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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: [www.worldbank.org](http://www.worldbank.org)

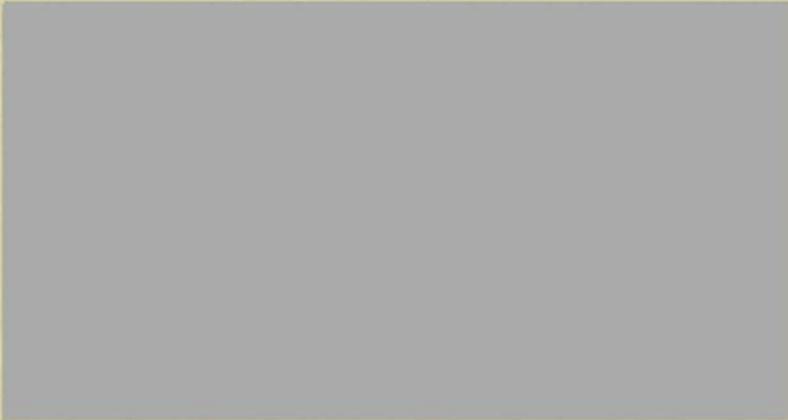
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91000-003

VPE

McNamara Correspondence,

1975



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30247426

A1995-331 Other # Box # 389782B

McNamara correspondence - 1975

December 22, 1975

Dear Mr. Galliner:

Thank you very much for your invitation to address the I.P.I. at its meeting this May in Philadelphia.

Unfortunately, I cannot accept as I am almost certain to be out of this country during the first half of May.

I am really sorry about this, and wish your conference every success.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Mr. Peter Galliner  
Director  
International Press Institute  
Münstergasse 9  
8001 Zurich, Switzerland

cc: Mr. McNamara's Office (2)  
Mr. William Clark

WDCClark:mmh  
December 18, 1975 *mc*

December 18, 1975

Dear Peter:

I am sorry to be sending a no, no letter....

But Mr. McNamara (who is writing separately) cannot accept your invitation as he plans to be abroad then. (In fact, as I warned you, we expect to be at UNCTAD the early part of May.)

Secondly, I am afraid we cannot subscribe to I.P.I. funds. Our rules (indeed our Articles) are very strict about parting with our money, and while we have some small funds for general use it has to be for identifiable economic development items.

I am very sorry about this and I will keep my eyes open for any likely donors in the course of my travels, as I have a real regard for the I.P.I. and its work.

With best wishes.

Yours sincerely,

William Clark  
Vice President, External Relations

Mr. Peter Galliner, Director  
International Press Institute  
Minstergasse 9  
8001 Zurich, Switzerland

WDCClark:mmh

IB57 (UN) NY 160 15 2132Z ;

INCOMING TELEX

Distribution: sj

LTF Dec. 15, 1975

INTBAFRAD

From: U.N. New York

Mr. McNamara ✓

Mrs. Boskey ✓

Mr. Clark ✓

WASHINGTON DC ;

107 MCNAMARA AS YOU ARE AWARE, THE GENERAL ASSEMBLY ON 29 NOVEMBER 1975 CONFIRMED THE APPOINTMENT OF MR. BRADFORD MORSE AS ADMINISTRATOR OF UNDP FOR A TERM OF FOUR YEARS TO SUCCEED MR. RUDOLPH PETERSON WHO WILL BE LEAVING HIS POST ON 15 JANUARY 1976. ;

~~P2~~ ;

12/18  
PARA MR. MORSE WILL BE BRINGING TO HIS NEW RESPONSIBILITIES A MOST DISTINGUISHED PUBLIC CAREER IN BOTH THE SERVICE OF HIS GOVERNMENT AS WELL AS OF THE UNITED NATIONS. HIS STEADFAST COMMITMENT TO THE CAUSE OF THE INTERNATIONAL COOPERATION AND DEVELOPMENT WILL BE A GREAT ASSEL TO UNDP, ;

~~P3~~ ;

AND I AM SURE THAT YOU WILL EXTEND TO HIM THE SAME CORDIAL AND FULL ASSISTANCE THAT YOU HAVE SO GENEROUSLY PROVIDED TO HIS PREDECESSORS. PARA MR. PETERSON LEAVES BEHIND MANY FRIENDS THROUGHOUT THE UNITED NATIONS SYSTEM AND I KNOW YOU SHARE MY HIGH REGARD FOR HIS ABILITY AND DEDICATION. ;

~~P4/10~~ ;

PARA KIND PERSONAL REGARDS ;

KURT WALDHEIM

SECRETARY-GENERAL

UNITED NATIONS "

COL 107 29 1975 15 1976 ""

1975 DEC 18 PM 1:39

# INTERNATIONAL PRESS INSTITUTE

MÜNSTERGASSE 9 8001 ZURICH SWITZERLAND

TELEPHONE 01-34 48 38  
TELEX 56101 IPI CH

CABLES:  
INTERPRESS ZURICH

December 3, 1975  
PG/KS

Mr. Robert McNamara  
International Bank for Reconstruction  
and Development  
1818 H Street NW  
Washington, D.C. 20433  
USA

Dear Mr. McNamara,

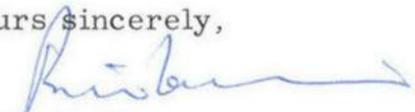
William Clark will have mentioned to you already that the International Press Institute will be holding its next annual General Assembly in Philadelphia in May next year. This Assembly will have a particular significance as IPI celebrates its 25th anniversary in 1976.

We are expecting a great number of leading editors from all over the world to come to this meeting. I should very much like to ask you to be the guest speaker at one of our lunches. I would suggest Wednesday, May 12, at 1.00 pm at the Hotel Bellevue Stratford in Philadelphia.

I know that you were keen to come to one or two of our previous Assemblies in Europe, but could not manage it at the time. This time we shall be in the States and it might therefore be easier. It would give me great pleasure to meet you again and I would appreciate it very much indeed if you would let me know as soon as possible whether you would like to accept our invitation, in view of the fact that we have to finalise our programme in January.

With kindest regards.

Yours sincerely,

  
Peter Galliner  
Director

SECTION  
COMMUNICATIONS

1975 DEC -8 PM 1:23

BE GEMED

INTERNATIONAL PRESS INSTITUTE

MÜNSTERGASSE 9 8001 ZÜRICH SWITZERLAND

CABLES:  
INTERPRESS ZÜRICH

TELEPHONE 01-34 48 38  
TELEX 26101 IPI CH

December 3, 1975  
PG/KS

Mr. Robert McNamara  
International Bank for Reconstruction  
and Development  
1818 H Street NW  
Washington, D.C. 20433  
USA

Dear Mr. McNamara,

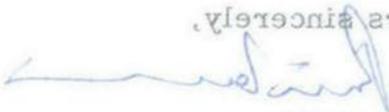
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With kindest regards,

Yours sincerely,



Peter Galliner  
Director

SECTION  
COMMUNICATIONS

1975 DEC - 8 PM 1:53

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

OFFICE OF THE PRESIDENT

November 26, 1975

Nancy W. Collins  
Assistant Director  
The Stanford Sloan Program  
Stanford, Ca. 94305

Dear Ms. Collins:

Mr. McNamara has asked me to respond to your letter of November 12 regarding a visit of the Sloan Fellows to the World Bank on Monday, March 22.

Mr. McNamara greatly regrets he will be unable to receive them at that time but, if convenient to you, I would be happy to receive them for a luncheon at 12.30 p.m. to be followed by a session on the work of the Bank.

Please let me know if this would meet with your wishes.

Sincerely yours,

A handwritten signature in cursive script, reading "J. Burke Knapp", is written over the typed name.

J. Burke Knapp  
Senior Vice President, Operations

November 21, 1975

Dear Mr. President:

On behalf of Mr. McNamara to whom you wrote on November 14, 1975, I acknowledge receipt of your invitation to the luncheon of December 3 in New York.

Mr. McNamara has asked me to thank you for your communication and to inform you, with regret, that he finds he is not in a position to accept the invitation.

I am also sorry to have to say that the World Bank's Special Representative to the United Nations in New York is already committed to take part in a UN Task Force, on that same day, which will not allow him to represent Mr. McNamara at Essex House. In the circumstances, I have no alternative but to decline your very kind invitation, in Mr. McNamara's name.

Yours sincerely,

William Clark  
Vice President, External Relations

Mr. Andre J. Ditte, President  
French Chamber of Commerce  
in the United States, Inc.  
1350 Avenue of the Americas  
New York 10019

cc: Mr. McNamara  
Mr. Grenfell

 LPChatenay:mmh

11/16 To Mr. Clark  
Could Jeanne attend.  
Please reply for me.  
L. May

FRENCH CHAMBER OF COMMERCE IN THE UNITED STATES, INC.

CHAMBRE DE COMMERCE FRANÇAISE AUX ETATS UNIS

1350 AVENUE OF THE AMERICAS  
NEW YORK 10019

TELEX: FREN 237757

Founded in 1896

TEL: 581-4554

CABLE: FRENCHAMB

PARIS OFFICE

7, RUE JEAN-GOUJON, PARIS 8<sup>e</sup>

November 14, 1975

Mr. Robert S. McNamara, President  
INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT  
1818 H. Street N.W.  
Washington, D.C. 20433

Dear Mr. McNamara:

I am pleased to inform you that H.E. Mr. Louis de Guiringaud, Ambassador of France, Permanent Representative to the United Nations, has accepted to be our guest of honor and guest-speaker at a luncheon to take place on Wednesday, December 3, in New York.

In view of the extensive work Mr. de Guiringaud has done in connection with the two preparatory meetings held in Paris in April and October of this year, which he chaired at the request of the President of the French Republic, the Ambassador will discuss those meetings at which it was decided that a "Conference on International Economic Cooperation" would be held in Paris beginning December 16.

As you know the Conference will cover Energy, Raw Materials and Development and will be held at Ministerial level. Among the 27 participants the following countries will be represented: the United States, Japan, the European Economic Community, Algeria, Saudi Arabia, Brazil, India, Iran, Venezuela and Zaire.

I would be happy if you would accept to be our guest on this occasion and to sit on the Dais. However, if your schedule does not permit your coming to New York on that date, I would greatly appreciate it if you would delegate a Senior Officer to represent you.

FRENCH CHAMBER OF COMMERCE IN THE UNITED STATES INC

MEMBER OF COMMERCE BOARD FOR THE U.S.A.
NEW YORK OFFICE
100 WALL STREET
NEW YORK 5, N.Y.

November 19, 1975

Mr. Robert H. ...
INTERNATIONAL BUREAU FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
1815 N. Street, N.W.
Washington, D.C. 20037

I am pleased to inform you that the ...
of the ...
has accepted to be ...
as a member of the ...

In view of the ...
with the ...
and October of this year ...
of the President of ...
with the ...
Government in ...

As you know the ...
and management ...
the ...
the ...
Africa, South America, ...

I would be happy to ...
sit on the ...
I would ...
SECTION
COMMUNICATIONS

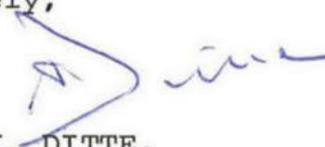
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The function will be held at the Essex House, 160 Central Park South (between 6 and 7th Avenues) on Wednesday, December 3. A reception for honored guests will take place at 12 noon in the East Terrace, followed by luncheon at 12:30 p.m. in the South Casino Ballroom.

Looking forward to the pleasure of greeting you on December 3.

Sincerely,



André J. DITTE,  
President

11/18 to Mr. Knapp  
Burke would you  
be willing to  
meet with them  
again - if so please  
reply directly:  
L New

THE STANFORD SLOAN PROGRAM

NANCY W. COLLINS  
Assistant Director  
Tel: (415) 497-2270

November 12, 1975

GRADUATE SCHOOL OF BUSINESS  
Stanford University  
Stanford, California 94305

Mr. Robert S. McNamara  
President  
International Bank for Reconstruction  
& Development  
1818 H Street, N.W.  
Washington, D.C. 20433

Dear Mr. McNamara:

Once again we are planning the Stanford Sloan Program's Eastern Field Trip to New York and Washington. The purpose of the trip is to expose the Sloan Fellows to the philosophies and experiences of executives like yourself at the highest level of business and government. This trip continues to play an increasingly important role in our academic program.

While we realize the heavy demands on your time, the Sloan Fellows are very eager to have an informal session with you. Would it be possible for you to see them on Monday, March 22nd from 12:30 to 2:00 in your offices? Last year Mr. Knapp graciously offered to host a luncheon for us, and we would be very grateful for your hospitality if this could be arranged. The session should begin after the luncheon and the format should be very informal, with opening remarks from you regarding the World Bank, your specific duties, special current problems, and reserving the majority of the period for questions and answers. Naturally, all discussion is completely confidential and off the record.

The group this year consists of 41 Fellows, 3 of whom are women. There are 15 Fellows from foreign countries, 9 from the U.S. Government, and 17 from U.S. Business; 11 are from the public sector and 30 from the private sector. I am enclosing our new Sloan brochure (see page 16 for last year's New York/Washington Field Trip speakers), a list of participants, and our fall quarter calendar.

Accompanying the Sloan Fellows to the East Coast will be the Director, Dr. George G. C. Parker and myself. We hope very much that you will be able to meet with our participants as they would benefit a great deal from this opportunity. The session at the World Bank was a real highlight of our trip last year, and we look forward to your reply.

Sincerely,

*Nancy W. Collins*

Nancy W. Collins

NWC:jk  
Enclosures  
cc: Mr. J. Burke Knapp

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1975 NOV 17 PM 3:23

COMMUNICATIONS SECTION

TO: SAC, NEW YORK (100-100000) FROM: SAC, NEW YORK (100-100000) SUBJECT: [Illegible]

RE: [Illegible] (NY 100-100000) (P) (U) [Illegible]

1. [Illegible] (NY 100-100000) (P) (U) [Illegible]

2. [Illegible] (NY 100-100000) (P) (U) [Illegible]

3. [Illegible] (NY 100-100000) (P) (U) [Illegible]

COMMUNICATIONS SECTION, FBI, NEW YORK OFFICE

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PARTICIPANTS IN THE NINETEENTH STANFORD SLOAN PROGRAM

Graduate School of Business  
Stanford University

September 22, 1975 - June 4, 1976

Director: George G. C. Parker

Assistant Director for Administration: Nancy W. Collins

ROSTER OF 1975-76 SLOAN PROGRAM PARTICIPANTS

ENRIQUE ALVAREZ

Personnel and Human Resources Manager  
Hojalata y Lamina, S.A.  
Monterrey, N.L. Mexico

NAPOLEON R. ASHLEY-LASSEN

Former Chief of Defence  
Ministry of Defence  
Ghana, Africa

PIETRO BIGINELLI

Vice President  
Banca Nazionale del Lavoro  
New York, New York

REUBEN J. CARPENTER

Manager, Manufacturing & Engineering Services  
International Paper Company  
New York, New York

VERONICA W. CHA

Personal Assistant to Managing Director  
Global Suppliers Ltd.  
Hong Kong

VICTOR M. CHA

Assistant Manager  
China Dyeing Works Ltd.  
Hong Kong

MICHAEL J. CRUICKSHANK

Mining Engineer, Conservation Division  
U. S. Geological Survey  
Menlo Park, California

MARC DELLA FAILLE

Manager, Research & Development  
Compagnie Financiere Eternit  
Brussels, Belgium

KRISTIAN S. EDELMANN

Vice President  
Den Danske Landmandsbank A/S  
Copenhagen, Denmark

WILLIAM C. ERXLEBEN

Agency Regional Director  
Federal Trade Commission  
Washington, D.C.

FRANK E. GLADFELTER, JR.  
Program Manager, Market Requirements  
International Business Machines Corporation  
Armonk, New York

HAROLD T. HAHN  
Subsidiary President  
Commercial Credit Company  
Baltimore, Maryland

SEAWADON L. HOUSTON  
Vice President  
Wells Fargo Bank  
San Francisco, California

NATHANIEL J. HUTTON, JR.  
Assistant Vice President  
Security Pacific Bank  
Los Angeles, California

CHARLES H. JONES, JR.  
Vice President & General Manager  
Crocker McAlister Equipment Leasing Inc.  
San Mateo, California

OKORO P. KANU  
Principal Education Officer  
Federal Republic of Nigeria  
Federal Ministry of Education  
Lagos, Nigeria

TAKAJI KASAHARA  
Assistant Manager  
Securities Investment Research Division  
The Dai-Ichi Mutual Life Insurance Company  
Tokyo, Japan

KATHERINE L. KEMP  
Foreign Service Officer  
U.S. Department of State  
Washington, D.C.

JOHN C. KEYSER  
Administrative Assistant  
Pacific Gas and Electric Company  
San Francisco, California

JAMES M. KILDAY  
Vice President Finance & Treasurer  
Eaton International Corporation  
Phoenix, Arizona

ALBERT LIM

Airport Certification Officer  
Federal Aviation Administration  
Lawndale, California

JOSEPH P. LOFTUS, JR.

Chief, Technical Planning Office  
NASA/Johnson Space Center  
Houston, Texas

PAVEL MARTINU

Manager of Department, Industrial Engineering  
PIK Gottwaldov  
Gottwaldov, Czechoslovakia

JOHN H. MEYER

Installation Manager  
Western Electric Company, Inc.  
Los Angeles, California

DAVID L. MITCHELL

General Manager, Special Projects  
The North Face  
Berkeley, California

SCOTT MITCHELL

Project Manager, Real Estate Division  
Irwin Management Company  
Columbus, Indiana

MARTIN W. MOLLOY

Chief, Minerals and Energy  
Earth Resources Survey Program  
NASA Headquarters  
Washington, D.C.

JOSE M. MORALES

Lawyer  
Cia. de Minas Buenaventura S.A.  
Lima, Peru

ALLEN E. NUGENT II

Vice President  
Mellon National Leasing Corporation  
Pittsburgh, Pennsylvania

MITSunORI ONOUE

Assistant Manager, Export Section  
Kureha Chemical Industry Co. Ltd.  
Tokyo, Japan

JOSE I. PASTOR  
Director Superior Training & Document Services  
Iberduero S.A.  
Bilbao, Spain

ROBERT L. PIKE  
Chief, Personnel Division  
NASA/Ames Research Center  
Moffett Field, California

S. RICHARD RAND  
Diplomatic Consular Officer  
U.S. Foreign Service  
U.S. Department of State  
Washington, D.C.

HARRY V. SASSON  
Managing Director  
VICSON, S.A.  
Valencia, Venezuela

ROBERT M. SHORE  
Assistant Chief, Stock Control Division  
Defense Industrial Supply Center  
Defense Supply Agency  
Philadelphia, Pennsylvania

ROGER J. SMITH  
Managing Director, Commercial Division  
Tricentrol International Limited  
Luton, Beds, England

ANTON J. SOEPARWOTO  
Manager, Employee Relations  
P. T. Caltex Pacific Indonesia  
Jakarta, Java  
Indonesia

ROBERT J. STRAMY  
Assistant Master Mechanic  
Cadillac Motor Car Division  
General Motors Corporation  
Detroit, Michigan

CHRISTINE M. TOPPENBERG  
Reproduction Services Superintendent  
Continental Telephone Company  
Victorville, California

MARCO A. P. VIEIRA  
Partner and Managing Director  
Human Resources Division  
Sistemas de Computacao e Informatica Ltda.  
Rio de Janeiro, Brazil

JOHN D. WARNER  
Senior Group Engineer  
The Boeing Company  
Seattle, Washington

NEVILLE A. WARNES  
Mechanical Engineering Supervisor  
Bechtel Corporation  
San Francisco, California

October 22, 1975

Dear Dr. Gilbreath,

Mr. McNamara has asked me to reply to your letter to him of October 9, since I was responsible for authorising publication of the article which Mr. Haq wrote.

I did so because I think Mr. Haq expresses very clearly the views of a large section of Third World people. Before he came to the Bank he made himself quite a reputation as their spokesman - as I know all too well having debated with him in Pakistan before I came to the Bank.

As you can guess I do not always agree with Mr. Haq's views, and within the Bank he stirs up a good deal of vigorous debate from which our policy statements emerge. Personally I feel we are fortunate to have his voice added to our arguments.

Thank you for taking the trouble to write about a matter which concerned you.

Yours sincerely,

William Clark  
Vice President External Relations

Dr. Kent Gilbreath,  
Hankamer School of Business  
Department of Economics & Finance  
Baylor University  
Waco, Texas 76706

WDClark:sf

IIED

INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

President: Barbara Ward (Lady Jackson, D.B.E.)

Vice-President - David Runnalls  
Secretary - - Robert E. Stein  
Treasurer - - Gordon J. Piller

10/20 To Clark  
James Jones  
L. J. Piller

27 Mortimer Street,  
London, W1A 4QW  
01-580 7656-7

October 12, 1975.

Dear Bob,

I am so pleased to learn from William that you will be able to see my good friend, Sir James Jones, the retiring head of the Department of the Environment, when he visits Washington next month. I think he is one of the ablest and most imaginative of our senior civil servants with a remarkable range of experience, first in housing and later in the general field of the environment. He has, I gather, quite special talents in expediting projects, judging their degree of managerial complexity and advising on the kinds of control and feedback which make all the difference between a really efficient and a much less well-run performance. I would imagine that, in, say, the role of a Consultant on managerial techniques, he could be of immense value to the Bank. But with or without any sort of official relationship, he is a most valuable and constructive man, with unique experience and wisdom. He is also very modest and very funny!

How I wish my wretched anti-biotic poisoning did not go on and on and on. But perhaps the only cure for it is to finish my Unofficial Report for Vancouver. Since "Human Settlements" covers everything, I sometimes wonder whether the book may not be as incurable as the disease. Since it keeps me grounded firmly until the spring, won't you and Marge think of a quick stopover in Ludsworth on some future journey? We are not really too "over-developed" down here and this is the country that Turner loved to paint. It would be good to share it with you.

I shall be writing to you very soon about the project for the Habitat paper on settlement planning and the small farm sector. I think it may turn up some really useful ideas.

With love from

Barbara

(Lady Jackson)

SECTION COMMUNICATIONS  
OCT 15 1975 3:53  
The Hon. Robert S. McNamara,  
International Bank for Reconstruction and Development,  
Washington, D.C. 20433,  
U.S.A.

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INTERNATIONAL INSTITUTE FOR ENVIRONMENT AND DEVELOPMENT

President: Barbara Ward (Lady Jackson, D.B.E.)

Nice-President - David R. Marshall  
Secretary - Robert E. Stein  
Treasurer - Gordon J. Piller

27 Mortimer Street,  
London, W1A 4QW  
01-280 7626-7

October 12, 1975

Dear Bob,

I am so pleased to learn from William that you will be able to see my good friend, Sir James Jones, the retiring head of the Department of the Environment, when he visits Washington next month. I think he is one of the ablest and most imaginative of our senior civil servants with a remarkable range of experience, first in housing and later in the general field of the environment. He has, I gather, quite special talents in expediting projects, judging their degree of managerial complexity and advising on the kinds of control and feedback which make all the difference between a really efficient and a much less well-run performance. I would imagine that, in, say, the role of a Consultant on managerial techniques, he could be of immense value to the Bank. But with or without any sort of official relationship, he is a most valuable and constructive man, with unique experience and wisdom. He is also very modest and very funny!

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I shall be writing to you very soon about the project for the Habitat paper on settlement planning and the small farm sector. I think it may turn up some really useful ideas.

With love from

*Barbara*

SECTION (Lady Jackson)

COMMUNICATIONS

The Hon. Robert S. McNamara,  
International Bank for Reconstruction and Development,  
Washington, D.C. 20433,  
U.S.A.

RECEIVED

October 7, 1975

Dear Maurice:

Thank you for your letter of September 17 asking whether the Bank could endow some scholarships at the international college founded in memory of Mike Pearson.

I am really very sorry to have to refuse so worthy a project for so great a man, to whom the Bank and I myself owe such a great debt. But the Bank has had to make it a rule that as we are only Trustees for the poorer countries of the funds at our disposal, we disburse them only for the direct benefit of the LDCs. The Board is very strict about this. For instance, as you may know, I have to obtain the approval of the Board for each grant that the Bank makes to the C.G.I.A.R. even though most of that money is in fact spent in the Third World.

I wish you and your colleagues all good fortune with the College, and if there is any other way in which we could help let me know.

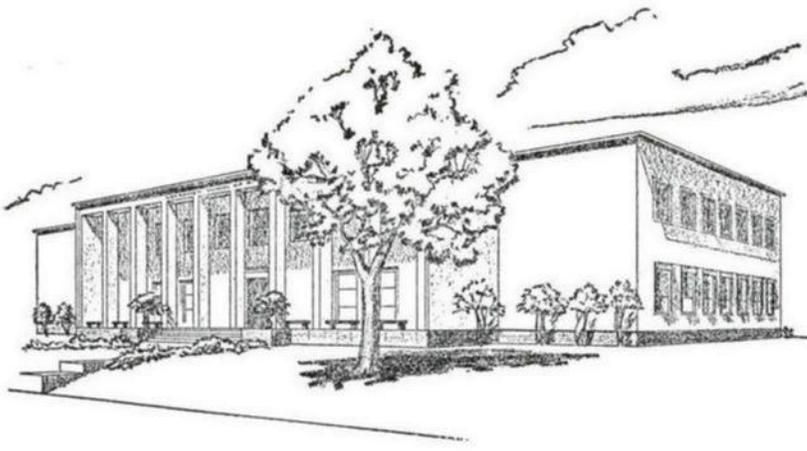
Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Maurice F. Strong  
Executive Director  
United Nations Environment Programme  
P.O. Box 30552  
Nairobi, Kenya

WDClark:sf *me*



10716 To Mr. Clark  
Please draft  
a copy Rm

**BAYLOR UNIVERSITY**  
HANKAMER SCHOOL OF BUSINESS  
Department of Economics and Finance  
Waco, Texas 76706      Box 6278

October 9, 1975

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

Dear Mr. MacNamara:

I recently was given the enclosed article by one of my students. After reading it, I feel compelled to write you concerning the apparent intellectual weakness of Mahbub Ul Haq.

While I am not unsympathetic toward the goal of promoting third world development, I find Mr. Haq's arguments unsophisticated and reflecting a very weak degree of economic rigorousness. In many cases, his explanations are worse than wrong; they are almost demagogic. This is especially true in his explanation of the less developed countries' credit shortage (an area he should be most familiar with). It is also true of his sophomoric explanation of why developing countries get only 10% of the final value of the products in which their resources are used.

I am writing this letter simply because I am severely disappointed that such an intellectually weak economist holds a position of importance in an institution for which I have the highest regard.

Yours sincerely,

*Kent Gilbreath*

Kent Gilbreath, Ph.D.

KG/1e

10/12/75 11:20 AM

BAYLOR UNIVERSITY  
HANNAH SCHOOL OF BUSINESS  
Department of Economics and Finance  
Waco, Texas 76798 817-8758



October 11, 1975

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

Dear Mr. Macomber:

I recently was given the enclosed article by one of my students. After reading it, I feel compelled to write you concerning the apparent intellectual weakness of Mahdavi's view.

While I am not sympathetic toward the goal of promoting third world development, I find Mr. Mahdavi's arguments unconvincing and reflecting a very weak degree of economic reasoning. In many cases, his explanations are worse than wrong; they are almost diabolical. This is especially true in his explanation of the less developed countries' credit shortage (an area he should be most familiar with). It is also true of his explanation of why developing countries get only 10% of the final value of the products to which their resources are used.

I am writing this letter simply because I am generally disappointed that such an intellectually weak economist holds a position of importance in an institution for which I have the highest regard.

Sincerely,

Kent D. ...

RECEIVED  
1975 OCT 13 AM 10:50  
COMMUNICATIONS SECTION

# Economic order an issue

By MAHBUB UL HAQ  
(c) '75, Christian Science Monitor News Service

The vastly unequal relationship between the rich and the poor nations already has become the central issue of our time.

The poor nations are increasingly questioning the basic premises of an international order which leads to ever widening economic disparities.

They are, in fact, arguing that in international order — just as much as within national orders — all distribution of benefits, credits, services, and decision-making tends to get warped in favor of a privileged minority and that this situation cannot be changed except through fundamental reforms. This underlies their demand for "a new international economic order."

The rich nations, on the other hand, appear to misinterpret this demand. They tend to look suspiciously at each plea for a new economic order as yet another ploy to wring some specific "concessions" from them.

This is clearly wrong. The poor nations are not criticizing the rich nations because they are rich and because three-quarters of the world's income, investment, and services, and most of the world's research, are in the hands of one-quarter of its population. Nor are the poor nations asking for a massive redistribution of existing income and wealth.

What they are really arguing for is a greater equality of opportunity in the future, which is impossible to achieve within the present economic imbalances and the existing world structures which favor the rich nations.

## EQUALITY DENIED

Before there are screams of protest, one must also hasten to add that there is nothing deliberate or conspiratorial about this denial of equality or opportunity either. It is inherent in the past imbalances in economic power.

It is pointless, therefore, for the poor nations to allege that the rich exploit them deliberately or for the rich to protest that the existing international system works equally well for the poor and the rich nations.

In fact, it would require deliberate intervention in the

market and an active restructuring of existing institutions to ensure that past imbalances do not continue to distort future opportunities for the poor nations.

Let us take a few concrete examples to illustrate how the present world order systematically discriminates against the poor nations:

— The international credit system. Poor nations, with 70 per cent of the world population, received less than 4 percent of the international credit of \$126 billion in the last two decades.

This happened simply because the rich nations controlled the international credit through the expansion of their own national reserve currencies (mainly U.S. dollars and British sterling) and through their decisive control over the International Monetary Fund.

## POOR GET LITTLE CREDIT

There was nothing unusual about this either. In any normal national banking system, the poor get very little credit unless a concerned government chooses to intervene on their behalf.

— Trading patterns. Developing countries, unlike the developed ones, get back only about 10 per cent of the final price that consumers in the international market pay for their produce, simply because many of them are too poor or too weak to exercise any meaningful control over the processing, shipping, and marketing of their primary exports.

The final consumers pay over \$200 billion for the major primary exports (excluding oil) of the developing countries, but these countries get back only \$30 billion, with middlemen mostly in the rich nations enjoying the difference.

If the poor nations had been able to exercise the same degree of control over the processing and distribution of their exports as the rich nations presently do and get back a similar proportion of the final consumer price, their export earnings from their primary

commodities would be closer to \$150 billion than the present \$30 billion.

## FRACTION OF THEIR REWARDS

Again, there is a parallel here between national and international orders: Within national orders as well, the poor receive only a fraction of the rewards for their labor and lose out to the organized, entrenched middlemen unless governments intervene.

— Movement of labor and capital. The rich nations are making it impossible for the free market

mechanism to work since it would work against their own interests. In the classical framework outlined by 18th century Scottish political economist Adam Smith, the cornerstone of the free market mechanism is a free movement of labor and capital as well as of goods and services so that rewards to factors of production are equalized all over the world.

## DECISION-MAKING

— Decision-making councils of the world. The poor nations have only a pro forma participation in international economic decision-making. Their advice is hardly sought when the 10 big industrialized nations get together to make key decisions on the world's

package?

The first requirement obviously is for the rich nations to agree that there is a need to negotiate and to declare their willingness to do so through orderly forums, both within and outside the United Nations.

If we cross this philosophical bridge, it is possible to move on to the negotiating table, starting with certain overall principles and proceeding in a step-by-step approach from the least divisive issues to the more difficult ones.

I believe that any meaningful restructuring of the world order will have to include an agreement at least on the following aspects:

— Revamping of the international credit system by phasing out national reserve currencies and replacing them by an international currency to be managed by a restructured International Monetary Fund, particularly in the interests of the developing countries.

— Gradual dismantling of restrictions in the rich nations on the movement of goods and services and labor from the poor nations.

— Enabling the developing countries to obtain more benefit from the exploitation of their own natural resources by their establishing a greater control over various stages of primary production, processing and distribution.

(Mahbub ul Haq, a Pakistani economist with degrees from Cambridge and Yale Universities, was formerly chief economic adviser to his country's government and is currently director of the World Bank policy planning department and a founding member of the Third World Forum, an association of leading social scientists from developing countries.)



Source: 1974 World Bank Atlas (based on 1972 figures)

Christian Science Monitor

mechanism to work since it would work against their own interests. In the classical framework outlined by 18th century Scottish political economist Adam Smith, the cornerstone of the free market mechanism is a free movement of labor and capital as well as of goods and services so that rewards to factors of production are equalized all over the world.

In fact, world inequalities cannot persist within such a framework. Yet immigration laws in almost all rich nations make it impossible for any large-scale movements of labor in a worldwide search for economic opportunities (except for a limited "brain drain" of highly skilled labor). (And additional barriers are going up

against the free movement of goods and services. WRONG)

(The rich nations, for instance, spend about \$30 billion in farm subsidies alone to protect their agriculture. They impose progressively higher tariffs and quotas against the simple consumer goods exports of the developing countries, like textiles and leather goods.)

The rich, in other words, are drawing a protective wall around their life-styles, telling

economic future; their voting strength in the World Bank and the International Monetary Fund is less than one-third of the total; and their numerical majority in the United Nations General Assembly has meant no real influence so far on international economic decisions since the "coerced," in the curious terminology used recently by Henry A. Kissinger for the rich nations, "are under no compulsion to submit."

One can go on documenting such evidence where unequal economic relationships have led to a denial of economic opportunities to the poorer nations, but the basic point is already made:

In international order, just as within national orders, initial

poverty itself becomes the most formidable handicap in redressing such poverty unless there is a fundamental change in the existing power structures.

The demand for a new international economic order must be seen, therefore, as part of an historical process.

What are the more specific elements in this new economic order? What are the concrete proposals which should be included in a negotiating

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Funeral  
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Barbershop, beauty par  
China, glassware, fa  
Non-durable toy  
Toilet article  
Radio and records, and

impossible politically

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UNITED NATIONS ENVIRONMENT PROGRAMME  
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT



Cable Address: UNITERRA, Nairobi  
Telex No. 22068  
Telephone: 33930

P. O. Box 30552,  
Nairobi.

NAIROBI

17 September 1975

Ref. No.

PERSONAL ATTENTION

DECLASSIFIED

NOV 15 2021

WBG ARCHIVES

Dear Bob,

You may have heard of the international college which has recently been created on the Pacific Coast of Canada as a living memorial to Mike Pearson. The Lester B. Pearson College of the Pacific is a truly international school designed to provide an especially intensive and broad based education with a strong international dimension for students of exceptional promise and leadership potential. The idea of the College was developed before Mr. Pearson's death and he had taken a very active interest in it. After his death, his various friends and admirers in Canada advanced a number of proposals to perpetuate his memory, but his wife and family let it be known that the creation of this College was his own principal interest and asked that those who wanted to do something in his memory concentrate their efforts on making possible the establishment of the College.

The Pearson family and his friends have provided the impetus to raise over \$4 million to establish the College as an international memorial to Mr. Pearson. Funds have come from the Canadian and Japanese Governments, from Great Britain, the United States, as well as almost every large corporation in Canada. The College has now been established and has completed a very successful first year.

The initial student body of 100 young men and women was drawn from 32 countries and have, themselves, worked hard to make the College a success. While achieving first-class honours in over half of the international baccalaureate papers written, they spent many hours learning about each other, about North America, and helping to complete building of the College.

There is a very strong demand for places at the College which are allocated strictly on the basis of merit and a limited quota of students from each country. To assure maintenance of the highest standards and equal opportunity for all qualified applicants, regardless of financial capacity, a scholarship system has been established. Scholarships have been provided by the Canadian

/....

Mr. Robert McNamara  
President  
International Bank for Reconstruction  
and Development  
1818 H Street N.W.  
WASHINGTON, D.C. 20433  
USA



UNITED NATIONS ENVIRONMENT PROGRAMME  
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT



5 D Box 2080  
Geneva

UNITED NATIONS ENVIRONMENT PROGRAMME  
P.O. Box 2080  
Geneva, Switzerland

MEMORANDUM

17 September 1975

Page 10

PERSONAL ATTENTION

Mr. Robert Williams

Director

International Centre for Development and Environment

Dear Bob,

You may have heard of the International College which was recently been created on the Pacific Coast of Canada as a living memorial to Mike Pearson. The Lester B. Pearson College of the Pacific is a truly international school designed to provide an especially intensive and cross based education with a strong international dimension for students of exceptional promise and leadership potential. The idea of the College was developed before Mr. Pearson's death and he had taken every active interest in it. After his death, his various friends and acquaintances in Canada advanced a number of proposals to perpetuate his memory, and his wife and family let it be known that the creation of this College was his own principal interest and exact that those who wanted to do something in his memory concentrate their efforts on making possible the establishment of the College.

The Pearson family and the family have provided the impact of over \$4 million to establish the College as an international memorial to Mr. Pearson. Funds have also come from the Canadian Japanese Government, from Great Britain, the United States and almost every other country in the world. The College has been established and has completed a very successful first year.

The initial student body of 100 young men and women was from 31 countries and have themselves, worked and to make a success. While attending this school, they spent part of the international conference period, they spent many hours learning about each other, about North America, and helping to complete building of the college.

There is a very strong demand for places at the College which are allocated strictly on the basis of merit and a limited number of students from each country. To assure maintenance of the highest standards and equal opportunity for all qualified applicants, regardless of financial capacity, a scholarship system has been established. Scholarships have been provided by the Canadian Government.

....

Mr. Robert Williams  
President  
International Centre for Development and Environment  
1818 H Street N.W.  
WASHINGTON, D.C. 20036

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1975 SEP 30 PM 3:37  
COMMUNICATIONS SECTION

Government, most Provincial Governments, and a variety of Canadian and international friends and admirers of Mike Pearson. However, more scholarships are needed, particularly to finance students from developing countries. The cost of each scholarship is \$5,800 for a year and most are provided for a minimum period of two years.

Because of Mike Pearson's close association with the Bank, particularly through the Pearson Commission, I have been asked by the Directors of the College to determine whether the Bank might be willing to finance several scholarships. These could, if required, be designated for the exclusive use of students from developing countries.

.... I am enclosing a formal presentation in support of this request which, as you will note, asks that the Bank consider ten scholarships for a two-year period. Also enclosed, is a brochure with general information on the College.

I would be pleased to discuss this matter further with you and I know, too, that the Chairman and Director of the College would be pleased to discuss the matter directly with you if this would be helpful in providing the additional information you might require for your consideration of this request.

Many thanks.

Yours sincerely,



Maurice F. Strong  
Executive Director

A PRESENTATION TO SECURE A GRANT FOR  
THE LESTER B. PEARSON INTERNATIONAL SCHOLARSHIP FUND

by

LESTER B. PEARSON COLLEGE OF THE PACIFIC

A PRESENTATION TO SECURE A GRANT FOR  
THE LESTER B. PEARSON INTERNATIONAL SCHOLARSHIP FUND

from

THE WORLD BANK

The purpose of this presentation is to explain the need for scholarships to the Lester B. Pearson College of the Pacific.

UNITED WORLD COLLEGES

The United World Colleges are schools being established throughout the world to foster a sense of international community by means of physical, social, cultural, and academic activity.

The United World College of the Atlantic, located in South Wales, was opened in 1962. The United World College of Southeast Asia was opened in Singapore in 1972. The Lester B. Pearson College of the Pacific opened in British Columbia in September, 1974. Other colleges are being planned for other parts of the world; two are in the advanced-planning stage.

National committees in over forty countries have been active in raising scholarships and selecting students to study at the United World Colleges.

MR. PEARSON AND THE COLLEGE OF THE PACIFIC

Canadian National Committee

Much work has been done to make Pearson College of the Pacific a reality. Almost from the inception of the United World Colleges project, a Canadian National Committee has raised funds and selected Canadian students to send to the College of the Atlantic. Mr. Pearson was invited to join in its work, and he brought together a number of like-minded men to help him. Under his leadership, the planning for a North American college which would promote the concept of international education in this hemisphere was well and truly started. After Mr. Pearson died, the College Board and the group of friends and former colleagues that advises Mrs. Pearson and the Government of Canada on suitable Pearson memorials chose the College as a major memorial to him.

Scholarship Programme

There are several reasons why we thought it appropriate to name the College of the Pacific after Mr. Pearson and to call scholarships to the College "Pearson Scholarships".

First, Mr. Pearson, having been a professor at the University of Toronto in early manhood, had a continuing interest in young people, and in education which is civilized and responsible. Second, he fully supported the idea that the College would "be open to all students with ability, regardless of financial means". Third, his life's work of promoting international understanding and maintaining peace seemed an example to which college students might aspire. A scholarship plan which would make the Lester B. Pearson College of the Pacific available to any student having the necessary academic ability and personal maturity seemed a fitting tribute to him.

The Pearson International Scholarship Fund, under the chairmanship of Mr. James Coutts, of the Canada Consulting Group of Toronto, is composed of prominent people who support the ideal that Pearson College should be open to eligible students from any country and every walk of life. To make this a reality, they are soliciting Pearson Scholarships from governments and foundations interested in promoting international understanding through education. They hope that most of these scholarships will be funded by endowments of \$75,000 to provide in perpetuity annual scholarships of \$5,800. Where this is not possible, they will, of course, solicit renewable annual scholarships.

During the first few years, Pearson Scholarships will be used to send students to the Lester B. Pearson College of the Pacific; but eventually, they will send Pearson Scholars to other United World Colleges.

### Buildings

Eighteen miles west of Victoria, the Lester B. Pearson College of the Pacific is situated on the shores of Pedder Bay, a heavily-timbered site of great natural beauty within view of the Juan de Fuca Strait and the Olympic Peninsula. The architects, R. J. Thom of Toronto and Downs-Archambault of Vancouver, have created a village of simple buildings constructed of the native woods of British Columbia. We are trying to build a warm and human settlement without damaging the natural environment.

### Students

The College opened with 100 students in September, 1974; is expanding to 200 in 1975; and will grow to a maximum of 300 in the following years. Students of both sexes between the ages of sixteen and eighteen come from over thirty countries around the world. Initially, 25 percent of the enrolment is Canadian; 50 percent is from other Pacific Rim nations, including the United States, the countries of Latin America, Southeast Asia, and Japan; 20 percent is from Europe; and 10 percent is from Africa and the Middle East.

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### Academic Programme

The International Baccalaureate, a two-year programme of study, is the basis of the academic curriculum. All Canadian universities and most of the other great universities of the world accept the International Baccalaureate diploma as satisfying entrance requirements into sophomore year in North America and first year in most European universities. Progressive educators everywhere, particularly in the emerging nations of the world, welcome it as a major step toward unifying international education standards.

### Service Programme

International understanding cannot be achieved in the classroom alone. United World College students and teachers are required to participate in that most international activity of all, the caring for other human beings.

The humanitarian services programme of the Lester B. Pearson College of the Pacific is adapted to the environment and the needs of the West Coast of North America. Every student is required to actively participate in one of the following humanitarian services: Social Service, Sea Rescue, Fire-Fighting, Ski Patrol, or Sub-Aqua.

Social Service: Students provide assistance to local volunteer organizations, helping the under-privileged, the handicapped, the invalided, the blind, and other unfortunates. Our students are particularly useful in providing one-to-one helpers required in working with disturbed children, teaching invalids to swim, and reading to the blind.

Sea Rescue: Students design and build high-speed rescue boats to assist rescue organizations in the area. A similar programme at Atlantic College is credited with saving at least three human lives each year for the last decade.

Forest and Wilderness Skills: Students train to fight fires, to assist in forest management, search and rescue operations, and to instruct local groups in hiking, canoeing, and camping skills.

Mountain and Caving Skills: Students learn the basic caving and mountain rescue techniques.

### FUNDING THE COLLEGE

A \$4,700,000 drive for capital funds is nearing completion with over \$4,400,000 now in hand or pledged. These funds have come from almost every major corporation and foundation in Canada as well as over \$500,000 from the U.S.A., Great Britain, and the Japanese Government.

One hundred scholarships were provided for the students in our first year of operation. Now, the second hundred students have been selected and, although about 170 scholarships are arranged, the Pearson International Scholarship Committee is working for the last thirty that are required.

The scholarships are generally given for 2 years and are \$5,800 per year. We would suggest that The World Bank might provide 10 such scholarships. The Canadian Government provides 40 scholarships for students outside of Canada. Other governments, such as Germany, Venezuela, and Malaysia, are providing scholarships for their entry. As more governments become involved over the next five years, and as our graduates become able to support the scholarship program, the reliance for funds on the private sector of the economy will diminish.

MEMBERS OF THE PEARSON INTERNATIONAL SCHOLARSHIP FUND

- Mr. James Coutts (Chairman), President, Canada Consulting Group, Toronto
- Mr. Maurice F. Strong, Executive Director, U.N. Environment Programme, Nairobi
- The Rt. Hon. Roland Michener, Toronto
- Mrs. George Ignatieff, Trinity College, Toronto
- Mr. Charles S. A. Ritchie, Ottawa
- Hon. Tommy Douglas, M.P., House of Commons, Ottawa
- Mr. Saul S. Rae, Canadian Ambassador to the U.N., New York
- Hon. Muriel Fergusson, Speaker of the Senate, Ottawa
- Mrs. Doris Anderson, Editor, Chatelaine
- Dr. Sylvia Ostry, Chief Statistician of Canada, Statistics Canada, Ottawa
- Mr. Gordon Fairweather, M.P. House of Commons, Ottawa
- Mr. Paul Desmarais, Chairman, Power Corporation of Canada Ltd. Montreal
- Mr. Richard O'Hagan, Minister Counsellor, Canadian Embassy, Washington, D.C.
- Mr. Tony Abbott, President, Retail Council of Canada, Toronto
- Mr. George Elliott, Vice President, McLaren Advertising, Toronto
- Mr. Louis Rasminsky, Retired Governor, Bank of Canada
- Mr. Andrew Brewin, M.P., House of Commons, Ottawa
- Mr. John W. Holmes, Research Director, Canadian Institute of International Affairs
- Dr. Max Wyman, President, University of Alberta, Edmonton
- Dr. W. D. Hopper, President, International Development Research Centre, Ottawa
- Mr. James W. Burns, President, Great West Life Assurance Co. Winnipeg
- Mr. James Reston, Vice President, New York Times
- Dr. G.L. Burton, Claresholm, Alberta
- Dr. Leopold Lamontagne, University of Ottawa, Ottawa
- Dean Ronald St. J. MacDonald, Dean of Law, Dalhousie University, Halifax.

Mr. William P. Wilder, Canadian Arctic Gas Study Ltd., Toronto.

Mr. George Githii, Editor-in-chief, The Nation, Niarobi, Kenya.

Mr. Escott Reid, Former Canadian High Commissioner to India.

Hon. Jean Lesage, P.C., Former Premier of Quebec.

Lady Barbara Ward Jackson, London, England.

Dr. Francis Winspear, Edmonton.

Mr. Bruce Hutchison, Editorial Director, Vancouver Sun.

Hon. Lionel Chevrier, P.C., Montreal, Quebec.

Mr. William Harris, Dominion Securities Corporation  
Harris & Partners Limited  
Toronto

Hon. John Robarts, Former Premier of Ontario.

Dr. Thomas H. B. Symons, Commissioner of Canadian Studies,  
Peterborough.

Mr. G. P. H. Vernon, Q.C., Toronto.

Hon. John Aird, Q.C., The Senate, Ottawa.

Hon. John W. Pickersgill, P.C., Ottawa, Ontario.

Ken Rotenberg, President, Y & R Properties, Toronto.

Hon. John L. Nichol, Chairman, Board of Governors, Lester B.  
Pearson College of the Pacific.

Jack Matthews, Director, Lester B. Pearson College of the  
Pacific.

Hon. Jean-Luc Pepin, P.C., Ottawa, Ontario.

Mr. Rabbi Namaliu, Papua, New Guinea.

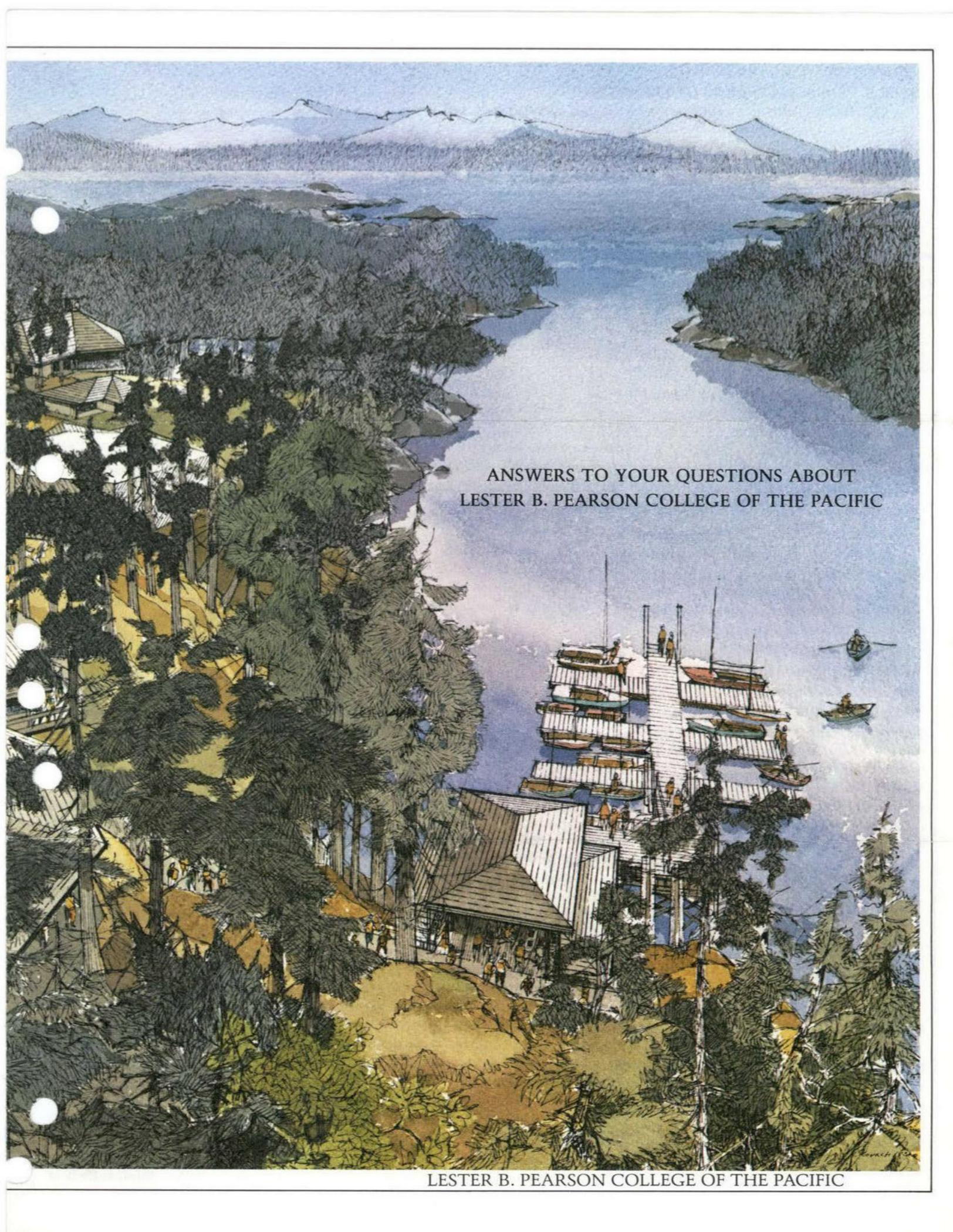
Mr. Justice L. T. Pennell, Supreme Court, Toronto, Ontario.

Mr. Jim Walker, M.P., House of Commons, Ottawa.

LESTER B. PEARSON COLLEGE OF THE PACIFIC

Board of Governors

The Hon. John L. Nichol, Vancouver, British Columbia.	Chairman
Wallace B. Haughan, C.B.E. Past Chairman, Grosvenor-Laing (B.C.) Limited Vancouver, British Columbia.	Chairman, Building Committee
Stanley M. Horner, Riddell Stead and Company Vancouver, British Columbia.	Honourary Treasurer
Robert Hutchison, Crease and Company Victoria, British Columbia.	Secretary
Andrew E. Soles, Assistant Deputy Minister, Department of Education Government of British Columbia.	Chairman, Personnel and Education Committee
The Hon. John B. Aird (Senator), Partner, Aird, Zimmerman and Berlis, Toronto, Ontario.	Geoffrey Pearson, Department of External Affairs, Ottawa, Ontario.
Mrs. Shirley Baker, Manager of Housing and Conference Services, University of Victoria.	Robert G. Rogers, President and Chief Executive Officer, Crown Zellerbach (Canada) Ltd.
James A. Coutts, Canada Consulting Group, Toronto, Ontario.	Kenneth Rotenberg, President, Y and R Properties Limited, Toronto, Ontario.
The Rt. Hon. Roland Michener, C.C., C.M.M., C.D., Former Governor-General of Canada.	William Teron, President, Central Mortgage and Housing Corporation, Ottawa, Ontario.
The Hon. Hartland de M. Molson (Senator) The Molson Companies Limited, P. O. Box 1600, Montreal, Quebec.	Richard B. Wilson, Former Chancellor, University of Victoria.
Ronald St. J. Macdonald, Q.C., Dean of Law, Dalhousie University, Halifax, Nova Scotia.	Roger Lemelin, Publisher and President, La Presse Ltee. 7 St. James Street West, Montreal, P.Q., H2Y 1K9.
Mme. Monique L. Lussier The Faculty of Psychology University of Ottawa 1245 - Kilborn Ave. Ottawa 8, Ontario.	



ANSWERS TO YOUR QUESTIONS ABOUT  
LESTER B. PEARSON COLLEGE OF THE PACIFIC

LESTER B. PEARSON COLLEGE OF THE PACIFIC

## LESTER B. PEARSON COLLEGE OF THE PACIFIC

R.R. 1, VICTORIA, BRITISH COLUMBIA, CANADA V8X 3W9, (604) 478-5591

FINANCIAL CAMPAIGN HEADQUARTERS and  
CANADIAN NATIONAL COMMITTEE OF UNITED WORLD COLLEGES  
601 - 372 Bay Street, Toronto, Ontario, Canada. (416) 364-9711

Patron — The Canadian National Committee  
His Excellency Right Honourable Jules Léger, C.C., C.M.M., C.D.  
Governor General of Canada

Honorary Chairman  
Mrs. Lester B. Pearson.

Chairman — Board of Governors  
The Hon. John L. Nichol.

Chairman — Canadian National Committee  
Kenneth Rotenberg, Toronto.

Chairman — Fund Raising Committee  
Clarence Shepard, Q.C., Toronto.

Chairman — International Council, United World Colleges  
Admiral of the Fleet, The Earl Mountbatten of Burma.



### AIM

The aim of the College is to demonstrate that education can be a force to unite rather than divide nations.

The College promotes international understanding by creating an environment in which students from many countries are brought together in study, in recreation and in service to the community.

Mr. Pearson had this to say:

"Students will be welcomed without regard to race, religion or politics and we intend to establish scholarships so that the students who attend the College will be from all levels of society and will be genuine representatives of their own peoples. This system . . . could become a revolutionary force in international education at this level."



### LOCATION AND PREMISES

Lester B. Pearson College of the Pacific is located on the shores of Pedder Bay, 18 miles from Victoria, B.C. Canada. The College is a settlement, or international village, made up of simple buildings constructed from the native woods of Canada's West Coast. No single building dominates the village. Each building has been designed to

produce the friendly feeling of a small community.

The site itself is heavily timbered and offers spectacular views across the Straits of Juan de Fuca to the snow-capped Olympic Mountain Range in Washington State.

### STUDENT ENTRY

The College is open to men and women who have completed eleven years of academic study. Upon successful completion of the two year course at the College, the student is awarded the International Baccalaureate Diploma. This diploma qualifies the student for entry into first or second year of university, depending on the country to which he or she is going.

Entry to the College is by competition. The financial situation of the student or the student's family is not a factor. Candidates apply to, and are selected by, National Committees in their own countries. Scholarships and transportation are provided to those students who are selected.

The Pearson Scholarship Committee has been set up working with the United World Colleges organization around the world. Governments, foundations, corporations, organizations and individuals in all countries are encouraged to establish scholarships to send students to the College. These scholarships are known as Pearson Scholarships.

### STUDENT APPLICATION

In most countries there is a National Committee responsible for provision of schol-

arship funds, and for selection of scholarship winners.

Application forms are available by written request to the Director, Lester B. Pearson College of the Pacific, R.R. #1, Victoria, B.C., Canada. V8X 3W9.

A suitable applicant is a person who is doing well academically and who possesses a good range of interests. Applicants should have an ability to mix with others, and should be tolerant of fundamentally different opinions and attitudes. Candidates should have a reasonable working knowledge of English, be able to express their own views. They should also have a clear understanding of the College's aims, and a personal commitment to the cause of international understanding.

### ACADEMIC — THE INTERNATIONAL BACCALAUREATE

The International Baccalaureate is a program of standard courses and examinations and constitutes a world qualification, for university entrance, now accepted by universities in most countries. The I.B. was developed by a Geneva based organization and is supported by UNESCO, government and foundation grants, from many countries.

Students are required to complete courses in their own best language as well as other languages. Examinations may be written in English and French at the option of the student. Examinations cover six subject areas. Courses offered include English, French, German, Spanish, Italian, Russian, Chinese,

Japanese, History, Geography, Economics, Philosophy, Social Anthropology, Physics, Chemistry, Biology, Scientific Studies, Mathematics, Art and Music.

### BEYOND THE ACADEMIC PROGRAM

We believe that international understanding cannot be achieved in the classroom alone.

At Lester B. Pearson College of the Pacific students and teachers participate daily in one of the following College Services.

Each service offers opportunities for the development of specialized skills, teamwork, and most importantly, a chance for students to work together in service to each other and to surrounding communities.

**Social Service.** Groups of students assist local organizations, help other young people, elderly, handicapped, and underprivileged people.

**Sea Rescue.** Students design and build high speed rescue boats and are trained to man them, and assist rescue organizations in the Straits of Juan de Fuca.

**Forestry and Wilderness Skills.** Re-forestation projects, trails and camp site development, training in fire fighting techniques, outdoor and camping skills are among the features of this service.

**Mountaineering and Caving.** Students learn and practise basic methods, rescue techniques, and are trained to assist in search and rescue operations.

**College Service.** Students help keep the College going. Site improvement and maintenance activities cover a wide range of specialized skills, from planting and landscaping to carpentry.

Students are required to participate in one of the College Services listed above, but beyond that students may participate in a wide range of recreational and cultural activities. These include sailing, swimming, riding, canoeing, tennis, ice-skating, camping and many others. Cultural activities include music, dramatics, pottery, weaving, photography, and film-making. Students must be active in at least one of these activities. All activities at the College are under the guidance of qualified experts and professionals.

Despite the extensive program of studies, services, and activities available to each student, there is lots of free time so that students can simply relax, think, and enjoy the College and their friends.

### ACCOMMODATION

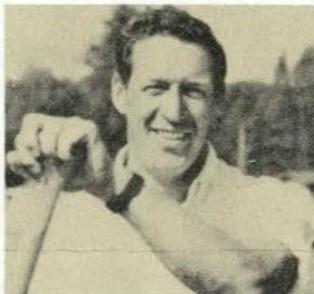
Students live in residential buildings, four students to a room. Typically, each room is occupied by one Canadian student, plus three from other countries. The rooms are furnished with beds, desks, study lamps, bookshelves and with cupboard and drawer space. Residences also contain student day room, studying rooms and laundry rooms. Each residence contains an apartment occupied by the resident faculty member and his or her family.

### THE FACULTY

Members of the faculty of Pearson College are chosen for their dedication to the students and to the ideals of the College. These men and women come from many countries and contribute a wide spectrum of experiences to the College life.

Special talents, skills, and academic abilities are necessary for these teachers, most of whom live with the students while teaching the International Baccalaureate degree in this international, and multilingual environment.

### THE DIRECTOR



The Director, Mr. Jack E. Matthews, was born in Peterborough, Ontario in 1928. He graduated from Peterborough Collegiate and went on to study at the University of Western Ontario where he was an outstanding athlete and football player. After taking a B.A. degree in Science, he added a post-graduate year in Business Administration. He is married and has two sons. He spent a short time in business before joining the staff at Lakefield College School where he stayed for several years. In 1962, he took sabbatical leave to Gordonstoun School in Scotland. On his return he became Headmaster at Lakefield College School until 1971, when he was chosen to head the Lester B. Pearson College of the Pacific.

Jack Matthews has proven capacity as an educator. His talent as a teacher and leader, combined with his long experience in the outdoors, fit him well for his present responsibilities.

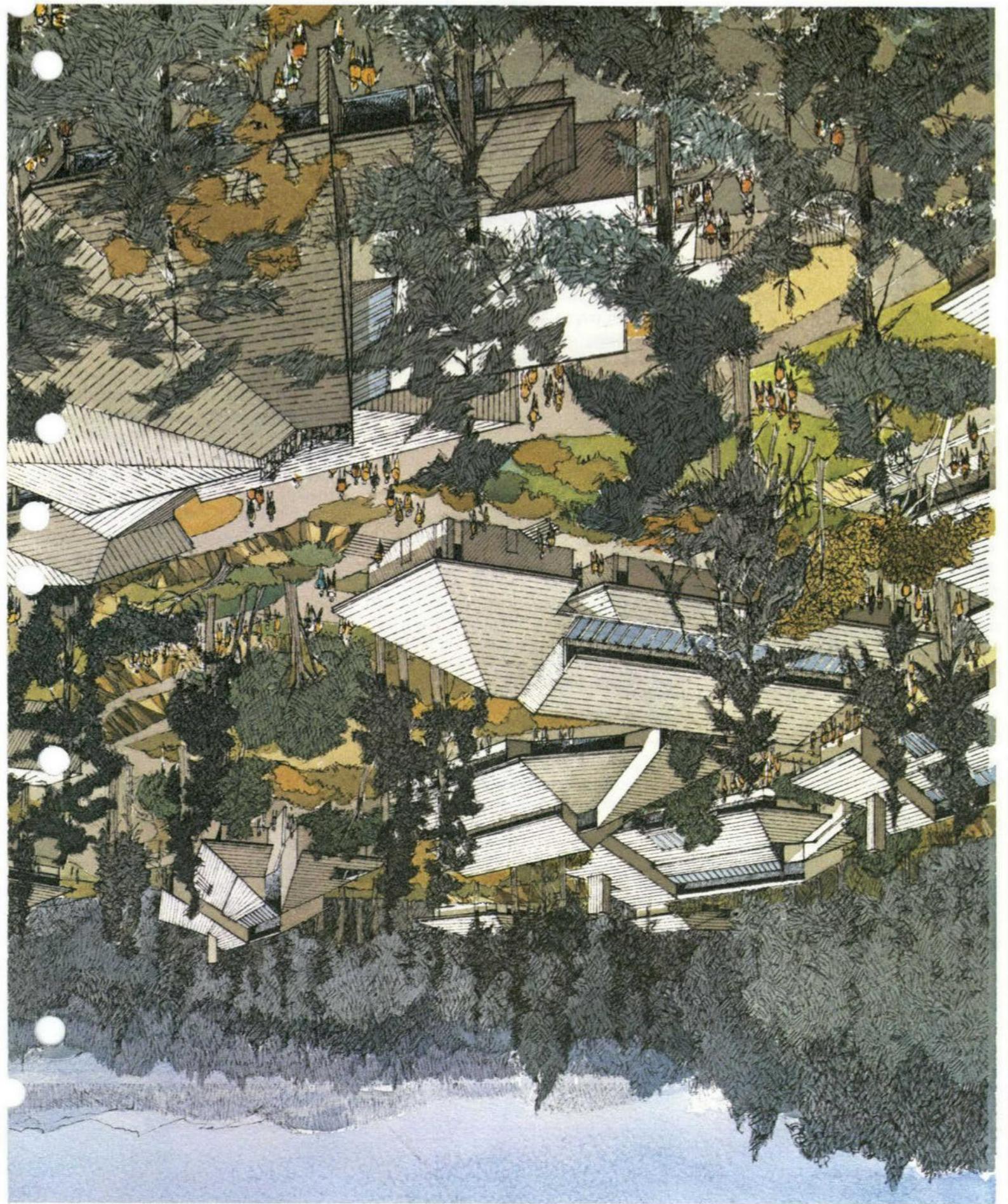
### MANAGEMENT

The College is operated on a non-profit basis by a Board of Governors. The Chairman is the Hon. John L. Nichol of Vancouver. The Board of Governors consists of seventeen men and women from all across Canada, who through their committees supervise the financing, construction and on-going functioning of the College. The Rt. Hon. Jules Léger, C.C., C.M.M., C.D. Governor-General of Canada, is the Honorary Patron of Lester B. Pearson College of the Pacific.

### FINANCIAL

All of the money necessary for the first phase of construction and initial operation of the College has been provided by the generous donations of governments, corporations, foundations, and individuals who believe in the concepts and aims of international education.

There are continuing financial requirements for both the capital and scholarship programs. All donations, which are tax deductible, are most welcome and should be sent either to the College, or to the following Canadian address: Canadian National Committee of United World Colleges, #601 - 372 Bay Street, Toronto, Ontario. M5H 2W9.



HARVARD UNIVERSITY

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION

GEORGE F. BAKER FOUNDATION

RAY A. GOLDBERG  
Moffett Professor of Agriculture  
and Business

SOLDIERS FIELD  
BOSTON, MASSACHUSETTS 02163  
TEL. (617) 495-6496 or 495-6498

September 4, 1975

Mr. Robert S. McNamara, President  
International Bank for Reconstruction  
and Development  
Washington, D.C. 20433

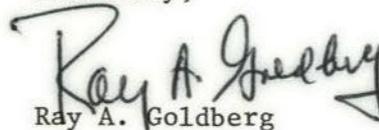
Dear Mr. McNamara:

Thank you so much for your thoughtful letter of August 25. We are most disappointed that your heavy travel schedule in October will not permit you to be our guest at the Business School when we discuss the new World Bank case. Based on your letter and the recent phone call from Mr. Chatenay, we have proceeded to develop a draft of the case which we will send to Mr. Chatenay, who indicated that he will circulate it to you and the other appropriate officials for your comments. We at the School appreciate the excellent cooperation that you and your whole organization have given to our teaching and research activities in Agribusiness and look forward to working with you in the future.

I do hope that one of these days your schedule will permit you to come back to your Alma Mater, as many of your friends are desirous of renewing their friendship with you.

Thank you again for your courtesy in writing.

Sincerely,

  
Ray A. Goldberg

RAG:jk

cc: Mr. Chatenay

SECTION  
COMMUNICATIONS  
SEP 8 1975

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1975 SEP -8 AM 11:48

COMMUNICATIONS SECTION

TO: SAC, MEMPHIS

FROM: SAC, JACKSON

*Handwritten signature: J. Edgar Hoover*

URGENT 9/8/75

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RE JACKSON TELETYPE TO MEMPHIS 9/8/75.

END

COMMUNICATIONS SECTION  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE

SEP 8 1975

COMMUNICATIONS SECTION  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE

COMMUNICATIONS SECTION

FEDERAL BUREAU OF INVESTIGATION

U.S. DEPARTMENT OF JUSTICE



Canadian International  
Development Agency

Agence canadienne de  
développement international

President

Président



September 4, 1975

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

Dear Sir:

I have enclosed a copy of the minutes of the Tidewater VI meeting held at St Donat, Canada, last December. I just received these notes from Mr. James Grant, who had agreed to prepare them for me.

I realize that they may not be of much use at this late stage, but I thought you might want them both as a record and as a reference point for the forthcoming Tidewater meeting.

Yours truly,

  
Paul Gérin-Lajoie

Rec'd in IRD

9/9/75

Att.

122 Bank Street  
Ottawa, Canada  
K1A 0G4

122, rue Bank  
Ottawa, Canada  
K1A 0G4

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## SUMMARY NOTES OF SIXTH TIDEWATER CONFERENCE

December 7-8, 1974

St. Donat, Quebec, Canada

The sixth informal Tidewater Conference opened Saturday morning, December 7th, at St. Donat, Quebec under the Chairmanship of Paul Gerin-Lajoie and concluded its off-the-record discussions Sunday noon, December 8th. The questions posed for discussion prior to the meeting and the lists of participants are attached to this informal record of the discussion. The meeting was opened by the Chairman with his words of welcome and the suggestion that--in view of the recent World Food Conference at Rome--food issues be discussed first.

### I. WORLD FOOD CONFERENCE FOLLOW-UP, RURAL DEVELOPMENT AND AGRICULTURAL CAPITAL ASSISTANCE

Judith Hart (UK) introduced the subject of the World Food Conference and how best to follow-up and implement its proposals. Mrs. Hart spoke approvingly of the Rome approach to world food reserve stocks and to increasing the flow of external resources. She expressed anxiety, however, lest the International Fund for Agricultural Development should be a "reporting affair" like the Prebisch Fund rather than a new pool of financial resources subject to the broad policy control of the administrating entity.

Mrs. Hart also was concerned about the adequacy of attention in the Rome deliberations and resolutions to the needed shift in emphasis from agricultural production to rural development. The need now is to get on with human development as well as food production through emphasizing rural development, even if that approach may (and it need not) be less speedy in producing food, and even if the recipients are somewhat reluctant to make the changes it may require.

She pointed out that many aspects have to be covered if there is to be effective rural development and that the funding and personnel requirements can be large. There is a need for a comprehensive approach, the costs of which may frequently be too large for one donor. She spoke of the need for broad schemes probably jointly financed by several bilateral and multilateral donors, and expressed the hope that methods could be found measuring the success of these programs in other than such orthodox terms as balance of payments and production figures.

She then raised the question of whether donors could speak in a common voice on the need for more attention by most developing countries to rural development.

John Hannah (UN) said that he had been asked by the Secretary General of the UN to represent him in the follow-up to the World Food Conference, and in particular to be in charge of World Food Council implementation for the time being. He described briefly the reasons for the World Food Council and its importance as a follow-up mechanism to the Rome Conference. He also stressed the essential role of FAO, and that the need for an effective FAO is greater than ever before.

He listed the three time frames which need to be considered (short run, late 74-76; the medium term, 1976-80; and long range, 1980s and beyond) and three priority areas arising from the Conference: a) to increase food production in the poor countries, which involves both technological improvements and social changes such as land reform; b) to increase food "security" internationally and in countries with occasional food gaps resulting from adverse weather conditions; c) to improve trade in food stuffs.

He emphasized that the World Food Council is a last chance for making the UN work; and, further, that if it fails in achieving the implementation of the World Food Conference resolutions there is no alternative of falling back on the OECD. Whereas in the past, the DAC had always been the alternative if the UN failed, it would now be necessary to bring in OPEC for any scheme to succeed. He recommended that OPEC and DAC should meet at an early date to see how they might jointly make the food programs work. He underscored the need for continuing cooperation between the OECD countries and the OPEC countries specifically and the "Group of 77" generally if the world food problem is to be successfully overcome.

Philippe de Seynes (UN) fully supported the rural development emphasis of Mrs. Hart. He expressed concern over the emphasis placed at Rome on meeting the minimum needs of the poorest people through food aid and welfare, important as that is, rather than through enabling them to earn increased income through enhancing their ability to participate more effectively in development.

He also stressed that the follow-up to the World Food Conference represents the first chance for a global management of a key world sector--that it provides an important opportunity that must not be lost.

Daniel Parker (US) said he considered the World Food Conference to have been a major success; its identification of goals and systemic priorities alone was a significant accomplishment. He said that his Government had already started on supporting the complex of interrelated recommendations. It has established a special follow-up procedure on the Conference resolutions, and USAID has a Special Assistant for follow-up purposes.

Maurice Williams (DAC) noted that while rural development was a subject primarily requiring LDC action, there is still an important question of what more can be done by the DAC countries. He noted three areas for possible action by DAC countries; a) Increasing the aid available for rural development; most bilateral programs devote only about 10 per cent to this purpose; b) Adopting more appropriate financial policies; this would mean willingness to provide more local currency financing and less tying of procurement to donor country sources; c) Improving project design; rural development projects require more comprehensive and integrated project programming than do most food production projects.

Robert McNamara (World Bank) called attention to the new World Bank study on rural development. He said that it shows there need not be much conflict between expanding world food production and rural development, and that they could be made complimentary and mutually reinforcing. A high proportion of the land in food deficit areas is under the control of small farms of two hectares or less and focusing attention on increasing their production would contribute in a major way to both increasing food production and promoting rural development for the poorer groups in the rural areas.

He said there was need for agreement on the end objective of development institutions like the World Bank. He saw the Bank's objective as that of raising productivity and improving the lot of poor people everywhere, but particularly in the countryside. This requires more than foreign exchange financing and the World Bank must have flexibility in using its resources for meeting local currency needs. Many governments still are reluctant to see local currency financing in World Bank projects.

I. G. Patel (UNDP) agreed with Mr. McNamara that integrated rural development cannot be adequately assisted if only foreign exchange is provided.

He also commented that more effective procedures need to be developed for merging technical assistance such as that provided by UNDP and capital assistance from multilateral and bilateral sources to meet the needs of integrated projects. He said UNDP was seeking to develop new procedures to accomplish this.

Stephane Hessel (France) reported that France too was reviewing its procedures to see how it might better help rural development. The French agreed fully on the need to get around traditional dogma in this area.

He believed that the OPEC countries can be brought into the capital financing of food production projects because they have an interest in increasing global food production in a wide variety of areas so as to assure

varied supply sources for their needs. Technical assistance for these projects would come from the West.

Emile van Lennep (OECD) supported Mr. McNamara's emphasis on defining development objectives clearly and stressed the importance of the right institutional structures in assuring effective follow-up for the World Food Conference. He noted that the FAO was essentially an organization of Ministers of Agriculture and that the effective back up in OECD capitals for implementing World Food Conference resolutions would need machinery broader than the Ministries of Agriculture.

Paul Gerin-Lajoie (Canada) gave some description of the problems that Canada was facing with demands that it should increase its food aid. There was danger of increased food aid being at the expense of development aid. He emphasized the need to keep the levels of development aid up even when emergency food aid was increasing.

Kiyohiko Tsurumi (Japan) spoke to the need for developing countries to come up with their own proposals for increasing food production, including proposals for the supporting infra structure. Increasing food production was the emphasis in Japan's program.

David Hopper (International Development Research Center) stated that Green Revolution of the past 10 years did achieve expansion in per acre grain production. Most of the earlier improvements in agricultural productivity had been expanding the acreage or through permitting multiple cropping through irrigation. He noted that the use of the "miracle grains" depended largely on individual decision, and that other major inputs such as the pesticides must be the result of collective and group actions since one farmer cannot control pests alone. Governments have not used the time made available by the Green Revolution to address this problem of how to get group action. Thus it has not been possible to reproduce in group action in the Punjab what had been done earlier in Japan and Taiwan.

The second point he stressed was his disappointment with the relative priority given to attention on food aid as compared to increasing production. Food aid by the West is getting out of date since it is becoming too small to be really effective. For instance, India in the last decade added 20 million tons to its base of production; during the same period, food aid dropped substantially to 10 million tons, a relative drop in the bucket in terms of overall grain consumption in the developing countries.

Dr. Hopper said the capacity to increase food production in heavily populated food deficit areas to small projects was now becoming limited; the need is for multi-billion dollar food production projects which can result in increasing production by millions of tons annually. A one billion dollar capital investment in particularly appropriate project areas in India (or Bangladesh, or the Sudan) could increase grain production by 3-10 million tons annually. This would require, however, major consortium backing over a

10 to 20 year period. Investments like this could treble food production in many food deficit areas.

Turning to the drought prone areas within India and the Sahel area of North Africa, Hopper noted the conflict between investment to increase long range food security in areas which have the potential for meeting their own food needs (e. g. Bihar, Bangladesh), and investment to help non-secure areas which always would periodically (say 1 in 5) have bad years (e. g., Sahel). He stressed the need for investment in neighboring areas to get secure irrigated agriculture of the type that would be provided by the development of the Niger.

Dr. Hopper said that the new Food Policy Research Institute (to be established in the summer of 1975 in Washington) would get into these types of strategic issues. He noted that some developed countries seemed to be anxious about the proposed Institute and that the International Consultative Group on Research had not agreed to provide financial support.

Robert McNamara then introduced the subject of the World Food Conference proposal for a Consultative Group on Food Production and Investment in Developing Countries (CGFPI). He said that the World Bank, FAO and the UNDP were prepared to move forward with the Consultative Group, which would have a small staff, and which could be a significant mechanism for mobilizing OPEC resources for major agricultural projects. He then asked whether the DAC governments would be prepared to support it in spirit and intellectually during the formation stage this winter, and with financing later.

Egon Bahr (FRG) said that the Bank's great merit, apart from its top leadership, was that it did take decisions and had money to implement them. He raised the question of whether the new Consultative Group pulling in the UNDP and the FAO with the World Bank would be equally ready and able to act. He also raised the question of whether DAC and OPEC shouldn't be brought together directly since they have the financial capacity to implement what they decide--unlike the UN agencies with their limited resources. DAC alone could support some large projects of the type referred to earlier by Dr. Hopper. He questioned the need for new organizational structures.

I. G. Patel agreed that the UN could be rather non decisive, but that these projects frequently needed, in addition to dollars, the cooperation of several countries, e. g., the Indus project. The UN also has the great merit that it seems to involve the LDCs more in their own development. The need is not for one or the other but for the UN as well as other bilateral and regional structures.

There was considerable discussion around the table of the Consultative Group on Mr. McNamara's question of whether the DAC governments supported the Consultative Group concept. Egon Bahr said "if it is efficient and acts." Jan Pronk, Stephane Hessel, and John Hannah underlined the importance of OPEC participation. Philippe de Seynes warned that OPEC was not likely to play in a game in which it was confined to food production, and that even in the food sector OPEC governments, like most DAC governments, would seek to relate funding to their interests--which is obvious in the Sudan, but less so in India and Bangladesh.

Chairman Gerin-Lajoie summarized, before the luncheon break, saying "There appears to be a Tidewater consensus on supporting such a group."

## II. SCOPE OF DEVELOPMENT COOPERATION

Robert McNamara opened the Saturday afternoon session, noting there was not solution to the food (or other developmental) problems of the poor countries other than through: a) more favorable and appropriate policies in the developing countries--the most basic necessity, and b) assuming these policies, additional external capital flows. He summarized the figures given earlier in his annual Report to the Board of Governors on ODA requirements by 1980--\$16.7 billion if donor assistance drops to .20 per cent of their GNP and \$24.4 billion if it stays at .30 per cent, the present percentage. He posed the question of whether DAC governments would increase their contribution from the 1973 levels of \$9.4 billion to \$24 billion.

This led to a discussion of the importance of securing OPEC financing to help the developing countries. Mr. McNamara summarized the World Bank information on the subject and there was considerable discussion of the figures, to which Maurice Williams made an important contribution. All agreed that the data was not precise but probably close to being correct in magnitude.

DAC-OPEC Cooperation. There was a brief discussion of the International Energy Agency and the "safety net" proposal, which were welcomed, but it was noted that these were not directly relevant to Third and Fourth World needs. The IMF Trust Fund was considered helpful, but modest. Mr. McNamara spoke about the Bank effort to be helpful to Third and Fourth World countries, but stated that there are difficulties in carrying out policy because of lack of agreement within the OECD and suspicion by OPEC countries of an institution which has so large a share of OECD countries among its shareholders. He concluded on the note "We need to get OPEC to do more, but what is the OECD hole card?"

Egon Bahr strongly suggested that the DAC and OPEC should get together at an early date, questioning why this had not already taken place. Maurice Williams said that he had undertaken some contacts with OPEC officials in

Vienna and found OPEC to be limited in its dialogue capacity in this area since it was not established for this purpose. On a bilateral basis DAC had been giving OPEC countries information on the aid programs and mechanisms of the DAC countries and on the workings of DAC itself. He added that he was planning a series of country visits as there was more to discuss. The possibilities for an OPEC-DAC meeting warrant further exploration, and he welcomed additional thoughts on the parameters of, and suggestions for, a DAC-OPEC meeting.

Jan Pronk (Netherlands) said that two major measures were required to create a better climate between the DAC countries and the OPEC countries. First, there is the need to revise "our" policies in the field of energy. As long as the official policy is to seek a major oil price rollback, OPEC will not cooperate internationally. Confrontation will be inevitable. Second, there is need for more decision-making structures in which the "new rich" can share. DAC/OPEC cooperation on development in Third World countries will be difficult as long as donor policies are made only by the traditional donors. He thought the new International Fund for Agricultural Development holds out real promise of being an appropriate cooperative mechanism, and that concentration on cooperating through this new Fund might be more successful than a general DAC/OPEC meeting. He noted how much the OPEC countries had changed and liberalized their approach in Rome when Secretary General Marei involved them at an early stage of the discussion. He expressed the belief that a DAC/OPEC meeting should be delayed until DAC had more to offer in the way of initiatives of its own. Philippe de Seynes felt it would be desirable to have a DAC/OPEC meeting, but that such a meeting should avoid questioning the legitimacy of the oil prices. He felt that talk of burden sharing with OPEC needed to be on a broader basis than merely in the context of a single Fund such as the proposed Agricultural Development Fund.

Mrs. Hart expressed general agreement with Jan Pronk. She believed that confrontation over oil prices will eventually be abandoned. She stressed her belief that effective cooperation with OPEC countries on development issues will require more than "hat in hand" missions from DAC countries. The developed countries need to have a contribution to make to the joint ventures. DAC countries need to turn their attention now to avoiding a total collapse in many of the less developed countries (LDCs).

Egon Bahr made a plea that traditional methods of measuring aid be abandoned now that the OPEC countries have money that is needed. The West needs to provide the technical assistance and know-how to permit OPEC money to be effective in developing countries.

I. G. Patel noted that coordination on aid giving had actually retrogressed in the past couple of years. Effective coordination is important because it can increase both the volume and distribution of aid. Direct DAC/OPEC coordination excludes the USSR and China, and omits LDC participation. He thought that

OPEC countries are more at home in the UN because they are equal (for instance, in UNDP), whereas they do not have equal status in the international financial institutions. He felt that in order to work effectively with the OPEC countries, the DAC countries would need to make larger contributions. Many in the Group of 77 fear that DAC insistence on a greater OPEC share is merely a way to relieve DAC of its responsibilities.

Emile van Lennep suggested that it was not necessary to meet with all OPEC countries, but just with the major donors. He also agreed with those who stated that before we can expect to be effective in pressing OPEC to do more, the lagging DAC countries themselves need to do better. He agreed with Mr. Patel that the sale of technical skills by DAC is not aid. Finally, he noted that an active OECD/OPEC dialogue (largely one way) on the state of the OECD and world economy was already in progress.

Stephane Hessel said that any DAC/OPEC meeting to exchange information on burden sharing was not likely to be very fruitful at this time. He thought it would be better to have a joint meeting on the role of development assistance, concentrating on a major subject such as agricultural investment and exploring concrete projects.

James Grant (ODC) supported Hessel's proposal, but suggested broadening it to cover World Food Conference follow-up. This is the area in which DAC is most likely to have additional dollars both for increased food aid and for food production purposes.

Dan Parker agreed that US expenditures for defense and in such areas as Egypt and other Middle East countries are on behalf of all DAC countries. He felt that the DAC countries should go ahead without waiting for OPEC. DAC should continue to press OPEC to do more, but in the meantime the DAC countries should put some earnest money on the table. He was doubtful of the possibilities for effective cooperation at this time, noting that most OPEC countries do not yet even know how to cooperate with DAC countries on their own development. Paul Gerin-Lajoie said this raised the issue of how much attention should be given to making appropriate skills available to OPEC countries to help them with their own development.

Kiyohiko Tsurumi then asked Mr. McNamara for an explanation of recycling and the IMF oil facility. He, Mr. van Lennep, and several others expressed general agreement that the deficits of the developing countries are the result of more than the oil prices, that there are limits on the amounts that the poorer LDCs should borrow from the IMF at relatively high interest rates, and that there is a need for transferring additional resources to the most severely affected countries at concessional rates.

Robert McNamara introduced the discussion of increasing OPEC/DAC cooperation through larger OPEC participation in the IMF and World Bank, currently 4 per cent, with proposals calling for increasing the OPEC share to 9 per cent. He suggested that a greater share might be required. If agree-

ment cannot be reached on meeting their demand for a "more adequate voice" by giving OPEC a greater role in the Breton Woods agencies, then other means including the follow-up to the mechanisms to the World Food Conference and the Development Committee will need to be found for this purpose. This led to a discussion of the extent to which the Development Committee might serve as an adequate forum for involving the OPEC countries, but three commentators noted that the OPEC countries would need to be given a greater voice in the Committee before it could serve as such a forum. In response to questioning from I. G. Patel, Mr. McNamara discussed the possibility of different voting and quota formulas for the Bank and Fund and of an IMF concessionary window for the most seriously affected countries; he noted that most changes under discussion, other than a Siamese separation of the World Bank and IMF, would not require charter changes.

Chairman Gerin-Lajoie summed up the consensus that there is both the need to draw the OPEC countries into the development cooperation process and the need to communicate this understanding to other elements within the DAC governments in order to develop a comparable awareness.

#### Disaggregation of Developing Countries

Chairman Gerin-Lajoie raised the topic of the growing necessity for disaggregating the developing countries according to need, and of the consequent need for different assistance policies for the various categories of developing countries. The ensuing discussion showed that virtually all donors were making a shift in the direction of their concessional aid, with more going to the poorer and most seriously affected countries and less, or even none, to the OPEC countries.

Daniel Parker said this shift was taking place within USAID programs and consideration was being given to helping the more advanced non-OPEC countries gain better access to private capital markets thereby releasing still further aid resources for countries in greatest need.

Judith Hart stated the UK planned no further capital assistance to Indonesia and Nigeria after completion of existing commitments, but that technical assistance would continue. Egon Bahr said Germany would follow a similar policy with OPEC countries but would receive reimbursement for technical assistance.

Robert McNamara described the World Bank policies toward the OPEC countries, including the termination of IDA assistance and of willingness to make Bank loans--offset by comparable Bank borrowings from the OPEC country concerned, in order to provide the advice and guidance that go with Bank project loans.

Ernst Michanek (Sweden) said Sweden was moving slowly in this area, and discussed the situations of various countries.

Jan Pronk described in some detail the evolving Netherlands policies for bilateral assistance, which is concentrated on a limited number of countries. Beginning January 1 there would be:

- An A list of countries getting more assistance, and program as well as project aid. Since the Netherlands chairs the Indonesia consortium, Indonesia remains on the list--as do Sri Lanka, North Yemen, Upper Volta.
- A B list of countries receiving less aid, and only in project form. Turkey, Tunisia, Egypt, and Cuba are among those on this list.

In both categories, preference is given to projects helping the poorest people. For example, one quarter of aid to Indonesia is to be only for social projects, all on a grant basis. The Netherlands has 5 categories of terms: IDA, DAC, 4 per cent, 6½ per cent (Indonesia), and grants.

Kiyohiko Tsurumi noted that Japan did not yet have either fixed criteria for allocating assistance under these circumstances or a system for reimbursable technical assistance.

Egon Bahr noted that German technical assistance to OPEC countries was on a reimbursable basis, but that the form of assistance could become quite a burden on a limited administrative structure. He noted the concentration of aid on Mediterranean countries and an increase in aid (from 19 per cent to 25 per cent) to the most seriously affected countries.

I. G. Patel said that UNDP faced a somewhat different long term situation and under its policy of universality had been providing assistance to all but the richest countries.

The Saturday meeting closed with a plea from Mr. Parker for more help with population programs, which he said were mostly the result of U.S. efforts. He noted that the total requirements were rising rapidly following the Bucharest Conference. He doubted the ability of the United States to maintain its present percentage share and explained the U.S. withdrawal from support of abortion projects.

### III PUBLIC ATTITUDES TOWARD AID

The Sunday morning discussion of public opinion and development assistance was opened by Jan Pronk. Commenting that we probably worry too much about public opinion when discussing aid, he made several points:

- 1) Are there such discussions about public support when Ministers of Defense meet to decide on their budgets? He suggested that the real problem is not the lack of public support but the lack of political leadership.

- 2) Many people thought that the oil crisis would bring a backlash against aid, but in the Netherlands it did not. His experience as an elected politician is that asking for more aid in an election campaign does not hurt a candidate noticeably.
- 3) Social justice is the only reasonably good political motive for aid. He felt that self-preservation is not a sufficient argument, since stagnation in the Third World does not hurt the rich countries seriously.
- 4) Many aid programs are long term and ambitious, and therefore more difficult to sell to a general public (as are those policies beyond aid, such as trade preferences) particularly where they can lead to unemployment and other adverse domestic consequences.
- 5) He identified three target groups that warranted particular attention in the Netherlands: 1) Labor unions; 2) The educational system, particularly secondary schools; 3) The media, which can be reached at lower cost than other groups, but which can only be persuaded--not ordered--by government to carry information. He stated that the experience of the Netherlands has shown that it is necessary to go beyond government programs to build public support; there is opportunity for reaching broad range of private groups. There is also real benefit to be gained by in-depth studies of public attitudes of different groups. Certain domestic policies to assure greater equality within the country are necessary if overseas aid programs are to be substantially expanded.

James Grant spoke about public opinion in the United States. Good will toward the LDCs does not easily survive if development cooperation has the result of hurting domestically, for example, when the import of cheap labor-intensive goods leads to domestic unemployment and there are inadequate adjustment assistance mechanisms. Secondly, the support by the LDCs for OPEC is certainly making it difficult to convince the American public of the desirability of supplying aid to the developing countries. Now that virtually all LDCs are supporting the Arab side of the Arab-Israeli dispute, this is creating additional complications in attitudes toward LDCs, and particularly toward their demands for a new international economic order. Thirdly, there is a certain amount of disappointment and disillusionment at the fact that the rapid growth rate of the 1960s did not bring substantial benefits to the poor majorities in the developing countries. Aid cannot be long justified on moral grounds unless development programs become more effective in addressing the problems of the poorest half of the population. Fourth, an additional problem developing in the United States is that there is growing confusion as to what the objective of development is: environmental and anti-growth groups are questioning the

value of helping developing countries pattern themselves after Western growth models and values. Fifth, there is very little understanding in the United States of the fact that the existing international systems frequently work to the disadvantage of the developing countries, and that there is some substance to their objective (if not to their means) of achieving a new international economic order. There remains, however--despite the confusions generated by the above--a substantial willingness to help the disadvantaged and poor abroad on the ground that it is right; this has been shown very clearly by the mass support by the U.S. public and Congress for increased food aid in the past year.

Stephane Hessel said that the public needs to recognize more widely the extent of competence and ability that have developed within the developing countries over the past 10 to 20 years as well as the rapidly increasing solidarity of attitudes among developing countries.

William Clark (World Bank) urged that pride in capacity to change things rather than shame in our failure to act, or fear of what might happen if we did not act, should be the motivation for supplying aid. Pride has longer sustaining power. He pointed out that the new concepts emerging about development offer the hope that methods can be found for ending absolute poverty by the end of the century through evolution of our market economic systems. If we can see our development patterns working toward this, then there can be pride in cooperation; otherwise there will be shame and a sense of failure. Daniel Parker said he was anxious to change the American feeling about the Third World from one of sympathy to one of empathy.

Paul Gerin-Lajoie raised the question of the extent to which the OPEC actions are a public relations problem in working toward DAC/OPEC cooperation. Both Mr. McNamara and Mr. Grant said this was a problem; Mr. Grant went on to say that there were major sources in the U.S. government that sought to treat the OPEC action as the principal cause of virtually all the current global problems--to the point that some are even unwilling to talk about the consequences on the developing countries of the soaring food prices of the past two years, which had an inflationary effect closely paralleling that of the rising energy costs.

Robert McNamara gave an account of the low level to which American aid has fallen in recent years and suggested it would go still further. He had expected when he came to the World Bank that America was in a trough about aid; he found U.S. aid to be in a steady decline with no sign of reversal. He stressed the need for a broader understanding within the United States of the sources of the current global problems and the importance of a greater awareness of the need for a coherent response to the current issues.

I.G. Patel noted that advocates of global cooperation were fighting human nature and nationalism in both developed and developing countries. He inquired why there was not greater automaticity to aid; why countries have not looked at

the possibility of special taxes (e.g. on cigarettes), the proceeds of which would go for aid? Why do the bureaucracies seem to oppose these automatic devices?

David Hopper noted that within the developed countries money is appropriated for programmatic purposes rather than for geographic areas. He asked whether there was a greater possibility for public support for aid programs structured around specific needs such as food. The Marshall Plan was not seen as a German, English or French program, but as a rehabilitation program for Western Europe.

Emile van Lennep noted that there was not major backlash in Europe to aid levels as a consequence of OPEC actions. Looking at the OECD projected figures for assistance, he said that it is clear that in the years to come there will be a very great disparity between the countries with a low assistance rate (Germany, Japan and the US) and others (e.g. the Netherlands and Sweden) which are moving rapidly to the full 0.7 per cent ODA target or more.

Kiyohiko Tsurumi said that in Japan the government seeks to stress interdependence and other aspects of enlightened self-interest. He agreed with Jan Pronk on the need for a balance between overseas aid and social justice programs at home; in this regard there was growing concern in Japan that aid seems to be primarily helping already privileged groups rather than those in need.

Egon Bahr said the aid scene in Germany was bleak. Most Germans seem to regard aid as wasted money. He cited the Golden Bed syndrome. He considers the stress on self-interest and interdependence and on the importance of aid as a means of securing cooperation in a world lacking sufficient other global instruments for problem solving to be useful in persuading public opinion of the merits of aid. He thought that emphasis on some kinds of global problems--such as providing sufficient food for the world's population--might be a possible way of rousing public opinion.

Ernst Michanek said he doubted that public opinion within the developed countries was as discouraging as some of the earlier speakers indicated. He said that he does not care what the public motivation for supporting aid is, as long as there is support for a reasonably large aid program. He emphasized that the experience of Sweden has been that political leadership in the field would always have a following. He pointed out that in the last 15 years the Swedish aid program has been substantially increased with a modest level of public support. Each year a public opinion poll is taken in which people are asked whether they think the aid program is too large, too small, or approximately right. Each year more than half have said it was about right. About a quarter have said it

ought to be larger, and about 10 to 15 per cent have said that it is too large and ought to be reduced. He credited churches with being a major and stable source of support. He has found the one per cent aid target to be an excellent public relations tool; there are others. He fully agreed with the three target groups identified for public education purposes by Jan Pronk.

Mr. Michanek closed his comments on the point that while changes in attitudes are always difficult to achieve, he is encouraged by the fact that the publics in the developed countries appear to be increasingly change-prone. He noted the slow pace of change in the past: it took 60 years from the time the idea was first introduced to effectively implement the 8-hour working day. He cited the abolition of slavery and the attainment of the women's vote as other examples. In contrast it has taken less than 20 years to change attitudes on population control from total rejection to virtually total acceptance. The same is true of attitudes toward environmental protection, where the changes in the past 10 years have been monumental. Something similar is happening in terms of life styles. This recent experience suggests that the attitudes toward developing-country demands for a new international economic order will not take decades, but only years, to be accepted.

Allan MacEachen (Canada) closed the discussion on public attitudes toward aid. He said that reading public opinion is an eternal task for politicians and one that is particularly difficult on questions of development aid, because such aid is not high on the list of public concerns. He was struck by the widespread interest both in Parliament and by the public to the World Food Conference. He suggested several reasons for this high level of interest: first, that people feel somewhat guilty in their present affluence; and second, that many people are uncertain about the future of an affluent world--fearful of it being fleeting and therefore feeling a need to share in order to preserve it.

He also noted several facts working against public support for aid: the many stories on the misuse of aid; the problem of assistance to regimes that are authoritarian and oppressive; the fact that aid seems to make the rich richer; and, most important, doubts about whether we know where we are headed, both globally and at home.

August 25, 1975

Dear Professor Goldberg:

Thank you for your letter of July 31, 1975 and for the invitation to the School on October 7. As Mr. Chatenay informed you by telephone, a heavy travel schedule in October will not allow me to be your guest. I do regret it.

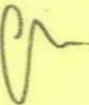
We will be pleased to help in updating the cases on the World Bank for your coming sessions. I understand a draft will be sent down here, for comment. Mr. Chatenay will see to it that we respond in good time.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Professor Ray A. Goldberg  
George F. Baker Foundation  
Graduate School of  
Business Administration  
Harvard University  
Soldiers Field  
Boston, Massachusetts 02163

cc: Mr. McNamara's Office (2)  
Mr. William Clark/Mr. Chatenay

 LPChatenay/WDCClark:mmh  
August 22, 1975

HARVARD UNIVERSITY

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION

GEORGE F. BAKER FOUNDATION

Cape Cod

617. 775. 4622

RAY A. GOLDBERG  
Moffett Professor of Agriculture  
and Business

*Pl to Mr Clark  
Please contact Goldberg  
+ ask what he proposes  
we do in connection  
with his plan + "up-date"  
the cases.*

SOLDIERS FIELD

BOSTON, MASSACHUSETTS 02163  
TEL. (617) 495-6496 or 495-6498

July 31, 1975

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

*(4) After your discussion  
with Goldberg, draft a reply  
for me + send him - I will  
be travelling much 7 Oct  
+ won't be able to  
accept  
his  
invitation  
Lyn*

Dear Mr. McNamara:

As you know, over the past several years, thanks to your cooperation and that of your staff, we've been privileged to develop a number of cases on the World Bank. We would very much like to up-date these cases and combine them into one generalized case to be used in our MBA Program and eventually in our Executive Education Program as well. I'm enclosing the previous cases to give you the evolution of the thought processes that went into developing the case studies. Perhaps even more important than the development of a new, all overall encompassing case on the World Bank, would be the opportunity of having you as our guest at the School when we would teach such a new case, if the idea is agreeable with you. A tentative date that we have selected for such a case is October 7.

The whole interest in the total world food system and in agribusiness in general has been such that we now have two sections to our course. The first begins at 11:30 and ends about 1:00. The second begins at 1:00 and goes to 2:30. This means that we would like to invite to an early brunch before class and then after class, around 2:30, the students have sort of an informal get-together where they have a chance to discuss with you some of the kinds of issues that were brought up in the cases but couldn't be discussed in an informal way. I know how very busy your schedule is and how important your outstanding work is. At the same time, so many of our best students have ended up having the opportunity of joining your Young Professionals Program and working with the bank, that it would be a major contribution to our teaching and research program if we could have the pleasure of your participation in our course this fall.

Looking forward to hearing from you at your earliest convenience. If by chance that particular date is a difficult one for you to make, we would be more than happy to rearrange our teaching schedule to pick a time that would be convenient for you if the thought of coming up would be agreeable.

Thank you in advance for any help you can give us on this request. Your associates at the School join me in sending me their warm regards.

Sincerely,

*Ray Goldberg*  
Ray A. Goldberg

RAG/abh  
Enclosures

1975 AUG 5 PM 3:39

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COMMUNICATIONS SECTION

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COMMUNICATIONS SECTION



HOUSE OF COMMONS  
LONDON SW1A 0AA

22nd July, 1975.

SELECT COMMITTEE ON OVERSEAS DEVELOPMENT

*Dear Mr. McNamara,*

I know that I am expressing the views of the whole Committee in thanking you most sincerely for giving up so much of your valuable time to see us. We fully appreciate the demands made upon you, and we are most grateful to you for talking to us.

I need hardly say that we found your views most fascinating and informative. It also goes without saying that all the Bank staff to whom we spoke were extremely forthcoming and cooperative, and we learnt a great deal that will be of value to us when we come to write our report in due course. We shall, of course, study all the documents you gave us with interest, and we will be hoping to see some Bank development projects for ourselves when we visit Africa in late November.

Once again may I express our thanks to you for seeing us; we were greatly privileged to meet you.

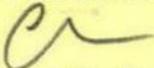
*Yours sincerely,  
Geoffrey de Freitas*

Chairman of the Committee

The Honorable Robert S. McNamara,  
President IBRD,  
IBRD Building,  
701 19th Street NW,  
Washington D.C.

Mr. Benjenk, Vice President, EMENA  
Mr. Chaufournier, Vice President, W. Africa  
Mr. Husain, Vice President, E. Africa

July 21, 1975

Peter Chatenay 

SIAS; Parliamentary Conference on Africa; September 11, 1975, a.m.

1. Please find, attached, the invitation to Mr. McNamara, his reply and the list of participants at the Conference.
  
2. William Clark has asked me to make arrangements for this visit by about 50 U.S., U.K. and Canadian parliamentarians during the morning of September 11. The meetings will take place in Room E-1244.
  
3. I suggest the following program:
  - 10:00 a.m.: A survey of operations in Africa; trends, including a description of the new type projects for the attack on poverty.
  - 11:00 a.m.: Special problems - regional cooperation, the drought, famine, riverblindness; Bank responses.
  - 12:00 - 1:00 p.m.: Question time, including, it is hoped, a period when Mr. McNamara would be present.
  
4. Please let me know whether these general suggestions are acceptable. We could then decide how best to arrange your individual participation and what staff we should line up to assist.

cc: W. Clark

LPChatenay:dlf

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PARIS 38 11 1327

M ROBERT MAC NAMARA

2412 TRACY PLAZA

DC20008/WASHINGTON

MY FRIEND AND FIRST RATE RADIO COMMENTATOR

JEAN-FRANCOIS KAHN WILL BE IN USA BETWEEN JULY 12

AND 18 AND I SUGGESTED HE ASKS IF POSSIBLE TO MEET

YOU WARM REGARDS

SERVAN-SCHREIBER

COL 2412 DC20008/WASHINGTON 12 18

*7/11/75 Mr. Clark  
rip  
L. Mend*

~~P. Chet~~  
*to note.*  
JUL 11 9 53 AM '75

# ORGANIZATION OF AMERICAN STATES

## Routing Slip

TO <i>Mr. William Clark</i>		ROOM (UNIT) <i>World Bank</i>	
FROM <i>Nelson Mellesone</i>		DATE	
<input type="checkbox"/> APPROVED	<input type="checkbox"/>	<input type="checkbox"/>	NOTE AND RETURN
<input type="checkbox"/> NOTED	<input type="checkbox"/>	<input type="checkbox"/>	SIGN AND RETURN
<input type="checkbox"/> SEE ME	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FOR YOUR INFORMATION
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<input type="checkbox"/> REPLY-MY SIGNATURE	<input type="checkbox"/>	<input type="checkbox"/>	RECOMMEND ACTION
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REMARKS			



ORGANIZACION DE LOS ESTADOS AMERICANOS  
ORGANIZAÇÃO DOS ESTADOS AMERICANOS  
ORGANISATION DES ETATS AMERICAINS  
ORGANIZATION OF AMERICAN STATES

17th Street and Constitution Avenue, N.W. Washington, D.C. 20006

June 27, 1975.

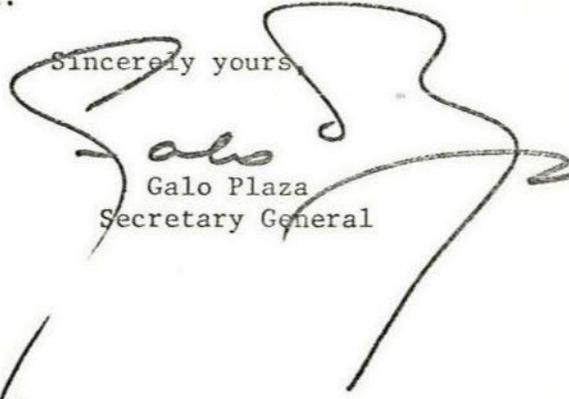
Dear Mr. McNamara:

I would like to take this opportunity to express my appreciation for making available the services of Dr. Ved P. Gandhi, a member of your staff of the East Africa Regional Office who served as a consultant in a recently completed in-depth evaluation of the OAS Public Finance Program.

This was a comprehensive evaluation, embracing policy, technical and administrative aspects, and is to be submitted to the Inter-American Economic and Social Council and to the General Assembly. The report and recommendations of the consultants will, therefore, have a significant and long-range impact on public finance programs throughout the Americas.

Dr. Gandhi, as one of two outside consultants, played a key role in this in-depth evaluation. His extensive training and experience in public finance and international organizations, in addition to his ability to meet and deal effectively with high-level officials of OAS member states, proved to be invaluable.

Sincerely yours,

  
Galo Plaza  
Secretary General

Mr. Robert S. McNamara  
President of the World Bank  
1818 H St. N.W.  
Room E-1227  
Washington, D.C. 20433

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6/24/75

Dear Sir Eric:

Thank you for your letter of June 11, and for the copy of the CDC Annual Report and Accounts for 1974. I congratulate you and your staff on the accomplishments of the Corporation in the course of a difficult year. I am especially glad to note how closely CDC and the World Bank stand in the emphasis given to the attack on rural poverty and the development of agricultural production in the years ahead. I particularly applaud the reference to the need for imagination and enthusiasm if we are to help move some of the problems to a solution.

Your reference to the success of the exchange visits initiated last year between our staff is most welcome. If I am in London and able to take advantage of your kind invitation, I shall do so with pleasure.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Sir Eric Griffith-Jones, K.B.E., C.M.G., Q.C.,  
Chairman, Commonwealth Development  
Corporation  
33 Hill Street  
London W1A 3AR, England.

WDClark:sf

# Take to Europe

cc: Mr. William Clark ✓  
Mr. Michael Hoffman

June 20, 1975

Dear Maury,

I am glad you called my attention to the curious reaction of some participants in the recent Hague Symposium to my memorandum to the Executive Directors on capital requirements. I still cannot see how anybody could see the memorandum and the paper as anything but the strongest sort of ammunition for governments trying to persuade parliaments for the need for increased ODA. I have said, and expect to stress again to our Executive Directors and Governors, that while some OPEC countries will be able to provide ODA for a few years, most, I think, will not be able to do so for very long; that, besides, they are still essentially poor countries themselves; and that therefore the obligation on the comparatively rich countries to provide assistance is not diminished by the existence of high oil revenues.

Also, I think we should publicly acknowledge and applaud the success of countries like Sweden and the Netherlands in reaching this target. I am asking William Clark when he attends your high level meeting week after next to find an occasion to recognize and encourage their good performance.

With best regards,

Sincerely,

Robert S. McNamara

Mr. Maurice J. Williams  
Chairman, Development Assistance Committee  
Organisation for Economic Co-operation  
and Development  
2, rue Andre<sup>1</sup>-Pascal  
Paris XVIeme, France

MLHoffman/cc

June 20, 1975

Dear Judith:

I was very sorry to hear of your resignation, especially as it prevented our meeting in Paris at the Development Committee which I had been looking forward to.

Of course, still under your instructions, the British delegation was as supportive as I have come to expect.

Let me say how much I have enjoyed working with you, and how much I admire your real dedication over the years to the cause of development.

I hope we can keep in touch, and shall find ourselves working together again.

With all good wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Rt. Hon. Mrs Judith Hart  
House of Commons,  
London, S.W.1.  
England.

WDCIark:sf

*b/18 To M. Clark*

COMMONWEALTH DEVELOPMENT CORPORATION

FROM  
SIR ERIC GRIFFITH-JONES, K.B.E., C.M.G., Q.C.  
CHAIRMAN

33 HILL STREET  
LONDON W1A 3AR

*2/21 & draft 9*  
*copy*  
*Shaw*

11th June 1975

Mr Robert S. McNamara,  
President,  
International Bank for Reconstruction  
and Development,  
1818 H Street, N.W.,  
Washington, DC 20433,  
U.S.A.

*P.C.*  
*cdst draft*  
*wdc's*  
*copy*  
*sketch*

*Dear Mr. McNamara -*

I enclose a copy of CDC's Annual Report and Accounts for 1974, from which you will see that despite the escalating difficulties during that year, the results were quite gratifying.

One of the most satisfying features of the year from CDC's point of view was the agreement which I reached with Mr Burke Knapp during the Bank's Annual Meetings in Washington last year for exchange visits at half-yearly intervals between CDC and the Bank at official level. The first such visit took place in January, when a CDC team under our General Manager, Peter Meinertzhagen, visited Washington and had fruitful and constructive discussions with their counterparts in the Bank. A return visit to London by a team from the Bank has been fixed for July. I am sure that this exchange of visits each year cannot but enhance the efficacy of the operations of our respective organisations in advancing the economic development of the Third World.

It would give my colleagues and myself the greatest pleasure and satisfaction if, at any time that you may have occasion to be in London, you could spare the time to lunch or dine with us, and share with us our hopes and aspirations for increasing our efforts to assist the developing countries of the world.

With kind regards,

*Yours sincerely,*  
*Eric Griffith-Jones*



June 5, 1975

Dear Vernon:

Thank you so much for your letter of May 22, and the invitation to meet the Parliamentary Conference on Africa.

I have very pleasant recollections of my meeting with them in Wyoming, and I would like to see this group also. But, as you know, this will be just a few days after the formal end of our Annual Meeting and I shall still be dealing with the visiting Finance Ministers.

6/4  
The same circumstances may make it difficult for some of the senior staff to be certain of being free. I have therefore asked William Clark, the Vice President for External Relations to arrange the meeting on the morning of September 11. He knows this group and appreciates its importance so he will endeavor to get the best possible team of senior staff concerned with Africa.

With best wishes for a successful meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Vernon McKay  
Professor of African Studies  
School of Advanced International  
Studies  
The Johns Hopkins University  
1740 Massachusetts Avenue, N.W.  
Washington D.C. 20036

WDCClark:sf

June 5, 1975

Dear Lord Carrington:

Thank you very much for your kind invitation to address the Foreign Affairs Club. I did indeed have some correspondence with Alec Home four or five years ago, and unfortunately could not find a time when I was near London and free to make a speech.

64  
I am afraid that I must again say that I do not plan to be in London in the near future and so must reluctantly refuse your invitation. I am really sorry as it would have been a great pleasure to see you again.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

The Rt. Hon. Lord Carrington  
The Foreign Affairs Club  
6 Buckingham Street  
London WC2N 6BX  
England

WDCClark:sf

June 4, 1975

Dear Joe:

I have read the Atlantic Council papers you sent me on "Beyond Diplomacy" with real interest. I was delighted to read the kind words of your experts on the work of this Bank.

You ask for my comments so as to help with your future work and studies. May I say as a friend and ex-colleague rather than as an international civil servant, that I think nothing is more important than a study of how the U.S.A. with all its economic power can resume its leadership in the Atlantic Community and the world in trying to deal with the great and growing disparities between the industrialized countries and the less developed world. This is the major problem facing the Atlantic Community today, (as so many of the speeches at the NATO Summit indicated,) and anything you and your colleagues can do to face up to it in terms of organization and effort will be immensely worthwhile.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable  
Henry H. Fowler  
The Atlantic Council of the  
United States  
1616 H Street, NW  
Washington, DC 20006

WClark:RSMcNamara:bmm  
June 4, 1975

OCDE

ORGANISATION DE COOPÉRATION  
ET DE DÉVELOPPEMENT ÉCONOMIQUES

Téléphone: 524 90-70

Comité d'Aide au Développement  
Le Président

Télégrammes: DEVELOPECONOMIE  
Télex: 62.160 OCDE PARIS

*Please draft a reply*  
OECD  
*Chairman*

ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT

2, rue André-Pascal, PARIS-XVI<sup>e</sup>

Development Assistance Committee  
The Chairman

June 3, 1975

Honorable Robert S. McNamara  
President  
International Bank for  
Reconstruction & Development  
1818 H Street, N. W.  
Washington, D. C. 20433

Dear Bob:

As Hollis Chenery may have told you, the Bank paper on "Capital Requirements of the Developing Countries" was well received at the recent Symposium at the Hague. However, officials of several DAC countries -- Australia, Belgium, Netherlands and Sweden -- individually complained that statements in your covering Memorandum to the Executive Directors, dated 8 April 1975, would not prove helpful in their efforts to defend their official aid budgets. They claimed their Treasuries, in particular, would quote your statements against their proposed increases in official aid.

I find these are wholly unintended and mistaken inferences drawn from your statements in the Memorandum. That it is being so misread I know will concern you as it does me. Re-reading the Memorandum I conclude that perhaps it was unwise to state, without further qualification, that raising official capital to 0.67 percent of GNP by 1980 "may be unrealistically high." There are DAC countries, and groups within DAC countries, seeking to reach this and an even higher level. Both Sweden and the Netherlands come readily to mind. Some believe that prophecies as to future performance may be self-fulfilling.

Also, the Bank's projection of an overall declining total DAC effort as a percent of GNP by 1980 may have an unintended depressing effect on efforts to raise official capital.

My approach has been to distinguish the U.S. from other donors, who almost certainly would continue to do their part given encouragement, until the U.S. recovers a political will commensurate with its economic strength. My own projections would have DAC

levels hold their own at least at .33 percent of GNP -- while keeping open an expectation that they would do better, perhaps with an overall average of .40 percent by 1980. The need is clear and Bank reports establish that there is no other way to deal with the basic problems of the low income countries.

I believe we may be giving too much credit to the aid of the OPEC countries and too little to the programs of the DAC countries, thereby tending to erode further the will of DAC governments. The DAC Member programs have been vigorous and responsive; they increased their overall level in 1974 in response to urgent needs, despite their own difficult economic problems. This effort can be sustained as the DAC economies recover from recession, if enough of us in the DAC world believe that it can. In part, opinion leaders structure the climate of what is realistic.

I realize the hazards of allowing for the wind and tide of opinion when making projections.

Warm regards,

Yours sincerely,



Maurice J. Williams  
Chairman

May 16, 1974

Dear Jim:

I have authorized a special payment of \$10,000 to the O.D.C. which you will receive shortly.

I am grateful to you for the excellent work O.D.C. does in bringing home to the American public the facts of existence in the Third World and our obligations towards some two billion people.

With very best wishes for the continuance of your good work from myself and my colleagues.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. James P. Grant  
President  
Overseas Development Council  
1717 Massachusetts Ave., N.W.  
Washington D.C. 20036

WDClark:sf  
cc. Mr. John Adler

5/24 T2 M. Clark  
Please draft  
copy  
L. Row

**THE ATLANTIC COUNCIL**  
OF THE UNITED STATES

1616 H STREET, N.W. • WASHINGTON, D. C. 20006

TELEPHONE 347-9353  
CABLE: ATCOUN

May 27, 1975

**CHAIRMAN**

**HENRY H. FOWLER**

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The Honorable  
Robert McNamara  
President  
International Bank for  
Reconstruction & Development  
1818 H Street, NW  
Washington, DC 20433

Dear Bob:

As a bi-partisan policy advisory group, the Atlantic Council of the United States has just published an Interim Report of its Special Committee on Intergovernmental Organization and Reorganization. It will be made public on June 3. I am enclosing a copy for your information.

The report contains the initial results of a major and continuing study of the means for increasing the effectiveness of existing intergovernmental organizations, or establishing new ones, to deal with present and emerging transnational problems and opportunities. In short, we are attempting to assess whether our international institutions, originally designed as vehicles for increasing cooperation, have kept pace with changing times, and if not, what should and can be done about it.

We are naturally particularly concerned with NATO, the OECD, Bank, Fund and Gatt.

Ours is a continuing program, for which this report represents only the first round. Because of your own experience and long interest in the subject, I would be most grateful for your personal and unofficial comments on it for the benefit of our future work.

Sincerely,

"Joe"

Henry H. Fowler

COMMUNICATIONS  
SECTION  
1975 MAY 28 PM 3:13

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# THE FOREIGN AFFAIRS CLUB

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*Chairman*

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GEOFFREY SMITH  
LORD TWEEDSMUIR  
SIR ROBIN WILLIAMS

*3/25/75 to Mr. Mark  
Reluctantly I want  
to be able to visit  
6, Buckingham Street London  
London, WC2N 6BX*

TELEPHONE: 01-930 1617

23rd May, 1975

*Dear Mr. J. McNamara*

*near  
future  
Please keep  
a reply  
OK*

Some years ago we tried, I am told, to get you to fit into your programme an address to this dining club, the chairmanship of which I have taken over from Alec Home. My purpose in writing, therefore, is to try again. For with all the economic problems plaguing the industrial countries there are not many others who would get the hearing you would on the economic problems of the developing countries. Is there any chance then of you being able to manage an address in London in the not too distant future?

Brief particulars on the club are enclosed and included in them is a list of past speakers.

Our practice is to have the talk, of about thirty minutes, before dinner with discussion following the meal. You could expect an articulate and well-informed audience of around one hundred in number, drawn largely from business, the press, government and the universities.

I do hope you can accept our invitation.

*Yours sincerely  
Partridge*

Hon. Robert McNamara,  
President,  
International Bank for  
Reconstruction and Development,  
1818, H Street, N.W.,  
Washington, D.C. 20433.



# THE FOREIGN AFFAIRS CLUB

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6 Buckingham Street  
London WC2N 6BX

**THE FOREIGN AFFAIRS CLUB** was founded in 1965, under the chairmanship of Mr. Patrick (now Lord) Gordon Walker, in an effort to broaden public discussion in the United Kingdom of foreign and Commonwealth affairs. Mr. Gordon Walker had been Secretary of State for Foreign Affairs and was subsequently Secretary of State for Education and Science.

Sir Alec Douglas-Home (now Lord Home of the Hirsel), the former Prime Minister, became the second chairman of the club. On becoming Secretary of State for Foreign and Commonwealth Affairs, with the change of government in 1970, he was succeeded by Mr. Denis Healey, who had been Secretary of State for Defence since 1964.

The present chairman is Lord Carrington, who was Defence Secretary from 1970 to 1973, and the secretary is Mr. Hugh Corbet, Director of the Trade Policy Research Centre, London. Set out below is the committee of the club.

LORD CARRINGTON

*Chairman*

HUGH CORBET

*Secretary*

PROFESSOR H. C. ALLEN	KEITH KYLE
ROBIN DAY	ALFRED LATHAM-KOENIG
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LIONEL GELBER	SIR FRANK ROBERTS
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DENIS HEALEY, M.P.	GEOFFREY SMITH
DEREK INGRAM	LORD TWEEDSMUIR
PROFESSOR HARRY G. JOHNSON	SIR ROBIN WILLIAMS, BT.

The club dines at roughly monthly intervals to discuss major underlying issues—economic, political and strategic—which shape the policies abroad of the United Kingdom and other countries. The club is particularly concerned to hear and discuss information and opinions that may not be in accord with the fashion of the moment or which, while freely available in other countries, are nonetheless neglected in Britain.

Membership, by invitation of the committee, is largely drawn from journalism, the universities, government and business. Members are permitted to invite to each dinner guests who are interested in taking part in the discussion and perhaps in joining the club.

Unless otherwise stated by the chairman, or his deputy, the guest speaker's address is not for attribution. In all circumstances answers to questions are off the record and so, too, are comments from members and guests.

A subscription of £5.00 is payable yearly on January 1. Members pay £4.00 in advance for each dinner booked. All extras are paid for as desired. The club is administered from 6, Buckingham Street, London, WC2N 6BX (Telephone 01-930 1617).

By the end of 1974 the club had been addressed by the following speakers:

1. General PIERRE GALLOIS, formerly Special Assistant to the Supreme Commander of NATO, on *French Defence Policy* (November 9, 1965).
2. Mr. GEOFFREY HUDSON, Director of the Centre for Far East Studies, St. Anthony's College, Oxford, on *The Three Chinas* (December 15, 1965).
3. Sir MICHAEL WRIGHT, formerly British Delegate to the Geneva Disarmament Conference, on the *Need for a New Atlantic Trade Initiative* (January 12, 1966).
4. H.E. Mr. ARNOLD SMITH, Commonwealth Secretary-General, on *The Commonwealth* (February 23, 1966).
5. Mr. LEE KUAN YEW, Prime Minister of Singapore, on *The Situation in South-East Asia* (April 20, 1966).
6. Sir ROBERT THOMPSON, formerly Head of the British Advisory Mission in Saigon, on *The Vietnam War* (May 30, 1966).

7. Herr FRANZ-JOSEF STRAUSS, Chairman of the Christian Social Union in the Federal Republic of Germany, on *Britain and Europe: Europe and the Atlantic Alliance* (June 16, 1966).
8. Mr. UMARJADI, then Deputy Foreign Minister of Indonesia, on *The Indonesian Economic Situation* (July 14, 1966).
9. Rt. Hon. Sir PAUL HASLUCK, then Australian Minister for External Affairs, on *Australia and the Commonwealth* (September 15, 1966).
10. Professor HARRY G. JOHNSON, Professor of Economics, University of Chicago, on *After the Kennedy Round* (October 6, 1966).
11. Monsieur PAUL-HENRI SPAAK, formerly Foreign Minister of Belgium, on *The Crisis in NATO* (November 15, 1966).
12. Professor MUMTAZ SOYSAL, of the University of Ankara, on the *Turkish Attitude towards Cyprus and NATO* (February 23, 1967).
13. Herr WILLY BRANDT, then Foreign Minister of the Federal Republic of Germany, on *European Problems* (April 12, 1967).
14. Mr. A. L. ADU, then Commonwealth Deputy Secretary-General, on *Ghana after Nkrumah* (April 27, 1967).
15. Professor TRUMBULL HIGGINS, Professor of Military History, City University of New York, on *Korea and Vietnam: a Disturbing Analogy* (May 3, 1967).
16. Sir GEORGE BOLTON, then Chairman of the Bank of London and South America, on *Britain and the Common Market* (June 7, 1967).
17. Mr. LIONEL GELBER, Canadian historian and political writer, on *The American Role: Is the United States a Global Gendarme?* (July 11, 1967).
18. Mr. DENNIS DUNCANSON, formerly on the British Advisory Mission in Saigon, on *Elections in Vietnam* (September 26, 1967).
19. Monsieur JEAN-CLAUDE SERVAN-SCHREIBER, French journalist, on *France's Attitude to Britain and the Common Market* (October 11, 1967).
20. Professor RICHARD GARDNER, Henry L. Moses Professor of Law and International Organisation at Columbia University, New York, on *What Needs to be Done About the United Nations* (December 14, 1967).
21. Mr. H. F. R. (now Sir FREDERICK) CATHERWOOD, then Director-General of the National Economic Development Council, on *Alternatives to the Common Market* (January 11, 1968).
22. Professor ORLANDO FALS BORDA, Professor of Sociology, National University of Columbia, on *The Guerilla Movement in Latin America* (January 23, 1968).
23. Professor JAMES MCGREGOR BURNS, Professor of Political Science, Williams College, Massachusetts, on *The American Presidential Election Campaign* (March 27, 1968).
24. Professor Sir CECIL PARROTT, Professor of Russian and Soviet Studies, University of Lancaster, on *Change in Eastern Europe with Special Reference to Czechoslovakia* (May 22, 1968).
25. Rt. Hon. Sir ROBERT MENZIES, Q.C., former Prime Minister of Australia, on *British-Australian Relations* (July 10, 1968).
26. Professor RAYMOND ARON, Professor of Sociology at the Sorbonne, Paris, on the *New Situation in France* (July 12, 1968).
27. Sir PAUL (now Lord) GORE-BOOTH, then Permanent Under-Secretary of State for Foreign and Commonwealth Affairs, on the *Merger between the Foreign and Commonwealth Offices* (October 31, 1968).
28. Rt. Hon. LESTER PEARSON, then Chairman of the Commission on International Development and formerly Prime Minister of Canada, on *The World Bank's Grand Assize on Aid* (November 20, 1968).
29. Rt. Hon. DENIS HEALEY, M.P., then Secretary of State for Defence, on *The North Atlantic Alliance after Czechoslovakia* (November 26, 1968).
30. Sir DONALD HOPSON, formerly British Chargé d'Affaires in Peking, on *The Situation in China* (January 14, 1969).
31. Professor RALF DAHRÉNDORF, then Professor of Sociology at the University of Constance, on *The Two Germanies* (April 17, 1969).
32. Professor GERARD CURZON, Professor of International Economics, Graduate Institute of International Studies, University of Geneva, on *Proposals for EEC-EFTA Commercial Arrangements* (April 21, 1969).
33. Hon. DEAN RUSK, formerly United States Secretary of State, on *Collective Security, Isolationism and Related Issues* (May 1, 1969).
34. Sir WILLIAM LUCE, formerly British Resident in the Persian Gulf, on *The Persian Gulf* (May 6, 1969).
35. Mr. YOSHIZANE IWASA, Chairman of the Fuji Bank, Tokyo, on *Japanese Foreign Economic Policy* (June 10, 1969).
36. Dr. ALBRECHT DUEREN, then Director-General of the Deutsch Industrie und Handelstag, on *World Economic Issues* (June 17, 1969).
37. Mr. JOHN HOLMES, Director-General of the Canadian Institute of International Affairs, on *A Canadian Perspective on Britain, Europe and the Atlantic Community* (June 26, 1969).
38. Professor RICHARD GARDNER, Henry L. Moses Professor of Law and International Organisation at Columbia University, New York, on *Current Dilemmas in Anglo-American Economic Relations* (July 9, 1969).
39. Professor BRUCE MILLER, Professor of International Relations at the Australian National University, Canberra, on *Australian Policy in Asia* (September 25, 1969).
40. Dr. SICCO MANSHOLT, then Vice-President of the Commission of the European Community, on *The Common Agricultural Policy and other Aspects of the EEC* (November 13, 1969).
41. H.E. Hon. ROBERT ELLSWORTH, then United States Permanent Representative on the North Atlantic Council, on *Trans-European Security: 1970 and Beyond* (January 15, 1970).
42. Sir ROBERT THOMPSON, formerly Head of the British Advisory Commission in Saigon, on *The Vietnam War* (January 22, 1970).
43. Rt. Hon. Lord TREVELLYAN, formerly British Ambassador to Egypt, on *The Middle East Situation* (February 9, 1970).
44. Sir ROBERT SCOTT, formerly Permanent Secretary of the Ministry of Defence, on the *Prospects for East Asia* (March 10, 1970).
45. Lady BARBARA WARD JACKSON, Albert Schweitzer Professor of International Development at Columbia University, New York, on *The Pearson Report* (March 25, 1970).
46. Monsieur MAURICE COUVE DE MURVILLE, former Prime Minister and Foreign Minister of France, on *Problems of European Policy* (April 13, 1970).
47. Professor ZBIGNIEW BREZESINSKI, Director of the Research Institute of Communist Affairs at Columbia University, New York, on *Soviet-American Relations* (April 22, 1970).
48. Professor Sir ARTHUR LEWIS, Professor of Political Economy at the Woodrow Wilson School of Public and International Affairs, Princeton University, on the *Problems of International Development* (May 4, 1970).

49. Dr. THEODORE GEIGER, Director of International Studies at the National Planning Association, Washington, on *Trans-Atlantic Relations in the 1970s* (June 30, 1970).
50. Rt. Hon. MALCOLM MACDONALD, formerly British Representative in Africa, on *Britain's Role in Africa and Asia* (July 8, 1970).
51. Rt. Hon. ROBERT STANFIELD, O.C., Leader of the Opposition in the Parliament of Canada, on *Canada and Continentalism* (July 27, 1970).
52. Professor MILTON FRIEDMAN, Paul Snowden Russell Professor of Economics at the University of Chicago, on *The Domestic and International Implications of Inflation* (September 17, 1970).
53. Mr. LAURENCE GANDAR, then Editor-in-Chief of the *Rand Daily Mail*, Johannesburg, on *South Africa's "Outward-Looking" Policies* (November 10, 1970).
54. Professor JOHN KENNETH GALBRAITH, Paul M. Warburg Professor of Economics at Harvard University, Cambridge, Massachusetts, on *Foreign Policy: the Plain Lessons of a Bad Decade* (November 23, 1970).
55. Professor ALI MAZRUI, Professor of Political Science at Makerere University, Kampala, on *The Different Political and Economic Systems in East Africa* (February 16, 1971).
56. Dr. LUDWIG ERHARD, former Chancellor of the Federal Republic of Germany, on *The EEC and EFTA in the World Economy* (March 15, 1971).
57. Dr. T. B. MILLAR, Director of the Australian Institute of International Affairs, Canberra, on *Britain, Australia and the Indian Ocean* (March 24, 1971).
58. Professor GERARD CURZON, Professor of International Economics, Graduate Institute of International Studies, University of Geneva, on *Trade Warfare: Can it be Avoided?* (June 24, 1971).
59. Dr. HARALD B. MALMGREN, then Senior Fellow at the Overseas Development Council, Washington, on *The United States, the European Community and the International Trading System* (July 15, 1971).
60. Rt. Hon. Sir ALEC DOUGLAS-HOME, M.P. (now Lord Home of the Hirsel), then Secretary of State for Foreign and Commonwealth Affairs, on *East-West Relations* (October 19, 1971).
61. Mr. LEE KUAN YEW, Prime Minister of Singapore, on *The Situation in South-East Asia* (November 1, 1971).
62. Sir JOHN COULSON, then Secretary-General of the European Free Trade Association, on *European Integration and the Future of EFTA* (November 22, 1971).
63. Monsieur OLIVIER LONG, Director-General of the General Agreement on Tariffs and Trade, on *Towards Better Trade Relations in the 70s* (January 24, 1972).
64. Dr. KURT WALDHEIM, Secretary-General of the United Nations, on *The Role of the United Nations in the 1970s* (April 11, 1972).
65. Dr. LAURENCE KRAUSE, Senior Fellow at the Brookings Institution, Washington, on *The Future Path of Commercial Policy* (April 27, 1972).
66. Senor GALO PLAZA, Secretary-General of the Organisation of American States, on *Issues in Inter-American Relations* (May 18, 1972).
67. Sir BERNARD BURROWS, formerly British Permanent Representative on the North Atlantic Council, on *The Security of Western Europe* (July 26, 1972).
68. Hon. ROBERT SEAMANS, Secretary of the Air Force in the United States Administration, on *American Force Levels in Europe and Related Issues* (September 25, 1972).
69. Dr. CURT GASTEYGER, then Deputy Director of the Atlantic Institute, Paris, on *American-European Relations after the European Summit* (November 2, 1972).
70. Dr. THEO SOMMER, then Deputy Editor of *Die Zeit*, Hamburg, on *The European Community after Enlargement* (December 13, 1972).
71. Rt. Hon. DENIS HEALEY, M.P., formerly Secretary of State for Defence, on *China's Changing International Relations* (December 18, 1972).
72. Rt. Hon. Sir CHRISTOPHER SOAMES, Commissioner for External Affairs, Commission of the European Community, on *The European Community in World Trade* (April 13, 1973).
73. Dr. PETER DRYSDALE, of the Australian National University, Canberra, on *Japanese Foreign Economic Policy* (April 18, 1973).
74. Professor PAUL MCCracken, Edmund Ezra Day Professor of Business Administration at the University of Michigan and formerly Chairman of the Council of Economic Advisers, United States Administration, on *The Reform of the International Trade and Monetary System* (May 17, 1973).
75. Mr. (now Sir) FRANK MCFADZEAN, Chairman of the Shell Transport and Trading Co. Ltd., on *Energy and Oil in the Decade Ahead* (September 26, 1973).
76. Mr. EVAN LUARD, Fellow of St. Anthony's College, University of Oxford, on *The Law of the Sea* (October 11, 1973).
77. Professor KLAUS MEHNERT, Director of the Institut für Politische Wissenschaft, Reinisch-Westfälischen Technischen Hochschule, on *The Re-emergence of China into World Affairs* (November 12, 1973).
78. H.E. Mr. MAX JACOBSON, the Finnish Ambassador to Sweden, on *The European Security Conference* (January 29, 1974).
79. Professor ROBERT MUNDELL, then Professor of Economics at the University of Waterloo, on *The Future of Sterling* (April 2, 1974).
80. Professor HIROSHI KITAMURA, Professor of Economics at Aoyama Gakuin University, Tokyo, on *The Japanese Economy in the Light of the World Oil Crisis* (April 29, 1974).
81. Rt. Hon. Lord TREND, Rector of Lincoln College, University of Oxford, and formerly Secretary of the Cabinet, on *Commonwealth Relations after British Membership of the European Community* (May 10, 1974).
82. Dr. GARRET FITZGERALD, Minister for Foreign Affairs, Republic of Ireland, on *The Situation in Northern Ireland* (July 4, 1974).
83. Dr. FRED CHARLES IKLÉ, Director of the United States Arms Control and Disarmament Agency, on *Disarmament Issues: Now and Later* (November 18, 1974).
84. Professor RALF DAHRENDORF, Director of the London School of Economics, and formerly Commissioner for External Affairs, Commission of the European Community, on *The Prospects for the European Community* (December 10, 1974).
85. Professor WANG GUNG-WU, Professor of Far Eastern History, Australian National University, Canberra, on *China's Past in China's Future* (December 18, 1974).
86. Monsieur JACQUES FERRY, President of the Association des Grandes Entreprises, Paris, on *French Economic Policy at Home and Abroad* (January 9, 1975).

785-6253

5/47 To Mr. Clark  
I count. Please suggest an alternative + draft a reply. Linc

SCHOOL OF ADVANCED INTERNATIONAL STUDIES  
THE JOHNS HOPKINS UNIVERSITY  
1740 MASSACHUSETTS AVENUE, N. W. WASHINGTON, D. C. 20036

May 22, 1975

The Honorable  
Robert S. McNamara  
President  
The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20006

Dear Bob:

Our next Parliamentary Conference on Africa will be held at The Tides Inn in Irvington, Virginia on September 12-16, 1975. We are bringing the British and Canadian M.P.'s (list enclosed) into Washington on September 10, and I am wondering whether you would be able to meet with them at the Bank on the morning of September 11th.

If you are still full of Finance Ministers at that time, and can't see the M.P.'s at all, perhaps you could ask some of your staff to discuss with them the Bank's latest plans and problems in Africa.

While not as great as Aspen, The Tides Inn is truly a delightful place and we expect to have a great conference, including three sessions on Energy, Commodities and Development. It is a three hour drive to Irvington, which is on the Rappahannock near Chesapeake Bay. I mention this on the off chance that you might join us there for at least part of the Conference?

Cordially,

Vernon

Vernon McKay  
Professor of African  
Studies

enclosure

no attachment but will send



ANGLO-NORTH AMERICAN PARLIAMENTARY CONFERENCE ON AFRICA

THE TIDES INN, IRVINGTON, VIRGINIA

September 12-16, 1975

LIST OF PARTICIPANTS

\* BRITISH PARTICIPANTS

Mr. Alan Campbell, Deputy Under-Secretary of State, Foreign and Commonwealth Office  
Mr. George Cunningham, Labour, M.P. for South Islington  
Mr. John Cunningham, M.P.  
Mr. Andrew Faulds, Labour M.P. for Smettwick  
Mr. Maurice Foley, Deputy Director General for Development and Cooperation, European Economic Community, Brussels.  
Mr. Dennis Grennan, Treasurer of the Ariel Foundation  
Mr. Barney Hayhoe, Conservative M.P. for Brentford and Isleworth  
Mr. Richard Luce, Conservative M.P. for Shoreham (Chairman)  
Mr. Geoff Martin, Trustee of the Ariel Foundation  
Mr. Tom McNally, Political Adviser to the Secretary of State for Foreign Affairs.  
Mr. Charles Morrison, M.P.  
Mr. Malcolm Rifkind, Conservative M.P. for Edinburgh, Pentlands  
Ms. Joan Lestor, Under-Secretary of State for Africa

\* CANADIAN PARTICIPANTS

Mr. Andrew Brewin, M.P. - N.D.P.  
Mr. John Roberts, M.P. - Liberal  
Mr. F. Philbrook, M.P. - Liberal  
Mr. David MacDonald, M.P. Progressive Conservative  
Mr. Charles LaPointe, -Depute  
Mr. R.G.L. Fairweather, M.P. - Progressive Conservative  
Mr. H.H. Carter, Director African Affairs, G.A.A., Dept. of External Affairs  
Mr. Georges Charpentier, Director African Affairs, G.A.F. Dept. of Ext. Affairs

\* AMERICAN PARTICIPANTS

Rep. Edward G. Biester, Jr. (R.-Pa)	Sen. Frank E. Moss (D.-Utah)
Rep. J. Herbert Burke (R.-Fla)	Rep. Patricia Schroeder (D.-Col)
Rep. Cardiss Collins (D.-Ill.)	Sen. John C. Culver (D.-Iowa)
Rep. Silvio Conte (R.-Mass.)	Rep. Gilbert Gude (R.-Md.)
Rep. John N. Erlenborn (R.-Ill.)	Rep. Louis Stokes (D.-Ohio)
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Rep. Andrew Young (D.-Ga.)	
Rep. John Brademas (D.-Ind.)	
Sen. Gale McGee (D.-Wyo.)	
Sen. Hubert Humphrey	

LIST OF PARTICIPANTS (Continued)

Nathaniel Davis, Assistant Secretary of State for African Affairs  
Edward Mulcahy, Deputy Assistant Secretary of State for African Affairs  
Wayne Fredericks, Executive Director, International Governmental Affairs.  
The Ford Foundation

Frank Ferrari, Vice President, The African-American Institute

Alan Pifer, President of the Carnegie Corporation

Robert E. Osgood, Dean, S.A.I.S.

Robert A. Lystad, Professor of African Studies, S.A.I.S., Conference Rapporteur

Vernon McKay, Professor of African Studies, S.A.I.S., Conference Director

Bette Carpenter, S.A.I.S. Assistant to Professor McKay

JOINT COORDINATING COMMITTEE

Onchocerciasis Control Programme  
in the Volta River Basin Area

J.C.C.-C.C.C.

Office of the Independent Chairman  
c/o World Health Organization  
1211 Geneva 27, Switzerland

Tel. 34 60 61 Telex ~~22335~~ 27821

COMITÉ CONJOINT DE COORDINATION

Programme de Lutte Contre l'Onchocercose  
dans la Région du Bassin de la Volta

Bureau du Président Indépendant  
c/o Organisation Mondiale de la Santé  
1211 Genève 27, Suisse

Tél 34 60 61 Téléx ~~22335~~ 27821

⑤  
Let us know  
re: RSM  
on ways  
me

15 May 1975

[ My dear McNamara, ]

This is just to let you know how glad I was to see you in Washington last week and to be present at the Signature Ceremony of the Onchocerciasis Fund Agreement. Its organization was excellent and I believe that the ceremony was a success. As you said, this Programme is a clear example of regional cooperation and international goodwill.

I shall be in New York to attend the meeting of the United Nations University Council from 24 to 26 June and I should be very pleased to come to Washington either before or after the meeting, at your convenience, to discuss with you matters of mutual interest. Please let me know if any of these times would be suitable for you. If not, we could work out another arrangement.

[ With best personal regards, ]

[ Yours sincerely, ]

M.G. Candau, M.D.  
Independent Chairman

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

cc: Mr William Clark, Vice-President, International Relations and  
Public Affairs

Mr Peter Wright, Programmes Director, Western Africa Region

MAY 20 6 41 PM '75  
60242

COMITÉ CONJOINT DE COORDINATION  
Programme de Lutte Contre l'Onchocercose  
dans la Région du Bassin de la Volta

JOINT COORDINATING COMMITTEE  
Onchocerciasis Control Programme  
in the Volta River Basin Area

J.C.C.-C.C.C.

Bureau du Président Indépendant  
c/o Organisation Mondiale de la Santé  
1211 Genève 27, Suisse  
Tel 34 60 61 Telex 27821

Office of the Independent Chairman  
c/o World Health Organization  
1211 Geneva 27, Switzerland  
Tel. 34 60 61 Telex 27821

(2)

*Handwritten notes:*  
Mr. Robert S. McNamara  
Mr. Peter Wright  
Mr. William Clark  
Mr. Peter Wright

15 May 1975

My dear McNamara,

This is just to let you know how glad I was to see you in Washington last week and to be present at the Signature Ceremony of the Onchocerciasis Fund Agreement. Its organization was excellent and I believe that the ceremony was a success. As you said, this Programme is a clear example of regional cooperation and international goodwill.

I shall be in New York to attend the meeting of the United Nations University Council from 24 to 26 June and I should be very pleased to come to Washington either before or after the meeting, at your convenience, to discuss with you matters of mutual interest. Please let me know if any of these times would be suitable for you. If not, we could work out another arrangement.

With best personal regards,

Yours sincerely,

M.G. Candau, M.D.  
Independent Chairman

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

cc: Mr William Clark, Vice-President, International Relations and Public Affairs  
Mr Peter Wright, Programmes Director, Western Africa Region

MAY 20 PM 2:48

RECEIVED

3/10 To Mr. Clark

I am prepared to provide an additional

May 8, 1974

10,000. ODC has done much to bring support for additional US assistance to the LDC's including support for 100. Please arrange with John Baker for the 10,000 to be

The Honorable Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development  
1818 H Street, N.W.  
Washington, D.C. 20433

Dear Bob:

I am writing to report on the outcome of ODC's efforts to seek additional emergency funds for 1974 from our major foundation supporters to permit ODC to maintain the stepped up level of its activities in recent months to respond to the urgent new needs for analyses and public discussion. While the response was not particularly affirmative for immediate needs, we have received considerable encouragement for later on in the year. As you know, the Rockefeller Foundation has given ODC a \$500,000 grant to be drawn down over five years. They have suggested that ODC draw down more (to a total of \$150,000) this year and less in future years. They also indicated their willingness to consider additional proposals for project funding for next year. Although we had made the decision to request the money in equal installments over the five-year period, we will now ask for another \$50,000 for 1974, and submit a proposal for project funding at a later date.

changed to the contingency budget a draft a reply to Jim. Know

The Clark Foundation, while not able to provide us with an emergency grant at the present time, has also indicated that there is a good possibility of project assistance later on this year.

Since the Ford Foundation made the unprecedented move of raising its five-year grant to the ODC this winter, it reached the decision that no additional contribution could be made for 1974.

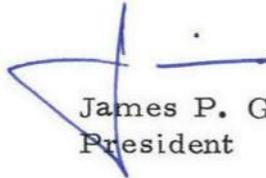
At the same time, the Rockefeller Brothers Fund notified us last week that the Board had approved a 25 per cent increase in the amount of its contribution to the ODC, bringing the total to \$50,000 a year.



By requesting another \$50,000 from the Rockefeller Foundation, and with the additional \$10,000 from the Rockefeller Brothers Fund, that leaves us with only a \$40,000 shortfall for 1974. If the World Bank is able to provide us with an additional \$10,000 for this one year, lowering the shortfall to \$30,000, it will enable us to maintain our standards of proficiency with minimum cuts in the budget during a most critical period. I cannot think of a time when the need has been greater, and want you to know how very much all of us at ODC appreciate the concern and understanding you and your colleagues at the World Bank have shown.

With best wishes,

Sincerely,

A handwritten signature in blue ink, appearing to be 'James P. Grant', written over a printed name and title. The signature is stylized with a large loop and a horizontal line extending to the right.

James P. Grant  
President

ROUTING SLIP

Date  
April 15, 1975

OFFICE OF THE PRESIDENT

Name	Room No.
1. Mr. McNamara to see	
2. Mr. Clark to handle	

To Handle	Note and File
Appropriate Disposition	Note and Return
Approval	Prepare Reply
Comment	Per Our Conversation
Full Report	Recommendation
Information	Signature
Initial	Send On

Remarks

Sven Burmester

From



# Sveriges Radio ab

SWEDISH BROADCASTING  
CORPORATION  
RADIODIFFUSION-TELEVISION  
SUÉDOISE  
SCHWEDISCHER RUNDFUNK

Date  
1975-04-09  
Your date

Our reference  
  
Your reference

Dr Robert McNamara  
World Bank  
1818 H-street N W  
WASHINGTON D C

Dear Sir,

Channel 2 of Swedish television is preparing a program to be broadcast on May 22nd about how those who participated in formulating the American Vietnam policy during the sixties look on the situation in Vietnam today.

My question to You is: Are You willing to let me interview You for this program in Washington some time during the latter part of April or early May?

I am, of course, willing to discuss with You the scope of the interview and the questions in great detail.

It goes without saying that we will underline in the program that You speak on Your own behalf only and in no way on behalf of the World Bank or the American Government.

Rather than getting a written reply from You I should prefer to get in touch with Your office when I come to Washington around April 18th.

Swedish Broadcasting Corporation is an independent national radio and TV corporation, functioning in a way similar to that of the BBC in London.

Hoping for a positive reply from You, I remain,

Yours faithfully,

Olle Stenholm

Copy to:  
Mr William Clark  
External Relation Department  
World Bank  
1818 H-street N W  
Washington D C

Postal address	Telephone	Telegrams	Telex	Bank transfer account
S-105 10 STOCKHOLM Sweden	08-63 10 00	broadcast	10000 broadcast sth	334-4009 Bankers Sveriges Kreditbank, Stockholm

Sveiniges Radio AB

Stockholm  
Sveiniges Radio AB  
Sveiniges Radio AB  
Sveiniges Radio AB

Mr Robert Johnson  
1234 Main Street  
Washington D.C.

Dear Mr Johnson  
I am pleased to hear from you  
and thank you for your letter  
of the 15th of April.

I am sorry that I cannot  
reply to you more quickly  
but I am sure that you  
will understand.

I am sure that you will  
be satisfied with the  
service we are able to  
offer you.

I am sure that you will  
be satisfied with the  
service we are able to  
offer you.

I am sure that you will  
be satisfied with the  
service we are able to  
offer you.

I am sure that you will  
be satisfied with the  
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offer you.

I am sure that you will  
be satisfied with the  
service we are able to  
offer you.

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1075 APR 15 PM 12:46  
INCOMING MAIL UNIT

RECEIVED

Stockholm  
Sveiniges Radio AB  
Sveiniges Radio AB  
Sveiniges Radio AB

March 29, 1975

Gentlemen:

Thank you for your courteous and reasoned letter of March 10 which I have read with great care and shall bear in mind in making any future decisions about lending to Vietnam.

Let me assure you there has been no decision whatsoever at present about any Bank loan to Vietnam. Nor would I recommend any such loan to the Board until I was satisfied on certain points by an appraisal mission drawn from our own international staff. The main point on which I would need to be satisfied is that any project we finance can and will help the people of the land, including especially the very poorest, irrespective of political circumstances.

Such a condition has not been met to date and we have therefore made no loan to Vietnam.

I hope this brief but definite explanation of the principles on which I always seek to act with regard to Bank loans will help to allay the fears which you have expressed in your letter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Professor Paolo Sylos Labini  
and Others  
Faculty of Economics  
Rome University  
Rome, Italy

WClark:bmm  
3/29/75

INTBAFRAD WSH

210

INCOMING CABLE

W.B.C.

TLXA165 WAA177(1549)(1-032530A085002)PD 03/26/75 1544

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TLX ORDFOUND NYK

Distribution: Mr. Hoffman ✓

ZCZC 004 NEWYORK NY MAR 26

Mr. McNamara

Mr. Ballantine

MAR 27 AM 07

PMS ROBERT S MCNAMARA

COMMUNICATIONS  
SECTION

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 "H" STREET, N.W.

WASHINGTON, D.C.

BELLAGIO MEETING EDUCATION AND DEVELOPMENT NOW FIXED FOR

JULY SEVEN TO TEN REGARDS

KNOWLES

ROCKFOUND NEWYORK

*Regretted*

President Robert McNamara  
World Bank Headquarters  
1818 H Street, N.W.  
Washington DC 20433  
USA

March 10, 1975

Dear Mr. President,

We, the undersigned, are deeply concerned by the news that the World Bank and the International Development Association are considering the possibility of extending loans to the Government of South Vietnam.

It is well known that the World Bank is under no obligation to consider, when appraising the opportunity to furnish assistance to a member state, the nature and political attitudes of its government. However, it is just as well known that the Bank has always taken into consideration, when evaluating a loan request, the following criteria:

1. That the funds placed at the disposal of a member state be considered supplementary and not substitute of other aid sources (lender of the last resort). Under this criterion, aid by the Bank Group to South Vietnam could be considered substitute of US aid which the US Congress has considerably cut down and is growingly reluctant to continue.

2. That the Bank should avoid loans and grants in all cases in which the latter may appear as some form of international recognition and approval of discredited regimes. Not only would the international character of the World Bank Group make a loan agreement appear as some form of recognition of the totally discredited Saigon dictatorship, but its' lending may even be interpreted as an approval of the outright violation of international agreements and international law, which is what the Saigon regime, with its repeatedly declared refusal to implement the Paris Agreement, stands for today. And this even without entering the issue, raised by some prominent Western experts of international law, of whether, in the light of the Paris Agreement, pledged for by the Act of the International Conference on Vietnam to Uphold the Paris Peace Agreement, the very legitimacy of the membership of the Saigon Administration in the World Bank Group ought not to be questioned, and the latter suspended until the full implementation of the Paris Agreement is carried out and a single government in South Vietnam accordingly formed.

3. That aid granted by the World Bank be channelled toward development aims and that reasonable assurance be acquired that such aid should not facilitate re-direction by would-be beneficiary governments of their own resources toward aims other than those of development, and in particular toward aims such as rearmament and warfare. The continued state of war and the permanent maintenance by the Saigon Administration of a gigantic army leave little doubt as to the probability that the funds supplied by the World Bank would permit the Government of South Vietnam to re-direct its own resources (supposing that it has any) for purposes of bloodshed and warfare.

4. That the internal economic situation of the would-be beneficiary - at present and in a future perspective - be such as to reasonably assure that the objectives of the World Bank Group assistance can be realized. For this reason the Bank has generally excluded the granting of assistance to countries whose rate of inflation is exceptionally high as well as to those lacking political stability. It is of common knowledge that over 86 percent of Saigon's budget is borne - a unique case in the world - by the US; and that despite this constant, massive injection of aid, the economy of the Republic of South Vietnam is in a state of disarray, stagnancy, and its rate of inflation exceptionally high. The Saigon Ministry of Finance has declared that the IDA loan will be used to finance SVN imports; but South Vietnam's imports already today exceed the dollar value of exports by a ratio of 14 to 1. As has been pointed out already in the US Senate (Senator Hubert Humphrey, Hearing on Foreign Assistance Authorization before the US Senate Foreign Relations Committee, June-July 1974): "Economic assistance which focuses primarily on providing money for imports does not do much to further economic development and reconstruction. And the fact that this program indirectly provides the government with funds to continue the military effort does not encourage peaceful settlement".

Finally, as far as political stability is concerned, hardly can such a term be applied, in our view, to a regime whose very existence is based, and exclusively depends, on the jailing and torturing of its political prisoners, on the prohibition of free movement to millions of its citizens who are kept in immense concentration camps, on the denial of each and every freedom and fundamental human right in addition to its persistence in pursuing a war whose final results are all but certain.

An institution such as the World Bank, which constitutes perhaps the most rational means for the transfer of resources from rich to poor countries, must not be degraded to the point of being considered none other but the longa manus of the executive power of the United States, as would be the case should it grant assistance to South Vietnam. Moreover, should the World Bank extend aid to the Government of South Vietnam under the present conditions, all those statements according to which past decisions of the Bank have always been directed to favour right wing regimes while operating distinct discrimination against left wing governments, would gain immediate credibility. The case of Chile is present in the minds of many of us.

A reasonable and enlightened way of directing the World Bank constitutes a guarantee not only of economic development but also of peace. We feel, Mr. President, that your responsibility lies precisely in the correct interpretation of the above criteria, inspired by the desire that this instrument of peace should not be destroyed. The Bank's ability to continue its vast work of aiding underdeveloped countries may not be altogether impaired by possible assistance to SVN, but the non-credibility underlying a similar decision will definitely damage its international significance.

In order to preserve the latter, we urge you to withhold all aid and assistance to the Saigon Administration and delay the formation of an aid consortium until a new government is formed through the process outlined in the Paris Peace Agreement, when the above criteria may find more valid and legitimate application.

Sincerely,

Paolo Sylos Labini

Prof. Paolo Sylos Labini, Faculty of Economics, Rome University

Antonio Pedone

Prof. Antonio Pedone, Department of Political Economics, Rome University

Federico Caffè

Prof. Federico Caffè, Department of Political Economics, Rome University

Paolo Savona

Prof. Paolo Savona, expert of monetary questions, Rome

Luigi Spaventa

Prof. Luigi Spaventa, Faculty of Economics, Rome University

Giorgio Ruffolo

Prof. Giorgio Ruffolo, ex-Head of National Economic ~~Planification~~ Planning

Marcello Coliti

Prof. Marcello Coliti, Responsible for Economic Research Institute of ENI  
(Ente Italiano Idrocarburi)

Manin Carabba

Prof. Manin Carabba, Director of Institute of Studies for Economic Planning,  
Rome ~~Planification~~

Nicola Cacace

Dr. Nicola Cacace, director of Institute of Studies on Industrial Relations, Rome

Paolo Belloc

Dr. Paolo Belloc, Research director, Institute of Studies on Industrial Relations, Rome

Giovanni Riz

Dr. Giovanni Riz, expert on industrial statistics, ISRI, Rome

Mario D'Ambrosio

Mario D'Ambrosio, Executive Director, ISRI, Rome

Luca Meldolesi

Prof. Luca Meldolesi, Department of Economic Statistics, University of Rome

Giovanni Emiliani

Prof. Giovanni Emiliani, Director of Project Dept. Institute of Economic Planning  
~~Planification~~, Rome

Franco Archibugi

Prof. Franco Archibugi, director of National Center of Studies on Economic Planning  
~~Planification~~, Rome

Sandro Petriccione

Prof. Sandro Petriccione, professor of Transport Economics, Maritime Institute  
University of Naples

Paolo Leon

Prof. Paolo Leon, Dept. of Economic Development, University of Bologna  
ex-Senior Economist of the World Bank

Luigi Frey

Prof. Luigi Frey, Department of Political Economics, University of Parma  
 Department of Political Economics, Sacro Cuore Catholic University  
 Milan

Luigi Pasinetti

Prof. Luigi Pasinetti, Faculty of Economics, Sacro Cuore Catholic University, Milan

Francesco Forte

Prof. Francesco Forte, Vice President of ENI (Ente Nazionale Idrocarburi), Rome

Nerio Nesi

Dr. Nerio Nesi, Vice president of Cassa di Risparmio di Torino (Turin Savings Bank)  
 Turin

yellow

Le 5 mars 1975

Monsieur Valéry Giscard d'Estaing  
Président de la République Française  
Palais de l'Elysée  
Paris, France

Monsieur le Président,

Je vous suis très reconnaissant pour votre lettre du 3 mars 1975 et je vous remercie tout particulièrement pour l'invitation que vous avez bien voulu m'adresser et que j'accepte très volontiers.

Par l'intermédiaire des services de l'Administrateur pour la France, je me permettrai le plus tôt possible de suggérer une date pour ma visite. J'aimerais m'en remettre à vous quant à l'heure de l'entretien.

Comme vous, je pense que le moment est venu du nécessaire examen des structures de l'Aide au Développement. La Banque Mondiale, pour sa part, a cherché de façon systématique à ce que sa politique, ses opérations, la forme de sa collaboration avec d'autres institutions multilatérales et bilatérales s'adaptent à l'évolution des conditions et des besoins dans les pays en voie de développement, particulièrement parmi les plus pauvres. La Banque partage pleinement l'objectif que vous décrivez, celui d'un monde plus juste où la répartition des fruits du développement serait plus équitable.

J'aurais plaisir à m'entretenir avec vous des solutions à rechercher pour tendre le plus rapidement possible vers cet objectif à la lumière des circonstances du moment.

Je vous prie de bien vouloir agréer, Monsieur le Président, l'assurance de ma très haute considération.

Robert S. McNamara

WDClark/LPC/mk

cc: Mr. J.H. Faure, Alt. ED  
Mr. J. Carriere, Director  
European Office

3/5 To Mr. Clark  
Please arrange for  
translation, typing  
on my  
letterhead &  
signature  
by my  
secretary.  
Resend  
me later  
to set a  
time.  
RSM

DRAFT No.2  
WDClark:LPChatenay:sf  
March 4, 1975

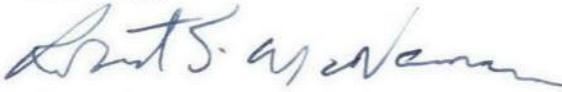
Dear Mr. President:

Thank you very much for your letter of March 3, 1975 and for your kind invitation to visit you in the near future, which I gladly accept.

I shall arrange a mutually convenient date through the office of the French Executive Director, and shall leave it to you to decide the exact time of our meeting - to which I look forward with keen anticipation.

Just as you do, I feel that a review of the structures of development aid is both necessary and timely. The World Bank has consistently sought to adapt its own policies and procedures and its links with other multilateral and bilateral aid agencies to the changing conditions and needs of its developing member countries. We share the ultimate objective which is to help create a world with greater justice and more equitable distribution of benefits. I will be pleased indeed to talk with you about the ways and means of moving towards these objectives, in the circumstances of these times.

Sincerely,



Robert S. McNamara

His Excellency

Valery Giscard d'Estaing  
President of the Republic of France  
Paris, France.

3/5/75

Dear Ernst:

Thank you for your letter of January 20. I have delayed writing until decisions on Chile were made, but now that they have been I enclose a letter to your Prime Minister. I would be grateful if you could give it to him at the earliest suitable moment.

Thank you for giving me your views about the situation in Portugal. We share your feeling that Portugal needs to be assisted at this very difficult time in its history.

Portugal's performance so far in its decolonization program has been very remarkable indeed, considering the short time which has elapsed since the change of government in April. I have myself expressed this view to Foreign Minister Soares when he visited here last Fall.

Our Vice President dealing with this region, Mr. Benjenk, visited Portugal last November and, in agreement with the Portuguese Government launched a program of cooperation, which has already manifested itself in the dispatch of an economic mission, which is now preparing its report, and the initiation of a number of project preparation activities. If all goes well we should be able to start a lending program in Portugal some time this year, beginning with industrial finance, transportation and power. I believe that we have established a good spirit of cooperation with the new Portuguese Government after a long hiatus during the colonial war, and I hope that the Government that will emerge as a result of the democratic process will be effective in maintaining economic stability and creditworthiness.

Sincerely,

Robert S. McNamara

Mr. Ernst Michanek  
Director General, SIDA  
105 25 Stockholm  
Sweden

WDCClark:MBenjenk:sf

March 5, 1975

His Excellency  
Olof Palme  
Prime Minister  
Stockholm, Sweden

Dear Mr. Prime Minister:

I have been encouraged by Ernst Michanek to write personally to you about some activities of the World Bank on the fringe of its main work, which I know have been causing you anxiety.

I am fully aware of, and most grateful for the support that your Government has given to the main thrust of the Bank's program -- particularly the direct attack on poverty through Rural Development. But I am also aware of your misgivings about our activities, or supposed activities, in certain member countries, particularly Chile and Vietnam.

It is because we are about to present to the Board a loan to Chile that I write to you at this time. I attach that section of my report to the Board which deals with our reasons for making the loan, but I would like to explain to you in the confidence of this letter a little more of my personal reasoning, so that if we disagree we at least disagree with full knowledge.

My first objective in making any Bank loan is to help the people, and ultimately the poorest people, of the country. I believe that this loan does help some 130,000 of the most disadvantaged of Chile's population, and our supervision of the project will ensure that the help goes where it is intended and needed. It is not an endorsement or a support of the present Government of Chile. Indeed the policies embodied in this project really sprang from the land reform program of the previous regime.

I am fully aware that the Bank will be criticized for lending to the military junta that now rules Chile, as we were criticized for our education loans to Greece when the military regime ruled there. But I am determined not to turn our development assistance on and off as the political circumstances of a country change. I trust you agree that this kind of principle must be followed by an international institution.

It was my strong desire not to break our aid relationship with Chile when Allende was elected, which led me to send him two private messages offering continued Bank support. The subsequent delays and economic deterioration were not of our making.

As to Vietnam, I intend to abide by the same principles. I will only recommend a loan to the Board if I am satisfied that it can and will help the people of the land, irrespective of political circumstances. Such a condition has not been met to date and we have therefore made no loan to Vietnam.

I would like to end on a less polemic note by mentioning that I had a very warm personal message from President Nyerere last month about the growing Bank involvement in Tanzania, in the course of which he singled out for favorable mention the joint Bank-SIDA rural development project at Tabora. I hope we may together find more such joint projects in more countries where our aims and objectives can be so well harmonized.

Let me emphasize once more how strongly I feel that the World Bank's objectives in aid agree with Sweden's. The Bank can function effectively only if it has a frank and trustful relationship with its member countries. It is my sincere hope that the dialogue with your government in this vein can be further enhanced.

With best wishes,

Sincerely,

Robert S. McNamara

Attachment

WDC1ark:RMcN:mss

March 5, 1975

Dear Judith:

Thank you for your letter of February 13 which I found on my return to the office. I am most grateful for your detailed comments about the UK's admirable practice of budgeting the aid program in constant prices. It is, I believe, the only way for aid authorities to set meaningful targets in the highly inflationary situation the world faces at the moment.

At Tidewater, I was pointing to the prevailing procedure which is to budget foreign aid funds at current prices, and to the consequential erosion in the real value of ODA. The World Bank lending program (commitments) have been established in real terms since 1971. Since world inflation rates have turned out to be even worse than our forecasts, the IBRD lending program has been periodically adjusted upwards, most recently in "Review of IBRD/IDA Program and Financial Policies" which was discussed by the Board in January.

I am also grateful for your comments about local cost financing in Bank and IDA projects. Your clarification will help us greatly in preparing the paper on that subject which is to be discussed by the Board on May 20.

Sincerely,

Robert S. McNamara

The Right Honorable  
Judith Hart  
Minister of Overseas Development  
Bland House  
Stag Place  
London SW1E 5DH, England

WDCIark/LPChatenay:RMcN:mss

Presidency of the Republic

Paris, March 3, 1975

Mr. President:

The first eighteen months following the change in world petroleum factors have given time to countries to begin to understand the economic, social and monetary consequences and to see more clearly the new international equilibrium now being established.

For this to be truly an equilibrium rather than an increase in tension, the need to reduce the gap in living conditions between the rich and the poor countries is a target not to be forgotten.

This probably means that the levels and structures of development aid through which rich countries take part in the development of the rest of the world should be reviewed, whether it be bilateral or multilateral aid, tied or untied, long-term or not.

In this respect, simply increasing aid already granted to the developing countries in greatest need is one possibility. Another, would be a global recasting of that aid to take account of new factors rather than of circumstances based on the past.

Similarly, the allocation of responsibilities among the institutions responsible for managing that assistance should be re-examined to see whether it still corresponds to the new world power balance now being established. Changes may have to be made to existing institutions or new and complementary structures may have to be established.

While the role of France in the international effort is modest considering its economic weight, you know -- and I said this plainly in UNCTAD at Santiago even before the oil events -- that she intends strongly to disseminate around the world respect for justice and equality that are so much part of her own tradition.

This is why I would be pleased to consider these topics more personally with you if you would accept to come to Paris in the near future. We could have a long talk about these problems or a working luncheon, as you please.

With my best regards and very cordially

Signed Valery Giscard Estaing

Translated by Mr. L. Peter Chatenay



INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

OFFICE OF THE PRESIDENT

French  
Bao; 3/3/75

To Mr. Clark

William I have absorbed  
the general theme of the attached  
letter using my school-boy

French.

I, of course, will be happy  
to meet with Bernard & will  
arrange for a time, convenient  
to him, thru the French E.D.

Please translate the letter  
& draft a reply for me. May  
I sign it before I leave  
Wed PM. Love

Paris, le 3 mars 1975

"Monsieur le Président,

Les premiers dix-huit mois qui ont suivi la modification des données pétrolières mondiales ont permis aux divers pays de commencer à en appréhender les conséquences économiques, sociales et monétaires et de mieux percevoir le nouvel équilibre international qui est en voie de s'instaurer.

Pour qu'il s'agisse effectivement d'un équilibre, et non d'un accroissement des tensions, encore faut-il que l'objectif de réduction de l'écart du niveau de vie entre les pays riches et les pays pauvres ne soit pas perdu de vue.

Cela suppose vraisemblablement qu'il soit procédé à une remise en cause des niveaux et des structures de l'Aide au Développement par laquelle, sous forme bilatérale ou multilatérale, de manière liée ou non liée, d'une façon définitive ou transitoire, les pays riches participent au développement du reste du monde.

On peut, à cet égard, songer soit à une simple accentuation de l'aide accordée à ceux des pays en voie de développement qui se trouvent dans des conditions difficiles, soit à un redéploiement global de cette aide pour tenir compte des données nouvelles et non des situations acquises dans le passé.

De la même manière, il convient d'examiner si la répartition des responsabilités au sein des organismes chargés de cette aide correspond encore au nouvel équilibre mondial des pouvoirs qui est en train de se faire jour, soit que des modifications puissent être introduites dans les organismes existants, soit que de nouvelles structures complémentaires doivent être mises en place.

Bien que la part de la France dans le concert mondial soit modeste, eu égard à sa dimension économique, vous savez - et je l'avais exprimé clairement à la CNUED de Santiago du Chili, avant

.../...

les évènements pétroliers - que son souci est grand de propager dans le monde le respect de la justice et de l'égalité qui a tant marqué sa propre tradition.

C'est pourquoi je serais heureux d'aborder avec vous plus directement ces sujets si vous acceptiez de venir, dans un proche avenir à Paris. Nous pourrions avoir, sur ces problèmes soit un entretien prolongé, soit un déjeuner de travail, selon votre convenance.

Je vous prie de croire, Monsieur le Président, à mes sentiments les meilleurs et à mon très cordial souvenir.

signé : Valéry Giscard d'Estaing"

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: William Clark *WCL*

SUBJECT: Letter to Michanek

DATE: March 3, 1975

34

I suggest that if you send the letter to Palme it be sent via Ernst Michanek. Anders argues that this is important for fear that the P.M.'s staff would attempt to subvert its objective if they got the letter first.

If you agree to this I suggest the attached letter to Michanek in reply to his of January 20 (also attached). The paragraph on Portugal was drafted by Munir.

WDClark:sf

## OFFICE MEMORANDUM

TO: Mr. L. Peter Chatenay, IRD

FROM: Ernest Stern, <sup>②</sup>Director, Development Policy

SUBJECT: Mrs. Hart's Letter to Mr. McNamara

DATE: February 28, 1975

In response to the letter from Mrs. Hart, I think only two brief points need to be made:

- (a) Regarding the figures of ODA, I think we need merely point out that Mr. McNamara was referring to the prevailing practice and that the bulk of foreign aid funds are not only expressed in current prices but budgeted for in current prices. There is, therefore, a significant erosion in a highly inflationary period and the real value of official development assistance is considerably less than the nominal value. We should acknowledge that the British practice of budgeting in constant prices, including the aid program, is highly desirable and of course avoids the problem that Mr. McNamara was referring to.
- (b) Regarding the U.K. position on local cost financing, I should think we need merely thank Mrs. Hart for her comments and note that a paper on local cost financing is under preparation and is scheduled to be discussed by the Board on May 20. The explanation of the U.K. views will be very helpful to us in preparing this document.

FEB 21 1975

Dear Mr. Buckley:

Thank you for your letter of February 11 asking me about the Finance Minister of Liberia.

I have indeed met him on several occasions and we have an excellent working relationship. However I do not think it would be proper for me to discuss that relationship for publication, because it should remain a professional essentially confidential relationship.

I would be most interested to see the results of your study when it is completed.

Sincerely,

(Signed) Robert S. McNamara  
Robert S. McNamara

Mr. Leonard Buckley  
60 Hotham Road  
Putney  
London, S.W.15  
England

*WDC*  
WDCClark:sf

FEB 21 1975

Mr. Maurice J. Williams, Chairman  
Development Assistance Committee  
Organisation for Economic  
Co-operation and Development  
2, rue Andre-Pascal  
Paris XVI<sup>e</sup>, France

Dear Maurice:

Thank you for your letter of February 7, 1975, about aid coordination for the countries of the Sahel.

It is going to be very difficult, I think, to work out an approach to overall aid coordination in this area that will be acceptable to the recipient countries as well as to the donors. That is why as you note we have fallen back ourselves on a more limited sector-by-sector approach, and even here the scope for effective coordination varies considerably from case to case. For river blindness, where there is a specific and carefully prepared program backed by all the recipient countries and no need for an elaborate economic justification of the expenditures proposed, the World Bank has no hesitation in assuming the responsibility of bringing the donors together. But where the program or project in question is open to challenge on economic grounds, or where there are likely to be major problems in implementing it, a more cautious approach may be called for.

In any event, I think it is an excellent idea that you should explore the matter informally with the Sahelian Governments and the appropriate regional institutions, to see what form of coordination they would be prepared to accept. I assume you will also keep informed of the activities and plans of the UN and particularly the UNEP in matters of coordination of various aspects of assistance to countries of the Sahel region. There is some danger, I think, of an overdose of coordination in the present atmosphere of concern for the Sahel. It may be a desire to guard against this that underlies the French suggestion of a "light" approach.

In the light of the various reactions you get we could then consider how aid coordination might be most effectively organized, and what the role of the World Bank might be.

Mr. Maurice J. Williams

- 2 -

February 21, 1975

As for the Tidewater meeting on September 26-28 in Germany,  
I hope at this time to be able to attend.

Sincerely,



Robert S. McNamara

cc: Mr. Chaufournier/Mr. E. Wright  
Mr. William Clark

EPWright/MLHoffman:smh

FEB 21 1975

Dear Mr. Berkol:

Many thanks for your February 7 letter and attachments on the difficult situation in which the Cape Verde Islands find themselves because of the prolonged drought which they are facing.

I am, naturally, concerned by the islands' grim prospects. On the other hand, the Bank Group is not equipped to provide the emergency relief (foodstuffs shipment, for example) which may be needed if the situation there deteriorates to disaster levels. Instead, as you know, the sort of assistance we could give - and are already providing the drought stricken Sahelian countries - is financing for longer range rehabilitation and development projects.

We shall monitor the situation on the Cape Verde Islands and would be prepared to consider, if appropriate, drought relief measures or other investments to help put the islands' people back on their feet when they obtain their independence and apply for Bank Group membership.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Faruk N. Berkol  
Under-Secretary-General  
Co-ordinator for Disaster Relief  
United Nations  
Office of the Disaster Relief Co-ordinator  
Palais des Nations  
CH-1211 Geneva 10  
Switzerland

cl. w. & cc: Messrs. W. Thalwitz and P. Chatenay  
cc: Messrs. W. Clark, M. Hoffman and J. Schmedtje  
FJAguirre-Sacasa/et (2/21/75)

February 19, 1975

Dear Charley:

I am delighted that you see fit to ask me for my recommendation on the award of the Edward Weintal Journalism Prize for diplomatic reporting.

My recommendation would be to award the prize for the series of articles in the New York Times on the World Food Crisis, which appeared prior to the World Food Conference in November. This was an outstanding example of the new type of diplomatic reporting that the world, and not least the U.S.A., needs.

I leave it to you to decide how to award the prize to a group effort. I suppose either Abe Rosenthal or Jim Greenfield is ultimately responsible.

Sincerely,

Robert S. McNamara

Mr. Charles Bartlett  
School of Foreign Service  
Georgetown University  
Washington D.C. 20057

*WDC*  
cc: Mr. Charles Bartlett  
4615 W. Street, N.W.  
Washington D.C. 20007



MINISTRY OF OVERSEAS DEVELOPMENT  
ELAND HOUSE  
STAG PLACE LONDON SW1E 5DH

Telephone 01-834 2377

*From the Minister*

13 February 1975

*Dear Bob,*

You may recall that, when you opened the discussion on Saturday afternoon at the Tidewater Conference last December, you mentioned that most ODA was expressed in current prices and I said I would write to you to convince you that we here do in fact use a constant prices arrangement.

In the White Paper on Public Expenditure (Cmnd 4829) published in November 1971, it was announced that Overseas Aid would thenceforth be shown net of amortisation receipts from past aid loans and at constant prices. The White Paper went on to say: "The aid programme will in future be determined on this net constant price basis, with each annual programme being converted to a gross cash sum for the submission of the Estimates to Parliament". I may say that this was in part a result of my own concern about this point when I was here in 1970.

Accordingly, the most recent White Paper on Public Expenditure (Cmnd 5879), which was published a few days ago, showed the net aid programme for 1975/76 at £339.6 million at 1974 Survey prices and figures at the same constant prices for the next three financial years, ie 1976/77 to 1978/79, of £347.8 million, £358 million and £381 million respectively. The last three figures like all other items of public expenditure will be subject to review from year to year as part of the annual roll forward exercise of our public expenditure planning process.

The constant price figures are revalued each year. The net aid programme for 1975/76 will accordingly be adjusted to 1975 prices in the Supply Estimates for 1975/76 and expected amortization receipts will be added on at the same time. The figures for the

/later years



later years are provisionally converted to a cash basis for our own internal planning purposes, and will also be adjusted to reflect further price changes preparatory to the next Public Expenditure Survey.

These arrangements seem to us preferable to employing overall planning figures up to four years ahead in current prices. Publicly we do however express individual commitments and disbursements from the aid programme in cash terms not only in the current year's estimates, but throughout the forward programme.

We also spoke at Tidewater about local cost financing of Bank and IDA projects, particularly in connection with three Indian projects which had recently been presented to the Board. I understood you to say that Britain was one of two governments who opposed one of the projects on the ground that it included a large local currency element. This rather puzzled me at the time, as generally speaking we are in favour of the Bank and IDA providing local costs in appropriate cases. So I have made some enquiries and am now writing to clear up the misunderstanding which seems to have arisen.

It appears that during the discussion of these projects the UK representative agreed with the statement on local cost financing made by an earlier speaker, and this included the opinion that a condition for providing local costs should be some assurance that counter-part funds would be used for sound developmental projects. But neither speaker implied anything against the provision of local costs in appropriate cases. The Bank staff's record of the discussion shows that, in the event, there was one vote against all three credits - I understand that this was in fact the US.

I understand that the Board is to consider the general policy of local costs in relation to the Bank's Articles of Agreement; to the extent that this probably results from a suggestion which the UK representative made in another discussion some time ago, perhaps our general attitude was misconstrued in some quarters and then incorrectly applied to particular cases.

My best wishes -

Yours,  
Lamin

Mr Robert S McNamara

7/18 to Mr. Clark  
Please draft reply  
D.W.

60 HOTHAM Road,  
PUTNEY,  
LONDON,  
S.W.15,  
ENGLAND.

DECLASSIFIED  
NOV 15 2021  
WBG ARCHIVES

Personal.

11th February, 1975.

Mr. Robert McNamara,  
1818 H Street N.W.,  
Washington D.C.,  
20433,  
U.S.A.

Dear Sir,

I hope that you will not mind my writing to you. I am preparing a biographical study of Stephen Tolbert, the Finance Minister of Liberia. In the course of conversations with me he has spoken warmly of you and your work and I know that you in turn are acquainted with him. I am wondering, therefore, if you would be willing to give me your opinion of him, however briefly. I should be so grateful if you would. I may add that in addition to describing and perhaps assessing Stephen Tolbert as a man of business and as a Minister of Finance I want to bring out the personality behind the public figure and I have spent much time with him to that end. Any anecdote of your own in that direction would be most welcome.

I ought to tell you, by way of credentials, that I am on the staff of The Times in London but that I am taking a short sabbatical to get ahead with this book. When the chance of getting Stephen Tolbert down on paper came along it was too good to miss.

Yours sincerely,

*Leonard Buckley*  
LEONARD BUCKLEY.

OCDE

ORGANISATION DE COOPÉRATION  
ET DE DÉVELOPPEMENT ÉCONOMIQUES

Téléphone: 524 90-70

Comité d'Aide au Développement  
Le Président

Télégrammes: DEVELOPECONOMIE  
Télex: 62.160 OCDE PARIS

ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT

2, rue André-Pascal, PARIS-XVI<sup>e</sup>

Development Assistance Committee  
The Chairman

February 7, 1975

The Honorable  
Robert S. MacNamara  
President  
International Bank for  
Reconstruction & Development  
1818 H Street, N. W.  
Washington, D. C. 20433

Dear Bob:

You will recall that at the December Tidewater meeting in Quebec I mentioned my concern to improve the coordination of development efforts with the Sahel countries of Africa. You may find of interest the enclosed report of an initial meeting among donors on this. Chauffournier's report of World Bank activities was impressive. I believe the sectoral approach you are pursuing is the right one.

All the donors feel the need for improved coordination with the Sahel countries, but there is no agreement on how it should be done. One problem is that we have little experience with a consultative group approach for development with a group of countries. The Bank's experience is with individual country or individual sector donor groups (agricultural research, the Mekong, the Indus Basin). This may be why the sectoral approach which the World Bank is taking for transportation and health in the Sahel is so promising.

The French may be right that a "light" coordination is the right approach among donors for development of the group of Sahel countries. My further efforts with this problem will be to encourage and strengthen the institutional means for cooperation among the Sahel countries -- which may provide a basis for the closer coordination among donors which the U.S. seeks.

*1/18 to N. Clark  
Please draft a reply  
L. Brown*

OCDE

113.10

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

Director General

Director of the Centre for Economic Studies

Director of the Centre for Economic Studies

Director of the Centre for Economic Studies

COMMUNICATIONS SECTION

1975 FEB 14 PM 1:00

RECEIVED

Perhaps a reasonable conclusion could be to marry the Bank's sectoral approach with a "light" or loose coordination among donors for the Sahel region as a whole. I would like to see the World Bank chair these, which as you may know is also the American objective. So far the French resist it.

Minister Egon Bahr of Germany has proposed to host the next Tidewater meeting in Germany on September 26 - 28. Please let me know if this date will be convenient to your schedule.

Warm regards,

Yours sincerely,

  
Maurice J. Williams  
Chairman

encl. a/s

EDWARD WEINTAL JOURNALISM PRIZE

February 5, 1975

SELECTION COMMITTEE

CHARLES BARTLETT  
CHAIRMAN  
MARVIN KALB  
PETER KROGH  
HUGH SIDNEY

EDMUND A. WALSH  
SCHOOL OF FOREIGN SERVICE  
GEORGETOWN UNIVERSITY  
WASHINGTON, D.C. 20057

*4/13 to Mr. Clark  
Please suggest  
a nominee (I presume  
it will not be a  
US citizen) & draft  
a reply. Done*

Dear Bob:

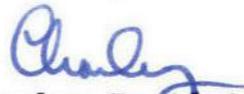
The late Edward Weintal provided in his estate for a \$5,000 prize to be awarded each year for the best work in diplomatic reporting in the print and electronic media on issues related to U.S. foreign policy. He named the four of us to preside over the selection process and we have in turn chosen a group of distinguished individuals from whom we are seeking nominations.

Your assistance will be highly useful in helping us to make the Weintal Prize become a respected mark of accomplishment in diplomatic reporting. We know that you follow the work in this field with a closer and more critical eye than most citizens so we are asking you to help us identify the best reporting that was done during 1974.

We would like you, if possible, to include references to your nominee's reporting which you consider outstanding. We have enclosed a return envelope to facilitate your reply which we hope to receive by February 24.

The prize will be awarded at an early evening ceremony at the Georgetown University School of Foreign Service in mid-April. You will of course be invited and we hope you will be on hand to make the event more auspicious. Our thanks in advance for whatever guidance you are able to give us.

Sincerely,



Charles Bartlett

RECEIVED

1975 FEB 12 PM 1:25

COMMUNICATIONS SECTION

COMMUNICATIONS SECTION

COMMUNICATIONS SECTION

In response to your letter of February 11, 1975, regarding the proposed changes to the Communications Section, I am pleased to advise you that the Board of Trustees has approved the proposed changes. The Board has also approved the proposed budget for the Communications Section for the fiscal year ending June 30, 1976.

The Board has also approved the proposed changes to the Communications Section, which will result in a more efficient and effective operation. The proposed changes include the reorganization of the Communications Section and the appointment of a new Director of Communications.

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The Board has also approved the proposed changes to the Communications Section, which will result in a more efficient and effective operation. The proposed changes include the reorganization of the Communications Section and the appointment of a new Director of Communications.

Best regards,

EDWARD MERRILL TOLSON  
DIRECTOR

February 12, 1975

EDWARD MERRILL TOLSON  
DIRECTOR

EDWARD MERRILL TOLSON

✓ P15 find out if Hollis  
dealt with this?  
only

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT  
ASSOCIATION

INTERNATIONAL FINANCE  
CORPORATION

OFFICE OF THE PRESIDENT

To Messrs Channing  
Clark ✓

Before Hollis travels, please  
consider whether the Bank  
would be prepared to submit  
the paper he requests.

After consultation with Hollis,  
I told Frank Hollis or I would  
attend. 5/43 + 3/24 are different  
dates for me to be away from  
Washington because of the important  
matters that will be under consideration  
here at the time (FY76 Budget, Food  
Program, 3rd window, etc).

William please draft a reply. Frank

# MINISTERIE VAN BUITENLANDSE ZAKEN

PLEIN 23 - 'S-GRAVENHAGE - TEL. 614941

Mr. R.S. McNamara

Departementsonderdeel: Policy Preparation Section

Datum: 23 January 1975

Onderwerp: Invitation to take part in a Symposium in  
preparation for the 7th Special Session of the  
United Nations General Assembly

Kenmerk: DGIS/SA - 20245

*Committed to attend:*

*1. H.M.T.*

*2. Tanbergen*

*3. Prochaska*

*4. De Sijnes*

The 7th Special Session of the United Nations General Assembly will be held in September 1975. This Session will consider the implementation of the Declaration and Programme of Action on the Establishment of a New International Economic Order adopted at the 6th Special Session of the UN General Assembly.

It is my conviction that this 7th Special Session could give considerable new impetus to international development cooperation provided realistic and well founded proposals are put forward on a number of topics and provided the consequences of the New International Economic Order with regard to the developed countries in particular have been carefully analysed.

It is with this in mind - to help create the right conditions for the succes of the 7th Special Session - that I am inviting you, together with 30 others from all parts of the world, to take part in a Symposium to be held in the Hague on the 23rd and 24th May of this year.

I shall look forward to welcoming you at a buffet dinner to be held at 8 p.m. on the evening of 22 May to which all participants are invited.

During the Symposium we hope to study the following six topics:

1. Finance - the ways in which the New International Economic Order may affect the developed countries in matters such as aid, monetary arrangements and private investments.

2. Scarcity - how this may affect the developed countries, particularly with regard to raw materials, food and energy.
3. Trade (same as under point 2).
4. EEC - what consequences the New International Economic Order may have for the EEC.
5. Decision-making - how the New International Economic Order may influence international decision-making.
6. New way of life in developed countries - the inevitable effect of the consequences mentioned in points 1-5 on the way of life in the rich countries.

The arrangements for the Symposium are such that of the six topics each will be discussed in separate study groups on 23 May, on the basis of a paper prepared by one of the participants. Three of the study groups will meet in the morning and three in the afternoon of the first day. Symposium participants will be split up among the study groups so that each person will be able to take part in two of them.

One of the participants in each study group will act as chairman, one as speaker (he will compile the paper) and a third as second speaker, in which capacity he will be the first of the group to comment on the paper and thus on the topic in general. The total number of participants in each group on the first day will be about 10.

Whereas on the first day the meetings of the study groups will be attended by a limited number of invited participants who have specialized knowledge of the subject concerned, the second day of the Symposium, when the whole panel will take part in discussions, will be open to anyone who wishes to attend. Interested persons on this second day will include members of parliament and representatives from the civil service, universities, employers' organisations and trade unions, development cooperation organisations and the press and other news media.

I should be grateful if you would agree to act as a speaker for the study group concerned with finance.

If you agree to act as a speaker, it will entail writing a short paper (about 8 pages) which can be distributed to all participants well before the Symposium. The paper should contain your ideas on what real progress could and should be made in your particular field in the light of the New International Economic Order and what consequences this would have for the developed countries. I should appreciate it if your paper could reach me by 10 April at the latest.

I shall be pleased to hear whether you can accept the invitation and whether you are able to act in the capacity I have suggested. I hope to be able to give you some idea of those participating in the Symposium and to let you have further details shortly after receiving your reply. It would be helpful if you could reply by return of post.

Travel and hotel expenses will of course be borne by the Netherlands Government. Hotel reservations have already been made for the period from the 22nd to 24th May.

A handwritten signature in black ink, appearing to read 'J.P. Pronk', is written over the text. The signature is stylized and somewhat cursive.

J.P. Pronk  
Minister for Development Cooperation

WDCIark

1127

Have acknowledged

to Swall (Grant  
has flu) saying this  
one should be  
discussed at some point  
between you & J. Grant.  
From Sven I got the R/W  
is not asking to sign a  
reply.

Duke

ROUTING SLIP

Date  
Jan. 24, 1975

OFFICE OF THE PRESIDENT

Name	Room No.
1. Mr. McNamara to see	
2. Mr. Merriam to handle	

To Handle	Note and File
Appropriate Disposition	Note and Return
Approval	Prepare Reply
Comment	Per Our Conversation
Full Report	Recommendation
Information	Signature
Initial	Send On

Remarks

Sven Burmester

*What has happened to my  
note to RSN about this case*

From *You have note on this p. <sup>one</sup>*

January 21, 1975

OVERSEAS DEVELOPMENT COUNCIL

Mr. Robert McNamara  
President  
The World Bank  
1818 H Street NW  
Room E-1227  
Washington, D.C. 20433

Dear Bob:

I am delighted with the word from the New York Times that they have asked you to do an Op-Ed article in response to the triage issue raised in the recent New York Times Magazine article.

Most of the current debate, as in the New York Times Magazine article, is focused on the morality and politics of applying the triage concept, and there is virtually no discussion of the underlying assumption that there is very little hope for adequate progress in these poorest countries. As the situation in the Fourth World has worsened, the principal question of "Aren't the Efforts Doomed to Failure Anyway?" is being asked increasingly.

I hope, therefore, that the central theme of your article will be that it is feasible for the poorest countries such as Bangladesh and India to break out of their present downward cycle of increasing population and hunger. We need to get very clearly on record from an authoritative source a hard hitting statement to the effect that, with the appropriate global cooperative effort, both the food and the population problems are solvable, and that a comprehensive rural development effort in the poorest countries which focuses on increasing food production, particularly by the smaller farmers, would not only be an effective way of meeting the world's hunger problem but also make a major contribution toward slowing birth rates.

We have many outlets which could put such a statement from you to effective use.

The draft overview chapter of ODC's Agenda 1975 includes a discussion of the triage issue as part of a broader discussion of challenges to the morality of supporting development.

I am much encouraged by the news of the progress you are making with establishing the "Consultant Group on Investment and Agricultural Production."

Congratulations,

James P. Grant  
President

1717 Massachusetts Ave., N.W. / Washington, D. C. 20036 / (202) 234-8701

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RECEIVED

1975 JAN 23 PM 3: 14

COMMUNICATIONS SECTION

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Best copy

Washington, D.C. 20540  
Room E-1222  
The World Bank  
President  
Mr. Robert McNamara

DEPARTMENT OF STATE



# COMMUNIQUE

on development issues

Overseas Development Council/No. 21

## THE CHANGING FACE OF FOOD SCARCITY

by  
Lester R. Brown

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The world food situation has been dramatized this year by some unusual factors—including the poor rice harvest in Asia, the shortfall in the Soviet wheat crop, and the disappearance of the anchoveta off the coast of Peru. But today's shortages and sharp price increases are not merely temporary phenomena. They reflect certain long-term trends and augur a global shift from an era of commercial surpluses to one of frequently tight global supplies of essential foodstuffs. Rising affluence has now joined population growth as a major factor behind the burgeoning global demand for food.

These trends present a strong case for stepping up international cooperation in building up world food reserves, managing oceanic fisheries, and stabilizing population growth. Most important, they demonstrate the urgency of assisting the agricultural development of the poor countries for our mutual benefit. With appropriate organization and inputs, many of these countries can achieve dramatic increases in food production—at far less additional cost than in the advanced producer nations—to help meet the permanent, long-term increase in demand.

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## Population and Affluence

During the 1960s, the world food problem was perceived as a food/population problem—as a race between food and people. At the global level, population growth remains the dominant cause of increasing demand for food. Expanding at nearly 2 per cent per year, world population will double in little more than a generation. Merely maintaining current per capita consumption levels will require nearly a doubling of food production over the next generation. But beyond this pressure of population on supply, rising affluence is also emerging as a major new claimant on world food resources.

This impact of rising affluence on demand for food can best be illustrated by its effect on consumption of cereals, which dominate the world food economy. In the poor countries, annual consumption of grain averages about 400 pounds per person. Virtually all of this small amount must be consumed directly to meet minimum energy needs. In the United States and Canada, by contrast, per capita grain use is approaching one ton per year. All but 150 pounds of this per capita total is consumed indirectly in the form of meat, milk, and eggs. In the case of beef alone, annual per capita consumption in the United States has grown from 55 pounds in 1940 to 117 pounds in 1972. During the same period, the American population has expanded by 57 per cent. Altogether, national beef consumption has tripled, making the United States a leading beef importer.

In the northern tier of industrial countries, stretching from Western Europe through the Soviet Union to Japan, dietary habits now more or less approximate those of the United States in 1940. As incomes continue to rise in this group of countries (which total some two thirds of a billion people), a sizable share of the additional income is being converted into demand for livestock products, particularly beef. Many of these countries lack the capacity to satisfy the growth in demand for livestock products entirely from indigenous resources. As a result, they are importing increasing amounts of livestock products, or of feed-grains and soybeans with which to expand their livestock production. Thus, for example, Japan alone imported 17 million tons in grains this past year—

compared to India's imports of just under 10 million tons during the drought crisis of 1966-67.

## Constraints on Expanding the World Food Supply

As the world demand for food climbs due to both population growth and rising affluence, several important constraints on the further expansion of global food production become increasingly apparent. The traditional approach to increasing production—expanding the area under cultivation—has only limited scope for the future. Some more densely populated countries, such as Japan and several Western European countries, have been experiencing a reduction in the land used for crop production, while other parts of the world have been losing disturbingly large acreages of cropland each year because of severe soil erosion.

An even more important constraint in the future may be the shortage of water for agricultural purposes. In many regions of the world, fertile agricultural land is available if water can be found to make it productive. Yet most of the rivers that lend themselves to damming and to irrigation have already been developed. Future efforts to expand fresh water supplies for agricultural purposes will increasingly focus on such techniques as the diversion of rivers (as in the Soviet Union), desalting sea water, and the manipulation of rainfall patterns.

One of the key questions concerning future gains in agricultural production is: can the more advanced countries sustain the trend of rising per acre yields of cereals without major cost increases? In some agriculturally advanced countries—such as Japan and the Western European countries—the cost per increment of yield per acre for some crops already is rising. What impact the energy crisis will have on food production costs and trends also remains to be seen. Rising energy costs may cause farmers engaged in high-energy agriculture, as in the United States, to increase production less than they would otherwise.

In looking ahead, there is reason for particular concern about the difficulties of expanding the world protein supply to meet the rapid growth in demand. Two major constraints are operative in the case of beef. Agricultural scientists have not been able to

devise any commercially viable means of getting more than one calf per cow per year. For every animal that goes into the beef production process, one adult animal must be fed and otherwise maintained for a full year. The other constraint on beef production is that the grazing capacity of much of the world's pasture land is now almost fully utilized. This is true, for example, in most of the U.S. Great Plains area, in East Africa, and in parts of Australia.

A further potentially serious constraint on efforts to expand supplies of high-quality protein is the inability of scientists to achieve a breakthrough in per acre yields of soybeans. Soybeans are a major source of high-quality protein for livestock and poultry throughout much of the world and are consumed directly as food by more than a billion people throughout densely populated East Asia. In the United States, which now produces two thirds of the world's soybean crop and supplies about 90 per cent of all soybeans entering the world market, soybean yields per acre have increased by about 1 per cent per year since 1950; corn yields, on the other hand, have increased by nearly 4 per cent per year. One reason why soybean yields have not climbed very rapidly is that the soybean, being a legume with a built-in nitrogen supply, is not very responsive to nitrogen fertilizer. Close to 85 per cent of the dramatic fourfold increase in the U.S. soybean crop since 1950 has come from expanding the area devoted to it—a process which cannot continue indefinitely.

The oceans are a third major source of protein. In 1969, twenty years of sustained growth in the world fish catch were interrupted by a sudden decline. The catch has since been fluctuating rather unpredictably, while the amounts of time and money expended to bring it in continue to rise every year. Many marine biologists now feel that the global catch of table-grade fish is at or near the maximum sustainable level. If, as currently seems probable, the global fish catch does not continue rising in the next decades as it did during the last two, the pressures on land-based protein sources can be expected to increase substantially.

Although there are substantial opportunities for expanding the world's protein supply, it now seems likely that the supply of animal protein will lag behind growth in demand for some time to come, re-

sulting in significantly higher prices for livestock products during the 1970s than prevailed during the 1960s. We may be witnessing the transformation of the world protein market from a buyer's market to seller's market, much as the world energy market has been transformed over the past few years.

### The Depletion of Global Reserves

Since World War II, the world has been fortunate to have, in effect, two major food reserves. One was in the form of grain reserves in the principal exporting countries and the other in the form of reserve cropland idled under farm programs in the United States. As world consumption expands by some 2.5 per cent annually, so should the size of global grain reserves, but over the past decade reserves have dwindled while consumption has climbed by one third.

One seventh of U.S. cropland, or roughly 50 million acres out of 350 million acres, has been idled under farm programs for more than a decade. Though this idle acreage is not as quickly available as grain reserves, it has been possible to bring it back into production within 12 to 18 months once the decision was made to do so.

In recent years, the need to draw down grain reserves and to utilize the reserve of idled cropland has occurred with increasing frequency. This first happened during the food crisis years of 1966 and 1967, and again in 1971 as a result of the corn blight in the United States. In 1973, in response to growing food scarcities, world grain reserves once more declined, and the United States again resorted to cultivating its idled cropland, but to a much greater degree than on either of the two previous occasions. Government decisions in early 1973 permitted at least two thirds of the idled cropland to come back into production, and the government announced plans to eliminate all payments for idled cropland in the 1973/74 crop year. In the years ahead, world food reserves may become chronically low and the idled crop acreage in the United States may decline sharply or even disappear entirely. Consequently there is the prospect of very volatile world prices for the important food commodities.

### Policy Implications

The current international scarcity of major agricultural commodities reflects important long-term trends. This changing situation calls for several important policy emphases:

1. *Population stabilization.* The possibility of a chronic global scarcity of food resulting from growing pressures on available food resources underlines the urgency of halting population growth as soon as possible. Current demographic trends suggest that this could occur in many industrial countries within the not too distant future. In the poor countries, however, it will be much more difficult to achieve; the historical record indicates that birth rates do not usually decline unless certain basic social needs are satisfied—an assured food supply, a reduced infant mortality rate, and the availability of appropriate health and educational services. Population-induced pressures on the global food supply will continue to increase dramatically if substantial economic and social progress is not made. Populations that double every 24 years—as many are doing in poor nations—multiply 16-fold in scarcely three generations! It may well be in the self-interest of affluent societies such as the United States to launch an attack on global poverty not only to narrow the economic gap between rich and poor nations, but also to meet the basic social needs of people throughout the world in an effort to provide incentives for lowering birth rates.

2. *A World Food Reserve.* These population trends, together with the emerging constraints on food production, call for serious consideration of the creation of an internationally managed world food reserve. Just as the U.S. dollar can no longer serve as the foundation of the international monetary system, so U.S. agriculture may no longer have sufficient excess capacity to ensure reasonable stability in the world food economy.

A world reserve could be built up in times of relative abundance and drawn down in times of acute scarcity, thereby helping to stabilize prices to the consumer. In effect, the cushion that surplus American agricultural capacity has provided for a generation would be provided at least partially by a world food reserve system. A system of global food reserves

would provide a measure of price stability in the world food economy that would be in the self-interest of all nations. The world community of course also has a basic humanitarian interest in ensuring that famine does not occur in the densely populated low-income countries following a poor crop year—an assurance the affluent nations may be less able to provide in the future if the current system of autonomous, nationally oriented food planning is allowed to continue without modification.

An important first step would be international adoption of the concept of "minimum world food security" proposed in early 1973 by Dr. A. H. Boerma of the U.N. Food and Agriculture Organization. Under the FAO plan, all governments—exporters and importers—would be asked to hold certain minimum levels of food stocks to meet international emergencies. The governments of participating countries would consult regularly to review the food situation, judge the adequacy of existing stocks, and recommend necessary actions. International agencies such as the World Bank, the International Monetary Fund, and the FAO would help poor countries to establish and maintain the reserve stocks necessary for self-protection against crop failures.

Any system of global food reserves, whether a single, centrally managed food bank, or the proposed FAO plan of coordinated national reserve policies, would provide a measure of stability in the world food economy that would be in the self-interest of all nations.

3. *International management of oceanic fisheries.* A close examination of the extent of over-fishing and stock depletion in many of the world's fisheries also underlines the urgency of evolving a cooperative global approach to the management of oceanic fisheries. Failure to do this may result in soaring seafood prices that will make those of the early 1970s seem modest by comparison. It is in this context that all nations have a direct interest in the success of the upcoming U.N. Law of the Sea Conference.

4. *Increased support for agricultural development of poor countries.* One of the most immediate means of expanding the food supply clearly is the return of idled U.S. cropland to production. Over the longer run, however, the greatest opportunities for increased

Note Below

production are in the developing countries, the world's greatest reservoir of untapped food-production potential.

The changing nature of global food scarcity and the diminishing capacity of the international community to respond to food emergencies make it all the more urgent to strengthen support for the agricultural development of such populous, food-short countries as Bangladesh, India, Indonesia, and Nigeria. Such support should give special attention to the role of *small farms* in the production effort. There is growing evidence that in many developing countries, small farmers—provided they have been given effective access to needed agricultural inputs as well as health and educational services—engage in more intensive cultivation and generally average considerably higher yields per acre than do large farmers. As suggested earlier, by improving the access of the poorest majority to both income and services, this approach to rural development also greatly increases the motivation for limiting family size.

One important step in the right direction is a bipartisan legislative proposal introduced in the U.S. Congress in 1973 that would restructure the U.S. Agency for International Development and increase by 50 per cent the support it provides for agricultural and rural development in the years immediately ahead. This proposal seeks to capitalize on the unique capacity of the United States to lead an enlarged effort to expand the world's food supply.

In those countries having the appropriate organization, economic incentives, fertilizer, water, and other necessary agricultural inputs, the introduction of new wheat and rice varieties has increased production substantially. The jump in per acre yields in several developing countries appears dramatic largely because their yields traditionally have been so low relative to the potential. But today rice yields per acre in India and Nigeria still are only one third those of Japan, and corn yields in Thailand and Brazil are less than one third those of the United States. Large increases in food production are possible in these countries at far less cost than in agriculturally advanced nations if farmers are given the necessary economic incentives and the requisite inputs.

India and the United States, for example, have about the same crop area, with many similar characteristics. If Indian yield levels equalled those of the United States, its current annual cereal production would be 230 million metric tons rather than the present total of approximately 100 million tons. If rice farmers in Bangladesh attained Japanese yield levels, rice production would jump fourfold from 10 million to 40 million tons. Brazil, by doubling its present cultivated area, could produce an additional 22 million tons of grain even if its currently low yield levels were not improved.

Concentrating efforts on expanding food production in the poor countries could reduce upward pressure on world food prices, create additional employment in countries where continuously rising unemployment poses a serious threat to political stability, and raise income and improve nutrition for the poorest portion of humanity—the people living in the rural areas of developing countries.

August 1973

This Communiqué was produced by the Overseas Development Council, a non-governmental, non-profit, non-partisan center for public education. The views expressed herein are those of the author and do not necessarily represent those of the Overseas Development Council, its directors, officers, or staff. The author, Lester R. Brown, is a Senior Fellow on the ODC staff. The Communiqué may be quoted with credit to the author and to the ODC.



#### ■ development papers

*Population and Affluence: Growing Pressures on World Food Resources*, by Lester R. Brown, No. 15, September 1973. Reprinted from *Population Bulletin*, Vol. 29, No. 2. Price: \$.75.

*A New Development Strategy? Greater Equity, Faster Growth, and Smaller Families*, by Robert E. Hunter, James P. Grant, and William Rich, No. 11, October 1972. Price: \$.75.

*The Energy "Crisis" and U.S. Foreign Policy*, by Robert E. Hunter, No. 14, August 1973. Reprinted from *Headline Series*. Price: \$1.00.

#### ■ communiques

*Bulk Order Discounts on Communiques*: 1-10 copies, 10¢ ea.; 11-99 copies, 5¢ ea.; or, \$3.30 per 100 copies, and \$30.00 per 1,000 copies.

*Growth With Justice: A New Partnership?*, by James P. Grant and Susan Sammartano, No. 18, January 1973.

*Population Explosion: The Role of Development*, by William Rich, No. 16, April 1972.

*U.S. Trade Goals and the Poor Countries*, by Guy F. Erb, No. 20, July 1973.

*Protectionism, American Jobs, and the Poor Countries*, by James W. Howe, No. 17, October 1972.

*The United States and the Developing World: Agenda for Action.* A full-scale assessment of the major problems and decisions facing the United States in its relations with the developing countries in 1973, with recommendations for U.S. policy. February 1973 (164 pp., \$2.50).

Overseas Development Council  
1717 Massachusetts Avenue, N.W., #501  
Washington, D. C. 20036



Director General

*Let to f 2/24  
Benjen h*

*1/25 To Mr. Clark  
Please draft the  
letter we discussed  
Ernst*

PERSONAL

DECLASSIFIED

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WBG ARCHIVES

Stockholm, January 20, 1975

Mr. Robert S. McNamara  
IBRD  
1818 H. Street, N. W.  
WASHINGTON, D. C. 20433  
U. S. A.

Personal

*Dear Bob,*

Many thanks for your letter of January 7 which I received upon my return a few days ago from Africa.

I am sure that it would serve the purpose if - as an intermediary measure - you were to write a personal letter to Olof Palme. You could well mention your conversation with me - a conversation on what I consider a joint problem: in fact I think that our talk at St. Donat came about because of a mutual need. I would be most happy to get any further signal from you when you think the cause could be served by some further action from my side.

Today, I feel particularly concerned about Portugal. Some would feel that the Portuguese should be assisted primarily because of the threat from domestic communism. Personally, I think that an even greater risk may come from the opposite direction: Portugal's situation carries similarities with that of Chile under Allende, only that Portugal, added to its internal difficulties, is faced with a decolonisation problem that absorbs the greater part of their political resources. It is the democracy in being that is in danger, threatened from all sides, and I fervently hope that the world community, including my own country, will not fail in stretching out a helping hand - not only to the former colonies but also to the poor remainder of the center of a passed Empire. The government, trying so hard to do the right things for the masses of people in both Africa and the old homeland, needs badly our support in its endeavour to create, without real experience of its own, confidence in democracy as the most efficient means of bringing about welfare and justice. The time before the April elections seems to be crucial.

*Yours  
Ernst*  
Ernst Michanek

SIDA nr 3 Gd 30' .68. SRA 87429

JAN 14 1975

Dear Mr. Cressman:

I very much appreciate the honor you do me in inviting me to address the American Chamber of Commerce in London. Your list of previous speakers is indeed impressive.

However, I am afraid I must decline. As an international civil servant and head of an international agency I am compelled to limit my speaking engagements to the quite numerous official occasions at which I speak as President of the Bank.

I am sorry to miss the occasion, and to miss the opportunity of hearing from you about today's trials and tribulations of the largest Ford Dealer Group in Britain.

With best wishes for 1975.

Sincerely,

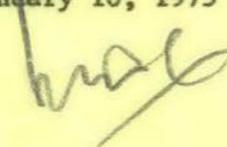
(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Harry G. Cressman  
President  
American Chamber of Commerce (U.K.)  
75 Brook Street  
London, W1Y 2EB  
England

cc: Mr. McNamara's Office (2)  
Mr. William Clark

WDCClark:mmh  
January 10, 1975



December 18, 1974

Dear Ted:

Thank you for your letter enclosing the President's report on the highlight's of ODC's program for 1974 and 1975. I certainly agree that 1974 will be long remembered as a turning point in making the world an interdependent economic whole. Here in the Bank we have been very impressed by much of the work of ODC in the past year, particularly its publications. We shall continue to work with you in 1975. To that end I shall ask that the Bank's contribution be maintained at the \$30,000 level, sustaining the increase which we provided temporarily last year.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Rev. Theodore M. Hesburgh, C.S.C.  
Chairman of the Board  
Overseas Development Council  
1717 Massachusetts Avenue, N.W.  
Washington, D.C. 20036

JEM:rgw  
December 13, 1974



OFFICE OF THE PRESIDENT

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

December 18, 1974 .

Dear Mr. Mauldin:

Thank you for sending a report of the 1974 activities of the Council's Information Office. I was pleased to learn that you have been able to extend the reach of your publications program in the developing countries. The Bank has associated with the Council in this effort and in other activities directly in support of population projects.

I have asked the Information and Public Affairs Department to remit the Bank's \$40,000 contribution this year to the Council's information program. Your request for an increase in the Bank's contribution in the next two fiscal years, however, poses a problem. This is no reflection on the Council's activities in population education, which we hold in high regard. For Fiscal 1976, the need of the Bank to hold down costs means that it will not be possible to increase budgetary support for these activities. The Bank will review this policy before the Fiscal 1977 budget is prepared, and hope that the situation will improve at that time.

Sincerely,

A handwritten signature in cursive script, reading "Robert S. McNamara", is written in dark ink.

Robert S. McNamara

Mr. W. Parker Mauldin  
Acting President  
The Population Council  
245 Park Avenue  
New York, N.Y. 10017

December 2, 1974 , 1974

1-76 To Mr. Clark  
Please draft  
reply  
Lester

The Honorable Robert S. McNamara  
President  
International Bank for Reconstruction  
and Development  
1818 H Street, N. W.  
Washington, D. C. 20433

Dear Bob:

1974 will probably be long remembered as a year of significant turning points in the world's political and economic life. In the past twelve months the international system has been buffeted by a multi-fold increase in the prices for food and oil, continued rampant inflation, and the prospect of widespread famine in many parts of the globe. These developments have dismayed many Americans. But these events have also brought home the extent to which Americans are now dependent to an increasing degree on what happens outside our borders. The Overseas Development Council has been able to respond to these challenges by helping, through its research and educational programs, to illuminate many of the critical choices facing the world today.

I am writing at this time to report on the Council's work in this most demanding year, work which the generosity of IBRD has helped to finance, and to solicit continued support in 1975. I hope you will agree that the ODC has proven itself widely in the past year in the United States and abroad and in both the public and private sectors. I believe the New York Times described the Council correctly in a lead editorial last June as an organization "which is doing some of the most sophisticated analyses of world economic relations." The Council has also had considerable success in popularizing these analyses of issues in the written and electronic media. I believe it is essential that the Council's research, analytical, and educational capacity be maintained and strengthened.

As you know, the Council in 1974 has produced numerous articles and publications, including three books which have been widely read throughout the world and have been extensively discussed by the news media. ODC's annual Agenda for Action has become "must" reading for people whose professions demand an understanding of the key political and economic issues facing the United States and other rich nations in their relationships with the developing world. This important analytical review will be undertaken again next year.

ODC's other two important new books were by Senior Fellow Lester Brown. By Bread Alone, co-authored with Associate Fellow Erik Eckholm, is considered the best current study on the food problems of the world. Secretary General Marei sent copies to all delegates before the World Food Conference. In the Human Interest, co-sponsored by the Aspen Institute, is probably the most important work on world population to appear this year. It is being distributed by the Book-of-the-Month Club, and already has been translated into three languages.



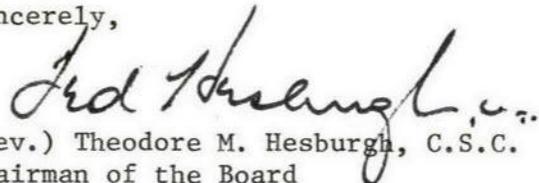
You should have received copies of all our other publications as they were released during the year. I am enclosing the President's recent report to the Board, which documents in greater detail ODC's work in 1974 and our plans for 1975, as well as a brochure describing the ODC program in more general terms. The latter is being used in our continuing effort to enlist new support for our work.

Our approved budget for 1975 is \$1.1 million compared with \$875,000 in 1974. This will require continued and where possible increased support from our present contributors. Our two largest contributors, the Ford and Rockefeller Foundations, have committed support through 1978. It will also require more new corporate and foundation contributions. We have a net increase of 13 so far this year, and the results are not all in.

With costs up along with demands on our resources, we are asking all our present supporters to continue their assistance and for those in a position to do so, to increase it. We recognize that the year ahead may be one of more than usual difficulty for many. We sincerely believe, though, that it is at just such times that the Overseas Development Council is most important to the U. S. body politic and to the world. I hope we can count on continued support from IBRD.

If you would like any additional information or have any questions, please do not hesitate to get in touch with Jim Grant or me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ted Hesburgh, C.S.C.", written in dark ink.

(Rev.) Theodore M. Hesburgh, C.S.C.  
Chairman of the Board

Enclosures: President's Report  
brochure

The President's Report

ODC PROGRAM HIGHLIGHTS FOR 1974 AND 1975

1974 has been the most intensive year in ODC's brief six-year history. The Council's research and analyses of the preceding several years on interdependence, food, and population put it in a unique position to contribute extensively to the understanding of key issues involving the United States and the developing countries at a time of interrelated global crises and confrontation between the industrial states and many of the developing countries. There is much to show for ODC's efforts this year, including three books that have attracted international attention and extensive treatment in the written and electronic media. In 1975, ODC's role will continue to be that of helping to set the analytical framework and to increase the public understanding for intelligent discussion and resolution of fundamental issues affecting the United States and the developing world. The pace, hopefully, will be a little less frenetic.

The Council's proposed program for 1975 calls for an expansion of the budget from the \$875,000 approved for 1974 to \$1,100,000, with \$100,000 of the expansion being contingent upon finding funding for the new project to explore the overseas development potential of American voluntary agencies. This increase will help to offset the major cost rises of the past year, and will permit a modest increase in the levels of our program of inquiry and analysis and of public education. The program proposed for 1975 continues to be congruent with the five-year plan for 1973-77 approved by the Board in October 1972. The details were refined by the staff and approved by the Executive and Administrative Committees in September.

Substantive Issues

The events of the past year have greatly changed the world scene, and ODC found itself in 1974 a more active participant than ever before in articulating the key global issues affecting the United States and the developing world. Historians probably will mark 1974 as the first year in modern history in which the new economic and political issues of global interdependence have dominated the international scene. It also was the year in which a group of developing countries were first able to make their concerns the dominant world issue. The more than fourfold increase in the price of oil in late 1973 came at a time when global shortages of a growing list of commodities (most notably food and fertilizer), rapidly increasing inflation, and the beginnings of an economic slowdown had already weakened the international economy.

Our analyses indicated that while these massive developments are in part due to short-term cyclical factors--drought in key food producing areas of the world, the unprecedented global boom of the early 1970s, and the Middle East

war--they are probably even more the result of long-term secular factors. A rash of societal breakdowns--ecological, economic and political--are resulting from man's apparent inability to adapt his institutions fast enough to permit continuation of the rapid increases in output of recent years. In all likelihood, global growth rates for the next 10-15 years, and possibly for the indefinite future, will be significantly below those of the past 15 years. If so, then the world may be on the verge of one of the greatest discontinuities in recent history.

The short-term task in the mid-1970s is to minimize and repair the damage done by the recent price increases to the world economy, and in particular to the poorest developing countries. We have been seeking to increase awareness of the fact that while the OPEC countries with their one quarter of a billion people appear to have gained a permanent advantage by recent price changes, another group of some 30-40 developing countries with nearly one billion people has been so adversely affected by price increases of their imports--without gaining offsetting price benefits with their exports--that they constitute a new Fourth World of the very poor. In the absence of a major international rescue effort, these countries, consisting largely of the poorest and slowest growing in the developing world, face the likely prospect of negative growth in per capita income for the balance of the decade, as well as increased death rates from growing malnutrition among their poor majority.

The current crises are forcing the United States back into a position of pre-eminence comparable to that of ten years ago. The same forces that have given new power to the resource-rich developing countries have also greatly increased the relative power position of the United States with respect to the resource-poor industrial nations of Europe and Japan. This has made U.S. leadership during this crisis period far more critical than could have been foreseen two years ago.

Agenda for Action 1974 was the first book-length treatment of these issues to appear after the energy shocks of late 1973. Sent to the publisher in early February 1974 and published two months later, it contained the first extended public analysis which disaggregated the effects of the recent price increases on developing countries. ODC was the first to identify the emergence of a hardest-hit group of countries and to publicize the phrase "Fourth World" to describe it. ODC's \$3 billion estimate was the first assessment of the net annual adverse effect of recent price increases on these countries and was subsequently widely accepted. The Agenda was extensively quoted here and abroad, and was used as a background document by many delegations at the U.N. General Assembly Special Session on Raw Materials in April. It also served, as it had in 1973, as a starting point for informal group sessions with the planning staffs in State and Treasury and with congressional groups. ODC was asked to present its principal findings before congressional

committees and congressional staff, and several of the Agenda chapters were made part of the Congressional Record. The Agenda for Action is now well-established as an annual publication of broad usefulness. Senior Fellow Jim Howe will be responsible for the publication of Agenda 1975, as he was for its predecessor.

In addition to the analyses in the Agenda, there are six further sets of analyses ODC proposes to support in the period ahead in the area of global politics and international economic policies in an increasingly interdependent world.

One is the major Council on Foreign Relations study project on policies required for the 1980s. A significant facet of this study will be the North-South dimensions of this new era and their implications for international economic policy. Senior Fellow Roger Hansen--in accordance with our policy of collaborating with institutions such as the Foreign Policy Association and the Aspen Institute with whom we have common interests--will be devoting approximately three days a week to working at the CFR on this aspect of their study. His salary will be reimbursed for his time with the CFR and both institutions expect to gain from this relationship.

The second study, on the long-range aspects of U.S. foreign policy and the developing countries, is being done by Visiting Fellow Robert Johnson, who is currently on sabbatical from Colgate University and is a former member of the State Department Policy Planning Council. This study is intended to result in a book.

The third projected area of activity involves continued work in disaggregating the developing world in order to clarify the new economic situation for separate groups of developing countries and for U.S. relations with them. The Latin American analysis is well under way, having been launched this past summer by Roger Hansen in collaboration with the Commission on U.S. -Latin American Relations. Beyond regional policy differentiation, Jim Howe will be directing further work analyzing the implications for our relations with the Fourth World.

The fourth line of analysis will consist of further studies on the extent to which, as noted earlier, we may be in the midst of one of the great discontinuities in recent history, and the implications of this for U.S. policies. This would include attention to the need for new rules for access to supplies paralleling those evolved over the past 25 years for access to markets and to the need for the affluent to moderate their levels of consumption of essential commodities such as grain and oil, which may be in short supply.

A fifth area of inquiry will be conducted by Visiting Fellow Denis Goulet on the flow of technology from the developed to developing countries, including the appropriateness of the underlying concepts. This is being undertaken jointly with the Organization of American States.

Over the past year we also have been concerned with securing a more effective presentation to Americans of the views of the developing countries. It is very clear from the almost instant and continuing sympathetic identification of most developing countries with the OPEC actions that developing countries as a whole feel a strong sense of grievance with the workings of the current world order dominated by the industrial states. ODC, with the help of a grant from the Kettering Foundation, will publish in mid-winter a counterpart to the Agenda, to be edited by Senior Fellow Guy Erb, with the developing-country writers commenting on the same issues from their points of view. We currently are exploring other means for getting developing-country views heard in the United States, and for promoting discussions between Americans and developing-country leaders on the new global issues.

Our decision of the fall of 1973 to devote sustained attention to the food issue in 1974 has proven to be well justified. Not only has the food situation worsened significantly during the year as a consequence of bad weather in North America and South Asia and of fertilizer shortages, but the food issue has proven to be an excellent medium for discussing virtually all of ODC's concerns. The Council has become the principal knowledge center in the private sector for information on the world food problem and its related aspects, such as the fertilizer situation. The Council's new study by Lester Brown and Erik Eckholm, By Bread Alone, is by far the best current publication on the world food situation. Secretary General Marei has sent copies to all delegates to the World Food Conference as suggested reading. The material in the book has provided background data for a series of widely reported press seminars. ODC staff have been invited to testify on this subject before virtually every concerned congressional committee, and their testimony has been drawn on heavily in both the House and the Senate in the preparation of legislative proposals on world food issues. There have been scores of invitations to speak before groups and on the electronic media.

ODC has also used the food issue as a basis for working closely with other groups. ODC Senior Fellow Martin McLaughlin serves half time as the Executive Secretary of the World Hunger Action Coalition of the principal private American groups having a concern with the issues of the World Food Conference. The Council, along with the Institute of Man and Science, the Aspen Institute, and the Kettering Foundation, co-hosted a three-day meeting for international leaders on the issue at Rensselaerville, New York.

Food obviously should continue to be a major subject of ODC concern in 1975, given both the continued worsening of the world food problem and the overwhelming U.S. dominance as a grain exporter. With Lester Brown and Erik Eckholm scheduled to launch the new, Washington-based Worldwatch Institute, ODC plans to continue its active role in this area through staff reassignments within ODC and through close collaboration with the Worldwatch Institute.

ODC's analyses have made an important contribution to World Population Year, and ODC has sought during this period to work closely with other organizations having a major interest in this field, such as the Population Crisis Committee and the Population Council. The once controversial thesis set forth in our earlier Monograph by William Rich, Smaller Families Through Social and Economic Progress, has become generally accepted, and it has been widely cited and quoted during the past year. It concluded not only that economic and social progress plays a significant and frequently indispensable role in creating the motivation for smaller families, but also that development strategies which particularly benefit the poor majority (such as are being followed in China, Taiwan, and Sri Lanka) can help significantly to reduce birth rates. Lester Brown's In the Human Interest, which we co-sponsored with the Aspen Institute, is probably the most significant single publication in the population field this year. This major interdisciplinary work was distributed by the United Nations to all the delegates attending the Bucharest Conference in August, has been widely reviewed and quoted in the press, and is being distributed by the Book-of-the-Month Club. We do not have plans for major additional work in the population field in 1975 beyond continued promotion of our two landmark publications in this area.

ODC continued to make a contribution in the trade field through publications and testimony on the importance of generalized preferences and of greatly strengthened adjustment assistance for American workers adversely effected by labor-intensive imports. Guy Erb has been the most actively involved in this area. The Trade Bill now in the Congress contains important forward steps on both counts.

With respect to development assistance, the congressional initiative of last year to revamp bilateral assistance became law last winter. It requires that A. I. D. devote greater attention to problems of the poor majority in the developing countries, particularly in the rural areas. One of the subordinate aspects of the new legislation is its instruction to the Executive Branch to make greater use of American private voluntary agencies in carrying out programs overseas, and to do so in a manner that would support the private agencies' own efforts in the priority areas set forth in the new legislation. Both private voluntary agencies and A. I. D. have asked that ODC take the lead in a two-pronged exercise to increase the effectiveness of the voluntary agencies in the overseas development field and to study the true potential of voluntary organizations for making a developmental contribution overseas. ODC plans to do so through the remainder of 1974 and through 1975 if private financing of approximately \$100,000 can be found to cover costs.

Finally, ODC is continuing to support analyses and studies of public opinion, changing values, and the decision-making process. ODC's major survey published last fall in its Monograph series, World Poverty and Development: A Survey of American Opinion, has been widely quoted, with major portions being inserted in the Congressional Record and discussed by congressional

groups. A discussion last February with religious leaders of this survey's findings on the low credibility of the churches on global issues led to the landmark Aspen Consultation on Global Justice in June of religious leaders. Chaired by Father Hesburgh, the session was co-sponsored by the Aspen Institute. ODC plans to publish this winter the conference proceedings, which constitute virtually a church-oriented version of Agenda for Action. Visiting Fellow Charles Paolillo's analysis of the congressional decision-making process on economic assistance legislation affecting developing countries is also scheduled for publication this winter.

### Communications Activities

This past year has been one of greatly increased awareness and interest on the part of a wide spectrum of Americans in issues of global interdependence. Under John Sewell's effective supervision, the Council now has a range of communications activities that is most impressive for an organization of ODC's small size. Because of the public response sparked by our analysis of the food and energy crises, we now face a growing volume of mail and requests for publications and speakers which are beyond our capabilities to fulfill.

This year was the first in which ODC has had the ability to fully communicate the results of its research and analyses. This ability was marked most clearly by the fact that several concepts and catch phrases which first appeared in ODC publications have become part of the common currency. Among these are the idea of the "Fourth World," the understanding that it takes 7 pounds of grain to produce one pound of grain-fed beef (and that "one less hamburger consumed each week" by Americans would release the grain equivalent of our increased food aid needs), and the realization that we use more fertilizer on lawns, cemeteries and golf courses than India uses for direct agricultural production.

ODC's publications program, under the direction of Valeriana Kallab, this year produced 16 publications, including four books and a book length set of materials for use in secondary schools. In addition, the staff contributed more than 70 articles in other publications aimed at a variety of audiences. The distribution and dissemination of our publications increased substantially and the number of subscribers grew.

Our capability to deal with the media increased greatly this year. Our series of press briefings and other activities aimed at journalists resulted in well over 1,000 separate stories in American newspapers and magazines. ODC sponsored 10 press luncheons during the year, as well as two day-long regional press briefings in San Francisco and Denver. The addition to our staff of Diana Michaelis as ODC's Media Specialist has greatly enhanced our ability to deal with radio and television. She has worked both to increase the number of appearances by ODC staff members and also to influence the decision-making level of the radio and television networks, particularly NBC.

and the Post-Newsweek network. In addition, Father Hesburgh, Lester Brown, John Sewell, and I were active participants in the Aspen Institute's week-long meeting for media executives. In the coming year, we will be working to broaden and systematize our contacts with journalists in both radio and television. This year ODC published Focusing on Global Development, a resource book meant for secondary school educators. The publication, which resulted from ODC's schools project, has been well received and has led to a number of articles in educational journals, including a complete issue of Social Education, the national journal for social studies teachers. ODC Schools Specialist, Jayne Millar Wood, has been instrumental in setting up a coordinating group for the schools programs of organizations similar to ODC. We have been unable to find separate funding for this activity, however, and will be ending the project this year, maintaining a part-time capability to respond to requests for schools materials.

The churches became a major focus of ODC's activities in 1974 in an attempt to mobilize American religious groups on issues of global poverty and social justice at this time of crisis. As noted earlier, in June ODC convened a major meeting chaired by Father Hesburgh of 120 American religious leaders in Aspen, Colorado, to discuss development issues. The consultation participants came forth with a number of conclusions and recommendations, including an ecumenical working group to plan a major program of development education. One participant described the session as "the most significant gathering of religious leaders since the Leadership Conference on Civil Rights in the late 1950s." If the churches and synagogues begin to implement the Aspen recommendations, ODC will be working closely with this effort.

Finally, the Council has continued its series of participation in regional meetings and continued to participate in the pilot One World Coalition with the AAUW and the League of Women Voters. These activities have centered in Atlanta, Denver, Philadelphia, and Pittsburgh. The Council also joined with the Johnson Foundation to carry out major briefings in the Middle West. These activities will continue next year but as the volume of requests is increasing geometrically, a careful assessment of the value of each invitation will have to be made. We have also had, as noted earlier, an active role in supporting the World Hunger Action Coalition in its activities across the nation.

ODC is continuing its substantial liaison activities with overseas leaders and groups such as the international organizations and the World Council of Churches interested in developmental issues. Noteworthy among these was the private meeting ODC hosted last December at Belmont of Ministers of Development from the OECD countries and leaders of international institutions to discuss the implications of the global energy and food crises for the developing countries. ODC was an active participant in the private forums accompanying the Population Conference at Bucharest, and will also participate in the World Food Conference this November at Rome.

## Management

The Council has operated virtually flat out since the Middle East War last October, deeply involving many of the Board as well as all of the staff. Father Hesburgh, in addition to actively participating in a number of ODC activities such as promoting Agenda for Action 1974 and chairing the Aspen Church Consultation on Global Justice and its preliminary planning meeting, produced both a book, The Human Imperative, and delivered the annual Ditchley Lecture on interdependence issues. Davidson Sommers has been not only an active Chairman of the Executive and Administrative Committees but has made an important contribution to particular ODC projects such as the Agenda. The creation this year of a small Administrative Committee to consider strictly management matters and the expansion of the Executive Committee in size and in terms of its focus on policy issues has proven useful in increasing Board participation in the guidance of Council activities.

With respect to funding, the Council has received significantly increased financial support in 1974, but approximately \$100,000 less than the \$275,000 increase sought for this year. As a consequence, the budget was reduced in mid-summer to \$875,000 for 1974. Lilly Endowment has joined as a major foundation supporter with \$50,000 annually for three years. A major effort to increase corporate contributions was launched during the summer. With all the results not yet in there are 13 new corporate contributors this year, including the Asian Development Bank. Last but not least, a number of continuing contributors, including the Ford Foundation, the Rockefeller Brothers Fund, the Bank of America, the World Bank, and the Inter-American Development Bank, have increased significantly the level of their contributions and our two biggest contributors, the Ford and Rockefeller Foundations, have each given ODC a commitment of support for its second five years, through 1978. ODC is now receiving support from more corporations for a greater total amount than any time in its history.

Raising the larger budget of \$1,100,000 proposed for 1975 would not have been easy under any circumstances and will be particularly difficult given the sharp drop in the value of foundation endowments as a result of the reduced value of their stocks and bonds.

The major change foreseen for 1975 will be the departure of Senior Fellow Lester Brown and Associate Fellow Erik Eckholm to launch the Worldwatch Institute, of which Lester Brown will be President. The purpose of the Institute will be to identify emerging problems while they are still on the distant horizon before they land on one's doorstep in the form of newspaper headlines as full grown crises. It will attempt, in effect, to serve as an early warning system for societal problems. The Institute will function on a global and national basis along lines essentially similar to many of ODC's activities of the past several years without, however, being limited to issues

which have a major component involving the United States and developing countries. The two organizations plan a collaborative relationship at least as close as that the Council has had in recent years with such organizations as the Aspen Institute and the Foreign Policy Association. Thus, for example, Brown and Eckholm will be co-authoring the food chapter for Agenda 1975.

It will be necessary, however, to do some restructuring of the ODC staff to provide separate continuing in-house coverage of the world food problem with its distinctive developing-country aspects. Jim Howe will take on this responsibility initially and it may be necessary to add staff in this area at a later date. There will be a number of benefits for ODC in having the new Institute with its global emphasis since changes in policy between developed and developing countries can often take place only in the context of changed thinking at the global level. Nevertheless, ODC will miss Lester Brown, who, ably abetted by Erik Eckholm for more than a year, has been the "General Patton" of ODC's campaign to develop new thinking and concern about developing countries and global issues affecting U. S. relations with them.

#### Conclusion

The world is in a state of great flux and is confronted with crises comparable to those of the early 1930s and the late 1940s. During such times, particularly when national leadership is confused and uncertain, there is a need and great opportunity for organizations such as the Overseas Development Council. Thanks to a small but extraordinarily dedicated and diverse staff, ably supervised and abetted by its Board, ODC has, in my judgment, made a significant contribution in 1974 to advancing analysis and understanding of important issues. We shall seek to maintain this level of contribution in the year ahead.

THE POPULATION COUNCIL

245 PARK AVENUE  
NEW YORK, N. Y. 10017

TELEPHONE (212) 687-8330  
CABLE: POPCOUNCIL, NEW YORK

November 21, 1974

Mr. Robert S. McNamara  
President  
International Bank for Reconstruction and Development  
1818 8th Street, N. W.  
Washington, D. C.

Dear Mr. McNamara:

I am pleased to send you the enclosed report of the 1974 activities of our Information Office, together with a distribution list of our periodic publications by geographic region. I am also enclosing a list of publications. In addition to the four regular periodicals - Studies in Family Planning, Reports on Population/Family Planning, Country Profiles, and Current Publications in Population/Family Planning, a number of books and monographs have been produced by the Information Office during the course of the year. You will find these listed on the second page of the enclosed activities report. The December issue of Studies in Family Planning will contain a report on Bucharest. This is one of several special publications which the Information Office did for the Year, starting off in January with Barney's widely circulated monograph, World Population: Status Report 1974. The Council is grateful for your assistance to this important program, and I am happy to add my personal expression of appreciation to that offered you by Barney in previous years.

In your letter of January 21, 1974 to Barney, you indicated that \$40,000 would be available for the Information Office this year. Please consider this a formal request that this sum be forwarded to us. Beyond that, we face some difficult decisions as a result of the general economic conditions which appear to be squeezing private organizations such as Ford along with public ones like AID, both of which have been major supporters of the Information Office. For us to make up for increased costs and loss of income out of our general purpose fund will be exceedingly difficult. We feel the Information Office has proved its value and worth throughout the world and we are most reluctant to make reductions in its program.

11/27 to Mr. Clark  
Please draft  
W. H. K. R.

When you wrote Barney in January about the \$40,000 for this year, you indicated your intention to continue this as an annual grant for the next three years. With genuine appreciation for this expression of confidence in the lasting quality of our Information program, may I ask whether it is possible for the amount to be increased in 1975 and 1976 at least to \$50,000?

With best wishes,

Sincerely,

A handwritten signature in blue ink that reads "W. Parker Mauldin". The signature is written in a cursive style with a prominent initial "W".

W. Parker Mauldin  
Acting President

WPM:LAW  
Encls.

When you write ... in January ... \$10,000 for this year ...  
indicated your intention to ... as an ...  
next three years. With genuine ...  
confidence in the ...  
ask whether it is possible to ...  
1975 at least ...

With best wishes,

Sincerely,

*[Handwritten signature]*  
W. ...  
...

WELLS  
...

SECTION  
COMMUNICATIONS  
1974 NOV 24 PM 4:41

RECEIVED