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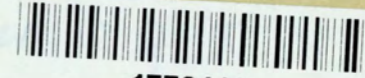
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McNamara Papers

Statements  
1977

THE WOODRUFF BROTHERS GROUP  
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Robert S. McNamara Statements / Speeches - Statements 10

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6. Message for SPD Wiesbaden Meeting - September 1, 1977  
  
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7. Airport Statements - West Africa  
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8. Christmas Message to the Staff - December 23, 1977

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9. Cairo: a) Arrival Statement      b) Press Statement - January 1978
10. Interview with Leonard Silk, New York Times - April 2, 1978
11. Remarks to Senate Breakfast, April 26, 1978  
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12. Press Conference at Istanbul Airport - April 13, 1978
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16. Remarks on Receiving Tun Abdul Razak Foundation International Award, Kuala Lumpur - June 10, 1978
17. Remarks at farewell dinner for Mr. Burke Knapp - June 21, 1978
18. Remarks for Norwegian TV
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The Moral Dimensions of Development

by

Robert S. McNamara

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Approved  
Craw

As 1977 gets underway, 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.

Even a superficial examination of our own century suggests that the trend is gathering momentum. The rise of the labor union movement, the drive against racial discrimination, the expansion of civil rights, the enhancement of the status of women -- these and similar movements have all had <sup>one</sup>an ingredient in common: the surge toward greater social justice and more reasonable economic opportunity.

The progress of these movements has not been uniform, and there have been setbacks and failures. But the overall thrust is undeniable.

And 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 one hundred developing countries served by the World Bank, nearly two-thirds are members of farm families, and that of these there are some 700 hundred million <sup>individuals</sup> whose annual incomes average less than \$200, what frame of reference are we to call on to make that fact meaningful?

To many in the affluent world, to be a farmer suggests a life of dignity and decency, free of the irritation and pollution of modern existence: a life close to nature and rich in satisfactions.

That may be what life on the land ought to be. But 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. He simply <sup>has not been able</sup> ~~cannot~~ afford to pay for the irrigation, the pesticide, the fertilizer -- or perhaps even for the land itself on which his title may be vulnerable and his tenancy uncertain.

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.

Let us be candid.

What these men want are jobs for their survival, food for their families, and a future for their children. They want the simple satisfaction of working toward something better: toward an end to misery, and a beginning of hope.

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.

The favelas, the bustees, the bidonvilles have become almost the central symbol of the poverty that pervades two-thirds of the globe. It is the image that is seared into the memory of every visitor.

But there is one thing worse than living in a slum or a squatter settlement -- and that is having one's slum or settlement bulldozed away by a government which has no shelter of any sort whatever to offer in its place. When that happens -- and it happens often -- there remains only the pavement itself, or some rocky hillside or parched plain, where the poor can once again begin to build out of packing crates and signboards and scraps of sheetmetal and cardboard a tiny hovel in which to house their families.

Squatter settlements by definition -- and by city ordinance -- are illegal. Even the word squatter itself is vaguely obscene, as if somehow being penniless, landless, and homeless were deliberate sins against the canons of proper etiquette. But it is not squatters that are obscene. It is the economic circumstances that make squatter settlements necessary that are obscene.

And 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% 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 ~~making~~ that effort.

*beginning to*



In the past decade, the poor nations have financed over 90% 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 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, ~~what~~ political leaders must ~~often~~ weigh ~~is~~ 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 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 U.S.

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

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

There are hopeful signs that that 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 tensions, 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 it all about -- any community: the community of the family, 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 truth is that 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.

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

Far less than most of us imagine. The ~~plain blunt~~ 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 miniscule 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% -- of their incremental and continually increasing <sup>present</sup> wealth.

It is true that the developed nations, understandably preoccupied with controlling inflation, and searching for structural solutions to their <sup>long-term</sup> liquidity 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 moral, ~~reasonable, or even~~ pragmatically sensible choice.

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Mr. McNamara's Remarks at Farewell Dinner for Bells and von Hoffmanns  
January 19, 1977

It is always sad to say goodbye to a close friend with whom one has been associated in a noble task, and doubly so to say goodbye to two.

But such an occasion is also a time to reflect on the results of that association.

~~This~~<sup>It</sup> is an extraordinary group *which has gathered here tonight.*

There are ten nationalities represented among you.

On average, you have served in the Bank fifteen years, including Ronnie's  
*(J. BURKE KNAPP)*  
30 and Burke's 27. And during that time you have built what a White House spokesman publicly acknowledged to be the leading development institution in the world. It is a tremendous achievement benefitting the lives of hundreds of millions of human beings.

*(ARON BROCHES)*

And it is to that achievement that Bernie and Las have each contributed so much.

I doubt that even today Indira Gandhi is prepared to acknowledge the merit of the Bell Report (she continues to complain about it in particular and economists in general each time I see her). But the Report did shape the views of most of the leaders of the Indian economy, *and* no other westerners are as beloved and respected by the Indonesians, from President Suharto on down, as Bernie and Jackie *(MRS. BELL)*. No foreigner has had as great an impact on the Indonesian economy and political scene as Bernie.

As for Las, he has done more to make IFC what it is today than any other person. When he arrived 16 years ago, it was still in its infancy, being associated with ventures involving the investment of \$25 or \$30 million per year. Last year its projects had a total cost of over \$1 billion. And more importantly, Las almost singlehandedly has laid the foundation for IFC's future growth by obtaining approval of a four-fold increase in its capital.

Kipling ends one of his poems with the line: "After me cometh a builder. Tell him I too have known." In our youth it is probable that each of us believed as I did that there were solutions to problems. Now we know that solving a problem is like climbing a mountain. One only obtains a closer view of the distant peaks.

The Bank has not solved the problem of development. If we are truthful to ourselves, we must say as Kipling did: "After me cometh a builder. I too have known." But Bernie and Las, when they leave, can take with them the knowledge that their contribution to advancing the welfare of the two billion people in the developing countries is a permanent one. Few men can say as much and few would wish for more.

I ask you all to join me in a toast to Bernie and Jackie and Las and Beatrix. May the years ahead bring them good health and long life and much happiness, and may they return to us often.



PETER JAY (ITV) INTERVIEWS MR. McNAMARA AT CBS, WASHINGTON D.C.

JANUARY 29, 1977

PJ : Mr. McNamara, perhaps we could start by trying to define the strategic objective of this dialogue, these discussions between the North and South, between the rich and the poor countries. People speak of a new world economic order and by that they seem to imply something that's going to replace or at least substantially modify the so-called world economic order that was established following 1945, after the Second World War, which was embodied in institutions like the IMF, and the GATT, and the World Bank of which you are the President. Could you describe for me what kind of a new world economic order you have in your mind which would satisfy both the political conditions of being acceptable more or less to rich and poor countries and also the economic condition of being workable and conducive to economic growth and development.

RSM : I think the answer is, no, I can't describe such an order. I can't see that far ahead and I can't see that clearly -- the relationships that will exist among nations ten, twenty, thirty years from now, the end of the century. What I can tell you is that I believe there is one powerful force that is going to shape the character of that order, both internally within nations, and as between nations, and I think that is the increasing recognition that equality of opportunity among men within nations and between nations is becoming an overriding concern of our time and I think that single idea, which of course is not new -- it's been advancing for decades -- but I think in the last three to five years it's come to the forefront as a powerful force affecting political and economic change, stimulating



political and economic change within nations and among nations. I think that single idea will be of overwhelming importance in shaping that new order.

PJ : Well that defines the kind of demand that's going to be made on the world economy and by the peoples of the world and their ideas, but it doesn't explain how it's going to be satisfied. Now in terms of economic mechanics, is it not the case that there is a very fundamental choice here to be made between designing the world economy on the basis fundamentally of the ideas of market forces of liberal economics, a form of laissez-faire on the one hand and on the other hand the system of planning, international planning, and planning at the national level and that there is a very deep ideological conflict between these two which is going to make it, on the face of it, extremely hard to persuade all parties to come to an agreement about what this new world economic order should be like.

RSM : Well I don't think all parties are going to come to an agreement on either a market system or a planned, centrally planned economic system and I think both can be encompassed within this philosophic objective I mentioned in equality of opportunity among men. I think that objective equality of opportunity among men is going to cause economic and political change within nations, shifting the emphasis towards strategies of economic advance that will put greater emphasis on equity as opposed simply to growth or the trickle down theory of growth, and as between nations I think it'll cause an increasing examination of the relationships between rich and poor countries causing much greater attention to be paid to the poor, and I believe that that's true, regardless of whether the nations themselves

or the relationships between nations are dominated by market considerations or centrally planned considerations.

PJ : Well, could we look, Mr. McNamara, at the problems there are going to be of persuading first the rich and then the poor countries to come to some kind of an agreement. There are those, in some of the rich countries who say; "Why should we bother about the poor countries at all -- they haven't got the military capacity to force us to, they haven't got the economic capacity to put any kind of blackmail on us -- why don't we let them just 'stew in their own juice'--" -- what's your answer to that?

RSM : It's a hard question and I don't mean to say by the answer I'm going to give that it is completely persuasive to all of those who dispute the necessity for changing the relationships among nations. Although I must say in passing that I've never had a person who opposed changing these relationships, increasing the assistance, if you will, whether it be aid or trade from rich to poor nations, whom I couldn't convince in a face to face conversation. But to come back to your question -- what are the reasons why the so-called rich nations, the OECD nations, should provide greater assistance in whatever form it might be provided to the developing world, and I think basically these considerations fall into two groups, the first considerations relating the basic morality of it. Throughout human history, man has recognized that the rich and the powerful do have an obligation to the poor and the weak, and I think that is the fundamental moral consideration. But there are many who put that aside; many of my own associates say to me that's not a persuasive argument -- it is to me but it apparently may not be to some. And for

those I would say, look at it in much narrower parochial terms, look at it in national terms. The world is becoming interdependent; yesterday interdependence was a word, today it's a fact, and I think tomorrow it's going to shape our future, and I don't believe that any nation, whether it be rich or poor, can maximise its rate of advance, maximise its level of national well being, economic and political, unless it takes account of its relationships with other nations and whether that be in the form of trade or political relationship, or whatever it may be; we've had some extraordinary examples of that in the last three years -- you may remember that three years ago the United States sold 20 million tons of grain to the Soviets. At that time that was looked upon as a purely national domestic matter -- it was going to benefit the farmers in the US and therefore it was good. What was the effect of it? The effect was to, by the price system, transfer scarce resources, cereal grains, from people particularly in the developing countries to cows in the Soviet Union, and what was the impact on the US? -- it didn't just benefit the US farmers -- it caused people to die in Calcutta and bread prices to rise in Chicago. It's that kind of a world we live in and we've got to look at the impact of our national actions in the rich countries on the relationships with the poor. There's no question in my mind that what, in terms of raw material resources, they are the source of one-third of the resources, the raw materials coming into the US, they do import \$15 billion a year of exports of the US -- that trade can quintuple in real terms in the next twenty or twenty-five years with the proper assistance from the OECD nations. In all these ways, the national economies of the rich will benefit from increased attention to the poor.

PJ : There are other sceptics in the rich countries who don't make the argument that I just referred to that we shouldn't bother, but they make the argument that it isn't really true that development is about rich helping the poor or it's about taxing the poor in the rich countries to benefit the rich in the poor countries, and that therefore the moral argument and indeed the self-interest argument is really a thought. What's your answer to that?

RSM : They're seeking to excuse their own unwillingness to provide additional assistance in my opinion. It is true and I want to emphasize this, that the primary responsibility for stimulating the economies, advancing the welfare, of the people in the developing countries, lies with the governments of those countries, that I strongly agree with. It is not true that outside assistance is not required to reach optimal levels of advance and it's not true that that outside assistance has not been beneficial, and it is not true that the combination of the internal direction, political decisions, with outside assistance has not brought advance. Let me just mention one illustration -- India, an extraordinary nation; six hundred million people of diverse languages, diverse cultures, it's amazing it hangs together. But it has advanced -- rarely do we credit it with that but it has advanced -- in the last twenty-five years, the percent of literates in that society has doubled and I don't know any more fundamental measure of human advance than increasing life expectancy and the life expectancy in India has increased perhaps forty or fifty percent in twenty-five years; these are measures of development -- they are the result of actions taken by that government and they certainly could not have occurred without the external assistance provided by the rich nations.

PJ : In your Boston speech this month you said that all you were asking the rich countries to do was to divert a small part of the annual increase in their standards of living to help the poor countries. Now there are, as you know, a lot of people who argue that we've come to the era, the end of the era of rapid economic and industrial growth in the industrial countries and that if there is to be any redistribution from rich to poor then it's got to be at the expense of an absolute cut however small in the living standards in the rich countries and that that isn't politically realistic. What is your answer to that?

RSM : Well I don't belong to the no-growth school. I do believe that in the rich countries we're wasting a significant percentage of our resources. I do believe that we could achieve the same level of economic well being as we have today at a lesser expenditure of scarce resources but I don't believe that we can either deal with the problems of our own societies in our urban areas and among our own poor, without growth, and I certainly don't believe that we can deal with the world's problems without growth. Now let me just give you one illustration of that in fundamental terms -- there is no way for the two billion people in the one hundred developing countries that we in the World Bank assist -- there is no way for those two billion people to feed themselves in the next ten or twenty years. Now in the longer term there's no way for them to be fed without them producing more but in the short term it's impossible to so rapidly expand their agricultural output as to ensure that they are fed without imports of grain from the grain surplus countries -- the United States, Canada, Australia, among others, and these countries -- the US,

Canada, and Australia -- must continue to expand their grain production if millions of people are not to die. There must be growth -- there is no way to deal with the world's problems without growth, and what I have suggested is that it is unlikely that the peoples of the West and Japan would be willing to sacrifice their present standard of living, no matter what the moral considerations are, to advance the welfare of the developing countries. But that isn't what I'm suggesting; what I'm suggesting is that, out of this increment of growth, which I consider essential, and which I am sure is going to occur in the years ahead, that out of that increment of growth they divert a tiny percentage, maybe two or three percent of that, to assisting developing countries to help themselves.

PJ : So you would argue that by this process of helping the poor countries everybody, including the people in the rich countries, in the medium/ longer term can be better off -- it's not a question of what I lose, what you gain I lose.

RSM : Not at all. It is what I call a plus some game and lest that be an esoteric term that isn't well understood, let me simply say I mean by that what you said -- there are actions that can be taken that will benefit both parties -- it'll benefit the OECD nations and the developing countries and because many are sceptical of that let me point to a good illustration, to martial plan -- I'm not suggesting a martial plan twenty-five years ...

PJ : That was American aid to Europe .....

RSM : ... it was American aid to Europe, exactly. It started in 1950/51 in that period and this was a tremendous transfer of resources from, oof real resources, from the US to Western Europe, and what was the effect? In the short run it was a cost to the US, a sacrifice to the US, but look at it today -- both parties are benefiting -- surely Western Europe is benefiting and surely the US has -- Western Europe has a tremendous market for US goods and a tremendous source of US imports and the comparative advantage that trade is playing for both parties and both have benefited and it's that, what I call plus some game, that can be developed by changes in relationships economic and political between the developing countries and the OECD.

PJ : Mr. McNamara, could we then turn our attention to the question of how we persuade the poor countries, the developing countries to accept some kind of compromise in the design of this new world economic order. There are, as you know all too well, a lot of people in the developing countries who regard more or less any proposals that come from the West, whether from Washington or from Paris, from the OECD, or even from the World Bank under your Presidency, essentially as a form of neo-colonialism, neo-imperialism, this is certain interest trying to spread capitalism as a political and economic system throughout the world, and argue that the poor countries should not be bribed by this method to accept anything of this kind whatever. Do you see that as a major problem standing in the way of a new settlement?

RSM : Well I do believe that the actions that need to be taken in the developing countries are very difficult actions and I don't believe that they can

be induced or stimulated by changes in the relationships between the developed and developing world, but I do believe that there are actions that can be assisted by change in these relationships. The actions that need to be taken are actions that are very difficult in the developing countries. There needs to be a shift in the power structure if you will, both economic and political power. What is required is not welfare program to take care of their poor, it's not a redistribution of wealth or income in the narrow sense of the word, but rather actions that will introduce changes in the economic strategies that will assure greater participation of all of their peoples, particularly their poor peoples in the benefits of growth, and that means structural change. It means shifting the distribution of social services for example. There are tremendous discriminations in all nations but particularly in developing nations between urban and rural areas, between rich and poor, between male and female, just to take an illustration, in many of these developing countries, the percentage of females in primary schools is perhaps no more than twenty-five percent of the percent of males and this is simply one illustration of it. The societies must be restructured over time in such a way that the low productivity elements of those societies will increase their productivity and this means greater equity in the distribution of social services, it means greater application of capital to the use of the low productivity poor, particularly the rural areas, the small farmers and particularly the urban areas -- all of this implies change which must be directed and initiated by the governments of those countries and I don't believe that that change will come about as quid pro quo for assistance from the West but I do believe that that assistance from the West will facilitate change.



PJ : Mr. McNamara, there's going to be two problems here, I mean one is that willy-nilly one, somebody is going to be asking poor countries radically to change their internal policies, perhaps the political and social fabric of their societies in ways which will be bound to benefit some people and to push other people way down the wealth and power scale which would, in a world of independent nation states, normally be regarded as interference in the internal affairs of other countries, and secondly, what you're talking about is a very highly egalitarian policy, now is it really the case that all of the donor countries, including the United States, really wish to, if not to impose, even to encourage that kind of a development in the poorer countries.

RSM : Well certainly the donor countries don't wish to impose and if they did they couldn't impose the kinds of structural change that I'm talking about as being required in the developing countries but I do believe that the developing countries want to make these changes and it's very interesting their attitude toward it. I think it's changing -- when I spoke to the governors in the World Bank and the International Monetary Fund who are the finance ministers/of the developing world -- when I spoke to them in Manila three or four months ago, one of my major themes was the need for this kind of structural change in the developing societies and I found very little resistance in principal to that among the finance ministers from those developing countries. Now they all recognize the difficulty, they all recognize time required to make these changes, but in principal they accepted. Nor did I find any serious opposition from the

developed countries. So I think the world is coming to understand that these changes must be made -- it's a long way from understanding that to making them, but the understanding is the first step toward making them and that has occurred.

PJ : Can I bring you now then to the particular suggestion you made in your Boston speech that there should be a high-level independent commission of eminent men not representing their governments but just representing themselves to try and break the deadlock which appears to have developed in the North/South talks in Paris. Why did you put this forward at this particular moment?

RSM : Well, to go back to the point I made earlier that I believe the drive for equality of opportunity among men both within nations and among nations is becoming a major concern of our time and that as far as relationships among nations are concerned it is drawing attention to the increasing disparities between rich and poor nations and to the failure to deal with those disparities, either by governments within the developing countries or by actions from the OECD nations. That concern which, as I suggested, has become increasingly widespread in the last three or five years, led to the pressure for the seventh special session of the United Nations which took place in New York, you may remember a year ago last September -- it led also to the pressure for the meeting of the United Nations Committee on Trade and Development, the UNCTAD, which took place in Nairobi last May. It was a concern which I believe underlaid President Giscard d'Estaing's proposal that the north and the south, the

developing and the developed countries, meet in Paris, the so-called CIEC meetings. All of this has generated intense debate, sometimes contentious debate, from which no solutions have become apparent. I hope and I believe that the North/South dialogue will continue to move toward a successful conclusion within the next several months certainly before the end of this year, probably by mid-year. But there will remain after that, a need for continuing exploration of these basic changes, these basic elements of the problem I suggested and it was to deal with that longer run set of issues that I suggested what I called the 'Brandt Commission' simply because it occurred to me that it should be made up of experienced political and economic leaders, chaired by one of them, a man such as Ex-Chancellor Brandt of the Federal Republic and they should examine the problem in its broadest context -- they should consider the nature and magnitude of it, the actions necessary to overcome it, the responsibilities of the parties for carrying it out, the costs and benefits to each to do so.

PJ : I wonder how you assess the reactions to your idea -- I see that one of the co-chairmen of the Paris talks, that's the President of Venezuela who, in a sense, represents the developing countries in the North/South access, said a few days ago that he had had misgivings about your idea of establishing a commission of important persons without governmental responsibility. It is considered he said, premature to start setting up a private mechanism such as the one proposed, before ending the North/South dialogue between governments.

RSM : Yes, that was Mr. Perez Guerrero who is the co-chairman for the developing countries of the CIEC, the North/South dialogue in Paris, and he did have misgivings. I've talked to him several times since he made that statement

and I think those misgivings have been allayed and overcome. He was concerned that the organization and activities of the Brandt commission might in some way weaken the North/South dialogue, delay the successful conclusion of it, which of course is not my objective at all -- I'm tremendously concerned to see that dialogue come to a successful conclusion and soon, and I don't anticipate that the Brandt commission would in any way adversely affect it -- if I did I wouldn't have suggested it. And I think he quite understands that now and agrees that the organization of the Brandt commission and its activities would not adversely affect the dialogue, as a matter of fact, he suggested that so long as its work would not begin until about June 1, he sees much to be gained by it. Now, you ask the reactions of others -- the Secretary General of the United Nations, Secretary General Waldheim, has expressed strong support as has Henry Kissinger, the former Secretary of State of the United Nations, President Nyerere of Tanzania, Senator Hubert Humphrey, just to name a few. I think there is more and more understanding of how complex this problem is and how important it is to have some individuals not constrained by government responsibilities and stand back/from the point of view of their wisdom and experience, examine it, and make suggestions to the world.

PJ : Perhaps one of the most important reactions is going to be that of President Carter's new administration here in Washington and I see in reports in the local newspapers here that, some of his new advisors seem to have reacted rather sceptically to your proposals and suggested that it might perhaps be useful as a delaying tactic but that they didn't see how it was going to help break the deadlock.

RSM : Now I haven't heard that from any of his advisors and I've talked to several of them -- let me say first that I think they have expressed already -- President Carter, Secretaries Lance and Blumenthal, Secretary of State and Secretary of the Treasury, and Mr. Brozinski, the National Security Advisor, all of them have expressed a desire to see the US play a more positive role in assisting the developing countries and I think therefore it's very consistent that they should recognize the way in which the Brandt commission can advance the world's understanding of what needs to be done in the interest of both parties -- if it's an interdependent world, whatever is done must be in the long term interest of both parties. That would be one of the objectives of the Brandt commission to do, to identify actions that would meet that standard and in my conversations with the members of the Carter administration, although we haven't had any detailed discussion of the Brandt commission, I found no opposition whatsoever to it.

PJ: : You make the point in your Boston speech, Mr. McNamara, that one of the things that may have gone wrong in the North/South talks is that they've concentrated too much on detail and not devoted themselves enough to the fundamental question of how much resources need to be transferred from the richer countries to the poor and how much are the rich actually willing to transfer. Do you see that as one possible change of emphasis in the balance of the talks which the Brandt commission might help to bring about?

RSM : Yes, I think so far, if you examine the record of the special session or the UNCTAD meeting in Nairobi, or the North/South dialogue to date, you'll find it just full of contrary positions on, I was going to say in

....., I don't wish to discredit the discussion by that degree, but contrary positions on what I would consider details and absolutely no agreement on the basic elements of the problem. The responsibilities of the parties, both the developing countries and the developed countries are dealing with that problem, and until that basic understanding, a global compact, if you want to call it that, until that basic understanding is formulated, discussed and if not written down in the form of a treaty, at least introduced into the minds of the negotiators, until that basic understanding develops, I think it's going to be very hard to obtain agreement on many, many of the details.

PJ : Well, finally, Mr. McNamara, if you were trying to prophesy how things could go, not necessarily will go but could go over the next year or so in these discussions, how, in your more optimistic moments, would you like to see them go, what would be the most important decisions that you would like to see reached between the rich and the poor?

RSM : Well, frankly, the most important advance that could take place would be an understanding, a true understanding of the meaning of interdependence: that they are both parts of this world, they're going to continue to be parts of the world, that each has a responsibility first to its own people but then to each other, to make that a better world and as far as the rich nations are concerned it's absolutely inconceivable to me that we want to leave to our children a world in which the rich exist as an island of affluents in a sea of poverty and that's the road down which we're travelling.

PJ : Mr. McNamara, thank you very much indeed.

RSM : Thank you Mr. Jay, it's been a great pleasure to be with you.





3/30/77

## Remarks Before Congressional Breakfast Audience

Equality of opportunity among men, both within nations and between nations, is, I believe, becoming a major concern of our time.

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

This broad thrust is growing more insistent today in all nations. It is searching for new solutions to the intolerable problems of poverty.

Now what are the dimensions of poverty in the developing world?

Let me begin with the situation of the poorest of the developing countries -- those countries in which the per capita incomes are below \$200. They are mostly in Asia and Africa: Bangladesh, India, Pakistan, Upper Volta, Niger, Mali, Chad, CAF, Tanzania, Somalia, etc. More than a billion people live in these countries. And their per capita incomes have virtually stagnated over the past decade. In statistical terms they have risen only about two dollars a year: from \$130 in 1965 to \$150 in 1975.

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

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

- . An infant mortality rate eight times higher than ours;
- . A life expectancy one-third lower;
- . An adult literacy rate 60% less;
- . A nutritional level, for one out of every two in the population, below the minimum acceptable standards; and for millions of infants, less protein than is sufficient to permit the optimum development of the brain.

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

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

Three years ago, in Nairobi, we outlined a strategy for beginning to deal with this problem. It focuses on the more than one hundred million small subsistence farmers, and their families. And what it proposes is not traditional welfare, but sound investment to assist them to become more productive.

I stated in Nairobi that our intention was to increase lending to agriculture by over 40% in real terms in the five-year period, FY74-78, as compared with the previous five years; and proposed to direct an increasing share of our total lending to programs which directly assist the small farmer to become more productive. Over the FY74-78 period, our target was that 70% of all our agricultural loans should contain a component for the smallholder.

There is every reason to believe that the goal we set at Nairobi will in fact be exceeded.

Total lending in the Bank to agriculture, in constant dollars on an annual basis, was more than twice as high in the last three years, FY74-76, as in the previous five. And, whereas only 27% of agricultural operations focused on the rural poor, 55% did so in the last 3 years.

In weighing the significance of these achievements it is important to consider what they mean in human terms. The operations approved in FY75 and FY76 are expected to benefit directly more than 30 million individuals.

Within the five years, 1975-79, we expect to finance projects which have as their objective substantially increasing the incomes -- generally by about 100% -- of 100 million of the poorest people in the developing countries.

But poverty pervades not only the countryside, but the urban centers of the developing world as well. There, the numbers of the poor are smaller -- about 200 million -- but the population growth within the cities guarantees that the problem will grow to mammoth proportions in the next two decades, if governments do not take appropriate measures to deal with it.

At the Bank's Annual Meeting, in the fall of 1975, we outlined plans to initiate a program for the cities comparable to that for the countryside. The profile of urban poverty differs considerably from that of the rural areas, and there is no simple analog to the small subsistence farmer and his family. But the central strategy remains the same: to help the poor become more productive.

What we are doing is expanding and redirecting our investment in the urban areas in order to insure that it results in increased earning opportunities.

Close to 50 new urbanization projects are planned for the next five years. These will include site and service projects, squatter settlement upgrading programs, small-scale enterprise financing, as well as projects to bring to the poor such productivity-related services as transportation and basic education.

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

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

The plight of the poorest nations can only be remedied by deliberate action, but that action must be taken at both the national and international levels.

The governments of the poorest nations have to redirect their own efforts so that they will both accelerate economic growth and reduce absolute poverty. A reasonable objective for them would be to meet the basic human needs of all their people by the end of the century. To do that they must begin by changing national investment priorities and by putting greater emphasis on assisting the poor to become more productive.

This will involve:

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

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

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

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

In particular, if poverty is to be reduced, then developed nations must squarely face the fact that current and projected levels of Official Development Assistance (ODA) for the poorest countries are disgracefully inadequate.

In 1975, ODA amounted to about .36% of the GNP of the industrialized nations -- one-half of the target set by the UN General Assembly five years before. Moreover, on the basis of present plans, not only is there no hope that the target can ever be reached, but there is a serious possibility that performance over the remaining years of the decade may erode even further.

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

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

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

These, then, are the elements of a program to accelerate economic growth and to reduce absolute poverty in the poorest nations.

We cannot yet say that there is a possibility of eradicating poverty on earth within our lifetimes. But we can say that progress is being made and that the rate of advance can be vastly accelerated by actions which are within the capabilities of both developed and developing countries. Now what is the situation in the developing countries with per capita incomes over \$200 per year -- the so-called middle-income developing countries -- the Brazils, Mexicos, Turkeys, and Koreas?

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

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

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

They do face, however, two serious problems.

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

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

result has been a severely skewed pattern of income distribution.

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

Though these countries do enjoy some distinct advantages over the poorest nations, the fact remains that collectively they, too, contain large numbers of individuals -- some 170 million -- trapped in absolute poverty -- a condition in which their basic human needs go unmet.

And in addition there are hundreds of millions of other individuals in what I have termed "relative poverty"; that is, persons with incomes somewhat above the absolute poverty level, but less than one-third of the national average. These individuals may feel even more frustrated than those in the poorest nations, since they live in an environment of visible economic growth. Their societies are progressing rapidly, but they are not.

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

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

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



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# Record Removal Notice

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(Delivered by Mr. William Clark)  
September 1, 1977

Message for SPD Wiesbaden Meeting

I am happy to send this message to your conference and am only sorry that my schedule does not permit me to be with you in person. You ask me what should be the contribution of the industrialised countries to World Development. That is a difficult question to answer candidly but let me begin with the easy part: a word of thanks to the Federal Republic of Germany for its contributions to the World Bank in the almost decade that I have been there.

It is not only contributions in money though investors in the Federal Republic of Germany have bought 10,506 million D.M. of World Bank bonds, the German capital market thus becoming the second largest lender of those funds with which the World Bank finances its development work; you have also increased your share of the funding of our soft loan arm, the International Development Association, from 10% in 1968 to 11% in 1977. These involve large transfers of resources from Germany to the Developing World, but you have also contributed greatly to the wise use of those resources. Within the World Bank several of our most senior and most capable advisors and managers are German citizens, and I can testify that I have received excellent advice, firm support and indeed friendship from German aid ministers such as Erhard Eppler, Egon Bahr and Marie Schlei.

And this year I have turned publicly for advice to a great citizen of Germany, of Europe, of the World - Willy Brandt. In January of this year I expressed the hope that Willy Brandt might give the world some leadership out of the maze in which the discussions between the

Industrialised North and the Developing South found themselves entrapped. I did so because I believed that only a statesman of his stature could, with some colleagues from both North and South, achieve a political overview that would reconcile the apparently conflicting needs and interests of the Rich World and the Poor World. I do not believe that the interests of the two worlds are in irreconcilable conflict; I do believe that there is a firm basis of mutual interest. But I am sure that it will take great political skill and patience to find a path through the minefields and concrete defences that have been built in the past few years of skirmishing negotiation. Yet I do believe that the political will does exist to produce a more equitable and balanced world economic order, if only that will can be mobilised and made effective. I know how hard Willy Brandt has been working to find a firm foundation on which to build, and I sincerely hope that he will soon be able to launch his Commission, and make a further contribution to world reconciliation.



Airport Arrival Statement

NIGERIA

64-68	180
69-73	327
74-78	359
75	173
76	0
77	67
78	49

I am delighted to be in Nigeria for my second visit since I became President of the World Bank, and am very grateful for the invitation extended by the Federal Military Government. I look forward to seeing more of this dynamic country, as well as to my discussions with your leaders and with others involved in economic development.

Since my last visit in 1970, I have followed closely the significant progress you have made in implementing your development plans. I am delighted that the World Bank has had the opportunity to be associated with your efforts, and am grateful for the strong support which you, in turn, have given the Bank.

The World Bank continues to see its relationship with Nigeria as one of partnership. The Bank and its affiliate, the International Development Association, have so far provided a cumulative total of \$856 million for a wide variety of development projects in this country. These projects have been in such sectors as education, transport, power, agriculture and rural development, and industry.

The pattern of assistance that the Bank has extended over the years reflects your country's changing needs, and our desire to respond to those needs. Thus, our deeper involvement in your agricultural plans in recent years reflects your Government's desire to spread the benefits of development more widely. Our assistance for agriculture and rural development in Nigeria, which started with a loan of \$7.2 million for a cocoa project in 1971, has risen to an annual average of \$63 million in the last four years.

Some of the rural development projects we have supported in Nigeria rank among the most important of those we have supported anywhere in the world.

We in the Bank are well aware of the fact that the assistance we have provided represents only a small fraction of the resources devoted to Nigeria's development, and that the overwhelming proportion of the resources have been mobilized by the Nigerian people themselves. We also are encouraged by your interest in regional cooperation with other West African countries.

As far as the World Bank is concerned, we are envisaging a major expansion of our lending in support of your country's development. World Bank lending to Africa has already increased markedly from \$800 million in 1964-68 to close to \$7,500 million in 1974-78. We plan to continue to increase our lending to Africa, and Nigeria should receive a substantial share of this increase.

I hope during my visit to see, at first hand, some of the impressive progress that has been made under the Third Development Programme. I look forward to learning how the World Bank might be able to contribute more effectively to the development aspirations of all your people. Equally importantly, I will seek your views on ways of making the World Bank a more effective institution in the global task of economic development.



Airport Arrival Statement

SENEGAL

My visit to Senegal is the final stage in my West African tour. I am happy to be here, my fourth visit, and to meet again with President Senghor.

Two years ago, in my address to the Governors of the World Bank at their Annual Meeting, I concluded my speech with a quotation from one of President Senghor's poems.

I borrowed his lines to allude to the joint task of the rich and poor nations to improve the lives and help realize some of the fundamental aspirations of the people most in need around the world -- people "whose hopes are smashed."

During my present visit to Africa I have been heartened to observe a greatly increased awareness among governments and peoples of the urgency of this task. I believe that more conscious efforts are being made to bring the benefits of economic and social development to millions of people who had previously been by-passed. This has been especially evident in the field of rural development -- a sector of vital importance in a continent where small farmers and rural workers are numerically predominant.

The World Bank has greatly increased its assistance for African economic development in recent years. During the five years through fiscal 1978, it expects to commit almost \$7,500 million for this purpose, compared with \$800 million in 1964-68. In doing so, it is putting great emphasis on supporting policies, projects and institutions designed to make the rural people more productive. Agriculture and rural development now receive more than one-third of all Bank lending in the continent.

The changes that are taking place in Africa's development are reflected here in Senegal, and in the Bank's assistance to your country. Between 1968-72 and 1973-77 World Bank lending to Senegal rose from \$50 million to \$122 million. While infrastructure, industry and tourism remain important, the Bank continues to increase its assistance for rural development and the kind of education that your Government believes will contribute more fully to the aims of national development.

While I am here, I shall discuss with the Government ways in which we can make our joint effort more effective. The task is complex. In seeking ways of enabling large numbers of people to find fulfillment in the economic life of their countries, there are many unanswered questions and gaps in our experience. But I believe that together, and with a shared sense of commitment, we can find some of those answers.

Airport Arrival Statement

IVORY COAST

This is my third visit to your beautiful country, I am delighted to be here and meet again with President Houphouet Boigny, who has contributed so much to the international prestige and economic development of the Ivory Coast.

The World Bank is proud to have been able to make a greatly expanded contribution to Africa's economic development. During the five years 1974-78, its commitments are expected to amount to nearly \$7,500 million, compared with \$800 million in 1964-68. As Africa is a continent of predominantly small farmers and rural workers, over a third of the Bank's lending is currently directed to agriculture and rural development, and a good deal of the investments in transport, power and other infrastructure are designed to support the rural sector.

In the Bank we look upon the Ivory Coast as an example of what a primarily agricultural economy can do to help itself, and the region of which it is a vital part. We are confident that your realistic and flexible planning system will enable you to achieve the objective of distributing the benefits of growth widely among all your people, while putting a larger share of your economy in the hand of Ivoirians. In the future, as in the past, we plan to assist you in any way we can to help maintain this impressive record of balanced and equitable growth.

Because of your solid record of accomplishment in exploiting your country's natural potential, the World Bank has been able to respond to your growing need to finance well-thought-out projects with increasing amounts of its own resources. The Bank's lending to the Ivory Coast has risen to \$250 million

over the five years through June 1977, or more than three times the level of the previous five-year period.

We have supported a wide variety of projects in such sectors as transportation, agriculture and rural development, education, urban development, water supply, industry and tourism. The RAN railroad and CIMA0 cement projects are two outstanding examples of the Ivory Coast's role in regional economic development.

In the future, we plan considerably to increase our assistance in support of your objective of maintaining growth while concentrating rural development among small farmers, particularly in the more heavily populated and less well developed parts of the country. We look forward to working with you in this new phase, which will show again that economic development and improving the lot of the mass of the people are mutually consistent and feasible objectives.

While I am in Abidjan, the headquarters of the African Development Bank, I also look forward to meeting again its President, Mr. Kwame Fordwor, to discuss ways to build on the excellent working relationship which already exists between our organizations.

## Airport Arrival Statement

### GUINEA

This is my first visit to Guinea which I have long wanted to see for myself. I am delighted to be here and look forward very much to meeting President Sekou Toure and his associates. I am grateful for this opportunity to learn at first hand more about the development objectives of the Guinean people and to see how the Bank can help them in meeting their goals. While here, I hope to gain a better insight into the great economic potential of your country, with its rich endowment of both human and natural resources. In this way, I hope to understand better the ways in which the World Bank can best contribute to the social and economic progress of the Guinean people.

The World Bank has made a greatly expanded contribution to Africa's economic development. Over the five years 1974-78, it expects to provide almost \$7,500 million for this purpose, compared with a total of \$800 million provided in 1964-68. As Africa is a continent of predominantly small farmers and rural workers, much of the success of development will depend on what is done for people in the rural areas, without neglecting the increasingly important economic and social role of the cities. Over a third of the Bank's lending at present is directed to agriculture and rural development, and a good deal of the assistance for transport, power and other infrastructure is designed to support rural development.

In Guinea, the Bank initially contributed to the development of the mining sector by supporting the Boke bauxite project. However, the Government has indicated the high priority it attaches to rural development and supporting infrastructure. Accordingly, in the recent past, we have also assisted projects for agricultural development and highway maintenance. This is, however, a

beginning. We hope not only to continue our activities in support of rural development and rural infrastructure; we intend also to explore opportunities to assist urban development, education and training programs.

We are thus anxious to help more fully your plans to promote economic growth and spread the fruits of development more widely in the many regions of your large and diverse country.

## Airport Arrival Statement

### GAMBIA

This is my first visit to The Gambia. I am delighted to be here and I am grateful to The Gambian Government for the invitation. I look forward to meeting with your President, Sir Dawda Jawara, and discussing with him and his associates the economic development objectives of your country and the directions assistance from the World Bank should take.

I have closely followed your efforts over the years to build a better life for your people. I am impressed by the way The Gambia has made good use of its opportunities and promoted development under very difficult circumstances.

The World Bank is proud to have been able to make a greatly expanded contribution to Africa's economic development. Over the five years 1974-78, it expects to provide almost \$7,500 million for this purpose, compared with a total of \$800 million provided in 1964-68. As Africa is a continent of predominantly small farmers and rural workers, much of the success of development will depend on what is done for people in the rural sector without neglecting the increasingly important economic and social role of the cities. Over a third of the Bank's lending is currently directed to agriculture and rural development, and a good deal of the investments in transport, power and other infrastructure are designed to support rural development.

In Gambia also, rural development is a sector of vital importance, since the country depends heavily on a single crop and, like the Sahelian countries, is vulnerable to droughts. So far, financial assistance from the World Bank

to the Gambia has been in the field of port construction, public utilities and tourism infrastructure, as well as in agriculture. We hope to continue our aid in these sectors, but will give particular emphasis to rural development and rural infrastructure.

But we know you have other needs as well. So we are exploring opportunities for assisting your education system, helping in the construction and maintenance of main roads and feeder roads, and providing support to The Gambian Commercial and Development Bank.

I hope to be able to discuss all of these points with your Government during this visit. My objective in coming here is to see how we in the World Bank can assist more fully the development of your country for the benefit of all its people.



