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Chronological files, 1970 (Fine - July)

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Robert S. McNamara Personal Chronological Files - Chrons 10

# **DECLASSIFIED WBG** Archives

489/2/11 July 30, 1970 Mr. Robert E. Hunt Executive Vice President The Northern Trust Company 50 South LaSalle Street Chicago, Illinois 60690 Dear Mr. Hunt: Mr. McNamara has asked me to tell you he will not be able to attend the breakfast during the American Bankers Association Convention in October since he expects to be out of the country at that time. He greatly appreciates your thoughtful invitation, and sends to you his very best wishes. Sincerely, (Miss) Polly Yates Secretary to Mr. McNamara

489/2/110 July 29, 1970 Mr. David Nunnerley 93 Marlborough Crescent Sevenoaks Kent, England Dear Mr. Nummerley: After reading the questions you have submitted to me I have concluded, reluctantly, I cannot answer them without reference to the documents on which my decisions were based. Unfortunately, these papers are not available to me. In lieu of discussions with ma, I suggest you rely for answers primarily on what Dick Neustadt has told you orally and on what he has written in his book. With best wishes, Sincerely, Robert S. McNamara

EMBASSY OF THE UNION OF SOVIET SOCIALIST REPUBLICS 1125 - 16TH ST. N.W. WASHINGTON, D. C. 20036 Mr. Robert S.McNamara President International Bank for Reconstruction and Development 1818 H St. N.W. Washington, D.C. Dear Mr. McNamara: It is my pleasure to send on to you, at the request of my old friend in Moscow, Dr. Henry Trofimenko, his recent book, which is called "The Strategy of Global War" and which represents a broad discussion of the evolution of American strategic foreign policy doctrines by the Soviet scolar. The book was highly appreciated by the scientific community. Presently Dr. Trofimenko is a Senior Research Fellow at the Institute of International Workers' Movement of the USSR Academie of Sciences in Moscow. Dr. Trofimenko also asked me to convey to you his best regards I am doing it with great pleasure. In case you would like to reply Dr. Trofimenko or send him one of your publications with your personal autograph I would be glad to send it over to him. Yours sincerely, Alexand

489/2/108 July 23, 1970 Dear Mr. Cooke: Mr. and Mrs. Robert McNamara have asked me to tell you that they are happy to again lend their names as Honorary Chairmen of the Ski Ball. Sincerely, (Miss) Margaret S. Stroud Secretary to Mr. McNamara Mr. J. N. Cooke Sterling Drug Inc. 90 Park Avenue New York, N. Y. 10016

489/2/107 July 21, 1970 Dear Mr. Koloko: I am sorry that my reply to your letter of July 15 sannot be favorable. However, I have examined possible sources of funds to help you and have been unable to locate any. Sincerely, Robert S. McNamara Mr. Edwin M. Koloko c/o Zambia High Commission 7-11 Cavendish Place London, W.1, England

489/2/106 2412 Tracy Place, N.W. Washington, D. C. 20008 July 18, 1970 Recreational Equipment Inc. 1525 - 11th Stenue Seattle, Washington 98122 Gentlemen: I have no recollection of placing an order with you on May 21, 1970. However, I am enclosing my check for \$3.90 and a dividend of \$64.67 in case there was indeed such an order. Will you please advise me what items were included in the order placed on May 21, 1970. Yours truly, Robert S. McNamara Enclosures - 3

489/2/105 July 15, 1970 Mr. T. C. Pintado Tax Auditor Tax Audit and Liability Div. 2024 Municipal Center 300 Indiana Avenue, N.W. Washington, D. C. 20001 Dear Mr. Pintado: Mrs. McNamara informs me that you wish to have a detailed breakdown of our 1968 Capital Gain totalling \$173,239. Enclosed is a copy of the schedule which I filed with my Federal return. I apologize for not submitting a similar schedule with the District return. Should you wish additional information, please let me know. Sincerely, Robert S. McNamara Enclosure

489/2/104 July 15, 1970 The New York Times 229 W. 43rd Street New York, N. Y. 10036 Gentlemen: Will you please arrange to have the daily and Sunday New York Times sent by airmail to the following address starting August 10 through August 30: Mr. Robert S. McNamara P. O. Box 5688 West Village Branch Aspen, Colorado 81611. Please confirm to me that the subscription has been arranged and if prepayment is required, send a bill for the charge. Yours truly, (Miss) Margaret S. Stroud Secretary to Mr. McNamara

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
- ASSOCIATION

INTERNATIONAL FINANCE CORPORATION

Mr. McNamara:

I have received your note about Transportation Projects Department. David Knox is on a mission to Spain and will return on Monday, July 20. I will discuss it with him and report back to you.

S. Aldewereld

July 14, 1970

President has seen

489/2/103

#### Mr. Aldewereld:

It has been reported to me indirectly that Mr. David Knox believes the Transportation Projects Department cannot properly process the agreed upon project program for Fiscal 1971 and at the same time effectively supervise previously approved projects.

Please inform him that I want it fully understood that the first claim on professional staff is to be given to supervision of approved projects. If he feels that following this rule he cannot process the project program on which his manpower budget was based, I should like to be informed immediately.

If I recall correctly, he is authorized 104 professional staff members as of June 30, 1971, and the project program for FY 71 includes 38 transportation projects. During the years 1962 through 1968, the Transportation Projects Department processed between 14 and 21 projects per year with a professional staff of from 24 to 57 members.

Robert S. McNamara

Extracts from Reports of Possible Demonstrations at IBRD-IMF Copenhagen Meeting

- 1. Recent reports and events suggest that some type of demonstration will take place during the conference.
  - a. Last May there were three separate anti-US demonstrations in Copenhagen, the largest involving 6,000 to 10,000 people. There were injuries to both police and demonstrators and considerable politically=inspired property damage.
  - b. International capital in general and US officials in particular were the principal targets attacked during student demonstrations in Heidelberg on June 19. Demonstrators totalling about 1,000 changed anti-US slogans and distributed leaflets condemning the conference as a way "to work out more effective exploitation of oppressed peoples."
  - c. According to various sources, Trotskyites in Copenhagen held preliminary discussions in March with other leftist groups concerning ways to wabotage the September monetary and aid conference. Plans were made to infiltrate activists among interpreters and guides and to bring in activists from other countries.
- 2. Conditions seem right for trouble in Copenhagen in September. Anti-US feeling is running high among Scandanavian youth and numerous groups appear to have a stake in causing some kind of disturbance. The targets -- international capitalism as represented by several thousand world banking officials, and US imperialism as symbolized by the presence of US officials -- would appear to be extraordinarily attractive to the extreme left.

\* \* \*

On June 9 a Danish newspaper under dateline of Copenhagen, reported that Danish activists are planning a Violent demonstration and possibly sabotage when the World Bank and International Monetary Fund hold their meeting in Copenhagen in September. According to another Danish newspaper, the activists want to give to the participants in the meeting and to the world the impression that the Danes are fighting capitalism. The newspaper reports that Danish and Swedish activists have been working together in preparing for the demonstrations.

489/2/101 July 13, 1970 Dear Barbara: I am taking the opportunity of Denis Rickett's meeting you at the Oxfam Conference to send you an early draft of the speech that I propose to give at the Copenhagen conference. I may say it is suffering at the moment from the fact that a good deal of it is stolen directly from the speech that I gave at Columbia. You may find several of the ideas that you gave me at that time recurring in this draft. I would very much value your frank criticism of this speech at this early stage, and any suggestions that you have for improvement. As you know I have never made a major statement since I came to the Bank that hasn't been improved by your work. With best wishes. Sincerely, Robert S. McNamara Lady Jackson WDC: RMcN:mss

489/2/100

Mr. Adler:

Please add to your library of Governmental statements on aid policies the following quote from "International Development -- Foreign Policy for Canadians":

"The [Canadian] Government will endeavor to increase each year the percentage of the national income allocated to official development assistance. In the fiscal year 1971-72, the level of official development assistance allocation will be increased by \$60 million from the level of \$364 million in the fiscal year 1970-71. . . . [There] will [be] a substantial increase in the proportion of Canadian resources allocated to development assistance by the middle of the decade. . . . The Government intends . . . to move towards the internationally accepted targets."

Please revise the Canadian "aid" table to conform to the above figures and include in a footnote to the table the Government's plans for the future. All of the country "aid" tables should include in footnotes statements of future plans whenever such statements are available.

Robert S. McNamara

409/2/99 July 10, 1970 Dear Mr. Myers: Mr. McNamara has asked me to tell you that he will plan to attend the "Bellagio Group" meeting in New York on December 3 and 4. Sincerely, (Miss) Margaret S. Stroud Secretary to Mr. McNamara Mr. W. M. Myers Vice-President The Rockefeller Foundation 111 West 50th Street New York, N. Y. 10020

489/2/98 July 9, 1970 Mr. Robert M. Ancell, Jr. 11721 Nambe, N.E. Albuquerque, New Mexico 87112 Dear Mr. Ancell: Mr. McNamara has asked me to acknowledge your recent letter and to express his regrets that he is not able to comply with your request for answers to questions of a military nature. In his present international situation, he deems it inappropriate to do so. Sincerely, (Miss) Folly Yates Secretary to Mr. McNamara

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL DEVELOPMENT ASSOCIATION INTERNATIONAL FINANCE CORPORATION OFFICE OF THE PRESIDENT July 7, 1970 Mr. Friedman: In your absence today, neither Mr. Kamarck nor Mr. Stevenson was available in the Bank to assist at the Board Meeting. In the future, please ensure that either you or Mr. Kamarck is present at Board Meetings.

Robert S. McNamara

489/2/96 July 6, 1970 Extract from Conversation with Minister Kashiwagi, July 6, 1970 During my conversation with Kashiwagi, I stated I hoped the Bank could borrow additional sums from Japan during the next six months. In reply, Kashiwagi said: 1. Japan's foreign exchange reserves will not increase significantly during the next two or three months. 2. Japan expects such reserves to increase during the Fall and at that time would be prepared to consider additional loans to the Bank. 3. Since the Bank would have to pay 8-1/2 to 9% for it to borrow in Cermany today, Japan hopes that the yield on new Bank borrowings in Japan can be higher than 7+%. I told Kashiwagi I understood the charge to the Bank for three- to five-year money borrowed from Japan would be 7.4% today in contrast to the 7.14% we paid on our last loan. But I stated we would be happy to pay a higher rate of interest for loans with longer maturities. He replied that the Central Bank could not loan for periods in excess of five years and that the longer maturities would have to come from the private market. At present, the longest maturities on private issues are seven to ten years. Moreover, Kashiwagi said Fukuda wants the Asian Development Bank to have the opportunity to undertake the first foreign private issue since World War II. In conclusion, I repeated that we were quite flexible and would be prepared to tailor our borrowings, both in maturity and interest, to Japan's requirements -- for example, we would be prepared to pay more than 7.4% for a flat five-year maturity from the Central Bank. Robert S. McNamara cc: Mr. Aldewsseld

489/2/95 July 2, 1970 Dear Pierre: I have glanced through the book you sent me, and a colleague has read it more thoroughly. It contains a great deal of interest and I hope it is widely read. Unfortunately, my role as President of the World Bank (of which the Eastern bloc is not a member) does not permit me to comment publicly upon it. It was good to see you again the other night. With all good wishes, Sincerely, Robert S. McNamara Mr. Pierre Salinger 9101 Hazen Drive Beverly Hills, Calif. 90210

489/2/94 July 2, 1970 Dear Len: Of course I shall be more than pleased to serve as a sponsor for the Golden Bear Athletic Fund. I am very sorry you had to write a second time to obtain my acceptance. With best wishes for success in the program. Sincerely, Robert S. McNamara Mr. W. Leonard Renick 2730 Hartford Building San Francisco, Calif. 94108

July 1, 1970

489/2/93

MEMORANDUM FOR: Mr. William Curtin

FROM: Polly Yates

B111:

Would you please arrange for a one-year subscription to National

Geographic to be sent to the following:

Mrs. Jose D. Teigeiro Carrera 10 No. 27-27, Of. 1115 Bogota, Colombia

Senora Espinosa c/o Dr. Abdon Espinosa Valderrama Ministerio de Hacienda y Credito Publico Bogota, Colombia

Mrs. Kwang Jung Song 1-559 Bukaihyun Dong Seoul, Korea

Also, would you purchase for the McNamaras six America's Wonderlands (the national parks) from National Geographic.

Thanks so much.

6/30/70 489/2/92

#### TO BANK GROUP STAFF

Today is the end of the fiscal year and the Bank Group can look back on an extraordinarily active twelve months.

During this period 147 Bank, IDA and IFC projects have been approved, with Bank Group commitments totalling \$2,297 million (compared with \$1,877 million for FY69 and \$1,004 million for FY68). But perhaps a more significant figure is the total cost of the projects in which we were involved. That was just about \$6 billion.

The \$6 billion invested in development, and, perhaps more importantly, the technical advice and expertise which go along with it, will help to advance the welfare of hundreds of millions of people around the globe.

The 147 projects processed by the Bank Group this year represent an enormous amount of very hard work by the members of our staff. It is this which has made possible the Bank's increasing contribution to world development.

Robert S. McNamara

489/2/91

June 29, 1970

Mr. Howard Dressner Secretary The Ford Foundation 320 East 43rd Street New York, New York 10017

Dear Mr. Dressner:

Following are the expenses of Mr. and Mrs. McNamara during the meetings of June 23-26:

June	23	- one round trip air fare	\$ 50.00
		- taxis	11.90
		- dinner	10.25
			\$ 72.15
June	24-26	- two round trip air fares	112.00
		- taxis	19.75
		- misc. tips, etc.	6.00
		- lunch (Mrs. McNamara)	5.25
		- dinner (Mrs. McNamara)	11.50
		total	\$226.65

Thanks very much.

Sincerely,

(Miss) Polly Yates Secretary to Mr. McNamara

Fice Club File & Jackens

4/29/20

1. - - and to inform the Board that I have reluctantly concluded the lending rate, on loans presented for consideration after August 1, 1970, should be raised. An increase to 7-1/2% or more is justified. However, in an effort to minimize the cost of development to our borrowers, many of whom are facing mounting debt-service burdens, I propose that for the present the rate be set at 7-1/4%. I would plan to review again this subject with the Board no later than January 1971. If the outlook then is the same as now, a further increase in the lending rate would be required.

489/2/90



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

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OFFICE OF THE PRESIDENT manly I cannot let this lay pass without writing to tell you low much I admind your herformand both gs Chrietton and Home Scenting: You should be very front of what history will record as one of the great tentership when I our time. Do let as know when you and James for ment visit the Until States. Nagant jours me in dest wishes I gad both.

4.

489/2/89 June 24, 1970 Mr. Tarlok Singh Institute for International Economic Studies University of Stockholm Sveavagen 166 Stockholm, Sweden Dear Mr. Singh: Mr. Hyde of the Bank's New Delhi office has forwarded to me the two books, "Towards an Integrated Society" and "Poverty and Social Change." I am delighted to have them and appreciate your generous thought in sending them to me. Sincerely, Robert S. McNamara

489/2/88 June 24, 1970 Mr. Darnell Whitt 621 E Street, S.E. Washington, D.C. 20003 Dear Mr. Whitt: I am delighted to have your and Tim Stanley's book, "Detente Diplomacy: United States and European Security in the 1970's." Thank you for sending it to me -- the inscription is much too flattering. Sincerely, Robert S. McNamara

489/2/86 June 24, 1970 The Honorable James Louis Robertson 5114 Brookview Drive Washington, D.C. 20016 Dear Jim: Upon my return from some rather extensive travelling, I found your book, "What Generation Gap???" with its personal inscription. I am delighted to have it and appreciate your thoughtfulness. With best regards, Sincerely, Robert S. McNamara

489/2/84 June 22, 1970 Edward L. Wright, Esq. President-Elect American Bar Association American Bar Center Chicago, Illinois 60637 Dear Mr. Wright: Mr. McNamara has asked me to tell you he is indeed pleased to be asked to continue as a member of the Commission on Correctional Facilities and Services. He will, of course, be happy to serve. Sincerely, (Miss) Polly Yates Secretary to Mr. McNamara

489/2/83 June 22, 1970 Dear Mr. Previdi: Mr. McNamara has agreed to see you. As his calendar now stands, he will be free to do so at 5:00 p.m. on Friday, July 17. If this time is convenient to you, would you please confirm. It might also be helpful if you would send your telephone number in case we have a last-minute conflict which would necessitate a change of time. Sincerely, (Miss) Margaret S. Stroud Secretary to Mr. McNamara Mr. Robert Previdi 82-14 138th Street Kew Gardens, N. Y. 11435

Heidelberg -- June 19, 1970

## I. Global Review

de Seynes - The World Economic Report this year will include a chapter on what statistical indicators would be required (social, economic, etc.) for evaluation of the world development program. Emphasis would be placed on indicators of changes in the capacity to grow.

The Preparatory Committee did not devote enough attention to the need for proper staff work (statistical gathering, analyses, etc.).

There are several ways of using the Committee for Development Planning: would there be a full- or half-time chairman; would it merely comment on or actually draft the report on development progress?

de Seynes agreed with Martin that the "review and appraisal" would examine the past but also point to problems overlooked and requiring action in the future.

Udink - The formal system of review and appraisal must have the trust of the developed and developing countries. Would a World Bank central system have maximum trust of developing nations and would keep the socialist countries out of the whole operation? The political acceptability of the formal system, particularly to the LDCs, is of primary importance in shaping the form of that system.

The system must contain indicators of future policies as well as past performance.

Will the formal system have sufficient prestige to lead national governments, in both developed and developing countries, to change their policies?

Guerrero - Must have a system which will carry political weight in the most powerful of the developed nations, but in the context of the discussions of the Preparatory Committee; and the need for support of the LDCs. How can these several objectives be met? Frankly, it requires some rearrangement of the Preparatory Committee resolution. Some changes need to be made in the Committee for Development Planning: it needs a permanent chairman; procedures for appointment of the other members and for the operations of the Committee need to be developed.

# Eppler - Can't we agree on six points:

- Any institutions dealing with review and appraisal must deal with past and future.
- 2. May require an agonizing reappraisal.
- 3. Must be done with a minimum of administrative machinery.
- 4. And a maximum impact on both developed and developing nations.
- 5. Within the UN framework.
- 6. And broadly within the limits of the Preparatory Committee recommendations.

van Lennep - Presumably the international review and appraisal would not report on progress of individual countries.

What can we mobilize from existing activities, not within the jurisdication of the UN (e.g., OECD, DAC, etc.) to contribute to and be integrated within the review process?

<u>Jolles</u> - When we talk of global appraisals we must include appraisals of the factors which account for the situation identified by the statistics, and this is where the political problem arises. Who can do that without encountering too much resistance from the countries being scrutinized? Would it not be possible for the LDCs to scrutinize themselves (perhaps in regional organizations) as the developed do in OECD?

The appraisal can't be done except on basis of definitive country appraisals, and this is where the World Bank's new system of country reports can play a major part.

Strong - de Seynes stated [last evening] we should distinguish between information needed for global review and country coordination. But Strong said there must be some relationship between these.

Should not some "global report" go to the World Bank-IME Governors meeting to get some kind of commitment from the nations there represented?

There are three questions:

- 1. To what extent can the needs for global review be met within the second development decade machinery?
  - 2. What additional machinery is required for the global review?
  - 3. How will the needs for greater country-level coordination be met?

Hoffman - What is to be reviewed: the whole development effort or the 20% of aid coming from external sources?

Southard - IMF sends a mission to every country every year (100+ missions) and tries to be as "critical" as they can be. This requires confidentiality, and, therefore, he doesn't see how to marry the "critical" country reviews with the global review.

McNamara - In response to Martin's request to comment, stated (a) he cringed at proposal of World Bank-centered global appraisal process; (b) "confidentiality" can be maintained while majority of data are made available for global analysis; (c) Bank will function as a "service" organization and make its data and analyses available and further accept requests for special information and/or special analyses.

<u>Wilson</u> - There have been two ideas of what is involved in review and appraisal: a colossal request into whatever is going on in economic affairs all over the world vs. narrower, more technical appraisal.

In some of the documents distributed for the meeting there was lack of understanding of cumulative political effect over time of the institutions of the UN system.

He doubts whether you obtain impact from annual or bi-ennial reports. Impact will come from ad hoc special reports, e.g., the Pearson Commission.

Jackson - Agrees with Wilson.

Isn't there a contradiction between what is needed for appraisal and what is politically sensitive to LDCs?

Hoffman - Introduce local targets (and compilation) to support global targets.

<u>Tinbergen</u> - In answer to Pearson's question as to whether he found his committee, working within the UN family, was penalized as a result, he said no -- with the exception of the Soviet representative, the experts acted independently of their governments.

Prebisch - In order to examine the global machinery, we must consider other parts of the machinery, particularly at the country level and the regional level. The country-level machinery must be strengthened -- particularly important now because the World Bank has decided (and he welcomes this) has decided to set up a system of regular, comprehensive country missions. But who will evaluate the country plan: the center will be the World Bank, but in addition, IDB, IMF, DAC, UNDP should participate. And it would be useful to integrate with experts acting independent of donor or recipient governments (I presume the "Prebisches").

And emphasis should be placed on regional machinery. CIAP is far from it. It should be in part because it lacks reports from an independent group of experts. The CIAP delegates interchange courteous words of reciprocal praise and this is not productive of anything, but if they have reports of experts this may change and in any event, they should go to the global review committee.

The basis of the global review should be the country reports by experts of lending institutions plus independent experts. In addition, the global group can have the benefit of the UN staff.

Eppler - Seven excellent reports are worse than one excellent report. And, therefore, he has doubts about proposals to add groups or reports to the system recommended by the Preparatory Committee

What is to happen to the Tinbergen Committee can it be restructured as to membership and the job?

Tingergen - In the global review the future can be dealt with by referring to the deficiencies or errors of the past.

The secretariat in replacing Millikan wants to choose someone who will have influence on the present U.S. Administration.

Probably isn't necessary to have full-time members of the Committee on Development Planning, but they need more full-time staff and the Committee would have to meet more often than once per year and for longer periods.

Was pleased to hear from McNamara willingness to make data and reports available to the Committee.

He believes it is important to have regional feet to stand upon. We need reinforcement of the sense of independence (from governments) of the regional secretariats.

Michanek - The matter of impact is most important.

The system to be created should be UN-centered. But should not leave out the other organizations. The real impact on governmental policies has not come out of the UN system but from the work of the Bank, Fund, and OECD and some bi-lateral donors.

Is the UN staff adequately financed and manned to do the job for the Committee for Development Planning? If not, we should arrange additional funds for it.

Sawaki - Pearson Commission Report had great impact on Japanese Government decisions on aid effort. In part, this political impact came from the specific, concrete nature of the recommendations and in part from the independence and prestige of the members.

de Seynes- The global review group should be a small group, working about the same amount of time as the Pearson Commission. Could obtain a group of seven by enlarging the Tinbergen Committee and then appointing a small group to do the work.

Michanek - The documents which have impact on Swedish Government's decisions on where to put their money are primarily from the Bank and U.S. aid -- they hope UN documents can have more influence on their policies and decisions than they have had so far.

Hannah - Some have asked about Peterson Report. In current climate in the U.S. it is best that aid not be front and center. Any decision made in this environment would not be the right decision.

It is not realistic to believe that will go suddenly from bi-lateral to multi-lateral. He hopes this will be the trend, but it won't be done fast.

The world is going to move in the direction where it is recognized that few decisions of importance will be made on the battlefield; and that the welfare of the two-thirds of the people of the world who are disadvantaged is of great importance to the other one-third.

Don't worry about the U.S.; we will come out all right in the end and there isn't anything you can do to expedite the process. We aren't going to commit to the 1%; but there will be some kind of agency, under some name, carrying on the functions — we are better off today than a year ago. We will have more money in 1971 than in 1970; are moving in the direction of untying aid; in the end we will come out all right.

Martin - There has been agreement on Eppler's six points and, within those points, agreement on the further development of the Committee for Development Planning. It is also agreed the international organizations represented here will make information and expertise available to the process. The effectiveness of such an overall operation will depend on it not being too frequent and on an adequate base of country and regional activity to feed it.

Pearson - There seems to be no alternative to trying to work out within the UN framework a form of permanent Tinbergen Committee although he would very much have preferred something along the line of the Bowie proposal. If Tinbergen group is to be influential, it must be "independent" and this is going to be difficult if it is "in" the UN instead of "of" but outside the UN.

## II. Country Program Review and Coordination

Eppler - We are interested in obtaining information on present and planned technical assistance, external aid, and development projects in each country: for this purpose an "information center" is needed.

Hoffman - UNDP has conducted three experiments: Algeria, Lebanon, and Venezuela. At the request of the Governments, Resident Representative organized such coordination.

Is working with the Bank in a number of countries to develop such information.

<u>Audibert</u> - Will encounter the most difficult problems in coordination at the national level. There are two categories of aid in which we will never know what is going on: private investment; and aid from the Eastern Bloc.

We should avoid coordination outside the country concerned: we should never bypass the responsible government.

McNamara - In an answer to Martin re Bank's view on "country information center," I stated country coordination should be built on existing system where it existed: CIAP, IDB, World Bank, and UNDP for Latin America; consortium and consultative groups; plus: UNDP and Bank cooperation on pre-investment program; and Bank mission program.

Should build on what we have; fill in the gaps; and expect evolutionary, rather than dramatic advances.

de Seynes - His program of planning aid to countries is designed to supply only to small countries: a service of planners, etc., to help countries prepare their plans and even more to implement them.

Eppler - He went to Ecuador and they presented him with \$500 million of project requirements, dreamed up in anticipation of his visit, which far exceeded his own budget.

<u>Prebisch</u> - "McNamara, in replying to Eppler, has underlined that the problem is not to obtain information on projects but on the total development program and inserting the external investments into such a program."

Representatives of all the lending agencies and, if possible, three or four independent experts, should have the permanent task of examining the development plans of the Latin American countries. Lending agencies should not finance projects except in the context of a development plan and the ordering of priorities. The report of the experts should be made to CIAP and there should be a dialogue there based on the experts' report.

Martin - He suggested we consider there is in the process of development a satisfactory system of country coordination, and turn to India.

Wilson - Agrees with McNamara that on the whole the consortium approach is acceptable, but it shows some of the limitations. With a weak Center, controlling foreign exchange allocation, and strong States: it is bound to lead to the Best being the enemy of the Good. The Indian example on a large scale is what is going on in a large number of countries: outside nations cannot impose priorities on a country except in cases of gross misallocation.

Another problem is the danger of suffocating the patient with prescriptions from doctors who don't always know what is best for the patient.

Eppler - Perhaps I didn't make myself clear: the problem in Ecuador was there wasn't any plan and won't be any until the multi-lateral agencies start a dialogue with Ecuador and force her to develop a plan.

Strong - Feels same need as Eppler expressed. Have found can develop a network of communication (with U.S. aid, UNDP, UK, etc.) but is time-consuming. Need a "center" for each country: for one it may be the World Bank; for another UNDP, etc. Have also adopted for the countries of primary interest "the sector approach" which has been agreed on with the country -- this has been communicated to the World Bank. If could widen this approach, could look to particular donors for information on particular sectors.

Michanek - Has had the same experience as FRG and Canada. Were flooded by requests from LDCs. Consortia and consultative groups are among the best solutions and with better organized secretariats they would be ideal.

Hannah - We ought to have something better than we have but use whatever structure (co-op, consortia, consultative groups, etc.) is well adapted to particular countries instead of trying to write down a single approach applicable to every country in every situation.

Who will take the responsibility for supplying funds for a poor country which is a poor risk: the countries to whom no one could justify a loan. We should divide up these "sorry" countries where you will never get out what you put in.

Sooner or later must put the debt problem front and center: within a four-year period, on a major country, U.S. will be the only net lender and will be supplying aid to pay the interest and principle on other countries' debt.

Sawaki - Japan is not lacking information: can obtain it from World Bank, UNDP, Embassy, or a mission. What we are most frustrated by is political instability in developing countries: once the Prime Minister changes, the development and sectoral priorities change. Envy CIAP, can't effect such an atmosphere in Asia where political sensibilities are very strong. Two years ago in Ministerial Council on Asia, tried to develop something similar to CIAP but could not obtain agreement from the Asian nations.

## Martin - To summarize re country coordination and programming:

- 1. We should distinguish between aid for technical projects and capital projects.
  - 2. Each country is different and coordination mechanism must be flexible.
- 3. We should move by stages, working with most important countries and most important problems first.
- 4. We should seek to make progress by improving the performance of recipient countries on:
  - a. Development of an overall plan
  - b. Preparation of sound projects
  - c. Accumulation of information
- 5. We should seek to carry on dialogues on total plan, sectoral programs, donor programs pending the time when we can rely on the recipients' planning. In some countries, can rely on consultative groups; in others, on UNDP Resident Representative; in others, on bi-lateral donor. How do we decide which country for what approach and for which purpose? We need to work on the "organizational approach" country-by-country.

Eppler suggested a memo summarizing the conclusions be prepared.

Martin added that a meeting of DAC permanent representatives be held in Paris in July to consider what operational steps need to be taken to implement the "conclusions."

489/2/81 June 18, 1970 Woodshole Shore Authority P.O. Box 284 Woodshole, Mass. 02543 Gentlemen: Enclosed is a check in the amount of \$19.00 to cover the fee for Mr. Robert McNamara's car, Woodshole to Martha's Vineyard, Friday, June 26, 7:00 PM; Martha's Vineyard to Woodshole, Sunday, June 28, 1:20 PM. These reservations were arranged with you by Mr. John Blake of the World Bank Travel Office. Thank you for your consideration. Sincerely, (Miss) Polly Yates Secretary to Mr. McNamara Enclosure

409/2/80 June 17, 1970 Dear Mrs. Thompson: Enclosed is the \$25.00 deposit requested to confirm the reservation which you have made for Mr. and Mrs. Robert S. McNamara for the nights of June 26 and 27. Sincerely, (Miss) Margaret S. Stroud Secretary to Mr. McNessa Mrs. Thompson Menemsha Inn and Cottages Menemsha, Mass. 02552

489 /2/79 June 17, 1970 River Club 447 East 52nd Street New York, New York 10022 Attention: Miss Conlon Dear Miss Conlon: Pursuant to our phone conversation a few days ago, I have checked with Mrs. McNamara on having the monthly statements sent to the office rather than to the residence. She would prefer that they not go to the residence. Could you please arrange to have the statements sent to Mr. McNamara's personal attention, if not inconvenient to do so. Address: President, The World Bank, 1818 H Street, N.W., Washington, D.C. 20433. Thank you for this, and the many previous courtesies you have extended. Sincerely, (Miss) Polly Yates Secretary to Mr. McNamara

June 17, 1970

The Honorable
Richard J. Hughes
Pindar, McElroy, Connell,
Foley & Geiser
Federal Trust Building
24 Commerce Street
Newark, New Jersey 07103

Dear Dick:

You asked that I send you a description of
Project 100,000. Attached is an outline of the

You asked that I send you a description of Project 100,000. Attached is an outline of the program extracted from Chapter 8 of a book (The Essence of Security) which I published in February 1968. Although the report is now two years old, I have just re-read it and find nothing I would change. It may be of interest to the members of the Commission as an illustration of the kind of a program which would be of value in helping reshape the lives of the two million or more men per year who pass through the "correction" process.

With best regards,

Sincerely,

Robert S. McNamara

## Description of Project 100,000\*

During my seven years in the Defense Department it seemed to me that the vast resources of the Department could contribute to the attack on our tormenting social problems, both supporting our basic mission and adding to the quality of our national life. For, in the end, poverty and social injustice may endanger our national security as much as any military threat.

The Defense Department set out to make its contribution through three programs: "Open Housing," to break down racial discrimination in off-base housing for military personnel; "Project 100,000," to salvage each year 100,000 young men who were caged and oppressed by poverty, first for two years of military service and then for productive civilian lives; and "Project Transition," to prepare more of the three-quarters of a million men leaving military service annually for a positive role in society.

## \*\*\*\*\*

Project 100,000, our second undertaking with social programs, grew out of the appalling draft rejection rate. In 1966 about 1.8 million young men reached military service age in the United States, but almost 600,000 -- fully a third -- failed to qualify under our draft standards. Some had medical problems, but I was concerned particularly about those tens of thousands who failed because of educational deficiencies. In some areas the failure rate for draftees ran as high as 60 percent, and for Negroes in some states it exceeded 80 percent. What this clearly meant was that the burden of military service was not being shouldered equally. The inequities were serious: inequities by region, inequities by race and inequities by educational level. What was even worse was the obvious implication. If so massive a number of our young men were educationally unqualified for even the least complicated tasks of military service, how could they reasonably be expected to lead productive and rewarding lives in an increasingly technological and highly skilled society?

Department studies confirmed that a great number of those rejected were the hapless and hopeless victims of poverty. Serious poverty is not merely socially corrosive, but is intrinsically self-perpetuating. Poor nations, like poor individuals, cannot be helped until they begin to help themselves. But poverty is a social and political paralysis that atrophies ambition and drains away hope. It saps the strength of nations, not so much because it implies a lack of exploitable material resources, which often it does not, as because it withers and weakens the human potential necessary to develop them.

Poverty is not a simple concept, a mere absence of wealth. It is a complex of debilitating conditions, each reinforcing the other in an ever-tightening web of human impairment. Illiteracy, disease, hunger and hopelessness are characteristics which of their own momentum spiral human aspirations downward. Poverty begets poverty, passing from generation to generation in a cruel cycle of near-inevitability. It endures until carefully designed outside assistance intervenes and radically redirects its internal dynamics.

Internal upheaval all across the southern half of the planet this past decade has been related directly to the explosive tensions that poverty spawns.

The other face of this coin is that the pestilence of poverty has infected our own plentiful nation. Poverty in the United States is a social cancer; an exact metaphor, for cancer grows within a body, hidden from view, its malevolent presence often undetected. Poverty in America does not readily show its face to the world, for our society is conspicuously abundant beyond belief. So psychologically unexpected is poverty in the midst of overwhelming prosperity that it remains largely unrecognized even by many Americans. That one out of every six Americans should be locked in its grip seems nearly incredible, yet it is tragically true. These 32 million Americans live in every state, in every county and in every city of the nation.

Nearly half of them are children, their lives still before them, and yet already blighted from the beginning if the poverty pattern in which they are trapped is allowed to play itself out.

Poverty abroad leads to unrest, to internal upheaval, to violence and to the escalation of extremism, and it does the same within our own borders. We think of ourselves -- and rightly so -- as a relatively stable and well-ordered society, as a society dedicated to the rule of law, and as a society free of the pathological need to resort to open violence in the streets. Yet since the end of World War II the governors of our states have had to call out military forces, combat-equipped National Guard troops, more than a hundred times to put down disorders that could not be controlled by the police. In most of these emergencies factors related directly to poverty were involved.

We need not look as far as Africa, or Asia, or Latin America for poverty-induced tensions that erupt into irrational violence. It has often happened right here in the United States, and it is certain to happen many times again until — and unless — the complex syndrome of poverty-in-the-midst-of-plenty is better understood and ultimately eliminated.

Poverty in America affects our national security too, by its appalling waste of talent. In the technological revolution that is sweeping over the second half of our century the prime national resource becomes more and more the potential of the human brain. Innovation, technical breakthroughs, and research and development now affect defense capabilities more than any other factors.

Only 14 percent of the more than three million men in our armed forces fire weapons as their primary duty. A full 50 percent must be trained in technical skills. Human talent, therefore, is our nation's most essential resource. It cannot be mined from the ground, or harvested from the fields, or synthesized in a test tube. The 32 million Americans who are poor were not born without intellectual potential. They were not brain-poor at birth, but only privilege-poor, advantage-poor, opportunity-poor. To the extent that this nation loses the performance potential of these millions of human beings, this nation's ultimate security is diminished.

Within those considerations, the startling draft rejection rate represented an even more measurable and concrete example of the manner in which poverty has affected our national security. What many of these men badly needed was a sense of personal achievement, a sense of succeeding at a task, a sense of their own intrinsic potential. They had potential, but the poverty virus had paralyzed it in many of them. They grew up in an atmosphere

of drift and discouragement. It was not simply the sometimes squalid ghettos of their external environment that debilitated them, but an internal and more destructive ghetto of personal disillusionment and despair: a ghetto of the spirit. Chronic failures in school throughout their childhood, they were destined to a sense of defeat and decay in a skill-oriented nation that requires from its manpower pool an increasing index of competence, discipline and self-confidence.

Many of these men, we decided, could be saved. The Department set out to give them the benefit of its experience in educational innovation and on-the-job training, in an atmosphere of high motivation and morale, and transformed them into competent military personnel. Beyond that, after their tour of duty, they could return to civilian life equipped with new skills and attitudes and thus break out of the self-perpetuating poverty cycle.

After close study, I was convinced that at least 100,000 men a year who were being rejected for military service, including tens of thousands of volunteers, could be accepted. To make this possible, I felt we needed only to use fully and imaginatively the resources at hand. The Defense Department today is the largest single educational complex in history. The services provide enlisted men with professional training in some 1,500 different skills in more than 2,000 separate courses. In addition, 65,000 officers a year continue their professional education. The Department operates 327 dependents' schools around the world, employing 6,800 classroom teachers for 166,000 students, making it the ninth largest U.S. school system, with a budget of \$90 million. More than 30 correspondence-school centers are sponsored by the military departments, offering over 2,000 courses and enrolling nearly a million students scattered about the globe. The United States Armed Forces Institute currently has enrolled more than 250,000 students in hundreds of courses ranging from the elementary school level through college. During the five years through 1967, an annual average of 95,000 individuals earned a high school diploma or its equivalent through this hugely beneficial program.

This immense educational complex exists specifically for the needs of the Defense Department, but it nevertheless has a gigantic spin-off into American society as a whole. The services return over half a million personnel annually to the country's skilled manpower pool. A very substantial number of civilians currently employed in such skilled occupational fields as electronics, engineering, transportation management, machine-tool operation, automotive and aircraft maintenance, and the building trades — to mention only a few — have been trained in the armed forces.

Thus the imperatives of national security in our technological age make the Defense Department the world's largest educator of highly skilled men. Those same imperatives require that it also be the world's most efficient educator. As a result, the Defense Department has pioneered some of the most advanced teaching techniques. Indeed, it has been in the vanguard of a series of innovations in education technology. Its findings and its philosophy are making a significant contribution to the modernization that is sweeping throughout the American school system.

One of the Department's key concepts holds that traditional classroom training is often largely irrelevant to actual on-the-job performance requirements. By pruning from existing courses all nonessential information, we found that we could not only substantially shorten the training period, but, more important, we could increase dramatically the students' success at learning.

We experimented with programed instruction, carefully designed and matched specifically against on-the-job requirements, and allowing the student to proceed at his own individual pace rather than merely to be herded along at an arbitrarily determined group pace. We have broken new pedagogical ground in the Defense Department in order to accomplish this. So successful, for example, was the use of closed-circuit television in Defense training that the Army established an entire individual-training television network. The great merit of closed-circuit TV is its flexibility. A low-aptitude student can use video tapes as an aid to his formal instruction and end by becoming as proficient as a high-aptitude student.

Indeed, the whole concept of "low-aptitude" and "high-aptitude" now needs redefinition. What do these designations really mean? One thing is certain: they mean something very different from what we have believed in the past. There is now ample evidence that many aptitude evaluations have less to do with how well the student can learn than with the cultural value system of the educator. Too many instructors look at a reticent or apathetic or even hostile student and conclude: "He is a low-aptitude learner." In most cases it would be more realistic for the instructor to take a hard honest look in the mirror and conclude: "I am a low-aptitude teacher."

Students differ greatly in their learning patterns. It is the educator's responsibility to become familiar with that pattern in each individual case and to build on it. More exactly, it is the educator's responsibility to create the most favorable conditions under which the student himself can build on his own learning pattern at his own pace. Ultimately it is not the teacher who teaches at all; it is the student who teaches himself. Aquinas in the thirteenth century and Aristotle fifteen hundred years before him both suggested that a teacher cannot, stricly speaking, be the cause of the student's knowledge, but only the occasion of it. Modern educational psychology confirms this. But instead of striving to be the inspiring occasions of their students' knowledge, too many teachers end by causing their students to retreat into a mental fog of boredom, confusion and noncomprehension. This mix of understandable reactions is then all too often simply labeled "low-aptitude."

We discovered within the Department of Defense that the prime reason many men "fail" the aptitude tests given at the time of induction is simply that these tests are geared to the psychology of traditional, formal, classroom, teacher-paced instruction. These tests inevitably reflect the cultural value systems and verbal patterns of affluent American society. That is why so many young men from poverty backgrounds do poorly in the tests. It is not because they do not possess basic and perhaps even brilliant intelligence, but because their cultural environment is so radically different from that assumed by the designers of the tests.

It is, for example, a generally accepted value of American society to want to "achieve" something in life. That is a sound value, but it is a value alien to many young people from poverty-encrusted environments. In this world, achievement is seldom advanced as a value, because it does not exist as a realistic possibility. Such a person appears to have "low aptitude" by conventional standards since he seems poorly motivated. But clearly a more accurate way to measure his "aptitude" is to place him in a situation that offers the encouragement he has never had before. That means a good teacher and a good course of instruction, well supported by self-paced, audio-visual aids. It also means less formal theoretical instruction in the classroom and more practical on-the-job training. Under these conditions the so-called "low-aptitude" student can succeed.

Our goal was to take 40,000 men in the first year; we actually took 49,000. They entered all the services: Army, Navy, Air Force and the Marine Corps. What sort of background did these men come from? About 60 percent were whites and about 40 percent Negroes. Their average age was twenty-one. Thirty percent of them were unemployed at the time they came to us, and an additional 26 percent were earning less than \$60 a week.

What this means is that more than half of these men had been held in the grip of poverty. Nor is that surprising; their average reading score was on a bare sixth-grade level and 14 percent of them read at a third-grade level or less. Many were poorly motivated when they reached us; they lacked initiative, pride and ambition. If nothing were done to give them a strong sense of their own worth and potential, they, their wives and their children almost inevitably would be the uproductive recipients of some form of welfare payments ten years from now. I want to repeat: we took these men into the service because we were convinced that given the proper environment and training they could contribute just as much to the defense of their country as men from the more advantaged segments of our society.

To say that we were encourated by the first year's results would be an understatement. Ninety-eight percent of our traditional categories of recruits successfully graduated from basic training during the year. The successful graduation rate of these 49,000 new-category men was 96 percent. I insisted that these men should never be singled out or stigmatized as a special group. Technically, and for our own internal record-keeping, men who formerly would have been rejected are now termed New Standards men. But the men themselves are never told that they are in this category; it is imperative that they believe in themselves and their own potential They obviously cannot do that if we treat them with anything remotely suggesting condescension.

The plain fact is that Project 100,000 is succeeding beyond even the most hopeful expectations. Many of the commanders report that these men are turning out to be even more highly motivated than some servicemen with much more privileged backgrounds. These were the initial results, and are immensely encouraging. But obviously the real test is going to come later, when these men move back into civilian society. How will they fare then? Will the vital sense of achievement and self-confidence they have experienced in their military service, as well as the skills they have learned, move them forward in society; or will they return to the depressing downward-spiraling poverty phenomenon that plagues our urban ghettoes and our rural pockets of economic stagnation?

Last fall we opened a careful follow-up study to test conclusively the ultimate outcome of Project 100,000. At least a decade of careful measurement of performance by men both in and out of the services will be required, but I am willing to make a prediction. I am convinced that the Project 100,000 men will continue to do a fully creditable job in the services, and that on return to civilian life their earning capacity and their over-all achievement in society will be two or three times what they would have been had there been no such program. Hundreds of thousands of men can be salvaged from the blight of poverty, and the Defense Department, with no detriment whatever to its primary role, is particularly well equipped to salvage them. The benefit to our society and to the ultimate roots of our security will be enormous.

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489/2/77 2412 Tracy Place, N.W. Washington, D. C. 20008 June 15, 1970 Government of the District of Columbia Department of Finance and Revenue 300 Indiana Avenue, N. W. Washington, D. C. 20001 Gentlemen: Social Security No. 546-18-0091 Robert S. and Margaret C. McNamara have not as yet received a notice of payment due on the June 15 D. C. income tax installment. Mr. McNamara has asked that I send you the enclosed check to be credited to his account. Yours truly, (Miss) Margaret S. Stroud Secretary to Mr. McNamara Enclosure

June 15, 1970

Dear Mr. Prezioso:

Mr. Robert McNamara has asked me to tell you that, unfortunately, because he will be in Europe attending the Annual Meeting of the Bank at the same time as your meeting in Philadelphia, it will not be possible for him to be with you.

Sincerely,

(Miss) Margaret S. Stroud Secretary to Mr. McNamara

Mr. Sal J. Prezioso
President
National Recreation and
Park Association
1700 Pennsylvania Avenue, N.W.
Washington, D. C. 20006

489/2/75 June 15, 1970 Dear Randy: Since I must attend a Bank Board Meeting in Washington on September 15 prior to departing for Copenhagen, it will not be possible

for me to attend the Per Jacobsson Lecture in Basle on September 14.

> I regret that I cannot be with you. Sincerely,

> > Robert S. McNamara

Honorable W. Randolph Burgess The Per Jacobsson Foundation International Monetary Fund Bldg. Washington, D. C. 20431

June 13, 1970

Dear John:

I am delighted to know you will be in Washington July 6 and 7. Since Marg and I already have dinner engagements for those evenings, would it be possible for you to join me for lunch at the Bank at 12:30 on July 6? I hope so.

With best wishes,

Sincerely,

Robert S. McNamara

Prof. John Dyer-Bennett Carleton College Northfield, Minn. 55057

June 13, 1970

Dear Mr. Flipse:

I want to tell you again how very thankful Mrs. McNamara and I are for your assistance to us when we passed through Miami last Saturday.

Had it not been for your help, we would have missed the Mass for Robert Kennedy which was held that evening at Arlington Cemetery.

We are most grateful.

Sincerely,

Robert S. McNamara

Mr. William L. Flipse Customer Service Representative Eastern Air Lines International Airport Miami, Florida 33148

June 9, 1970 Professor E. Michael Bannester Chairman, Management Engineering The Technological University of Eindhoven Postbus 513 Eindhoven, Netherlands Dear Professor Bannester: Mr. McNamara has asked me to acknowledge your recent letter and to express his regrets that he is not able to comply with your request for his reaction on the book you are writing. In his present international situation, he deems it inappropriate to do so. Sincerely,

(Miss) Polly Yates Secretary to Mr. McNamara

June 2, 1970

Dear Mr. Karasz:

As Mr. McNamara's schedule now stands, it will be possible for him to meet with M. Polad at 5:00 p.m. on Monday, June 15.

Please let us know if this is not convenient for M. Polad.

Sincerely,

(Miss) Margaret S. Stroud Secretary to Mr. McNamara

Mr. Arthur Karasz
Director, European Office
International Bank for
Reconstruction and Development
66 Avenue d'Iena
Paris 16, France