

**THE WORLD BANK GROUP ARCHIVES**

**PUBLIC DISCLOSURE AUTHORIZED**

Folder Title: Tun Abdul Razak Award acceptance remarks, June 10, 1978 - Correspondence 01

Folder ID: 1199559

ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4536S

Series: Conferences, lectures and addresses

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: June 18, 2012

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

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

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

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

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



THE WORLD BANK

Washington, D.C.

© 2012 International Bank for Reconstruction and Development / International Development Association or

The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

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

**PUBLIC DISCLOSURE AUTHORIZED**

McNamara papers

Tun Abdul Razak award, June 1978  
1978 (Jan - June) (Vol 1)

Folder 17

The World Bank Group  
**Archives**



1199559

A1995-255 Other #: 1

309656B

Tun Abdul Razak Award acceptance remarks, June 10, 1978 - Correspondence 01

MEMORANDUM FOR THE RECORD

Mr. Madden  
E-832  
8/13/8/9  
June 23, 1978

Subject: Malaysia - Mr. and Mrs. McNamara's Visit to Malaysia,  
June 9-13, 1978



1. Mr. and Mrs. McNamara, accompanied by Messrs. William Clark, S. Shahid Husain, Leslie Helmers, Caio Koch-Weser and Joe Goldberg visited Malaysia from June 9 to 13, 1978. This was the second visit of Mr. McNamara to Malaysia; the first having taken place in 1971 when he had discussions with the late Tun Abdul Razak, the then Prime Minister of Malaysia, and other Government officials on Malaysia's New Economic Policy.
2. This latest visit was in connection with the presentation of the Tun Abdul Razak award to Mr. McNamara for his great contribution to economic development in the developing world. The Citation and Mr. McNamara's acceptance speech are attached as Annexes 1 and 2. Mr. and Mrs. McNamara also paid a courtesy call on the King and Queen. In addition, Mr. McNamara had discussions with the Minister of Finance - Tengku Razaleigh Hamzah - and other Treasury and Government officials on Malaysia's economic situation and prospects. Also, Mr. McNamara made field visits to the states of Kelantan and Kedah. Official lunches and dinners were hosted by the Tun Abdul Razak Foundation (dinner on June 10), the Chief Minister of Kelantan (lunch on June 11), the Minister of Finance (dinner on June 11), the Chief Minister of Kedah (lunch on June 12), and the Prime Minister (dinner on June 12). The detailed program is attached as Annex 3. Notes on the various briefing meetings and field visits follow below:

June 10 - Kuala Lumpur - Briefing Meeting with the Minister of  
Finance and other Government Officials  
in Treasury Building

3. The Minister of Finance, Tengku Razaleigh - welcomed Mr. McNamara and reviewed briefly Malaysia's present economic situation. Traditionally, Malaysia has exploited its resource base - tin, rubber, palm oil, logs and, lately, oil - and, in doing so, it has done well: its 1977 per capita income is estimated at US\$920. However, this pattern of development has resulted in an economy that is highly open, with a GNP very vulnerable to fluctuations in the prices of the primary exports. Another cause for concern is private investment, which is estimated to have fallen in 1977 to a level 20% to 25% below the Third Malaysia Plan's target. At Mr. McNamara's request, Treasury officials produced the following figures as regards the real growth rates in private investments:

	<u>1976</u>	<u>1977</u>	<u>1978 (est.)</u>
Total, including oil	+8%	+11%	+14%
Private investment without oil	+7%	+7%	+6%

June 23, 1978

4. Mr. McNamara agreed with the Government that the pursuit of in-situ development and land settlement has high priority. As there are some 600,000 smallfarmer households in poverty, the raising of their incomes, which can be done with small investments (of less than US\$2,000 per family), providing adequate economic returns (20% to 25%), is absolutely essential. At the same time, the opening up of new land (at an investment cost of US\$10,000 per family providing economic rates of return of 10% to 15%) should provide a substantial number of unemployed with a new livelihood. However, as the labor force of about 4.3 million is presently growing at 3% p.a., creating each year an additional 130,000 unemployed, while land settlement can absorb only some 20,000 to 25,000 of these, it becomes very clear that manufacturing and services should be accelerated. In this regard, Mr. McNamara remarked that growth rates of 6% to 7% in private investment should be considered too low and that a more ambitious target should be called for. Although the Western world has become more protectionistic, Mr. McNamara believed that there was still room enough for Malaysia to pursue an export-oriented policy and that growth rates of 11% should be reachable. Tengku Razaleigh responded that the Government is indeed following an industrial growth pole strategy, and that he hoped the slowdown in private investment, which he attributed to the international recession, would soon be over. Meantime, the Government intends to step up its public investment, especially in roads, ports, rural electrification and housing.

5. Another issue the Minister raised concerned what he called "package" approaches to development. He stated that the Government intends to follow more and more the Bank's policy of raising the incomes of the rural poor through integrated rural development schemes which would include infrastructure and agricultural, as well as nonagricultural, activities. In the construction of the infrastructure facilities, such as rural roads, the Government plans to follow labor intensive methods so that employment would be provided to the local population. Also, where possible, the Government would try to use Bumiputra contractors. Mr. McNamara agreed that such policies are well worth pursuing.

6. Finally, the discussion centered on the manpower constraints Malaysia has. The Minister said that Malaysia has a shortage of skilled technical personnel at the intermediate and higher levels, and he appreciated the UNDP-financed and Bank-executed State and Rural Development project, which is trying to ease the constraints in project planning and implementation. However, much remains to be done in the education field. Mr. McNamara mentioned that the next education project which the Bank hopes to finance would concentrate on technical and vocational training.

June 11 - Kelantan - Briefing by Dr. Nor Laily - Director General  
of the Malaysia National Family Planning Board  
at the Family and Health Administration Center in Kota  
Bharu, and the Health Center/Family Planning Unit in  
Keteroh.

7. Mrs. Nor Laily presented Mr. McNamara with an extensive briefing book on the Malaysia National Family Planning Program and explained the functions of the two centers. She also expressed her great gratitude that

June 23, 1978

Mr. McNamara had donated the Tun Abdul Razak award of M\$30,000 to the National Family Planning Board. In reply, Mr. McNamara told her that he was impressed with Malaysia's family planning efforts and that he wished her every success with her expansion plans.

June 11 - Kelantan - Visit to Farmers' Development Center, Ketereh

8. The Manager of the Kemubu Irrigation project explained that the Center was one of the nine associations under the administration of the Kemubu Agricultural Development Authority (KADA). Its main purpose is to provide seasonal credit to its members as well as agricultural inputs such as fertilizers, seeds and pesticides. It also provides tractor services and, in cooperation with the Department of Agriculture, organizes extension services, mainly for the doublecropping of padi. In answer to a question of Mr. McNamara, the official explained that only 30% of the farmers in the area are members of the farmers' organization due to lack of facilities and the fact that credit facilities are available to both members and nonmembers. Membership is, however, expected to increase with the improvement of services under the project; Mr. McNamara wished the organization every success in its efforts.

June 11 - Kelantan - Visit to the Batu Mengkebang Land Settlement Scheme

9. The scheme is one of the 27 low-cost settlement schemes developed by the Kelantan State Land Development Board over the past two decades, and Mr. McNamara was first briefed by that agency on the size (about 7,000 acres and 6,000 families), layout, history (begun in 1961), and features of the scheme. The unusual feature is, of course, the "self-reliance" aspect, with a minimum of financial or other assistance by the Board, and felling of jungle, planting of rubber, and house construction by the settlers themselves, unlike FELDA schemes. The lack of financial assistance by Government obviates settler indebtedness to any government agency. Although the State agency emphasized the low level of Government inputs into the schemes, this has had its disadvantages. About 35% of the settlers have abandoned the schemes since their inception, and the remaining settlers still live at subsistence level. Consultants are presently studying ways and means of rehabilitating the schemes.

10. The helicopter flights to and from Batu Mengkebang followed the Kelantan River and afforded views of the Kemubu and North Kelantan irrigation areas as well as a considerable amount of rubber land (private estates, land settlement schemes, and smallholdings) and annual crops (mainly groundnuts and tobacco) in the higher upstream areas.

June 11 - Kelantan - Visit to RISDA Rubber Processing Center

11. After the visit to the land settlement scheme, Mr. McNamara was taken to a RISDA Group (rubber) Processing Center, where he was shown how raw latex is converted manually to sheet rubber, a necessary technique given the almost total lack of roads in the scheme area. It was generally agreed that, with a better road network and more productive employment possibilities for afternoon work (rubber trees are tapped and latex is collected in the morning),

June 23, 1978

factory processing would probably be preferable. The RISDA project manager then briefed Mr. McNamara on RISDA's efforts in rubber smallholder extension in the scheme area, in providing processing and marketing facilities, and in providing basic social amenities to the settlers.

June 11 - Kelantan - Visit to Extension Center at Padang Rokma .

12. After returning to Kota Bharu by helicopter, Mr. McNamara was driven to a small village (Padang Rokma) in the Mukim of Wakaf Bharu, District of Tumpat, in the Lemal irrigation area on the left bank of the Kelantan River. The village is the site of fortnightly visits by an agricultural extension worker under the training and visit system of extension, recently introduced in the Tumpat District under the North Kelantan Rural Development Project. The briefing focussed on the activities and impact of the field extension worker, and included questioning of and responses by the particular agent who visits Padang Lokma every other Sunday afternoon. His particular major achievement to date has been to stimulate the farmers of Padang Lokma to make a more intensive use of their nonpadi landholdings by planting beans, tapioca, melons and a variety of other crops.

June 11 - Kelantan - Dialogue Session with Chief Minister of Kelantan

13. The dialogue session in the State Operations Room at the end of the afternoon was quite lively, with the Chief Minister of Kelantan querying Mr. McNamara about what he felt were excessively time-consuming technical studies before initiation of project implementation, not only by Bank staff (in reference to the Jengka Project timber complex component), but by private consultants to the Government, bilateral aid teams, and UNDP advisors. Mr. McNamara responded that the Bank has a duty and a mandate to present as objective and accurate an analysis as possible of technical and economic feasibility to our borrowers, regardless of the consequences for particular projects favored by Government officials. Bank staff cleared up some of the confusion raised regarding certain minor projects proposed by the UNDP team in Kelantan mentioned by the Chief Minister, and pointed out that much of the delay encountered in implementing projects in Kelantan and throughout Malaysia was due to delays by state and federal governments in appointing staff and acquiring land. Mr. McNamara added that he felt that a shortage of technically trained manpower was a serious constraint on the pace of Malaysia's development program, and that the Bank would seek ways to assist Malaysia in easing this constraint.

June 12 - Kedah-MUDA project

14. The Chairman (Dato Shahabuddin) and the General Manager (Mr. Almahdali) of the MUDA Agricultural Development Authority (MADA) briefed Mr. McNamara on the MUDA project in the morning of June 12, and accompanied him during the aerial view by helicopter of the project in the afternoon. The project is one of the most spectacular projects in Malaysia. At an investment cost in present day terms of about US\$2,500 per farmer, it has enabled 50,000 farmers to produce a second crop of padi, therewith doubling their incomes. The project

June 23, 1978

area produces at present about 50% of the total padi production in Malaysia. Mr. McNamara said he was most impressed with the scheme and was looking forward to seeing the appraisal report of the MUDA II project under which water management and extension services would be improved to increase yields. Accompanied by MADA officials in the morning, Mr. McNamara also visited a Farmer Development Center, similar to the one he had seen the previous day in Kelantan.

June 12 - Kedah - National Small-Scale Irrigation Project

15. Dr. Cheong Chup Lim - Deputy Director General of the Drainage and Irrigation Department of the Federal Government (DID) explained during the morning session the objectives of the National Small-Scale Irrigation project. Under this project, some 190 small-scale irrigation works are to be constructed at an average cost of about US\$1,000/ha. Some 60,000 farm families would benefit through provision of facilities for growing a second crop of padi. The Kota II subproject which Mr. McNamara visited in the afternoon is one example of such a scheme; at an investment cost of about US\$1,000/ha it provides an economic rate of return of about 18%.

June 12 - Kedah - Activities of the Rubber Industry Smallholders Development Authority (RISDA)

16. As explained by the Director General (Dr. Mohd Nor bin Abdullah) during the morning briefings, the basic objective of RISDA is to modernize the smallholder rubber sector. To this end, RISDA encourages smallholders to replant their holdings with improved rubber trees with suitable intercroppings. During the period when a smallholder's land is being replanted, RISDA provides the smallholders with a replanting grant of M\$900 per acre (financed out of the rubber cess on exports and direct Government grants) and also encourages them to undertake such on-farm activities as cash cropping, livestock and poultry rearing and off-farm activities like carpentry. At the end of 1977, some 70% of the total registered smallholder acreage of 2.3 million acres had been replanted and the annual target is at present some 125,000 acres. The Kampung Padang, a village of some 360 people, which Mr. McNamara visited in the afternoon, showed how RISDA operates in practice. Of the 60 rubber smallholders, 43 are already participating in the replanting scheme. Interestingly, this Kampung is the first village in Malaysia that has received the so-called maxistumps which are supposed to reduce the gestation period from 6-1/2 years to about 5 years. As an alternative to cover cropping, bananas, groundnuts and pineapples are used as intercrops. In addition to these agricultural activities, RISDA has also organized a kindergarten, and sewing, cooking, and religious classes.

17. Mr. and Mrs. McNamara's visit must be considered a great success. The visit was well organized and covered in detail by the news media (television, radio and newspaper). A sampling of newspaper articles is attached as Annex 4. One of the better newspaper articles is in the Business Times of June 10

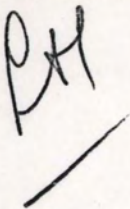
June 23, 1978

entitled "Many Happy Returns, Mr. McNamara." Malaysia has always been a great admirer of Mr. McNamara's policies towards poverty eradication. The present visit has strengthened their admiration for him even more; as the Citation states, the Malaysians see Mr. McNamara as a giant in the field of international economic development.

## Attachments

cc: Messrs. McNamara  
Wm. Clark (VPE)  
S. Shahid Husain (AEN)  
Knapp (SVP)  
Cargill (VPF)  
Stern (SVP)  
Chenery (VPD)

FLHelm:clc



813/8/8

Citation for the Tun Razak International Award

on

Mr. Robert Strange McNamara



The decision of the Board of Trustees of the Tun Razak Foundation to confer the Foundation's International Award to Mr. Robert McNamara is in recognition of this man's major contribution to international economic development; of his efforts which have made the World Bank Group the largest international development agency; of his views which have focussed international action to eliminate poverty; and of his vision, humane and realistic, on how in his own words "the attack of absolute poverty cannot be forgotten, cannot be forever delayed, and cannot be finally denied by any global society that hopes tranquilly to endure".

Born on 9th June 1916 in San Francisco, Mr. McNamara graduated from the University of California in 1937, and received an MBA degree from the Harvard Graduate School of Business Administration in 1939. After 3 years as an Assistant Professor of Business Administration in Harvard, he was with the US Air Force during the Second World War when he was awarded the Legion of Merit. Then he was with the Ford Motor for 15 years in various positions culminating in his becoming the President of the Ford Motor Company in 1960. At the request of President John F. Kennedy, he agreed to be the US Secretary of Defence, where he held office for seven years till March 1968. He was elected to be the President of the World Bank as from April 1968, and is currently serving his third five-year

term.

Mr. McNamara is internationally known as the President of the World Bank, which is owned by more than 125 member nations, including Malaysia. It is due to his strivings that today, the World Bank Group (including its two affiliates the International Development Association and the International Finance Corporation) is the largest development agency in the world. Shortly after he took over office, he launched an expansion plan, whereby for the five years ending June 1973, the World Bank Group would lend twice as much as it had done during the previous five years, or a total that would approach the entire amount lent in the first 23 years of the Bank's operations. Not only was this target fulfilled, but an equally ambitious second five year plan was also fulfilled. For the current financial year, the World Bank Group will be committing a total of US\$8.7 billion in loans and other assistance to the developing countries. For 1979, the commitment target is to be US\$9.8 billion. He now feels it reasonable to expect the Bank Group to begin the decade of the 1980s at a level of operations in excess of US\$10 billion per year.

His period of office sees not only a sharp expansion in activities but a transformation of the World Bank from an institution that would assist developing countries to build some of their infrastructure facilities to one which is attempting to an urging a global effort to eliminate poverty. His book on the "Dimensions of Development" focusses on the problems of the less developed "One Hundred Countries" with their "Two Billion People". He recognises that their recent record of development over the

3/...

third quarter century 1950 to 1975 is a very impressive one. Historically, it is without precedent. Never has so large a group of human beings - two billion people - achieved so much economic growth in so short a time. But that economic growth has been uneven both between countries and within countries. Not only have the poorest nations suffered unacceptably low growth rates, but such growth as there has been - both in the poorest and in the middle-income developing countries - has too often bypassed the poorest people in all these societies.

In his latest speech delivered to the Governors of the World Bank, his "profile of absolute poverty in the developing world" could not have been more grim. To him "the absolute poor and those trapped in conditions so limited by illiteracy, malnutrition, disease, high infant mortality, and low life expectancy as to be denied the very potential of the genes with which they were born. Most tragic of all, many of them are children. For the total of two billion people in the developing countries, some 860 million are under the age of 15. There are the chief hope of their societies' future. And yet almost half of them suffer from some debilitating diseases likely to have long-lasting effects. Well over a third of them are under-nourished. 290 million of them are not in school".

Consequently an effective development strategy must not only accelerate growth but must also channel more of the benefits of growth to the poorest 40% of a country's population. From the rich developed countries he seeks more aid and a reduction of trade barriers. From the

developing countries he seeks the will to re-direct growth and face often unpleasant political pressures; and for the will to implement measures to eliminate poverty, to enhance the productivity of the poor and to redesign public services to this end. While no government can do everything, poverty will persist and grow if decisions too often favours peripheral extravagances over critical needs. To him, it is the poverty itself that is a social liability, not the people who happen to be poor. They represent immense human potential. Investing in their future productivity, if it is done effectively, is very sound economics. Certainly what is very unsound economics is to permit a culture of poverty to so expand and grow within a nation that it begins to infect and erode the entire social fabric.

In the field of international economic development, Mr. McNamara stands tall, at 62 years of age, a giant in the field and a relentless worker, who shapes a massive organisation that provides the largest amount of assistance to developing countries. On the one side he has to persuade the richest countries and the largest donors to continue and increase their aid when they seemed to be disillusioned and had fallen well below targets adopted by the UN General Assembly in 1970. On the other hand, he needs to ensure that the assistance and loans given to the developing countries will effectively benefit these countries and the poorest 40% of their populations. The frustrations inherent in financial aid management can test the most dedicated. It is a testimony of his inner strength and personal dedication, that he remains coldly calculating in

terms of aid opportunities and costs, and yet warmly humane in his objectives and visions on how the developing countries may be assisted to eliminate poverty on a global scale.

The Tun Razak Foundation has been established to commemorate a man, who in his life time had placed primary emphasis on Malaysian economic development; and who had inaugurated the development plans which aim at eradicating poverty in Malaysia within a life time. It is most appropriate and fitting that the Foundation has decided to confer the Tun Razak International Award to Mr. Robert Strange McNamara.

-----

813/8/7

Remarks of Robert S. McNamara  
On the Occasion of Receiving the Tun Abdul Razak Foundation's  
International Award  
Kuala Lumpur, Malaysia, June 10, 1978



Tun Mohamed Suffian, Tunku Abdul Rahman, Tun Rahah, Professor Ungku Aziz,  
Distinguished Guests, Ladies and Gentlemen:

I am deeply honored, and grateful, for this Award.

Honored, because it has been made in the name of so great a  
public servant as Tun Abdul Razak.

Honored, too, because I have received it from the hands of  
Tun Rahah herself.

And honored because it puts me in the company of such distinguished  
recipients as Tunku Abdul Rahman, and Professor Ungku Aziz.

I have been deeply touched by the warmth and generosity of the  
citation.

And though I have traveled across the world to be here -- and it  
is a delight in itself simply to be back in Malaysia -- I must confess to  
you that I feel that the honor and distinction, which the Award represents,  
rightly belongs not so much to me personally, but rather to the staff of  
the World Bank, over whom I have the good fortune to serve as President.

And it is, then, on behalf of that superb staff that I gratefully  
accept the Award.

If, after all, one looks at the life of the man for whom the  
Award is named -- Tun Abdul Razak -- and if one considers the life work  
of my fellow recipients -- Tunku Abdul Rahman, and Professor Ungku Aziz --  
it is clear that what this ceremony really celebrates is the concept of  
public service.

These men -- each in their own way -- have dedicated their lives to public service. And more than that, they chose to serve others in a unique and demanding historical context. They have led their homeland into independence, and have helped shape and build a new nation.

That is a task, and awesome responsibility, that occurs only very rarely in history.

And these men, and their colleagues, accepted that task, and undertook that responsibility, with immense dedication.

Malaysia is what it is today -- a promising, vigorous, and determined young nation -- because of that dedication to public service.

Now, there are many satisfactions that come to me in my work as President of the World Bank. And one of the best of them is my opportunity to meet and observe such public servants.

Consider this. My own nation thinks of itself as young. But in fact, it just celebrated its 200th birthday. Like any American, I would have wished to have met and known the founding fathers of my country -- Washington, Jefferson, Benjamin Franklin, and all the rest. But that, of course, has not been chronologically possible.

But what has been possible for me, as President of the World Bank, is to meet, and know, and work with the Washingtons, the Jeffersons, and the Franklins of many new nations in the developing world today.

There are founding fathers -- and mothers -- still active all over that world. There are some in this very hall this morning.

I count myself fortunate to know them.

And I am fortunate for yet another reason.

The World Bank itself is young: not yet 35 years old. It is a unique institution: genuinely international and multi-racial, full of creative diversity, and both innovative and practical in its operations. It has a membership of more than 130 countries, and a staff of more than a hundred nationalities.

It is now the largest single agency of development finance and technical assistance in the world: involved in well over 1,000 projects in some 90 developing countries, and committing new funds at a level of more than \$8 billion a year.

Its staff is the most professional, most competent, and hardest working staff I have ever been associated with. That is why any award given me is really because of them, and that is why I accept this award in their name.

They are public servants of an extraordinary caliber: international civil servants, a category of public servants that really did not exist prior to this century. In a sense, they -- and others in the U.N. system -- represent the founding fathers of the whole concept of international public service.

It is a concept our century cannot afford to neglect.

For if the last quarter of the twentieth century illustrates anything, it is the inescapable reality of global economic interdependence.

International economic cooperation is no longer merely an abstract ideal: it is a life-and-death necessity.

- . Without a more equitable expansion of trade between developing and developed countries --

- . Without a more realistic level of Official Development

Assistance from the richest countries to the poorest countries --

- . Without a continuing expansion in the flow of financial resources from both public and private sources in the developed nations to the middle income countries --
- . And without a greater effort on the part of the governments of developing countries to reshape their development strategies so as to both enhance their overall economic growth, and to channel more of the benefits of that growth to the absolute poor in their societies --

Without these practical and cooperative efforts of both the developed and developing nations, the quality of life for everyone in the world -- rich and poor -- is, in the end, going to be seriously diminished.

And why?

Because no amount of wealth today can isolate a nation from what transpires in the rest of the world.

And what sort of world is that going to be in the next century?

One thing is certain. It is going to be crowded.

The current global population of 4 billion -- even with a very determined effort -- is not likely to stabilize at less than 8 billion. The implications of that on global food supplies, energy requirements, ecological pressures, and an already massive problem of absolute poverty are critical.

And for every decade of delay in achieving replacement-level fertility, the world's ultimate stabilized population will be 15% greater.

The population issue is clearly one of paramount importance.

Malaysia has recognized that fact, and has incorporated family planning measures in its Five-Year Development Plans as a means of enhancing

family health and welfare, and reducing the population growth rate. As you know, in 1973 the World Bank and the Government of Malaysia initiated a population and family health project designed to further those goals.

The project has already made considerable progress, and I am very pleased that negotiations have just been concluded for a second Population and Family Health Project, which will be coming before our Board of Executive Directors for their consideration in a matter of days. This second project is designed to build on the success of the first, and to assist the National Family Planning Program to achieve its goal of reducing the population growth rate in Peninsular Malaysia from 2.5% in 1976 to 2% by 1985. It would also extend family planning services to Sabah and Sarawak as part of the Maternal and Child Health program there.

The Award you have so graciously bestowed on me this morning carries with it the generous grant of 30,000 Malaysian dollars.

I wish to donate this grant to your National Family Planning Board. I do so because I have been so pleased at the Board's efforts to strengthen Malaysia's family planning program, and so encouraged at the outstanding success Malaysia has had in reducing fertility rates. I would hope that this grant could be used by the Board to help support new initiatives in this critically important field.

The World Bank's relationship with Malaysia has been a long and close one stretching back over two decades. Since 1958 we have lent some \$900 million for 40 projects -- projects in such sectors as education, land settlement, agriculture, power, water supply, telecommunications, ports, railways, roads, urban transport, and rural development.

In recent years you have given increased attention in your development strategy to the alleviation of poverty through assisting the absolute poor to become more productive.

We in the Bank are fully committed to that same goal everywhere in the developing world. Absolute poverty, wherever it exists, can be reduced -- and ultimately eliminated -- but it can only be done through practical development programs that can enhance the inherent potential and productivity of the poor.

I am deeply grateful for the honor you have bestowed on me -- and through me, on the staff of the World Bank -- here this morning.

It is typical of the generosity and graciousness of this lovely land.

Thank you very much.

E N D

813/8/6

ANNEX III  
Page 1 of 7



VISIT OF  
MR. ROBERT S. McNAMARA  
PRESIDENT OF WORLD BANK  
AND  
MRS. McNAMARA

JUNE 9TH TO 13TH, 1978

MINISTRY OF FINANCE  
MALAYSIA

- 2 -

FRIDAY, JUNE 9, 1978

- 1830 - Arrive at Subang International Airport by SQ 112  
from Singapore.
- 1915 - Leave Airport for Kuala Lumpur Hilton.
- Evening - Free

- 3 -

SATURDAY, JUNE 10, 1978

- 0940 - Leave Kuala Lumpur Hilton for Dewan Tunku Chancellor, University of Malaya.
- 1005 - Arrive at Dewan Tunku Chancellor, University of Malaya.
- 1030 - Award Ceremony.
- 1230 - Private Lunch.
- 1400 - Leave Kuala Lumpur Hilton for Istana Negara.
- 1430 - Audience with Their Majesties Yang Di Pertuan Agong and Raja Permaisuri Agong.
- 1500 - Leave Istana Negara for Kuala Lumpur Hilton.
- 1545 - Leave Kuala Lumpur Hilton for Ministry of Finance.
- 1600 - Courtesy call on the Honourable Minister of Finance.
- 1615 - Dialogue session at the Operations Room.
- 1730 - Leave Ministry of Finance for Kuala Lumpur Hilton.
- 1950 - Leave Kuala Lumpur Hilton for Hotel Equatorial.
- 2000 - Dinner by Tun Abdul Razak Foundation at Hotel Equatorial.

SUNDAY, JUNE 11, 1978

- 0840 - Leave Kuala Lumpur Hilton for RMAF Base.
- 0900 - Leave RMAF Base for Kota Bharu.
- 0945 - Arrive at Pengkalan Chepa, Kota Bharu.
- 1000 - Courtesy call on the Honourable Menteri Besar Kelantan.
- 1100 - Visit Health Centre/Family Planning Unit, Ketereh.
- 1150 - Visit Farmers Development Centre, Ketereh.
- 1230 - Leave Ketereh for Istana Telipot.
- 1240 - Arrive at Istana Telipot.
- 1315 - Lunch by the Honourable Menteri Besar of Kelantan at The Royal Club.
- 1400 - Leave Padang Dato Perdana by helicopter to State Land Development Scheme, Batu Mengkebang.
- 1430 - Arrive at State Land Development Scheme, Batu Mengkebang.
- 1520 - Leave Batu Mengkebang by helicopter for aerial view of North Kelantan Project Area.
- 1550 - Arrive Kota Bharu and leave for Padang Rokma, Wakaf Baru to visit 2L (Training and Visit) Development Project.
- 1620 - Arrive at Padang Rokma, Wakaf Baru.
- 1700 - Leave Padang Rokma, Wakaf Baru for Kota Bharu.
- 1720 - Arrive Kota Bharu for dialogue session at the Operations Room, Kelantan.
- 1820 - Leave for Istana Telipot.
- 1950 - Leave Istana Telipot for Palm Manor.
- 2000 - Barbeque by the Honourable Minister of Finance.

MONDAY, JUNE 12, 1978

- 0745 - Leave Istana Telipot for Pengkalan Chepa, Kota Bharu.
- 0800 - Leave Pengkalan Chepa, Kota Bharu for Alor Star, Kedah.
- 0845 - Arrive at Kepala Batas Airport, Alor Star.
- 0915 - Leave Airport for Muda Agricultural Development Authority (MADA) Headquarters for briefing on:-
  - i) MUDA project
  - ii) National Small-Scale Irrigation Project
  - iii) RISDA Project
- 1110 - Leave MADA Headquarters for Farmers Development Centre, Kuala Sungai.
- 1120 - Arrive at Farmers Development Centre, Kuala Sungai.
- 1145 - Leave Farmers Development Centre, Kuala Sungai for the Honourable Menteri Besar's Residence.
- 1200 - Arrive at the Honourable Menteri Besar's Residence.
- 1230 - Lunch by the Honourable Menteri Besar of Kedah.
- 1345 - Leave for Kepala Batas Airport, Alor Star.
- 1400 - Leave Airport by helicopter for aerial view of MUDA project area.
- 1445 - Arrive at Kampong Padang Baling.
- 1545 - Leave Kampong Padang Baling for Tikam Batu, Kota II.
- 1605 - Arrive at Tikam Batu, Kota II and leave for Kota II Pump Station by car.
- 1615 - Arrive at Kota II Pump Station.
- 1700 - Leave Kota II Pump Station for Butterworth.
- 1730 - Arrive at Butterworth and leave for Kuala Lumpur by F28.
- 1800 - Arrive at RMAF Base, Kuala Lumpur.

MONDAY, JUNE 12, 1978 (Continued)

- 1805 - Leave RMAF Base for Kuala Lumpur Hilton.
- 1945 - Leave Kuala Lumpur Hilton for Sri Taman.
- 2000 - Dinner by the Honourable Prime Minister at Sri Taman.

- 7 -

TUESDAY, JUNE 13, 1978

- 0545 - Leave Kuala Lumpur Hilton for RMAF Base.
- 0615 - Leave RMAF Base for Singapore.
- 0755 - Leave Singapore for United States by PA 006.

813/8/5

MAY 2 1978



Dear Tun Mohamed Suffian:

Thank you for your warm letter of April 14.

This is to confirm that I will come in person to Malaysia to receive the award on Saturday, June 10, 1978. Mrs. McNamara will accompany me.

5/1 I have discussed the program with Ambassador Zain. It is generous of the Foundation to offer to pay our travel expenses, but that will not be necessary, as they will be handled by the Bank.

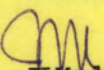
I look forward keenly to visiting Malaysia again, and to meeting your colleagues in the Foundation.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Tun Mohamed Suffian  
Chairman, Board of Trustees  
Tun Abdul Razak Foundation  
Lord President's Chambers  
Federal Court  
Kuala Lumpur 01-02  
Malaysia

  
JLMaddux:mwm  
May 1, 1978

OFFICIAL FILE COPY

Tel. No.: 80360 or  
84414 Ext. 15  
Cable: MAHPER



KAMAR KETUA HAKIM NEGARA  
(LORD PRESIDENT'S CHAMBERS)  
MAHKAMAH PERSEKUTUAN  
(FEDERAL COURT)  
MALAYSIA  
KUALA LUMPUR 01-02

My Ref: LPS/49/4.

14th April, 1978.

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



Dear Mr. McNamara,

Thank you for your letter of 3rd April. I note that you desire to donate your prize money to the National Family Planning Board.

We shall keep this information confidential - leaving it to be announced when you or your representative arrives here.

We hope that it will be possible for you to come in person to receive the award on Saturday, 10th June, 1978.

A citation lasting about ten minutes will be read by a member of the Board of Trustees before the award is presented to you. Thereafter each Awardee (or representative) is expected to make an acceptance speech lasting also about ten minutes.

We shall be pleased to know soon, if possible, whether you are coming yourself, and if not the name of your representative and spouse.

I am asking our Ambassador Zain to liaise with you regarding travel arrangements, to make sure that you and Mrs. McNamara or your representative and spouse will arrive in time for the Presentation Ceremony. I am asking him to arrange for the bills for the air tickets to be sent to the Foundation's Secretary for payment.

yes

(Husaini will come)

Yours sincerely,

*M. Suffian*

(Tun Mohamed Suffian)  
Chairman,  
Board of Trustees,  
Tun Abdul Razak Foundation.

RECEIVED  
MAY 28 1978

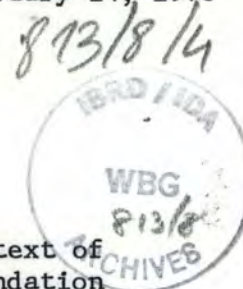
TEL (202) 234-7600  
CABLE: MALAWAKIL WASHINGTON DC

FEB 28 REC'D

KEDUTAAN BESAR MALAYSIA  
EMBASSY OF MALAYSIA  
2401 MASSACHUSETTS AVE., N. W.  
WASHINGTON, D. C. 20008

AMBASSADOR

February 24, 1978



Dear Mr. McNamara,

I have transmitted to Kuala Lumpur the text of your letter of 10th February. The Tun Razak Foundation is pleased and honoured that you will accept the Award.

2/28

With regard to the date of presentation, I had earlier informed your office that the proposed date of 11th March was in fact only tentative and subject to the convenience of you and the other recipients. I have now been asked by the Foundation to tell you they now have in mind 10th June as the date of presentation. They very much hope that with this change in date it would be possible for you to come to Malaysia. However, if the new date is still inconvenient, the Foundation in the person of its Chairman, His Lordship Tun Mohamed Suffian, has made a special request that a member of your family be nominated by you to receive the Award on your behalf.

I shall of course be happy to convey your reply to Kuala Lumpur.

Yours sincerely,

(ZAIN Azraai)

The Honourable  
Robert S. McNamara  
President

International Bank for Reconstruction and Development  
Washington, D.C. 20433

ROUTING SLIP		Date Feb. 28, 1978
OFFICE OF THE PRESIDENT		
Name		Room No.
1. Mr. McNamara		
2. Mr. Maddux *		
<input checked="" type="checkbox"/>	To Handle	Note and File
<input type="checkbox"/>	Appropriate Disposition	Note and Return
<input type="checkbox"/>	Approval	Prepare Reply
<input type="checkbox"/>	Comment	Per Our Conversation
<input type="checkbox"/>	Full Report	Recommendation
<input type="checkbox"/>	Information	Signature
<input type="checkbox"/>	Initial	Send On
Remarks		
<p>* state "I will make every effort to attend by 10. altho it will be difficult because June is not month of presentation - 27 - 28</p>		
From		
Caio Koch-Weser		(over)

12  
As I can not attend  
I will try to arrange for  
a member of my family  
to represent me  
(ready as you wish  
to get better)

Love

9/18  
Filer  
Jps  
Lnd

Signed 2/6/78  
+ sent

Dear Mr. Ambassador:

Thank you for your letter informing me that the Board of Trustees of the Tun Abdul Razak Foundation has selected me for an International Award.

I am very deeply touched over the Foundation's decision, and I believe that the great honor and distinction that the Award represents really belongs to the staff of the World Bank, over whom I have the good fortune to serve as President.

On behalf, then, of the staff I would be pleased to accept the Award, and to donate the grant of 30,000 Malaysian dollars to a charity in Malaysia.

Unfortunately, I cannot personally be in Malaysia on March 11, but if it is acceptable to the Foundation, I will ask my Vice President, Mr. S. Shahid Husain, to represent me and to have the honor of receiving the Award from the hands of the widow of the late Tun A. Razak.

Please convey my warmest gratitude to His Lordship Tun Mohamed Suffian, and through him to the Foundation's Board of Trustees, for their kindness and consideration in this matter.

Sincerely,

*(Handwritten signature)*  
Robert S. McNamara  
*(Gold medal at  
World Bank  
approval from  
Mr. Deany)*

His Excellency  
ZAIN Azraai  
Ambassador  
Embassy of Malaysia  
2401 Massachusetts Avenue, N.W.  
Washington, D.C. 20003

cc: Mr. Husain

*fm*  
JLMaddux:mwm  
February 9, 1978

FEB 10 1978

Dear Mr. Ambassador:

Thank you for your letter informing me that the Board of Trustees of the Tun Abdul Razak Foundation has selected me for an International Award.

I am very deeply touched over the Foundation's decision, and I believe that the great honor and distinction that the Award represents really belongs to the staff of the World Bank, over whom I have the good fortune to serve as President.

On behalf, then, of the staff I would be pleased to accept the Award, and to donate the grant of 30,000 Malaysian dollars to a charity in Malaysia.

Unfortunately, I cannot personally be in Malaysia on March 11, but if it is acceptable to the Foundation, I will ask my Vice President, Mr. S. Shahid Husain, to represent me and to have the honor of receiving the Award from the hands of the widow of the late Tun A. Razak.

Please convey my warmest gratitude to His Lordship Tun Mohamed Suffian, and through him to the Foundation's Board of Trustees, for their kindness and consideration in this matter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency  
ZAIN Azraai  
Ambassador  
Embassy of Malaysia  
2401 Massachusetts Avenue, N.W.  
Washington, D.C. 20008

cc: Mr. Husain

JLMaddux:mwm  
February 9, 1978

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara  
FROM: S. Shahid Husain  
SUBJECT: Tun Abdul Razak Foundation

DATE: January 31, 1978

As I mentioned on the telephone, my staff and I recommend that you accept the International Award from the Tun Abdul Razak Foundation. This would contribute to enhancing the cooperative relationship between the Bank and the ASEAN countries, particularly in combatting the twin problems of poverty and unemployment.

1/31  
I understand that the other persons nominated for the Award are Tengku Abdul Rahman, former Prime Minister of Malaysia, and <sup>Tun</sup>Mr. Azia, Vice Chancellor of the University of Malaysia.

SSHusain:bce

## OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

DATE: February 1, 1978

FROM: B. Chadenet *B. Chadenet*CONFIDENTIALSUBJECT: Response to the Tun Abdul Razak Foundation's Offer of an Award:  
Rules Governing the Acceptance of Awards

After consulting with the General Counsel, here is my recommendation regarding the offer of the Tun Abdul Razak Foundation award.

1. Personnel Manual Statement 1.00, para. 14 states that a staff member shall not accept any medal, decoration or similar honor for World Bank service.
2. Paragraph 3 of your letter of appointment states: *In view of the international character of your position, it is expected, of course, that you will not accept any gift or fee from any government or from any authority external to the Bank and that you will not, without the approval of the Executive Directors, accept any honor, decoration or favor in respect to services rendered during your tenure with the Bank.*
3. I assume that you would require as a condition of your acceptance of the award that the 30,000 Malaysian dollars be granted directly to an institution to be designated either by you or by the Foundation, and that the gold medal would remain in the Bank at the end of your contract. On that assumption you could accept the award provided you obtained the approval of the Executive Directors, which they undoubtedly would be glad to give as the award would reflect well on the World Bank.
4. I think, however, that before deciding what to do you would take into account the considerable likelihood that the Malaysian action will induce other countries to follow suit. You may find it difficult to refuse them or not to receive them in person, and at best you would be faced with embarrassing choices.
5. On balance, I recommend that you express deep appreciation but that you state that you cannot accept public awards during your tenure. Alternatively, you might suggest that the award be bestowed through you on the World Bank. This would not set a precedent for your personal attendance.

BChadenet/kh

cc: Mr. Broches



TEL: (202) 234-7600  
CABLE: MALAWAKIL WASHINGTON DC

27 Ce: M1. (G...)  
Mrs. M...  
150  
KEDUTAAN BESAR MALAYSIA  
EMBASSY OF MALAYSIA  
2401 MASSACHUSETTS AVE., N. W.  
WASHINGTON, D. C. 20008

AMBASSADOR

January 26, 1978

Dear Mr. McNamara,

I have just received the following message from His Lordship Tun Mohamed Suffian, Lord President of the Federal Court of Malaysia, in his capacity as Chairman of the Board of Trustees of the Tun Razak Foundation, for transmission to you :-

"His Excellency Mr. Robert McNamara,  
World Bank, Washington, D.C.

The Board of Trustees, Tun Abdul Razak Foundation, have decided to give Your Excellency an International Award for uplifting the standard of living of the people, for inculcating and promoting mutual understanding among racial groups and mankind and for promoting peace and understanding among nations.

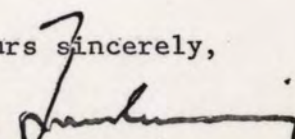
1. Would Your Excellency agree to accept?
2. If so, would Your Excellency agree to attend presentation ceremony in Kuala Lumpur probably on 11th March, 1978, the Anniversary of the birth of the Late Tun A. Razak, Prime Minister of Malaysia, or agree to send a representative?

My Board of Trustees will provide two free first class air tickets for Your Excellency and Mrs. McNamara or for Your Excellency's representative and spouse : and meet all internal travel and hotel expenses in Malaysia. Will Your Excellency please reply through His Excellency the Malaysian Ambassador, Washington, who will telex me.

An Awardee will receive a grant of 30,000 Malaysian dollars, a gold medal and a certificate at a public presentation ceremony from the hands of the widow of the late Tun A. Razak."

I shall be happy to transmit your reply to Kuala Lumpur.

Yours sincerely,

  
(ZAIN Azraai)

The Honourable  
Robert S. McNamara

The World Bank

January 27, 1978

Mr. Chadenet:

For your consideration, as we discussed.

*RMcN*

RMcN

cc: Mr. Maddux ✓

*Qn. Internationalism  
that works*

TEL: (202) 234-7600  
CABLE: MALAWAKIL WASHINGTON DC



KEDUTAAN BESAR MALAYSIA  
EMBASSY OF MALAYSIA  
2401 MASSACHUSETTS AVE., N.W.  
WASHINGTON, D.C. 20008

AMBASSADOR

January 26, 1978

Dear Mr. McNamara,

I have just received the following message from His Lordship Tun Mohamed Suffian, Lord President of the Federal Court of Malaysia, in his capacity as Chairman of the Board of Trustees of the Tun Razak Foundation, for transmission to you :-

"His Excellency Mr. Robert McNamara,  
World Bank, Washington, D.C.

The Board of Trustees, Tun Abdul Razak Foundation, have decided to give Your Excellency an International Award for uplifting the standard of living of the people, for inculcating and promoting mutual understanding among racial groups and mankind and for promoting peace and understanding among nations.

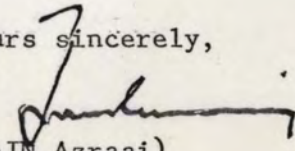
1. Would Your Excellency agree to accept?
2. If so, would Your Excellency agree to attend presentation ceremony in Kuala Lumpur probably on 11th March, 1978, the Anniversary of the birth of the Late Tun A. Razak, Prime Minister of Malaysia, or agree to send a representative?

My Board of Trustees will provide two free first class air tickets for Your Excellency and Mrs. McNamara or for Your Excellency's representative and spouse : and meet all internal travel and hotel expenses in Malaysia. Will Your Excellency please reply through His Excellency the Malaysian Ambassador, Washington, who will telex me.

An Awardee will receive a grant of 30,000 Malaysian dollars, a gold medal and a certificate at a public presentation ceremony from the hands of the widow of the late Tun A. Razak."

I shall be happy to transmit your reply to Kuala Lumpur.

Yours sincerely,

  
(ZAIN Azraai)

The Honourable  
Robert S. McNamara



358

## OFFICE MEMORANDUM

MRL

8/13/8/3

TO: Mr. Robert S. McNamara

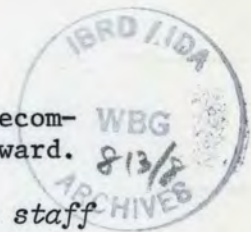
DATE: February 1, 1978

FROM: B. Chadenet

B. Chadenet

CONFIDENTIALSUBJECT: Response to the Tun Abdul Razak Foundation's Offer of an Award:  
Rules Governing the Acceptance of Awards

After consulting with the General Counsel, here is my recommendation regarding the offer of the Tun Abdul Razak Foundation award.



1. Personnel Manual Statement 1.00, para. 14 states that a staff member shall not accept any medal, decoration or similar honor for World Bank service.
2. Paragraph 3 of your letter of appointment states: *In view of the international character of your position, it is expected, of course, that you will not accept any gift or fee from any government or from any authority external to the Bank and that you will not, without the approval of the Executive Directors, accept any honor, decoration or favor in respect to services rendered during your tenure with the Bank.*
3. I assume that you would require as a condition of your acceptance of the award that the 30,000 Malaysian dollars be granted directly to an institution to be designated either by you or by the Foundation, and that the gold medal would remain in the Bank at the end of your contract. On that assumption you could accept the award provided you obtained the approval of the Executive Directors, which they undoubtedly would be glad to give as the award would reflect well on the World Bank.
4. I think, however, that before deciding what to do you would take into account the considerable likelihood that the Malaysian action will induce other countries to follow suit. You may find it difficult to refuse them or not to receive them in person, and at best you would be faced with embarrassing choices.
5. On balance, I recommend that you express deep appreciation but that you state that you cannot accept public awards during your tenure. Alternatively, you might suggest that the award be bestowed through you on the World Bank. This would not set a precedent for your personal attendance.

BChadenet/kh

cc: Mr. Broches

## OFFICE MEMORANDUM

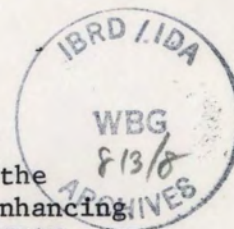
TO: Mr. Robert S. McNamara  
FROM: S. Shahid Husain  
SUBJECT: Tun Abdul Razak Foundation

DATE: January 31, 1978  
813/812

As I mentioned on the telephone, my staff and I recommend that you accept the International Award from the Tun Abdul Razak Foundation. This would contribute to enhancing the cooperative relationship between the Bank and the ASEAN countries, particularly in combatting the twin problems of poverty and unemployment.

1/31  
I understand that the other persons nominated for the Award are Tengku Abdul Rahman, former Prime Minister of Malaysia, and <sup>Tun</sup>Mr. Azis, Vice Chancellor of the University of Malaysia.

SSHusain:bce





TEL: (202) 234-7600  
CABLE: MALAWAKIL WASHINGTON DC

1/27 cc: Mr. Chanderat  
1/30 Mr. Madelon  
Mr. Humeau  
KEDUTAAN BESAR MALAYSIA  
EMBASSY OF MALAYSIA  
2401 MASSACHUSETTS AVE., N. W.  
WASHINGTON, D. C. 20008

AMBASSADOR

January 26, 1978

813/8/1

Dear Mr. McNamara,

I have just received the following message from His Lordship Tun Mohamed Suffian, Lord President of the Federal Court of Malaysia, in his capacity as Chairman of the Board of Trustees of the Tun Razak Foundation, for transmission to you :-

"His Excellency Mr. Robert McNamara,  
World Bank, Washington, D.C.

The Board of Trustees, Tun Abdul Razak Foundation, have decided to give Your Excellency an International Award for uplifting the standard of living of the people, for inculcating and promoting mutual understanding among racial groups and mankind and for promoting peace and understanding among nations.

1. Would Your Excellency agree to accept?
2. If so, would Your Excellency agree to attend presentation ceremony in Kuala Lumpur probably on 11th March, 1978, the Anniversary of the birth of the Late Tun A. Razak, Prime Minister of Malaysia, or agree to send a representative?

My Board of Trustees will provide two free first class air tickets for Your Excellency and Mrs. McNamara or for Your Excellency's representative and spouse : and meet all internal travel and hotel expenses in Malaysia. Will Your Excellency please reply through His Excellency the Malaysian Ambassador, Washington, who will telex me.

An Awardee will receive a grant of 30,000 Malaysian dollars, a gold medal and a certificate at a public presentation ceremony from the hands of the widow of the late Tun A. Razak."

I shall be happy to transmit your reply to Kuala Lumpur.

Yours sincerely,

(ZAIN Azraai)

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

