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Brandt Commission - Public Reaction to Establishment,

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A world crisis that won't go away

By Robert S. McNamara
 Special to The Globe

As 1977 gets under way and new administrations in a number of major countries of the world take office, the problem of a more equitable relationship between the rich and poor of the world is almost certain to command more public attention.

This is fortunate. For a very great deal is at stake in that relationship.

The truth is that the tranquility of the political order in the decades immediately ahead — both within nations and between nations — is going to depend in increasing measure on how successfully the issues of equity are resolved.

What is happening now is that governments virtually everywhere throughout the developing world are searching for new development strategies that can combine substantial economic growth with greater equity in income distribution.

There is a growing conviction that more direct attention must be given to the massive problems of the absolute poor — the hundreds of millions of individuals whose basic human needs remain unmet.

A major psychological obstacle to all of this is simply that it is difficult to comprehend what we really mean when we speak of "the poor." The word poverty itself has become almost incapable of communicating the harshness of the reality in parts of the developing world.

When we reflect, for example, that of the two billion persons living in the roughly 100 developing countries served by the World Bank, nearly two-thirds are members of farm families, and that of these there are some 700 million individuals whose annual incomes average less than \$200, what frame of reference are we to call on to make that fact meaningful?

For hundreds of millions of these subsistence farmers, life is neither satisfying nor decent. Hunger and malnutrition menace their families. Illiteracy forecloses their futures. Disease and death visit their villages too often, stay too long, and return too soon.

Their nation may be developing, but their lives are not. The miracle of the Green Revolution may have arrived, but for the most part, the poor farmer has not been able to participate in it.

His nation may have doubled or tripled its educational budget, and in the capital city there may be an impressive university. But for some 300 million children of poor farmers like himself there are still no schools — and for hundreds of millions of others, if a school, no qualified teacher — and if a qualified teacher, no adequate books.

His nation may be improving its communications, and jet aircraft may be landing at its international airport in increasing numbers. But for the poor farmer who has seldom seen an airplane, and never an airport, what communications really means — and what he all too often does not have — is a simple all-

weather road that would allow him to get his meager harvest to market when the time is right and the prices are good.

Nor is life for the some 200 million absolute poor who live in the exploding cities of the developing world much better. Their deprivation is nowhere more visible than in the matter of housing. Even the most hardened and unsentimental observer from the developed world is shocked by the squalid slums and ramshackle shantytowns that ring the periphery of every major city.

When we reflect on the profile of poverty in the developing world we have to remind ourselves that we are not talking about merely a tiny minority of unfortunates — a miscellaneous collection of the losers in life — a regrettable but insignificant exception to the rule. On the contrary, we are talking about 900 million human beings: 40 percent of entire populations.

Is the problem of absolute poverty in these nations solvable at all?

It is. And most of the effort, of course, must come from these nations' own governments. By and large they are beginning to make that effort.

In the past decade, the poor nations have financed over 90 percent of their development investments out of their own meager incomes. But it is true that they must make even greater efforts. They have invested too little in agriculture, too little in population planning, and too little in essential public services. And too much of what they

Continued

have invested has benefited only a privileged few.

That calls for policy reforms, and that is, of course, always politically difficult. But when the distribution of land, income, and opportunity becomes distorted to the point of desperation, political leaders must weigh the risk of social reform against the risk of social rebellion. "Too little too late" is history's universal epitaph for political regimes that have lost their mandate to the demands of landless, jobless, disenfranchised and desperate men.

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

The case of the United States itself is illustrative. It enjoys the largest gross national product (GNP) in the world. And yet it is currently one of the poorest performers in the matter of Official Development Assistance. Among the developed nations, Sweden, the Netherlands, Norway, Australia, France, Belgium, Denmark, Canada, New Zealand, Germany, and even — with all its economic problems — the United Kingdom: all of these nations devote a greater percentage of their GNP to Official Development Assistance than does the United States.

In 1949, at the beginning of the Marshall Plan, US Official Development Assistance amounted to 2.79 percent of GNP. Today, it is one-tenth of that: 0.27 percent of GNP. And this after a quarter-century of real growth in personal incomes in the United States, which has more than doubled the standard of life for the average American in any terms one wants to measure it.

Even dogs and cats in America today have a better standard of nutrition than hundreds of millions of children in the developing nations. But US Official Development Assistance to those nations has not only not kept pace with its growing affluence: it has very substantially declined in real terms.

There are hopeful signs that this disappointing trend will be reversed. It fully deserves to be.

There are, of course, many sound reasons for development assistance. Among others, the expansion of trade, the reduction of social ten-

sions, and the promotion of international stability.

But the fundamental case for development assistance is, I believe, the moral one. The whole of human history has recognized the principle, at least in the abstract, that the rich and powerful have a moral obligation to assist the poor and the weak. That is what the sense of community is all about — any community: the community of the nation, the community of nations itself.

Moral principles, if they are really sound — and this one clearly is — are also practical ways to proceed. Social justice is not simply an abstract ideal. It is a sensible way of making life more livable for everyone.

The degree of deprivation of the absolute poor in the developing world is so extreme as to be an insult to human dignity — to theirs, because as human beings they deserve better; and to ours, because all

of us in the developed world have had it in our power to do more to help them, and have not.

What will it really cost the United States and the other industrialized nations to do more?

Far less than most of us imagine. The truth is that the developed nations would not have to reduce their already immensely high standard of living in the slightest, but only to devote a minuscule proportion of the additional per capita income they will earn over the coming decade.

It is not a question of the rich nations diminishing their present wealth in order to help the poor nations. It is only a question of their being willing to share a tiny percentage — perhaps 3 percent — of their incremental and continually increasing income.

It is true that the developed nations, understandably preoccupied with controlling inflation, and searching for structural solutions to

their economic imbalances, may be tempted to conclude that until these problems are solved, aid considerations must simply be put aside.

But aid is not a luxury — something desirable when times are easy, and superfluous when times become temporarily troublesome.

It is precisely the opposite. Aid is a continuing social and moral responsibility, and its need now is greater than ever.

Will the affluent of the world live up to that responsibility? I believe we will. I believe there is no other sensible choice.

Robert S. McNamara has been president of the World Bank since resigning as Secretary of Defense in 1968. His attention to the problems of the underdeveloped countries has won him the Christian A. Herter Memorial Award of the World Affairs Council, which he will receive in Boston on Friday.

834 13/30

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McNAMARA CALLS FOR CREATION OF HIGH-LEVEL PRIVATE COMMISSION TO MOVE STALLED NEGOTIATIONS FORWARD BETWEEN RICH AND POOR NATIONS

Former German Chancellor Willy Brandt Proposed as Chairman of New Group

Robert S. McNamara, President of the World Bank, called today for the creation of a new private commission to help break the current impasse in the economic relationships between the rich and poor nations.

Speaking at the World Affairs Council in Boston, where he received the Council's Christian A. Herter Memorial Award, Mr. McNamara pointed out that after more than a year of intense debate in various international forums, there still was no substantial agreement between the developed and developing nations on what should be done next.

What is essential, the World Bank President emphasized, is to determine:

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

It was the recognition of this need, he noted, that had led in September 1975 to the Seventh Special Session of the General Assembly; to the meeting of the United Nations Conference on Trade and Development last spring in Nairobi; and to the North-South Dialogue which has been meeting in Paris for more than a year. So far no basic understanding between the parties has emerged.

Broadening the analysis he had outlined at the World Bank's annual meeting in Manila last fall, Mr. McNamara reiterated the critical importance of achieving a meeting of minds between the contending groups.

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

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

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

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

The funding required for such a commission would be modest, McNamara noted, and in order to ensure the commission's independence, the cost could be shared by a number of governments, international institutions, and private foundations. "I have already received indications," he added, "from Minister Pronk of the Netherlands, and Mr. David Hopper, President of Canada's International Development Research Center, that they would be willing to consider participation in such financing."

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

The Christian A. Herter Memorial Award, presented to "distinguished Americans whose contributions to better international understanding have been significant and demonstrated through their work" is awarded annually by the World Affairs Council in Boston.

Individuals honored with the Award over recent years have included Elliot Richardson, in 1974; Senator Edward M. Kennedy, in 1975; and Secretary of State Henry A. Kissinger, in 1976.

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International business report

Improve economic ties with poor—McNamara

BOSTON (Reuter) — World Bank president Robert McNamara has called for the creation of a high-level private commission to analyse problems involved in improving economic relations between rich and poor countries.

Speaking before the World Affairs Council in Boston Friday, McNamara suggested the commission be headed by someone with practical political experience and stature, such as former West German chancellor Willy Brandt. He also suggested the commission be partially funded by Canada.

In Bonn, a spokesman for Brandt said the former chancellor is prepared to take up McNamara's suggestion.

"Mr. Willy Brandt has noted Mr. McNamara's



WILLY BRANDT
prepared to lead again

initiative attentively, the spokesman said. "The SPD (Social Democratic Party) and its chairman (Brandt) are ready to do all in their power to contribute to it."

At the United Nations, Secretary-General Kurt

Waldheim welcomed McNamara's proposal.

Waldheim attached "the greatest importance and priority to ongoing processes of deliberation and negotiation in various forums toward the establishment of the new international economic order" called for by the UN General Assembly.

The secretary-general discussed the matter with McNamara last Monday and said he believes the projected commission could make a valuable contribution to UN efforts to restructure world economic relations. The membership and mandate of the commission have yet to be determined.

McNamara noted in his speech that there has been little progress in resolving basic issues such as the level of additional assistance to be provided to developing countries at the so-called North-South talks that has been going on for more than a year in Paris.

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

What is needed, he said, is a basic understanding among the North-South parties, who represent both developed and developing countries, on various issues.

These include the nature and magnitude of the problem, action required to address it, the relative responsibilities of everyone involved, and the costs and benefits of doing so.

Once broad agreement was reached on such issues, it would be easier to agree on specific measures, McNamara argued.

Iran threatens oil blacklist

NEW YORK (Reuter) — The Shah of Iran says he will blacklist any oil company that fails to honor its contract to buy his country's oil.

The shah, in an interview in the current issue of Business Week magazine, said: "There are signs that some of the contracts already made for this year will not be honored by the oil companies. And we do not know yet what the consortium of companies operating in Iran intends to do."

"But any company that does not honor contracts with Iran will be blacklisted."

The Shah says that by this he means Iran "will never sell them oil again."

The problem arose after the December meeting of the Organization of Petroleum Exporting Countries (OPEC) adopted a two-tier pricing policy. Saudi Arabia and the United Arab Emirates decided to raise prices by five per cent Jan. 1, compared with the 10-per-cent increase agreed to by the 11 other OPEC members, including Iran.

Americans blamed

World talks go into hibernation

PARIS (Reuter) — The so-called North-South "dialogue" between rich and poor countries has been in hibernation since November and shows no signs of an early awakening, officials close to the negotiations said Friday.

They were commenting on a suggestion by World Bank President Robert McNamara in Boston that a high-level private commission, possibly headed by former West German chancellor Willy Brandt, should be created to break the impasse.

The negotiations, officially called the Conference on International Economic Cooperation, began a year ago with the 27 delegations optimistic about success.

But as the year grew longer and tempers shorter, prospects for reaching meaningful agreement on any of the dialogue's four main subjects — energy, raw materials, aid and finance — faded.

The industrialized countries had no choice but to

postpone until this year the ministerial meeting which was to have climaxed almost a year of complex bargaining last Dec. 15.

Officials closely associated with the talks now expect the ministerial session to be held either late in March or early April, but added: "It all depends on the Americans."

The inability of the U.S. delegation to make a meaningful contribution to the negotiations in the run-up to, and then after, the American presidential election last November, is seen here as the main reason for the lack of progress.

The other major industrial participants, including Canada, Japan and the European Common Market, are unwilling to take the initiative and make concessions to the developing side, which includes all the major oil exporter countries and poorer states from Africa, Asia and South America.

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Economic Job for Brandt Proposed by McNamara

By Hobart Rowen

Washington Post Staff Writers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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■ The Boston Globe

Private body for economic conflicts

Rich-poor nations panel proposed

By William R. Cash
Globe Staff

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

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

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

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

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

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

"At present, the outlook for these poorest countries is appalling. Over the next

decade, income per capita is projected to grow at no more than 2 percent a year. For hundreds of millions of human beings that means, at most, an advance in income of only \$1 or \$2 a year," McNamara said.

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

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

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

Over the past decade, he said, poor nations have financed over 90 percent of their development investments out of their own small incomes.

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

McNamara warned if governments of the poorest countries fail to take inter-

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

He called for greater involvement by the United States in Official Development Assistance programs

than does the US," McNamara said.

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

This, McNamara said, compares with only 0.27 percent at present, even though the standard of living for the average American has

"... the United States—The country with the largest GNP in the world—is currently one of the poorest performers in the matter of ... development assistance."

of industrialized nations to underdeveloped countries.

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

more than doubled in that time.

McNamara, at a press conference following his speech, said in recent discussions between the World Bank and OPEC nations there is "every indication" the oil producers will increase the amount of aid they provide poorer countries.

The former Defense secretary in the Kennedy and Johnson Administrations declined comment on a \$35 million International Monetary Fund loan to Vietnam with US approval, other than to say the World Bank plans to "send a mission to Hanoi to determine Vietnam's aid requirements."

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McNamara Asks for Poverty Group

By EDWIN L. DALE Jr.

Special to The New York Times

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

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

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

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

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

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

He said that, assuming the proposed commission could establish a "meeting of minds" on the magnitude and nature

of the problem, "it would then become apparent very quickly that it is relatively unimportant whether the assistance is to take the form of commodity agreements, debt relief, trade concessions, bilateral aid or multilateral financing—or any particular combination of these—provided the overall total is adequate."

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

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

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

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

World Bank

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World Bank tackles trade and aid deadlock

A high-level commission to help to break "the current impasse" in international economic negotiations was proposed yesterday by Mr Robert McNamara, President of the World Bank. He suggested that it could be headed by Herr Willy Brandt, the former West German Chancellor. Dr Kurt Waldheim, the United Nations Secretary-General, welcomed Mr McNamara's suggestion.

Herr Brandt ready to head commission

From Frank Vogl
US Economics Correspondent
Washington, Jan 14

Mr Robert McNamara, President of the World Bank, called today for the establishment of a high level commission, possibly headed by Herr Willy Brandt, the former West German Chancellor, to "enable the international community to break out of the current impasse" that has developed in multilateral economic negotiations.

Herr Brandt issued a statement in Bonn today noting his willingness to head such a commission. At the United Nations Dr Kurt Waldheim, the Secretary-General, strongly welcomed Mr McNamara's suggestion. Dr Henry Kissinger, the United States Secretary of State, has given the World Bank President assurances of his support.

Mr McNamara noted in a speech in Boston that there was an urgent need for new international agreement on such matters as debt relief, commodity dealings, development aid, multilateral financing and trade liberalization. He pointed out, however: "Such an understanding is unlikely to come about in the current international climate of contentious debate."

Under present circumstances the prospects for reaching new agreements, according to Mr McNamara, "might be improved if a high-level, but deliberately unofficial, commission were organized to analyse the problem, and to recommend action to be taken by both developed and developing nations".

He said such a commission could be headed by someone like Herr Brandt and he has, in fact, already had talks with the former German leader on this matter.

The commission would be composed of people of high international stature, capable of mobilizing such diverse organizations as the World Bank, the International Monetary Fund (IMF), the General Agreement on Tariffs and Trade (GATT) and the Organization for Economic Cooperation and Development (OECD) into preparing technical studies. The commission must be capable of recognizing the political

feasibility of recommendations to produce new agreements.

Mr McNamara's statement, and one issued by Dr Waldheim today, both underline the recognition of these leaders that so far the political will appears to be lacking to ensure that workable agreements arise from the initiatives that led to the seventh special session of the United Nations, from last spring's United Nations Conference on Trade and Development (UNCTAD), in Nairobi, and from the continuing North-South dialogue in Paris.

Mr McNamara has done a great deal of work in preparing the ground for the success of the initiative he announced today. He recognizes that the commission must have a secretariat and some funding, and he noted that he has already received indications of financial support from numerous foreign leaders.

This new scheme results largely from Mr McNamara's deep frustration concerning the unwillingness of wealthier nations to raise their development aid contributions. Using the opportunity of a change of administration in Washington, the World Bank President singled out the United States for extraordinarily bitter criticism.

He said the United States was one of the poorest nations among rich developed nations in granting development aid. He noted that "even dogs and cats in America today have a better standard of nutrition than tens of millions of children in developing nations".

The speech, which was given at a meeting of the World Affairs Council, noted that more than 1,000 million people today have incomes below \$200 (£118) a year. Mr McNamara said the outlook for these people in the next decade was "appalling".

Dr Waldheim noted that he was keenly interested in Mr McNamara's idea and that he "attaches the greatest importance and priority to ongoing processes of deliberation and negotiations in various forums toward the establishment of the 'new international economic order'". Current negotiations should proceed with a new sense of urgency.

World Bank

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Economic Job for Brandt Proposed by McNamara

By Hobart Rowen
Washington Post Staff Writers

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- ☐ THE TIMES
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☐ THE GUARDIAN

■ The Boston Globe

Private body for economic conflicts

Rich-poor nations panel proposed

By William R. Cash
Globe Staff

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

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

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

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

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

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

"At present, the outlook for these poorest countries is appalling. Over the next

decade, income per capita is projected to grow at no more than 2 percent a year. For hundreds of millions of human beings that means, at most, an advance in income of only \$1 or \$2 a year," McNamara said.

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

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

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

Over the past decade, he said, poor nations have financed over 90 percent of their development investments out of their own small incomes.

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

McNamara warned if governments of the poorest countries fail to take inter-

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

He called for greater involvement by the United States in Official Development Assistance programs

tance than does the US," McNamara said.

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

This, McNamara said, compares with only 0.27 percent at present, even though the standard of living for the average American has

"... the United States—The country with the largest GNP in the world—is currently one of the poorest performers in the matter of ... development assistance."

of industrialized nations to underdeveloped countries.

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

more than doubled in that time.

McNamara, at a press conference following his speech, said in recent discussions between the World Bank and OPEC nations there is "every indication" the oil producers will increase the amount of aid they provide poorer countries.

The former Defense secretary in the Kennedy and Johnson Administrations declined comment on a \$35 million International Monetary Fund loan to Vietnam with US approval, other than to say the World Bank plans to "send a mission to Hanoi to determine Vietnam's aid requirements."

World Bank

News Service of the Department of Information and Public Affairs

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- ☐ THE TIMES
- ☐ THE FINANCIAL TIMES
- ☐ THE GUARDIAN

☒ *The Sun (Baltimore)*

World poverty study proposed by McNamara

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

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

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

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

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

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

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

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

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

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

ut with gains in generally weaker Toronto market

176, well below the first 10 days of 1976. Volume was down to 17.17 million shares from 24.64 million a year earlier and value was \$145.36-million, down from \$197.28-million.

HARLEQUIN

Change +2.50 Close \$14.37

Profit of Harlequin is forecast to rise to \$1.25 a share

MARKET PERSPECTIVE

for 1977 from the 90 cents expected for 1976 because of increased book sales in the United States and higher book prices.

NAT. GROCERS PFD.
+4.25 \$27.50

Loblaws Ltd. is bidding for the publicly held preferred shares of National Grocers at \$27.50 a share.

UNITED CANSO

+0.75 \$8.12

A United Canso subsidiary has acquired an interest in a petroleum contract covering

hydrocarbon exploration offshore Haiti. Another positive development in recent weeks has been receipt of a favorable tax ruling from the Department of National Revenue on the sale of its British unit.

CAN. TRUSTCO A

+1.25 \$22.00

Canada Trustco has said

fourth quarter profit at least equalled that of the third quarter, which would make profit for the full 1976 year of at least \$2.39 a share, up from \$2.17 a share in 1975 on fewer shares.

TRIZEC

+1.00 \$10.62

The rise in Trizec reflects bargain-hunting after previous weakness rather than company developments, a real estate analyst said. He estimates cash flow for the year ending Oct. 31, 1977, will rise to \$2 a share fully diluted from \$1.80 on the same basis a year earlier.

TEXACO CANADA

+1.87 \$26.62

Profit margins of all integrated oil refiners are improving and the resulting profit improvement for Texaco Canada will be greater than for most other compa-

nies. John Fairlie of Midland Doherty Ltd. said. He expects increased profit for the company this year from between \$2.75 and \$3 a share that the company may report for 1976.

DENISON

-0.50 \$58.00

One reason for weakness in Denison is anticipation that the company will report poor profit for 1976. A figure of \$1 a share is forecast, down from \$5.00 for 1975, with the decline reflecting reduced uranium shipments and substantial expenditures on oil exploration. Another reason for share weakness is concern that the company's 1977 profit may be affected by the fact that licences allowing export of uranium to Japan have run out as negotiations continue on tougher safeguards to prevent the use of nuclear fuel in the manufacture of weapons.

World Bank chief urges rich-poor talks

World Bank president Robert S. McNamara has called for creation of a new high-level private commission to help break the current impasse in economic relations between the world's rich and poor nations.

Mr. McNamara proposed

that former West German Chancellor Willy Brandt be named chairman of the panel.

Speaking at the World Affairs Council in Boston, Mr. McNamara said that after more than a year of intense debate in various international meetings there is still no

substantial agreement among the industrial nations and the developing countries on what should be done to ease financial, trade and other problems, of the developing countries of Latin America, Asia and Africa.

Members of the commission, he said, should come

from both industrial nations and developing countries.

Bundesbank rise

Net central currency reserves of the West German Bundesbank rose 500 million marks in the first week of January to 74.4 billion, according to rounded figures published by the bank.

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Mr. Clark
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- ☐ THE NEW YORK TIMES
☐ THE WASHINGTON POST
☐ THE WALL STREET JOURNAL
☐ THE JOURNAL OF COMMERCE

- ☐ THE TIMES
☐ THE FINANCIAL TIMES
☐ THE GUARDIAN
☒ The Japan Times

— Brandt Mentioned as Possible Chairman —

McNamara Calls for Panel To Oversee Rich-Poor Aid

BOSTON, Mass. (Kyodo-Reuters) — World Bank President Robert McNamara Friday called for the creation of a high-level private commission to analyze problems involved in improving economic relations between rich and poor nations.

In remarks prepared for delivery before the World Affairs Council here, McNamara suggested the commission be headed by someone with practical political experience and stature such as former West German Chancellor Willy Brandt.

In Bonn, a spokesman for Brandt said the former chancellor was prepared to take up McNamara's suggestion.

"Herr Willy Brandt has noted Mr. McNamara's initiative attentively. The SPD (Social Democratic Party) and its chairman (Brandt) are ready to do all in their power to contribute to it," the spokesman said.

The World Bank president noted that there had been little progress in resolving basic issues such as the level of additional assistance to be provided to developing countries at the so-called North-South dialogue that has been going on for more than a year in Paris.

"The reason for the lack of agreement is, I think, obvious: The discussions have focussed far too much on details rather than on fundamentals," McNamara told the World Affairs Council.

What was needed, he said, was a basic understanding among the North-South parties, who represent both developed and developing nations, on various issues.

This was the nature and magnitude of the problem, action required to address it, the relative responsibilities of everyone involved, and the costs and benefits of doing so.

Once broad agreement had been reached on such issues, it would be easier to agree on specific measures, McNamara said.

"It would become apparent very quickly that it is relatively



McNamara

Brandt

unimportant whether the assistance is to take the form of commodity agreements, debt relief, trade concessions, bilateral aid — or any particular combination of these — provided the overall total is adequate," he said.

McNamara told the council — a private body that devotes itself to studying foreign affairs and has counterparts in every major U.S. city — that current levels of official aid from industrialized to less developed countries was "disgracefully inadequate."

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

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

He noted that in 1949 at the beginning of the Marshall Plan to help post-war Europe, the U.S. devoted 2.79 per cent of its GNP to official development assistance, he said.

This compared with only 0.27 per cent at present, even though the standard of living for the average American had more than doubled in that time.

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

In view of "the continuing impasse" at the Paris-based North-South dialogue between rich and poor nations, he said, "the chances of reaching an understanding must be improved if a high-level, but deliberately unofficial, commission were organized to analyze the problem and to recommend action to be taken by both developed and developing nations."

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

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

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

McNamara is understood to have already discussed his proposal with some officials from various countries, such as Secretary of State Henry Kissinger and Gamani Correa, chairman of UNCTAD (United Nations Conference on Trade and Development).

As envisaged by McNamara, the commission would have a mandate that is broader than that of any other single organization or institution.

World Bank

News Service of the Department of Information and Public Affairs

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The poor

Broker Brandt?

Willy Brandt as broker between rich and poor? That is an idea being floated by Mr Robert McNamara, the president of the World Bank, in response to the deadlock in nearly all the established meeting-places of the developed and less-developed countries. The north-south talks wait on President Carter; Unctad meetings move at glacial speed with glacial cordiality; other UN forums fare no better. Yet, according to the World Bank, real economic growth among the poor countries has stagnated since 1971, debts have burgeoned and even cats and dogs in America today have a better standard of nutrition than tens of millions of children in the developing world.

Mr McNamara wants to get away from discussion of details. He wants an understanding between rich and poor on the nature and size of the task of bringing development to the third world; the action needed; the relative responsibilities of all concerned for taking such action; and the costs and benefits to each of doing so. And he thinks the best way of reaching this understanding is to set up a high-level, but unofficial, commission under someone with the stature of Mr Brandt, the former West German chancellor. Its members would not be national representatives and its (modest) expenses would be shared not just by governments but by private and international institutions. The idea would be to break the present impasse by identifying the political decisions that would win support in rich and poor countries alike. If there are any.

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- ☐ THE TIMES
☐ THE FINANCIAL TIMES
☐ THE GUARDIAN
☒ The Times of India (Bombay)

McNamara wants aid talks to be resumed

By M. V. KAMATH

WASHINGTON, January 15.

MR. Robert McNamara, president of the World Bank, today called for the creation of a high-level private commission to move stalled negotiations forward between rich and poor nations.

Mr. McNamara's call is a reflection of the frustration experienced by thinking people all over the world at the recalcitrance of the rich and powerful nations to meet developing

countries half way in their quest for fair terms of trade and transfer of resources.

Moved by the continuing unwillingness of the rich western nations to demonstrate in meaningful terms some concern for the poor, Mr. McNamara has suggested a "private, high-level, independent group" to command public and legislative support in rich and poor countries alike, to break out of the current impasse.

Mr. McNamara made his suggestion in an address to the world affairs council in Boston, where he received the council's Christian A. Herter memorial award.

Mr. McNamara suggested the name of the former West German chancellor, Mr. Willy Brandt, to head the private commission and to whip up support for what is considered a most worthy cause.

The presumption is that Mr. Brandt has expressed his willingness to accept Mr. McNamara's proposition and is ready to name members of the commission with influence in their respective countries.

Mr. McNamara is understood to have received assurances of support from the Netherlands minister, Mr. Pronk, and Mr. David Hopper, president of Canada's international development research centre, that they would be willing to consider participation in the financing of the commission.

It would be the commission's task to supplement on a non-official basis the work of bringing various nations, with conflicting views, to a better understanding of the sufferings and needs of the poor nations.

Mr. McNamara told the world affairs council that "even dogs and cats in America today have a better standard of nutrition than tens of millions of children in the developing nations".

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| <input type="checkbox"/> THE JOURNAL OF COMMERCE | <input checked="" type="checkbox"/> Business Recorder (Karachi) |

RICH-POOR STATES ECONOMIC TIES

McNamara suggests private commission to break impasse

UNITED NATIONS, Jan. 15: World Bank President Robert S. McNamara today called for the creation of a new private commission to help break the current impasse in the economic relationships between the rich and poor nations. He proposed that the new group be headed by former West German Chancellor Willy Brandt.

Speaking at the World Affairs Council in Boston, Massachusetts, where he received the Council's Christian A. Herter Memorial Award, McNamara pointed out that after more than a year of intense debate in various international forums, there still was no substantial agreement between the developed and the developing nations on what should be done next.

What was essential, the World Bank President emphasized, was to determine:

--The overall volume of additional financial and trade support that the developed nations should supply.

-- The additional policy reforms and structural changes the developing nations should undertake.

-- And how these two mutual efforts can be more effectively applied to meeting the needs of the two billion people in the developing world.

It was the recognition of this need, he noted, that had led in September 1975 to the seventh special session of the General Assembly to the meeting of the United Nations Conference on Trade and Development last spring in Nairobi, and to the North-South dialogue which has been meeting in Paris for more than a year.

So far no basic understanding between the parties has emerged. Broadening the analysis he had outlined at the World Bank's annual meeting in Manila last fall, McNamara reiterated the critical importance of achieving a meeting of minds between the contending groups.

In view of the continuing impasse at official levels, McNamara said, the chances of reaching such an understanding could be improved if a high level, but deliberately unofficial, commission were organized to analyse the problem, and to recommend action to be taken by both developed and developing nations.

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

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

The funding required for such a commission would be modest, McNamara noted, and in order to ensure the commission's independence, the cost could be shared by a number of governments, international institutions and private foundations.

PAK WELCOME

Pakistan described McNamara's proposal for a new commission to break the current impasse in the economic relationship between the rich and poor nations as "interesting one" that needed to be studied carefully.

Asked for comments, ambassador Iqbal A. Akhund said: "We all know McNamara's great personal concern in the matter of international economic development and what he has been doing to try and arouse the conscience of mankind against poverty and injustice prevailing in the world. His statement this afternoon reflects these concerns and sentiments".—APP.

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- ☐ THE TIMES
☐ THE FINANCIAL TIMES
☐ THE GUARDIAN
☒ The Hindu (Madras)

New Economic Order: McNamara's Call

From Easwar Sagar

WASHINGTON, Jan. 15.

President-elect Jimmy Carter's aides do not seem to be overly enthusiastic about World Bank President Robert McNamara's call made in Boston yesterday, for a new private commission, headed by a prestigious figure like Mr. Willy Brandt of West Germany, to help bridge the gap between the rich and poor nations and bring about a more equitable world economic order.

While acknowledging that such a north-south dialogue should be undertaken without delay, and admitting that all recent efforts in that direction—under the auspices of the UN in New York, at the UNCTAD meet in Nairobi and more recently in Paris—have remained stalled, Carter officials say that it will take a few months before the hoped-for talks can be resumed in earnest. To ensure success, they want time to formulate a fresh approach and arm themselves with support from Congress as well as other indus-

trial nations before embarking on a new round of discussions.

One of the Carter officials dealing with international economic problems is quoted as saying, "We are hoping the poor nations won't rush us. Maybe, this McNamara thing will buy a little time. Otherwise, I don't think it is worth much."

Other observers recall how a previous commission, also established on Mr. McNamara's initiative, and whose terms of reference were more or less similar to those of the one now proposed—formulation of proposals aimed at stimulating international co-operation for development—had not produced the results that had been hoped for. That commission too was headed by a world renowned figure, the late Sir Lester Pearson of Canada, but even its modest proposals regarding official developmental assistance, trade policies to stimulate development, debt relief and private resource transfers have remained unimplemented even though eight years have passed since the recommendations were made. The Pearson

Commission had suggested that by the target date of 1975 the developed countries should increase their official developmental assistance to at least 0.7 per cent of their GNP. But in 1975, ODA from the rich countries amounted to only 0.36 per cent of the GNP, and in the case of the United States, it was even lower at 0.27 per cent of the GNP.

Samachar reports from New Delhi:

Mr. McNamara's call for the creation of a new private commission to help break the current impasse in the economic relationship between the rich and poor nations came in a speech at the World Affairs Council in Boston. A copy of the speech was made available in New Delhi. Mr. McNamara pointed out that after more than a year of intense debate in various international forums, there still was no substantial agreement between the developed and developing nations on what should be done next.

What was essential, Mr. McNamara said, was to determine the

overall volume of additional financial and trade support that the developed nations should supply, the additional policy reforms and structural changes the developing nations should undertake and how these two mutual efforts could be more effectively applied to meeting the needs of the two billion people in the developing world.

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- ☐ THE WASHINGTON POST
- ☐ THE WALL STREET JOURNAL
- ☐ THE JOURNAL OF COMMERCE

- ☐ THE TIMES
- ☐ THE FINANCIAL TIMES
- ☐ THE GUARDIAN
- ☒ The Globe and Mail (Toronto)

World Bank chief urges rich-poor talks

World Bank president Robert S. McNamara has called for creation of a new high-level private commission to help break the current impasse in economic relations between the world's rich and poor nations.

Mr. McNamara proposed

that former West German Chancellor Willy Brandt be named chairman of the panel.

Speaking at the World Affairs Council in Boston, Mr. McNamara said that after more than a year of intense debate in various international meetings there is still no

substantial agreement among the industrial nations and the developing countries on what should be done to ease financial, trade and other problems, of the developing countries of Latin America, Asia and Africa.

Members of the commission, he said, should come

from both industrial nations and developing countries.

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☐ THE FINANCIAL TIMES
☐ THE GUARDIAN
☒ Ottawa Journal

Improve economic ties with poor—McNamara

BOSTON (Reuter) — World Bank president Robert McNamara has called for the creation of a high-level private commission to analyse problems involved in improving economic relations between rich and poor countries.

Speaking before the World Affairs Council in Boston Friday, McNamara suggested the commission be headed by someone with practical political experience and stature, such as former West German chancellor Willy Brandt. He also suggested the commission be partially funded by Canada.

In Bonn, a spokesman for Brandt said the former chancellor is prepared to take up McNamara's suggestion.

"Mr. Willy Brandt has noted Mr. McNamara's



WILLY BRANDT
prepared to lead again

initiative attentively, the spokesman said. "The SPD (Social Democratic Party) and its chairman (Brandt) are ready to do all in their power to contribute to it."

At the United Nations, Secretary-General Kurt

Waldheim welcomed McNamara's proposal.

Waldheim attached "the greatest importance and priority to ongoing processes of deliberation and negotiation in various forums toward the establishment of the new international economic order" called for by the UN General Assembly.

The secretary-general discussed the matter with McNamara last Monday and said he believes the projected commission could make a valuable contribution to UN efforts to restructure world economic relations. The membership and mandate of the commission have yet to be determined.

McNamara noted in his speech that there has been little progress in resolving basic issues such as the level of additional assistance to be provided to developing countries at the so-called North-South talks that has been going on for more than a year in Paris.

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

What is needed, he said, is a basic understanding among the North-South parties, who represent both developed and developing countries, on various issues.

These include the nature and magnitude of the problem, action required to address it, the relative responsibilities of everyone involved, and the costs and benefits of doing so.

Once broad agreement was reached on such issues, it would be easier to agree on specific measures, McNamara argued.

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Americans blamed

World talks go into hibernation

PARIS (Reuter) — The so-called North-South "dialogue" between rich and poor countries has been in hibernation since November and shows no signs of an early awakening, officials close to the negotiations said Friday.

They were commenting on a suggestion by World Bank President Robert McNamara in Boston that a high-level private commission, possibly headed by former West German chancellor Willy Brandt, should be created to break the impasse.

The negotiations, officially called the Conference on International Economic Cooperation, began a year ago with the 27 delegations optimistic about success.

But as the year grew longer and tempers shorter, prospects for reaching meaningful agreement on any of the dialogue's four main subjects — energy, raw materials, aid and finance — faded.

The industrialized countries had no choice but to

postpone until this year the ministerial meeting which was to have climaxed almost a year of complex bargaining last Dec. 15.

Officials closely associated with the talks now expect the ministerial session to be held either late in March or early April, but added: "It all depends on the Americans."

The inability of the U.S. delegation to make a meaningful contribution to the negotiations in the run-up to, and then after, the American presidential election last November, is seen here as the main reason for the lack of progress.

The other major industrial participants, including Canada, Japan and the European Common Market, are unwilling to take the initiative and make concessions to the developing side, which includes all the major oil exporter countries and poorer states from Africa, Asia and South America.

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- ☐ THE TIMES
☐ THE FINANCIAL TIMES
☐ THE GUARDIAN

☒ *The Christian Science Monitor*

McNamara seeks to better lot of southern nations

By David R. Francis

Boston

In the United States there is a booming market for diet foods for chubby pets.

In the poorer nations, many youngsters suffer from hunger.

Comments Robert S. McNamara, president of the World Bank: "Even dogs and cats in America today have a better

Economic scene

standard of nutrition than tens of millions of children in the developing nations."

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

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

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

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

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

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

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

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

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

These necessary elements include:

- The overall volume of additional financial and trade support that the developed nations should supply the poor countries.

- The additional policy reforms and structural changes the developing nations should undertake.

- How these two mutual efforts can be more effectively applied to meeting the needs of the 2 billion people in the developing world.

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

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

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

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

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

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

World Bank

News Service of the Department of Information and Public Affairs

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- ☐ THE TIMES
- ☐ THE FINANCIAL TIMES
- ☐ THE GUARDIAN
- ☒ **THE C. S. MONITOR**

To the rescue of world's poor

Dialogue with the third world goes on in many forums but these are largely governmental. This is why we see decided merit in Robert McNamara's proposed creation of a commission of eminent private citizens to try to resolve the impasse between the world's rich and poor nations. It will be in effect a kind of "mini-think tank" on third-world problems.

The World Bank president wisely intends to keep the group small. It will be made up of about 10 persons, five from developed countries and five from developing nations. Willy Brandt, former West German chancellor, reportedly has agreed to be the chairman. If the other members are of similarly high competence, the commission will have considerable stature.

While the group will have no authority to act, it could prove to be helpful. Not shackled by any links with government, it will have independence of judgment and hence greater credibility. Its purpose is to pinpoint how much aid and trade the rich countries must supply the poor, the reforms which developing coun-

tries must undertake in order to improve their own economic structures, and how these mutual efforts can work together to break the chain of poverty in the world.

From the perspective of the third world, this is perhaps seen as just one more "talking" group. What the poor nations now want is action. The official North-South dialogue has in fact been in suspension awaiting the Carter administration and presidential decisions on a whole range of complex issues, such as debt rescheduling, commodity agreements, trade, investment, and transfer of technology. It is expected the new President will be sympathetic to third-world needs.

Clearly the United States and other governments will have to move quickly to resume the dialogue. But it is doubtful such complicated problems can be speedily resolved. The process of fighting poverty will be a long, ongoing one. In the meantime, the McNamara commission's nonpartisan assessment could contribute substantially to fostering an atmosphere of co-operation rather than confrontation.

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World Bank

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World Bank Chief Proposes New Group to Aid LDC Talks

Journal of Commerce Staff
WASHINGTON — World Bank President Robert S. McNamara has proposed that yet another body be created to analyze problems and recommend actions to be taken between the industrial nations and the less developed countries.

In a speech prepared for delivery at Boston last Friday the World Bank president took note of the continuing impasse at official levels over what should be done between the two groups of nations.

But, "the chances of reaching such an understanding could be improved if a high-level, but deliberately unofficial, commission were organized to analyze the problem, and to recommend action to be taken by both developed and developing nations," Mr. McNamara opined.

He suggested that Willy Brandt, former chancellor of the Federal Republic of Germany, be chairman of the unofficial group. Mr. Brandt's credentials for the job are uncertain. According to correspondents here for German newspapers, he never has shown much interest in promoting aid to the less developed countries.

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

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EXCERPT FROM:

THE AMERICAN UNIVERSITY

Agency for International Development

"OVERSEAS MISSION"—public affairs-educational radio program featuring a spontaneous and unrehearsed interview with a senior official whose job is concerned with the developing nations of the world . . . presented by public radio station WAMU-FM of The American University, Wash., D.C. in cooperation with the Agency for International Development.

FOR IMMEDIATE RELEASE

OVERSEAS MISSION -- RADIO - TELEVISION PROGRAM TRANSCRIPT

Program guest: Ted Van Dyk, AID Assistant Administrator,
Intragovernmental-International Affairs

Reporters: Carl Kasell, National Public Radio; Frank
Vogl, Washington bureau of The London Times;
and Leonard Curry, Washington bureau of United
Press International. Program host for AID is
Michael J. Marlow.

VOGL: Can I follow up rather specifically on just that point. In January of this year President McNamara of the World Bank proposed a new commission of elder statesmen, as it were, to really generate that political will that you were just talking about. That has now gone forward. Herr Brandt, the former West German Chancellor, has now told people confidentially that he's willing to set it up. A secretariat is going to be formed in Geneva. The whole thing should be off and running by perhaps October of this year. The Canadians are very favorable towards the idea. So are the Dutch, in particular. But what one hears, at least in Washington, is that the Administration is very lukewarm on the idea; in fact, rather disinterested.

Now, how does that match just the comment you were making about the U.S. leadership and political will?

MARLOW: Do you want to give us a temperature reading?

VAN DYK: I would say that the greatest disservice we could do to the Brandt Commission would be to put a "Made in the U.S.A." label on it.

No. We look with favor on the Brandt Commission. As I understand it, as of this time, the final constitution of the commission is uncertain, the final membership of it is uncertain, although it does appear that it will go forward. Surely we'll cooperate with the Brandt Commission.

One of the things that we think it can do, and which Mr. Brandt has indicated he wants to do, is to not talk simply to the developed world about the need for greater resource transfer to the developing, but also to address many of the problems which need to be addressed vis-a-vis the developing countries: the need, for instance, for a better investment climate; the need for a reduction of rhetoric and an emphasis on development; the need, for instance, for a human-needs strategy, so that trickle-down programs are replaced by those which benefit the ordinary people in the developing world. And if the Brandt Commission is successful in doing that, I think it will have provided a great service to the world.

VOGL: Just a small follow-up. One can assume, on the basis of the answer you just gave, that the United States will be prepared to make a financial contribution to the establishment of that commission.

VAN DYK: We've not been asked. And we understand that the -- as of now, that the Brandt Commission will be entirely privately funded.

VOGL: By governments.

VAN DYK: No, not by governments, but by other means. There may be some government grants later, but the present plan is that the Brandt Commission be a group of private citizens; to the degree possible, privately funded. No request has been made for money to the United States.