

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Chronological files - (outgoing) - Chrons 64

Folder ID: 1771951

ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4541S

Series: Chronological file (outgoing)

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: February 22, 2013

To cite materials from this archival folder, please follow the following format:

[Descriptive name of item], [Folder Title], Folder ID [Folder ID], ISAD(G) Reference Code [Reference Code], [Each Level Label as applicable], World Bank Group Archives, Washington, D.C., United States.

The records in this folder were created or received by The World Bank in the course of its business.

The records that were created by the staff of The World Bank are subject to the Bank's copyright.

Please refer to <http://www.worldbank.org/terms-of-use-earchives> for full copyright terms of use and disclaimers.



THE WORLD BANK
Washington, D.C.

© 2012 International Bank for Reconstruction and Development / International Development Association or
The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED

McNamara Papers

1978 (Jan. - Febr.)

**DECLASSIFIED
WITH RESTRICTIONS
WBG Archives**

The World Bank Group
Archives



1771951

A1995-252 Other #: 5

309650B

Chronological files - (outgoing) - Chrons 64

4013/5/65

FEB 28 1978

Dear Al:

Please accept my best thanks for your letter of January 31. I was delighted to receive your positive response to the idea of a much expanded co-financing relationship between your bank and the World Bank, and I hope that the relationships that we have established with your operating officers will lead to a series of important joint transactions.

We greatly benefited from the visit that we received from your officers and look forward to further exchanges of views with them regarding various approaches to co-financing arrangements.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. A.C. Rice
Vice Chairman
Bank of America
Bank of America Center
Box 37000
San Francisco, Ca. 94137

cc: Messrs. Cargill
Rotberg
Hornstein
Wood

JBK:dpw

493/5/64

FEB 27 1978

Dear Mr. Marei:

Having returned to Washington from a most enjoyable and useful trip to your country, I would like to take this opportunity to thank you and Mrs. Marei for your kind hospitality to my wife, myself and my associates. It was indeed a great pleasure to see you again in the relaxed setting of your home. As always, I learnt very much from our conversation on some important economic issues and in particular on agriculture which is so close to your heart.

I was grateful for the opportunity of sharing with President Sadat, the Prime Minister and the Deputy Prime Minister for Financial and Economic Affairs and other members of the Cabinet, our views on the most urgent economic issues facing your country. We all agreed that the opportunity may be at hand for Egypt to consolidate the impressive economic achievements of the recent past and to turn now towards addressing vigorously the longer term structural problems, which may have had to be neglected due to pressing short-term problems.

As I have explained in many of my meetings with the representatives of your Government, the Bank Group stands ready to support increasingly Egypt's further efforts toward sound and rapid development.

Thanking you again for the warm welcome extended to me, and with my best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mr. Sayed Marei
Speaker of the People's Assembly
People's Assembly
Cairo, Egypt

Cl. with: Messrs. Benjenk
Paijmans

FKaps/HEKöpp:orp

cc: Mr. McNamara's office (2)
February 17, 1978

493/5/63

February 27, 1978

Dear Mr. Larre:

Thank you for your letter of February 1, regarding a combined effort to improve the data available on the external indebtedness of developing countries and the dissemination of this data to lending institutions.

The World Bank is greatly interested in the lending activities of commercial banks insofar as they relate to loans to developing countries. As you know, loans from commercial banks have played a very important role in recent years in fostering the economic development of those countries and in many cases such loans have been made in close collaboration with the World Bank, sometimes taking the form of the co-financing of development projects.

Therefore, the World Bank is prepared to explore with you further the ways and means of improving the quality and timeliness of debt information available which would be of benefit to both borrowers and lenders. Mr. Peter Cargill will already have been in touch with you to begin this effort.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Rene Larre
General Manager
Bank for International Settlements
Basle CH-4002
Switzerland

CHardy:bmm
February 27, 1978

493/5/62

FEB 27 1976

Dear Signor Stamatii:

Thank you for your letter about Ambassador Vinci. I will certainly see if there are any opportunities of making use of his talents after his retirement, as I have heard many good reports of his work at the United Nations.

But as you are aware the World Bank is built on a career structure and we make almost no appointments to the staff from outside at the levels to which the Ambassador would properly belong.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Professor Gaetano Stamatii
Ministro del Tesoro
c/o Ministero del Tesoro
Via XX Settembre
I-00187 Rome, Italy.

WDClark:sf

493/5/61

FEB 17 1978

His Excellency
General Ziaur Rahman
President of the People's
Republic of Bangladesh
Dacca, Bangladesh

Dear Mr. President:

Thank you very much for your letter of January 15, 1978 from which I was interested to learn about your Government's plans for investment in infrastructure and water resources. I was also very pleased to meet with Dr. Huda again, during his recent visit to Washington, to review recent economic developments and the progress of the Bank Group's activities in Bangladesh since my visit to Dacca in November 1976.

While the need to reduce the rapid growth of population and to increase agricultural productivity are the main priorities in the effort to raise living standards, I agree with you that the development of basic infrastructure facilities is of great significance in improving the quality of the lives of the poorest people in both the rural and urban areas. Road transport, housing and employment for the urban poor are important sectors in this connection.

Regarding transport, a sector in which the Bank Group has long experience in many countries, including Bangladesh, we shall be glad to review the Government's Master Plan for road development when it is ready. In the meantime, based on our experience with the first highway project (Credit 408-BD), the findings of the Bangladesh Transport Survey (1974), and our review of specific project proposals received from your Government, we believe that improved highway maintenance and the rehabilitation of the existing highway system are the first priority in the immediate future. Accordingly, we have proposed a plan of action to be undertaken by the Roads and Highways Department (RHD), with technical assistance, aimed at preparing highway maintenance and rehabilitation projects suitable for IDA financing during the next two years. We will also be prepared to consider a rural roads project following the completion later this year of studies now in progress with USAID assistance.

Regarding urban housing and employment, the Bank Group does not at present finance projects in either sector, although we have assisted sites and services projects and urban development schemes in a few countries, mainly in Asia and Africa. We would be glad to share our experience with you if this would be helpful. However, because of our own limited experience and resources in these new areas, the wide range

of sectors in which we are already involved in Bangladesh and the policy constraints mentioned above, I regret that we are unlikely to be able to assist directly in the near future. You may wish to have Dr. Huda raise these issues with members of the Bangladesh Aid Group at its next meeting in June.

Finally, with respect to the development of the Brahmaputra and Ganges river basins, I shall follow with interest your discussions with India and Nepal and hope that arrangements for cooperation between the three countries concerned can be established soon. If requested by the three governments, the Bank Group will be prepared to assist in the mobilization of the necessary financial and technical assistance. Meanwhile, we are reviewing the recently completed Southwest Region Studies and would be glad to receive the Government's proposals for the preparation of projects in this area, which could proceed independently of any regional development schemes resulting from discussions with India and Nepal.

My wife and I very much enjoyed our last visit to Bangladesh and we appreciate your renewed invitation. You will know already that Mr. W. David Hopper, recently appointed Regional Vice President, South Asia, plans to visit Dacca towards the end of March and he will be glad to call on you at that time.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. M. Syeduz-Zaman, Alternate Executive Director

~~Mr. W. David Hopper, Mr. W. David Hopper, Mr. W. David Hopper, Mr. W. David Hopper~~

Cleared with & cc: Messrs. Hopper, Blobel, Dunn

cc: Mr. Storvar

DPearce:sv

February 16, 1978

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

493/5/60

FEB 17 1970

Dear Harold:

It was very pleasant to hear from you again, and I would like to thank you for your interest.

The situation in the East Africa Community is this: negotiations between the three Governments, as well as with the World Bank, took place at the World Bank in Washington in early December. On that occasion, the partner states of the EAC selected Mr. Umbricht (a Swiss national) as the Mediator. He is now making the rounds of the three East African countries and their Presidents. Within about twelve months' time he is expected to make proposals about equitable and permanent distribution of the assets and liabilities of the Community other than the East African Development Bank. The Bank has appointed Mr. Umbricht on behalf of the partner states and acts as the administrator for the entire activity. However, all future arrangements and appointments to carry out the assignment are in his hands, and the World Bank is, of course, anxious to maintain the independence of the Mediator.

I hope we shall meet again before long, and I shall always remember our former association with pleasure.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Rt. Hon. Sir Harold Wilson, K.G., O.B.E.
House of Commons
London SW1A 0AA,
England.

WDClark:sf

493/5/58

FEB 17 1978

Dear George:

Thank you for your letter of February 8. We have already conducted two workshops for Bank staff - in June and October last year. The purpose of these workshops was to sensitize Bank staff to the issue of rapid population growth. We intend to have another workshop (probably in May or June), which would deal with the treatment of population questions in our economic reports; the relevance of population policy to project design would be a good complement. But whether it should be dealt with in the same workshop or in a separate one is a matter we have under consideration.

We would, in any case, welcome the assistance of the Population Council. We are at present conducting an evaluation of the previous workshops, which will, of course, have a bearing on how we organize the next one. Timothy King, who will be away on a mission until March 7, will be in touch with you when he returns to go into more detail.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. George Zeidenstein
President
The Population Council
1 Dag Hammarskjold Plaza
New York, N.Y. 10017

BBK
BBKing;AKaraosmanoglu:mb

493/5/57

FEB 17 1978

Monsieur le Ministre,

J'ai l'honneur d'accuser réception de votre lettre en date du 21 janvier 1978 concernant M. Dominique Mampouya.

Le Département du personnel a récemment examiné le dossier de M. Mampouya mais a constaté que nous n'avions pour le moment aucun poste correspondant à sa formation et ses qualifications. Néanmoins, vu toute l'estime dont ce candidat jouit auprès de vous, nous l'avons invité à venir à Washington pour une entrevue. Soyez assuré que sa candidature retiendra toute notre attention lorsque nous aurons des postes susceptibles de lui convenir.

Vous remerciant de m'avoir signalé l'intérêt que M. Mampouya porte à la Banque Mondiale, je vous prie d'agréer, Monsieur le Ministre, l'assurance de ma très haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence
Monsieur Henri LOPES
Ministre des Finances
Ministère des Finances
Brazzaville
République Populaire du Congo

cc: Mr. Razafindrabe
Mr. McNamara's Office (2)
Personnel Front Office (Log No. 39748)
Mr. Eigen

Cleared with Mr. Clarke (February 15, 1978)
FCS:nd

493/5/56

FEB 17 1978

Dear Peter:

Thank you very much for your letter of February 9 about the establishment of the Commission on World Hunger and Malnutrition. I too am delighted to hear of this and hope it will focus public attention on this crucial world issue.

I know that you have been in touch with my very able colleague, Alan Berg, and I hope you may see fit to involve him formally with the Commission. He would be in a very good position to keep you informed about our thinking on the subject, and any contributions of information that the Bank could make.

I am sure you know how anxious I am to help the Commission in its valuable work.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Peter G. Bourne
Special Assistant to the President
The White House
Washington.

493/5/55

Class of Service: **TELEX**Date: **FEBRUARY 16, 1978**Telex No.: _____ Originators Ext: **72001**

12

10

0 START
HERE

1 TO

BRUCE R. MCKENZIECITY/
COUNTRY**NAIROBI, KENYA**MESSAGE
NO.:

I HAVE CONSIDERED AND DISCUSSED WITH OTHERS YOUR
PROPOSAL THAT ONE OF MY SENIOR ASSOCIATES MAKE THE
VISIT YOU REFERRED TO. IN THE PRESENT ENVIRONMENT
IT CANNOT BE DONE. PLEASE LET ME KNOW WHEN YOU
WILL NEXT BE IN WASHINGTON SO THAT WE MAY DISCUSS
THIS AND RELATED MATTERS. BEST WISHES TO YOU AND
CHRISTINA. ROBERT S. MCNAMARA INTBAFRAD

10

11

12

13

14

15

16

17

18

19

20

21

22

END
OF
TEXT

NOT TO BE TRANSMITTED

SUBJECT:

DRAFTED BY:

Robert S. McNamara

CLEARANCES AND COPY DISTRIBUTION:

AUTHORIZED BY (Name and Signature):

Margaret S. Stroud

DEPARTMENT:

Office of the President

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH

493/5/54
FEB 16 1978

Dear John:

I refer to your letter of February 3, 1978, and attachments, regarding the evaluation of bids for instructional equipment under a World Bank-financed education project in Jamaica.

Please be assured that the Bank's guidelines for procurement are designed to ensure that bidders from all member countries are treated fairly, and the staff make every effort to see that these guidelines are observed. In the case of the Jamaican project, the Latin American Education Projects Division had already received a complaint from the South Bend Lathe Corporation and had replied that it would seek further details from the government on the matter. For your information, the Bank has not yet approved the bid award in question, pending receipt of a satisfactory answer to South Bend Lathe Corporation's complaint. When the matter has been clarified, the Education Projects Division will contact the South Bend Lathe Corporation to advise them of the outcome.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable John Brademas
The House of Representatives
Washington, D. C. 20515

Cleared with and cc: Mr. Lari LC1DR

cc: Messrs. Glaessner LCPDR
Kanchuger LC2DC
Kouros, Corradine LCPED

DMDowsett:ts
February 14, 1978

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

OUTLINE OF MEMORANDUM ON HUMAN RIGHTS

493/5/53

I. The U.S. has asked that the Bank "devise a means of associating the operations of the Bank with practical improvements in the general area of [human rights]."

a. In particular, the U.S. request reflects action in the Congress and decisions of the President (see Annex I).

II. Internationally recognized human rights include a wide variety of rights and in particular both civil rights and economic rights (see Annex II).

III. The U.S. proposal raises two questions:

1. If the Bank were to "associate the operations of the Bank with practical improvements -- in human rights", how would we do it?

2. Should we do it?

a. The legal implications (see Annex III).

b. The political effect.

IV. Action by the Bank to inject human rights considerations into its operations could take several forms:

a. The individual Executive Directors could reflect such considerations in their support for or rejection of particular loans.

b. The Board could adopt a statement of general principles supporting human rights (for example, accepting responsibility by the Bank for advancing economic rights and stating it would take account of judgments relating to civil rights when these have been formed by appropriate international bodies).

c. Determination by the Board that the management, when establishing the size and content of country lending programs, shall take account of civil rights considerations. (Discuss the issues that would be faced in pursuing such a policy, for example, what standards would be used; who would make the judgments; what coordination would there be with the IMF, regional banks, UNDP, etc.; what exceptions would be made; if financing of basic human needs is to be "excepted", what projects are to be considered "basic human need related"; what relative weight is to be given to "civil rights performance" vs. "economic rights performance"; how and when would the judgments relating to civil rights performance be discussed with the country affected.)

2/15/78

493/5/52

MR. THORVALD STOLTENBERG

UNDER SECRETARY OF STATE, MINISTRY OF FOREIGN AFFAIRS OSLO, NORWAY

I AM MOST GRATEFUL FOR YOUR INVITATION TO ATTEND THE TIDEWATER MEETING IN NORWAY APRIL SEVEN THROUGH NINE AND I SHALL MAKE EVERY EFFORT TO BE PRESENT. FIRM CONFIRMATION OF MY PLANS MUST AWAIT RESOLUTION OF A CONFLICT WITH A PREVIOUS COMMITMENT. FOR THAT REASON I BELIEVE IT WISE THAT YOU SELECT ANOTHER DISCUSSION LEADER FOR TOPIC NUMBER FOUR. WITH BEST WISHES ROBERT MCNAMARA, INTBAFRAD

cc: Mr. W. Clark-Vice President-
External Relations

RNCN:bmm

Robert S. McNamara

Robert S. McNamara

President

WORLD HEALTH
ORGANIZATION



ORGANISATION MONDIALE
DE LA SANTÉ

1211 GENEVA 27 - SWITZERLAND
Télegr.: UNISANTE-Geneva

Tél. 34 60 61 Télex. 27821

1211 GENÈVE 27 - SUISSE
Télégr.: UNISANTÉ-Genève

In reply please refer to: H9/370/5
Prière de rappeler la référence:

31 January 1978

Dear Mr McNamara,

We were glad to have the World Bank represented once again at the Meeting of Agencies Interested in the WHO Special Programme of Research, Development, and Research Training in Human Reproduction on 28-29 November 1977. Dr Kanagaratnam's contributions to the discussion, as well as his chairing of the meeting, were greatly appreciated.

The meeting approved the scheme for a review, after six years of operation, of the rationale of the Programme, and its overall objectives, strategy, mechanisms and achievements. I should be grateful if you would release Dr Kanagaratnam to take part in this assessment, as a member of a small group of experts. The group will work in Geneva from 13 to 23 March 1978. If it were not possible for him to remain throughout this period, he could leave on 19 March.

I very much hope that it will be possible for Dr Kanagaratnam to take part in this exercise which is important, not only to the Programme but which also has wider implications for WHO's approach to research. WHO would, of course, cover Dr Kanagaratnam's economy class air travel and per diem expenses.

Yours sincerely,

H. Mahler, M.D.
Director-General

Mr Robert S. McNamara
President
International Bank for Reconstruction
and Development
1818 H. Street, N.W.
Washington D.C. 20433
United States of America

RECEIVED
JAN 31 1978
WORLD HEALTH ORGANIZATION

493/5/51

Your Ref.: H9/370/5

FEB 10 1978

Dear Dr. Mahler:

In response to your letter of January 31st, I am pleased to say that I welcome your invitation to have Dr. Kanagaratnam join the group of experts who will assemble in Geneva in mid-March to assess the work of WHO's Special Programme of Research, Development, and Research Training in Human Reproduction.

As you know, I have a keen interest in the progress of contraceptive knowledge and technology as key factors in the advance of greater national and personal control over human fertility. I therefore welcome this additional opportunity for senior Bank staff to be associated with a review of WHO's programme in this important field.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

H. Mahler, M.D.
Director-General
World Health Organization
Avenue Appia
1211 Geneva 27
Switzerland

Cleared with and cc: Mr. Baum
cc: for Mr. McNamara's Office (2)

GBBaldwin/KKanagaratnam/jim

Typed: February 9, 1978

493/5/49

FEB 10 1978

His Excellency
Dr. Abdel Moneim El Kaissouni
Deputy Premier for Financial and
Economic Affairs and Minister
of Planning
Cairo
Arab Republic of Egypt

Dear Dr. Kaissouni:

Having returned to Washington from a most enjoyable and useful trip to your country, let me express my deep gratitude for all your efforts and those of your collaborators and for the many courtesies and the warm hospitality extended to me and my associates throughout this visit. It was a pleasure to meet you and your colleagues of the Economic Group again and to continue, in a constructive, frank and cordial spirit, the dialogue which we began a few years ago and which has seen so many positive results. I particularly appreciated that you personally accompanied us on our trip to the Lake Nasser area which is so rich in history and culture and which could have an important potential for the future development of Egypt.

As agreed with your President, whom I had the honor of seeing in Cairo, I have in the meantime conveyed to him my main conclusions and impressions from my visit. These concern four areas which I had the opportunity to discuss thoroughly with you and your colleagues: firstly, the overriding importance of giving attention to and taking action in the field of population control; secondly, the need for gradually reintroducing market mechanisms to achieve the most efficient use of Egypt's scarce resources and to provide incentives to its producers; thirdly, the risk of postponing decisions on difficult choices between investment and consumption by adopting overly ambitious growth and resource assumptions in the Five-Year Plan; finally, the need for further moves towards integration of economic and financial policies on the one hand and sector policies on the other, and the urgency of a review of the efficacy of Egypt's administrative structure in general.

As you know, after my visit to your country, I visited Saudi Arabia and Kuwait. During my stay there I informed the highest authorities of these countries that I consider real progress had been made by Egypt in 1977 and that to maintain and continue the improvements in 1978, additional generous contributions to Egypt's development were clearly justified. We made it clear that, in the view of the World Bank, Egypt's need for special assistance of an easily disburseable nature would exist, not only for an additional year but for a longer period, say, at least three years, albeit on a decreasing scale. We were asked whether the World Bank would make available to CODE its views on the magnitudes required in such a case. I replied that we would do so if the Egyptian Government agreed. With the next Consultative Group meeting coming up very soon, it would therefore seem to me that a direct approach of the members of CODE by your Government now would be both advisable and timely and that it should, this time, be more than an emergency request for a single year.

I have also taken the opportunity of my letter to again convey to the President my congratulations for the considerable achievements of last year in which you have played such an important role. Let me repeat my promise that we stand ready to support increasingly your country's further efforts toward sound and rapid development.

Thanking you again for the warm welcome extended to all of us, and with my best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Cl. with and cc:

Mr. Benjenk

Mr. Pajmans

cc: Mr. McNamara's office (2)

February 8, 1978

HEKöpp:orp

493/5/48

FEB 10 1978

His Excellency
Mamdouh Salem
Prime Minister
Cairo
Arab Republic of Egypt

Dear Mr. Salem:

Having returned to Washington, I would like to express my sincere thanks for the many courtesies and the warm hospitality extended to me and my associates during my recent visit to Egypt. This visit was not only very informative and useful but also gave me a chance to see some parts of your country which I had not seen before such as the Suez Canal Zone, or not seen for a long time such as the South of Egypt which is so rich in history and culture and which could have an important potential for development. I very much appreciated the spirit of cordiality and teamwork which prevailed throughout our meetings and which permitted us to have constructive and frank exchange of views on the most urgent economic issues facing your country.

When your President was kind enough to receive me on January 21 in Cairo, we agreed that after my visit to Egypt I would convey to him my main conclusions and impressions. I have done so in the meantime. These conclusions and impressions which I had the opportunity to discuss thoroughly with Your Excellency and with members of your Cabinet, in particular His Excellency Dr. Kaissouni, concern four major areas. Firstly, I have emphasized the overriding importance of giving appropriate attention to and taking strong action in the field of population control. Secondly, I have pointed to the necessity of gradually reintroducing market mechanisms to achieve the most efficient use of Egypt's scarce resources and to provide incentives to its producers. Thirdly, I have reiterated my concern as to the, in our view, overly ambitious growth and resource assumptions of the Five-Year Plan after the year 1978. Finally, I have commented on the administrative infrastructure that is needed to manage the large investment program and to develop sound economic

policies. I have noted in this respect that under the aegis of Your Excellency the situation has definitely improved in 1977 but that in my view further moves towards integration of economic and financial policies on the one hand and sector policies on the other are required. I have added that a number of impressions I gathered throughout my visit seem to reflect an urgent need for a review of the efficacy of Egypt's administrative structure.

Above all, however, I have conveyed to the President my congratulations to all those who are responsible for the important achievements of the recent past and our readiness to support increasingly your country's further efforts toward sound and rapid development. I have also considered it my duty to inform the highest authorities in Saudi Arabia and Kuwait which as you know, I visited after my visit to your country, that in my view real progress had been made by Egypt in 1977, and that to maintain and continue the improvements in 1978, additional generous contributions to Egypt's development were clearly justified. It would seem to me that a direct approach of the members of the Gulf Organization for the Development of Egypt by your Government now would be both advisable and timely.

In concluding, let me again express my gratitude to Your Excellency for the warm welcome extended to me and my collaborators and for all the efforts to make our visit both most useful and enjoyable.

Please accept my best personal regards.

Sincerely,

Robert S. McNamara

cc: Mr. McNamara's office (2)

Cl. with and cc:

Mr. Benjenk
Mr. Pajmans

February 8, 1978

HEKöpp:orp

493/5/47

FEB 10 1978

Dear Dr. Kloss:

Thank you for your letter of January 26, 1978 in which you informed us about the completion of your term of office as the President of the Austrian National Bank. I would like to take this opportunity to thank you for the support which the Austrian National Bank has extended to our institution during the time of your presidency. We are sure that the close relationships that have existed with the Austrian National Bank will continue.

In addition to this general expression of our appreciation my colleagues and I want to extend to you our best personal wishes for the future.

Sincerely,

The signature is handwritten in dark ink, appearing to read 'R. S. McNamara'.

Robert S. McNamara

DDr. Hans Kloss
Oesterreichische Nationalbank
Postfach 61
A-1011, Vienna
AUSTRIA

493/5/46

FEB 8 1978

His Excellency
Anwar El Sadat
President of the
Arab Republic of Egypt
Cairo
Arab Republic of Egypt

Dear Mr. President:

As I promised you when you were kind enough to receive me on January 21 in Cairo, I am writing you to share with you some of the impressions I gathered during my visit to your country, and to convey to you some of my thoughts on the most urgent economic issues facing your country. Before I do so, let me first thank you for the many courtesies and the warm hospitality extended to me and my associates. I was much impressed with the constructive, frank and cordial spirit of the meetings we held with members of your Cabinet and other officials. I am particularly grateful to His Excellency the Prime Minister, the Deputy Prime Minister Dr. Kaissouni and his colleagues in the Economic Group, for their clear statements describing comprehensively the economic problems and opportunities challenging Egypt.

During my visit I was glad to note the improvements and successes in crucial economic policy areas which have been achieved in the last three years, but particularly in 1977. Most notable, of course, are the improvements in the financial and monetary fields where more focussed policies and improved coordination have led to a considerable strengthening of Egypt's foreign exchange position. I refer particularly to the extension of the parallel market and the dramatic improvement in the overall debt picture. Not surprisingly, and as a consequence, public and private investments and foreign exchange earnings increased sharply. I was pleased to be able to state in an international press conference on my last day in Cairo that the new economic policies of the Government have enabled the World Bank to keep its own promise: our lending to Egypt has increased sixfold from about \$40 million yearly in 1974 to an average of about \$250 million a year over the past three years. Because of these improvements in the situation we have been able to

sponsor successfully a Consultative Group for Egypt bringing together those countries and institutions which are providing significant support for your development efforts. The resulting climate has, I think, contributed importantly to an increased aid flow.

I believe, Mr. President, that the opportunity may be at hand for Egypt to consolidate the economic achievements of the recent past and to turn towards addressing vigorously the longer term structural problems, which may have had to be neglected due to pressing short-term problems. While Egypt's economic situation is still very difficult, its potential remains most promising. The task is to remove structural problems that impede the achievement of the potential.

Allow me a few observations in this respect.

A major long-term and complex problem in my view is the pressure of population on Egypt's resources. It was most discouraging to get the news that Egypt's annual rate of population growth has risen to over 2.5 percent, one of the highest in the world. If this rate of increase continues, it will impose such a burden on Egypt's resources as to seriously threaten the possibilities of improving living standards. I was glad to note a change in attitude within the Government and in Egypt in this regard. I believe much more attention is given to this problem now; the World Bank is of course anxious to provide support in this difficult field; it deserves the utmost attention of all concerned.

Further actions are required in the process of reintroducing market mechanisms to achieve the most efficient use of scarce resources and to provide the necessary incentives to Egypt's producers. This would include continued action in restoring gradually a realistic price framework and, in the foreign exchange field, to maintain incentives for remittances from Egyptians living abroad, as well as to improve Egypt's export earnings, including those from the Suez Canal and from cotton, the latter of which have been falling. Admittedly, action in this area cannot be precipitous, but it is of vital importance to the country that movement in the right direction be sustained.

The Five-Year Plan, the preparation of which was a major step in the direction of organizing Egypt's resources is understandably ambitious. However, in our view it is overly ambitious in its growth and resource assumptions for the years beyond 1978, thereby creating a real risk of hasty decisions having to be taken subsequently on difficult choices, between investment and consumption.

If Egypt's economic potential is to be fully exploited, an effective well-coordinated development administration is needed capable of managing the large investment program and developing sound economic, financial and sector policies. Under the aegis of the Prime Minister, the situation has improved in 1977. But, it seems to us that further moves towards improved coordination of Government actions are needed in particular between the area of economic and financial policies on the one hand and sector policies on the other. We have noticed that responsibilities for policy making and implementation, pricing, investment decisions, preparation and administration of legislation designed to promote development are divided among many more ministers than in most of the countries we are familiar with. Important portfolios have changed hands very frequently. Matters requiring action can be held up for months in the administrative process. This situation, while improving, is of course not supporting some of the main objectives of the open-door policy which you so courageously introduced in 1973, namely, to bring in foreign investment and to rationalize the economic development of Egypt. All these points reflect in my view, an urgent need for a review of the efficacy of Egypt's administrative structure.

In concluding, Mr. President, let me again express my gratitude to you and your associates for the warm welcome extended to me and my collaborators. I congratulate all those who are responsible for the impressive economic achievements of last year and promise our readiness to support fully your country's further efforts toward sound and rapid development. If the policy improvements so well begun are continued, especially in the problem area referred to above, I am confident productive investment opportunities will develop allowing the World Bank and other donors in the Consultative Group to make even larger financial contributions than in the recent past. In this respect, I have considered it my duty to inform the highest authorities in Saudi Arabia and Kuwait, which I visited after my visit to your country, that I considered that real progress had been made by Egypt in 1977, and that to maintain and continue the improvements in 1978, additional generous contributions to Egypt's development were clearly justified.

Please accept, Mr. President, my best personal regards.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

February 6, 1978

cc: His Excellency

Ambassador Ghorbal

Dr. El-Naggar, Executive Director

Mr. McNamara's office (2)

Messrs. Benjenk, Pajmans, Köpp

MFBenjenk:orp

493/5/45

FEB 8 1970

Dear Mr. Ambassador:

I was most honored to receive the invitation to be a member of the International Jury for the Bourguiba World Prize for Cooperation, and I would like to send through you my appreciation to the Minister of the Interior.

I would also ask you to explain to your Government that, with the deepest regret, I must decline this honor. It has long been a tradition in the World Bank that its President, who is the servant of all member Governments, should not enter into a special relationship with any individual Government.

May I send, through you, my best wishes for the success of this admirable venture, and my warm thanks for the honor of the invitation to serve.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Ali Hedda
Embassy of Tunisia
2408 Massachusetts Avenue
Washington D.C. 20008

WDClark:sf

493/5/44

FEB 8 1978

Monsieur le Ministre,

J'ai l'honneur d'accuser réception de votre lettre du 13 janvier dernier par laquelle vous nous informiez de l'intention du Président Mobutu de mettre au point un programme de redressement pour le Zaïre. Nous avons nous-même suggéré l'établissement d'un tel programme et n'ignorons pas l'intérêt particulier que la Belgique y portait ainsi que le concours qu'elle a prêté aux autorités zaïroises dans l'élaboration de ce programme.

La Banque Mondiale est prête à collaborer avec votre gouvernement ainsi qu'avec tous les partenaires intéressés afin d'aider le Zaïre à coordonner l'aide extérieure en vue de l'exécution d'un tel programme. Nous sommes également prêts à participer aux consultations que vous prévoyez de tenir à Bruxelles avec les représentants des gouvernements et organisations extérieures. Nous ne doutons pas en conséquence que votre gouvernement nous consultera auparavant sur la date et l'ordre du jour de ces réunions.

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

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence Henri Simonet
Ministre Des Affaires Etrangères
Ministère des Affaires Etrangères
du Commerce extérieur et de la
Coopération au Développement
Rue des Quatre-Bras, 2
1000 Bruxelles, Belgique

NFaltas/SSchott:mr

February 6, 1978

493/5/43

Dear Mr. Secretary:

The International Bank for Reconstruction and Development proposes to borrow an aggregate principal amount, not exceeding \$350,000,000, in markets outside the United States of America through an issue of Two Year Bonds of the Bank. The bonds are to be dated March 15, 1978 and to mature March 15, 1980. The interest rate of the bonds has not yet been determined.

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

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
W. Michael Blumenthal
Secretary of the Treasury
Washington, D.C. 20220

cc: Mr. Edward R. Fried, Executive Director
Mr. William P. Dixon, Alternate Executive Director
Mr. Robert S. Watson, U.S. Treasury
Mr. Bernard Zinman, U.S. Treasury
Cleared with and cc: Mr. David Mead, Legal Dept.
Messrs. I.P.M. Cargill, Vice President, Finance
For Mr. McNamara's office (2)
Eugene H. Rotberg, Vice President and Treasurer
M. Hattori, Controller
R. E. Deely/US\$ Bonds #124

DEHarris:mh
February 2, 1978

493/5/42

FEB 6 1978

Dear Sheikh Jaber:

It was a real pleasure to meet with you again in Kuwait. Allow me to start by once again congratulating you on assuming your new role and wishing Kuwait continuing peace, prosperity and progress during your reign.

I always treasure the opportunity of discussing with you matters of mutual interest in the field of economic development in general and regarding certain countries of special interest to Kuwait in particular. For many years now, Kuwait has been playing a key role in the field of economic development aid. I am glad that we share the same firm belief that in our time nothing is more worthy and most urgently needed than helping the poor countries help themselves by increasing their productive capacities and as a long-term objective to enable them to outgrow their dependence on external aid and carry on with their economic development efforts on their own.

Finally, I would like also to express my thanks for the hospitality extended by your Government to me and to my associates during our visit to Kuwait, which made our stay, as usual, most pleasant.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Highness
Sheikh Jaber Al-Ahmad Al-Sabah
Amir of Kuwait
The Seif Palace
Kuwait, Kuwait

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

SELFishawy/rh
February 3, 1978

FEB 8 1978

حضرة صاحب السمو
الشيخ جابر الأحمد الصباح
أمير الكويت
قصر السيف العامر
الكويت - الكويت

عزيزي سمو الشيخ جابر ،

سلامي وخالص تحياتي وتقديرى وبعد ،
فلكم سعدت بالتشرف بمقابلتك مرة أخرى في الكويت . وأرجو ان تسمح لي بان اقدم
تهاني لتوليكم مقاليد الحكم في الكويت ، وان اعبر عن أطيب تمنياتي للكويت باستمرار السلام
والرخاء والتقدم في عهدكم السعيد ان شاء الله .

واني لأعترز بما يتاح لي من فرصة مناقشة المسائل التي لنا بها اهتمامات مشتركة
في مجال التنمية الاقتصادية بصفة عامة وفيما يتعلق ببعض الدول التي تهتم بها الكويت بالذات
بصفة خاصة . ولقد لعبت الكويت دورا رائدا في حقل التنمية الاقتصادية منذ سنوات عديدة .
ومن دواعي سروري أننا نشترك في الاعتقاد الراسخ بأنه ليس أجدر بالاهتمام ولا اكثر الحاحا
في عصرنا هذا من مساعدة الدول الفقيرة على ان تساعد أنفسها بزيادة طاقاتها الانتاجية
وتمكنها على المدى الطويل من الاستغناء عن المساعدات الخارجية والاعتماد على جهودها
الخاصة في تحقيق التنمية الاقتصادية .

وختاما اود ان اعبر لسموكم عن خالص شكري لما تفضلت به حكومتكم نحوي ونحو زملائي
من كرم وحفاوة اثناء زيارتنا للكويت مما جعل اقامتنا بها كالعادة اقامة طيبة .

المخلص
(Signed) Robert S. McNamara

روبرت س. ماكنمارا
رئيس البنك الدولي

cc: Mr. McNamara's Office (2)
Messrs. Cargill
Benjenk
SELFishawy/cc/
February 3, 1978

493/5/41

FEB 6 1978

Dear Minister Al-Ateeqy:

It was a great pleasure to meet with you again in Kuwait and to have the opportunity of discussing matters of mutual interest in the field of economic development in general and regarding certain countries of special interest to Kuwait in particular.

For many years now, Kuwait has been playing a key role in the field of economic development aid. I am glad that we share the same firm belief that in our time nothing is more worthy and most urgently needed than helping the poor countries help themselves by increasing their productive capacities and as a long-term objective to enable them to outgrow their dependence on external aid and carry on with their economic development efforts on their own.

I always enjoy the amiability and frankness that prevail in our exchange of views and will be looking forward to continuing such close consultation.

I would like also to express my thanks for the hospitality extended by you to me and to my associates during our visit to Kuwait, which made our stay, as usual, most pleasant.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Abdul Rahman Salim Al-Ateeqy
Minister of Finance
Ministry of Finance
P.O. Box 9
Kuwait, Kuwait

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

SELFishawy/rh
February 3, 1978

493/5/40

FEB 6 1978

Dear Abdlatif:

It was a great pleasure to meet with you again in Kuwait and to have the opportunity of discussing matters of mutual interest in the field of economic development in general and regarding certain countries of special interest to Kuwait in particular.

For many years now, Kuwait has been playing a key role in the field of economic development aid. I am glad that we share the same firm belief that in our time nothing is more worthy and most urgently needed than helping the poor countries help themselves by increasing their productive capacities and as a long-term objective to enable them to outgrow their dependence on external aid and carry on with their economic development efforts on their own.

I always enjoy the amiability and frankness that prevail in our exchange of views and will be looking forward to continuing such close consultation.

I would like also to express my thanks for the hospitality extended by you to me and to my associates during our visit to Kuwait, which made our stay, as usual, most pleasant.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

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

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

SElFishawy/rh
February 3, 1978

493/5/39

FEB 8 1978

Dear Mr. Maeda:

Thank you very much for the comprehensive report, "Modernization of Education in Japan" (April 1977), which makes very interesting reading.

We greatly appreciate your own efforts, the professional leadership of Mr. Masunori Hiratsuka, and the contributions of the other collaborators at the National Institute for Educational Research. The historical perspective, the cultural context within which education developed in Japan and the meaningful role it played in the "modernization" process are very well covered in the report.

Copies of the report, as you know, have already been circulated to the education staff of CPS and the Regions for their use and comments, and some of their comments have been forwarded to you. I am sure that Mr. Aklilu Habte will be in touch with you and keep you informed on matters of special interest as their follow-up of the study progresses.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. Tarao Maeda
Director
World Bank Tokyo Office
Kokusai Building
1-1, Marunouchi 3-chome
Chiyoda-ku, Tokyo, Japan

AkliluHabte/WCBAum/h1

February 2, 1978

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

493/5/30

February 3, 1978

Dear Al:

Thanks for sending me your statement at the recent inquiry in Whitehaven which I will read with great interest.

With regard to your request for a copy of the BEICIP study on the petroleum potential of developing countries, under our agreement with BEICIP the Bank is not permitted to release copies of the complete study (Main Report and Annexes) which is based on proprietary information. However, what we can do is provide you with a copy of the Summary Report (attached) and in addition allow you to read the rest in our offices. Please let Mr. Yves Rovani, Director of our Energy, Water and Telecommunications Department, know if you are interested in the latter.

Our staff are currently preparing an updated report on the "Energy Supply and Demand Outlook and Capital Requirements for Energy Resource Development in LDCs." Mr. Rovani will be pleased to send you a copy when it is ready next April.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Enc.

Mr. Albert Wohlstetter
2805 Woodstock Road
Los Angeles, California
90046

EFriedmann/YRovani/RSMcNamara:bmm
February 3, 1978

cc: Mr. Friedmann

493/5/35

FEB 3 1978

Dear Sheikh Mohammed Abalkhail,

It was a great pleasure to meet with you again in Riyadh and to exchange views on matters of mutual interest. Such a close consultation process is very helpful in coordinating our efforts and increasing the effectiveness of our cooperation. I would be looking forward to its continuation.

The massive intensive efforts for economic development the Government is carrying out in the Kingdom are watched worldwide and we would be glad to be of help in any way through the Bank's technical cooperation program. Also, your efforts in extending external assistance for the economic development of poor countries are highly appreciated.

I would like to take this opportunity to express my thanks for the kind hospitalities you extended to myself and my associates during our visit to Riyadh, which made our stay, as usual, most pleasant.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara
President

His Excellency
Sheikh Mohammed Abalkhail
Minister of Finance and National Economy
Riyadh, Saudi Arabia

cc: Messrs. Cargill
Benjenk

SELFishawy/rh
February 2, 1978

FEB 3 1978

493/5/34

حضرة صاحب السمو الأمير فهد بن عبد العزيز الفيصل آل سعود
ولي العهد والنائب الأول لرئيس مجلس الوزراء*
القصر الملكي - الرياض - المملكة العربية السعودية

عزيزي سمو الأمير فهد ،

سلامي وخالص تقديري واحترامي وبعد ،

فلقد سعدت كثيرا بالتشرف بمقابلتكم مرة أخرى في الرياض . وانه لمن دواعي سروري
ان تتاح لي الفرصة لكي اناقش مع سموكم المسائل التي لنا بها اهتمامات مشتركة والمتعلقة
بمساعات التنمية الاقتصادية بصفة عامة وتلك المخصصة لبعض البلاد التي تهتم المملكة بالذات
بصفة خاصة .

ومن المسلم به ان مجهودات المملكة العربية السعودية في هذا المضمار وادراكها
لأهمية القصوى يضعها في المقام الأول بين الدول المعنية والتي لها المقدرة على مد يد
المساعدة لغيرها .

واسمح لي سموكم ان اقول اننا نشترك في الاعتقاد الراسخ بانه ليس في عصرنا هذا
أمر أجدر بالاهتمام او اكثر الحاحا من مساعدة الدول الفقيرة على ان تساعد أنفسها بزيادة
طاقاتها الانتاجية وتمكينها على المدى الطويل من الاعتماد على أنفسها في مواصلة مجهوداتها
في مجال التنمية الاقتصادية والاستغناء عن المساعدات الخارجية .

وختاما أود ان اعبر لسموكم عن خالص شكري وشكر زملائي لما تفضلت به حكومتكم
نحونا من كرم ورعاية جعلت اقامتنا في الرياض كالعادة اقامة طيبة .

المخلص

(Signed) Robert S. McNamara

روبرت س. ماكنمارا
رئيس البنك الدولي

493/5/33

FEB 3 1978

Dear Prince Fahd,

It was a great pleasure to meet with you again in Riyadh. I always enjoy the opportunity of discussing with you issues of mutual interest in the field of economic development assistance in general and those related to certain countries of special interest to the Kingdom in particular.

It is a well-known fact that Saudi Arabia's efforts in this field and its awareness of its crucial importance puts it in the forefront of the nations concerned and which have the ability to extend economic development assistance to others. Allow me to say that we share the same firm belief that in our time nothing is more worthy and most urgently needed than helping the poor countries help themselves by increasing their productive capacities and as a long-term objective to enable them to outgrow their dependence on external aid and carry on with their economic development efforts on their own.

Finally, I would like to express my thanks and those of my associates for the kind hospitalities extended to us by your Government during our visit to Riyadh, which made our stay there, as usual, extremely pleasant.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara
President

His Royah Highness
Prince Fahd Ibn Abdulaziz Al-Faisal Al-Saud
Crown Prince and First Deputy Prime Minister
The Royal Palace
Riyadh, Saudi Arabia

cc: Messrs. Cargill
Benjenk

SElFishawy/rh
February 2, 1978

493/5/32

FEB 3 1978

Dear Sayed Rahim:

Thank you for your letter, and its enclosure, inviting me to participate as a Trustee for the forthcoming "Islamic Festival-1980 U.S.A."

I appreciate your thinking of me in this connection, and regret that the press of business here, compounded by a heavy schedule of travel to our developing member countries, will not make it possible for me to accept. I do hope you will understand.

It was thoughtful of you to write to me, and please accept my best wishes for the success of the Festival.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Sayed Hasanuddin M.A. Rahim
Acting Director
The Islamic Festival-1980 U.S.A.
P.O. Box 3252
Alexandria, Virginia 22302

JIMaddux:mwm
February 1, 1978

1.1 Islamic Festival
Rahim, H.

493/5/31



OFFICE OF THE PRESIDENT

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

February 2, 1978

Dear Dr. Mathews:

Thank you for your letter of January 25, supplementing Senator Sparkman's note to Mr. McNamara asking him to join the dinner discussion on February 9th.

Mr. McNamara has a commitment of long-standing on that date, so the meeting falls on a date impossible for him (as it happens, with the School of Management of one of your sister institutions).

He does regret it that his answer has to be negative.

Sincerely,

A handwritten signature in cursive script, reading "Blanche M. Moore", is written over the typed name.

Blanche M. Moore
Secretary to
Mr. McNamara

The Honorable
David Mathews
President, The University
of Alabama



THE UNIVERSITY OF ALABAMA

January 25, 1978

Office of the President

Mr. Robert McNamara
President
World Bank
1818 H Street, Northwest
Washington, DC 20433

Dear Mr. McNamara:

Recently you received a letter from Senator Sparkman *(attached)* inviting you to a dinner in Washington to discuss the relationship between the South's economic system and that of the world. I would like to encourage you to join the group which will include members of the diplomatic corps from countries trading heavily in the South through the port of Mobile.

We feel the University could play a role in the development of this part of the country by focusing some of the activities of our College of Commerce and Business Administration on it. A few universities on the coasts have been catalytic in getting industry and various governments together through programs of mutual interest. To my knowledge, this has not yet been done successfully in the South. Your insight and experience would be invaluable as we think through this possibility.

I hope you can be with us on February 9 at 6:30 p.m. at the Madison Hotel "Executive Chamber" in Washington.

Most cordially,

David Mathews
President

DM:sas

RECEIVED
JAN 31 11 5 20
MOONING UNIT UNIT

THE UNIVERSITY OF ALABAMA

January 25, 1978

Office of the President

Mr. Robert McNamara
President
World Bank
1818 H Street, Northwest
Washington, DC 20433

Dear Mr. McNamara:

Recently you received a letter from Senator Spertman inviting you to a dinner in Washington to discuss the relationship between the South's economic system and that of the world. I would like to encourage you to join the group which will include members of the diplomatic corps from countries trading heavily in the South through the port of Mobile.

We feel the University could play a role in the development of this part of the country by focusing some of the activities of our College of Commerce and Business Administration on it. A few universities on the coast have been catalytic in getting industry and various governments together through programs of mutual interest. To my knowledge, this has not yet been done successfully in the South. Your insight and experience would be invaluable as we think through this possibility.

I hope you can be with us on February 9 at 6:30 p.m. at the Madison Hotel "Executive Chamber" in Washington.

Most cordially,

David Mathews
President

DM:ass

RECEIVED
1978 JAN 31 PM 2:50
INCOMING MAIL UNIT

JOHN SPARKMAN
ALABAMA
3203 DIRKSEN OFFICE BUILDING

CHAIRMAN, COMMITTEE ON FOREIGN RELATIONS
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
CHAIRMAN, SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS
JOINT COMMITTEE ON DEFENSE PRODUCTION
JOINT ECONOMIC COMMITTEE
SELECT COMMITTEE ON SMALL BUSINESS
DEMOCRATIC STEERING COMMITTEE
CHAIRMAN, SENATE BUILDING COMMISSION

United States Senate

WASHINGTON, D.C. 20510

January 23, 1978

Mr. Robert McNamara
President
World Bank
1818 H Street, N. W.
Washington, D. C. 20433

Dear Bob:

Dr. David Mathews, President of the University of Alabama and former Secretary of Health, Education and Welfare, and I would be honored to have you join us for dinner to discuss the development of the economy of the Southern United States as it relates to the international economy. The dinner is scheduled for the Madison Hotel, Executive Chamber, on Thursday, February 9th, at 6:30 p.m.

Joining the three of us will be a small group of individuals from countries and corporations vitally interested in the subject. I sincerely hope you can be with us.

Please call Miss Nell Ryan at (202) 224-4124 to indicate what I hope will be your acceptance. I am confident you will find the evening stimulating and helpful.

With best wishes and kindest personal regards, I am

Sincerely,

John
John Sparkman

1/30 Regretted by phone to Miss Ryan.

*1/27
"warm
regret because
of a long-
standing
previous
commitment
L. S. M."*

INCOMING MAIL UNIT
JAN 24 1978
RECEIVED

RECEIVED
1978 JAN 25 AM 11:49
INCOMING MAIL UNIT

493/5/30

FEB 2 1978

Mr. Anthony M. Solomon
Acting Secretary
U.S. Department of Treasury
Washington, D.C. 20220

Dear Tony,

In your letter of December 28, 1977, you asked our views on the role of the International Financial Institutions in meeting the world drug problem, in particular, through "assisting countries to identify economic development projects which would provide farmers and others dependent on the illicit cultivation of narcotic plants with alternative economic and social opportunities." This raises issues which have been of serious and continuing concern to the Bank. I regret the delay in our response, due to the absence from Washington of the staff most directly concerned with these questions.

I fully share your concerns and we shall continue to explore the possibilities along the lines suggested in your letter. I am sure you understand there are formidable difficulties in trying to design effective measures in this area. Efforts to substitute other crops may not succeed because of the comparatively high income generated by drug crops and their suitability to the physical and socio-economic environments in which they are being grown. Profit motivated farmers may resist shifting to less remunerative crops which may be more difficult to cultivate or to transport to market. Furthermore the middle-man profits in drug traffic are often so large that significant increases in producer prices can be absorbed should crop competition cause the supply to decline. Payment of subsidies to farmers who do not cultivate drug crops must be supported by a strong inspection system to avoid misapplication of funds. Direct prohibition of drug crop cultivation is often virtually impossible in remote, inaccessible areas.

It, therefore, appears essential that a broad based rural development approach be employed in attempting to reduce the production of drug crops. The remote areas where the crops are grown need to be opened up by building rural roads which facilitate enforcement of control measures, provide access for agricultural and social services staff and ease the transportation of usually more bulky alternative crops to market centers. Security of tenure for farmers needs to be included to encourage long-term improvement to the lands they cultivate. Social amenities must be provided. Implementation of such a project must be preceded by adequate preparation in which each component is thoroughly studied to ensure that the solutions adopted are both economically and socially acceptable. While such studies are time consuming, they are essential if costly failures are to be avoided.

This rural development approach to the problem was supported by staff of the UN Fund for Drug Abuse Control with whom Bank staff discussed what we could do last November. During these discussions it was agreed that the Bank's country approach largely complements the UN Fund's multi-country regional action program.

With regard to the possible coffee project in a poppy growing area in Thailand, which you mention in your letter, preparation is continuing but progress has been slow. Coordination among the various agencies which must be involved is difficult. While Government is in principle committed to such a project, it may give it somewhat lower priority than is warranted, possibly because the principal beneficiaries from the project would be outside the country's political and economic main stream. We hope to begin implementation of this first project later this year.

In summary, in agreement with the country concerned, the Bank is prepared to strongly support efforts to develop viable projects which would lead to a reduction in poppy and coca cultivation. Where the Bank can assist in providing an effective alternative for the drug plant growers, the Bank will attempt to obtain assurances from the government that it will take all reasonable actions to prevent continuing drug plant cultivation in the project area.

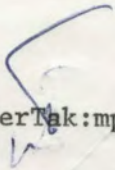
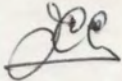
Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

bcc: Mr. Baum
Mr. van der Tak

JCCollins/HGvanderTak:mp



493/5/29

FEB 1 1978

Dear Mr. Haeusgen,

Thank you for your letter of January 18. I shall be pleased to meet with Dr. Friderichs on the occasion of his next visit to Washington.

I would also like to thank you for the cooperation and advice which the World Bank has received from you and your institution during the many years of our association.

Kindest regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Helmut Haeusgen
Chairman, Board of Managing
Directors
Dresdner Bank AG
7-8, Gallusanlage
6000 Frankfurt am Main 1
Germany

cc: Mr. McNamara (2)
Mr. Rotberg
Mr. Hittmair
Mr. Deely

JPUhrig:gr
January 30, 1978

493/5/28

JAN 31 1978

Mr. Maurice F. Strong
Petro-Canada
Post Office Box 2844
Calgary
Alberta T2P 2M7
Canada

Dear Maurice,

We have discussed your proposal of January 5 on the expansion of oil production in developing countries. There is fairly complete agreement between your views and ours about the importance of this problem, the potential for future oil development in the LDCs, the deficiencies of the present effort, the difficulties to be overcome and consequently the need for increased external assistance and international cooperation. Also our work supports the assessment of the joint Canadian-Venezuelan study that world pressures on oil supplies are likely to become more severe in the mid-1980s and that, therefore, it is urgent that measures be taken to accelerate exploration and development, particularly in those oil importing developing countries which have a potential of becoming more self-sufficient and might even contribute to exportable world oil supplies.

The main question is what activities can be undertaken usefully to supplement the considerable work that has been started in this field recently and the impact of which cannot yet be assessed.

We have some doubt as to whether it would be desirable to move to the kind of consultative group mechanism you have suggested. Our experience over the past two years is that each of the countries has its own approach to oil exploration and development from the technical as well as the political side. This is also true of the oil companies and other relevant investors, given the competitive nature of the business, the vested interests and the political sensitivity of oil matters. It would be extremely difficult, and perhaps impossible, to convene a consultative group which could consider, and agree on, matters such as guidelines for the allocation of funds, principles of cost and production sharing and compliance with contractual arrangements. The group would also have to be broadly representative - which might make it quite cumbersome - for us to be associated with it formally.

Nonetheless, your suggestion that national oil companies may be in a different position than private companies to assist the exploration efforts of developing countries is worth exploring further. It would be useful to see whether the developing countries share this view of the difference between a national oil company and a private corporation, and to develop more information about the present limitations on national oil companies to expand their technical services to the developing countries. I wonder therefore whether you would consider convening a meeting, at the invitation of Petro-Canada and Petroleos de Venezuela, which might include other national oil companies, such as those of Norway and Italy, as well as some of the national oil companies of the developing countries, such as those from Algeria, Mexico and India. Interested international institutions, such as the World Bank and the regional banks, might also be asked to attend. The purpose of the meeting might be to discuss the conclusions of your joint study. From there it would be a logical step to a discussion of the potential role of the national oil companies. Such a meeting might help to identify what issues could be addressed fruitfully, what actions might be taken, and which organizations, private or public, national or international, might most suitably take the lead. Since the invitation would be a private one, and since there would be no presumption of establishing a continuing body, it would be easier to be selective about participants.

Regardless of whether you pursue this approach, we would of course very much like to take you up on your suggestion that Petro-Canada and the World Bank begin to cooperate bilaterally. We are already doing that with other national oil companies of developed countries, such as NORAD, ELF and ENI. In this way we can make the most effective use of the technical and financial assistance which we can provide jointly to specific developing countries. I would suggest therefore that direct contact be established as soon as possible by an appropriate member of your staff with Mr. Yves Rovani, the Director of our Department of Energy, Water and Telecommunications. As you know, the Bank has formulated an ambitious expansion of lending for oil and gas development over the next five years which involves projects in 25 developing countries and technical assistance to a further 15. We would like to exchange information and views with you regarding our respective plans in this field which, I am sure, can lead to a number of specific areas for cooperation on project activities.

Should you also decide to proceed with convening a conference, we would of course be glad to attend; and if we can be of assistance in preparing the agenda, we would be glad to do so.

Sincerely,

Robert S. McNamara

bcc: Messrs. Knapp, Baum/Rovani

ESTern:ls
January 31, 1978

493/5/27

JAN 30 1978

Dear Mr. Saouma:

Thank you for your letter of January 10th in which you discussed the winding down of the CGFPI. Clearly your letter crossed with mine of January 6th, in which I raised many of the same points that you did in your letter. I presume from your letter that you have accepted the report of the evaluators and will have no objection to it being circulated. Also I trust you agree with my suggestion that Mr. Mensah should remain in office until July 1, to ensure that there will be an orderly phasing out of all of the CGFPI activities. I agree with you that the co-sponsors should advise the World Food Council of our decision. For our part we will include reference to this in our report to the next meeting of the WFC, which I believe will take place in the second week in June in Mexico.

1/27

I note your comments about food plans and the follow-up to food plans. I am pleased to see that you are helping the Sudan to complete their plan and that UNDP might consider providing further support for work in Bangladesh. We are in touch with the authorities in Senegal and it is not unlikely that the Bank will be involved in supporting a nutrition project which is a direct outcome of the work on food plans in Senegal. Furthermore, as I wrote in my letter of January 6th the World Bank will continue to take advantage of whatever opportunities present themselves to bring donors together to discuss the needs for financing investments in the food and agriculture sector.

I understand that the WFC and the OECD both publish reports on international resource flows for agriculture. We make information available to these two organizations for this purpose, and should FAO wish to continue the work done by the CGFPI on this subject, we shall be glad to make the same information available to your organization.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Edouard Saouma
Director-General
Food and Agriculture Organization
of the United Nations
Rome, Italy

Cleared with and cc: Mr. Baum
cc: Mrs. Boskey
Mr. Koch-Weser

Copied to: Mr. Morse, UNDP, NY

MYudelman:1kt
1/27/78

493/5/26

JAN 30 1978

Dear John:

With your letter of January 5, you sent me a copy of your proposed interpretive ruling concerning limitations on loans made by national banks to foreign governments, their agencies and instrumentalities and invited my comments.

The World Bank is greatly interested in the lending activities of commercial banks in the United States and elsewhere insofar as they relate to loans to developing countries. As you know, loans from commercial banks have played a very important role in recent years in fostering the economic development of those countries and in many cases such loans have been made in close collaboration with the World Bank, sometimes taking the form of the co-financing of development projects.

However, I doubt whether it is appropriate for the World Bank, as an inter-governmental institution, to offer comments regarding proposed national regulations governing the lending activities of commercial banks. We shall look forward with great interest to the action that you eventually decide to take in this matter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. John G. Heimann
Comptroller of the Currency
Department of the Treasury
Washington, D.C. 20219

cc: Mr. Cargill
Mr. Nurick
Mr. McNamara's Office

JBK:dpw

TRANSLATION

His Excellency
President El Hadj Ahmadou Ahedjo
Yaounde
United Republic of Cameroon

Dear Mr. President:

I wish to thank you very much for your letter of December 15 concerning Cameroon's railway system and your Government's point of view as to the role the World Bank should assume in this important sector.

We have taken note of your indication that Bank financing would no longer be necessary for the realignment of the Douala-Edea line and of your proposal that the earmarked funds be reallocated to other components of Regifercam's program. We are pleased that Cameroon was able to arrange for the necessary resources for the realignment of the Douala-Edea line and we would be very happy to continue our preparation work on a railway project which could possibly include the new marshalling yard at Douala, the procurement of new railway equipment as well as other components for the betterment of the railway system.

As you know, during past discussions on the railway project, we brought up a number of important issues with the Cameroonian authorities regarding the organization of the transport sector as well as the identification and the design of certain priority investments. We are pleased with the quality of the dialogues with the different ministries and organizations concerned. We count on continuing these discussions and are confident that appropriate solutions to these issues will be found in the same spirit of mutual cooperation which has already contributed so much to the harmonious expansion of our operations for the economic development of your country.

Sincerely,

Robert S. McNamara

493/5/25

JAN 30 1978

Son Excellence
El Hadj Ahmadou Ahidjo
Président de la République
Unie du Cameroun
Yaoundé, Cameroun

Monsieur le Président,

Je vous remercie vivement de votre lettre du 15 décembre concernant le programme ferroviaire camerounais et les intentions de votre gouvernement concernant les interventions qui devraient être envisagées par la Banque Mondiale dans cet important secteur.

Nous avons pris note de l'indication que vous nous donnez que le réaligement de la voie ferrée entre Douala et Edéa pourra être réalisé sans que notre concours financier soit nécessaire et du souhait que vous exprimez que nous transférions les fonds que nous pensions consacrer à cette opération sur d'autres éléments du programme de Régifercam. En ce qui nous concerne, nous ne pouvons que nous féliciter d'apprendre que le Cameroun a pu réunir les ressources nécessaires à l'aménagement de Douala-Edéa; mais nous serons certainement très heureux de poursuivre la préparation d'un projet ferroviaire qui pourrait comprendre la nouvelle gare de triage de Douala, des équipements ferroviaires, ainsi que d'autres éléments visant à l'amélioration des conditions d'exploitation du chemin de fer.

Comme vous le savez, la discussion du projet ferroviaire nous a amenés à évoquer avec les autorités camerounaises un certain nombre de sujets importants relatifs à la planification du secteur des transports ainsi qu'à la sélection et à la conception de certains investissements prioritaires. Nous sommes heureux de la qualité du dialogue amorcé avec les différents Ministères et organismes intéressés. Nous comptons poursuivre ces discussions et sommes persuadés que des solutions satisfaisantes seront trouvées à tous les problèmes en question dans l'esprit de coopération mutuelle évoqué dans votre lettre, qui a déjà tellement contribué à une

expansion harmonieuse de nos opérations au service du développement économique de votre pays.

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

(Signed) Robert S. McNamara

Robert S. McNamara

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

Cleared and cc: Messrs. Thalwitz/Pouliquen, Brandreth, Eigen/Calvo
cc: Mr. Chauffournier
Mr. Razafindrabe
Ambassador of Cameroon

XdelaRenaudière:flm

493/5/22

JAN 16 1978

Dear Mr. Brody:

Thank you for your note. I very much appreciate your kind comments on my remarks at the INSEAD dinner. I am particularly pleased that you suggest that Young & Rubicam might be interested in dealing with your message. This would be new ground for the Bank, and we would need to explore it a bit.

I have asked John E. Merriam, our Director of Information & Public Affairs, who will be in New York soon, to call on you and to discuss possibilities.

With best regards for the New Year,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Alexander Brody
Young & Rubicam International
285 Madison Avenue
New York, N.Y. 10017

JEMerriam:pam

493/5/21

JAN 13 1978

Dear Mr. M'Bow:

I believe you will be interested to know that the Bank has established an Advisory Panel on Education to examine and evaluate the Bank's activities in the past and under way in education and training, and to recommend how Bank operations in the field may be made more effective in the future. This will be a report for the Bank's own guidance. The approach is similar to one taken a year or so ago when, as you may know, an Advisory Panel on Population was established with essentially the same terms of reference for its area of concern.

The Panel has been holding its first meeting in the Bank this week, and expects to produce its report in nine months to a year. The members of the Panel are: Mr. David E. Bell, Executive Vice President, The Ford Foundation, USA (Chairman); Dr. D.P. Singh, Vice Chancellor, Rajendra Agricultural University, India; Mr. Sippanondha Ketudat, Secretary General, National Education Commission, Thailand; Dr. Mary Jean Bowman, Professor Emeritus of Economics and of Education, University of Chicago, USA; His Excellency Dr. Lameck K.H. Goma, Minister of Education, Zambia; Dr. G.L. Monekosso, Director, University Center for Health Sciences, University of Yaounde, Cameroon; Mr. Paulo Jose Dutra de Castro, General Director of Industrial Relations, Volkswagen, Brazil; and Dr. Louis Emmerij, Rector, Institute of Social Studies, Netherlands. Very likely many, if not all of them, will be known to you. It is my understanding that the Chairman of the Panel, Mr. Bell, plans to call upon you in Paris.

It is now 15 years since the Bank made its first loan for education. We began by attempting to help to meet specific gaps in the manpower situation in individual developing countries and since that time our lending in the field of operation has extended over a great variety of projects. We felt that the time had come for independent review. I am hopeful, indeed confident, that the report of the Panel will achieve its objective, to provide the Bank with useful and practical recommendations for its guidance, in the interests of our member countries.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Amadou-Mahtar M'Bow
Director-General
UNESCO
7, Place de Fontenoy
F 75700 Paris, France

January 12, 1978

SEBoskey/rob

cc: Mr. Aklilu

493/5/18

January 11, 1978

MEMORANDUM FOR MR. HUSAIN

Is it not likely that during the 1980s Indonesia will face serious food deficits unless the rate of growth in cereal grain production is substantially increased above present levels?

Would it not be wise for us to work with the Government to prepare a long-term program of cereal grain consumption and production with the objective of avoiding such deficits?

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Knapp
Mr. Baum
Mr. Yudelman

RMcN:mss

493/5/17

January 10, 1978

Dear Mr. Minister:

Mrs. McNamara and I are delighted to received the exquisite box which so typifies Iranian artistry and we especially appreciate the thoughtfulness that prompted Her Imperial Majesty the Shahbanou to remember us in this way.

Please convey to Her Majesty our thanks for her graciousness, together with our best wishes to her and to His Imperial Majesty the Shah that the New Year will bring continued happiness in their lives and success to their many efforts for the advancement of their people.

Sincerely,

15/ Robert S. McNamara

Robert S. McNamara

His Excellency
Manouchehr Ganji
Minister of Education
and Science
Tehran, Iran

BMM

493/5/16

January 10, 1978

Dear Ashraf:

Many thanks for your New Year's greetings: May I reciprocate them most heartily.

I too am looking forward to my journey to the Middle East, and in particular to my visit to Egypt. The warmth with which I have always been received in Egypt, and the interest of the discussion which I know we shall have, make the prospect of my visit one of special expectation. Particularly this is so when the historic initiative of your President has transformed the international scene, making it possible to hope that Egypt may be able, at long last, to give its undivided attention to the supreme task of raising the living standards of all its people. While the ties between Egypt and the Bank, to which you so kindly refer, seem to me so good as to be in no need of further cementing, the sole purpose of my visit is to ensure that we can continue to direct our assistance into ways that will be most useful to the Government, and the country, in that supreme task.

You referred in your letter to the Cairo Symposium, and were kind enough to invite me to address the participants. Here I am afraid that I must regretfully decline as I did before. As you know, the program organized for me is a very full one. I have already been forced to ask that several important items on that program be cancelled, to allow more time for our very substantive discussions on the economic program, which are at the heart of our work together and with which I will be fully preoccupied. In addition, despite the Bank's close interest in urban renewal (and, as you know, we are, of course, working actively with the Ministry of Housing and Reconstruction to prepare a project in which we can participate financially for that very purpose in the very near future), I must say that the subjects of the symposium are not ones on which I personally feel well-qualified to speak, especially to such a distinguished, specialist audience as we understand is expected.

I am sure you will understand the reasons which make it impossible for me to address this symposium. My time in Egypt will be all too brief!

I look forward to seeing you on January 17.

With best wishes,

Sincerely,

RSB

Robert S. McNamara

His Excellency
Ashraf A. Ghorbal
Ambassador
Embassy of the Arab Republic of Egypt

PBlay:MPaijmans:RMcN:mss

Class of Service: **TELEX**

Date:

JANUARY 9, 1978Telex No.: **FINANCE 2527KT**Originators Ext: **75754**

12

10

0 START
HERE

1 TO

CITY/COUNTRY

MESSAGE
NO.:

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

END
OF
TEXT~~HIS EXCELLENCY ABDUL RAHMAN SALIM AL-ATEEQY, MINISTER OF~~~~FINANCE, KUWAIT, KUWAIT~~~~EYE JUST LEARNED WITH PLEASURE THAT IT WILL BE SUITABLE FOR~~~~ME TO VISIT KUWAIT ON JANUARY TWENTYFIVE STOP EYE WILL BE~~~~VERY MUCH LOOKING FORWARD TO MEETING WITH YOU THEN STOP EYE~~~~PLAN TO ARRIVE BY A CHARTERED PLANE FROM RIYADH AT ABOUT~~~~EIGHT IN THE MORNING OF WEDNESDAY, JANUARY TWENTYFIVE STOP~~~~EYE PLAN TO SPEND THE DAY IN KUWAIT AND LEAVE ON THURSDAY,~~~~JANUARY TWENTYSIX AT EIGHT-FORTYFIVE A.M. STOP BEST PERSONAL~~~~REGARDS, ROBERT S. MCNAMARA, PRESIDENT, INTBAFRAD~~

NOT TO BE TRANSMITTED

SUBJECT:

Mr. McNamara's Visit to Kuwait

CLEARANCES AND COPY DISTRIBUTION:

**cc: Messrs. ✓ McNamara
Cargill
Benjenk
Paijmans
El Fishawy**

DRAFTED BY:

SELFishawy/rh

APPROVED BY (Name and Signature):

January 9, 1978

DEPARTMENT:

President

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH



Record Removal Notice



File Title Chronological files - (outgoing) - Chrons 64		Barcode No. 1771951
Document Date January 9, 1978	Document Type Memorandum	
Correspondents / Participants From: Robert S. McNamara		
Subject / Title Memorandum for Mr. Habib		
Exception No(s). <input checked="" type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict		
Reason for Removal Personal Information		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
Withdrawn by Shiri Alon		Date Feb 4, 2013

493/5/13

JAN 9 1978

Dear Jack,

Thank you for your letter of December 23. I was very distressed to read of the discourteous treatment you received from the guard on duty at one of the Bank's entrances.

1/6
Security on Bank premises is maintained under a contractual arrangement with one of the established American firms in the business. The guards that are assigned to work here are instructed, in particular, to be helpful and courteous to visitors and I am indeed sorry to learn that your experience was different.

The incident is being investigated and I would like to assure you that we will renew our efforts to avoid a recurrence.

With best wishes for the New Year,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. John K. Evans
3005 Normanstone Drive, N.W.
Washington, D.C. 20008

January 6, 1978
AdeSilve:pgn

493/5/12

January 6, 1978

MEMORANDUM FOR MR. HOPPER

Sometime ago it became apparent that during the 1980s both India and Bangladesh would face serious food deficits unless the rate of growth in cereal grain production was substantially increased above previous levels. Therefore, it was agreed that we would work with each of these countries to prepare long-term programs of cereal grain consumption and production with the objective of avoiding the deficits.

When will such programs be ready for review?

((Signed) Robert S. McNamara

Robert S. McNamara

cc: Mr. Knapp
Mr. Baum
Mr. Yudelman

RMcN:bmm

493/518

JAN 6 1978

Dear Mr. Hazera:

Thank you very much for your letter dated November 30, 1977 inviting the IBRD, IDA and IFC, to be represented as observers at the Nineteenth Annual Meeting of the Board of Governors of the Inter-American Development Bank, to be held in Vancouver, British Columbia, Canada, from April 17 to 19, 1978.

I am pleased to inform you that Mr. J. Burke Knapp, Senior Vice President of Operations; Mr. Adalbert Krieger, Vice President of the Latin America and Caribbean Region; Mr. Carlos N. Quijano, Special Representative for Inter-American Organizations in the same Region; Mr. Gordon McClure, Vice President, Operations of IFC and Mr. Kurt B. Eckrich, Director, Department of Investments, Latin America and Caribbean I of IFC, will represent the World Bank Group.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jorge Hazera
Secretary
Inter-American Development Bank
808 17th Street, N. W.
Washington, D. C. 20577

cc: For Mr. McNamara's Office (2)
Messrs. Knapp
Krieger
Quijano, LCNVP
McClure, IFC
Eckrich, IFC
Burney, IRS

CNQuijano:bg

493/5/7

JAN 6 1978

Dear Mr. Saouma:

Thank you for your letter of December 16 in which you enquire about the orderly phasing out of the Consultative Group for Food Production and investment activities and the terminating of the staff.

I have accepted the draft report of the representatives of the cosponsors, and propose that it be finalised and distributed to the members of the CGFPI. I see no problem about fulfilling the recommendation on transferring the activities of the CGFPI to other agencies. In so far as the World Bank is concerned we will continue our on-going work in food planning and we will take advantage of opportunities for the Bank to bring donors together to discuss the needs for financing investments in the food and agriculture sector. I am also prepared to advise the World Food Council on our activities as suggested in the report. Since there are certain activities that will need to be integrated into work elsewhere, I propose that Mr. Mensah continue in Washington until July 1 to ensure that there will be an orderly phasing out of all of the CGFPI activities.

In this regard I understand that FAO is considering helping the governments of Bangladesh and the Sudan to strengthen their food planning capability. I welcome such a move and foresee a possibility that it might lead to more effective investment in food production in these countries.

I foresee no problem about terminating the very small staff of the CGFPI. Ambassador Martin retires on the 15th of this month. I understand the others on the staff have no difficulty in being relocated.

I propose to make the report on the future of the CGFPI available to our Board of Directors. If possible I would like to be able to inform our Board of your views on the report and arrangements for any follow-up on the recommendations in the report.

I look forward to hearing from you.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Edouard Saouma
Director-General
Food and Agriculture Organization
of the United Nations
Rome, Italy

Cleared with and cc: Mr. Baum
cc: Mrs. Boskey
Mr. Koch-Weser ✓

MYudelman:lkt
1/4/78

493/5/4

JAN 4 1978

Dear Mr. President:

I am writing to thank you for the formal invitation to the Bank to open discussions with the European Economic Community (EEC) on the subject of the Special Action Fund which the member states of the Community wish to see administered by the International Development Association (IDA).

The Bank is anxious to bring these discussions to a rapid and successful conclusion. Mr. Cargill, therefore, visited Brussels so that we could be fully informed of the EEC proposal and our Executive Directors have also been informed that the Bank is entering into discussions with the Community. I hope it will be possible for the Bank and the Community to work out a satisfactory arrangement which, of course, would be subject to the approval of our Executive Directors.

I am very grateful to the Ministers of the European Community for showing their confidence in IDA by asking IDA to act in this administrative capacity.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. L. Outers
Le President
Conseil des Communautes Europeennes
Rue de la Loi 170
1048 Bruxelles
Belgium

Cleared with & cc: Mr. Cargill
Mr. Nurick

FVibert:plc

493/5/3
JAN 4 1978

Dear Minister Thapa:

Thank you very much for your kind letter of December 8, 1977 reiterating the invitation to me on behalf of His Majesty's Government and yourself to visit Nepal.

Following our Annual Meeting discussions, I immediately looked into the feasibility of making an early return visit to Nepal. Unfortunately, I found that I had made a number of previous commitments which precludes my making a trip to Nepal in the very near future. Nevertheless, I shall certainly keep in mind your kind invitation.

Although I have not visited Nepal for several years, I have been, and will continue to be, following with great interest His Majesty's Government's efforts in the development of the country.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

The Honorable Bhekh Banadur Thapa
Minister of Finance
Government of Nepal
Kathmandu, Nepal

cc:

MAbdElAty/AHShibusawa:jet

12/29/77

493/5/2

JAN 4 1978

Monsieur le Président,

Je vous remercie vivement de vos lettres au sujet de Dakarmarine, que vous avez bien voulu me faire parvenir à la suite de nos entretiens du 14 novembre. Comme vous, nous avons suivi avec la plus grande attention la préparation du premier projet et nous avons beaucoup regretté que la hausse des coûts d'investissement et le renversement de la conjoncture n'aient pas permis de faire aboutir cette opération.

Nous ne pouvons que vous féliciter des efforts entrepris par Dakarmarine pour étudier un nouveau projet mieux adapté aux besoins du marché. C'est avec le plus grand intérêt que nous examinerons la nouvelle étude de factibilité, et que nous examinerons les mérites d'un projet de réparation navale basé sur l'analyse du marché des navires reliant les ports d'Afrique de l'Ouest aux pays industrialisés. Dès que nous aurons reçu cette étude et en aurons revu les conclusions nous reprendrons contact avec les autorités sénégalaises et Dakarmarine pour donner notre avis sur le nouveau projet et discuter de la suite à donner à cette affaire, y compris la justification et les modalités de financement des études complémentaires évoquées dans votre lettre.

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

(Signed) Robert S. McNamara

Robert S. McNamara

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

XdelaRenaudière:mmj
December 28, 1977

Class of Service: **TELEX**Date: **JANUARY 3, 1978**Telex No.: **20021 FINANCE SJ**Originators Ext: **75754**

12

10

493/5/1

START
HERE

TO

1

HIS EXCELLENCY SHEIKH MOHAMMED ABALKHAIL, MINISTER OF FINANCE,
AND NATIONAL ECONOMY, RIYADH, SAUDI ARABIA

CITY/COUNTRY

MESSAGE
NO.:

4

5

6

7

8

9

10

11

12

14

15

16

17

18

19

20

21

22

EYE WOULD LIKE TO EXPRESS MY THANKS FOR YOUR TELEXES TO MR.
ELFISHAWY DATED DECEMBER 27 AND 28, WHICH EYE FOUND ON MY DESK
UPON MY RETURN TO WASHINGTON STOP EYE WILL BE LOOKING FORWARD
TO MEETING WITH YOU IN RIYADH STOP FOR YOUR INFORMATION, EYE
HAVE TELEXED TO HIS EXCELLENCY SHEIKH AHMED ABDEL WAHAB, CHIEF
OF ROYAL PROTOCOL, AS FOLLOWS COLON QUOTE REQUEST PLEASE CONVEY
FOLLOWING MESSAGE TO HIS MAJESTY THE KING COLON INNER QUOTE
IN RESPONSE TO REQUESTS FROM MEMBER ARAB COUNTRIES, EYE AM
PLANNING A VISIT TO THE MIDDLE EAST DURING THE SECOND PART OF
JANUARY STOP NOTHING WOULD GIVE ME GREATER PLEASURE THAN TO
UTILIZE THIS OPPORTUNITY TO VISIT THE KINGDOM AND PAY MY
RESPECTS TO YOUR MAJESTY AND RENEW OUR FRIENDSHIP STOP WOULD
GREATLY APPRECIATE LEARNING IF IT SUITS YOUR MAJESTY'S
CONVENIENCE FOR ME TO REACH RIYADH MONDAY 23RD OF JANUARY
EVENING AND STAY IN RIYADH TUESDAY THE 24TH OF JANUARY STOP
WITH ASSURANCES OF MY HIGHEST REGARDS STOP END OF INNER QUOTE
UNQUOTE WARM REGARDS AND BEST WISHES FOR A HAPPY NEW YEAR,
ROBERT S. MCNAMARA, PRESIDENT, INTBAFRAD

END
OF
TEXT

NOT TO BE TRANSMITTED

SUBJECT:

Mr. McNamara's Visit to Saudi Arabia

CLEARANCES AND COPY DISTRIBUTION:

Cleared with ✓ and cc: Mr. Cargill
cc: Messrs. ✓ McNamara
Benjenk o/r
El Fishawy

DRAFTED BY:

SELFishawy/rh

December 29, 1977

Robert S. McNamara

DEPARTMENT:

President

SECTION BELOW FOR USE OF CABLE SECTION
CHECKED FOR DISPATCH

Class of Service: **CABLE**Date: **JANUARY 3, 1978**

Telex No.:

Originators Ext: **75754**

12

10

START
HERE

1

TO

HIS EXCELLENCY SHEIKH AHMED ABDEL WAHAB, CHIEF OF ROYAL

CITY/COUNTRY

PROTOCOL, THE KING'S PALACE, RIYADH, SAUDI ARABIAMESSAGE
NO.:**REQUEST PLEASE CONVEY FOLLOWING MESSAGE TO HIS MAJESTY THE**

4

KING COLON QUOTE IN RESPONSE TO REQUESTS FROM MEMBER ARAB

5

COUNTRIES, EYE AM PLANNING A VISIT TO THE MIDDLE EAST DURING

6

THE SECOND PART OF JANUARY STOP NOTHING WOULD GIVE ME GREATER

7

PLEASURE THAN TO UTILIZE THIS OPPORTUNITY TO VISIT THE KINGDOM

8

AND PAY MY RESPECTS TO YOUR MAJESTY AND RENEW OUR FRIENDSHIP

9

STOP WOULD GREATLY APPRECIATE LEARNING IF IT SWITS YOUR

10

MAJESTY'S CONVENIENCE FOR ME TO REACH RIYADH MONDAY 23RD OF

11

JANUARY EVENING AND STAY IN RIYADH TUESDAY THE 24TH OF JANUARY

12

STOP WITH ASSURANCES OF MY HIGHEST REGARDS STOP UNQUOTE BEST

13

WISHES FOR A HAPPY NEW YEAR, ROBERT S. MCNAMARA, PRESIDENT,

14

INTBAFRAD

15

16

17

18

19

20

21

END

OF

22

TEXT

NOT TO BE TRANSMITTED

SUBJECT:

Mr. McNamara's Visit to Saudi Arabia

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and cc: Mr. Cargill**cc: Messrs. ✓ McNamara****Benjenk o/r****El Fishawy**

DRAFTED BY:

SELFishawy/rh**December 29, 1977**

AUTHORIZED BY (Name and Signature):

Robert S. McNamara

DEPARTMENT:

President

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH

Class of Service: **CABLE**

Date:

JANUARY 3, 1978

Telex No.:

Originators Ext:

75754

12

10

START
HERE

TO

CITY/COUNTRY

MESSAGE
NO.:

HIS ROYAL HIGHNESS PRINCE FAHD IBN ABDULAZIZ AL-FAISAL

AL-SAUD, CROWN PRINCE AND DEPUTY PRIME MINISTER, THE KING'S

PALACE, RIYADH, SAUDI ARABIA

IN RESPONSE TO REQUESTS FROM MEMBER ARAB COUNTRIES, I AM
PLANNING A VISIT TO THE MIDDLE EAST DURING THE SECOND PART
OF JANUARY. NOTHING WOULD GIVE ME GREATER PLEASURE THAN
TO UTILIZE THIS OPPORTUNITY TO VISIT THE KINGDOM AND PAY MY
RESPECTS TO YOUR HIGHNESS AND RENEW OUR MUTUAL UNDERSTANDING,
FRIENDSHIP AND COOPERATION IN THE URGENT MISSION OF ECONOMIC
DEVELOPMENT. I WOULD GREATLY APPRECIATE LEARNING IF IT
SUITS YOUR HIGHNESS' CONVENIENCE FOR ME TO REACH RIYADH
MONDAY 23RD OF JANUARY EVENING AND STAY IN RIYADH TUESDAY
THE 24TH OF JANUARY. WITH ASSURANCES OF MY HIGHEST REGARDS
AND BEST WISHES FOR A HAPPY NEW YEAR, ROBERT S. MCNAMARA,
PRESIDENT, INTBAFRAD

END
OF
TEXT

NOT TO BE TRANSMITTED

SUBJECT:

Mr. McNamara's Visit to Saudi Arabia

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and cc: Mr. Cargill

cc: Messrs. ✓ McNamara

Benjenk o/r

El Fishawy

DRAFTED BY:

SELFishawy/rh

December 29, 1977

AUTHORIZED BY (Name and Signature):

Robert S. McNamara

DEPARTMENT:

President

SECTION BELOW FOR USE OF CABLE SECTION

CHECKED FOR DISPATCH