Dear Mr. McNamara,

thank you very much for your kind letter of November 8, which has crossed with mine of November 13, 1978.

You may have heard that I had to spend some time in hospital but I shall be released shortly and then use the beginning of next year to recover completely.

I am particularly pleased about your readiness to come to Germany, and I understand that you might probably be in Europe in March anyway. Therefore, I suggest that we envisage a meeting then and I am very much looking forward to having a "tour d'horizon" with you on questions of common concern. I am equally comforted by a similar wish of UN Secretary-General Waldheim, which he might realize in early April.

Let me, in concluding, send you my very best wishes for a merry Christmas and a Happy New Year. In 1979 we shall have to bring our Commission's work to an end and I hope our report will have an impact on future North-South relations.

With warmest regards,

Sincerely,
ICID

International Commission on
Independent Development Issues

December 14, 1978

Willy Brandt
Chairman

Mr. President & Members
World Bank
1818 H Street, N.W.
Washington, D.C. 20433, U.S.A.

Thank you very much for your kind letter of November 8, which I received with mine of November 13, 1978.

You may have heard that I had to undergo surgery and then took the hospital for almost two months. I am beginning to recover completely. 

I am particularly pleased about your resignations to come to Germany. I am looking forward to that you might participate in a meeting I am planning to hold in December, and that we might have an opportunity to discuss many issues at the same time.

I am enclosing my report, a similar version of which I have sent to you. I am enclosing my report on future North-South relations.

With warmest regards,

Sincerely,

[Signature]
November 8, 1978

Dear Herr Brandt:

I was concerned to learn of your illness in Washington but delighted to know that you had recovered sufficiently to participate in the meeting of the Socialist International in Vancouver.

I am told that officials at the United Nations were very pleased with your report on the progress of the Commission. And those Commission Members with whom I have had contact also appear to feel that the work under your direction is moving ahead very satisfactorily. I hope you will let me know if at any time I can be of help to you --- I would be happy to make a special trip to Germany if you ever thought it necessary.

With best wishes,

Sincerely,

Robert S. McNamara

Herr Willy Brandt
Chairman, Independent Commission on International Development Issues
Ollenhauerstrasse 1
D5300 Bonn
Federal Republic of Germany

P.S. I have just received this inadvisable letter of your 20th of July. I am very grateful.
KATHARINE GRAHAM
Chairman of the Board

November 6, 1978

Dear Bob,

Here is the introductory draft.

Can you think of someone with your own perspective (and mine too I might add) who would have the time and willingness to go over it carefully with me?

Ever,

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

Enclosure

CONFIDENTIAL

BY HAND
October 24, 1978

Dear Commissioner,

Owing to a regrettable error, document FR/1 was sent out yesterday in a garbled version. You are asked to destroy it and replace it with the enclosed corrected document, FR/1 (Rev.1).

Yours sincerely,

Goran Ohlin
Executive Secretary

Differences are minor additions underlined in blue pen.
1. Introduction

by Chairman, explaining briefly what Commission has done and why.
Shift of debate in recent years from development aid to a restructuring of the international system and a comprehensive approach to development on a national and international level.
Main reasons for a new international order. Prevalence of pessimism, cynicism and distrust, need to change climate of debate and to think also in medium and long term perspectives (the 80s and the year 2000).

2. A Troubled World

2.1 A decisive break has occurred in global post-war development.
Up to the early seventies, industrialized countries with market economies have, after a devastating world war, enjoyed unprecedented economic development and - in distinction from the period after World War I - have managed to establish a series of international and regional organizations for their benefit, with the Bretton Woods system at the centre.

At the same time, the newly-emerging states have developed at a very different pace and have tried on a more or less individual basis to gain economic in addition to political independence. Poverty persists in large parts of the Third World.

Communist-governed (CPE) states have grown rapidly. While participating in some universal and regional organizations, they have been only marginally involved in international financial institutions.
2.2 Within a few years during the seventies, the world has been shaken by events marking the end of the traditional international economic order. The system and the institutions have proven inadequate to the tasks confronting them. Even before that time it had become evident to developing countries that the international economic system, as it had been set up after the war, was unsatisfactory to them. They presented their case for a new international economic order and proposals for change as early as 1964 and a decade later in more elaborate form: the issues comprised unstable commodity export prices and unfair terms of trade, insufficient share in the management and decision-making of the international financial institutions, restrictions on access to markets in industrialized countries for exports of products and imports of technology, discriminatory treatment of labour, the need for control and regulation of transnational companies, and inadequate volume and terms of finance and aid.

2.3 Although these global demands were backed by a majority in the UN organizations, they were coolly received by most of the industrialized countries with market economies — the latter being the main addressees. It is only under the impact of growing national and international economic tension that developed countries are gradually accepting the idea that a new order would be in their own interest too. Continuing recession, unemployment accompanied by inflation, new structural problems in certain industries, monetary instability, deficiencies in global financial institutions, and rising protectionism have created uncertainty about the future course of the international economy. The fear that a traumatic world crisis similar to that of the thirties may return overshadows political decision-making.

2.4 Major difficulties thus now confront both North and South. Slow growth in industrialized countries affects developing countries' exports and the capacity for development assistance. Large balance of payments deficits are leading to a rapid accumulation of debt, while the insufficiency of long-term finance makes the debt structure
ever more precarious. There is a threat that trade barriers throughout the world will be maintained or even extended.

2.5 In addition, the global community as a whole is threatened by new phenomena: pollution, waste of energy, erosion of soils, exhaustion of forests and other natural resources. These concerns about the world's ecological problems have created entirely new fields of action. The "outer limits" of the life-sustaining potential of the planet cannot be ignored. Under the impact of these fears new life-styles questioning traditional growth and aiming at the preservation of the environment are being advocated by some in Western societies.

2.6 Current trends of disintegration and paralysis of the international community contain considerable dangers. Uncertainties hovering over the future of the world have rarely been so great. The prospect of a deepening world crisis, massive unemployment and perhaps one billion absolute poor by the year 2000 is real, but not inevitable. Most of the problems are man-made and can be remedied by joint action.

3. A New Perspective for International Politics

3.1. As a result of interdependence and shrinkage of the world, domestic policies increasingly become a concern of other countries and governments. Interdependence today links all nations inseparably, and not only in the economic sphere. The world is bound together by an ever denser network of communication and exchange of ideas. While these facts make it imperative that sovereignty be conceived in new ways, nation states retain a legitimate desire for independence. A new challenge is the rise of transnational enterprises working across national boundaries.

3.2. Growing interdependence cannot work without growing international solidarity. International solidarity will only be effective if based on solidarity within each society and nation. This means that all governments have a duty to dismantle unwarranted social and economic
privileges within their jurisdiction. That all should enjoy the essential requirements for a decent human life is thus a joint concern of both national governments and the international community.

3.3. The elimination of poverty requires a major commitment of developing countries. Their progress inevitably relies to a very considerable extent on their own efforts. Even if their resources are limited they can and must make headway towards ensuring that all their citizens are provided with the essentials of life. Above all there is the objective of full and remunerative employment. Reforms are needed – in income distribution, in land ownership, in education and social policies. Only if such reforms come about can a mutually reinforcing process of international solidarity and assistance be expected.

3.4 These goals depend importantly on rural development and increased food production, and on industrialization. Both are necessary to generate incomes and the goods on which incomes will be spent – especially food, which absorbs a large share of incomes of the poor. Such balanced growth with its fruits broadly distributed will also contribute to reduced rates of population growth, as population change has been shown to be strongly affected by health, nutrition, education and employment. Within the process of social change the role of women must be given special emphasis: half the world's population cannot indefinitely continue to suffer discrimination.

3.5. The industrialized countries should honour the commitments they have undertaken toward developing countries and make a strong positive response to the call for international reform. These commitments imply changes in domestic policies, industrial structures, imports, budgets, etc. This includes a more pronounced effort in public education on development issues and global interdependence. In their own economies the main needs are for an end to stagnation, unemployment and inflation, and international collaboration can play a key part in the process.
To achieve better social and economic standards for their population, governments can no longer afford policies narrowly defined along nationalistic lines. The best possible use of limited resources cannot be reached unless governments are willing to plan and implement their policies on a regional and international level. For developing countries collective self-reliance is a necessary strategy.

An understanding that all partners are genuinely committed to the common cause of world development would enhance the climate of international negotiation and lessen the distrust and suspicion which hamper collective efforts to achieve genuinely negotiated results and build rule of law in economic relations. The communist-governed (CPE) countries should join in this process.

Achieving international equity will certainly be a difficult process. The world in which a new international order has to be forged is very different from that in which the previous system emerged. There has been a substantial diffusion of power in the world. There are now many poles of power, and different conceptions of how to organize nations and their cooperation. This implies a variety of forms of global and regional cooperation. An important goal must be to increase the negotiating strength of developing countries, possibly by creating a secretariat for the Third World.

International Action in the Mutual Interest

The reality of conflicts of interests should not be denied. But careful analysis should make it possible to control them and to delineate an agenda for international action for the short and the long term. In a number of priority areas international negotiations promise clear mutual gains to all partners.

The preservation of world peace is a primary condition for anything else. SALT. Arms Trade. Link disarmament-development.
Negotiations about the framework for continued growth in South and North involve the following group of issues (not necessarily in order of priority):

4.3 Trade, investment and labour
- Stabilization of commodity prices and earnings of developing countries.
- Improvements of access to markets for manufactures and earnings of developing countries.
- Improvements of access to markets for manufactures and agricultural products.

Both sets of measures will build up purchasing power of developing countries and enlarge potential markets there.
- Trade among developing countries and other aspects of economic cooperation.
- Adjustment assistance and other industrial policies in industrialized countries. Time dimension in structural adjustment.
- International labour market. Treatment of migrant labour, position of labour-exporting countries and brain drain.
- Conditions for increased private investment in developing countries.
- The role and accountability of transnational enterprises.
- New trade and industrial policies: institutional implications.

4.4 Financial and monetary issues
- Need for a new long-term lending facility.
- Need for restructuring of international financial institutions, including IMF, World Bank, regional development banks, with a view to ensuring, among other things, an adequate role for developing countries in their control and management.
- Making international financial institutions universal.
- Principles of handling international debt problems.
- The role of official development assistance, adaptation of its character, volume, and terms to differing needs, especially of the poorer countries.
- Possibility of generating automatic resources for development, including a future SDR link.
- Monetary issues, including national commitments to sound monetary policies.
4.5 Need to improve technological infrastructure and research capacity of developing countries, training for technological and management skills, transfer of technology.

4.6 New regimes for food and world resources.
- Food and agriculture.
  Goal of ending world hunger. International measures: assistance to developing countries' agricultural production; food security; food aid. Relation with industrial development.
- World energy supplies and prices; financial implications for oil exporters; increased prospecting and supply in developing countries.
- New forms of energy: timing, feasibility and costs of wide-scale use.
- Supply and prices of raw-materials, including conservation and recycling.
- Ocean management in view of the new Law of the Sea, including a Seabed Authority.
- Other issues of global management of the environment.
- Systems for monitoring global development progress.

5. Framework and Machinery for Negotiations

5.1 International conflict can be controlled. A negotiating framework (global, regional, bilateral) is needed for a workable world order. This must be based on mutual interest and fairness. Clear objectives make for more efficient negotiation than all-embracing schemes.

5.2 The UN family is the most significant machinery for global coordination of national policies. It attempts to achieve reconciliation of conflict and protection of the weak, it serves function of debating forum, through specialized agencies it provides services and technical assistance. Changes and streamlining are needed in the UN system, but the system itself is irreplaceable.

5.3 North-South negotiations have not yet had serious participation of the
USSR and its allies or of China. It would be desirable to bring their potential into a more concerted international order.

6. **A Climate of Hope**

There are sufficiently strong elements of mutual interests to hold the world together in a difficult time. Proposals of the Commission are bold but not utopian. Some are necessary for survival, others for decency and justice. As a matter of urgency, the world can and should find a new international order to serve it for the remainder of this century.

7. **Summary and Recommendations**
OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara
FROM: Hollis B. Chenery, VPD
DATE: October 27, 1978
SUBJECT: Your Meeting with Brandt

It would be useful for the Brandt report to follow lines complementary to WDR I and II with Brandt focusing more on the broader political implications and less bound by an institutional viewpoint. The background papers that I have seen suggest that this should be quite a feasible objective.

Brandt's main themes will grow out of the papers already commissioned to a large extent (see attachment). I think that Cassen's paper on Mutual Interests provides a basis for developing several complementary themes consistent with the above objective. One approach would be to look at some of the tradeoffs that are politically feasible for the OECD countries in supporting the poorest groups and countries, given realistic limits to ODA. In addition to better allocation and more efficient use of bilateral aid (and a larger share of multilateral), this would require looking at trade and market access from the point of view of the poorest rather than lumping all LDCs together.

Another aspect of this issue on which Brandt could be considerably more candid than WDR (if his commission supports him) would be to tackle the political constraints to greater equity in the developing countries. Here the NIEO has been notably silent and the WDR very restrained. Cassen's draft is rather weak and does not recognize a Northern interest in Southern poverty--just support for poor countries.

I also attach some suggestions from Haq and his staff, some of which are rather utopian.

HBChenery: nf
Attachments
## COMMISSION MEETINGS: AGENDA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodities</td>
<td>Debt</td>
<td>Access to Markets</td>
<td>International Financial and Monetary System and Institutions</td>
<td>International Financial and Monetary System and Institutions (resumed)</td>
<td>Debt (resumed)</td>
</tr>
<tr>
<td>International Migration and Brain Drain</td>
<td>Economic Cooperation Amongst Developing Countries</td>
<td>Commodities (resumed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Least Developed Countries</td>
<td>Mutual Exclusivity</td>
<td>Exhaustible Resources</td>
<td>Armaments and Development</td>
<td>International Negotiating Machinery</td>
<td></td>
</tr>
<tr>
<td>Basic Needs</td>
<td>Food, Agriculture, Rural Development</td>
<td>Transfer of Technology</td>
<td>Automatic Resources for Development</td>
<td>Women in Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Transnational Corporations</td>
<td>[Prospects for the 1980s]</td>
<td></td>
</tr>
</tbody>
</table>

28.4.78.
TO: Mr. Hollis B. Chenery  
FROM: Mahbub ul Haq, Director, PPR

SUBJECT: Ideas for Brandt Commission Report

1. You asked for some ideas that Mr. Willy Brandt might consider to formulate his main message to the world. My quick reaction is that he needs to find one powerful, integrating idea which appeals to the conscience and enlightened self-interest of the international community and under which it is possible to group together a number of operational policy proposals. I believe that the idea of the Global Compact (to eliminate the worst aspects of absolute poverty by the year 2000), advanced by Mr. McNamara in his 1976 annual speech, offers such an umbrella. The real question is whether the Brandt Commission has the technical expertise or the time now to put real flesh on this idea. If they can succeed in doing so, it would help:

   - advance a time-specific target that may capture the attention of the world and behind which Mr. Brandt may be able to mobilize considerable political support;
   - give a lead to the formulation of the international development strategy;
   - link domestic and international efforts in this field, whereas North and South have each pointed an accusing finger at the other so far;
   - give perspective to the NIEO discussions by showing how specific means (i.e., individual negotiating items) must be subordinated to an overall, agreed objective;
   - lead to specific proposals for international resource flows and institutional restructuring to promote and monitor the implementation of such a grand vision.

2. Paul Streeten and Javed Burki have prepared the attached draft to elaborate the kind of work that will be involved in giving some real content to this idea.

3. I shall be away in Canada on October 23-24 but shall be glad to discuss this further on my return.

Attachment

cc: Messrs. Streeten
    Burki
Brandt Commission Report

The following are some thoughts on how the Brandt Commission could structure its report. The report might be divided into four parts or into four areas of emphasis. These are:

- Eradication of the worst aspects of poverty by the year 2000 as a global objective. It would be useful to focus on a single objective rather than on a large number of them, while saying that it must be pursued within a framework which is bound to include other objectives.

- An approach for achieving this objective. Here, the Commission will have to decide if this goal is to be achieved in the context of rapid growth of the world economy as a whole or of selective growth of particular sectors in the developed economies, and on the links between growth, and in international and domestic redistribution. The "interdependence hypothesis" suggests linkages between the developed and developing countries that, even over the medium run, could be disadvantageous to the latter, e.g., rapid overall growth of the developed countries could lead to a rapid exploitation of the globe's non-renewable resources. This implies a cost for the developing countries. The main thrust would be on how to avoid conflict and damage by coordinating action (armaments, protection, deflation).
Means for achieving the objective and pursuing the approach. Here, three questions come to mind:

- Should we opt for a global approach, including Socialist economies?
- Should we build on the present trend towards North-South regionalization (e.g., Lomé, ASEAN)?
- Should we emphasize the role of politically neutral international institutions?

A combination of these three paths is, of course, possible, e.g., the regional approach can be outward-looking and a step towards a global arrangement (arrangements that benefit one group of developing countries at the expense of other developing countries should be avoided) and the institutions need not be part of the U.N. System but can comprise groups of countries. A principal theme here could be the need for an institutional response to the reality of interdependence.

And finally, the policies for achieving the objective, following the approach and activating the institutions. Here, the Brandt Commission can only indicate the areas of international and domestic action and the direction that needs to be taken. The detailed analysis of the policies will have to be left to specialized agencies, international fora, regional groupings and so on. The Brandt Commission can emphasize the need for a truly global approach (including global management in some areas), and the need for appropriate global institutions. At the same time, not being bound by particular institutional loyalties, it can point to the possibility of groupings and arrangements, comprising fewer countries than the whole U.N. System, and for diversity and options.
October 26th, 1978

Press Release

"Why a New International Order?"

Speech by Willy BRANDT

Chairman of the Independent Commission for International Development Issues (ICIDI)

before the United Nations Association of New York

Embargo: Hold für release until October 26th, 1978, 6 p.m.
I.

Let me first thank you very much for giving me this opportunity to be with you here in New York today and to discuss one of the crucial items of our time:

The future of our planet and the existence of mankind are not only threatened by serious political tensions and by the arms race which might explode in a nuclear war. The world can equally be jeopardized by a widening gap between nations who suffer from hunger and those who eat more than they should.

Peace and development, disarmament and development are inter-related in various ways, and East-West problems cross with North-South relations. But even if we leave out the dangers of nuclear war, we are faced with the need of restructuring international relations, especially in the economic field.

For me there is no doubt that relations between the industrialized and the developing countries must be decisively improved. For me this constitutes the most important social problem for the rest of our century. And I will not get tired of explaining the magnitude of that task.

Of course you could raise the question why I should be particularly qualified to speak to you about this subject.

I have been aware of its importance since as a young man during World War II I did some writing on peace aims. But I must admit that when I held government responsibilities in my country, North-South issues were not at the heart of our daily activities. We should and could have done more.

At the same time one should remember that we did some work in another important area, namely to reduce tensions in our part of the world, to improve relations between Western and Eastern Europe, and so making peace somewhat safer than it had been before.

When I was asked last year if I would bring together and chair an independent Commission on international development issues, my experience in handling difficult problems in another area may have been in people’s minds. And when I accepted, it was my hope that — in an area much larger than that of "Ostpolitik" — it might be possible once more to demonstrate how the character of a conflict can be changed — how areas of mutual interest can be discovered and developed — and how this can be to the advantage not only of world peace but also of the coming generations of peoples all over the world.

To prepare and to build up a new international order is too important a task to be left to governments and international agencies alone. To reshape the international scenery in an unprecedented manner demands the understanding and support of many responsible and far-sighted citizens all over the world.

I am glad to know that the United Nations Association of America — and its New York chapter — are dedicated to this task. And I hope UN Associations in many countries will pay major attention to the problem we are dealing with here: how to improve decisively relations...
between industrialized and developing countries.

II.

I completely disagree with those who say that we will not be capable to solve the North-South issues. We have encouraging examples for what nations can achieve if decisions are taken which correspond to the challenges of the situations they are confronted with.

The task then is to create a new international order - and I deliberately leave out the word "economic" because I am sure that a new order must comprise political elements, too, and that cultural and social relations must not be under-rated. What we need is an international order in which the hitherto underprivileged majority of the world population can perceive a better perspective for their lives and in which there is much more equality not only of opportunities but also of realities.

If one takes a look at the present situation of our nations - on both sides of the Atlantic - one will certainly come to the conclusion that we are living through a difficult period.

The growth of the 1950s to the early 1970s has slowed down in the rich countries, and although we have unemployment and excess industrial capacity, we are afraid of stimulation because it may bring further inflation and balance of payments problems. Uncertainty afflicts business, and manufacturing investment has been stagnant in most of the industrial world. The economic future has become increasingly unpredictable.

But today we are far more aware than we were in the 1940s or even the 1960s of the position of the developing countries. As a group, their economies have been growing faster than ours in recent years. But that is misleading in some ways.

The so-called newly industrializing countries where living standards are relatively high and rising quickly, are part of that group; so are the oil-exporting developing countries. When you subtract those, you are left with the low-income developing countries, where live the great mass of the world's poor people. These countries, too, have been making some progress, but far too modest to bring their people within reach of a decent life at any reasonable speed.

Today even the better-off developing countries are threatened by the stagnation of the industrial countries. For many reasons, the prospects for the poor countries, and the poor in those countries, are the opposite of bright.

In the years of post-war prosperity there was a coherent set of rules and institutional procedures which gave stability to international finance and trade. In their present state, international relations, cause a good deal of concern.

The International Monetary Fund and the other institutions created after the war are still in place, but some of their important
functions have virtually lapsed: there is a precarious, and not very cooperative exchange-rate system; international trade is riddled with ad hoc arrangements, and protectionism is growing and threatening to become worse.

While we have many international problems, we are not strong on solutions. Nor, in the absence of the kind of clear leadership provided by important nations at the end of the Second World War, have we been able to create the kind of new international system that is needed.

Thus when we speak of North-South relations, we must recognize that the international system with which we have to live is currently failing the North. And is was never very equitable for the South.

The developing countries complain with considerable justice that the international economic system and their lack of adequate representation in it - together with the vastly greater buying power and sophisticated organization of the industrialized countries - leave them at a disadvantage in trade, in money, in finance. When they call for a new international order, it is mainly this they seek to redress.

It is my belief that we are all in need of a new order. I believe that the statesman of the world - and those advising and influencing them - should pay much more attention to these problems together, so that all countries could cooperate in a healthier world economy.

The problems of the developing countries are not separable from our own, and a solution of our problems must comprehend a better deal for them. Indeed a prosperous Third World would bring many positive advantages to the developed, industrialized countries.

A certain learning process is taking place in both directions.

Those representing developing countries realize more and more that healthy economies in the industrialized world are also in their interest.

In the industrialized countries, in turn, it is increasingly realized that long term economic expansion must depend in part on increasing trade with the countries of the Third World. To a certain degree this was also reflected a few months ago at Bonn summit of seven important industrialized countries.

But on the other hand, there is no doubt that frustration is gaining momentum in international negotiations. Many resolutions have been passed by the UN and other international fora in recent years. Not only much rhetoric has been produced, but also many hopes expressed are a good deal of thinking done - on trade and commodities, basic needs and domestic reforms, technology and transnational companies, population and education - not least on means of financing development and methods of re-structuring an international monetary system, and of course also problems of the international negotiating and cooperating machinery.
III.

Last year, as I mentioned, I was faced with the question what kind of contribution an independent Commission might be able to make.

As you may remember, it was Robert McNamara, President of the World Bank, who in his Boston speech in January 1977 recommended that a group of independent personalities from both developing and developed countries should identify those areas that could command public and legislative support in rich and poor countries alike.

Since the Paris Conference on International Economic Cooperation was still going on at that time, I was hesitant to follow that suggestion immediately, and I hasten to add that the dissatisfying outcome of the Paris talks did for some time nourish serious reservations against the creation of such a new body like the Commission I am chairing.

I was grateful to a number of friends from the developing countries that I could discuss their concerns with them - not least here in New York last autumn - and one of your guests of tonight, Ambassador Mills, will certainly recall those talks. In the meantime, those concerns seem to have disappeared and some of the governments that had them in the meantime put a good deal of confidence in our attempt to re-structure the international debate.

Of course, there remains the problem of what you reasonable can expect to get out of a Commission without power, expect - if one succeeds - the persuasive force of convincing arguments.

My own expectations are not unrealistically high, but I believe we will achieve more than just producing another book. Even if this should happen, I think more damage has been done to mankind by other things than by addressing a smaller or larger number of more or less interested readers.

To be more serious: Our report when it is ready next autumn, will be sent to the Secretary-General of the UN, who has agreed to this procedure. It will at the same time be made available to governments, international organizations and to the interested public - in the developing as well as in the industrialized world.

We do not intend to duplicate or pre-empt current negotiations for which governments bear responsibility. On the other hand, we will not limit ourselves to those items which are subject to on-going international negotiations for the next few years ahead of us. We will try to develop a perspective for the 80's and - as far as possible - for the rest of the century.

I am not in a position to give you a kind of "half-time" report, since up to now we have been in a constant brainstorming dialogue. But I can give you some guidelines:

Our dialogue certainly does not exclude the question: What kind of development is really asked for and needed?
The fact that critical citizens in our societies question our own patterns of development and growth targets, makes it even more evident that one has to pay great attention to the historical and cultural traditions of individual nations in order to respond to their adequate needs for individual development.

Our perspectives, I am sure, will be based on the growing interdependence of the world community and influenced by what we call mutuality of interests - not as a slogan or a headline, but as an interpretation of facts and desirable developments.

I believe it is important - thus underlining what I indicated before - to shift the framework of debate so that public opinion will be led to see the problems of international development not in terms of "the rich helping the poor", but of the developing countries achieving a just return for their own productive efforts, and the industrialized countries working in cooperation with them for the economic and social advancement of all mankind.

No doubt, no one who talks business and wants to be taken seriously, can run away from the need to increase the transfer of resources.

This, in my opinion, does not mean that all proposals we have seen and still do see on the international agenda deserve the qualification of being realistic.

At the same time I find it interesting and even encouraging to notice that considerable attention is paid to the possibilities of increasing cooperation among developing countries. This would not only diminish their dependence on economic up-and-downs in the industrialized world, it would also mobilize more of their own resources.

In this respect, I think the Conference on Technical Cooperation among Developing Countries, recently held in Buenos Aires, did set important signals.

Without endangering the political solidarity of developing countries, it seems appropriate to differentiate more between their economic developments. I have serious doubts whether global approaches and demands all over the field really do facilitate agreed solutions.

As you may remember, the Pearson Commission did not deal with the possibility or even the desirability of engaging the so-called East, the Communist governed countries, in increased North-South cooperation. In my Commission we hope to be able to include these relations, and we want to approach those partners in a non-polemic way and consider the interests and arguments of the countries concerned.

Members of our Secretariat have held expert talks in Moscow this summer and we hope that these discussions can be continued. Personally, I have had discussions with responsible leaders in the Soviet Union and Eastern Europe, and these did give me the impression that there is a growing awareness of their own
interest in what is under negotiation in international fora.

At the same time, talks with political leaders of the South showed me that quite a number of them are dissatisfied that their dialogue is limited to the Western part of the North.

Expert contacts will also have to be established with the People's Republik of China, which, of course, has a remarkable development experience of her own. China's role in the future might be even greater in view of her decision to strongly increase cooperation with industrialized countries.

We are also faced with this question. Has our world community developed the right kind of international machinery to cope with these problems? The main monetary and financial institutions - as know by all of you - were established in the forties, some thirty years ago, well before the main-stream of decolonization. The influence of the Third World in decision-making is still unsatisfactory; reforms are necessary.

The United Nations - as a forum for all nations - are irreplaceable inspite of well-known shortcomings. But we must realize what it means that the UN family has substantially grown larger, and international conferences around the world have become so numerous that one can hardly keep track of them.

The danger is that international organizations are blamed for the lack of progress whereas in reality other reasons are primarily responsible for it. So it seems to be necessary also to look into the achievements and shortcomings of the international negotiating machinery.

In any case, my Commission before tabling its report shall be able to take stock of the 1979 UNCTAD meeting in Manila, where one must hope that some of the difficult issues which we have been facing for several years will be brought closer to a satisfactory solution.

That meeting and the Eighth Special Session of the UN in 1980 will then hopefully set the path for a Third Development Decade.

IV.

I did say: We have encouraging examples for what nations can achieve if decisions are taken which correspond to the challenges of the situations they are confronted with. I think of the time, just a little over thirty years ago, in June 1947, when the Secretary of State of this country made a speech at Harvard launching what ultimately came to be known as the Marshall Plan.

We in Europe then were looking at the ruins of the world we had known. Our countries, our industries were shattered by war. Fascism had been defeated, but new political menaces were looming up. It was a difficult, a painful time. We badly needed help from the exterior, and we got it.
Indeed, the United States enabled the economies of western Europe to get back on their feet and, by this, laid the ground-work for a prosperous future in that part of the world. By this courageous act the government of the United States created the bases for a reliable and rather fertile alliance which has already lasted more than three decades.

I was very glad that - as a token of our appreciation - as Chancellor of my country, in 1972 I could set up a Foundation in this country on the occasion of the Plan's 25th anniversary. And I was moved when learning last year that the German Marshall Fund of the United States was the first private institution to provide funds for the start of our Commission.

I submit: that the United States - this time with a recovered Europe and Japan at her side - is now faced with a similar challenge.

Not that I am advocating a new "Marshall Plan for the Third World". The situation is not comparable since we in Europe had the skills, know-how, and administration and "only" needed financial means. In many of the developing countries, however, these prerequisites have still to be built up so that money alone would not do, however important additional financial sources may be in the future.

The Marshall Plan was also instrumental in fostering regional cooperation in Europe, for the United States made it a condition that an organization was set up to that effect: the Organization for European Economic Cooperation (OEEC). And that experience of course facilitated the creation of the European Economic Community.

What I am advocating is a substantial contribution of this country in order to help create a better international order. Within the industrialized world the United States has to take the lead. She has to come out with imaginative ideas and proposals and has to avert the danger of introversion. In these endeavours the mutuality of interest, the notion that increased cooperation is beneficial to the economy, play an important role. My fellow Commissioner, Peter Peterson, who is with us here tonight, very much stresses this important point in his articles and speeches.

It certainly is not my task to express any doubts as to a fruitful and encouraging interplay of Congress and administration in this domain. And I really cannot believe that the American people are indifferent to the fate of the poor and the hungry in the Third World. The idea that individuals and countries can and should fend for themselves, and that the conditions in which they can do so should be established, must have a great appeal to Americans.

So, I believe that the Government of the United States will respond in a statesmanlike way to the problems of the world and make America play a major part in building a healthy global economy, a global community.
Defeatism, it seems to me, is not part of the American way of life.

Something as important and imaginative as the Marshall Plan is needed. But that Plan was mainly a matter of aid and as I said - I do not think aid - extremely important though it is - is the key feature of the new international system we are looking for.

What the developing countries want, what they need, what I believe they deserve, is a world in which they can earn their own keep and grow by their own efforts.

If an international system can be established in which developing countries are free to trade and receive a just reward for the goods they produce, and have satisfactory access to financial markets, many of them would not even want aid.

Several of these countries as I am sure you know have made a virtue of self-reliance, an with great discipline and hard work are on the way to joining the ranks of the developed countries.

But at the other end of the spectrum there are a range of countries whose prospects are so limited and whose needs are so great that they will continue to require aid, probably for another generation. The rich countries will have to provide this assistance - Europe, Canada, Japan and others together with the United States.

Still, I am sure, our ambition must be to create a world in which aid gradually becomes unnecessary, in which all countries can prosper and grow without concessional assistance.

If I referred to the Marshall Plan, it was partly to commemorate once more that remarkable episode, a landmark of international cooperation. It was partly also to remember a time when the United States showed the most attractive face of its internationalism, its generosity, its practical concern.

The world needed America, and America did not fail it.

Some people now may say that the United States of today is a different place, preoccupied with its own problems, somewhat inward-looking, not eager to participate in new international measures which will meet the challenges that lie ahead. I think they are wrong.

Among other things, I base my view on the amendment to the Foreign Assistance Act of 1961 passed by US Congress in September this year stating that the United States development policy should emphasize four principal goals:

"(1) the alleviation of the worst physical manifestations of poverty among the world's poor majority;

(2) the promotion of conditions enabling developing countries to achieve self-sustaining economic growth with equitable distribution of benefits;"
(3) the encouragement of development processes in which individual civil and economic rights are respected and enhanced; and

(4) the integration of the developing countries into an open and equitable international economic system."

These goals very much reflect my own beliefs and priorities.

I also felt encouraged when I heard of the launching of a Commission on World Hunger headed by Mr. Sol Linowitz. And together with others, I very much appreciate the personal engagement of President Carter in these matters.

The world once more needs a determined United States. And I would like to reiterate my conviction on my plea:

I am sure that America and Americans will join, will increasingly want to join in new initiatives to create a climate of hope in the world again, as they have so often done in the past.
First of all what does Brandt hope and expect to get out of this meeting, to which he attaches great importance? He does not want to seem to lose any of his independence from the Bank, but he does want to make sure that you and he know each other's minds and do not arrive accidentally at different conclusions. He does not expect that you will approve of all his priorities, but he does believe that you appointed him to give an independent European-based world view of the North/South relationship.

In my opinion (if I may say that phrase once and for all) you should begin by seeking to draw out Brandt on the timetable and program of his report. When may it be ready (it doesn't really matter when in 1979, my guess is October); what format? how long? how composed (does he still plan to use a writer such as Anthony Sampson; will it be a committee document or a Brandt document)? Who is it addressed to in reality? (Later you could ask how he actually intends to reach effectively that chosen audience).

Secondly you should draw him out on the contribution made by the Secretariat, does he get everything he wants from the Bank and especially D.P.S.? How are the Commissioners shaking down as a team? Are the extremes finding common ground?

I expect you will find that Brandt feels that there is a broad consensus emerging, and you could try to find out what it is. I know he feels that Ramphal is a key swing vote, which he believes will eventually swing into the column supporting a new international economic order very much broader and less dogmatic than The NIEO. (He equally believes that Drag is a lost cause).

You could enquire about how Brandt sees his compromise economic order emerging. I think he agrees with the Bank's trade policies, but I wonder whether the Commission has any clear idea of the relative value of trade in raw materials and manufactured goods. I expect it is in this area that there is greatest need for clarification of view points. You will have noticed that Brandt took a more optimistic view of the year 2000 than the W.D.R. I suspect this was a political ploy, rather than any deep disagreement with the Bank.

But this also raises an issue we need to get more in to the open: the future role of the World Bank. There has been a lot of casual discussion of the Bank's present and future role in the less formal parts of the meetings – especially in the West African (Mali) meeting where several of the African ministers who were invited to
testify spoke of the over great power of the Bank, and its use of it to influence their policies. This struck a welcoming chord (surprisingly) in some of the European Commissioners, and there was quite a lot of talk in the corridors (and with such as Bob Cassen of the Secretariat) about giving more power to the regional Banks, or decentralising and splitting up the World Bank - anyway curbing its monopoly. This in turn has got caught up in the current Giscard-Schmidt attempt to build a New European Economic order, which has distinctly anti-American overtones. Let's not exaggerate the menace but a lot of thoughtful Europeans are thinking of an alternative to the World Bank on a semi-regional basis through Lomé, and a similar regional I.M.F. in the E.M.S. However unfairly you are regarded as being too caught up in fighting the Americans, and not enough in consulting with the Europeans.

You should try to probe this and give your political judgment - which I believe to be that the greatest danger is a permanent diminution of the U.S. interest in International Institutions. Also you might refer to the possibility of your visit to Germany which Fritz Fischer raised on behalf of Brandt.

Finally I expect that Brandt will make it clear at some point that the central theme of the Report is to be the Common Interest of Industrialised and developing countries in economic growth. (This is Egon Bahr's political sine qua non for any increase in German Aid). It might be worth while probing this version of interdependence to see if it has been thoroughly thought through.

I attach the latest set of papers from the Secretariat, which has just reached my desk from Fritz Fischer. (I now know that there is a regular flow from the Secretariat to Attila Karaosmanoglu whom you designated as the contact point). The one most worth a glance is 'Mutual Interest' by Bob Cassen. I have sidelined it. Of particular interest is para 74 which lists some of the recommendations which are expected. You may wish to hear Brandt on such things as 'Disarmament' and 'Cooperation with the Eastern Bloc'. (I would hope both of you would agree that they were highly desirable but we could not wait till they were achieved).

Copy H. Cleeney.

WDClark: sf
Bruntt: "OECD" for LDC's - Regional basis.  
Arnold Bkgo
To: Bob McNamara

I met with the Brandt Commission in August and have sent Willy this follow-up letter which I think will interest you.

Harlan Cleveland

Rosedale Road, Post Office Box 2820
Princeton, New Jersey 08540 (609) 921-1141
Dear Willy:

Thanks so much for your cordial note about my participation in your Tarrytown meeting. I very much enjoyed the opportunity to meet with the Commissioners, both in the meeting and individually.

I do not of course know how far along you are in developing the fresh proposals I am sure your final report will contain, so the rest of this letter may be "coals to Newcastle." But I thought it might be helpful for me to provide a reminder of the two main lines of thinking I intended to leave with you.

The content of "international affairs" is now mostly the "domestic affairs" of still sovereign countries; in no category of international politics is this more true than in "North-South" relations. At
American Institute for Humanistic Studies
Program in International Affairs

Dear Willly:

Thanks so much for your cordial note about my participation in your Tarxentum meeting. I very much enjoyed the opportunity to meet with the Commissioners, both in the meeting and individually. I do not of course know how far along you are in developing the fresh proposals I am sure you are in this report. Will contain so the rest of this letter may be "cooks to Newcastle." But I thought it might be helpful for me to provide a reminder of the two main lines of thinking I intended to leave with you:

The concept of "international affairs" is now mostly the "geopoliticization" of still sovereign countries in the "clash of civilizations" and "cultural" politics. Policies in this more "Westphalian" "North-South" relations. At
the diplomats' level, there has to be a pretense that the subject is the relations between monoliths called nations. But your Commission doesn't have to be so uncandid.

The developing countries want some hard decisions made inside the economies of the industrial democracies (the Soviet Union and Eastern Europe are still sitting out this dance). The desired decisions have to do with ensuring access to their big markets, making sure North America grows and stores enough grain for the world food system, and getting the industrial countries to work hard on usable development technologies, transfer resources as development assistance, manage their powerful economies so as not to export inflation, and regulate the international operations of multinational companies.

Each of these areas for decision is sensitive, politically charged, and traditionally regarded as the province of "domestic politics". The main forces engaged are not bureaucracies and legislatures, but labor unions wanting to protect domestic jobs, business communities wanting to protect profit margins, farm lobbies wanting to protect high prices, environmental movements wanting to protect Nature, consumer groups wanting to protect their purchasing power. These and other special-interest groups have the demonstrated capacity to bring government to a halt -- and even to bring governments down. The internal politics of the industrial
nations need to be faced frankly, and discussed out loud, by the Independent Commission.

At the same time, people in the industrial "North" are going to need assurance that their efforts to help are effective in doing something about poverty in the "South."

Poverty is first of all a matter of "domestic" institutions that discriminate, structurally and systematically, against the poor. Doing something about poverty therefore requires first of all hard decisions inside the political economies of developing countries -- decisions, for example, about land tenure, rural reconstruction, "basic needs" strategy, education, productivity incentives, and the widening of participation in decision-making. Since those in charge in "poor countries" are not usually poor themselves, they also have something to protect, and that often does not lead to a vigorous war on poverty.

The internal politics of the developing countries also need to be faced frankly, and discussed out loud, by the Independent Commission.

The basis for a "planetary bargain," or whatever you choose to call the new international order, is arrangements that provide assurances to each participating nation about the kinds of internal reform and restructuring in other nations that can make "positive-sum" international relations
possible. The old ways of working things out, which always seemed to lead to war sooner or later, are obviously unacceptable in the post-Hiroshima era.

II

I suggested to the Commission some examples of the new kinds of international institutions to which these new requirements give rise.

A full inventory of the social inventions we are going to need would have to range over the whole of the Commission's terrain, in such fields as food, population, fuels, non-fuel raw materials, trade in manufactures, shifts in industrial geography, investment policies, monetary reform, ocean resources, environmental risks, technology transfer, communication policy, information flows, the puzzle about climate change, and the human uses of outer space.

I mentioned, as illustrations only, four kinds of institutional change which might help us all to cope with, and bargain about, this vast agenda: the raising of international revenues for development, the way in which "basic needs" development strategies might be internationally reviewed, the potential of "extranational institutions," and the need for a truly international "policy analysis" function.
1. **An international development tax.** In our Planetary Bargain report three years ago, an international working group put it this way: "Rather than trying to pump life back into the worn-out policy of year-to-year decisions by individual governments on how much to appropriate and to whom it should go, what is needed is a flow of funds for development which are generated automatically under international control. . . . The idea of international taxation (on ships for their use of international waters, on international air travel, on international telecommunications, on ocean fisheries, on passports) is a hardy perennial, but we believe it should be treated as an idea whose time has come."

One version of this idea would link development financing to the creation of Special Drawing Rights by the International Monetary Fund. I do not believe the Commission should go that route. SDRs are supposed to be a device for creating monetary stability and should therefore be created at irregular intervals, when more international liquidity is needed. Such a system would leave international development starved whenever (as frequently during the 1970s) world liquidity did not justify the creation of new international money.

As a matter of common sense, it seems to me, international fund-raising should bear most heavily on those activities.
which benefit most from a peaceful and predictable world environment. Travel and transport are obvious candidates: as a frequent international traveler I see no reason why I should not pay a tithe of my passport fee, a fraction of the price of my ticket, or both, for the privilege of travelling in a largely peaceful world. Other easily understood devices would be a tax on the use of a commons -- a fee for parking stalls in orbit, licensing fees for exploitation of resources in the ocean, on the seabed and on the continental margin -- and a tax on the export of pollution, intended as a disincentive as well as a way to raise revenue.

A good deal of thinking has been done on this subject over the past two decades, but no national government or international leader has effectively espoused it. The Independent Commission could make a big difference by doing so.

2. The international review of "basic needs" strategies. However the funds for development assistance are raised, they should be allocated in ways that provide the maximum incentive for the kinds of internal reforms that will "do something about poverty." (By any measure you want to use, there are more poor people in the world than there were a generation ago -- even though for much of that time, the rate of economic growth in the developing world has been twice the rate of growth of population.)
Indeed, if that does not happen, it will not be possible to generate in the industrial democracies the political will to raise the development aid funds in the first place.

Suppose there were general agreement that people are entitled to a minimum level of life and literacy by virtue of being people, that this "poverty line" is properly a matter for international as well as "domestic" politics, and even that the meeting of basic needs should be regarded as a first charge on world resources. It is not necessary to get international agreement on a quantitative standard of basic needs; these will vary according to geography, culture, social priorities, individual and family preferences, stages of development, and time. But if the world is going to turn to and help developing nations lift their poorest people out of absolute poverty, then two things are necessary, in this order: (a) each developing country that expects the rest of the world to help will have to plan its own "basic needs" strategy, and (b) those plans will have to be reviewed internationally. The object of those reviews would be to certify for each developing country -- to other nations, and to international development banks and funds -- that it has a serious plan for "doing something about poverty" and is getting on with the job.

In the nature of world politics, such a review-and-certification process cannot be one in which the richer nations sit in judgment on the poorer nations. One way to
avoid this would be to have the international certifying agency organize a review process in which developing countries would review each other's "basic needs" strategies.

There is precedent for such a process. When the Marshall Plan was launched, the United States did not want to sit in judgment on each European country's recovery plans, yet it needed to be able to assure the U.S. Congress and the American people that those plans, individually and collectively, were sound. It was therefore decided to throw to the Europeans as a group (organized at that time in OEEC -- the Organization for European Economic Cooperation) the task of dividing by country the billions authorized for transatlantic aid. The resulting "country reviews" were searching, and delved deeply into the domestic economic, budgetary and monetary policies of the OEEC countries -- and no one cried foul. National sovereignty was by no means set aside; the several sovereignties were joined in a cooperative recovery effort which has to be judged one of the great success stories of postwar history.

Arguing by analogy is always perilous; it is easy to think of twenty ways in which the development issues in present-day "North-South" relations are different from the issues in the European Recovery Program thirty years ago. But the central idea is suggestive: the developing countries might be able to do as a group (or as several groups,
according to development status or geography or even political likemindedness) what they cannot do individually: make sure that the coming global effort to overcome the worst aspects of poverty worldwide is in fact pointed squarely at that goal, and that the net contributors to the process know it.

3. **Extranational institutions.** Until recently the high-water mark of international organization has been committees of instructed representatives of sovereign states, staffed by international civil servants serving by unanimous consent, occasionally using "experts" or "wise men" in their personal capacities to untie some particularly tight knot.

Scholars have constructed, on paper, the institutions of a world government; but there has never been a world community on which political institutions of general jurisdiction could be built. Some of us have indeed questioned whether a world government would not risk being as oppressive as some national governments have become -- without the saving grace of pluralism and choice and escape.

There is now a need for an intermediate case, the "extranational" institution. Here is how we described it in *The Planetary Bargain*:

The extranational principle is illustrated by the way the European Community is working in practice. Reaching for the supranational star of Jean Monnet,
the Europeans fell short. But in falling short, they invented something new: an executive commission operating at the political level, which internationalizes much of the initiative for action without derogating from the ultimate power of the governments who have, in effect, loaned their sovereignty to the commission.

The European Commissioners are not "international civil servants." They are, for the most part, former ministers appointed for a term of years by their own governments, but not removable by their own governments. They are therefore in a position to deal with governments laterally, as personal equals, not as secretaries serving political committees from below. Under the Treaty of Rome it is the Commission, not the member governments, which takes the initiative in proposing "European" policies and actions; it is also the Commission which carries on the necessary consultations with nongovernmental organizations (trade union groups, agricultural associations, and the like) and with the European Parliament (which is scheduled to be directly elected after 1978). After these consultations, the Commission's revised proposals are submitted to the Council of Ministers, which can act for governments in approving or rejecting -- but not rewriting -- what the Commission has proposed.

Again I have to ask you not to be mesmerized by the analogy. It is arguably far-fetched. The European Commission itself is not working all that well, though even its imperfections are an improvement over several hundred years of European wars. Moreover the task of Western European economic integration is vastly different, and for all its difficulties easier, than the development issues with which you are grappling. Still, the key elements of this social invention are suggestive:

the obligation of the extranational body to analyze problems and formulate initiatives from an international point of view;
the capacity of its members to negotiate with governments at the political level;

the collective nature of the executive leadership which gives some assurance that a wide spectrum of viewpoints will already have been brought to bear on its thinking before important initiatives are taken.

An organization with these characteristics could tackle, better than an orthodox committee of sovereigns, politically sensitive yet operational tasks such as those just described -- formulating, negotiating and administering an international development tax, and establishing a workable review-and-certification procedure for development plans aimed at meeting "basic needs." It is not hard to imagine other functions to which the extranational principle of organization could also be creatively applied: the management of buffer stocks and a Common Fund for price stabilization of key primary commodities; promotion of research and development on alternative energy sources (including assistance to developing countries in designing their own energy futures); the resolution of differences among transnational enterprises, home governments and host governments over such issues as taxation, employment, competitive practices and contributions to basic needs; the functions contemplated for "The Enterprise" in the current negotiations on Law of the Sea; the administration of international money creation (within the framework of the IMF) in a manner and at a rate that is compatible with economic growth at reasonable rates of inflation -- the
definition of what is reasonable being itself the product of a continuous bargaining process which would have to be organized by the extranational institution. The extranational principle might also be used in peacekeeping, for the management of international conciliation and mediation and the development and maintenance of ready forces for peacekeeping duty.

4. **International policy analysis.** One of the striking ironies of the existing world order is this: while there are many "world organizations," none is responsible for thinking about world order. Permit me to remind you once again of some words in our 1975 Planetary Bargain report:

The present system of international institutions is the product of historical circumstance rather than conscious design. As a result, there are dozens of global and regional agencies, each struggling with a piece of the world "problematique," with no effective integrative analysis or "general sense of direction" at the center. Some measure of institutional pluralism is obviously necessary in a large-scale system, but the proliferation of secretariats, committees and conferences degrades the total effort and destroys the confidence of governments. The need is not just to streamline by eliminating overlapping and wasteful activities and clarifying assignments, but to make sure that essential linkages among sectors (for example, among food, environment, and ocean policies) are fully appreciated by political leaders with broad responsibilities.

A key lacuna in the system is the absence in the central offices of the United Nations, of a capability for global systems thinking, the kind of catalytic policy analysis that a modern government, a big corporation or a large university now considers to be indispensable to making sense of "the situation as a whole" . . . .
The missing function is distorted by the phrase sometimes used to describe it: "policy planning." Detailed planning is better done by sectors, by regions, and at middle and lower levels in the international system. But there is an acute need for more comprehensive policy assessment, so that the participants in planetary bargaining -- national governments, transnational organizations, specialized intergovernmental agencies -- have a clearer idea how their corners of the great complexity can contribute to a larger, if still pluralistic, design.

One example from recent history may help make the point. It is possible that if there had been an available policy assessment from an international point of view, the Group of 77 in the Law of the Sea negotiations would not have rejected the 1970 proposal to share the revenues from oil found in the world's continental margins. That arrangement could have provided several billions dollars of "automatic" international revenue for use in developing countries; but as a Nixon Administration proposal in a confrontational climate, it was spurned before being studied. An authoritative source of international analysis might have pointed out that the interest of most developing countries lay in grabbing the U.S. initiative before its powerful American opponents, aided by the routine suspicions of the Group of 77, managed to get it withdrawn.
The natural place for this kind of policy assessment is in the office of the Secretary General of the United Nations. An international study group assembled by the Rockefeller Foundation at Bellagio in 1975 suggested "a small group near the Secretary General level with the ability to suggest global priorities, give some guidance to the planning process at other levels, and provide the Secretary General with analytical work as a basis for his overall system leadership." An alternative, at least for issues that touch economic and social policy, would be to associate the function with the new Director General for Development and International Economic Cooperation, the position to which Mr. Kenneth Dadzie was recently appointed. Perhaps both international officials will need small systems-analysis think-tanks to wrestle effectively with their wide responsibilities. The main thing is that at least a few very bright analytical minds be engaged full time in surveying the global policy terrain.

"The problem of today," an Australian anthropologist said long ago, "is how to use the intelligence of a relatively small number of men and women to devise ways in which patterns of behavior, laid down in a million years, can be modified, tricked and twisted if necessary, to allow a tolerable existence in a crowded world." "If we are to retain any command at all over our own future," says John Gardner, "the
ablest people we have in every field must give thought to the largest problems. . . . They don't have to be in government to do so. But they have to come out of the trenches of their own specialties and look at the whole battlefield."

I hope that this lengthy response to your letter of September 6th proves to be more a boon than a burden. Thanks for persevering to the end of it.

Warmest regards.

Sincerely,

Harlan Cleveland

cc: G. Ohlin
    D. Avramovic
Mr. McNamara:

I called Mr. Clark's office again about this and apparently there isn't a single author, but several. Mr. Clark, on his return, will address a note to you on this.
August 16, 1978

NOTE FOR MR. CLARK

Who is the author of the Brandt Commission's Secretariat Paper 9 on the subject of Debt?

Robert S. McNamara
TO: Mr. William Clark, VPE  
DATE: August 29, 1978  
FROM: Rainer B. Steckhan, DEO  
SUBJECT: Visit with Willy Brandt

1. While in Bonn on an introductory visit last week, I saw Willy Brandt. We talked mostly about the World Development Report which he liked. He added though that he preferred the first chapters to the ones dealing with Africa and South Asia. In the latter chapters, he felt the Bank was slightly "lecturing" African and South Asian countries. I explained that the staff had attempted to present a balanced view and that one or two Part I countries had commented favorably on the "regional" chapters. He also wondered (mildly) whether we had to single out the Federal Republic of Germany (together with Japan and the U.S.) as a poor ODA performer and, in reply, I provided a few statistics. On the other hand, he praised the Report for drawing attention to studies (such as the German one) on the offsetting employment impact of a balanced growth of imports and exports with developing countries. He felt (rightly, I thought) that such detailed studies should be undertaken on a country by country basis.

2. While Mr. Brandt was very careful not to reveal details of the Commission's work, the choice of subjects he covered (health, social and religious obstacles to development, cooperation among international institutions, international negotiating machinery, debt, energy, more equality in dealing with developing countries) gave some indication on what was presently on his mind.

3. Mr. Brandt, who will be in the U.S. this week but will miss Mr. McNamara, will come back to New York around October 26, 1978 for the launching of another volume of his memoires and hopes to see Mr. McNamara then. I believe Fritz Fischer has already put in a request for such a meeting while in the States this week.

4. You will have heard by now that Pierre Mendes-France will no longer be able to participate in the North South Commission for health reasons. Mr. Edgard Pisani has been asked to attend this week's USA meeting of the Commission and is expected to join it thereafter as a full-fledged member. (Enclosed please find a biography.)

Encl.
RBSteckhan:mcl
Pisani, Edgard; French politician; b. 9 Oct. 1918, Tunis, Tunisia; m. Isola Chazereau; three s. one d.; ed. in Tunis and Paris.
Resistance during Second World War; Prefect-Dir. de Cabinet of Chief Commr. of Police 44-45; Dir. de Cabinet of Minister of the Interior 46; Prefect, Upper Loire 46-47, Upper Marne 47-54; Senator, Upper Marne 54-61, 74-; Minister of Agriculture 61-66; Minister of Equipment 66-67; County councillor and Mayor of Montreuil-Bellay 63-75; mem. Comm. for Foreign Affairs and Defence; mem. Socialist Group.
Publs. La Région: pour quoi faire?, Le Général Indivis, L'emploi Foncier, Socialiste de Raison.
Valpuiseaux, 91720 Maisse, France.
Telephone: 495-87-54.
Mr. William Clark, VPE
Rainer B. Steckhan, DEO

Visit with Willy Brandt

1. While in Bonn on an introductory visit last week, I saw Willy Brandt. We talked mostly about the World Development Report which he liked. He added though that he preferred the first chapters to the ones dealing with Africa and South Asia. In the latter chapters, he felt the Bank was slightly "lecturing" African and South Asian countries. I explained that the staff had attempted to present a balanced view and that one or two Part I countries had commented favorably on the "regional" chapters. He also wondered (mildly) whether we had to single out the Federal Republic of Germany (together with Japan and the U.S.) as a poor ODA performer and, in reply, I provided a few statistics. On the other hand, he praised the Report for drawing attention to studies (such as the German one) on the offsetting employment impact of a balanced growth of imports and exports with developing countries. He felt (rightly, I thought) that such detailed studies should be undertaken on a country by country basis.

2. While Mr. Brandt was very careful not to reveal details of the Commission's work, the choice of subjects he covered (health, social and religious obstacles to development, cooperation among international institutions, international negotiating machinery, debt, energy, more equality in dealing with developing countries) gave some indication on what was presently on his mind.

3. Mr. Brandt, who will be in the U.S. this week but will miss Mr. McNamara, will come back to New York around October 26, 1978 for the launching of another volume of his memoirs and hopes to see Mr. McNamara then. I believe Fritz Fischer has already put in a request for such a meeting while in the States this week.

4. You will have heard by now that Pierre Mendes-France will no longer be able to participate in the North South Commission for health reasons. Mr. Edgard Pisani has been asked to attend this week's USA meeting of the Commission and is expected to join it thereafter as a full-fledged member. (Enclosed please find a biography.)

Encl.
RBSteckhan:mcl
Pisani, Edgard; French politician; b. 9 Oct. 1918, Tunis, Tunisia; m. Isola Chazereau; three s. one d.; ed. in Tunis and Paris.

Resistance during Second World War; Prefect-Dir. de Cabinet of Chief Commr. of Police 44-45; Dir. de Cabinet of Minister of the Interior 45; Prefect, Upper Loire 46-47, Upper Marne 47-54; Senator, Upper Marne 54-61, 74; Minister of Agriculture 61-66; Minister of Equipment 66-67; County councillor and Mayor of Montreuil-Bellay 63-75; mem. Comm. for Foreign Affairs and Defence; mem. Socialist Group.

Publs. La Région: pour quoi faire?, Le Général Indivis, Utopie Foncière, Socialiste de Raison.

Valpuiseaux, 91720 Maisse, France.

Telephone: 495-87-54.
Mr. McNamara:

I have now read the Brandt Commission paper on debt and I am puzzled as to the reason for your enthusiastic endorsement. All of the tables are abstracted from well known sources such as the Bank, IMF, OECD, BIS, UNCTAD etc. The analysis, it seems to me, is quite routine and utterly fails to distinguish between the debt problems of countries with different types of market access. The endorsement of the Mexican "proposal" is spurious since the Mexicans themselves have not worked out what their proposal is but have asked us to do it.

I also read with horror that a Commission sub-group is estimating capital requirements. Why don't they take any set of existing numbers and worry about the policies implied.

Ernie
July 31, 1978

Dear Ted:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

The Rt. Honorable
Edward Heath
House of Commons
London S.W. 1
United Kingdom
July 31, 1978

Dear Mr. Minister:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Jos Excellency
Amir J. Jamal
Ministry of Communications and Transport
Box 9144
Dar-es-Salaam, Tanzania
July 31, 1978

Dear L. K.

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

His Excellency
Lakshmi Kant Jha
Raj Bhavan
Jammu (J&K)
INDIA
July 31, 1978

Dear Mr. Minister:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

His Excellency
Adam Malik
Jalan Diponegoro 29
Jakarta-Pusat
Indonesia
July 31, 1978

Dear Mr. Mendes-France:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Mr. Pierre Mendes-France
23 rue du Conseiller Collignon
75016 Paris 16e
France
July 31, 1978

Dear Mr. Ambassador:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

His Excellency
Haruki Mori
Room 451, Hotel New Otani
3, Kioicho, Chiyoda-Ku
Tokyo, Japan
July 31, 1978

Dear Mr. Morris:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Mr. Joe Morris
Canadian Labour Congress
2841 Riverside Drive
Ottawa, Ontario
Canada
July 31, 1978

Dear Mr. Palme:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

His Excellency
Olof Palme
S.A.P.
Sveavagen 68
10560 Stockholm
Sweden
July 31, 1978

Dear Pete:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

The Honorable
Peter G. Peterson
Lehman Brothers
1 William Street
New York, N. Y. 10004
July 31, 1978

Dear Abdlatif:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Mr. Abdlatif Y. Al-Hamad
Director General
Kuwait Fund for Arab Economic Development
P. O. Box 2921
Kuwait, Kuwait
Dear Rodrigo:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Mr. Rodrigo Botero Montoya
Avenue 25C 3080
Bogota, Colombia
July 31, 1978

Dear Mr. Minister:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Minister Antoine Kipsa Dakoure
P. O. Box 635
Ouagadougou
Upper Volta
July 31, 1978

Dear Mr. Frei:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

[Signature]

Robert S. McNamara

His Excellency
Eduardo Frei Montalva
Santiago
Chile
July 31, 1978

Dear Kay:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Mrs. Katharine Graham
The Washington Post
1150 15th Street, N.W.
Washington, D. C.
Dear Sonny:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Sir Shridath Rampal
Commonwealth Secretariat
Marlborough House
London, SW1Y 5HX
United Kingdom

Thanks for your comments...
Dear Mr. Minister:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

His Excellency
Layachi Yaker
Assemblée Populaire Nationale
Algiers, Algeria
July 31, 1978

Dear Mrs. Ahmad:

I am sending this early copy of our World Development Report at the suggestion of Willy Brandt who hoped that you might be able to study it before your next meeting.

I hope you will find it useful and informative. I should be very grateful to hear if you have any comments on this Report which would help us to improve future issues which we plan on a yearly basis.

With very best wishes for your future deliberations.

Sincerely,

Robert S. McNamara

Mrs. Khatijah Ahmad
Kaf Discount Berhad
19th Floor Oriental Plaza
Jalan Parry
Kuala Lumpur, Malaysia
DEAR MR. MCNAMARA,

THANK YOU VERY MUCH FOR YOUR TELEX OF JULY 13. I FULLY UNDERSTAND THAT YOU CANNOT ATTEND OUR US-MEETING AND HOPE THAT WE COME TOGETHER AT ANOTHER OCCASION. AS CONCERNS THE WORLD DEVELOPMENT REPORT, I WOULD APPRECIATE IF THE BANK COULD SEND COPIES TO ALL COMMISSION MEMBERS SO THAT THEY CAN STUDY IT BEFORE OUR NEXT MEETING=

WITH BEST REGARDS,
WILLY BRANDT

FIN
©
440098 WORLD BANK
886306C SPD D (Telex Nr.)
START HERE

HERR WILLY BRANDT, ERICH-OLLENHAUER-HAUS, OLENHAUERSTR. 1
BONN, FEDERAL REPUBLIC OF GERMANY

MESSAGE NO.:

THANK YOU VERY MUCH FOR YOUR LETTER OF JULY 3 AND FOR ITS INVITATION TO ATTEND YOUR MEETING IN THE UNITED STATES. AS I THINK YOU ALREADY KNOW I AM MOST REGRETFUL THAT I CANNOT ATTEND THE MEETING WITHOUT UPSETTING THE VACATION PLANS OF ABOUT A DOZEN PEOPLE WITH WHOM I AM TREKKING IN THE CALIFORNIA WILDERNESS AREA.

WE HAVE JUST CONCLUDED TODAY A VERY FULL DISCUSSION IN THE BOARD OF THE WORLD DEVELOPMENT REPORT WHICH YOU HAVE ALREADY SEEN. WE HAVE BEEN AUTHORIZED TO TRANSMIT THE DOCUMENT TO THE DEVELOPMENT COMMITTEE FOR DISCUSSION ON SEPTEMBER 23, AND ALSO TO PUBLISH IT AS A BANK STAFF PAPER WHICH WE HOPE TO DO IN EARLY AUGUST. SEVERAL BOARD MEMBERS URGED ME TO SEND COPIES TO THE BRANDT COMMISSION (ABOUT WHICH THERE WAS MUCH FAVORABLE COMMENT). IF YOU WOULD SO WISH I WOULD BE GLAD TO SEND INDIVIDUAL PRINTED COPIES AS SOON AS THEY ARE AVAILABLE TO ALL MEMBERS OF THE COMMISSION, AND ALSO COPIES FOR THE USE OF THE SECRETARIAT.

I HAVE BEEN FOLLOWING YOUR TOUR OF EUROPEAN GOVERNMENTS

END OF TEXT

NOT TO BE TRANSMITTED

SUBJECT: 

DRAFTED BY: Mr. William Clark

CLEARANCES AND COPY DISTRIBUTION:

AUTHORIZED BY (Name and Signature): Mr. Robert S. McNamara

DEPARTMENT: Office of the President
WITH THE GREATEST INTEREST SEMICOLON I HOPE YOU WILL BE ABLE TO CONTINUE SOME OF THESE CONVERSATIONS DURING THIS WEEKEND'S MEETINGS IN BONN.

WITH ALL GOOD WISHES ROBERT S. McNAMARA

NOT TO BE TRANSMITTED

SUBJECT: 

DRAFTED BY: Mr. William Clark

CLEARANCES AND COPY DISTRIBUTION: 

AUTHORIZED BY (Name and Signature): Mr. Robert S. McNamara

DEPARTMENT:
Dear Mr. McNamara,

thank you very much for kindly sending me the "World Development Report 1978", which I shall read with great interest since it can -- with its latest data and thorough analysis -- provide a very fruitful supplement for the Commission's deliberations. Already a brief study of this important paper showed me that the notion of "mutuality of interests" in an increasingly interdependent world also is at the centre of this report as it is in our work.

I shall have an occasion within the next weeks to solicit support for this notion vis-à-vis several heads of governments in Western Europe whom I shall be visiting.

At the end of August we shall have our next meeting which -- as you know -- will take place in the United States at a venue a bit outside New York. I have been told that you might be out of reach at that time of the year.

However, I would like to tell you how much we would all appreciate it if you could take the trouble of meeting the Commission members some time between August 26 and 28 at our venue outside New York. If you are able to come, please let our Secretariat know so that they can get in touch with you about further details. In any event, I do hope that otherwise we get together at a different occasion.

With best regards, I am,

Yours sincerely,
Mr. McNamara

July 3, 1968

Dear Mr. McNamara,

Thank you very much for kindly sending me the World Development Report 1968, which I shall read with great interest. Since it can be expected to provide a very fruitful supplement for the Commission's deliberations, Africa will be of particular interest to me in an extraordinarily independent-minded way.

In Western Europe, where I shall be visiting, support for this notion will be several phases of governments.

As you know, I shall take place in the United States of America, a visit to the United States of New York. I have been told that you might be one of the few that are aware of this time of the year.

However, I would like to tell you how much we would appreciate it if you could make the arrangements to stop and 58 for some time between August 25 and 28 for an international conference to discuss further cooperation. I hope that you will be able to do so in London with whom we feel cooperation is still different from your.

With best regards,

Yours sincerely,

Willy Brandt

Chairman

ICID

Independent Commission on

International Development Issues

Mr. Robert McNamara

President of

The World Bank

18th St. N.W.

Washington, D.C. 20433 U.S.A.
Dear Herr Brandt:

Attached is a copy of the World Development Report, which has just been completed and sent to our Board of Directors. Discussion is scheduled for July 11.

The Report deals with a number of the issues which we have discussed on previous occasions and which I know you will be pursuing in your own report. Assuring an adequate supply of capital - both concessional and on market terms - to support the investment programs of the developing countries and maintaining a liberal trade regime so that the industrial capacity of these countries can continue to evolve are central issues. Unless dealt with satisfactorily, the developing countries, particularly the poorer among them, will not make satisfactory progress in alleviating poverty.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Attachment

His Excellency
Willy Brandt
Chairman, Independent Commission on
International Development Issues
Rue de Moillebeau 56
CH-1209 Geneva
Switzerland

EStern/Is:rem
June 8, 1978
March 14, 1978

The Honorable
Willy Brandt
Personalches Buro
Bundeshaus
Bonn, Federal Republic of Germany

Dear Willy:

I cabled you yesterday that I will be delighted to serve as an advisor to your Independent Commission on International Development Issues, and appreciate the stretching of the term "Eminent Persons" to include persons like me who are currently working on the issues with which the Commission is concerned.

You know that the Aspen Institute has been concerned since 1974 with what I have been calling a "planetary bargain," which started as my nickname for a new international economic order focussed on human needs. Since that time I have participated in several published efforts to define an analytically solid and politically sound framework for relating "basic human needs" to the wider dialogue/negotiation between the industrial and developing countries.

I am very glad to see, in the Commission's terms of reference, that the connection between the distribution of wealth inside countries is closely connected to the distribution of resources, trade, and investment among countries. The connection between the two is critical, I believe, in gaining and maintaining the support of people in the industrial nations for the "profound changes... international economic relations" which the Commission's terms of reference rightly judge to be necessary in the years to come.

You may find it useful to have two recent books, and I will send them with this letter. One is called The Third Try at World Order, and is my own attempt -- published a year ago -- to describe the nature of a "planetary bargain" that might be workable. The other book, a 1977 report to the U.N. Environment Programme, is entitled Basic Human Needs: A Framework for Action, by John and Magda McHale. You will see that in my Introduction I have tried to trace how the concept of "basic human needs" has come so suddenly to the center of the stage in the continuing drama of world development. A shorter third paper, also enclosed, is an editorial piece written for The New York Times, calling attention to the many ways in which the internal affairs of nations are already respectable subjects of international action.
The Honorable
Willy Brandt

March 14, 1978

I will provide to your Commission Secretariat in Geneva copies of these and some other recent writings which I hope will be helpful to the Commission in its work. And to save time and complications, I will provide to the Commission members and the persons invited as advisers, copies of this letter and its enclosures.

Let me know what I can do to help. And meanwhile, my warmest thanks for your own leadership in this new "peace initiative."

Sincerely,

Harlan Cleveland

Enclosures

bcc: H. Kissinger
     M. Strong
     B. Ward
     R. McNamara

OFFICE MEMORANDUM

TO: Files

FROM: William Clark

DATE: January 26, 1978

SUBJECT: Conversations in Bonn - Sunday/Monday January 15/16

I spent Sunday evening with Fritz Fischer and 10-12 Monday morning with Brandt and Fischer. The one topic raised with both was the future plans for the Commission and particularly its Secretariat. We talked very extensively and very frankly and I will only record our agreements without the argumentation (there were no disagreements).

1. W.B. expressed his wish, strongly, to keep in touch personally with RSM and the Bank through WDC personally and via Fritz Fischer. He would like Fischer to visit Washington and New York in February to keep W.B. informed independently of Bank and U.N. opinion.

2. W.B. made it quite clear that he would be primarily responsible for the final Report; he had found support for this from Desai, Nyerere and Kaunda on his recent trip, and from some western countries with which he was in constant touch. To his surprise he found that Fukuda was anxious for W.B. to take a lead which Japan would find it easy to follow. (Japan is thinking of a real change in its LDC policies, but W.B. is unclear what it would be except that he thinks it is primarily a trade policy which he gathers USA and Strauss do not consider sufficient.)

3. He planned to make his role clear to the Secretariat and would urge them to appoint people with expertise in the subjects he was interested in pursuing. He would see Avramovic next Monday 23rd and speak about this, as he already had to Ohlin.

4. The first set of papers produced by the Secretariat for the March 10-12 Meeting would be a survey of 'development so far', and from the discussions on this future topics for intensive discussion would be chosen. Copies of Morawetz are to go to all participants.

5. At the Geneva meeting on Thursday 9th there will be an opportunity for "eminent persons" to testify, e.g. Mahbub. Their statements will be circulated also for perusal by all Commissioners. W.B. himself is preparing a paper on 'mutual interests' between North and South for this meeting. We discussed this issue at considerable length. W.B. feels this is his crucial input to try and break the traditional deadlock between North and South. He is aware that he will need to brief himself on some issues in order to guide the Secretariat, and is anxious to keep a personal line open to RSM and the Bank. He asked that I try to see him between meetings so that we can talk at length, and he would like me to keep open a line direct to Fischer for some of the Bank's think material. (I should discuss this with Stern and RSM).

6. The third meeting would be in May, preferably in a 'poorest' country, probably Mali. The fourth, at the end of August, would be slightly longer, in the U.S. probably near New York to save travel time. Perhaps the Ford Foundation would help (Airlie House?).
7. Speaking about his travels W.B. said that he was very encouraged in India by the skilled enthusiasm of the many senior Indians he met, for his approach to the North-South deadlock. In Tanzania he noticed real progress in the war on poverty, and a hopeful attitude on the part of Nyerere, Jamal etc. He found Kaunda less sanguine and noted the absurdity of Zambia importing its food. W.B. seems impressed by the need to increase small farmer productivity everywhere. He is also very shocked by the amount of unemployment in LDCs and feels that any solution to poverty must concentrate on productive job creation.

8. W.B. much impressed by Jamal's standing in Tanzania and especially with Nyerere. Nyerere supports Brandt strongly and will ensure that Jamal is able to attend all meetings. Jamal wants to concentrate on view to year 2,000, not just on the decade. W.B. agrees and is anxious to show that there is hope in development so far.

9. W.B. finds general agreement in Africa and India that there is a logical link between arms reduction and flow of resources, but little support for the simplistic Russian offer that money for aid should be dependent on an arms reduction. He sensed that the Russian attitude to development was scorned by most of Africa. He still intends to try and get the Eastern bloc involved in development - but not in the Commission.

10. He expects to see Manley soon after he has visited Scandinavia. It is the German foreign office view that Manley is beginning to move away from Cuban style politics and may be persuaded to be more reasonable in his leadership of the '77.

WDClark: sf

cc. Mr. McNamara, Mr. Stern,
Mr. Karaosmanoglu,
Mrs Boskey/Chatenay
Mr. Merriam