

THE WORLD BANK GROUP ARCHIVES

PUBLIC DISCLOSURE AUTHORIZED

Folder Title: Robert S. McNamara Personal Chronological Files - Chrons 06 (01/02/1969-01/07/1969)

Folder ID: 1772413

ISAD(G) Reference Code: WB IBRD/IDA 03 EXC-10-4545S

Series: Chronological file (personal)

Sub-Fonds: Records of President Robert S. McNamara

Fonds: Records of the Office of the President

Digitized: August 12, 2013

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

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

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

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

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



THE WORLD BANK
Washington, D.C.

© 2012 International Bank for Reconstruction and Development / International Development Association or
The World Bank
1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED

McNamara Papers

Chronological files, 1969 (Febr. - June)

The World Bank Group
Archives



1772413

A1995-257 Other #: 1

309674B

Robert S. McNamara Personal Chronological Files - Chrons 06

DECLASSIFIED

WBG Archives



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

OFFICE OF THE PRESIDENT

June 30, 1969

Editor
The International Year Book and
Statesmen's Who's Who
Mercury House
Waterloo Road
London, S.E. 1, England

Dear Sir:

Mr. McNamara has requested that his biographical data
be amended as reflected on the attached, and to in-
clude the following additional information:

LLDs from Harvard University
University of California
Columbia University
Princeton University
Amherst College
Williams College
Notre Dame University
University of Michigan
New York University

Trustee: Ford Foundation
Brookings Institution
Urban Institute

Recipient of: Presidential Medal of Freedom With
Distinction
Distinguished Service Medal from each
of the Departments of the Army,
Navy, and Air Force

Author of: "The Essence of Security"

Sincerely,

(Miss) Polly Yates
Secretary to Mr. McNamara

BIOGRAPHICAL SECTION

IT IS ADVISABLE THAT THIS CLIPPING (WITH OR WITHOUT CORRECTIONS) BE RETURNED WITHIN TEN DAYS OF ITS RECEIPT BY YOU

YOU MAY HAVE RETURNED A CLIPPING EARLY THIS YEAR, BUT THE ATTACHED WILL ENABLE YOU TO MAKE LAST-MINUTE CORRECTIONS

McNAMARA, Robert Strange; President, International Bank for Reconstruction and Development, April 1968—
B. 1916; *educ.* Univ. of California (B.A.) and Harvard Univ. (M.B.A.); ~~Hon. L.L.D. Univ. of Alabama~~; *m.* 1940, Margaret Craig; *s.* Robert Craig; *daus.* Margaret and Kathleen. Lieut.-Colonel, U.S. Army Air Force (Legion of Merit) 1942-45; Professor, Harvard University 1940-42; Former President and Director, Ford Motor Co. Director, Scott Paper Co. 1959-61. Secretary of Defense of U.S.A. 1961-68. Address: 2412 Tracy Place, N.W. Washington, D.C. 20008, U.S.A.

(Mrs. BARRY CARTER)

Please initial.....

and return this form as soon as possible

ORDER FORM 1970 EDITION

The Publishers, The I.Y.B.,

Mercury House, Waterloo Road, London, S.E.1, England.

Please send post-free on publication.....copy/ies of the 1970 Edition of THE INTERNATIONAL YEAR BOOK & STATESMEN'S WHO'S WHO at the special pre-publication price of £8: 8: 0., USA \$22.50 (Published price £10: 10: 0., USA \$28.00).

I enclose remittance in settlement/invoice me on dispatch of volume(s).

(Please strike out whichever is inapplicable)

Signed..... Date.....

Name.....

Address.....

B.1565

World Bank has S.A. 12/6 order

Plg

Send a memo something the ULD
from Alabama & adding ULD's from
Harvard

✓ Univ of Calif.

Other -65

✓ Columbia

G.W. ?

✓ Princeton Univ

~~24 7 66~~
Chelton 66

✓ Amherst Coll.

✓ Williams College

✓ Notre Dame

✓ Univ of Michigan

New York University

omit Director Scott Paper

add Trustee of

Ford Foundation

Brockings Institute

Urban Institute

add: Distinguished Service Medal
as Medal of Merit (state the level)

add: "Essence of Security".

488/1 /64

June 30, 1969

Honorable Terry Sanford
Post Office Box 389
Raleigh, North Carolina 27602

Dear Terry:

On May 22 you dropped me a note asking me to meet your brother-in-law, Rolf Wilhelm, who was working in the Bank. I am deeply embarrassed to tell you that not until today did I act on your request. And then, of course, I found Mr. Wilhelm had already returned to Switzerland.

If you will send me his Swiss address, I will attempt to make up for my oversight by calling upon him during my next visit to Switzerland.

Please accept my apologies.

Sincerely,

Robert S. McNamara

488/1/63

June 30, 1969

Honorable William Proxmire
Chairman
Joint Economic Committee
Congress of the United States
Washington, D.C. 20510

Dear Senator Proxmire:

I deeply appreciate your understanding and acceptance of my inability to accept your invitation to testify before your Committee.

Some years ago I told Senator Douglas, then Chairman of the Committee, that the records of its hearings had been invaluable to me in directing my attention to areas in the Department which required corrective action. I am sure my successors will find the records of your current hearings equally valuable.

With best wishes,

Sincerely,

Robert S. McNamara

488/1/62

- i) The Pearson Report has been completed and is in the process of being printed. It will be distributed at the end of the Meetings.
- ii) Chairman Pearson will address a Plenary Session on the last day of the Meetings and will state the Commission's major findings and conclusions.
- iii) The Report, though financed by the Bank, is really addressed to all concerned with the development problem. As such, it will be made available as a public document. It does not, however, represent Bank opinion or policy, but will be studied by the Bank as by other agencies in the field.
- iv) The real significance of the Report, whatever the merits of its proposals, lies in the fact that it is the first of several attempts to rethink the problems of development in preparation for the new policy and programmes which must come in the 70's. Its purpose is to stimulate thought and debate which lead directly and fairly promptly to action. It is this thought, debate and action which the Bank sought to promote in commissioning the Report. The right measure of its success is whether the process in fact occurs.
- v) Deliberation on development strategy in the 70's will clearly take place in many places -- within governments, in international organizations, and in ad hoc groupings of various kinds. It follows that consideration of the Pearson Report should not be confined to the Bank or to any other single forum. The Bank will certainly take the recommendations under advisement and will work with governments, with the U.N., and with the private sector to be certain that each suggestion is given careful and detailed consideration. But each major recommendation must be taken in its own institutional context. This must be worked out case by case in consultation with the governments and organizations most directly concerned.
- vi) This process must, of course, also include the other expected studies -- particularly the U.N. strategy for the Second Development Decade, the Jackson Report on the Capacity the U.N. System, and the IDB Report on Latin American Development -- as they appear.
- vii) The one point which should be urged upon governments at this time is that they take the Report seriously and consider its recommendations as the thoughtful products of eight distinguished men operating from a wealth of experience and a rich variety of national perspectives. A great deal of work and consultation has gone into the Report; ^{it} is now up to the various authorities to take advantage of whatever portions of it they find of use.

488/1/61

June 9, 1969

COPY

To Secretary Samuels

Nat: enclosed for your information is a copy of an internal working paper on the subject we discussed a short time ago.

Bob

Broches memo 6/6/69, subject: UAR Debt; Rescheduling of Arrears and Settlement of other Foreign Claims

488/1/60

May 19, 1969

Dear Mr. Townsend:

I am grateful for the invitation to meet with the Eisenhower Fellows during their Aspen Seminar, and I would like very much to accept. May I do so with the understanding that, because our fiscal year ends June 30, there may be a last-minute press of business during July which would make it impossible for me to be away from Washington.

If you are willing to receive my acceptance on such a basis, I suggest we plan on my attendance at one of the sessions on Friday, July 18. Perhaps you could send me the schedule for that day so that I may know when you wish me to be present.

With best wishes,

Sincerely,

Robert S. McNamara

Mr. Samuel C. Townsend
Assistant Director
Eisenhower Exchange Fellowships, Inc.
256 South Sixteenth Street
Philadelphia, Pennsylvania 19102

488/1/59

May 16, 1969

Dear Dr. Chute:

I have no hesitancy in recommending Ambassador Robert W. Komer for the position of Executive Director of the Chicago Council on Foreign Relations.

His record as a long-time government official in the field of foreign affairs speaks for itself. Beyond that, his writing, speaking, and promotional ability admirably qualify him for the job.

Sincerely,

Robert S. McNamara

Dr. Oscar M. Chute
1606 Colfax Street
Evanston, Illinois 60201

488/1/58

May 6, 1969

Dear Ken:

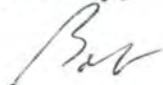
Marg and I are delighted to have a personally inscribed copy of "The Affluent Society." Our deepest thanks to you.

We thought of you as we drove through Gstaad a couple of weeks ago -- a sadly brief pass-through with no time to stop to enjoy it.

Give us a call when you are in Washington.

Our best wishes to you and Kitty.

Sincerely,



Robert S. McNamara

Professor John Kenneth Galbraith
207 Littauer Center
Harvard University
Cambridge, Massachusetts 02138

488/1/57

April 30, 1969

MEMORANDUM FOR MR. RIPMAN

Please send me a one-page summary of John Blaxall's
education and work experience.

Robert S. McNamara

488/1/56

April 30, 1969

MEMORANDUM FOR MR. ALDEWERELD

Have you or Gene Rotberg had an opportunity to
contact the man Gene Black recommended for the
New York office?

Robert S. McNamara

488/1/55

April 30, 1969

MEMORANDUM FOR MR. CLARK

Please obtain and distribute to members of the President's Council, for their information, copies of the Wortman, Hill, and Hardin Bellagio papers.

Robert S. McNamara

488/1/54

April 30, 1969

MEMORANDUM FOR MR. FRIEDMAN

Have you read the recent statements on agriculture by Lester Brown (a speech at Kansas State University on 12/3/68) and Clifton R. Wharton, Jr. (April '69 Foreign Affairs)? Do we have the capacity within the Bank to prepare such reports in the field of agricultural economics? If not, should we not develop such a capacity -- where should it be placed?

Robert S. McNamara

488/1/53

April 30, 1969

MEMORANDUM FOR MR. ALDEWERELD

When you have time (preferably before 7/1/69), please organize a meeting of Messrs. Knapp, Alter, Chadenet, Evans, yourself and myself to review our plans for agricultural projects in Northeast Brazil.

Robert S. McNamara

LIST OF PROJECTS

488/1/52

1. Initiate the studies necessary as a foundation for negotiating the "Third Replenishment of IDA." Assign the responsibility for directing the studies to Sir Denis; assign to him whatever personnel are necessary to carry out the studies; allow approximately 90 days for their completion, hoping to have them available for bilateral discussions with certain of the Part I countries (e.g., Germany, Japan, UK, and US) prior to or during the Annual Meeting; plan to allow approximately 90 days for the bilateral discussions, to be followed with formal negotiations with all Part I countries, and schedule these for completion no later than July 1, 1970, thereby allowing 12 months to obtain the necessary legislative approvals to permit the commitment of funds starting July 1, 1971.
2. Discuss with Siem and/or Bernard the establishment of a list of "major projects" and the organization of the project work relating to such projects. Consider including the following on such a list: Eastern Waters; world fertilizer production; nuclear power; Mekong River project; Revelle's study of the development of India's and Pakistan's waters in their Eastern regions on a national basis possibly with Ford Foundation participation in the estimated \$200,000 cost of the Pakistan study and the \$100,000 cost of the Indian study; similar regional studies elsewhere in the world, e.g., in the Middle East (check on the work which Resources for the Future is carrying out).
3. Lay out a schedule of "policy" discussions with the Board through December 31, 1969. Include: the FY 70 Budget; the interest rate; the transfer to IDA; and informal briefings on such subjects as population growth, the agricultural revolution, and the programs of regional banks.
4. Meet with each Area, Projects, and Economics Department to review their program.
5. Lay out a time schedule for the review of the new 5-year Program.
6. Finish work on and publish the organization chart.
7. Determine how we should organize for the "Program Evaluation", "Project Evaluation", and "Portfolio Review" functions. Should some of these review functions be assigned to the Programming and Budgeting Department?
8. Initiate a full-scale study of the financing of industrial development, with particular emphasis on the action that the Bank and governments can take to stimulate and catalyze the flow of private funds. Examine the role and potential of IFC and the role and potential of IBRD and the proper organization of each to optimize their performance. As part of the study, analyze the performance of Adela, US AID's Guarantee Program, and the planned operations of PICA.
9. Assign responsibility for developing a policy and monitoring the administration of the consultative groups.
10. Lay out a program for the use of the Pearson Commission Report.
11. Initiate a thorough study of the world's capital markets and the channels and instruments through which we can best tap them. Determine the amount of capital which we can raise in each of those markets in each of the next five years. Utilize Sir Denis as an advisor to Rotberg in the organization and performance of this work.

12. Lay out a program of action in the field of population planning.
 13. Consider the establishment of "functional" advisory groups in such fields as education, agriculture, population, urban migration and development, industrial development, finance.
 14. Formulate a statement of "development strategy for the decade of the 70s".
 15. In relation to the "development strategy for the 70s", lay out development programs as a foundation for the Bank's lending operations in both vertical and horizontal terms, i.e., for each of the major countries and for each of the major sectors.
 16. As part of the 5-year Program, develop a schedule for regular "mission" reports on the economic development of each of the major countries.
 17. Lay out a schedule and work program for the preparation of creditworthiness studies on each of the major countries.
 18. Develop a comprehensive set of schedules covering the critical and operating data for the Bank by year.
 19. Maintain a list of loans and credits approved, including objective rates of return, since I came to the Bank.
 20. Rationalize the long run functions and relationships of the World Bank and the Regional Banks.
 21. Develop a new formula for allocating World Bank administrative costs to IDA.
 22. Meet with Chicago bankers (Gene Black suggests Ed Smith, the President of the Northern Trust, might arrange such a meeting) and with Boston bankers as Walter Wilson suggested.
 23. Establish the balance to be carried in the IBRD "cash and marketable securities" account based upon a thorough analysis of the contingencies for which we might draw on such funds.
 24. Develop the type of "liquidity" clause which would so increase IBRD's two-year Central Bank notes as to make them acceptable for investment of the Central Bank Reserves instead of securities purchased only with "excess reserves."
 25. Lay out a program to systematically approach Part I countries to urge them to redeem early their notes receivable which we hold, starting with Italy, Japan and Australia.
 26. Review with an outside committee of experts (for example, Dillon, Sommers, Woods, Black, Rockefeller) the draft of our proposed new borrowing policy based on use of medium- as well as long-term bonds.
 27. Prepare a proposal to the Board recommending an increase in the allocation of IBRD administrative expenses to IDA up to the level where IDA bears an equitable share of joint costs.
- 4/21/69

28. Shift the responsibility for managing the Pension Fund to outside professionals.
29. Develop a "bank" of planning factors for use when considering investments in such fields as agriculture, education, power, and industry. Check the factors used by IFC.
30. Review the staff of the Pearson Commission in relation to possible Bank requirements for personnel.
31. Review procedures to assure proper review and approval of loan proposals in the face of a 400% increase in loan volume. Check the procedures of large banks.
32. Should the Bank borrow \$1 billion to \$2 billion by the sale of commercial paper (reportedly, AT&T is planning to finance "one-third of their needs" by the sale of commercial paper).
33. Develop a set of indicators to measure "social progress" and include a review of social progress in our economic reports.
34. Prepare FY 70 work programs for each element of the Economic staff.
35. Develop a policy and program for the financing of agricultural research.
36. Systematically schedule luncheons with members of the press, ~~the~~ members of the Executive Branch, members of the Legislative Branch, Foreign ~~ambassadors~~, and visiting members of foreign governments.
37. Establish a system for identifying at the time a loan or credit is approved the objectives against which performance is to be measured.
38. Establish a procedure for reviewing the results of each loan against the objectives established on the basis on which it was approved.
39. Prepare a clear and practical set of guidelines for the use of: (a) program loans, and (b) local currency financing.
40. Develop a plan for increasing both the Bank's authorized and paid-in capital, perhaps in parallel with similar action by the Fund.
41. Determine whether Canada and perhaps other Part I countries would be willing to provide voluntary supplements to their IDA contributions.
42. Study the possibility of the Bank selling its advisory and technical assistance services to bilateral donors and to regional banks.
43. Develop a systematic approach to the preparation of country pre-investment programs.
44. Develop plans for expanding the level of IFC operations.
45. Consider whether it would be wise to establish four or five Bank offices in Latin America (for example, Central America, Brazil, Argentina, and Colombia). Note that Rodan says this is absolutely essential.

46. Utilize Rodan as a consultant on the Bank's 5-year Latin American program.
47. Consider establishing an advisory group for the President in accordance with the Articles of Agreement.
48. Develop a summary of the operations of each of the Development Finance Companies.
49. Develop strong personal relations with the Governors of Central Banks and the key Governors of the World Bank.
50. Develop a plan to use the UN agencies (UNESCO, FAO, UNDP, UNCTAD, and the World Bank) as separate arms of a unified development strategy.
51. Determine whether it would be possible to set up finance institutions in the LDCs to collect small savings and channel them into investment institutions.

8/2/69

Chron
488/1/51

April 21, 1969

Mr. Norman Dyhrenfurth
P.O. Box 1148
Aspen, Colorado 81611

Dear Norman:

Your letter has just arrived and I am hastening to answer it before leaving this afternoon for Italy.

Margy and I are deeply disappointed that we will not be able to join you in the Himalayas next fall. You were correct in remembering that I have a World Bank meeting during the first week in October. Unfortunately for me, instead of being scheduled for Bangkok, the meeting is scheduled for Washington, and, moreover, the attendees, the Finance Ministers of 110 nations, linger on after the meeting for individual discussions with Pierre Paul Schweitzer and myself. So it will be impossible for me to leave Washington during October.

My daughter Kathleen, who loves hiking and climbing and has done a certain amount of each, has written you separately to ask if you could possibly accept her as a member of your group. She is presently associated with the Conservation Foundation which is considering a project in Nepal, and it is very likely that she could arrange to be there at the time of your Expedition. We would be delighted if you could accept her.

Without formally clearing the question with the State Department, I mentioned to some of my friends there your interest in inviting a Russian climber to join your 1970-71 Expedition. They saw no reason at all why you should not do so.

Margy and I are sad indeed that we shall miss the trip with you and Moidi, but we shall at least hope for some skiing together next winter.

Best wishes to you both.

Sincerely,

Robert S. McNamara

488/1/50

April 21, 1969

MEMORANDUM FOR MR. FRIEDMAN

The monthly report on professional staff personnel shows a total strength in the Economics Staff, as of March 31, 1969, of 89 against a June 30, 1969 budget of 123, including the 3 budgeted positions in Avramovic's group. In comparison with these figures, I understand you have proposed a budgeted strength for June 30, 1970 of 186. I doubt very much whether it would be possible for you and Andy to absorb within the Economics Staff an increase of more than 40% (123 minus 89) during the next 15 months. Therefore, while I am away this week, please develop for my review upon my return a distribution of a total budgeted strength of 123 as of June 30, 1970 among the divisions of the Economics Department and the Economics Study Groups. Allot from the total a strength of 18 to the "sector and project" division, an increase of 4 above the currently budgeted level, to insure that its strength is adequate to support the expanded workload of the Projects Department.

I realize you would be reluctant to accept a budget of 123 for June 30, 1970, but I think we must recognize that our most important problem in the Economics Staff at present is to put in place the 40% expansion presently authorized and to administer the resultant group of 123 highly qualified economists in such a way that they make a maximum contribution to the operations of the Bank. That should be our objective the next 15 months. If we accomplish it, it will be a magnificent performance indeed.

Robert S. McNamara

cc: Mr. Adler
Mr. Ripman

488/1/49

April 18, 1969

Mr. Howard E. Cox, Jr.
148 East End Avenue
New York, New York 10028

Dear Mr. Cox:

Mr. McNamara regrets that it was not possible to arrange an appointment for you today because of an extremely heavy schedule. Also, he will be out of the country on Saturday, April 26.

Sincerely,

(Miss) Polly Yates
Secretary to
Mr. McNamara

Chron
488/1/48

April 16, 1969

Dear Mr. Whitehead:

Never have I received so gracious an introduction as yours of last evening. I am most grateful to you and to the Club. Please extend my thanks to its members.

Sincerely,

Robert S. McNamara

Mr. John C. Whitehead
Goldman, Sachs & Co.
55 Broad Street
New York, N. Y. 10005

Chen
488/1/47

April 8, 1969

Dear Mr. Brigham:

In the rush of budget meetings and preparations for another extensive foreign trip, Mr. McNamara has asked me to let you know that, regretfully, he will not be able to attend the 30th Reunion on June 7-8. Most unfortunately, that is also the weekend Craig McNamara will graduate from St. Paul's in Concord, New Hampshire. His father and mother will, of course, want to be there.

The McNamaras send their fondest wishes to the Brighams.

Sincerely,

(Miss) Polly Yates
Secretary to Mr. McNamara

Mr. Gorham Brigham
Vice President
Boston Safe Deposit and
Trust Company
100 Franklin Street
Boston, Massachusetts 02106

Chris
488/1/46

April 8, 1969

Dear Chancellor Heyns:

Mr. McNamara has asked me to tell you he regrets that he will not be able to attend the Berkeley Fellows dinner on April 23. He will be leaving on April 22 on another foreign trip.

Sincerely,

(Miss) Polly Yates
Secretary to Mr. McNamara

Chancellor Roger W. Heyns
University House
University of California
Berkeley, California 94720

488/1/45

Suggested Agenda for March 17-18 Meeting of Messrs. Strong, Wilson and McNamara a/

A. The future of IDA

1. Status of IDA replenishment
2. IDA policies 1969-71,
e.g., geographic spread
3. Third Replenishment,
e.g., timing, extent

B. Future Bank policies

1. Five-year program -- e.g., scale of borrowing and lending;
personnel plans; etc.
2. Field offices and decentralization
3. Possibility of IBRD contribution to the
Caribbean Development Bank
4. Population
5. "Program" loans
6. Information policies and creation of political
will

C. The future of the World Aid effort

1. Long-term planning
 - (i) Pearson Commission, implementation and publicity
 - (ii) Development Decade II
2. Donor Cooperation
 - (i) UNDP and Jackson's report
 - (ii) Possible meetings of Bank President (and senior staff),
with heads of Aid agencies (and senior staff)
 - (iii) Tidewater II

a/ It is suggested that the meeting begin at 5:00 PM, March 17, adjourn at 7:00 PM; reconvene for lunch at 1:00 PM, March 18, and continue, if necessary, until 3:45 PM.

488/1/44

March 8, 1969

Presence of
Prof. John Kenneth Galbraith

Gstaad, Switzerland

Dear Ken:

You have asked for a prompt reply to your request for my thoughts on "The Next Big Battle." To speed this reply, I shall not try to comment in detail on your statement, some of which I thought overdrawn. For example, while the MOL is a controversial project, I have never heard anyone support it by stating it "is necessary to maintain the American position in the event that all life is eliminated in the country below." Similarly, I never heard Kermit Gordon say that he supported the tax reduction of 1964 because he "was persuaded that if an excess of revenue were available, the military would latch on to it." I recognize that some overstatement in support of the basic thesis, which I strongly support, may be necessary to pound its importance into the minds of American citizens.

On page 43 you state your theme, "Independent, scientific judgment must be mobilized at every point . . . The time has come to constitute a special body of highly qualified scientists and citizens . . . to advise the Congress and inform the public on military programs and negotiations." I completely agree that an independent appraisal of the military programs and their relationship to the national interest is absolutely essential. I have discussed the need for such an "audit" with Carnegie Endowment, Ford Foundation and others who may possibly play some role in its organization. Your pamphlet will do much to move such a project ahead.

I do suggest rewording the paragraph at the bottom of page 1 to incorporate the changes shown on the attached draft.

I thought "The Affluent Society" a brilliant exposition of our status today -- and I am delighted to see from your letterhead the proof of the thesis.

Sincerely,

Robert S. McNamara

Enclosure

3/7/69
488/1/43

Draft of Recommendations by Executive Directors to Governors
On the Financing of Commodity Stocks

The Executive Directors recommend that the Board of Governors endorse the following statement of policy for the Bank Group:

I. Long-Term Financing by the Bank Group Related to Stock Holdings

In considering loans and credits to member countries the World Bank Group is ready to take into account additional capital requirements due to their participation in stock holding schemes under international commodity agreements deemed suited by the World Bank Group to serve its objectives. In providing long-term financial assistance to member countries related to holdings of stocks, the Bank Group will use its regular vehicles of lending, be guided by its normal standards of creditworthiness and good economic performance.

The main stock holding schemes referred to are the following:

(1) International Buffer Stocks

International buffer stocks may, under certain conditions, make a useful contribution to a reduction of the amplitude of short-term fluctuations and thus help promote the economic development of the Bank member countries. The Executive Directors of the IMF propose that the IMF use its compensating financing facility to provide short-term credits to member countries in order to facilitate their participation in international buffer stocks under suitable international commodity agreements. Member countries may, however, also need longer term financial assistance for this purpose. In considering loans to member countries, the Bank Group will take into account additional capital requirements due to participation in such buffer stock schemes. Similar long-term loans could be made to members holding reserve stocks designed to prevent abnormal price increases of primary products.

(2) National Stock Holdings

Holding stocks of certain primary products by developing countries over a medium-to-long term period in support of suitable international commodity agreements, while production is being adjusted to demand, may contribute to raising export earnings for such products. The long-term capital requirements for this purpose will be taken into account by the Bank Group in considering loan applications of member countries.

488/1 142


March 6, 1969

MEMORANDUM FOR MR. ALDEWERELD

Shortly before you left for Germany we met with Messrs. Friedman, Rotberg and Sacchetti to discuss an approach to "capital market studies." I received from Messrs. Rotberg and Sacchetti outlines of such studies. Following your return from Europe, please arrange for another meeting of the same group to consider where we go from here.

Don N^{ny}

Robert S. McNamara

cc: Mr. Friedman 
Mr. Rotberg
Mr. Sacchetti

488/1/41

March 5, 1969

Dear Kay:

Two or three months ago you asked me what happened to our Swiss bond issue. Before I could answer, something else came up. I was reminded of the conversation when I read recently a report from Sir Denis Rickett of his conversation with Dr. Stopper, President and General Manager of the Swiss National Bank (Stopper is Bill Martin's Swiss counterpart). In the event you are still interested in an answer to the question, here is what Sir Denis reported:

"Dr. Stopper referred to the Swiss bond issue and said that this should not be over-dramatized. The main cause of the failure was the international monetary situation at the time and the strong attraction of bonds denominated in German marks, including those recently issued by the World Bank. [Expectations for an upward revaluation of the deutsche mark were becoming stronger and stronger during the three-week interval between the time the terms were set on our bond issue and the time the issue was formally offered to the public. As a result, the Swiss market deteriorated and every major bond issue denominated in Swiss francs, with the exception of the bonds of the Swiss Federation itself, suffered.] The criticism by some Swiss bankers of World Bank policies was not, in his view, justified and he implied that they had, in part, been put forward as an alibi by Swiss bankers who had misjudged the market situation."

So much for a footnote on the news.

Marg and I hope to see you soon.

Mrs. Philip Graham
The Washington Post
1515 L Street, N. W.
Washington, D. C. 20005

As ever,

/Bob/



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

OFFICE OF THE PRESIDENT

488/1/40

Wednesday
3-5-69

Dear David

I am deeply grateful to you for
arranging last night's dinner
party. For me, it was not only
a most pleasant evening but
an opportunity as well to meet
for the first time over half of those
present and to express to them and
to the other guests my hopes and plans
for the World Bank.

Many, many thanks.

Sincerely,
Bob

488/1/39

March 4, 1969

MEMORANDUM FOR MR. ALDEWERELD

MR. ROTBERG

Is not the UK entering the Eurodollar market
and should not we examine an approach to that
source of funds?

A handwritten signature in dark ink, appearing to read "R. McNamara" with a stylized flourish at the end.

Robert S. McNamara

488/1/38

February 27, 1969

Dear Mr. Ambassador:

Mrs. McNamara and I are most grateful to you for sending us the photos taken on the occasion of the reception honoring Minister Konan Bedie. Thank you for thinking of us.

With all best wishes,

Sincerely,

Robert S. McNamara

His Excellency
Timothee Ahoua
Embassy of the Ivory Coast
2424 Massachusetts Avenue
Washington, D.C. 20008

488/1/37

February 27, 1969

Dear Mr. Allen:

You were most kind to send me a copy of "The Legend of John Fitzgerald Kennedy." I shall treasure it, as I have the pen and pencil set and the tie clasp which you had previously sent to me.

Thank you for your continued generosity.

Sincerely,

Robert S. McNamara

Mr. Frank Allen
60 Sutton Place
New York, New York 10022

488/1/36

February 26, 1969

Dear Mrs. Sheppler:

Mr. McNamara's schedule for the latter part of April and first of May is rather uncertain at the moment.

May I be in touch with you later on when it becomes clear what days Mr. McNamara will be available during the time Mr. Adams is in the area?

Sincerely,

(Miss) Margaret S. Stroud
Secretary to Mr. McNamara

Mrs. Margaret O. Sheppler
Room 913
475 Riverside Drive
New York, N. Y. 10027

Please return to Pally
488/1/35

EDITOR IN CHIEF

DER SPIEGEL

PRESSEHAUS, SPEERSORT 1

HAMBURG, GERMANY

FEBRUARY 25, 1969

NIGHT LETTER

I HAVE NEVER BEEN OTHER THAN EXTREMELY COMPLIMENTARY OF KAI-UWE VON HASSEL.
HE IS AN INTELLIGENT, ABLE, EXTRAORDINARILY DEDICATED SERVANT OF HIS
GOVERNMENT AND HIS NATION. FOR YOU TO IMPLY OTHERWISE DOES A GREAT DISSERVICE
TO THE MAN AND TO THE PEOPLE OF YOUR COUNTRY WHOM IT IS YOUR RESPONSIBILITY
TO SERVE WITH THE TRUTH. I ASK THAT YOU PRINT THIS CABLE IN YOUR PAPER OVER
MY SIGNATURE.

RM
ROBERT MCNAMARA

INTBAFRAD

CC: mailed to von Hassel 2/25

Robert S. McNamara

President

RSMcN: pay

488/1/34

QUESTION 1: You have indicated that you plan a significant expansion of the World Bank's traditional activities. Can you give us some idea of what this will mean.?

POINTS FOR REPLY :

	<u>FY 69 to date</u>	<u>FY 68</u>
Bank	671.10 mill.	846.95 mill.
IDA	201.72 "	106.55 "
IFC	49.93 "	50.70 "
	<hr/>	<hr/>
Total	922.85 mill	1,004.20 mill.

At the present rate, the World Bank Group is showing 40% better than in 1968. With 1/3 of the FY to go:

IDA credits have doubled over last year

Bank loans will soon reach last year's total figure

IFC as much as last year already

Expansion can be noted in all sectors of the Bank Group's operations, but is particularly marked in:

Agriculture:

in FY 69 so far: 14 projects totaling \$123.0 mill., or 10% of the Group's total agricultural lending to date.

Currently about 100 projects in the pipeline, of which nearly half are in the appraisal or negotiation stages.

Education

\$36.0 mill. has been invested by the Bank Group in 14 education projects in FY 69 - with 37 projects currently in the pipeline, of which 10 are under appraisal or negotiation.

Geographical distribution

Each developing continent is receiving more, but a more realistic allocation of the Bank's money is being achieved:

i.e. Asia and Africa's respective shares of Bank/IDA's total lending are 40% and 13.5% but these same figures for FY 69 to date are 35% and 22.5%

Latin America's share is also increasing while that of Europe has been declining steadily for many years.

QUESTION 2: To what extent will the World Bank be stepping into the breach left by the failure of the richer countries, such as the United States, to do more through their own aid programs?

POINTS FOR REPLY:

There is no question of the Bank, or for that matter all the multilateral agencies put together, filling completely the gap created by bilateral donors. The share of multilateral agencies in the total flow of funds from the rich to the poor countries is small. In the past 8 years (1960-67), developing countries received from all sources a little over \$78 billion; the contribution of multilateral agencies to this total was a little over \$5 billion or about 7 percent.

In my Annual Meeting speech, I said that the Bank will not share the general paralysis afflicting aid efforts in so many parts of the world. The Bank cannot go it alone, but it can provide leadership. This, the Bank is doing.

"Failure of the richer countries" is perhaps too strong. The U.S. is still the largest donor in absolute terms, and many other countries e.g. Canada and Scandinavia are increasing their aid. But it is true that the LDC's could make profitable use of more aid and it is not forthcoming. That is where we can help.

QUESTION 3: The World Bank, of course, gets its money not from the tax payers but from sales of its bonds on the capital markets of the richer countries. Since you announced your intention of adopting a more liberal lending policy, have you found it more difficult to sell your bonds?

POINTS FOR REPLY:

No.

So far this fiscal year, we have raised more than \$1 billion (this should be '\$900 million' instead of "more than \$1 billion" if the latest two-year issue is excluded) from the world's capital markets. In the same eight months of the last fiscal year, we raised less than \$400 million. This figure of more than \$1 billion is an all-time record in our history.

Indeed, in the first six months (that is, already by December) we had raised more money than in any full fiscal year in our history.

"We are confident that the money is there, because we have confidence in the immense capacity of the economies of the developed world; no country need fear bankrupting itself because it plays its full part in development." (Annual Meeting Speech)

"It is our job in the World Bank to look at the world money markets as a whole, and see where there are surpluses, where there are reserves that can be tapped. Following this line we have gone to the Middle East, and successfully raised funds there, as well as in the more conventional markets of the world ----- in particular Germany and America". (Annual Meeting speech)

In recent months, for the first time in our history, we have raised money in Kuwait. In these same few months, for the first time in our history, we have also raised money from Saudi Arabia. We are now borrowing much more heavily in Germany; in fact, over the last eight months, well over 40 percent of the money we have borrowed has come from Germany.

4.
QUESTION: "One of the most controversial things you have done in your new job has been your outspoken support of birth control programs. To what extent has this new policy affected your present and future loan program?"

POINTS FOR REPLY:

Though some aspects of the population planning issue are sensitive and delicate, the overall question is not as controversial as one might imagine. To a degree, there is a semantic problem here. The term "birth control" suggests to some the whole argument over contraceptive techniques, and the theological disputes that have arisen in that connection.

But we are not theologians in the World Bank. What we are interested in is international development. We are concerned with population *planning* and population *policies* among governments. It is not our role to get into the morality of specific contraceptive techniques, nor to tell individual families how many children they should or should not have.

There is general agreement among most governments faced with a high rate of population growth that the problem is inescapably linked with economic development.

We in the Bank are *not* making loans conditional on the people of a country agreeing to use this or that specific contraceptive technique.

But what we *are* doing is attempting to point out to interested governments the realistic economic limitations that too rapid an increase in population inevitably impose on the whole infrastructure of development.

Nutrition, education, housing -- *to take only the most obvious examples out of many* -- are all inexorably related to population growth. Too rapid a growth can simply overwhelm and dissipate the economic resources needed to develop these necessities.

Hence, our policy in the Bank will be not to blind ourselves -- nor the governments who are seeking assistance -- to the blunt economic implications of too rapid a population growth.

Looked at in this light, what we are doing at the Bank is not really controversial at all. In the most profound sense, we would be remiss to the fundamental principles of our Charter were we to do anything else.

QUESTION 5: "Some people think your advocacy of birth control has been particularly embarrassing to potential aid recipients in the Latin American countries, with their large Roman Catholic populations. What reaction have you had from these countries?"

POINTS FOR REPLY:

It is true that there was some initial misunderstanding of our views in the Bank. That was due, I think, to the somewhat turbulent climate of controversy that has surrounded various theological aspects of specific contraceptive techniques.

But that misunderstanding cleared up rather readily when a somewhat closer look was taken at what we were actually saying in the Bank.

We pointed out that our concern was not with means, but with ends.

The Roman Catholic Church is deeply committed to preserving and promoting human dignity. So is the World Bank. Hence, there is no dispute between us.

On the contrary, we are totally in agreement over fundamental objectives: to enhance the dignity and development of the peoples of Latin America, and indeed of peoples of the disadvantaged nations everywhere.

Thus, our relationships with the governments of Latin America are cordial and cooperative, and we anticipate that they will grow even closer as our accelerated program of lending gets further underway.

During my visit I found far more support than I had expected after I had explained what I was really trying to do.

QUESTION 6: As the annual actions by Congress have made clear, there is not much of a constituency in the United States for foreign aid these days. Why, in your view, has this situation developed?

POINTS FOR REPLY:

There is a certain disillusionment with development today, exemplified in this country by delay in replenishment of IDA. Why?

(i) Unreasonable expectations but:

economic development doesn't happen overnight. There is real and impressive progress to be seen. I have seen it myself:

India - the "Green Revolution" brought about by use of improved seeds, fertilizer and irrigation.

Ivory Coast - since independence in 1960, economy held a steady growth rate of 8% per capital income risen from \$150 to \$250 p.a.

(ii) Balance of payments worries but:

balance of payments problems relate almost exclusively to transfers within the developed world.

money spent on development returns quickly in orders for goods and services.

(iii) Domestic versus overseas development priorities

We can afford to look after our domestic needs and make a proper contribution to the financing of development in the Third World.

And we have to.

My own recent experience in India (agricultural revolution), in Africa (growing education etc.), in Latin America (industry) show real progress is made.

488/1/33

February 20, 1969

Dear Sir:

I regret very much that other commitments make it impossible for me to accept the invitation to become a member of the Advisory Council of the International Movement for Atlantic Union.

Sincerely,

Robert S. McNamara

The Secretary
International Movement
for Atlantic Union, Inc.
1736 Columbia Road, N. W.
Washington, D. C. 20009

Personal file

488/1/32

February 18, 1969

Dear Mr. Minister:

I deeply apologize for failing to greet you at the Bank. I came into the office this morning knowing I had a temperature, but believing that I could stay all day. At 2:30, however, my doctor observed a temperature of 102.5 and said unless I followed his advice, he would no longer serve as my physician. I agreed to accept the advice and have gone home.

I hope you will find satisfactory your meeting with Mr. Aldewereld, whom I have asked to join you. If I can be of any service to you after my return to the office, please do not hesitate to call upon me.

Sincerely,

Robert S. McNamara

His Excellency
Dr. Adalbert Krieger Vasena

488/1/31

February 18, 1969

Dear Mr. Kashiwagi:

I deeply apologize for failing to greet you at the Bank. I came into the office this morning knowing I had a temperature, but believing that I could stay all day. At 2:30, however, my doctor observed a temperature of 102.5 and said unless I followed his advice, he would no longer serve as my physician. I agreed to accept the advice and have gone home.

I hope you will find satisfactory your meeting with Mr. Aldewereld, whom I have asked to join you. If I can be of any service to you after my return to the office, please do not hesitate to call upon me.

Sincerely,

Robert S. McNamara

Mr. Yusuke Kashiwagi

488/1/30

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL FINANCE
CORPORATION

3/18

T. W. Alderson

Seem as a standard operating
procedure I believe we should
have a memo prepared & directed to
me before each new board meet
outlining the basis on which the
annual was prepared (i.e. the data
you gave to the Board today).
Please start such a procedure with
the next meeting today.

Good

488/1/29

February 18, 1969

Dear Mr. Mutuc:

Upon my return today from a trip abroad, I found the generous supply of cigars so handsomely packaged and personalized, along with your warm note. I deeply appreciate your extreme kindness. I, too, am sorry to have missed seeing you.

With all best wishes,

Sincerely,

Robert S. McNamara

Mr. Amelito R. Mutuc
51 Tamarind Road
Forbes Park, Makati
Rizal, Philippines

488/1/28

February 18, 1969

Dear Mr. Ambassador:

Upon my return today from a trip abroad, I found the handsome Volume III of the History of Mexican Art. Once again, my family and I extend to you our deepest appreciation for your continued kindness.

With all best wishes,

Sincerely,

Robert S. McNamara

His Excellency
Hugo B. Margain
Embassy of Mexico
2829 16th Street, N.W.
Washington, D.C. 20009

488/1/27

February 5, 1969

Dr. Henry Kuizenga
Community Presbyterian Church
505 North Rodeo Drive
Beverly Hills, California 90210

Dear Dr. Kuizenga:

Just before leaving for a trip to Africa, Mr. McNamara asked me to tell you he would be glad to meet with you and Mr. Dillinger at noon on March 12. If a meeting on that date is not possible for you, and if the matter can be handled by phone, he would welcome a call from you. Please let him know your preference.

Sincerely,

(Miss) Polly Yates
Secretary to Mr. McNamara

488/1/26

February 5, 1969

Dear Mr. Klejman:

Mrs. McNamara brought me your gift of the bronze Burma bird. It is a delightful piece to have and I appreciate your thoughtfulness in sending it to me.

Sincerely,

Robert S. McNamara

Mr. J. J. Klejman
982 Madison Avenue
New York, N. Y. 10021

488/1/25

February 3, 1969

Mr. William E. Trump
Assistant Director
Office of Admissions and Records
University of Colorado
Boulder, Colorado 80302

Dear Mr. Trump:

In your letter dated January 30 addressed to my son, you stated that his application for admission had been received and was complete except for a \$10.00 nonresident fee. Because he is away at school, I am replying for him -- the fee is enclosed with this letter.

Thank you for replying so promptly to my son's application.

Sincerely,

Robert S. McNamara

Enclosure