COMMISSION FOR INTERNATIONAL JUSTICE AND PEACE OF THE BISHOPS CONFERENCE OF ENGLAND AND WALES WARMLY SUPPORTS CONCEPT OF UNOFFICIAL WORLD DEVELOPMENT COMMISSION WITH ADEQUATE TERMS OF REFERENCE, FINANCE AND MEMBERSHIP TO PROVIDE IMPARTIAL AND EXPERT LEADERSHIP FOR AN IMAGINATIVE STEP TOWARDS A PERMANENT PEACEFUL BASIS FOR THE WORLD'S ECONOMY

BISHOP MAHON PRESIDENT
INCOMING TELEX

1977 JAN 21 PM 12:03

Distribution:
Mr. McNamara
Mr. Wm. Clark

HIS EXCELLENCY
MISTER ROBERT MC NAMARA
PRESIDENT INTERNATIONAL
BANK FOR RECONSTRUCTION
AND DEVELOPMENT
1818 H. STREET N.W.
WASHINGTON
204 33 USA

I CONFIRM YOUR TELEX OF JANUARY 19TH, 1977 AND I HOPE,
I CAN SEE WILLIAM CLARK HERE ON FRIDAY, JANUARY 28TH, 16.00.
BEFORE DEFINITE DECISIONS ARE TAKEN, I WOULD BE GRATEFUL IF
YOU COULD CLARIFY WITH DOCTOR MANUEL PEREZ GUERRERO,
IF A COMMISSION, SUCH AS YOU SUGGESTED IT, COULD
COUNT ON THE FULL SUPPORT OF THE COUNTRIES OF THE
THIRD WORL. PEREZ GUERRERO, IN HIS QUALITY AS
CO-PRESIDENT OF THE NORTH-SOUTH-CONFERENCE IN
PARIS, HAS SENT ME BY HIS AMBASSADOR THE
DECLARATION WHICH FOLLOWS:

"TENGO RESERVAS CON RESPECTO DE LA INICIATIVA DEL SEÑOR MCNAMARA
DE ESTABLecer UNA COMISION DE IMPORTANTES PERSONALIDADES
SIN RESPONSABILIDAD GUBERNAMENTAL, COMO EL SEñOR WILLY BRANDT,
FIGURA Internacional DE INDISCUTIBLE
PRESTIGIO. ASI LO HICE SABER AL SEñOR MCNAMARA CUANDO
ME COMMUNICO DE ANTEMANO SU INTENCION DE HACER ESA PROPOSICION."
DESDE ENTONCES HE VENIDO RECIBIENDO COMENTARIOS DE COLEGAS DE LOS PAISES EN DESARROLLO EN EL MISMO SENTIDO. SE CONSIDERA PREMATURO PROCEDER A ESTABLECER UN MECANISMO PRIVADO COMO EL PROPIETO ANTES DE QUE TERMINE EL DIALOGO NORTE-SUR ENTRE NUEVOS GOBIERNOS QUE ESO DONDE SE PUEDEN CONCERTAR BASES SATISFATORIAS PARA LAS RELACIONES ECONOMICAS INTERNACIONALES. A DIFERENCIA DEL SENOR McNAMARA SUYA ACTUACION AL FRENTE DEL BANCO MUNDIAL HA SIDO POSITIVA - CREO COMO OTROS - QUE SI EXISTE AHORA UNA OPORTUNIDAD K DE LOGRAR RESULTADOS CONCRETOS EN EL DIALOGO NORTE-SUR Y ES NECESARIO REFORZAR Y APROVECHAR ESA OPORTUNIDAD QUE TIENEN LOS GOBIERNOS DE MANIFESTAR SU VOLUNTAD POLITICA EN LAS CIRCUNSTANCIAS FAVORABLES DE ESTA AÑO 1977. ESTOY SEGURO QUE EL SENOR McNAMARA COINCIDE EN QUE EN ESTOS MOMENTOS LO MAS IMPORTANTE ES CONCLUIR CON EXITO LA CONFERENCIA DE PARIS LO CUAL TENDRIA EFECTOS POSITIVOS SOBRE LAS NEGOCIACIONES EN CURSO EN LAS NACIONES UNIDAS.

BEST REGARDS
WILLY BRANDT
PRESIDENT
SOZIALDEMOKRATISCHE PARTEI DEUTSCHLANDS
OLLENHAUERSTRASSE 1
53000 BONN

RPT 3 LINE, 1. WORD
BEFORE DEFINITE USW
I have reservations with respect to the initiative of Mr. McNamara to establish a commission of important personalities who have no governmental responsibility, such as Mr. Willy Brandt, who is a figure of indisputable national prestige. I told Mr. McNamara this when he informed me in advance of his intention to make this proposal. Since then I have received similar comments from colleagues in the developing countries. They consider it premature to establish a private mechanism like the proposed one before the North/South dialogue has ended. This dialogue is where one can find satisfactory basis for international economic relations. Contrary to Mr. McNamara whose action in the World Bank has been positive, I, like others, believe that there is now an opportunity to achieve concrete results in the North/South dialogue and that it is necessary to reinforce this opportunity that the governments have to manifest their political will in the favorable circumstances of 1977. I am sure that Mr. McNamara agrees that at this moment the most important is to conclude successfully the Paris conference which would have positive effects on the present negotiations in the UN.

Willy Brandt
Bonn, January 21, 1977

SB
January 21
To Mr. Jansen

Because of your interest in the "Brandt" Commission I want you to know I have sent the attached cable to H. Chancellor Brandt.
THE RESPONSE TO THE SUGGESTION OF A COMMISSION UNDER YOUR CHAIRMANSHIP HAS BEEN FAR MORE WIDESPREAD AND GENERALLY FAVORABLE THAN I HAD DARED TO HOPE. (I AM AIRMAILING FOR YOUR INFORMATION SOME OF THE WORLDWIDE PRESS REACTION WHICH WE HAVE GATHERED).

THIS DEMONSTRATES, I BELIEVE, A GENERAL DESIRE TO MOVE FORWARD AS QUICKLY AS POSSIBLE FROM THE PRESENT DEADLOCK IN NORTH-SOUTH RELATIONS. I HOPE WE MAY USE THIS PUBLIC SUPPORT TO LAUNCH THE COMMISSION AT AS EARLY A DATE AS POSSIBLE – THOUGH I AM FULLY AWARE THAT IT WOULD TAKE SOME TIME FOR YOU TO COLLECT THE EMINENT PERSONS AS COMMISSIONERS, AND FOR A SUPPORTING HIGHLY EXPERT SECRETARIAT TO BE ORGANIZED.

AS I HAVE SAID PUBLICLY, I THINK IT VERY IMPORTANT THAT THE COMMISSION SHOULD BE GENUINELY INDEPENDENT. I AM THEREFORE HOPING IN THE NEXT TWO OR THREE WEEKS TO LAY THE FINANCIAL AND ORGANIZATIONAL BASIS ON WHICH I COULD THEN COME TO YOU TO DISCUSS THE ACTUAL ESTABLISHMENT OF A TRULY INDEPENDENT, FULLY INTERNATIONAL COMMISSION UNDER YOUR CHAIRMANSHIP.

I AM ASKING MY VICE PRESIDENT FOR EXTERNAL RELATIONS WILLIAM CLARK TO

Robert S. McNamara
President

cc: Mr. Clark–Vice President, External Relations
UNDERTAKE THE PRELIMINARY LAYING OF THIS GROUNDWORK AND HE WILL BE VISITING EUROPE NEXT WEEK. IF IT WERE CONVENIENT HE COULD MEET WITH YOU AND SUCH OTHERS AS YOU WISH AT THAT TIME.

ROBERT S. McNAMARA
THE COPENHAGEN UNIC SPOTTED ONLY A 12-LINE REFERENCE IN THE MALMO SYDsvENSKA DNARBLADET OF JANUARY 18 WHICH WAS TAKEN FROM THE ECONOMIST PIECE MENTIONED YESTERDAY.

U.K.

THE GUARDIAN OF JANUARY 17 CARRIED A 4-PARAGRAPH STORY OUT OF NEW YORK SAYING THAT WILLY BRANDT MAY BE ABLE TO ANNOUNCE WITHIN TEN DAYS THE COMPOSITION OF THE PROPOSED COMMISSION. THE GUARDIAN STORY AT THE END MENTIONED THAT QUOTE A LEADER OF THE DEVELOPING COUNTRIES, THE PAKISTANI AMBASSADOR, MR ISMAL AKHUND, SAID TODAY MR MCHAMARA'S PROPOSAL WAS AN INTERESTING ONE THAT MERITED CAREFUL, SYMPATHETIC STUDY. UNQUOTE

THE GUARDIAN OF JANUARY 16 HAS A FIVE-PARAGRAPH REUTER STORY FROM BONN REFERRING TO THE GODENHEIFER STATEMENT AS REPORTED IN DIE WELT.

THE TIMES OF JANUARY 15 CARRIES A LETTER TO THE EDITOR FROM BARBARA WARD FULL TEXT OF WHICH FOLLOWS:

QUOTE


THERE FOLLOWS A QUOTATION OF THE FIRST THREE PAPAGRAPHS OF MR. MCHAMARA'S CONCLUDING REMARKS. LETTER ENDS WITH QUOTE MAY WE HOPE THAT GOVERNMENTS, INTERNATIONAL AGENCIES, NON-GOVERNMENTAL ORGANIZATIONS CONCERNED WITH DEVELOPMENT AND INDEED ALL INTERESTED CITIZENS WILL GIVE THEIR SUPPORT TO THIS IMAGINATIVE CONCEPT OF BRINGING IN A NEW WORLD OF IMPARTIAL AND EXPERT LEADERSHIP TO REDRESS THE BALANCE OF THE OLD WORLD OF NATIONALITY ENTRENCHED NEGOTIATORS. UNQUOTE

REGARDS

STEINER

LAST LINE END OF LINE PLS "" NATIONALLY ENTRENCHED "" SORRY E1

REMEMBER PENCIL PLCS ACH.
ON PAGE 3 OF ITS JANUARY 18 ISSUE DIE WELT CARRIED A STORY ON A
STATEMENT BY CHRISTIAN DEMOCRATIC SPOKESMAN TODEHNHOEFER WHO SAID THAT
WILLY BRANDT, THE CHAIRMAN OF THE SOCIAL DEMOCRATIC PARTY AND THE
PRESIDENT OF THE SOCIALIST INTERNATIONAL, WAS COMPLETELY UNSUITABLE
AS AN ARBITRATOR IN THE NORTH-SOUTH CONFLICT. THE PAPER MENTIONED
THAT BRANDT HAD BEEN PROPOSED BY WORLD BANK PRESIDENT McNAMARA TO
HEAD AN INTERNATIONAL COMMISSION FOR THE PROMOTION OF THE NORTH-SOUTH
DIALOGUE. THE OBJECTION OF THE OPPOSITION CHRISTIAN DEMOCRATIC UNION
WAS THAT THE SOCIALIST INTERNATIONAL DURING ITS RECENT CONGRESS IN
GENEVA WITH BRANDT IN THE CHAIR HAD PASSED A RESOLUTION QUOTE WHICH
CONTAINED A CLEAR VOTE IN FAVOR OF A SOCIALIST WORLD ECONOMIC
ORDER AND AGAINST A MARKET-ORIENTED ECONOMY UNQUOTE. THE RESOLUTION
SAID THE OBVIOUS FAILURE OF INTERNATIONAL CAPITALISM REQUIRED A
COMPLETELY NEW APPROACH TO INTERNATIONAL ECONOMIC PROBLEMS, AND THIS
NEW APPROACH COULD ONLY BE A SOCIALIST ONE. WITH THIS RESOLUTION
BRANDT HAD ACCEPTED RADICAL DEMANDS OF THE THIRD WORLD ALMOST
LITERALLY, TODEHNHOEFER SAID.
ITALY

THE MILAN ECONOMIC DAILY IL SOLE - 24 ORE OF JANUARY 15 HAD A
FIVE-COLUMN, 25-INCH STORY BY PARIS CORRESPONDENT IVAN ARNOLDI
HEADING QUOTE McNAMARA THINKS OF A GROUP OF WISE MEN TO GET THE
NORTH-SOUTH DIALOGUE GOING UNQUOTE. IT REFERRED IN DETAIL TO THE
BOSTON SPEECH AND ADDED THAT McNAMARA SPOKE IN A, SO TO SPEAK,
PRIVATE CAPACITY. BUT, THE CORRESPONDENT SAID, IT WOULD BE NAIVE
TO THINK THAT IT IS A PERSONAL SUGGESTION. EVEN IF THE McNAMARA
PROPOSAL WAS NOT MADE ON BEHALF OF THE U.S., IT WAS OBVIOUS THAT
HE SPOKE NOT ONLY AS PRESIDENT OF THE WORLD BANK. THE STORY SAID
THAT THE BOSTON PROPOSAL, EVEN THOUGH IT MAY NOT HAVE BEEN MADE
FULLY IN CONCERT WITH THE INCOMING CARTER ADMINISTRATION, COULD BE
INTERPRETED AS THE FIRST SIGN OF A NEW AMERICAN LEADERSHIP, PARTI-
CULARLY WITHIN THE CONTEXT OF CIEC. MR McNAMARA'S PROPOSAL HAD THE
ADVANTAGE OF BEING AMERICAN WITHOUT BEING OFFICIAL.
TODAY.

DIE WELT'S WASHINGTON CORRESPONDENT SIEBERT SAID IN THE PAPER MONDAY FINANCIAL PAGES WORLD BANK CHIEF ROBERT S. MCNAMARA PROPOSED ANOTHER COMMISSION TO GET THE NORTH-SOUTH DIALOGUE OUT OF THE PRESENT IMPASSE, AS IF THERE WERE NOT ENOUGH COMMISSIONS ALREADY. MCNAMARA SEEMS TO VISUALIZE A CLUB OF EMINENT PERSONS FROM NORTH AND SOUTH WHO WOULD BE EXPECTED TO IDENTIFY THE NECESSARY POLITICAL DECISIONS AND TO MOBILIZE THEIR OWN GOVERNMENTS. THIS IS WHERE THE PROBLEM LIES, SIEBERT SAYS. THE AGENDA OF THE COMMISSION WOULD BE HIGHLYEXPLOSIVE. THE WORLD BANK PRESIDENT WANTS TO SEE MORE AID, TRADE, REFORMS IN THE THIRD WORLD, AND GREATER EFFORTS FOR TWO BILLION PEOPLE WHO LIVE IN THE SHADOWS. WHAT WOULD BE THE REACTION OF CHANCELLOR HELMUT SCHMIDT IF WILLY BRANDT PRESENTED HIM WITH A COSTLY LIST OF DEMANDS, SIEBERT ASKS. MOST LIKELY: WILLY YOU ARE CRAZY. THE QUESTION ALSO NEEDS TO BE ASKED WHY MCNAMARA CHOSE BRANDT. IT CANNOT BE FOR HIS KNOWLEDGE OF DEVELOPMENT POLICIES. MOST LIKELY HE WAS CHOSEN BECAUSE OF HIS PEACE NOBEL PRIZE, HIS INFLUENCE IN BONN, AND THE GROWING IMPORTANCE OF THE GERMAN CAPITAL MARKET FOR WORLD BANK ISSUES. WHATEVER MCNAMARA'S NEW PRIVATE THINK TANK WILL DECIDE, THE POLITICAL IMPLEMENTATION WILL REMAIN IN DOUBT. IN ADDITION, IT WILL HAVE TO HAVE A STAFF OF EXPERTS AND HEADQUARTERS, AND IT WILL HAVE TO COMPETE WITH AN UNCOUNTED NUMBER OF COMMISSIONS, COMMITTEES AND INSTITUTIONS WHICH DAILY PUT OUT PRINTED PAPER BY THE POUND AND YET ACHIEVE NO PROGRESS. SIEBERT SAYS THAT MCNAMARA'S MOTIVES ARE EASILY UNDERSTOOD. THE COURAGEOUS MAN WHO HAS EXPANDED THE ROLE OF THE WORLD BANK AS A DEVELOPMENT ORGANIZATION IS CAUGHT BETWEEN THE FIRES OF THE BIG FINANCIAL MARKETS (ZWISCHEN DIE MUHLESTEINE DER GROSSEN GELDGESEHER GERATEN). HE SEES POLITICAL DANGERS IN THE NORTH-SOUTH CONFLICT, BUT INSTEAD OF FOUNDING YET ANOTHER COMMISSION MCNAMARA WOULD HAVE BEEN BETTER ADVISED TO SEE OUT DIRECTLY THE HEADS OF GOVERNMENTS AND TO ACTIVATE EXISTING INSTITUTIONS. BRANDT'S CLUB CANNOT HELP HIM.

REARDS

KOELLE

INTRAfpsA WASH DC
AFTER OUR PHONE CONVERSATION I FELT A SUMMARY OF ADVERSE REACTIONS IN GERMANY MIGHT BE USEFUL. THE FOLLOWING IS A LIST OF MISGIVINGS AND OBJECTIONS EXPRESSED IN NEWSPAPER COMMENTS AND BY OFFICIALS. THE NEWSPAPER STORIES CONCERNED WERE ALL REPORTED IN DETAIL IN OUR EARLIER TELEXES.

PRIMO: BRANDT HAS NO DEVELOPMENT BACKGROUND. HE DOES NOT MEET THE CRITERIA FOR COMMISSION MEMBERS ESTABLISHED IN THE SPEECH ITSELF. (DIE WELT).

SEGUNDO: THERE IS NO NEED FOR YET ANOTHER COMMISSION AND LITTLE HOPE FOR IT TO SOLVE THE NORTH-SOUTH CONFLICT WHERE ALL THE EXISTING BODIES HAVE FAILED. (DIE WELT, FRANKFURTER ALLGEMEINE ZEITUNG, SUEDDEUTSCHE ZEITUNG).

TERCIO: SINCE IT WILL BE A PRIVATE COMMISSION, ITS PROPOSALS WILL HAVE TO BE ENDORSED BY GOVERNMENTS, BUT THERE IS LITTLE HOPE FOR POLITICAL ACTION. (FRANKFURTER ALLGEMEINE ZEITUNG, SUEDDEUTSCHE ZEITUNG).

CUARTO: CHANCELLOR SCHMIDT'S GOVERNMENT WILL NOT WELCOME MR BRANDT'S ACTIVITIES SINCE THE COMMISSION IS LIKELY TO MAKE COSTLY PROPOSALS. (STUTTGARTER ZEITUNG, DIE WELT).

QUINTO: INSTEAD OF DEFENDING THE MARKET ORIENTED SYSTEM UPHOLD BY THE GERMAN GOVERNMENT, MR BRANDT HOLDS A SOCIALIST VIEW OF THE FUTURE WORLD ECONOMIC ORDER. THIS WILL ALSO LEAD INTO CONFLICT WITH CHANCELLOR SCHMIDT. (DIE WELT, CHRISTIAN-DEMOCRATIC SPOKESMAN TÖDENHOEFER).

SEXTO: A COMMISSION UNDER BRANDT'S LEADERSHIP IS LIKELY TO COME UP WITH RESULTS WHICH COULD HURT THE WORLD BANK, SUCH AS A PROPOSAL TO REDUCE FINANCING TIED TO PROJECTS AND TO INCREASE AID FOR THE DISCREETIONARY USE BY LDCs (FOR THE SOURCE, SEE MY CONFIDENTIAL MEMO FROM BONN TO WILLIAM CLARK, DATED JANUARY 6, 1977).

SEPTIMO: THE GERMAN BANKING AND BUSINESS COMMUNITY CAN BE EXPECTED TO REACT ADVERSELY TO ANY INITIATIVE LED BY BRANDT, WHO, AS CHANCELLOR, DAMAGED BUSINESS CONFIDENCE THROUGH HASTY AND COSTLY SOCIAL REFORMS. (SAME SOURCE AS UNDER SEXTO). REGARDS KOELLE.
NEWS SUMMARY (AFP, AP and Reuters World Bank Service)

World Leaders' Reaction to Mr. McNamara's Proposal

BONN: Brandt Welcomes Proposal. Willy Brandt, Chairman of Germany's Social Democratic Party (SPD), is ready to head an international commission to start a new dialogue between the world's rich and poor countries, his party spokesman said Friday. The spokesman said: "Herr Willy Brandt has noted Mr. McNamara's initiative attentively. The SPD and its chairman are ready to do all in their power to contribute to it." (RWBS)

UN, N.Y.: Waldheim Supports Proposal. Secretary-General Kurt Waldheim welcomed Mr. McNamara's proposal, which was discussed by the two men here last Monday, the U.N. said.

Mr. Waldheim "attaches the greatest importance and priority to ongoing processes of deliberation and negotiations in various forums towards the establishment of the new international economic order," called for by the General Assembly, a U.N. statement said.

He supported any proposal intended to overcome the present North-South impasse, the statement added. (RWBS)

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Developing Countries Leader to Study Proposal. A leader of the developing countries at the North-South talks, Pakistani Ambassador Iqbal Akhund, said Saturday that Mr. McNamara's proposal was interesting and merited careful, sympathetic study. (RWBS)

- 0 -

Commission May be Announced in Ten Days. Informed sources had reported Herr Brandt may be able to announce the composition of his commission within ten days. (RWBS)

GENEVA: UNCTAD to Consider McNamara's Proposal. Gamani Corea, Secretary-General of UNCTAD, said here today he would consider carefully a proposal by World Bank President Robert McNamara to set up a private international brains trust to speed agreements on ways for rich nations to help poor states. "I would like to give careful thought to it before making any comment," Mr. Corea told Reuter, when asked about the idea. (RWBS)

Note: While AFP and AP reports are taken from general news wires, the Reuters World Bank Service is exclusive to the Bank as a means of gathering information on development activity throughout the world; accordingly, distribution of this report must be limited to internal Bank use.
BONN: Christian Democratic Party Says Brandt Not Suitable. Germany's opposition Christian Democratic Party (CDU) said here today Willy Brandt was unsuitable to act as mediator in the economic talks between the rich and poor countries.

The CDU's development aid expert Juergen Todenhoefer pointed out that the Socialist Internationale had passed a resolution last November under Brandt's leadership condemning the capitalist economic system and advocating a worldwide planned socialist system.

In an official party statement Todenhoefer said with this resolution Brandt had endorsed the demands of the radical leaders of the Third World almost word for word. (RWBS)

WASHINGTON: U.S. to Study McNamara's Proposal. The U.S. State Department has said it will study the proposal by World Bank President Robert McNamara for the establishment of a high-level commission to analyze problems in improving relations between rich and poor nations. The department said in a formal statement on Saturday: "There are a lot of interesting suggestions in it (the proposal) which we are going to look at. It will receive our full consideration." (RWBS)

Other News:

WASHINGTON: Ford to Ask for IDA Replenishment. President Ford will ask Congress today to increase foreign aid spending to $7.3 billion for the 1978 fiscal year and $7.6 billion in 1979. Mr. Ford, in his budget, will propose that the U.S. continue its efforts towards peace in the Middle East and racial amity in Southern Africa, contribute to a major capital replenishment for IDA, and increase development aid. At the same time, he will propose a special development program for the African Sahel and to join in an international loan to help Portugal meet its balance of payments. (RWBS)

DAR ES SALAAM: Three-Country Joint Committee Set Up to Explore Resources. Tanzania, Rwanda and Burundi today have set up a joint committee to exploit the resources of the River Kagera.

The river flows to the west of Lake Victoria past the three states along their common borders.

The headquarters will be in the Rwandan capital, Kigali.

The main development projects will be a power station and mineral prospecting in the basin itself.

The river flows into Lake Victoria just south of the Ugandan frontier. Officials here said other countries would eventually be asked to participate in development of the estuary. (AFP)

TOKYO: Saudi Arabia to Increase Oil Production. Saudi Arabia's Oil Minister, Sheikh Ahmed Zaki Yamani, said in an interview published here today that his country intended to increase its average daily oil production to 11.8 million barrels this year, and more next year, from the current 8.5 million barrels. "Tokyo Shimbun" quoted Sheikh Yamani as saying that oil-producing countries would do their best to stabilize oil prices but industrialized countries should also try to arrest inflation.
WORLD PRESS ON MR. MCNAMARA'S PROPOSAL:

NAIROBI: The proposal of World Bank President Robert McNamara for a new international commission is welcomed in an editorial in today's "Daily Nation."

The newspaper describes Mr. McNamara as "an incredible man," who believes in action.

"He said the commission was needed primarily because a year of intense debate has yielded no agreement on the extent of additional assistance Third World nations can expect from the developed nations," the editorial said.

The editorial continued: "The McNamara proposal is worthy of consideration, but it must not be seen as a cure-all to the numerous and varied problems plaguing the developing world.

"Like the much-vaunted OPEC fund to assist developing nations, it must not lead to false hopes and aspirations.

"If anything, the McNamara proposal should be used as the basis for any joint and concerted international action or campaign to aid the developing nations," the "Daily Nation" said.

GENEVA: Mr. McNamara's Boston speech made the main story in today's edition of "Agefi".

"Agefi" printed a 400-word report from its own correspondent in Washington.

The dispatch highlighted U.S. Treasury Secretary William Simon's report to Congress on the economic situation of developing countries which are not oil exporters.

"Agefi" then went on to report Mr. McNamara's proposal and the suggestion that the presidency of the commission could be offered to Herr Willy Brandt.

Mr. McNamara's proposals were also reported today by the "Philippines Daily Express" and the official Philippines News Agency, and the Rotterdam daily "Algemeen Dagblad". None of the reports contained any official or unofficial reactions to the speech.

ZURICH: "Neue Zuricher Zeitung", in a story from Washington, commends McNamara's "impressive and eloquent manner" of presenting the plight of the world's poor but questions whether proposed commission could be effective at global political level.
UNITED NATIONS, JAN. 15, REUTER -- Former German Chancellor Willy Brandt may be able to announce within ten days the composition of an international brains trust to resolve the impasse between rich and poor countries, informed sources said today.

World Bank President Robert McNamara launched the project yesterday in a speech to the World Affairs Council at Boston, and Herr Brandt has let it be known that he is ready to head the commission.

The commission will be composed of private citizens from developed and developing countries, not government representatives, and it is expected to be a relatively small group.

A leader of the developing countries, Pakistani Ambassador Iqbal Akhund, said today that World Bank President Robert McNamara's proposal was an interesting one that merited careful, sympathetic study.

Akhund, who is Chairman of the Group of 77 developing nations, told Reuters: "We all know how concerned Mr. McNamara has been about the absolute poverty which exists over wide areas of the globe, and he has been trying to muster opinion in industrialized countries to do something about this."

Given the World Bank President's known views, his proposal was an interesting one and "We should certainly look at it with sympathy," Akhund said. "It merits very careful study in the light of the fact that various negotiations are going on."

The Third World spokesman said he did not think the commission was intended to be a negotiating body, but rather to give impetus to negotiations.

When the Group of 77 had more details of what was envisaged, members might get together to consider formally or informally their response.

Akhund said the group would want to know more about its terms of reference, mandate and composition. Describing it as a proposal to set up a body of wise men, or a brains trust, he said Brandt was a very eminent person but he declined to comment further on the German politician.

Akhund observed that Germany had been "one of the difficult negotiating partners," from the Third World's viewpoint.

"What the commission is going to do now is the most important thing," he said.

In the meantime the North-South dialogue in Paris and other negotiations between rich and poor countries must go on, Akhund added. The outcome of the ministerial session of the Paris conference would decide the date, form and substance of the resumed session of the U.N. General Assembly which would follow those deliberations, Akhund said.

If the conference was crowned with success then the assembly might become a congratulatory affair, but if it failed then the U.N. would have to take up the problem, he warned.

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REPORT FROM PARIS OFFICE ON REACTION TO MR. McNAMARA'S PROPOSAL:

BELGIUM: The "International Herald Tribune" dated January 15-16 carried a 27-line UPI story on the first page bottom right corner headlined "McNamara Asks Creation of Panel to Aid Third World."

FRANCE: Brief factual stories appeared in the French press. "Le Monde" of January 16-17 had a two inch factual story within the context of its box titled "News in Brief" which appears on the last page. "Le Figaro" of January 15 carried three short paragraphs under the headline "Aid to Third World: A Proposal by McNamara." The third reference appeared in the center-left "Quotidien de Paris" of January 15 which carried two brief paragraphs, the second of which recalls that neither the Seventh Special Session of the U.N. General Assembly nor the Fourth UNCTAD nor the Paris North-South Dialogue were able to come to any basic agreement. The paper's story headlined "McNamara: The North-South Dialogue at a Deadlock."

GERMANY: In its January 17 edition "Sueddeutsche Zeitung" carried a 2-column story on page 2 headlined "Brandt is Pondering McNamara's Offer." The paper's Bonn correspondent said that the SPD Chairman would contact Mr. McNamara during this week and that he was ready, in principle, to serve as the Chairman of the new North-South commission.

In the same issue "Sueddeutsche Zeitung" said in an editorial comment headlined "Thankless Task for Willy Brandt" said that whenever politicians reached the end of their rope they founded a commission to gain time and to raise new hopes among the public.

"McNamara seemed to trust the philosophy that history is not made by economic interests and conflicts, but by persons. It was a great honor for Willy Brandt to have been offered the chairmanship of this commission. McNamara may have noted the Nobel Peace Prize winner's successful efforts in the East-West dialogue, and perhaps also honed for the cooperation of Egon Bahr who is familiar with North-South problems," the editorial said.

Nonetheless, doubts and scepticisms are called for, "Sueddeutsche Zeitung" continued. If Brandt follows the ideas of developing countries, he will enter into conflict with economy-minded Chancellor Helmut Schmidt. If he follows Schmidt, he will lose face in the Third World. The paper concluded that there was never a lack of commissions and conferences, but that there was a lack of money and practical proposals on how to redistribute the riches of this world. Perhaps the new commission can provide a few ideas but it is unlikely that it will produce more than an appeal.
A short comment appeared on the political page of the January 17 "Frankfurter Allgemeine". It asked "What May Have Given McNamara the Idea That Brandt Would be Able to Move the North-South Dialogue From its Dead Center?" It was understandable that the World Bank President should be concerned about the stalled talks since he sees the dangers which can arise from persisting sharp differences between rich and poor. SPD Chairman Brandt also thinks the bridging of the North-South conflict was urgent. But a new international commission to be headed by Brandt is superfluous, the "Frankfurter Allgemeine" said. The existing institutions were sufficient. If it was impossible to find agreement there, it would be just as impossible to agree in a special commission without government participation. And even if Brandt were miraculously able to produce a compromise, it would be worth nothing without the subsequent endorsement by governments.

In the same issue "Frankfurter Allgemeine" also carried a short comment on its financial pages from Washington correspondent Carola Kaps. It said that Mr. McNamara's call to get the North-South Dialogue out of its present impasse was certainly justified, but it was questionable whether the proposed new commission, under the possible leadership of Willy Brandt, could produce such a break-through. Even if this non-political commission should produce good work, its proposals would have to be accepted by governments which at present do not show any political will. There was no guarantee, the paper said, that there would instantaneously be a political will once the commission's proposals were on the table.

The paper recalls the fate of the Pearson Report which had been highly praised and much quoted in 1970 but which soon disappeared into the bookshelves. Instead of spending money for a new commission whose work will remain without effect, the industrial and the developing countries should rather keep in mind that they could get out of the impasse with greater mutual understanding and political will, even without a new commission.

"Die Welt" carried a 2-column comment on its industrial page of Monday, January 17, by Heinz Heck. It said that in Boston World Bank President McNamara had made a desperate attempt to retrieve development policy from its remote corner, and this made it a worthwhile initiative. The comment quoted McNamara's criteria for the selection of the new commission's members, who issues, or who have demonstrated competence in development be persons with practical political experience in development economics. The paper finds that Mr. Brandt would not qualify under any of these two criteria. Also, the North-South Dialogue was becoming more and more a question of the future world economic order. If German citizens were to be named, these persons ought to convincingly represent a market-oriented economic order and if need be, to defend it. But what Willy Brandt had to say on this subject at the recent Geneva Congress of the Socialist Internationale was so far apart from a market-oriented economic order that Brandt had provoked the criticism and anger of Helmut Schmidt. According to "Die Welt" this shows clearly that the World Bank President would do better to propose another representative from the Federal Republic of Germany.

"Frankfurter Rundschau," in an editorial comment of January 15, dealt with German efforts for world peace which were the main topic of the New Year's address of the German President Walter Scheel. In this context it mentioned that McNamara's new proposals could contribute to a lessening of conflicts in the world.
NETHERLANDS: "Volkskrant" of January 15 carries a two-column story story headlined "Wise Men for Dialogue Between Rich and Poor." The story was largely based on a Reuters wire out of Boston with quotes from the concluding remarks of the speech. The paper pointed out that this proposal was a follow-up on McNamara's Manila speech, where he had criticized the present state of international discussions which were too much occupied with details and had lost sight of the important aspects of development. The paper said that it was time for a breakthrough and that the Dutch would contribute to the McNamara initiative.

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"This new scheme results largely from Mr. McNamara's deep frustration concerning the unwillingness of wealthier nations to raise their development aid contributions. Using the opportunity of a change of administration in Washington, the World Bank President singled out the United States for extraordinarily bitter criticism. He said the U.S. was one of the poorest performers among rich developed nations in granting development aid. He noted that even dogs and cats in America today have a better standard of nutrition than tens of millions of children in developing nations."

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No other U.K. Saturday or Sunday papers appear to carry a single word about the speech which is surprising in case of the "Guardian", "Observer" and "Sunday Times". Paris delivery of Monday papers is delayed but we understand there is a short piece in the "Guardian".

PRESS REVIEW (Reuters World Bank Service)

STOCKHOLM: "Aftonbladet" said today Sweden's Trade Union Confederation (LO) had opposed a possible Swedish application to join the Inter-American Development Bank.

The LO described the bank as an instrument of U.S. foreign policy in Latin America and said the U.S. had veto power on its lending.

"Aftonbladet" said in an editorial Swedish membership "would not even generate any exports for the big (Swedish) company concerned, in any event not compared to what the same amount would generate if used for other export-encouraging measures such as to small and medium-sized companies, as the LO writes with tongue in cheek."

Swedish papers carried news articles on the LO statement and on a similar statement by the Center Party Youth Organization (CUF) rejecting Sweden's membership in the IDB on grounds that the bank carried out "economic warfare and neglected social considerations to achieve commercial profit." Both the LO and CUF had cited IDB loans to the Chilean military government as additional reasons why Sweden should not join, the papers said.

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NEWS SUMMARY (AFP, AP and Reuters World Bank Service)

World Leaders' Reaction to Mr. McNamara's Proposal

BONN: Brandt Welcomes Proposal. Willy Brandt, Chairman of Germany's Social Democratic Party (SPD), is ready to head an international commission to start a new dialogue between the world's rich and poor countries, his party spokesman said Friday. The spokesman said: "Herr Willy Brandt has noted Mr. McNamara's initiative attentively. The SPD and its chairman are ready to do all in their power to contribute to it." (RWBS)

UN, N.Y.: Waldheim Supports Proposal. Secretary-General Kurt Waldheim welcomed Mr. McNamara's proposal, which was discussed by the two men here last Monday, the U.N. said.

Mr. Waldheim "attaches the greatest importance and priority to ongoing processes of deliberation and negotiations in various forums towards the establishment of the new international economic order," called for by the General Assembly, a U.N. statement said.

He supported any proposal intended to overcome the present North-South impasse, the statement added. (RWBS)

Developing Countries Leader to Study Proposal. A leader of the developing countries at the North-South talks, Pakistani Ambassador Iqbal Akhund, said Saturday that Mr. McNamara's proposal was interesting and merited careful, sympathetic study. (RWBS)

Commission May be Announced in Ten Days. Informed sources had reported Herr Brandt may be able to announce the composition of his commission within ten days. (RWBS)

GENEVA: UNCTAD to Consider McNamara's Proposal. Gamani Corea, Secretary-General of UNCTAD, said here today he would consider carefully a proposal by World Bank President Robert McNamara to set up a private international brains trust to speed agreements on ways for rich nations to help poor states. "I would like to give careful thought to it before making any comment," Mr. Corea told Reuter, when asked about the idea. (RWBS)

Note: While AFP and AP reports are taken from general news wires, the Reuters World Bank Service is exclusive to the Bank as a means of gathering information on development activity throughout the world; accordingly, distribution of this report must be limited to internal Bank use.
BONN: Christian Democratic Party Says Brandt Not Suitable.

Germany's opposition Christian Democratic Party (CDU) said here today Willy Brandt was unsuitable to act as mediator in the economic talks between the rich and poor countries.

The CDU's development aid expert Juergen Todenhoefer pointed out that the Socialist Internationale had passed a resolution last November under Brandt's leadership condemning the capitalist economic system and advocating a worldwide planned socialist system.

In an official party statement Todenhoefer said with this resolution Brandt had endorsed the demands of the radical leaders of the Third World almost word for word. (RWBS)

WASHINGTON: U.S. to Study McNamara's Proposal. The U.S. State Department has said it will study the proposal by World Bank President Robert McNamara for the establishment of a high-level commission to analyze problems in improving relations between rich and poor nations.

The department said in a formal statement on Saturday: "There are a lot of interesting suggestions in it (the proposal) which we are going to look at. It will receive our full consideration." (RWBS)

Other News:

WASHINGTON: Ford to Ask for IDA Replenishment. President Ford will ask Congress today to increase foreign aid spending to $7.3 billion for the 1978 fiscal year and $7.6 billion in 1979. Mr. Ford, in his budget, will propose that the U.S. continue its efforts towards peace in the Middle East and racial amity in Southern Africa, contribute to a major capital replenishment for IDA, and increase development aid. At the same time, he will propose a special development program for the African Sahel and to join in an international loan to help Portugal meet its balance of payments. (RWBS)

DAR ES SALAAM: Three-Country Joint Committee Set Up to Explore Resources. Tanzania, Rwanda and Burundi today have set up a joint committee to exploit the resources of the River Kagera.

The river flows to the west of Lake Victoria past the three states along their common borders.

The headquarters will be in the Rwandan capital, Kigali.

The main development projects will be a power station and mineral prospecting in the basin itself.

The river flows into Lake Victoria just south of the Ugandan frontier. Officials here said other countries would eventually be asked to participate in development of the estuary. (AFP)

TOKYO: Saudi Arabia to Increase Oil Production. Saudi Arabia's Oil Minister, Sheikh Ahmed Zaki Yamani, said in an interview published here today that his country intended to increase its average daily oil production to 11.8 million barrels this year, and more next year, from the current 8.5 million barrels. "Tokyo Shimbun" quoted Sheikh Yamani as saying that oil-producing countries would do their best to stabilize oil prices but industrialized countries should also try to arrest inflation.
WORLD PRESS ON MR. MCNAMARA'S PROPOSAL:

NAIROBI: The proposal of World Bank President Robert McNamara for a new international commission is welcomed in an editorial in today's "Daily Nation."

The newspaper describes Mr. McNamara as "an incredible man," who believes in action.

"He said the commission was needed primarily because a year of intense debate has yielded no agreement on the extent of additional assistance Third World nations can expect from the developed nations," the editorial said.

The editorial continued: "The McNamara proposal is worthy of consideration, but it must not be seen as a cure-all to the numerous and varied problems plaguing the developing world.

"Like the much-vaunted OPEC fund to assist developing nations, it must not lead to false hopes and aspirations.

"If anything, the McNamara proposal should be used as the basis for any joint and concerted international action or campaign to aid the developing nations," the "Daily Nation" said.

GENEVA: Mr. McNamara's Boston speech made the main story in today's edition of "Agefi".

"Agefi" printed a 400-word report from its own correspondent in Washington.

The dispatch highlighted U.S. Treasury Secretary William Simon's report to Congress on the economic situation of developing countries which are not oil exporters.

"Agefi" then went on to report Mr. McNamara's proposal and the suggestion that the presidency of the commission could be offered to Herr Willy Brandt.

Mr. McNamara's proposals were also reported today by the "Philippines Daily Express" and the official Philippines News Agency, and the Rotterdam daily "Algemeen Dagblad". None of the reports contained any official or unofficial reactions to the speech.

ZURICH: "Neue Zuricher Zeitung", in a story from Washington, commends McNamara's "impressive and eloquent manner" of presenting the plight of the world's poor but questions whether proposed commission could be effective at global political level.
UNITED NATIONS, JAN. 15, REUTER -- Former German Chancellor Willy Brandt may be able to announce within ten days the composition of an international brains trust to resolve the impasse between rich and poor countries, informed sources said today.

World Bank President Robert McNamara launched the project yesterday in a speech to the World Affairs Council at Boston, and Herr Brandt has let it be known that he is ready to head the commission.

The commission will be composed of private citizens from developed and developing countries, not government representatives, and it is expected to be a relatively small group.

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A leader of the developing countries, Pakistani Ambassador Iqbal Akhund, said today that World Bank President Robert McNamara's proposal was an interesting one that merited careful, sympathetic study.

Akhund, who is Chairman of the Group of 77 developing nations, told Reuters: "We all know how concerned Mr. McNamara has been about the absolute poverty which exists over wide areas of the globe, and he has been trying to muster opinion in industrialized countries to do something about this."

Given the World Bank President's known views, his proposal was an interesting one and "We should certainly look at it with sympathy," Akhund said. "It merits very careful study in the light of the fact that various negotiations are going on."

The Third World spokesman said he did not think the commission was intended to be a negotiating body, but rather to give impetus to negotiations. When the Group of 77 had more details of what was envisaged, members might get together to consider formally or informally their response.

Akhund said the group would want to know more about its terms of reference, mandate and composition. Describing it as a proposal to set up a body of wise men, or a brains trust, he said Brandt was a very eminent person but he declined to comment further on the German politician.

Akhund observed that Germany had been "one of the difficult negotiating partners," from the Third World's viewpoint.

"What the commission is going to do now is the most important thing," he said.

In the meantime the North-South dialogue in Paris and other negotiations between rich and poor countries must go on, Akhund added. The outcome of the ministerial session of the Paris conference would decide the date, form and substance of the resumed session of the U.N. General Assembly which would follow those deliberations, Akhund said.

If the conference was crowned with success then the assembly might become a congratulatory affair, but if it failed then the U.N. would have to take up the problem, he warned.

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REPORT FROM PARIS OFFICE ON REACTION TO MR. McNAMARA'S PROPOSAL:

BELGIUM: The "International Herald Tribune" dated January 15–16 carried a 27-line UPI story on the first page bottom right corner headlined "McNamara Asks Creation of Panel to Aid Third World."

FRANCE: Brief factual stories appeared in the French press. "Le Monde" of January 16–17 had a two inch factual story within the context of its box titled "News in Brief" which appears on the last page. "Le Figaro" of January 15 carried three short paragraphs under the headline "Aid to Third World: A Proposal by McNamara." The third reference appeared in the center-left "Quotidien de Paris" of January 15 which carried two brief paragraphs, the second of which recalls that neither the Seventh Special Session of the U.N. General Assembly nor the Fourth UNCTAD nor the Paris North-South Dialogue were able to come to any basic agreement. The paper's story headlined "McNamara: The North-South Dialogue at a Deadlock."

GERMANY: In its January 17 edition "Sueddeutsche Zeitung" carried a 2-column story on page 2 headlined "Brandt is Pondering McNamara's Offer." The paper's Bonn correspondent said that the SPD Chairman would contact Mr. McNamara during this week and that he was ready, in principle, to serve as the Chairman of the new North-South commission.

In the same issue "Sueddeutsche Zeitung" said in an editorial comment headlined "Thankless Task for Willy Brandt" said that whenever politicians reached the end of their rope they founded a commission to gain time and to raise new hopes among the public.

"McNamara seemed to trust the philosophy that history is not made by economic interests and conflicts, but by persons. It was a great honor for Willy Brandt to have been offered the chairmanship of this commission. McNamara may have noted the Nobel Peace Prize winner's successful efforts in the East-West dialogue, and perhaps also hoped for the cooperation of Egon Bahr who is familiar with North-South problems," the editorial said.

Nonetheless, doubts and scepticisms are called for, "Sueddeutsche Zeitung" continued. If Brandt follows the ideas of developing countries, he will enter into conflict with economy-minded Chancellor Helmut Schmidt. If he follows Schmidt, he will lose face in the Third World. The paper concluded that there was never a lack of commissions and conferences, but that there was a lack of money and practical proposals on how to redistribute the riches of this world. Perhaps the new commission can provide a few ideas but it is unlikely that it will produce more than an appeal.
A short comment appeared on the political page of the January 17 "Frankfurter Allgemeine". It asked "What May Have Given McNamara the Idea That Brandt Would Be Able to Move the North-South Dialogue From Its Dead Center?" It was understandable that the World Bank President should be concerned about the stalled talks since he sees the dangers which can arise from persisting sharp differences between rich and poor. SPD Chairman Brandt also thinks the bridging of the North-South conflict was urgent. But a new international commission to be headed by Brandt is superfluous, the "Frankfurter Allgemeine" said. The existing institutions were sufficient. If it was impossible to find agreement there, it would be just as impossible to agree in a special commission without government participation. And even if Brandt were miraculously able to produce a compromise, it would be worth nothing without the subsequent endorsement by governments.

In the same issue "Frankfurter Allgemeine" also carried a short comment on its financial pages from Washington correspondent Carola Kaps. It said that Mr. McNamara's call to get the North-South Dialogue out of its present impasse was certainly justified, but it was questionable whether the proposed new commission, under the possible leadership of Willy Brandt, could produce such a break-through. Even if this non-political commission should produce good work, its proposals would have to be accepted by governments which at present do not show any political will. There was no guarantee, the paper said, that there would instantaneously be a political will once the commission's proposals were on the table.

The paper recalled the fate of the Pearson Report which had been highly praised and much quoted in 1970 but which soon disappeared into the bookshelves. Instead of spending money for a new commission whose work will remain without effect, the industrial and the developing countries should rather keep in mind that they could get out of the impasse with greater mutual understanding and political will, even without a new commission.

"Die Welt" carried a 2-column comment on its industrial page of Monday, January 17, by Heinz Heck. It said that in Boston World Bank President McNamara had made a desperate attempt to retrieve development policy from its remote corner, and this made it a worthwhile initiative. The comment quoted McNamara's criteria for the selection of the new commission's members, who issues, or who have demonstrated competence in development be persons with practical political experience in development economics. The paper finds that Mr. Brandt would not qualify under any of these two criteria. Also, the North-South Dialogue was becoming more and more a question of the future world economic order. If German citizens were to be named, these persons ought to convincingly represent a market-oriented economic order and if need be, to defend it. But what Willy Brandt had to say on this subject at the recent Geneva Congress of the Socialist Internationale was so far apart from a market-oriented economic order that Brandt had provoked the criticism and anger of Helmut Schmidt. According to "Die Welt" this shows clearly that the World Bank President would do better to propose another representative from the Federal Republic of Germany.

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"This new scheme results largely from Mr. McNamara's deep frustration concerning the unwillingness of wealthier nations to raise their development aid contributions. Using the opportunity of a change of administration in Washington, the World Bank President singled out the United States for extraordinarily bitter criticism. He said the U.S. was one of the poorest performers among rich developed nations in granting development aid. He noted that even dogs and cats in America today have a better standard of nutrition than tens of millions of children in developing nations."

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McNamara Asks for Poverty Group

BY EDWIN L. DALE JR.
Special to The New York Times

WASHINGTON, Jan. 14—Robert S. McNamara, the president of the World Bank, proposed today creation of a commission of distinguished private citizens in an effort to resolve the "continuing impasse" between rich and poor countries over what must be done to solve the problem of world poverty.

Mr. McNamara, speaking to the World Affairs Council in Boston, suggested the name of Willy Brandt, former Chancellor of West Germany and now chairman of that country's Social Democratic Party, as chairman of the new commission.

In West Germany, Mr. Brandt issued a statement through a spokesman indicating that he might accept but making no commitment.

Kurt Waldheim, Secretary General of the United Nations, also welcomed the proposal.

Mr. McNamara said the new commission, whose members would come from both rich and poor countries but would not represent governments, should seek to identify the "magnitude of the problem," what actions are needed to cope with it, the "relative responsibilities" of the two groups of countries and "the costs and benefits to each."

After more than a year of debate in the United Nations and elsewhere, Mr. McNamara pointed out, "there has been no agreement on the level of additional assistance to be provided to the developing nations."

He said that, assuming the proposed commission could establish a "meeting of minds" on the magnitude and nature of the problem, "it would then become apparent very quickly that it is relatively unimportant whether the assistance is to take the form of commodity agreements, debt relief, trade concessions, bilateral aid or multilateral financing—or any particular combination of these—provided the overall total is adequate."

In a brief interview, the head of the World Bank, formally known as the International Bank for Reconstruction and Development, emphasized that he did not intend his proposal as a substitute for—or an excuse to stall—negotiations that are now under way in most of these areas.

Commodity prices are being negotiated in the United National Conference on Trade and Development in Geneva, debt problems in the "north-south" 27-nation conference in Paris, trade barriers affecting the less developed countries in the major round of trade negotiations under the General Agreement on Tariffs and Trade in Geneva, and negotiations on a new round of contributions to the World Bank is nearing completion.

Mr. McNamara said he hoped these negotiations would make progress but he added that, even taken together, they could not come close to meeting the problem.

In his speech, delivered in acceptance of the Christian A. Herter Memorial Award in Boston and made available here, Mr. McNamara repeated many of the grim statistics he has used before on the condition of hundreds of the millions of the world's people.
Economic Job for Brandt Proposed by McNamara

By Hobart Rowen

World Bank President Robert S. McNamara proposed yesterday that former West German Chancellor Willy Brandt head a new private commission to help settle economic issues dividing rich and poor nations.

McNamara made the suggestion at the World Affairs Council in Boston, where he received the group's Christian A. Herter Memorial Award. A text of the speech was released by the World Bank in Washington.

He repeated his assessment given last October at the annual meetings of the bank and International Monetary Fund in Manila that an "impasse" had been reached at official levels on how to provide additional assistance to the poor nations.

Washington Post correspondent Michael Getler reported from Bonn that Brandt "is more positive than negative" on McNamara's proposal. If he accepts, a spokesman said, he would retain his role as a leader of the Social Democratic Party.

"The so-called North-South dialogue, bridging the gap between the rich and poor, clearly interests Brandt, and his left-of-center image around the world would undoubtedly make him a go-between of considerable stature, especially among less developed countries," Getler wrote.

Without increased aid, McNamara said, neither the poorest of the poor nations (those with $100 or less per capita income) nor those in a so-called middle-income bracket (with per capita income over $200) can achieve satisfactory growth rates.

A private group headed by Brandt, McNamara said, could break the impasse by identifying "those political decisions which can command public and legislative support in rich and poor countries alike."

A Carter administration official, while agreeing that the dialogue between the rich and poor nations has been stalled for a year, was openly dubious about the McNamara proposal.

Carter aides dealing with international economic problems are committed to reopening the dialogue as an urgent priority but think it will take some months to formulate a complete approach and develop support on Capitol Hill, simultaneously working with other major nations.

"We're hoping they [the poor nations] won't rush us," said one incoming administration official. "So maybe this McNamara thing might buy a little time. Otherwise, I don't think it's worth much."

McNamara said in his speech that a private commission could provide no quick answer to the problems of development, "for none exists." But he suggested that politically knowledgeable officials could make a contribution by focusing on fundamentals rather than details.

He said costs would be modest, and that he already had promises of financing participation from Minister Jan P. Pronk of the Netherlands and David Hopper, President of Canada's international development research center.

In New York, a spokesman for U.N. Secretary General Kurt Waldheim said, "The secretary general expressed keen interest in this initiative, as he attaches the greatest importance and priority to ongoing processes of deliberation and negotiation in various forums towards the establishment of the new international economic order."

The Herter award is given to an American citizen for fostering better international understanding. It went to Secretary of State Henry A. Kissinger in 1976.
McNamara seeks to better lot of southern nations

By David R. Francis

In the United States there is a booming market for diet foods for chubby pets. In the poorer nations, many youngsters suffer from hunger. Comments Robert S. McNamara, president of the World Bank: “Even dogs and cats in America today have a better standard of nutrition than tens of millions of children in the developing nations.”

This contrast, says an aide to Mr. McNamara, threatens to make the world a nasty place. It could lead to permanent ill-will between the northern rich and the southern poor countries. There could be continuous disputes in the United Nations and in international economic organizations dealing with trade and finance. The developing countries could strive for cartels or boycotts to improve their terms of trade on raw materials and other goods.

Politicians in both the well-to-do and the poor nations recognize this danger. There was a special session of the UN General Assembly on this problem in September. 1975. The UN Conference on Trade and Development (UNCTAD), which is dominated by the developing countries, further considered the issue in Nairobi, Kenya, last spring. The North-South dialogue has continued at meetings in Paris.

Yet, after more than a year of intense debate, there still has been no substantial agreement between the two sides on what must be done to ease world poverty.

Thus, Mr. McNamara, in an address here last Friday, proposed the creation of a new commission of distinguished private citizens to try to break the impasse between the two groups of nations.

The World Bank president suggested Willy Brandt, the former chancellor of West Germany and now chairman of that country’s Social Democratic Party, as chairman of the new commission.

Mr. Brandt has welcomed the proposal, but not yet indicated his acceptance.

This commission, as seen by Mr. McNamara, would consist of about 10 individuals, five from each side, “who have either had practical political experience in dealing with development issues, or who have demonstrated outstanding professional competence in development economics.” It would report in about a year.

The name of Henry A. Kissinger has been floated as one possible member.

Mr. McNamara added: “The chairman and members would have the advantage of collaborating not as official representatives of particular countries, or blocs of nations, but rather as international figures of recognized competence and independent judgment, whose mandate it would be to formulate those basic proposals on which global agreement is both essential and possible.”

These necessary elements include:

- The overall volume of additional financial and trade support that the developed nations should supply the poor countries.
- The additional policy reforms and structural changes the developing nations should undertake.
- How these two mutual efforts can be more effectively applied to meeting the needs of the 2 billion people in the developing world.

In a sense, the basic goal of the commission would be to change the present atmosphere in the North-South dialogue from one of confrontation to one of cooperation. Both rich and poor countries must recognize the mutual benefits of working together to solve the poverty problem.

An aide to Mr. McNamara emphasized that the necessary boost in aid levels or changes in the system does not mean the industrial nations must trim their living standards.

The change in administrations in Washington could facilitate the needed new atmosphere. For one thing, it will mean the departure of Treasury Secretary William E. Simon, a sharp critic of the World Bank and an opponent of many of the changes in the international economic system sought by the third world.

Four former McNamara “whiz kids” or subordinates will take powerful positions in the Carter Administration — Cyrus Vance at State; economic adviser Charles Schultze; Joseph Califano at Health, Education, and Welfare; and Harold Brown at Defense.

Mr. Carter himself is regarded as more sympathetic to the difficulties of poor nations than was his predecessor.

A McNamara aide put the chances of the proposed commission breaking the North-South deadlock at 50-50. That is better than the odds were until now for avoiding dangerous confrontation.

Economic scene

Mr. McNamara seeks to better lot of southern nations

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An aide to Mr. McNamara emphasized that the necessary boost in aid levels or changes in the system does not mean the industrial nations must trim their living standards.

The change in administrations in Washington could facilitate the needed new atmosphere. For one thing, it will mean the departure of Treasury Secretary William E. Simon, a sharp critic of the World Bank and an opponent of many of the changes in the international economic system sought by the third world.

Four former McNamara “whiz kids” or subordinates will take powerful positions in the Carter Administration — Cyrus Vance at State; economic adviser Charles Schultze; Joseph Califano at Health, Education, and Welfare; and Harold Brown at Defense.

Mr. Carter himself is regarded as more sympathetic to the difficulties of poor nations than was his predecessor.

A McNamara aide put the chances of the proposed commission breaking the North-South deadlock at 50-50. That is better than the odds were until now for avoiding dangerous confrontation.
Rich-poor nations panel proposed

By William R. Cash
Globe Staff

World Bank President Robert S. McNamara yesterday proposed formation of a new private commission to help work out conflicts in economic relations between rich and poor nations.

He said the commission would be made up of political and economic leaders of both rich and poor nations. Although independent, it would be financed by governments and private foundations.

McNamara recommended that former West German Chancellor Willy Brandt head the new international group.

He made the proposals in a speech at the World Affairs Council in Boston where he was presented the annual Christian A. Herter Memorial Award.

McNamara said the purpose of the new organization would be to figure out the over-all amount of financial help and trade concessions the developed nations should supply.

It would also determine policy reforms and other changes necessary to make sure the help reaches the underdeveloped countries' poorest residents.

"At present, the outlook for these poorest countries is appalling. Over the next decade, income per capita is projected to grow at no more than 2 percent a year. For hundreds of millions of human beings that means, at most, an advance in income of only $1 or $2 a year," McNamara said.

He said a specific effort must be made to bring the underdeveloped countries into the development process and that no feasible degree of traditional welfare or simple redistribution of already inadequate national income can fundamentally alter the circumstances that impoverish them.

Responsibility to improve their impoverished situation lies with the governments of the poor countries, he said.

"By and large they are making that effort — on the whole, far more so than most people in the developed world realize," McNamara said.

Over the past decade, he said, poor nations have financed over 80 percent of their development investments out of their own small incomes.

They must make even greater efforts "because too little of what they have invested has benefited only a privileged few."

McNamara warned if governments of the poorest countries fail to take internal measures needed to help themselves and if the richer nations do not help them with the development assistance they seriously need, "then the outlook for three out of four of the more than one billion human beings who live in these disadvantaged countries is unspeakably grim."

He called for greater involvement by the United States in Official Development Assistance programs than does the US," McNamara said.

He pointed out that in 1949, at the start of the Marshall Plan to help post-war Europe, the US devoted 2.79 percent of its GNP to Official Development Assistance.

This, McNamara said, compares with only 0.27 percent at present, even though the standard of living for the average American has...
World poverty study proposed by McNamara

Washington (NYT)—Robert S. McNamara, the president of the World Bank, proposed yesterday creation of a commission of distinguished private citizens in an effort to resolve the "continuing impasse" between rich and poor countries over what must be done to solve the problem of world poverty.

Mr. McNamara, speaking to the World Affairs Council in Boston, suggested the name of Willy Brandt, former chancellor of West Germany and now chairman of that country's Social Democratic party, as chairman of the new commission.

Kurt Waldheim, secretary-general of the United Nations, welcomed the proposal.

Mr. McNamara said the new commission, whose members would come from both rich and poor countries but would not represent governments, should seek to identify the "magnitude of the problem," what actions are needed to cope with it, the "relative responsibilities" of the two groups of countries and "the costs and benefits to each."

After more than a year of debate in the United Nations and elsewhere, Mr. McNamara pointed out, "there has been no agreement on the level of additional assistance to be provided to the developing nations."

In a brief interview, Mr. McNamara emphasized that he did not intend his proposal as a substitute for—or an excuse to stall—various negotiations that are now under way on aid to the less developed countries.

He said he hoped these negotiations would make progress but he added that, even taken together, they could not come close to meeting the problem.

Speaking of the approximately one billion people living in countries with per capita incomes below $200, Mr. McNamara said:

"What is beyond the power of any statistics to illustrate is the degradation—the inhuman degradation—of the vast majority of these individuals."

Saying that the level of government aid from the industrial countries has been "disgracefully inadequate," Mr. McNamara asserted that "even dogs and cats in America have a better standard of living than tens of millions of children in the developing nations."
Nonoil LDC Payments Gains Seen

WASHINGTON (UPI) — The Treasury Department said Friday that the balance of payments deficit for nonoil developing countries improved in 1976.

In a report to Congress, the Treasury said current account deficits of less developed countries (LDCs) was about $29 billion last year compared with $35 billion in 1975.

Treasury said further improvement was expected in 1977, but that hope was diminished with last month’s decision of the Organization of Petroleum Exporting Countries to increase oil prices.

Because of the large deficits and higher petroleum prices, Treasury said less developed countries will have to continue “extensive” international borrowing.

Treasury said OPEC members increased their international balance of payments gains to $43 billion last year after a substantial drop from $72 billion in 1974 to $41 billion in 1975.

Recovery from recession by the United States and other industrial oil-consuming nations was the primary reason for OPEC improvement last year, Treasury said.

With the developed countries in recession during 1975, they posted a $7 billion current account surplus — a reversal of the $22 billion deficit in 1974 when oil prices quadrupled. Developed industrial countries slipped back into deficit by $10 billion last year.

Treasury made no assessment of the current account deficit for less developed countries in 1977, but assured that it would worsen from the $29 billion deficit last year.

“The size of the non-oil LDC deficit in 1977 will also depend upon the rate of growth of markets in the OECD countries, and the LDC’s determination to make the necessary policy adjustments,” Treasury said.

Because of the unique quality of energy in the modern world, Treasury said, OPEC countries over the short term will continue to prosper while less developed and industrial nations scrape for equilibrium.

“In light of the persistence of the OPEC current-account surplus, the LDC position can improve only to the extent that the industrial countries’ aggregate deficit increases,” Treasury said.

The department’s assessment was contained in a report that Treasury Secretary William E. Simon sent to House Speaker Thomas P. O'Neill Jr. and Sen. John J. Sparkman, D-Ala., chairman of the Senate Foreign Relations Committee.
Ethiopia Takes Action to Avert Repeat of 1973 Famine

By David B. Ottaway
Washington Post Foreign Service

KOBBO, Ethiopia, Jan. 14 — The yard of the relief center was full of hundreds of ragged peasants squatting on the ground, milling about or scooping grain from a big pile of sorghum into small skin and hemp bags. Ethiopian officials were marking off names against a master list and totaling up the number of needy. The list ran into the tens of thousands.

It might well have been a scene out of the grim past—the famine of 1973 when 100,000 peasants died in northern Ethiopia, many of them here in Wollo Province, the center of the whole drama.

The early signs of trouble are in fact, disturbingly similar to those in the Wollo famine of 1973. Withered stalks of corn and sorghum dot the surrounding fields, the ground is hard and dry, the price of grain has doubled only two months after the main harvest, peasants are drifting into Kobo in search of jobs and the fear of renewed famine is sweeping the 120,000 people living in the surrounding district.

The peasants here still harbor vivid memories of the last famine.

"We lost 1,400 people in our area," said one village leader, "not counting those left out on the fields and eaten by hyenas."

Despite the similarities, a repeat of the earlier Wollo disaster is not likely in the view of most Ethiopian and foreign relief experts.

"The situation will not reach the disastrous proportions of the famine of 1973," says a report written this week by one church group. It cited among other things the new network of side roads reaching up toward the scores of inaccessible mountain top villages throughout the province and Ethiopia's Relief and Rehabilitation Commission which already has gone into action.

Still, the return of drought to Wollo and neighboring Tigre province is the talk of the capital, and foreign and Ethiopian relief officials are meticulously assessing the situation, with the specter of the 1973 famine and its political ramifications still fixed in every one's mind.

Former Emperor Haile Selassie was castigated by the world for his indifference to that famine and both U.N. agencies and the U.S. government were sharply criticized for first remaining silent and then reacting slowly in deference to the late emperor.

The Wollo cover-up, which helped to topple Haile Selassie in September 1974, became a national and international scandal that no one here has forgotten.

Since mid-December, the Ethiopian Relief and Rehabilitation Commission has been raising its alarm loudly, warning that as many as 700,000 people in Wollo and Tigre provinces face famine because of local quirks in the weather system and the ravages of pests on meager crops.

At the same time, the Ministry of Agriculture has said that Ethiopia faces an overall grain deficit of up to 400,000 tons this year due to a wide variety of problems ranging from scattered pockets of crop failure to difficulties stemming from land reform.

At first, foreign relief agencies and donor governments listened to the commission's warnings with some skepticism. Ever since the 1973 disaster, Ethiopia has cried out about another potential one in one corner of the country or another in an apparent effort to get as much free assistance as possible. In fact, a kind of "drought ritual" takes place each year, with the donors and the government squabbling about the seriousness of the situation and the country's need for foreign aid.

This year for a change, both sides seem to agree that the drought in parts of Wollo and Tigre is potentially serious and that steps must be taken now to prevent the problem from reaching crisis proportions. To the approval of foreign donors, Ethiopia has moved swiftly on its own to cope with the potential famine without waiting for outside assistance.

The general assessment that another Wollo disaster is improbable stems from a number of changes since 1973. First, the government has set up a nationwide "early warning system" that reported on the developing crisis here and in Tigre within a month of the latest crop failure.

Within two months of the first reports, the relief commission began sending supplies to the five affected districts in northern Wollo and setting up distribution centers like the one that opened here in Kobo on Saturday. About 5,000 tons of grain have gone, or are on their way, to various strategic points in the two provinces, according to Ethiopian relief officials.

The local reporting system also seems to have vastly improved, thanks to the newly established "peasant associations" in which Ethiopia's entire rural population of about 24 million is now grouped. For example, each of the 72 associations in the Kobo district has already drawn up a list of those needing aid immediately, those who can hold out until March and those who can probably get through without assistance until the next harvest in November.

Another big difference from the 1973 Wollo famine is the construction in the past three years of about 250 miles of dirt side roads into the remote, mountainous interior of the province—the result mostly of private and government aid from West Ger-
many, Britain, The Netherlands and China among others.

There is also a new approach to drought relief assistance in Wollo, with both donors and Ethiopian relief officials discussing food-for-work programs that will involve road building, reforestation and village development projects.

The main concerns are to keep peasants from migrating to the towns in hunger and despair to avoid having to open relief shelters that breed disease and to prevent the development of a beggar mentality resulting from free handouts.

More difficult is the long-term problem of this drought-prone province, where 2.5 million peasants live at a subsistence level in small villages of stick-and-mud huts scattered across badly eroded though majestic mountain ranges and in overcrowded valleys.

There is talk among local officials of creating state farms, cottage industries and resettlement plans to absorb the surplus population. So far, the only major long-term project to emerge from the 1973 Wollo disaster is a $9.5 million West German plan to increase grain production.

Ethiopian relief officials in the provincial capital of Dessie, 115 miles south of here, estimate that they may have to feed 290,000 people just in the scattered pockets of drought they have already discovered across northern Wollo Province. For the 10-month period until the next harvest, this will mean about 30,000 tons of grain needed for this province alone, with each person getting only 14 ounces daily.

Recently, Ethiopia's relief commissioner, Shinella Adugna put Ethiopia's relief needs this year at 70,000 tons while also asking for another 60,000 tons to build up a standing reserve. Compared to his requests in the past few years, sometimes reaching 200,000 tons or more, these are regarded by foreign relief officials as unusually reasonable.

The Agriculture Ministry is already buying an unprecedented 100,000 tons of grain abroad. The relief commission is assured of another 39,000 tons from Europe and 25,000 tons from the United States.

The total, about 150,000 tons, is as much as Ethiopia's two main Red Sea ports of Assab and Djibouti can handle, according to most foreign donor estimates. The Ethiopians disagree and are pressing to obtain more by purchase and donations, apparently a total of 230,000 tons.

Compared to previous years, however, the feud between the Ethiopians and foreign donors is limited and, for once, there is a remarkable degree of cooperation in trying to head off another Wollo disaster.
Pressure Seen in OPEC To Abolish 2-Tier Pricing

Saudis Persist in Raising Output as Iraq, Iran and Kuwait Feel Squeeze

By STEVEN RATNER

Even as Saudi Arabia continues to complete its war for oil price moderation, pressure appears to be building within the Organization of Petroleum Exporting Countries for an end to the two-tier price system that has been in effect for 18 months.

The system has put intense pressure on three countries—Iraq, Iran and Kuwait—cutting their revenues substantially. The Planning Minister of Iraq, Adnan al-Hamadani, reportedly visited Kuwait recently to call for a special OPEC meeting to try to settle the pricing dispute. Similar pronouncements have come from officials in other OPEC nations, including Venezuela and Indonesia.

At the same time, rumors continue to circulate within the oil industry that Sheik Ahmed Zaki Yamani; Saudi Arabia’s oil minister, will meet with Jamshid Amouzegar, Iran's minister of state for OPEC. The Iranians depend particularly on their revenues to support internal development and last week, the Government said that oil exports had fallen by more than a third thus far in 1977, which it maintained might force a reduction in budget outlays.

In Qatar last month, 11 of the 13 OPEC members increased their oil prices more than 10 percent, with an additional 5 percent to come next July. But Saudi Arabia and the United Arab Emirates held their increase under 5 percent. In addition, the Saudis are increasing production to force cutbacks by the 11 higher-priced producers.

"We know that the Saudis don't like to produce so much oil and that Iran and Iraq don't like to produce so little," said a government official. "That makes for a fundamental imbalance quite unlikely to persist."

Just last week, in addition to the Iraqi statement, Kuwait’s cabinet held a special session, reportedly to consider the tacit acknowledgement by its largest customers of plans to reduce their oil purchases. Kuwait has called on the 10 other higher-priced OPEC nations to coordinate production cutbacks.

In a separate development, Sheik Ahmed Zaki Yamani made a flying trip last week to Abu Dhabi, capital of the United Arab Emirates, reportedly to try to convince that oil-exporting state to join in Saudi Arabia’s production increase. Internal dissension there over how far to follow the Saudis has put the oil ministry against the separately run Abu Dhabi National Oil Company.

Saudi Arabia plans to increase its production to 9.8 million barrels a day by the end of March and tentatively plans a further increase to 11.8 million barrels a year-end, according to sources close to the Arabian American Oil Company.

The extra oil is to be sold by the four partners in Aramco to four other oil companies selected by the Saudis. At a meeting in London this week, each Aramco partner will be randomly paired with a new purchaser. The Saudis are intensely interested in pinning the production squeeze on Iraq and according to informed sources, two of the new customers will be the Royal Dutch Shell Group and the Compagnie Francaise des Petroles, the two largest companies operating in Iraq.

The Aramco partners will not profit from the sales. As Sheik Yamani reportedly did not feel that the Saudi Arabian oil company, Petromin, could efficiently market the oil. At the same time, Sheik Yamani imposed rigid requirements on the Aramco partners (the Exxon Corporation, Texaco Inc., the Standard Oil Company of California and the Mobil Corporation) to try to assure that the price savings are passed on to consumers.

Oil executives and economists alike have been voicing increasing—albeit different—fears about these developments. The oil companies are worried because they feel that instead of helping Saudi Arabia, as the Saudis asked, the American Government is only offering new problems.

Most serious, they say, is a suggestion by the Federal Energy Administration that entitlement regulations, which are designed to equalize the cost of domestic and imported oil, be revised to equalize 5 percent and 10 percent OPEC oil. They contend that such a change would eliminate any incentive for a United States company to try to bring in less expensive Saudi crude.

"If that's the net effect," said Frank G. Zarb, the agency's administrator who leaves office this week, "then it's a bad policy and the F.E.A. shouldn't put it in place."

Similar unhappiness has been voiced in oil circles with reports from France of suggestions to equalize crude prices by imposing a 5 percent tax on the lower-priced supplies. Officials feel the Saudis would view this as ingratitude.

The oil companies also would like to see more opportunities to use the high-sulfur Saudi Arabian oil here and more modestly to export oil, neither of which has been a popular position in Washington in the past.

The executives are especially concerned because the Aramco partners currently are having trouble selling the heavier, high-sulfur Saudi crude, which cannot be processed in most American refineries. The price spread between these oils and the low-sulfur, lightweight African grades has been growing recently and sales of the latter have yet to be affected by the presence of lower-priced Saudi crude.

"We talked to all the Aramco partners and they told us 'they could draw us in the heavy,'" said an official of a large United States oil company. "But we produce oil in Iran and our immediate problem is to move that oil."

"We sell a lot of Iranian and Kuwaiti oil to third parties," said Jack H. Morris, vice president for financial relations at the Gulf Oil Corporation, which has major interests in both sources. "We're not sure there's any sense to switching to gain a small price advantage in the short term."

Part of the problem, according to knowledgeable officials, is uncertainty over how long the wide-open Saudi production will last. According to these sources, however, Sheik Yamani promised the Aramco partners that any rise in prices would not be retracted for at least one year.

"As time goes on, customers will drift to the lower-priced supply; they can't afford not to," declared John E. Harris, vice president-petroleum supply at the Phillips Petroleum Company.

For their part, the economists are unhappy about the new Saudi controls on the American oil companies and are equally unhappy about seemingly allowing the Saudis to influence consuming countries' internal economic policies by causing new price controls on oil products.
Arab Oil Lands Defer Aid to Egypt and Syria

CAIRO, Jan. 16 (AP)—Foreign ministers of five Arab oil-producing countries have deferred a decision on more financial aid for Egypt and Syria until the leaders of their countries meet in March, a Foreign Ministry source said today.

The Foreign Ministers of Saudi Arabia, Bahrain, Qatar, Kuwait and the United Arab Emirates, the source said, met with their Egyptian, Syrian and Palestinian counterparts last night during an Arab League ministerial conference here. However, the source said, they deferred the aid requests to their heads of state, who have to attend an Arab-African meeting here March 7.

The source declined to say how much additional aid Egypt and Syria had sought. An Arab League official said earlier that the five countries agreed more than a week ago to give Egypt and Syria $570 million each, Jordan $200 million and the Palestine Liberation Organization $28 million.
12 Groups Press Carter on Human Rights Overseas

By Don Oberdorfer
Washington Post Staff Writer

Twelve church and political organizations yesterday sharply challenged recent State Department reports on human rights conditions in five countries overseas, and asked President-elect Jimmy Carter to order that more and better information be made public.

The organizations also asked Carter to cut off U.S. security assistance to Argentina, Haiti, Indonesia, Iran and the Philippines on grounds that they engage in "a consistent pattern of gross violation of internationally recognized human rights." These countries, plus Peru, which the organizations did not mention, were the subject of State Department reports released Jan. 1, the first in a series of human rights studies required by Congress in a recent law.

In a private meeting with about 50 members of Congress last Wednesday at the Smithsonian Institution, Carter praised the congressional requirement for an accounting of human rights conditions in countries receiving U.S. aid or arms. According to participants, the President-elect said the congressional action has produced positive results in a number of countries, including the release of political prisoners in several.

Carter placed stress on human rights aspects of U.S. foreign policy during his campaign, declaring his opposition to U.S. aid to repressive and dictatorial governments. He was reminded of his campaign statements in a letter to him released yesterday by the 12 organizations which included Americans for Democratic Action, the Friends Committee on National Legislation, and the Jesuit Office of Social Ministries.

"The State Department figures gives for political prisoners [in its recent reports] are consistently underestimated and do not take into consideration higher estimates by international organizations. Responsible reports from international legal and human rights groups alleging widespread and routine torture by police and army personnel with the sanction of government leaders, are downgraded or disregarded entirely," the letter to Carter charged.

The organizations also said that U.S. security assistance to repressive governments gives them "an appearance of legitimacy." While U.S. aid may help achieve stability in the short run for individual leaders and groups, eventually "unpopular governments which use secret police, detention without charges and torture to maintain their power will fall," the organizations asserted.

The letter to Carter made no comment on the State Department claim in its reports that U.S. diplomats and military officials have been trying to convince foreign governments to improve civil liberties and police practices in their countries. However, an analysis of the State Department reports which accompanied the letter suggests that increases in U.S. aid to repressive governments have undercut the diplomatic advice.

President Ferdinand E. Marcos of the Philippines has taken strong exception to the State Department human rights report on his country, calling it a "particularly offensive document" and threatening to break military ties with the United States. Marcos' government is negotiating with the United States over continued use of major military bases at Clark Field and Subic Bay.

The organization that wrote to Carter urged him to stand firm on human rights in the Philippines and reduce military aid there regardless of that government's decision on the U.S. bases.

"There is no longer a clear case in the post-Vietnam era for a forward deployment in the Pacific that requires the continuation of the bases," the letter maintained.
Ambassador Lodge, Ladies and Gentlemen:

I am deeply honored and grateful for this award.

Honored and grateful, because Chris Herter was -- by any of half a dozen criteria -- one of the great public servants of his era.

He was an immensely versatile man, diplomat, magazine publisher, Harvard lecturer, State legislator, Member of Congress, Governor of Massachusetts, Secretary of State.

He was a man who never allowed partisan considerations to shape his views of the proper relations between this country and the rest of the world.

No one in the postwar period was a more effective proponent of bipartisan support for the broad goals of U.S. foreign policy.

As a Republican Congressman in the Truman Administration he helped secure essential G.O.P. approval for the Marshall Plan.

As Secretary of State in the Eisenhower Administration he mustered support in the Democratic Congress for continuity in U.S. relationships abroad.

And in both the Kennedy and Johnson Administrations -- indeed, until the day he died -- he served as Special Representative, and head of delegation, in the international trade liberalization negotiations.

Chris Herter was a man whose personal warmth and unflinching courtesy were grounded on a tough inner core of courage. And his civility illustrated a great truth in human affairs: that magnanimity, and compassion, and concern for others are not traits born of naivete or weakness, but of realism and strength.
For all these reasons -- and more -- Governor Herter was a great credit to his state, to his country, and to the postwar world that he helped reconstruct.

It is a tradition of service that the men and women of Massachusetts know well.

Ambassador Lodge — in a pre-eminent way — personifies that tradition, His long service to the nation as legislator and diplomat, and particularly his willingness to serve not merely once, but twice, in what was at the time surely the most demanding and difficult U.S. diplomatic post in the world -- wartime Saigon -- is a measure of his dedication.

Senator Brooks and other members and guests of this Council display that same sense of dedication, and that is why I am particularly grateful for this opportunity to speak to you briefly about the problems of international development.

It is, as you know, a very complex subject.

However, as I pointed out recently in Manila, there is one central issue which more and more is affecting the thought and actions of peoples all over the globe. Equality of opportunity among men, both within nations and between nations, is becoming a major concern of our time.

It is an issue that has been gathering momentum for a century or more. The rise of the labor union movement, the drive against racial discrimination, the expansion of civil rights, the enhancement of the status of women -- these and similar movements have all had an ingredient in common: the surge toward greater social justice and more equitable economic opportunity.

This broad thrust is growing more insistent today in all nations. It is searching for new solutions to the intolerable problems of poverty.
Let me begin with the situation of the poorest of the developing countries -- those countries in which the per capita incomes are below $200. More than a billion people live in these countries, and their per capita incomes have virtually stagnated over the past decade. In statistical terms they have risen only about two dollars a year: from $130 in 1965 to $150 in 1975.

But what is beyond the power of any set of statistics to illustrate is the degradation -- the inhuman degradation -- the vast majority of these individuals are condemned to because of their poverty.

Malnutrition saps their energy, stunts their bodies, and shortens their lives. Illiteracy darkens their minds, and forecloses their futures. Preventable diseases maim and kill their children. Squalor and ugliness pollute and poison their surroundings.

The miraculous gift of life itself, and all its intrinsic potential -- so promising and rewarding for us -- is eroded and reduced for them to a desperate effort to survive.

Compared to us sitting in this room -- by an accident of birth enjoying life in a developed nation -- individuals in the poorest nations have:

- An infant mortality rate eight times higher than ours;
- A life expectancy rate one-third lower;
- An adult literacy rate 60% less;
- A nutritional level, for one out of every two in the population, below the minimum acceptable standards; and for millions of infants, less protein than is sufficient to permit the optimum development of the brain.
The basic fact is that poverty tends to perpetuate itself, and unless a deliberate intervention is designed and launched against its internal dynamics, it will persist and grow.

At present, the outlook for these poorest countries is appalling: over the next decade, income per capita is projected to grow at no more than 2% a year. For hundreds of millions of human beings that means at most an advance in income of only one or two dollars a year.

What we must understand is that unless a specific effort is made to bring these people into the development process, no feasible degree of traditional welfare, or simple redistribution of already inadequate national income, can fundamentally alter the circumstances that impoverish them.

The responsibility for such an effort lies first, of course, with the governments of the poorest countries themselves. By and large they are making that effort -- on the whole far more so than most people in the developed world realize. In the past decade, the poor nations have financed over 90% of their development investments out of their own small incomes. But it is true that they must make even greater efforts. They have invested too little in agriculture, too little in population planning, and too little in essential public services. And too much of what they have invested has benefited only a privileged few.

Yet whatever the degree of neglect the governments in the poorest countries may have been responsible for, it has been more than matched by the failure of the international community to assist them in the development task.

The central point is that the plight of the poorest nations can only be remedied by deliberate action, and that action must be taken at both the national and international levels.
The governments of the poorest nations have to redirect their own efforts so that they will both accelerate economic growth and reduce absolute poverty. A reasonable objective for them would be to meet the basic human needs of all their peoples by the end of the century. They must begin by changing national investment priorities and by putting greater emphasis on assisting the poor to become more productive.

This will involve:

- Intensifying their efforts to expand food production;
- Placing a higher priority on the expansion of exports;
- Taking more determined action to moderate population growth;
- And directing social services more equitably towards the poor.

But although nothing can be accomplished unless these governments themselves act, they clearly cannot meet such an objective without outside assistance. Therefore the international community must help them, and help them generously.

There are four principal ways the industrial nations can make this help available:

- By additional transfers of concessional assistance;
- By reallocation of some of their existing assistance;
- By easing the burden of present and potential debt;
- And by reducing the tariff and non-tariff barriers that continue to discriminate against many of the exports of the poorest countries.

In particular, if poverty is to be reduced, then developed nations must squarely face the fact that current and projected levels of Official Development Assistance (ODA) for the poorest countries are disgracefully inadequate.
In 1975, ODA amounted to about .36% of the GNP of the industrialized nations -- one-half of the target set by the General Assembly five years before. Moreover, on the basis of present plans, not only is there no hope that the target can ever be reached, but there is a serious possibility that performance over the remaining years of the decade may erode even further.

It may be of interest to the members of this Council that the United States -- the country with the largest GNP in the world -- is currently one of the poorest performers in the matter of Official Development Assistance. Among the developed nations, Sweden, the Netherlands, Norway, Australia, France, Belgium, Denmark, Canada, New Zealand, Germany and even -- with all its economic problems -- the United Kingdom: all of these nations devote a greater percentage of their GNP to Official Development Assistance than does the U.S.

In 1949, at the beginning of the Marshall Plan -- the Marshall Plan for which Chris Herter as a Republican Congressman in a Democratic Administration worked so hard -- U.S. Official Development Assistance amounted to 2.79% of GNP. Today, it is one-tenth of that: .27% of GNP. And this after a quarter-century of real growth in personal incomes in the United States, which has more than doubled the standard of life for the average American in any terms in which you want to measure it: salaries, ownership of homes, automobiles, second television sets, beef consumption, leisure-time activities; almost any category you can name.

Even dogs and cats in America today have a better standard of nutrition than tens of millions of children in the developing nations. But U.S. Official Development Assistance to those nations has not only not kept pace with its own growing domestic affluence. It has very substantially declined.
The economies of the developed nations -- already immensely productive -- will become even more productive over the next few years. For them to increase their help to the poorest countries would not require them to diminish in the slightest their own high standards of living, but only to devote a tiny percentage of the additional per capita real income they will earn over the next decade.

If the governments of the poorest countries do not take the internal measures they must, and if the developed nations do not help them with the development assistance they so seriously need, then the outlook for three out of every four of the more than one billion human beings who live in these disadvantaged countries is unspeakably grim.

These, then, are the elements of a program to accelerate economic growth and to reduce absolute poverty in the poorest nations. What is the situation in the developing countries with per capita incomes over $200 per year -- the so-called middle-income developing countries -- the Brazil, Mexico, Turkey, and Korea?

The outlook for them is much more favorable. As a group, they have achieved an overall growth rate during the past decade of almost 7% -- about 4% in per capita terms.

As compared with the poorest nations, they have been able to take advantage of their more favorable endowment in resources, better market opportunities, and increased capital flows.

Their 900 million citizens now enjoy an average per capita income about 50% higher than ten years ago. On the whole, it is fair to say that the middle-income developing nations have begun to establish a promising structure for high economic growth rates.
They face, however, two serious problems.

The momentum of their growth has been sharply interrupted since 1973. On a per capita basis, it fell to 1.5% last year, as a direct consequence of the recession in their export markets, the increase in their energy costs, the deterioration in their terms of trade, and the persistent worldwide inflation.

And equally disturbing is the fact that in many of these countries there has been a serious neglect of equity in the distribution of employment opportunities, and in the allocation of public services that affect productivity. The inevitable result has been a severely skewed pattern of income distribution.

They have increased their gross national products over the decade, but the benefits of this growth have accrued disproportionately to the already more favored upper-income groups in their societies, and broadened rather than narrowed the gap between the privileged and the deprived.

Though these countries do enjoy some distinct advantages over the poorest nations, the fact remains that collectively they, too, contain large numbers of individuals -- some 170 million --, trapped in absolute poverty. In addition, there are hundreds of millions more in what I have termed "relative poverty"; that is, persons with incomes somewhat above the absolute poverty level, but less than one-third of the national average. These individuals may feel even more frustrated than those in the poorest nations, since they live in an environment of visible economic growth. Their societies are progressing rapidly, but they are not.

The governments of these nations must recognize the necessity of assuring broader participation of their peoples in the process of development. That means assisting the poor to become more productive at the same time as steps
are taken to increase the mobilization of internal resources, to broaden the range of export products, and to expand the coverage of export markets in order to accelerate national growth rates.

In turn, the developed nations must find practical ways to assist these developing countries by allowing them more equitable access to markets, and by making available additional development capital on reasonable terms.

Although the formula for economic advance in the middle-income countries differs from that applicable to the poorest nations, the action required is similar in one important respect: both groups of nations need additional support from the developed world if they are to achieve acceptable rates of growth.

It is the recognition of this fact which led a year ago last September to the Seventh Special Session of the General Assembly; to the meeting of UNCTAD in Nairobi last spring; and to the North-South Dialogue which continues in Paris.

And yet, to date, after more than a year of intense debate, there has been no agreement on the level of additional assistance to be provided to the developing nations.

The reason for the lack of agreement is, I think, obvious: the discussions have focused far too much on details rather than on fundamentals.

What is needed is a basic understanding among the parties as to:

. The nature and magnitude of the problem.
. The action required to address it.
. The relative responsibilities of the parties for taking such action,
. The costs and benefits to each of doing so.
Once the broad limits of such a meeting of minds has been established — a global compact, if you will — then the specific form of assistance to be provided by individual developed nations to particular developing countries could be examined. It would then become apparent very quickly that it is relatively unimportant whether the assistance is to take the form of commodity agreements, debt relief, trade concessions, bilateral aid, or multilateral financing — or any particular combination of these — provided the overall total is adequate.

In view of the continuing impasse at official levels, it seems to me that the chances of reaching such an understanding might be improved if a high-level, but deliberately unofficial, commission were organized to analyze the problem, and to recommend action to be taken by both developed and developing nations.

Such a private commission should clearly be drawn from individuals — from both the rich and poor nations — who have either had practical political experience in dealing with development issues, or who have demonstrated outstanding professional competence in development economics.

The Chairman and convenor of such a commission ought to be a person of the great political experience and stature, say, of a Willy Brandt, the former Chancellor of the Federal Republic of Germany.

The chairman and members of the commission would have the advantage of collaborating not as official representatives of particular countries, or blocs of nations, but rather as international figures of recognized competence and independent judgment, whose mandate it would be to formulate those basic proposals on which global agreement is both essential and possible.
The funding required for the commission's work would be modest, and to ensure the commission's independence, the cost could be shared by a number of governments, international institutions, and private foundations. I have already received indications from Minister Pronk of the Netherlands, and Mr. David Hopper, President of Canada's International Development Research Center, that they would be willing to consider participation in such financing.

Such a commission cannot be expected, of course, to provide an instant, comprehensive, all-purpose solution to the problems of development— for none exists.

But what one could realistically expect from such a private, high-level independent group is the careful identification of those political decisions which can command public and legislative support in rich and poor countries alike, and hence enable the international community to break out of the current impasse.

There will be some critics who say that it is fanciful to suppose that the rich and poor nations—all of them politically sensitive over their own national prerogatives—can come to any meaningful understanding over development issues.

I do not believe that is true.

What I do believe is that such an understanding is unlikely to come about in the current international climate of contentious debate.

And I want to stress again that what is essential is to determine the overall volume of additional financial and trade support that the developed
nations should supply; the additional policy reforms and structural changes
the developing nations should undertake; and how these two mutual efforts can
be more effectively applied to meeting the needs of the two billion people
in the developing world.

It would be the commission's role to help make that happen.

It is true that the world today is divided on a whole spectrum of issues:
political, economic, ideological, cultural.

It would be naïve to pretend otherwise.

But surely there is one issue on which none of us can disagree.

And that is that a greater degree of equity must be achieved both within
nations and among nations.

The commission's task, the international community's task -- indeed,
the task of all of us here in this room -- is to help move that forward.
PLEASE FORWARD URGENTLY TO PRESIDENT McNAMARA.

PERSONAL ATTENTION PRESIDENT McNAMARA

I AM MOST GRATEFUL FOR YOUR MESSAGE AND I SUPPORT WHOLEHEARTEDLY THE SUGGESTION WHICH YOU MAKE IN YOUR BOSTON SPEECH. I AGREE WITH EVERY POINT IN YOUR DEMONSTRATION INCLUDING THE REFERENCE TO WILLY BRANDT WHOSE AUTHORITY IS REMARKABLE IN A GREAT PART OF THE THIRD WORLD. I SHOULD ONLY LIKE TO ADD TWO COMMENTS:

1. WHEN YOU NAME WHAT IS ESSENTIAL I PERSONALLY SHOULD ADD THAT SUCH ACTION AS YOU RECOMMEND WOULD BE THE BEST, JUSTIFIED AND LEAST INFLATIONARY METHOD TO ENTER INTO A NEW GROWTH, GROWTH WHICH IS SO BADLY NEEDED IN THE PRESENT JUNCTURE. 2. I SHOULD PLEASE FOR A LIMITATION OF ACADEMICS WITHIN THE COMMISSION WHICH YOU SO RIGHTLY PROPOSE TO SET UP.

PLEASE LET ME KNOW OF FURTHER DEVELOPMENT AS I CANNOT IMAGINE THAT WE EUROPEANS SHOULD NOT BE IN A POSITION TO HELP IN SOME WAY COVERING THE VERY LIMITED COSTS OF SUCH A COMMISSION, BESIDES GIVING IT EVERY KIND OF POLITICAL AND MORAL SUPPORT. THANK YOU AGAIN FOR THIS MESSAGE

MY BEST PERSONAL WISHES AND REGARDS.

CLAUDE CHEYSSON
EUROPEAN COMMISSIONER
Dateline Bonn, January 14  Reuter  #Epa 876

Herr Willy Brandt, Chairman of West Germany's Social Democratic Party (Spd), is ready to head an international commission to start a new dialogue between the world's rich and poor countries, his party's spokesman said today.

The idea for such a commission stems from World Bank President Robert McNamara. He has already approached the former West German Chancellor about it and was expected to make his proposal public in a speech in Boston today, Herr Brandt's official party spokesman, Lothar Schwarz said.

The spokesman said: "Herr Willy Brandt has noted Mr. McNamara's initiative attentively. The SPD and its Chairman are ready to do all in their power to contribute to it."

The spokesman said Mr. McNamara had outlined his ideas for an international commission in a letter in which he said Herr Brandt was the right political personality to head it in view of his international experience.

Reuter EPA 877

The spokesman said Herr Brandt agreed with Mr. McNamara's analysis and the grounds he had given for establishing such a commission.

"The preservation of peace in the world will not be possible in the long term without an honest dialogue and practical solidarity between the rich and poor countries in the world," he said.

Herr Brandt expressed his respect and sympathy for Mr. McNamara's proposal and he promised that the Socialist International, of which he was recently elected chairman, would also devote itself to the North-South dialogue.
BONN, JAN 14, REUTER -- HERR WILLY BRANDT, CHAIRMAN OF WEST GERMANY'S SOCIAL DEMOCRATIC PARTY (SPD), IS READY TO HEAD AN INTERNATIONAL COMMISSION TO START A NEW DIALOGUE BETWEEN THE WORLD'S RICH AND POOR COUNTRIES, HIS PARTY SPOKESMAN SAID TODAY.

THE IDEA FOR SUCH A COMMISSION STEMS FROM WORLD BANK PRESIDENT ROBERT McNAMARA. HE HAS ALREADY APPROACHED THE FORMER WEST GERMAN CHANCELLOR ABOUT IT AND WAS EXPECTED TO MAKE HIS PROPOSAL PUBLIC IN A SPEECH IN BOSTON TONIGHT, HERR BRANDT'S OFFICIAL PARTY SPOKESMAN LOTHAR SCHWARZ SAID.

THE SPOKESMAN SAID: "HERR WILLY BRANDT HAS NOTED MR McNAMARA'S INITIATIVE ATTENTIVELY. THE SPD AND ITS CHAIRMAN ARE READY TO DO ALL IN THEIR POWER TO CONTRIBUTE TO IT."

THE SPOKESMAN SAID MR McNAMARA HAD OUTLINED HIS IDEAS FOR AN INTERNATIONAL COMMISSION IN A LETTER IN WHICH HE SAID HERR BRANDT WAS THE RIGHT POLITICAL PERSONALITY TO HEAD IT IN VIEW OF HIS INTERNATIONAL EXPERIENCE.

MORE GV/TWP NG

THE SPOKESMAN SAID HERR BRANDT AGREED WITH MR McNAMARA'S ANALYSIS AND THE GROUNDS HE HAD GIVEN FOR ESTABLISHING SUCH A COMMISSION.

"THE PRESERVATION OF PEACE IN THE WORLD WILL NOT BE POSSIBLE IN THE LONG TERM WITHOUT AN HONEST DIALOGUE AND PRACTICAL SOLIDARITY BETWEEN THE RICH AND POOR COUNTRIES IN THE WORLD," HE SAID.

HERR BRANDT EXPRESSED HIS RESPECT AND SYMPATHY FOR MR McNAMARA'S PROPOSAL AND PROMISED THAT THE SOCIALIST INTERNATIONAL, OF WHICH HE WAS RECENTLY ELECTED CHAIRMAN, WOULD ALSO DEVOTE ITSELF TO THE NORTH-SOUTH DIALOGUE.

REUTER GV/TWP NG
BOSTON, JAN 14, REUTER - WORLD BANK PRESIDENT ROBERT MCNAMARA TODAY CALLED FOR THE CREATION OF A HIGH-LEVEL PRIVATE COMMISSION TO ANALYSE PROBLEMS INVOLVED IN IMPROVING ECONOMIC RELATIONS BETWEEN RICH AND POOR NATIONS.

IN REMARKS PREPARED FOR DELIVERY BEFORE THE WORLD AFFAIRS COUNCIL HERE, MR. MCNAMARA SUGGESTED THE COMMISSION BE HEADED BY SOMEONE WITH PRACTICAL POLITICAL EXPERIENCE AND STATURE SUCH AS FORMER WEST GERMAN CHANCELLOR WILLY BRANDT.

(IN BONN, A SPOKESMAN FOR HERR BRANDT SAID THE FORMER CHANCELLOR WAS PREPARED TO TAKE UP MR. MCNAMARA'S SUGGESTION.)

"HERR WILLY BRANDT HAS NOTED MR. MCNAMARA'S INITIATIVE ATTENTIVELY. THE SPD (SOCIAL DEMOCRATIC PARTY) AND ITS CHAIRMAN (HERR BRANDT) ARE READY TO DO ALL IN THEIR POWER TO CONTRIBUTE TO IT," THE SPOKESMAN SAID.)

THE WORLD BANK PRESIDENT NOTED THAT THERE HAD BEEN LITTLE PROGRESS IN RESOLVING BASIC ISSUES SUCH AS THE LEVEL OF ADDITIONAL ASSISTANCE TO BE PROVIDED TO DEVELOPING COUNTRIES AT THE SO-CALLED NORTH-SOUTH DIALOGUE THAT HAS BEEN GOING ON FOR MORE THAN A YEAR IN PARIS.

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:MCNAMARA:

"THE REASON FOR THE LACK OF AGREEMENT IS, I THINK, OBVIOUS: THE DISCUSSIONS HAVE FOCSUSED FAR TOO MUCH ON DETAILS RATHER THAN ON FUNDAMENTALS," MR. MCNAMARA TOLD THE WORLD AFFAIRS COUNCIL.

WHAT WAS NEEDED, HE SAID, WAS A BASIC UNDERSTANDING AMONG THE NORTH-SOUTH PARTIES, WHO REPRESENT BOTH DEVELOPED AND DEVELOPING NATIONS, ON VARIOUS ISSUES.

THESE WERE THE NATURE AND MAGNITUDE OF THE PROBLEM, ACTION REQUIRED TO ADDRESS IT, THE RELATIVE RESPONSIBILITIES OF EVERYONE INVOLVED, AND THE COSTS AND BENEFITS OF DOING SO.

ONCE BROAD AGREEMENT HAD BEEN REACHED ON SUCH ISSUES, IT WOULD BE EASIER TO AGREE ON SPECIFIC MEASURES, MR. MCNAMARA SAID.

"IT WOULD BECOME APPARENT VERY QUICKLY THAT IT IS RELATIVELY UNIMPORTANT WHETHER THE ASSISTANCE IS TO TAKE THE FORM OF COMMODITY AGREEMENTS, DEBT RELIEF, TRADE CONCESSIONS, BILATERAL AID, MULTILATERAL FINANCING -- OR ANY PARTICULAR COMBINATION OF THESE -- PROVIDED THE OVERALL TOTAL IS ADEQUATE," HE SAID.

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MORE RR/
Mr. McNamara told the council -- a private body that devotes itself to studying foreign affairs -- that current levels of official aid from industrialised to less developed countries was "disgracefully inadequate."

He singled out the U.S. as one of the worst examples of a country which had not done enough to aid poorer nations.

"It may be of interest to the members of this council that the United States -- the country with the largest GNP (Gross National Product) in the world -- is currently one of the poorest performers in the matter of official development assistance," he said.

He noted that in 1949 at the beginning of the Marshall Plan to help post-war Europe, the U.S. devoted 2.79 per cent of its GNP to official development assistance, he said. This compared with only 0.27 per cent at present, even though the standard of living for the average American had more than doubled in that time.

"Even dogs and cats in America today have a better standard of nutrition than tens of millions of children in the developing nations," Mr. McNamara declared.

In view of "the continuing impasse" at the Paris talks, he said, "the chances of reaching an understanding might be improved if a high-level, but deliberately unofficial, commission were organised to analyse the problem and to recommend action to be taken by both developed and developing nations."

Commission members should be individuals from both rich and poor nations who either had practical political experience in dealing with development issues or who "demonstrated outstanding professional competence" in development economics.

"The chairman and convener of such a commission ought to be a person of great political experience and stature, say, of a Willy Brandt," he said.

The Netherlands and a Canadian research centre had both indicated a willingness to help finance such a body, he added.

Mr. McNamara is understood to have already discussed his proposal with some officials from various countries, such as Secretary of State Henry Kissinger and Gamani Correa, chairman of UNCTAD (BajrzaFaw)

NS Conference on Trade and Development.

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MCHAMARA 5 BOSTON:

As envisioned by Mr. McNamara, the Commission would have a mandate that is broader than that of any other single organisation or institution.

Hence, it could address the entire spectrum of development issues, including trade, official financing, commercial lending and the application of investment funds within developing nations.

He said that while the developing countries had done much to improve their own standard of living, they must make greater efforts including more investment in agriculture, population planning and public services.

"In the past, too much of what has been invested in poor countries, has benefited only a privileged few," he added.
Statement by Secretary-General Waldheim on Mr. McNamara's Proposal

When the Secretary General and Mr. McNamara met at the United Nations Headquarters on Monday, January 10, 1977, Mr. McNamara informed the Secretary-General of his intention to propose the establishment of an independent commission of personalities from developed and developing countries which would assist in the efforts of the international community to find solutions to the problems of development corporation. The Secretary-General expressed keen interest in this initiative as he attaches the greatest importance and priority to ongoing processes of deliberation and negotiation in various forums towards the establishment of the new International Economic Order. In his address to the Economic and Social Council on Tuesday, the Secretary-General stated that the decision of the General Assembly to suspend its 31st regular session and to resume it this year reflects the determination of governments to continue dialogue, and that it would be unfortunate if the opportunity afforded by this decision to overcome the present impasse is not utilized. He urged that current negotiations should proceed with a new sense of urgency. The Secretary General therefore supports any proposal intended to pursue that objective and expressed to Mr. McNamara his belief that such a commission—the membership, mandate and timing of which are yet to be worked out—could indeed make a valuable contribution to United Nations' endeavours to restructure international economic relations. The Secretary General and Mr. McNamara agreed to consult each other on this matter.