharan culture to the South. It is my hope, as I return to the World Bank's headquarters, that we shall be able to play a part in helping the President and his Ministers to weld these two lively streams of tradition into a fruitful union.

Mr. Minister, it's a great pleasure to welcome you here. It's particularly pleasant for me to meet with you twice in one day. I know that this is not the last time that you and I will be meeting at this table or some similar table. After reviewing our discussions of this morning, I think it is quite apparent that there are many many more loans in prospect from this Bank to Brazil. But this is a particularly important loan for us. I think all of you know that over the past 25 years this Bank has financed about 20% of the present generating capacity in the 90 developing countries; 20% of that was financed by this Bank. And in no country, I think, has there been a closer relationship between the Bank and the Electric Power Sector than in the case of Brazil, to which we made the first loan for power in 1949 and since which time a total of some \$670 million, including this loan of today - the 23rd loan - to the Brazilian Power Sector. Since that time, in 1949, some \$670 million have been lent to Brazil for that purpose. The total loans to Brazil, I think, inclusive of this \$70 million will be very close to \$1 billion, and I think that shows the confidence, Mr. Minister, that we have in Brazil's economy. You are the architect, sir, of this really remarkable economic development that has occurred in your country in the last several years. The rate of growth, some ~~7.5~~^{7.9}% a year, which is certainly among the highest of any major country in the world, and a rate of growth which we know it is your plan to extend into the future. We are very pleased to be playing a part in assisting you to accomplish that objective. I think the fact that the rate of lending by this Bank to Brazil is some three or four times greater today in this present fiscal year and last year and for next year than in recent years past shows the confidence we have in your ability to accomplish your objective. We are very proud to be playing a small part, small certainly in comparison to yours and to your government's contribution. Nonetheless a part in increasing the development economically in Brazil and assisting you in distributing it more broadly amongst your people. So it's a very great pleasure and honor, Sir, for me to be able to sign this loan with you.

The Minister:

It is a great pleasure to me to welcome you again
into this room. From the discussions we had earlier
today I think it is fair to conclude this is not the last
time we will sit together at this table.

In the past 25 years the World Bank has
financed approximately 40% of the power generating
capacity of the ^{90 countries in the} developing world.

The Bank's relationship with the power
sector in Brazil has been particularly close
during almost the entire period. This \$70m loan
we will sign today will be the 23rd to Brazil's power
sector making a total of \$667 since the 1st loan was
signed in 1949.

Mr. Minister you are the architect of one of the
most successful economic development programs in
the world. The 7 1/2% growth rate realized by Brazil
in recent years is among the highest achieved by any
major country. We know of your plans to continue
such high rates of growth & to more broadly distribute
the benefits of that growth among all of your people.
We are happy to play a part in those plans. Our current
rate of lending ^{at three or four times} the level of past years
shows the extent of your confidence in your ability to
accomplish those objectives. We are pleased to ~~to~~ play
a ~~small~~ part - even though it be but a small one compared to
your own - in the development of your nation.

25-30 million

6-73 for 15-20 yrs

14-17

1/4 yrs. inc.

[Faint, illegible handwriting covering the majority of the page, likely bleed-through from the reverse side.]

23rd power loan
+
70m

Mr. Minister and Gentlemen:

1. I am happy to welcome you to the Bank on this occasion of signing yet another power loan. With Salto Osorio the total of Bank loans for Brazil would reach \$908 million and for the power sector \$667 million. Brazil is the single largest recipient of power loans from the Bank. The first Bank loan for a power project was made in 1949, and the energy development in Brazil in these two decades has been impressive and substantial.

2. The Brazilian power sector has made impressive progress in recent years in carrying out sector planning and investments necessary to meet rapid growth of the power market. The United Nations Special Fund financed study for the Center-South, with which the Bank was associated, proved useful in planning investments for that region. We are pleased at the emergence of strong and viable public utility enterprises there. The power market of southern Brazil was recently studied under a joint UNDP/World Bank program and I am happy that the Bank is making this loan for a major southern project.

3. We have been impressed with the efforts of the Government in raising resources internally for investment in the power sector. I hope that the Government will continue the measures that make enterprises largely self-reliant in making new investments.

4. Finally, I wish Eletrosul all success in the project.

7 to 93 note I see growth in recent yrs - 19 highest of any year
growth in labor force & all in
employment a matter of major concern to the govt
in meeting the 1964

Fals

331
334

April 27, 1971

Remarks at Madrid Airport on Arrival in Spain

I am delighted to be here in Spain. I have come at the invitation of the Spanish Government -- extended through the Minister of Finance and Spanish Governor in the World Bank Group -- so that I might have an opportunity to learn at first hand more about your plans for social and economic advance.

The World Bank is, of course, a rather specialized institution. It is not a bank in the simple, conventional sense -- but a development agency. World Bank loans are loans, made at concessional rates, of very scarce development capital. We are a Bank of last resort for those nations that cannot raise enough money in the private capital market. It is a mark of Spain's economic progress that the country has now reached the point where her eligibility for World Bank loans is only marginal. Therefore, our lending in Spain is directed to contributing specifically to those sectors and projects in which the nation wishes to undertake institutional reform: reform that will accelerate the quality of life for all.

The Bank's relationship with Spain is not a new one. At the request of the Government, we first sent a mission here in 1961. Its report laid the foundation for the preparation of Spain's First Economic and Social Development Plan. Growing out of our survey, Bank lending in Spain started in 1963. Loans totaling \$225 million -- for roads, railroads and ports, and for agriculture and education -- have over the years ~~helped~~ finance projects which, ~~in turn~~, have encouraged and entailed structural reforms and change: change in procedures, change in techniques, change involving new approaches to complex problems. Our goal has always been to shape our assistance so that it could be of maximum effectiveness and benefit for the Spanish people.

Our assistance to projects in the fields of education and livestock development are significant examples of what Spain and the World Bank, working together, have sought to do. The education project is helping the first stage of a fundamental and far-reaching reform of the educational system. It is our plan to continue working together with the Government in this field in the coming years. The livestock project arose out of a Bank study of Spain's agricultural sector, in cooperation with the Government and the Food and Agricultural Organization of the United Nations. The purpose of this loan was to help Spain to adapt her agricultural output to changing demand, and to give effect to new policies. This loan will be followed by a project for agricultural research, ~~which will be the first Bank Group operation wholly concerned with this important subject.~~ And looking further ahead, we expect to be of assistance in assessing Spain's position and prospects for industrial development, as well as to continue our aid in the transport sector.

As Spain has grown and moved ahead, she in turn has contributed to the World Bank Group's efforts to give greater assistance to those less advantaged member countries. As a contributor to the International Development Association, Spain has shown that she is willing and able to give as well as to receive. This strengthens our determination to work together with your Government and your people to intensify and accelerate that social and economic development that is the common concern of men of reason and good will everywhere.

File

4/30/71

Toast given by Mr. Robert S. McNamara, President of the World Bank,
at dinner offered by the Minister of Finance of Spain.

Mr. Minister:

May I first thank you for your kind and percipient
remarks about the role of the World Bank in Spain, and the ~~mutual~~
value of our partnership ^{to} with your country.

My wife and I ^{and my associates} are delighted to have visited Spain as
your guests, and we have had a most interesting and informative
few days here. I too wish it could have been longer, but with your
help we have met a ~~very wide~~ ^{spectrum} selection of Government ^{Officials} ~~personalities~~
and have seen something of this beautiful and historic ^{land} ~~country~~,
~~from Seville to Barcelona~~.

While I was in Barcelona, learning at first hand why
Cervantes called it the cradle of hospitality, I picked up a match
^{which had on its inside cover the following words:}
box ~~with a motto inside it saying~~ "Let us all together make the
world of tomorrow".

That is I believe a most suitable motto for our
partnership. As in all countries the majority of the effort of
building a new society will depend on you yourselves. We in the
World Bank can play only a minor part in your economic miracle,
which is indeed no miracle but the result of your ^{own} ~~planned~~ efforts

.../..

^{which}
~~that~~ have succeeded in more than doubling your standard of living
 in a decade.

Everywhere we have visited, ~~and in all the ministries~~
~~where we have been briefed~~, my colleagues and I have been impressed
 by the changes and reforms ~~that are~~ being undertaken by you, ~~Mr.~~
~~Minister~~, and your colleagues in Government, Reforms which are
 designed to increase the productivity of your workers in both
 industry and agriculture. ^{And} I was particularly glad to hear your
^{tonight} references to the efforts being made to even out the differences
 in income between regions and classes within the country. We are
 proud to feel that the Bank has given some assistance in carrying
 out these changes.

I was very pleased ^{too} to receive ^{your} assurances ~~from you,~~
~~Sir~~, that you look upon your association with the World Bank as a
 two way street in which you are able to help us in our efforts to
 assist the very poorest countries in ^{their} ~~this~~ steep path to development.
 You have already given proof of ^{that} ~~your~~ willingness to assist by your
 contribution to the International Development Association the Bank's
 affiliate which makes loans to ^{its} ~~the~~ poorest members.

Mr. Minister, as we come to the end of our visit,
 what I have seen in the country reminds me of a favorite saying of
 my ^{former} erstwhile colleague and friend Robert Kennedy, ^{He said:}

"Some men see things as the are and ask "why".
 Others dream ^{of} things that never were and ask "why not"."

You and your colleagues and the Spanish people are looking at the bright future before this country and saying "why not?".

ask you all to join me in a toast to

So I ^{ask you} lift my glass to ^{your} the Chief of State, to the members of ^{your} the Government and to our partnership for the benefit of the Spanish people and the people of the whole world.

Rough translation, draft of remarks by
Minister of Finance at dinner 4-30-71

1. After thanks on behalf of the Government for making visit to Spain, he said: This brief visit may have given you a personal and direct vision of Spain-1971. All of us regret that you have been unable to stay longer to appreciate Spain's many contrasts and her diversity in climate and scenery and in her ways of life. There are wide difference^s in income levels between the industrial areas of the North, Barcelona or Madrid, and the less favored areas of Extremadura, Andalucia or Galicia, which the Government is trying to close through a regional development plan. All in all, however, I think your visit will be most useful for the future relations between the World Bank and Spain.
2. Your contacts with the Head of ~~State~~ State and the Prince of Spain as well as with members of the Government and representatives from the banking and private enterprise sectors proves that your visit was also necessary for two basic reasons.
3. Firstly, the growing importance of our relations since Spain joined the Bank in 1958. As you said in your arrival statement at the airport, the collaboration between Spain and the World Bank showed its first results in the technical assistance field with the publication of the (Bank's) Economic Report, which was of such great help to identify the problems of our economy... (Then he mentions briefly the first loans for transport)
4. More recently, Spain has signed two loan agreements, one for livestock development and another for educational centers, part of the educational reform my country has undertaken. I think that these two agreements mark a new phase in our relations with the World Bank, and I think that they are a valid reason to consider that your visit was necessary.
5. As you well know, Spain is half-way between the underdeveloped and the developed countries. Generally, her technical personnel is highly qualified and her administrative organization is sound. But her own accelerated rate of development confronts us with new technical and economic problems, especially those emerging from the need of a more adequate allocation of resources for our investment projects, and also from an adequate selection of ~~projects~~ those projects. I am far from saying that Spain's economic problems are unique, but I would venture the opinion that the stage of development we have reached places Spain in a special position in so far it concerns her relations with the Bank.

6. From our own point of view, the most important aspect of our relations with the World Bank lies in the technical assistance we may receive for the identification, selection and evaluation of projects. I know very well that we should not expect a massive flow of resources from the World Bank to finance our development. But I think we may expect a selective flow with a high component of technical assistance which may help us to undertake the changes the Spanish development process demands. Such technical assistance may also help us to make the best use of our own resources.

7. Mr. President: Allow me to refer now to the importance that Spain's collaboration may have for the Bank. Due to the fact that my country is on the edge of the developed world, but still having some of the traits of underdevelopment, her problems and the solutions found for them, may become very valuable terms of reference for future activities of the Bank itself in other underdeveloped countries which may soon experience problems similar to those we are facing. With our collaboration being given as it is needed, the Bank might earn a valuable experience which might be applied to other countries as they reach a level of progress similar to ours, or as they are confronted by needs of a similar nature (to ours). I am thinking especially of the Hispano-American (Latin-American) countries which, with Spain and the Bank working together may be helped to overcome the obstacles they meet for their accelerated economic development.

8. Mr. President: I have spoken at length on these subjects because I sincerely believe that there is ample room for further collaboration in the future between my country and the World Bank. I hope that our joint labor and effort will permit us to continue intensifying the self-evident progress of the Spanish economy and, at the same time, may give us the opportunity - and make us proud - of assisting other peoples' development whose well-being would be a guarantee of a peaceful world.

9. Mr. President: I wish you ~~goodbye~~ a happy trip home and I raise my glass to our closer collaboration in the future, with the assurance that such collaboration will be most fruitful for the progress of my country and for international cooperation.

Thank you.

REMARKS AT AIRPORT UPON ARRIVAL IN NIGERIA

It is a great pleasure indeed for me to be here.

My visit to Nigeria fulfills an old desire. I am particularly ^{pleased} delighted that I shall have the opportunity of meeting General Gowon, whose ~~dedication to the unity and progress of your country has won the admiration of many far beyond its borders.~~ From him, and from the others I will be seeing, I hope to gain a better understanding of your economic problems and opportunities, and of your plans for the future.

The purpose of my visit is to learn how we in the World Bank Group might be able to support more effectively your plans for the economic and social progress of the people of Nigeria. In doing so, I ^{am} ~~will~~ remain deeply conscious of the fact that the support we provide will be, ~~as it always has been,~~ modest in relation to your own efforts. —Indeed, ^{for} that is as it should be the essence of true progress is that it is inspired, shaped and led by the people of the country itself.

Nigeria occupies a place of special importance in the Bank Group's scheme of activities. This is indicated by the fact that we have provided more assistance for the development of this country than for any other nation in Africa. Our first operation here was a loan of \$28 million (£N10 million) for a railway project 13 years ago, when Nigeria was moving towards the threshold of independence. Since then, the cumulative total of our financing commitments has grown to \$375 million (£N134 million). It is my hope that, in the years ahead, this total will increase substantially. ~~If all goes well, we may be able to treble our lending to Nigeria in the next five years as compared with the rate during the last five years.~~ In our current fiscal year, Bank lending to this country has already totaled \$97.2 million (£N35 million); at that level, it is nearly three times the figure for fiscal 1970.

^{World} Bank-Group assistance to Nigeria has in the past been spread over a wide range of sectors, including transportation, electric power, industry and education. Last month, we approved a loan of \$80 million (₦29 million) in support of your rehabilitation program. This month we approved our first operation in the agricultural sector -- a loan of \$7.2 million (₦2.6 million) for a cocoa project in the Western State. We expect, in the years to come, to be able to finance additional projects in the agricultural sector. ^{Because it is} This is the sector which does, and will continue to, provide employment for the great majority of Nigerians.

The increase in our activities in Nigeria is symbolic of the increase that is taking place in Africa, and indeed in the world as a whole. ~~Nearly~~ ^{Nearly} three years ago, we launched a program under which we proposed that the worldwide total of our lending in the five years through 1973 should be more than twice what it had been in the previous five years. Furthermore, while the global total would double, the African total would triple. We are already well on the way to achieving these goals. In ~~Fiscal~~ 1970, the worldwide financing commitments of the World Bank Group were 98% above the annual average for 1964-68. Commitments in Africa were 170% higher.

The purpose of our assistance in Nigeria, as elsewhere, is not simply to support a project here or a project there. The purpose is to help to attack the crucial bottlenecks to economic progress which you yourselves have determined to attack -- and thereby build a better, fuller and happier life for the people of this country. We count it as a privilege to be participating, ~~however~~ ^{modestly}, in this great endeavor -- an endeavor in which the initiative and the leadership lies with you.

17a

ADDRESS DELIVERED BY CHIEF HENRY FAJEMIROKUN
(The Yagata of Ile Oluji), PRESIDENT OF THE
LAGOS CHAMBER OF COMMERCE AND INDUSTRY, AT THE
RECEPTION OF MR. ROBERT D. McNAMARA PRESIDENT
OF THE WORLD BANK DURING HIS VISIT TO THE CHAMBER
ON MONDAY, 17TH MAY, 1971

File
B

It gives me great pleasure to welcome you to Nigeria and please permit me to express how highly honoured we are by your visit to the Lagos Chamber of Commerce and Industry.

The growing impact of the activities of the World Bank on the economies of the various developing countries in Africa and elsewhere, the rate of which had more than doubled within the last three years, gives a special significance to your decision to visit this country at a time that coincides so happily with the commencement of our ambitious post war Four Year National Development Plan. The timing of the visit is singularly suitable for not only an appraisal of Nigeria's performance in relation to its resources and opportunities in the recent past, but also for assessing the development prospects for the coming years and thereby facilitating the crystallisation of the plans and proposals for further assistance by crucial international development institutions such as the one that you have the honour to head.

It is true that the philosophy of international economic co-operation had undergone a transformation in the last few years and significantly, the role of the World Bank in the international economic development process had acquired phenomenal dimensions. I also admit that the Institution had not failed effectively to publicise itself and its vital activities. Yet, I am sure you will permit me to make the uncommon observation that, because governments had largely remained its customers and perhaps, therefore, its main channels, communications between the Bank and ordinary nationals had

been regrettably few and far between, and to that extent the ultimate beneficiaries of its enormous operations are usually only heard in silence.

I seize this unique opportunity therefore to invite special attention to those areas in commerce and industry in Nigeria which deserve an extensive exchange of views between you and representatives of the private sector.

INFRASTRUCTURE

Applying the classification usually adopted in the Bank, I refer first to the infrastructure. From the Railway extensions to the Kainji Multi-Purpose Project and the spectacular Apapa Road Project, the Bank's assistance in the development of the infrastructure of this country had been immense. The more recent and significant rehabilitation loans had brought total world bank assistance to well over £100 million and I understand that further help is under consideration. I am aware that independent of, and in addition to the Federal government application and advice in these matters, the Bank itself undertakes its own studies and surveys to identify the basic requirements and determine suitable priorities, and I do appreciate that both at the national and the international levels, knowledgeable experts are employed for this purpose. Yet it is true to say that in several aspects, a more pragmatic re-appraisal of current facilities are required, particularly in respect of transport and port facilities. It is regrettable, but true, that the benefits of the relatively recent enormous investments in the extensions to the Apapa Wharf have been virtually obliterated by a sharp increase in its use and

a decision for further extension had lagged most unfortunately behind. The Ports have consequently witnessed an unprecedented and devastating congestion during the last 18 months and unless an immediate remedy is found, the economy of the country could be severely endangered. The same is true, I am afraid, of road and rail transportation and in spite of the enormous financial and technical aid already given, further assistance would be most welcome in this sector. The Nigerian business community also appreciates the magnificent contributions of the World Bank to the development of the crucial public utilities, especially electricity generation and transmission, water supply and the telecommunication system, but I like to submit that the present state of these utilities still constitute a liability on the economy and due priority should be given to their accelerated development if the economic growth target envisaged in the Four Year National Development Plan would be accomplished.

INDUSTRY AND AGRICULTURE

In its industrial development activities, at least in this part of the world, on the other hand, the World Bank is at best mis-understood and at worst unpractical. Industrialisation is a fundamental objective of all developing economies and it is probably natural at the initial stages to give every assistance to the pioneering factories irrespective of ownership. But nationals have often found it difficult to understand why the Bank's loans were specially designed to favour foreign investors who have greater access to other sources of funds than the indigenous businessmen of the countries whose economies are being developed.

This, I regret, had been the unpleasant story of the Nigerian Industrial Development Bank, the Organization through which the World Bank's only direct assistance to industry, and therefore to the private sector, is being channelled in Nigeria. 1969 was the first year in that Bank's career when a loan of any significance was made to indigenous enterprises in this country and even in that year only 27 per cent of its total loans were so disbursed. The remarkable improvement achieved in 1970 had been most welcome and it is hoped that the new trend would be sustained.

Yet, it is difficult to resist the impression, that this rather unsatisfactory performance had been less the fault of the Nigerian Industrial Development Bank itself than the conditions under which it operates. One such condition had been the disqualification of small scale enterprises whose applications for loans are invariably less than £10,000, but in which most indigenous businessmen are, for obvious reasons, engaged.

One way in which the World Bank, as one of the mentors of the N.I.D.B. can significantly help, is to initiate a review of the objectives of its development assistance in the developing economies so as to ensure that assistance is given to people who most need and deserve them. Incidentally, my understanding of a condition of the most recent funds made available to the N.I.D.B. was that at least 80 per cent of its loans should be made to indigenous businessmen, and I am at a loss to note the conflicting interpretations from various quarters of this harmless directive. Even more than this, the N.I.D.B. itself needs more assistance in funds and

expertise to equip itself with the means to assist small scale businessmen in the matters of preparations of proposals, feasibility studies, viable projects - identification and evaluation, products marketing and the actual negotiations for loans. This is one concrete form of help for small scale indigenous businessmen.

Another form of help which the Bank can give to indigenous businessmen is to use its good offices as often as practicable to persuade foreign contractors employed for the execution of projects financed entirely or substantially by its funds to obtain their supplies from, or through Nigerian distributors and suppliers rather than importing such materials themselves or through foreign agents. Such big foreign contractors should also be directed to award sub-contracts to capable indigenous contractors as it goes without saying that such a practice carries the benefit of not only enhancing the professional competence of nationals but also of saving scanty foreign exchange.

It is a most welcome development that the World Bank has extended its financial assistance to the Tourism Industry. All the developing economies have tremendous tourist potentials but limited investment capacities to be able to divert resources into the development of this sector. This country would derive enormous benefits from any assistance she could receive for its tourist industry and I do hope that the World Bank would consider deploying, in the near future, the skill of experts into a really comprehensive investigation of the resources and potentials of the Nigerian Tourist Industry with a view to assisting its

development to the optimum.

An obvious illustration of the attractive prospects of the Tourist industry could be found in the Lagos State itself, which, as the national Capital and premier port, with a long, exciting and romantic history, possesses limitless tourist potentials which only requires positive assistance in funds and know-how to make it one of the most attractive tourist spots on this continent. As the Chairman of the Lagos State Tourism Advisory Committee, I feel sure that this claim will be confirmed by your observations during your stay in Lagos and I hope that thereafter consideration would be given to the possibility of the Bank, in the near future, assisting in the development of Tourism in the State.

Not that this is the only respect in which the Federal Capital stands in a most pressing need. Perhaps one of the fastest growing cities in the world, the pressure of demand on the available standard of public utilities in Lagos is regrettably unspeakable, and it is almost naive to expect that the piecemeal extension works being undertaken with available resources could cope with the rate of rise in demand. I am of the opinion that the World Bank should have a second hard look especially at the problem of water supply and urban transportation in Lagos, two utilities with extensive economic and social implications, and of special significance to commerce and industry, with a view to considering the offer of urgent and concrete help.

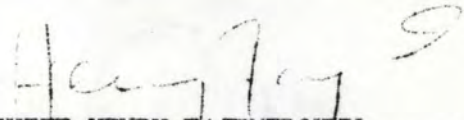
I like to make a similar submission concerning agriculture, the largest single employer in Nigeria and indeed the largest single

contributor to its national income. In this sector, commerce and industry has got an additional interest in the rapid development of agro-based industries in Nigeria and the "Green Revolution" which features prominently in the new horizons of the World Bank's activities must include Nigeria in a very active way.

However, the Bank's investment in Education had been relatively meagre - less than £7 million over a period of some 13 years. Besides, adequate publicity had not been given to the Bank's activities in these matters and its policy had not been sufficiently spelt out. Industry requires a more rapid expansion of educational opportunities for technical and management training and for the acquisition of the various skills relevant to commercial law and practice, import and export and the formation and development of entrepreneurial aptitudes.

The aspiration of Nigerian businessmen is to participate fully in the economic development of the country and in the attainment of the economic objectives of the nation as enunciated in the Development Plan and elsewhere. It is the hope of the Chamber that the World Bank would give due regard to these aspirations and include their achievement among the criteria of its own functions.

I wish you a most successful and happy stay in Nigeria.


CHIEF HENRY RAJEMIROKUN
PRESIDENT

5/20/71

REMARKS AT AIRPORT UPON ARRIVAL IN GHANA

It is a great pleasure indeed for me to be here. I particularly ^{am} looking forward to meeting ^{your} President ~~Akufo-Addo~~ and ^{to re-seeing my acquaintances in Ghana.} seeing Prime Minister ~~Busia~~ again.

From my talks with them and with other Ghanaian leaders, I hope to acquire a ^{better} deeper understanding of your development problems, and how they are being ^{approached} tackled.

~~Visits such as these are of great value to me as an opportunity to~~

~~learn about the Bank's member countries at first hand.~~ The World Bank Group

has already made some contribution to Ghana's efforts to build a more prosperous future for its people. During this visit, I expect to learn how we might be able to support these efforts more fully and more effectively.

My interest in being here is heightened by our growing participation in projects for Ghana's social and economic progress. The World Bank Group is in the midst of a program for greatly expanding its activities round the globe. Under the program, we expect that in the five years through 1973, we will lend twice as much worldwide as we did in the previous five years. While the global total will double, the African total will triple. And, we hope that the increase in the case of Ghana will be more than the average for Africa as a whole.

Our program for Ghana will go hand in hand with your growing capacity to prepare and implement sound, high-priority projects, and with your readiness to take the difficult decisions that constitute the foundation of any serious development effort. For our part, we look forward to being able not only to provide a larger volume of assistance, but also to provide it for a broader range of purposes.

The process of diversification in our lending to Ghana has in fact already begun. Our first operation in this country was a loan of \$47 million in February 1962 for the Volta Dam, ~~project~~, which I will be visiting. Until a

couple of years ago, our support continued to be concentrated on electric power. But, more recently, we have diversified the flow of our assistance by supporting projects relating to cocoa, fisheries, water supply and highway engineering. In the years to come, we hope to study the possibilities for further development not only in these sectors, but also in other agricultural activities, in education, telecommunications and industry.

In providing assistance, our aim is to ^{participate in a} ~~forge a closer~~ partnership dedicated to assisting the people of Ghana to achieve the goals they themselves have chosen. I am convinced that your country, despite its problems, has a great potential for economic development. It is my hope that you will find that cooperation between the Bank Group and yourselves has an important role to play in your efforts to cope with ^{those} ~~your~~ problems and to realize the potential that Ghana clearly has.

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Mr. McNamara's Farewell Statement - Accra, Ghana

As Mr. McNamara's plane is now leaving Accra after midnight he is issuing this statement in advance to meet the convenience of the Press. He will not now make any statement at the airport.

* * * * *

Statement begins:

This has been a very short, but very interesting and enjoyable visit to Ghana. Owing to the courtesy of the President, the Prime Minister and other Ministers concerned with Development, I have been able to discuss with all of them Ghana's development plans for the future, its present problems and aspirations, and how we at the Bank can help you to develop your country in your own way.

I particularly enjoyed the visit I paid to Legon, surely one of the most beautiful Universities in the world, and I was most interested to hear of the plans for exchange of students and teachers on a Pan African scale.

Finally I was very glad to have a chance to see the dam and power station at Akosombo to the financing of which the Bank had contributed.

I feel sure that with your natural and human resources Ghana has a great potential. My object in this visit has been to see how we can help you realize it. I leave with the conviction that there are promising opportunities for the World Bank Group to expand further its activities in your country in the years that lie ahead in order to assist your Government in its efforts to overcome the economic problems you face and to improve the wellbeing of your people.

Mr. President:

It is a great privilege to meet with you again. In this visit to the United States, your qualities as poet, writer and patron of the arts will be especially recognized. But we in the Bank know, Mr. President, that you have succeeded in combining this humanistic spirit with astute statesmanship and a realistic approach to the difficult day-to-day problems of a developing country.

During my visit to Dakar, in early 1969, of which I enjoy the most vivid memories, we had an opportunity to sign an agreement for financing of a major agricultural project. Today I am pleased that we can sign three IDA credits: two for agriculture, and one for education, a sector in which I know you have a very particular interest. These operations support the overall development strategy of Senegal's third Four-Year Plan.

Both of the agricultural projects are designed to bring about extensive benefits for the nation's economy by expanding Senegal's potential to move beyond the present single crop economy. We expect that there will be sizeable increases in the income for participating farmers.

The Terres Neuves project is designed as a first phase of a much larger operation aimed at exploiting unutilized resources in the eastern part of the country. This will reduce mounting population pressure in the groundnut basin, and offer better prospects to a generation of young farmers. I am gratified -- as I am sure you are, Mr. President -- that the German Church agency "Bread for the World" has selected this project as the first operation it would do jointly with the World Bank Group, on the specific grounds that it will clearly enhance the quality of life for the common man.

The rice project is designed to help farmers make more effective use of the resources already at their disposal, and by making additional agricultural inputs available to them. At the same time, this project will strengthen the national agricultural services organization active in the project area.

Mr. President, you have called for improving the quality of public services in the rural sector, and for the necessary training of citizens active in this field. The education project directly serves this objective, and supports your Government's policy of gradually replacing expatriate staff, and achieving greater Senegalization.

Over these last few years, the World Bank has been able to build up a comprehensive program for financing of development projects in Senegal. This could only have been accomplished with the constructive cooperation of your Government. I would like to take this opportunity, Mr. President, to express my appreciation for the climate of mutual confidence and understanding which prevails in our relationships with your country. I am confident that this will enable us to become increasingly effective in supporting your efforts to advance the economic and social welfare of the people of Senegal.

LOAN SIGNING TO BRAZIL

----- To welcome the Minister and his associates back in this room again. I think it was in April that we last met here and at that time, Mr. Minister, we stated our hope and belief that the lending program which has expanded so much in Brazil would move along expeditiously and we hoped we would meet again in this room and I think at that time I said also that we hoped that we would next be signing loans for new sectors of activity for the Bank and Brazil. Each of the three loans that we will be signing today represents the first action of the Bank in that particular sector in Brazil. In the case of the port, this is a result of a study that not only applies to that port but we think will lead to loans, or we hope that it will lead to loans in the ports of Recife and Rio as well. In the case of the educational system, it's a modest loan that we are signing today for technical education but again we hope that as part of it, the studies that will be financed in the two northern states will lead to further projects there. In the case of the Sao Paulo water system and sewerage system, we know that this carries with it, not the first, not only the first Bank activity in that new sector, but also a help for revision of the revenue charges for that company and system that will lead to a new financial strength and a self-financing and future viability for it. So these projects, Mr. Minister, carry with them firsts in many respects for us and I think also a sign of what lies ahead. The lending to Brazil in the past two fiscal years, fiscal 1970 and '71 has averaged about \$180 million a year, substantially above the levels of prior years but I hope significantly below the levels of future years, Mr. Minister. It's a great pleasure to welcome you here and an added pleasure for this purpose.

Mr. President, it's a very great honor for me and my associates to welcome you here in this Bank and particularly on this occasion because we know that you are in this country to receive honorary degrees from three of the greatest of the American universities. I don't believe any other President has, in the history of this nation, ever been honored in that fashion, nor has any other President deserved it more. You have been honored as poet, writer, patron of the arts. We know too that you have combined the humanistic spirit with the art of statesmanship to lead your people forward toward an increase in the welfare of all of the members of your society. And it's for that reason that you are here today, to sign three loans, three credits, from the International Development Association to Senegal. And these credits are symbolic also, I think, of your own interest because two of them are for agricultural projects, recognizing that agriculture is, and for many decades to come will continue to be, the foundation of the welfare of the majority of your people. And the third, of course, is for education, expressing again your great interest in advancing the education of your people. So it is symbolically appropriate and of very great importance to us that you are here today to formalize these three programs which so represent your own interests and your own contribution to your own nation. It's a great privilege, sir, to have you here.

May we have the documents?

Mr. President, thank you very much for the explanation of your policy. As you know, we are very anxious to assist further in the financing of your educational system and your reforms of it. We have one difference, perhaps; you mention you don't give poetry free priority. We do. Before we sign that loan, I want to sign something else for you. The President was telling us at lunch that he is going to translate from english

into French the Irish poet, ^{Yeats}~~Yates~~, and I am a great fan of his and I think I have a book of his here. It's a little used and a little worn. You undoubtedly have it but let me give you another copy. I will sign this before I sign the loan to put things in proper perspective.

There is one poem in here that I am particularly fond of and I don't know that I can find it quickly. It has a line that the President no doubt has read many times.

Turning and turning in the widening gyre,
The Falcon cannot hear the Falconer;
Things fall apart, the center cannot hold.

I think the center will hold, sir, so long as you are so much a part of it.

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Mr. Minister, it's a very great pleasure for me to welcome you here again and particularly so for the signing of the loan that lies in front of us. It's unique, I think, in several respects. First, it is based upon research in improving productivity, research done in Ivory Coast itself and I recall visiting your research station, your oil palm research station when I was there two years ago and I am delighted to see that the efforts of some 20 years of research are leading to the productivity increases that are incorporated in this project. And it's unique further, I think, in the unusual combination of government and private enterprise that is involved and further unique in the degree to which it extends its benefits, not just to the large plantations, but beyond those to the outgrowers that surround them. This was true of the first project; it's a major part of this one. So for all those reasons, we are very, very pleased to approve it and I am delighted that you could join us here to formalize the loan agreements.

It's a great pleasure to have you with us.

Japanese Bonds - Signing on Sept. 27, 1971

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[Mr. Rotberg: -

As you know, we are gathered here this afternoon to execute the documents in connection with the second public issue of the World Bank in Japan. As you know, Mr. McNamara will be present to sign the documents shortly after 4:30 this afternoon. It is our present intention to at this time begin the signing of two separate sets of documents - the underwriting agreement and the agreement with the Commissioned banks. Those documents will now be distributed, pending your signatures of four copies. The fifth copy will be signed after Mr. McNamara arrives, at which time he will also sign all five of the copies on behalf of the World Bank.]

Mr. Clyde: - Mr. McNamara, we thought we would sign these agreements first.

Mr. McNamara: - Very good.

Mr. Clyde: - The Japanese firms have signed four of the five agreements on each side and we'll sign the fifth blank one for you first and then sign right next to the ones here. This procedure requires that you also initial .

Mr. McNamara: O. K.

Mr. Clyde: Now, you can just sign the remaining four copies of these.

Mr. McNamara: I wish I could sign as you do, its a work of art.

Do you need a brush in order to make the characters?

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3 Mr. McNamara:
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5 Gentlemen, I am sure you know how grateful we are for your
6 making this ceremony possible this afternoon, and how particularly
7 pleased I am to have you here personally to participate in it.
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10 Japan is now a major source of funds to the World Bank, and
11 what an extraordinary occasion this is because it was only ten years
12 ago that Japan was a major recipient of funds from the Bank. And for
13 Japan to have changed from a major borrower to a major lender of the
14 Bank in a decade is testimony to the economic miracle which each of you
15 and all of your fellow citizens have contributed to in these past ten
16 years. We are very proud in the Bank to have participated, even though
17 it was but in a minor way in that miracle and we are very grateful to
18 you now that you have achieved such economic progress - very grateful
19 to you for your contribution to the Bank. Its only through the efforts
20 of each of you here and your associates in your organizations that we
21 have been successful in making this second public offering in your mar-
22 ket, and I hope that you will give my congratulations and thanks to
23 your fellow underwriters and commercial banks that have made this pos-
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41 I few minutes ago before coming in this room, I signed an
42 agreement with the Bank of Japan for our sixth loan from that Bank.
43 In this case, a loan for six billion yen, and with that agreement plus
44 the agreement we have just signed, the World Bank will have borrowed
45 from Japan in a period of about 21 months - that is to say from Janu-
46 ary 1 of 1970 to the present time - we will have borrowed from Japan
47 about 180 billion yen - the equivalent of approximately \$500 million.
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Thats an immense contribution to the Bank, and through the Bank its an
immense contribution to the development of the 90 odd countries that
the Bank is lending to today. And an immense contribution to the
1,800,000,000 people who live in those countries, so I am very proud
of what the Bank is doing, but I am immensely pleased and grateful for
what you are doing.

Thank you very much, gentlemen.

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Statement to Board of Directors by Robert S. McNamara

Development Research - Central Economic Staff

I have agreed that the Bank should play a more active role in fostering research on economic development and have assigned this responsibility to Mr. Chenery, the Economic Adviser to the President. To increase the Bank's research capability, I have decided to expand the existing Development Research Center. This Center will undertake policy oriented research into the problems of economic development and will cooperate closely with universities and research institutes throughout the world. Given the importance of its new functions, the Center has been raised to full departmental status.

(1) We have been seeking a man of international stature in development economics to head the important new department. I now propose to appoint to this post Professor Nurul Islam, who is a Pakistani national with a Ph.D. in Economics from Harvard University. He has had a distinguished professional career and has published extensively on development problems. Professor Islam served for seven years as Director of the Pakistan Institute of Development Economics. He was a Visiting Lecturer at the Bank's E.D.I. in 1967-1968 and is presently a Visiting Professor at Yale University. Professor Islam will assume his new responsibilities as Director of the Development Research Center in January 1972.

(2) To ~~assist in developing a Bank-wide research program that will be of greatest benefit to our activities,~~ I also plan to appoint Mr. Ernest Stern as Senior Adviser to Mr. Chenery. He will be responsible for the coordination of research and ~~will assist in the design of policies and analytical procedures based on research results.~~

Mr. Stern ^{was born in Germany} is a United States national with a Ph.D. in Economics from the Fletcher School of Law and Diplomacy. ~~He~~ Mr. Stern served as both the Deputy to the Executive Secretary and as Staff Director of the Commission on International Development. He has had extensive overseas experience in India, Pakistan and Turkey and is presently ^{Assistant Administrator for Program and Policy,} ~~Assistant Administrator for Program and Policy,~~ U.S. Agency for International Development. Mr. Stern will ~~assume his new responsibilities~~ ^{be} available in November.

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SUPPLEMENTARY INFORMATION ON BANK RESEARCH ACTIVITIES

① When submitting the '74 budget to the Board, I proposed that early this year

1. Establishment of a Bank-wide Research Program. Last spring Mr. Chenery was asked to undertake responsibility for developing a research program for the Bank as a whole that is responsive to the needs of the several departments as well as the developing countries. A committee representing all interested departments of the Bank was set up to advise him.

In submitting the FY72 budget ^{included 1.3 m} to the Board, I noted an increase in the budget for outside consultants for research to \$1.3 million in the current fiscal year. By expanding outside research under Bank supervision, we have been able to substantially increase our work on important areas such as employment, rural development, income distribution, education and other topics in which such collaboration is highly desirable. The Bank Research Committee has reviewed the requests for use of these funds, and we expect that they will be fully committed by December of this year.

② The budget also provided for 1 key post. to supervise the P.R. res. - 1 the Pres of the Res Dept - the other a coordinator of all res within P.R.

2. New Actions in Support of Research. I now propose to

take two further actions to strengthen the Bank's research effort. First, to expand the Development Research Center and to give it the status of a department. To carry this out, several functions and associated personnel have been transferred from the Economics Department to the Center, which now has a staff of 22 professionals. Second, I propose to appoint a senior adviser to Mr. Chenery who will be responsible for the coordination of research throughout the Bank.

3. Reasons for Selection of Islam (to be used if necessary). Before selecting Professor Nurul Islam for the position of Director of the new Research Center, we considered a large number of candidates including Mr. Louis M. Goreux, who has been the head of the research unit while it has had the status of a division. I have selected Professor Islam on the basis of his broader research experience and because of the importance that I attach to the strengthening of research institutions in developing countries. Islam's experience in heading such an institution for nearly 10 years will be invaluable to us in this respect.

Mr. Goreux has done an excellent job in building up the present research group, which will be recognized in his promotion to be Deputy Director of the expanded center.

4. Ernest Stern (additional information). Mr. Stern was born in Germany. He served as both Deputy to the Executive Secretary and as Staff Director of the Bank-supported Commission on International Development.

Handwritten notes on the left margin: "1. key post", "2. coord. of all res within P.R.", "3. senior adviser to Mr. Chenery", "4. Ernest Stern".



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Because of the hard work and inventive genius of your businessmen and your government's dedication to the development of the nation, these loans were instrumental in playing a part --a small part-- in your economic miracle in recent years.

And as a result of that rapid economic progress, our roles have been reversed. Since early last year--in twenty one months-- the World Bank has been able, with your government's assistance, to raise here over \$500 million to help finance the economic development of other countries.

The World Bank welcomes the growing importance of Japan, not only in the whole international economic community, but in the roster of donors of funds for less developed countries. Japanese economic assistance is now becoming one of the principle factors in the world-wide program for development ~~assistance~~ both in East Asia where you have had traditional interests, and throughout the rest of the world as well. The total flow of funds from Japan to the developing countries is expected to increase rapidly as your GNP continues to grow and as your Official Development Assistance in relation to GNP, rises to the levels of other industrialized nations. ^{As a result,} Official Development Assistance should increase several fold during this decade.

The total flow of funds from Japan--through private investment, through multilateral lending and development agencies like the World Bank, and through direct official assistance --is likely to be a crucial factor in the years ahead in the battle against poverty and chaos which is enveloping the more than 2 billion people in the poorer regions of the world.

At a time when a great international debate is going on about the whole complex of economic relations among the nations, I think it is well to remember that development of the poorer nations of the world is not just charity and generosity on the part of the wealthier powers. I am sure that here in Japan you are fully aware of just how important trade is to your economy; how growing markets are essential to help fund your ~~phenomenally~~ rising standard of living, and how access to raw materials is essential to keep this great industrial machine producing.

On that score, let me point out that World Bank lending has been a small but important primer in the whole process of the expansion of Japanese industry and trade. From the \$850 million the Bank lent Japan, and from the Bank's loans to other countries, orders for goods valued at over \$1,500 million have been received by Japanese plants.

It is our policy to require our borrowers to obtain the goods purchased through our loans on an international competitive basis. And in recent years, Japan has been increasingly successful in obtaining these bids.

All told, you have supplied goods to 61 countries under 299 different World Bank loans. And I would remind you that it is not just the actual sales under these loans which indicate the importance of these transactions. They enable Japanese manufacturers and traders,

to establish trading contacts in areas which will be among the most rapidly growing markets in the 1970s and 1980s.

Gentlemen, I want to close by saying that I am here primarily to learn --to learn in detail about Japanese policies toward the developing countries, to find out how we can more effectively cooperate in pursuing the goal of development in the poorer regions of the world, and in seeing what there may be in Japanese experience that can help all of us. I am looking forward to discussing these questions with several of your ministers and with other leading figures in the government tomorrow.

Let me ^{conclude} ~~close~~ by emphasizing how strong and cordial are the relations between Japan and the World Bank.

I shall be happy to try to answer your questions on any of the subjects I have mentioned.

----- I recall that on an earlier visit to Japan in 1968, one of your ministers said to me, and I am using his words - "Japan was the first graduate of the World Bank. What he meant of course was that Japan at once had been one of the Bank's largest borrowers. As a matter of fact, it still ranks 6th in the 27 year history of the Bank. He went on to say that that day the nation of Japan had graduated to a self-sufficiency that no longer made it a customer for the concessionary loans which the Bank makes to development countries. In fact the relationship between Japan and the World Bank has been mutually rewarding. For between 1953 and 1966, Japan received 31 loans from the Bank totalling more than \$850,000,000. As a matter of fact, of that \$850,000,000, \$450,000,000 remains outstanding. And these loans went into many kinds of infrastructure projects - the Tokaito (?) line, highways, irrigation, for example, as well as into the financing of industrial projects - steel plants, power generating plants and other industrial facilities. According to the ability of Japan's businessmen, and because of the dedication of its Government to the development of the nation, these loans made by the World Bank were instrumental in playing a part - true, only a small part, but a part - in the economic miracle which has taken place in recent years in this country. And as a result of that very rapid economic progress, our roles have been reversed. Because, since early last year - that is to say in the past 21 months - the World Bank has been able, with the assistance of the Government, to borrow in Japan over \$500,000,000 to help finance the economic development of the 95 nations, the 95 developing nations, which are members of the Bank. As a matter of fact, Japanese economic assessment is now becoming one of the principle factors in the world-wide program for development, both in East Asia, where Japan's interests have been traditional, and throughout the rest of the world as well. The total flow of funds from Japan to the developing countries is expected to increase very rapidly in the years ahead as the GNP (Gross National Product) of the country continues to grow and as the official development assistance provided by Japan in relation to GNP rises to the levels of other industrialized nations. As a result of both of these factors, the increase in the growth of the Gross National Product and the increase in the relationship of official development assistance to that Gross National Product - the result of both of these factors, official development assistance should increase several fold during this decade.

The internal flow of funds from Japan through private investments, through multi-lateral lending, through development agencies like the World Bank and through direct official assistance, the total flow of these funds from Japan is likely to be crucial factor in the years ahead in the battle against poverty and chaos, which is enveloping the more than two billion people in the poorer regions of the world. At a time when a great international debate is going on among and about the whole contrast of economic relations among nations, I think it is well to remember that development of the poorer nations of the world is not just charity, it's not just generosity on the part of the wealthier powers. I am sure here that you in Japan are fully aware of just important trade is to your economy, how growing markets are essential to help fund rising standards of living in this country, and how access to raw materials, both today and in the future, is essential to keep the industrial machine of Japan moving forward. On this point, I should emphasize that World Bank lending has been a small, but it has been a very important timer in the whole process of the expansion of Japanese industry and trade. From the \$850,000,000 that the Bank loaned to Japan, and from the Bank's loans to other countries, orders for goods valued at over \$15 hundred million had been received by Japanese plants. It is the policy of the World Bank to require its borrowers to obtain the goods purchased through loans from the Bank on an international competitive basis, and in recent years, Japan has been increasingly successful in attaining these bids. All told, Japan has supplied goods to 61 countries under some 299 different World Bank loans. And I'd remind you that it is not just the actual sales under these contracts which indicate the importance of the transactions, for the transactions themselves have enabled Japanese manufacturers and Japanese traders to establish contacts in areas of the world which will be among the most rapidly growing markets in the 1970s and the 1980s. My main purpose in coming here, I think, it must be obvious to all of you, I have come here to learn in detail about Japanese policies toward the developing countries, to find out how we in the Bank can effectively cooperate with Japan in pursuing the goal of development in the poorer regions of the world and to see how Japanese experience itself during the past two decades can help all of us in pursuing that objective. I am

looking forward very much to discussing these matters and others with several of the Ministers and others in the Government tomorrow. I want to conclude by simply emphasizing that the relationships between Japan and the Bank are most strong and cordian and I am particularly grateful to the Japanese Government for permitting the Bank to engage in borrowing operations here, which as I say in the past 21 months has resulted in the acquisition by the Bank from Japanese sources of over \$500,000,000. I will be very happy to try to answer your questions on these and related matters.

There will be a text of the original English and also a Japanese language translation of this speech. For those who came late, I would like to introduce Mr. -----, a member of the Board of the World Bank.

Now we will turn this meeting over to questions and answers. As is the custom, we would to ask some questions to give to their names and the names of the organization -----
- My borrowing program is a flexible one. In the last four months, we have borrowed in Kuwait, dinares (?) 18 million dollars last week, and Belgium and the Netherlands in Europe, guilders, in Japan, United States, Canada, Switzerland, from 66 central banks in the world, and from the United Kingdom I -----, 9 different countries plus the 66 central banks. We do not try to predict an advance, the degree of which we will be able to borrow any particular market. There is nobody to do so, it depends on the number of factors. We are not allowed to borrow in any currency other than what the permission of the Government whose currency that is, and this makes it very difficult for us to predict in advance the exact amounts we would buy in a particular country. One of my purposes to ----- of course, is to explore whether the members of the Government and with others in Japan, the possibility for future borrowings. We will wish to continue borrowing ----- . I realize this is a very ambiguous answer to your specific question. I would expect that in total, the World Bank borrowings and the next 12-24 months would approximate the levels of the past 12 months during which time we borrowed worldwide about \$1,149,000. I would expect that we would borrow in the next 12 months

roughly the same amount, and in the period behind that approximately the same. ----- attributing to that borrowing will be substantial -----
----- itself.

- This is Mr. ----- of ----- . If what you say is true, we understand that as a result of President Nixon's new economic policies, that the developing countries of the world has been dealt as considerable ----- . If so, has the World Bank any plans to provide ----- health to these developing countries, or does the World Bank feel any responsibility of so doing?

- I doubt very much that the World Bank can provide any form of assistance to the developing countries which was ----- in the impact of the 10% surcharge. I presume that is what is being referred to indirectly. This is a penalty that affects different countries differently. Most of the exports of the developing countries, of course, are excluded from the effect of the surcharge, the surcharge affecting only the manufactured products and some 80% of the exports of the developing countries falling outside of that category. Having said that, I don't mean to minimize the impact of the current situation on the developing countries. They are facing the same uncertainties with respect to exchange rates, and they do face the penalty on their manufactured exports, but those are not factors that we are the power in the World Bank to offset. I doubt very much that the current economic crisis will adversely effect either the interest rates at which the World Bank will borrow or lend or the availability of funds to the Bank. And I say this because one of the objectives of President Nixon's action of mid-August, and one of the hopes of the financial leaders of the world at the present time is that out of this economic crisis will come solutions to the problem of inflation which is faced, not only in the United States, but in many, many of the nations of the world. And this problem of inflation which has been with us for many months, for the past two or three years as a matter of fact, has caused interest rates all over the world to rise to the extent that inflation can be brought under control or at least reduced in intensity, I would hope that we would be able to borrow at lesser costs. To some degree that has already occurred. We borrowed at costs as high as 9%, which for the World Bank,

an institution whose securities are absolutely unique in the strength of their security, guaranteed as they are by governments of the world. For an institution such as the World Bank to pay 9% interest simply reflects the impact of inflation upon the cost of money, and already, as I say, with the prospects for adapting down of inflation, the rates have declined; we bought last week at less than 8%, for example. So I don't anticipate that the solutions to the present economic problems will come out of the discussions that are going on all over the world, will adversely affect the Bank. In the long run, I think they should assist us in accomplishing our objectives.

Well, on the first question: what changes have occurred in the World Bank since I arrived - I arrived about 3-1/2 years ago. We have a program for doubling the lending of the Bank in the current five-year period. This is our first five-year program. In this period we expect to double the lending of the Bank compared to the previous five years. The five-year period runs from 1969-73. We are slightly more than three-fifths of the way through it. We loaned \$5.8 billion in the previous five years; to double that would mean \$11.6 billion in this five-year period. I think we have already loaned \$6.8 billion in the first three years; we should easily exceed \$12 billion for the period, more than meeting our objective. I should add in passing that since we financed about 40% of the cost of the projects we deal with, that \$12 billion that we would finance would be 40% of the cost of the projects costing \$30 billion, projects which we felt shape with the governments borrowing the funds from us. It's a huge program, and it looks to me as though we are well on the way to accomplishing it.

Secondly, we have shifted our emphasis with the shift in requirements placing much more emphasis, for example, on population planning, on certain of the sectors that appear to be the foundations for long and continuous development - and by the way, all I think in accordance with the experience of Japan. Certainly Japan's experiences show the need for emphasizing population planning and certainly Japan's experience has shown the need for education, which is another field that is receiving increasing attention from us, and on agriculture, which is the third field of emphasis.

Thirdly, we have increased the attention we are giving to the poorest of the nations that are members of the Bank. These are nations which we classify in the category of those receiving or those having incomes per capita of less than \$100 per year - India, Indonesia, nations of that type. And to those nations we are vastly expanding our lending. We expect in the five-year period to have something on the order of 215 projects in those countries compared to about 150 projects in the entire prior history of the Bank - from Bretton Woods in 1946 through 1968, as I say, we had about 150 projects in those countries and we should have in the five-year period 1969-73 something on the order of 215 projects. So our emphasis has shifted quantitywise in the sense we are trying to double our level of operations and prioritywise in the sense that we are giving much greater attention to population planning, to agriculture and to education. And these factors, besides I think it is becoming increasingly apparent that we cannot depend upon a single measure of growth - Gross National Product - as representative of our total objective. We must expand our concern beyond the factors represented by Gross National Product and take account of unemployment, which is very very high in the nations we are dealing with, ranging between 20-25% of the total labor force. We must take much greater account of unemployment, underemployment, mal-distribution of income. So our, in summary, our change has been both quantitative and qualitative in character.

Perhaps you wish to translate that and then I will respond to the China questions.

The second question has two parts to it. The first concerned the possible admission of People's Republic to membership in the Bank and the second part of that question inquired about the relationships of the World Bank to the People's Republic in situations such as Tanzania.

Now, with respect to the first part - the question of membership of the People's Republic of China in the Bank, this is an extraordinarily complicated question and it involves a number of legal questions which are under study at the present time. I know this is not a full answer to your question, but I think you understand it is as complete an answer as I can give at this time.

With respect to the second part of the question - in Tanzania at the present time, the People's Republic is participating in the financing of a railroad that runs from Zambia across part of Zambia's territory and across part of Tanzania's territory to the coast. I think it will be a very important outlet from Zambia proper and we are very happy to see the assistance being provided Tanzania and Zambia by the People's Republic in the financing of a portion of that road. We are actively at work in both Zambia and Tanzania. As a matter of fact, in both countries we are financing roads that, highways that will complement the railroads and we have taken account of the traffic that will flow across the railroads in designing the highways that, as I say, will complement that road instead of duplicating it. Well, this is the other half of the problem that we alluded to a moment ago - the possible membership of the People's Republic of China and the Bank. It is, as I say, an extremely complicated issue involving very very difficult legal questions. They are under study at the present time.

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

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

Rom Sijwing Statement - Bangkok "11/17/71
AIRPORT STATEMENT - THAILAND

I am ^{*happy*} very pleased to be here in Thailand at the invitation of your Government, ^{*and delighted to be able to say*} During the next four days I look forward to the opportunity of meeting His Excellency the Prime Minister and other leaders of your country, ^{*mission for 7-27*} and to visiting a number of areas outside of Bangkok including both the North and the Northeast. ^{*mission to get*}

This is a particularly interesting time to visit your nation when it has just embarked on its Third National Economic and Social Development Plan. I ^{*I had had an opportunity*} hope during my stay to review at firsthand the development which has been achieved, as well as the problems of the future. We in the World Bank are eager to assist Thailand in continuing its progress toward modernization.

The World Bank has worked closely with ^{*the*} your Government in helping you ~~to~~ build the basic infrastructure of a modern economy: railways, highways, power generation, and the management of your ~~vast~~ water resources. While further improvements and additions to this basic infrastructure will be necessary as the economy continues to grow, I am hopeful that over the next five years, the Bank will be able to assist Thailand in directing more finance to improving and expanding education, increasing agricultural production, developing the manufacturing and industrial sector, and helping to tackle the problems of urbanization.

^{*the Bank*} ~~The Bank~~ ^{*+ Thailand*} since 1950 has made 22 loans totaling \$426 million, and I am ^{*in*} ~~planning during my stay to sign the agreement for our 23rd loan.~~

/more

be prepared to lend substantially more.

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I will be discussing with your Government our level of lending for the next five years, and our hope is that we will be able to accelerate our operations. In the last five year period -- from 1967 to 1971 -- we lent Thailand \$148 million. In the five year period from 1972 to 1976 we would hope to double this amount to approximately \$300 million. This will, of course, depend in large measure on Thailand's capacity to take those internal

hope that conditions in Thailand will permit us

measures necessary to solve the problems associated with rapid development;

We in the World Bank believe there is a genuine potential for greater social and economic progress for the people of Thailand, and we are pleased to be associated in the effort to turn that potential into reality.

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particular: to coordinate effectively the efforts of public agencies in the main economic sectors; to ensure that enough sound projects in these sectors are prepared in time, and to raise public revenues sufficient to meet the needs of an expanding economy.

I will be discussing with the Government our level of lending for the next five years, and we hope to be able to accelerate our operations. In the last five years - from 1967 to 1971 -- we lent Thailand \$148 million. In the five year period from 1972 to 1976 we would hope to double this amount to approximately \$300 million. This will, of course, depend in large measure on Thailand's capacity to take those internal measures necessary to solve the problems associated with rapid development. We in the World Bank believe there is a genuine potential for greater social and economic progress for the people of Thailand, and we are pleased to be associated in the effort to turn that potential into reality.

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Mr Clark
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DRAFT

J-MJentgen/JLMaddux:dcc

October 29, 1971

AIRPORT STATEMENT - MALAYSIA

11/16/71

DK

I am delighted to be here in Malaysia. It is a particularly interesting time to visit your country, as I am aware of the effort you are making to assure wider participation of all the peoples of the nation in the process of social change and economic progress.

I am looking forward to meeting your Prime Minister again. From him, and from the others I will be seeing, I hope to gain a better understanding of your aspirations, your problems, ^{and} the prospects of your economy, so that we in the World Bank Group can assess how we can help you most effectively.

I plan to have a firsthand look at your programs in agricultural diversification, ^{and} land settlement, as well as other projects.

Since 1958, the World Bank has made loans of \$288.7 million here. This has included projects in agriculture and forestry, electric power and telecommunications, water supply, industrial expansion, and school construction.

Last year ~~alone~~ the Bank approved loans totaling almost \$55 million. We hope to maintain this increased level of assistance over the next five years. In the near future there will be plans for the modernization program of the Malayan Railways, and for highway improvement. We will continue to support your efforts in educational development, and hope to be able to respond to your request for assistance in family planning.

The Bank's continuing involvement in Malaysia is evidence of our confidence in your determination to reach your development objectives. We are very pleased to play a supporting role in the achievement of those objectives.

Mr. McNamara, how can the economic gap between the rich nations and the poor nations be narrowed?

I think Martin the answer is it can't be. At least not in this decade and probably not during this century. Now why? The reason is that the gap is so great, the measures of income per capita are quite imperfect, I think, particularly as between nations in measuring gaps, but they are the only measures we have so let me refer to them. Today the average income in the developing countries average per capita is on the order of \$190. In the developed countries, the western European countries, the U.S., Canada and Japan, its on the order of \$2,500 so there is a gap of something approximating \$2300 per capita. Now the rates of growth in the developing countries and the developed countries and particularly the rates of increase in population during this decade will be such that that gap, which we will assume is \$2300 today, is going to widen during this decade to more than \$3000 because the income per capita in the developing countries will rise perhaps from \$190 to \$250 per year per person and the income per capita in the developed countries will rise from perhaps \$2500 to something over \$3400. So there is no possibility of narrowing it down, its going to widen and we should start with that.

Well, if I may say just one thing. I think that we can't narrow the gap. Its a long question really. The question is - can we during this decade act to assist these people. And who are they? They are the two billion people in the developing nations of the world. To assist these two billion people to help themselves to reduce the conditions of misery and deprivation which affect the lives of the majority of the two billion. I think that is the question.

You put the question - you answer it.

Well, my answer is "yes" we can help them. Now what are these conditions of misery and deprivation that are affecting the lives of these two billion people? Well first malnutrition is widespread. Its a major problem. The Food and Agricultural Organization of the United Nations says that - and our analysis indicate that they are right - that a third to one-half of the two billion people are affected by hunger and by nutritional deficiencies and that several hundred million of those two billion people are so seriously affected as to have limited opportunity to realize their

President has seen

full genetic potential. In other words, their mental and their physical growth is stunted by nutritional deficiencies.

Secondly, infant mortality is amazingly high - at least four times as high among these countries as in the developed world.

Thirdly, life expectancy is low. The average man in the west can expect to live 40% longer - 40% more years than the average man in the developed countries and, as a matter of fact, the average man in the west can live twice as long as the average man in many African countries.

Fourthly, illiteracy is widespread. And this is true despite the fact that during the past ten to twenty years the education systems in the developing countries have expanded dramatically. But so have their populations and the result is that today there are one hundred million more illiterates in the developing countries than there were 20 years ago - about 800 million in total.

And Fifthly, unemployment is endemic and its growing. Its growing in part because of the population explosion as the youngsters that were born in the past ten or twenty years move into the labor force, and already unemployed labor force is growing.

All right Mr. McNamara, you draw a bleak and I must say a depressing picture of the conditions that create this poverty, and you also draw a very bleak picture of any kind of rapid improvement. Now, at the same time you say there is a prospect for improvement.

Yes, there is. And this paradox I should explain. In the first place I don't want to draw a bleak or depressing picture, I simply want to be realistic. And I think if we are realistic we see the need and the need ought to stimulate us to action. Now what action? Well, you can't begin to attack these problems. They are so widespread and require more resources unless there is more economic growth in those countries so an increase in the rate of economic growth with the increased incremental product of growth to be used to the benefit of all of the peoples. That ought to be our objective. Are they capable of it? The answer is yes. During the decade of the sixties, these developing countries grew at the rate of 5% per year. That's a rate higher than our own country grew at a comparable period in its development. It's a rate higher than the industrial nations of Western Europe grew at a comparable period in their development. Why did they grow

that way? Because we sent them aid? No. They grew that way primarily as a result of their own efforts. Actually these people will advance only if they help themselves. And they are capable of helping themselves and during the decade of the sixties when they had this 5% growth rate they did help themselves. 80% of the capital that was a foundation for that growth came from their own savings. Only 20% came from external sources - foreign aid as we call it. Now, what about this decade? The nations of the world met at the United Nations a year ago; they agreed the rates of growth should be increased from 5% in the 1960's to 6% in the 1970's and that is the objective. Can it be achieved? Yes. That ought to be what we try to do and to do it, not for growth itself but to deal with these conditions of malnutrition, health, education, unemployment, etc.

But you indicate then that you have set what seems to be a very modest improvement of 1% in the rate of growth -

Now, let me interrupt you and say that 1% point of growth is a 20% change in the rate of growth and a 20% change in the rate of growth is going to be a tremendously difficult task to achieve. I think it isn't enough in a sense that the two billion people will not realize the life that you and I would want for them, but its about as much as I think is practical to try to achieve and it will contribute immensely to alleviating the conditions I mentioned a moment ago.

Then, considering the present state of the world, you think this is achievable?

I think it is only achievable if they will play their part and that is the major point. And they have given evidence that they can play it and will play it. They have the capacity to do it. What must they do? They must increase their rate of savings. Of course they have to save more, they have to raise their taxes, they have to increase their private savings to develop the internal capital to expend on education, to finance the irrigation systems necessary to expand the production of agriculture, etc. They have to expand their trade because they must obtain foreign exchange to pay for the imports they need, the fertilizer, the pesticides, the machinery to help expand; they have to expand their trade; they can't expand their trade unless we are willing to accept their products on our

markets so we have to do that. And they need some additional foreign exchange above what they get from trade and that comes in aid and we have got to provide that. That's only 20% of the total capital, 80% of the job they do they've got to do themselves.

Mr. McNamara, is a Marshall Plan for the world possible?

Well, I think my answer is "yes." I think it is not only possible but I'd say its necessary. But I don't think its possible unless this nation provides the leadership. The Marshall Plan was essentially financed entirely by this nation and I am not suggesting that this nation should finance entirely the economic aid plan. I think it is politically impossible, and its economically unnecessary. The other nations of the west are wealthy they have grown as a result of the Marshall Plan. They have grown to the point where they can contribute. But they need leadership. We provided in the Marshall Plan, we can do it today. Today we are spending to assist these two billion people at development, maybe ten times as many people as we assisted with the Marshall Plan. To assist these two billion people to develop we are spending about 1/7th of what we did on the Marshall Plan in relation to our incomes today. Its amazing in the Marshall Plan in 1949 - 22 years ago - at the start of the Marshall Plan, this country was spending about 2.8% of its gross national product, some 12% of its Federal budget on the Marshall Plan. Today we are spending 1/7th of those amounts. One-seventh as much of our Gross National Product percentagewise, and one-seventh as much of our Federal bidget on economic aid.

Mr. McNamara, you say a Marshall Plan is possible if there will be American leadership. Do you think its possible that there will be American leadership?

I do, I do, because I think our people are sensitive to these problems. In the first place they know its in their own interests to help these two billion people advance. Its in their own interests because otherwise, there will be great political instability and there will be lesser markets for our products. And beyond that, we have a moral responsibility to assist these two billion people to advance. Are you prepared, or am I prepared to say that we will withhold the tiny amounts we are talking about - some 35 cents per hundred dollars of our income - are we prepared to withhold those tiny amounts when these people are dying? When they are

failing to realize their genetic potential? I am not prepared to. I don't believe our people are prepared to withhold their aid under those circumstances.

Thank you Mr. McNamara.