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HAITI

1. 8/7/68  Ambassador Arthur Bonhomme
    11/1/68  Ambassador Arthur Bonhomme

2. 3/21/69  Dr. Edouard Francisque, Chief of the Delegation, Head of the Planning Division of the Conseil National de Developpement et de Planification (CONADEP), Dean of the School of International Studies, University of Port-au-Prince.

    Remillot Leveille, Assistant Director of CONADEP

    Jean Claude Andre, Head of the Control Department of CONADEP

    Dr. Eugene Grasberg, Advisor to CONADEP
Dr. Luis Machado just talked to me about the above mentioned visit in which he had participated. The visit took only about 10 minutes and, in Dr. Machado’s opinion, went very well. The Ambassador presented a document concerning possibilities of development in the field of mining and talked, in general terms, about the needs of Haiti for external assistance. Mr. McNamara listened attentively, thanked the Ambassador for his visit and promised to consider what he had heard. Ambassador Bonhomme was, apparently, very pleased with the visit and thanked Dr. Machado for having had the opportunity to meet the President of the Bank.
OFFICE MEMORANDUM

TO: Memorandum for Record
FROM: E. Peter Wright

DATE: March 24, 1969

SUBJECT: Meeting of Mr. McNamara with Haitian Delegation to CIAP Country Review

1. The Haitian delegation to the CIAP Country Review called on Mr. McNamara in the Bank at 4.30 p.m. on Friday, March 21. The delegation consisted of Dr. Edouard Francisque, Head of the Planning Division of the Conseil National de Developpement et de Planification (CONADEP), Mr. Remillot Leveille, Assistant Director of CONADEP, Mr. Jean Claude Andre, Head of the Control Department of CONADEP, and Mr. Eugene Grasberg, Advisor to CONADEP. Dr. Machado and Mr. Wright were also present at the meeting.

2. Dr. Francisque said that his Government recognized that Haiti was not in a position to borrow from the World Bank, but hoped that, when the replenishment of IDA was completed, some allocation of IDA funds to Haiti could be considered. The Haitian Government was therefore proposing to present a project later this year for IDA's consideration; this would be a project for the reconstruction and improvement of the road from Port-au-Prince to Les Cayes along the south-west peninsula. The economic importance of this road was explained to Mr. McNamara by the Haitian delegation.

3. Mr. McNamara told the Haitian delegation about the difficulties still standing in the way of the US Government's contribution to the IDA replenishment. He could give no assurance that any IDA funds would be available for Haiti, but promised that the staff would consider the case for IDA assistance when the road project was presented.

cc: Mr. Knapp
Mr. Steckhan
Mr. Alter
Mr. Sadove
Mr. Nelson/Bochenski
OFFICE MEMORANDUM

TO:  Files
FROM:  E. Peter Wright
SUBJECT: Bank Relations with Haiti

DATE: March 20, 1969

1. The attached cable was received in the Bank today from the head of the Haitian Delegation to the CIAP Country Review, which has been taking place in Washington this week and concludes tomorrow. It reflects the sense of frustration and neglect voiced by the delegation at the CIAP meetings, and in the background is a threat of the Haitian Government to withdraw from the OAS unless Haiti receives more help from the lending agencies under the Alliance for Progress.

2. Among these agencies, only the IDB is active in financing economic development in Haiti, albeit on a modest scale out of funds provided by the United States, and the IDB representative at the CIAP meeting was extremely forthcoming in praise of Haiti's efforts to tackle its economic problems. Aid from the United States has been reduced to the equivalent of about $2 million annually on the average during the last few years (limited to the anti-malaria program and the support of CARE and other humanitarian organizations), and AID has no present intention of reinstituting a program of economic assistance. However, the US Government is not objecting to IDB lending out of the Fund for Special Operations and, while anxious to avoid giving any support to the Duvalier regime, favors assistance designed to ameliorate the conditions of the Haitian people. Finally the IMF, which in 1967 discontinued its standby relationship with Haiti and withdrew its resident representative because of Haiti's failure to meet its obligations under the standby agreements, is now prepared to consider a new standby and will be sending a mission to Haiti next month.

3. Our representative at the CIAP meeting has taken the position that Haiti is not creditworthy for Bank lending (nor would it wish to borrow on Bank terms), and that any allocation of scarce IDA resources to Haiti would be out of the question so long as there is uncertainty about IDA replenishment. If and when the replenishment is completed, Haiti would be eligible for consideration on grounds of poverty, but would still have to pass the tests of economic performance and availability of suitable projects. There is also the added complication (known to the Haitians, but not mentioned at the CIAP meeting) that Haiti is in default on several of its external debts, including a fairly large EximBank loan, and has also violated the negative pledge provision of a
loan made by the Bank in 1956. As we would not in any case have staff available within the next few months to mount an economic mission to Haiti, we are telling the Haitians that we would first want to consider the report of the forthcoming IMF mission and would then be prepared, if that report is positive, to send a mission of our own to explore the question of Haiti's eligibility for a modest amount of IDA lending. Meanwhile, of course, we are continuing to contribute to the cost of a resident planning advisor in Haiti (Mr. Eugene Grasberg).

4. The Haitian delegation has been invited to lunch in the Bank tomorrow, and this will afford a further opportunity of discussing these matters with them.

cc: Messrs. Steckhan
     Denuth
     Alter
     Martin
     Waterston
     Nelson
     Bochenski

EPWright:mpd
DATE AND TIME OF CABLE:  MARCH 19, 1969

LOG NO.: WU 16/20

TO: ALTER INTBAFRAD

FROM: WASHINGTON, D.C.

TEXT:

HAITIAN DELEGATION TO ALLIANCE FOR PROGRESS SINCERELY AND HOPEFULLY BELIEVES THAT THERE STILL EXISTS POSSIBILITY TO ESTABLISH A MEANINGFUL DIALOGUE WITH THE WORLD BANK TO START COLLABORATION IN ECONOMIC DEVELOPMENT. TIME AT OUR DISPOSAL IN WASHINGTON IS VERY SHORT. OUR FREE SMALL PEOPLE WILL STRIVE NOT TO BE FORCED INTO ANGRY ISOLATION. WE BELIEVE WITH PRESIDENT NIXON IN HUMAN UNDERSTANDING AND BROTHERHOOD. GREETINGS AND GOOD WISHES

EDOUARD A FRANCISQUE HEAD OF DELEGATION

IDENTICAL CABLES RECEIVED BY MESSRS. MCNAMARA, NELSON, BOCHENSKI, WRIGHT, WATERSTON, DEMUTH, MARTIN, MACHADO AND RAMIREZ-EVA

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