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Dear Mr. Zijlstra:

I thank you for your letter of March 12, 1973 and for your invitation to attend the Annual General Meeting of the Bank for International Settlements which takes place in Basle on June 18 next.

Regretfully, I will not be able to attend but I am pleased to inform you that Sir Denis Rickett, Vice President, Mr. Jean Carriere, Director, European Office, and Mr. Robert de Lesseps, Chief, Financial Operations, European Office, will represent the International Bank for Reconstruction and Development at the Annual Meeting.

Lady Rickett and Mrs. de Lesseps will also be in Basle at the time of the Meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. J. Zijlstra
President
Bank for International Settlements
7 Centralbahnstrasse
CH-4002 Basle
Switzerland

cc: Mr. McNamara’s Office (2)
Sir Denis Rickett
Mr. Carriere (Paris)
Mr. de Lesseps (Paris)

Central Files with incoming letter

LPChatenay:mmcd
March 28, 1973
ROBERT INGERSOLL  
AMERICAN AMBASSADOR  
AMERICAN EMBASSY  
TOKYO  
JAPAN

MAR 28, 1973

I AM MOST GRATEFUL FOR YOUR MARCH SIX LETTER WHICH I FOUND AWAITING ME UPON MY RETURN TO THE OFFICE STOP UNFORTUNATELY CIA FOR ME CIA BECAUSE MY VISIT WILL BE SO SHORT MARG WILL NOT BE WITH ME AND SIMILARLY I THINK IT WOULD BE IMPOSITION UPON YOU AND ELLIE AND PERHAPS INAPPROPRIATE IN EYES OF JAPANESE GOVERNMENT WHERE I TO STAY AT RESIDENCE STOP I PLAN ARRIVE TOKYO LATE AFTERNOON WEDNESDAY APRIL EIGHTEEN AND LEAVE TO RETURN TO UNITED STATES LATE AFTERNOON FRIDAY APRIL TWENTY STOP WOULD IT BE POSSIBLE FOR YOU AND ELLIE DINE WITH ME WEDNESDAY EVENING STOP IN ANY EVENT AM LOOKING FORWARD SEEING YOU DURING VISIT ASSUMING YOUR BUSY SCHEDULE OF OFFICIAL CALLS DURING MARCH MAKES THAT POSSIBLE STOP MARG JOINS ME IN BEST WISHES TO YOU BOTH

BOB
ROBERT S. McNAMARA
INTSAFRAD

Robert S. McNamara  
President

R: Mc: N: hm
Colonel I.K. Acheampong
Chairman
National Redemption Council
Office of the National Redemption Council
The Castle
Accra, Accra
Ghana

Dear Mr. Chairman:

On March 19, 1973, Ambassador Ananse forwarded to us your Government’s reply to the proposal of the creditor governments for a settlement of Ghana’s external debt which we submitted to you last November. As requested, we have transmitted the document to the creditor countries concerned.

Last week Mr. Roger Chaufournier, Regional Vice President for West Africa, had the opportunity of meeting with Lt. Col. Enninful during his visit to Washington for an exchange of views on your Government’s reply. We indicated in these discussions that there was need for clarification of certain points in the document if the Bank was to continue to provide its good offices effectively in maintaining a constructive dialogue on the debt issue between the Government of Ghana and the creditor countries. With this in mind, it was agreed that further consultations between your Government and the Bank should take place in Accra with the least possible delay.

In view of the importance we attach to this matter, I am asking Mr. Chaufournier to proceed to Ghana himself during the week beginning April 2 to meet with you and your officials. I hope that this arrangement will be satisfactory to you, and I
should be grateful if you would let Mr. Peter Reitter, the Bank's Resident Representative in Ghana, know what would be a convenient day for the meetings.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

PReitter/EKWrigh:sc
March 26, 1973

cc: Messrs. Knapp (Office of the President)
Broches (Office of the General Counsel)
Wright (Program I, W. Africa)
de Vries (Office of the Vice President, W. Africa)
McGibbon (Program I, W. Africa)
Christoffersen (Program IB, W. Africa)
Khelif (Executive Director)/Gyasi-Twum (Alt. Exec. Director)
Dear Mr. Governor:

I was most pleased that we were able to allot to the Bank of England $20,000,000 of the World Bank's latest issue of two-year bonds.

The willingness on the part of the central banks, governmental institutions and international organizations to subscribe to these issues is very much appreciated. Such response not only expresses confidence in our bonds as instruments of investment but also is regarded as a very valuable means of support for the World Bank in its efforts to promote the economic development of member countries.

Sincerely,

Robert S. McNamara

The Rt. Hon. Lord O'Brien of Lothbury, P.C., G.B.E.
Governor
Bank of England
Threadneedle Street
London, E.C.2R 8AH England
Dear Governor Ali:

I was most pleased that we were able to allot to Saudi Arabia $20,000,000 of the World Bank's latest issue of two-year bonds. I am particularly gratified with the support to our development efforts that Saudi Arabia has given in the past, and has now again given through the purchase of World Bank Bonds.

The willingness on the part of the Central Banks, governmental institutions and international organizations to subscribe to these issues is very much appreciated. Such response not only expresses confidence in our bonds as instruments of investment but also is regarded as a very valuable means of support for the World Bank in its efforts to promote the economic development of member countries.

With best regards,

Sincerely,

Robert S. McNamara

His Excellency
Anwar Ali
Governor
Saudi Arabian Monetary Agency
Jeddah
Saudi Arabia

Many thanks for your warm visit. We are most grateful.

Best wishes,

End
MAR 27 1973

Dear Mr. Prime Minister:

Thank you for your letter of March 7, 1973, concerning Mr. William Cosgrove.

The Bank has offered Mr. Cosgrove a position as a sanitary engineer in the Europe, Middle East and North Africa Region. I am advised that the formalities are to be concluded shortly.

We appreciate that the Government of Quebec would like to avail itself, on occasion, of Mr. Cosgrove's particular knowledge of and experience in your Province after he has joined the Bank. I should point out that the demands on our staff are considerable and the timing of their overseas travels quite unpredictable. Nevertheless, subject to mutual agreement on timing, we would be prepared to make Mr. Cosgrove's services available to your Government for short durations.

The Personnel Department of the Bank will shortly be issuing the letter of appointment to Mr. Cosgrove. That letter will contain a clause to the effect that Mr. Cosgrove will be able to take ten working days without pay in addition to his annual leave. I understand that this is acceptable to Mr. Cosgrove and I hope it meets the needs of your Government.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Robert Bourassa
The Prime Minister
Government of Quebec
Canada

c.c. Mr. McNamara's Office (2)
   Mr. Benjenk; Mr. Clarke; Mr. Wyatt; Mrs. Stone
WAWapenhans/FStone:1db
March 23, 1973
Early 1944 report: progress in dealing with World food problems, Japan writing own letter, language I gather correctly published. etc. for major embargo. Urgent report national action, chậmות 1973. [Signature: M. Strak]
Messrs. Baum and Chenery  
Robert S. McNamara  
Economic Mission Reports  

March 26, 1973

For countries in which achieving adequate levels of food production will be a major problem in years to come, should not our economic mission reports give as much attention to this subject as they do to monetary policy, and should not our agricultural sector studies and project programs (including the CPPs) place greater emphasis on it as well?

Which countries are these? How would you plan to address the problem?

cc: Messrs. Knapp  
Yudelman

RMcN:mss
Mr. Antonio Carrillo Flores  
Secretary General for the  
World Population Conference, 1974  
United Nations  
New York, N.Y. 10017

Dear Antonio:

This is in response to your letter of March 7, 1973, in which you asked for information on the constraints on population activities imposed by the shortage of trained people and the possible lines of action for solving the problem.

The World Bank's Sector Working Paper on Population makes reference to the problems of broadening the scope and effectiveness of population programs and the areas of emphasis which will be given in Bank work toward this objective. Training appears as the first of a number of important areas referred to:

"Training. The effective use of family planning facilities depends to a large extent on the quality of the training of personnel available to staff them. Most developing countries suffer from shortages of adequately trained personnel in the three most relevant fields: medical, paramedical and social service. Paramedical personnel play a key role in family planning through provision of services in clinics, in the field, and in maternity hospitals. In rural areas they are often the only persons with whom villagers come in contact; they are therefore a critical class of family planning workers. In addition, voluntary social workers can be trained and mobilized for field work.

"Besides the local training needed for most operational workers, support frequently needs to be given for external training of personnel in the various disciplines at suitable overseas centers. Bank projects have provided for such training of selected personnel to strengthen the programs."


The Bank has so far undertaken sector reviews or program analyses in 13 countries. It is fair to say that in each one of these cases the need for the training of staff, in many different skills, emerges as a major constraint.
I attach to this letter a schedule of the first six Bank loans/credits which gives a summary description not only of the projects but also of project components which were built into the Bank projects to help remedy the shortage of trained personnel.

Some of the more practical examples of the constraints that have been seen in Bank work are:

- **Shortage of Personnel:** actual lack of numbers of trained personnel at all levels, but in particular middle- and lower-level staff, to carry out the program tasks required. Such a situation exists critically in Indonesia and in Iran.

- **Poorly Trained Staff:** adequate numbers of trained personnel often exist but they have had such poor training that their efforts are wasteful and have been known to be counterproductive to program efforts - e.g. India and the Arab Republic of Egypt.

- **Inability to Keep in Touch with Program Changes, Technology and Client Response:** inadequate consideration is given to re-training and refresher courses to help staff understand program problems and client reactions; this results in poor educational information, and lack of rapport with acceptors.

- **Lack of Educational Facilities:** inadequate availability of physical facilities, trainers and teaching material for proper training of staff. The latter is very acute for training in the vernacular languages.

- **Lack of Senior-Level Trainers and Training Directors:** finally, a major constraint is the inadequate level of senior and upper-level trainers who exist in countries to guide and direct these operations. Training has a somewhat unglamorous role and frequently receives less attention in programs than the service function.

The shortage of experienced trainers and training advisors does not exist only in developing countries; it exists in the developed countries as well. This is one reason why it is difficult to meet the problem through technical assistance. Even where competent trainers can be found, their technical qualifications must be matched by personal qualities that overcome cross-cultural barriers created by expatriates' inadequate awareness of cultural and national sensitivities. In our view, a major objective of the international assistance should be to build up training staffs and programs at the national and local levels, holding to a reasonable minimum the use of international training institutions and the use of expatriate personnel in national training activities.
I understand that at the recent session of the ACC Subcommittee on Population you discussed the subject of training for family planning with Dr. Kanagaratnam. I have asked him to keep in touch with you and to provide you with additional information if you should wish it.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Attachment

KKanagaratnam:GSBaldwin/b11

cc: Mr. McNamara's office (2)
    Mr. Hoffman
### POPULATION AND NUTRITION PROJECTS DEPARTMENT

**POPULATION PROJECTS FINANCED BY BANK/IDA (WITH OTHER CONTRIBUTORS WHERE PRESENT)**

**SUMMARY DESCRIPTION OF PROJECT COMPONENTS AIMED TO REMEDY SHORTAGE OF TRAINED PERSONNEL**

<table>
<thead>
<tr>
<th>Country and Fiscal Year of Loan/Credit</th>
<th>Financing (US$ Million)</th>
<th>Project Goals</th>
<th>Project Components Aimed to Remedy Shortage of Trained Personnel</th>
</tr>
</thead>
</table>
| 1. Jamaica 1970                        | 2.0 - Bank (0.25 - USAID Grant) | To support the Government's National Family Planning Program which aims to reduce the birth rate from 3.5% (1969) to 2.5% (1975) by developing postpartum and home-visiting programs. | 1. **Study** to look for ways of making the best use of doctors, nurses, and midwives.  
2. **Scheduling Study** of the service-delivery system in the Kingston area to see how to make the best use of professional staff and physical facilities.  
3. **Training advisor** to help the National Family Planning Board in planning and monitoring an expanded training effort.  
4. Construction and equipping of a hospital in which a space for the hospital's midwifery school is provided. |
| 2. Tunisia 1971                        | 4.8 - IDA                | To develop Tunisia's FP services so that FP acceptors will be increased from 21,000 in 1970 to 76,000 in 1976. | 1. **Expansion of a paramedical school** to a) increase graduation of nurses and midwives from 150 to 200 per annum; b) to include a postgraduate training section to train instructors and supervisors to handle the training of the additional midwifery personnel.  
2. **Provision of experts** to assist in teaching at above-mentioned paramedical school and provision of fellowships for training key paramedical personnel.  
3. **Management Consultants** to design and recommend a system which would make an optimum use of the resources and to help the Government implement the system. |
### Country and Fiscal Year of Loan/Credit

<table>
<thead>
<tr>
<th>Country and Fiscal Year of Loan/Credit</th>
<th>Financing (US$ Million)</th>
<th>Project Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Trinidad &amp; Tobago 1971</td>
<td>3.0 - Bank</td>
<td>To strengthen the Government's FP program which plans to lower population growth from 2% in 1970 to 0.9% in 1980.</td>
</tr>
<tr>
<td>4. Indonesia 1972</td>
<td>13.2 - IDA (13.2 - UNFPA Grant)</td>
<td>To achieve a major expansion of the Indonesian Government's FP program and to broaden the range of its activities. The project aims at increasing the number of acceptors from 270,000 in 1972 to 1,600,000 in 1975.</td>
</tr>
</tbody>
</table>

### Project Components Aimed to Remedy Shortage of Trained Personnel

1. **Extending and replacing the existing facilities of a nursing school to increase student enrollment from 200 to 500.**
2. **Construction of one rural community health center to train medical, nursing and other personnel involved in family planning.**
3. **Construction of one family planning institute for training of FP workers, and community leaders.**
4. **Advisory services to:**
   a) develop procedures for effective administration of the MCH-FP program
   b) develop a system for continuous evaluation of the program
   c) introduce family life education in schools
   d) strengthen FP education in nursing schools and training of FP personnel.
   e) conduct manpower utilization study for optimum use of medical, paramedical, and other FP personnel.

5. **Construction of 10 new schools** to graduate 540 paramedical personnel.
6. **Construction of 6 new provincial training centers** and 10 new sub-training centers for the training of medical and non-medical staff of the national FP program.
<table>
<thead>
<tr>
<th>Country and Fiscal Year of Loan/Credit</th>
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</tr>
</thead>
</table>
| 5. India 1972                          | 21.2 - IDA (10.6 - SIDA Grant) | To support India's family planning program by instituting a comprehensive applied research project in two states to test and evaluate different approaches to the provision of family planning services. | 3. Provision for foreign advisors and fellows to assist:  
   a) evaluation and research work  
   b) hospital postpartum program  
   c) information and communication work  
   d) population education in schools |
| 6. Malaysia 1973                        | 5.0 - Bank (4.3 - UNFPA Grant) | To help Malaysia reduce present population growth rate of 2.5% to 1.5% by 1985 by expanding FP services into rural areas and also by improving the effectiveness of National Family Planning Board and Maternal and Child Health Services. | 4. Providing an advisory team of 3 foreign advisors for 2 years in management, training and communication. |

   1. Construction of 1 regional FP training center for training FP workers.  
   2. Construction of 13 paramedical schools to increase number of paramedical personnel.  
   3. Fellowships for the staff of two population centers and personnel working in program administration.  

   1. Construction of 1 new rural health training center and extension of 1 existing RHTC to expand the existing capacity of in-service training of paramedical personnel from 114 to 288 per annum.  
   2. Provision of equipment for production of training material.  
   3. Advisory services and fellowships to assist:  
      a) MCH/FP integration  
      b) production of training material  
      c) information and communication work  
      d) introduction of population education in schools.
Country and Fiscal Year of Loan/Credit | Financing (US$ Million) | Project Goals
---|---|---

Project Components Aimed to Remedy Shortage of Trained Personnel

e) evaluation and research work.

4. Management Consultants to study institutional and administrative improvements of FP delivery system.

I. H. Kang
Population and Nutrition Projects Department
March, 1973
March 24, 1973

Dear Dan:

You were kind enough to send me recently a copy of a letter from Mr. Teare of Northrup PAGE. I appreciate your letting me know of your concern about this case and giving me an opportunity to comment.

If the circumstances were as described in that letter we would probably not be considering assistance for the telephone system in Indonesia. Like power, this is one of the fields where private capital is available, and indeed where suppliers of equipment are anxious to provide credit. In this particular case, the Government of Indonesia – at the level of the Planning Agency, which has responsibility in these matters – decided that the Page proposal was not acceptable. They did not consult with us before coming to that conclusion, and in deciding to seek the assistance of the Bank Group, they did not say why the Page proposal had been rejected. We can only assume that cost was one factor, as well as the burden such a large repayment obligation would create for Indonesia.

From your knowledge of Indonesia, and your recent visit there, you undoubtedly appreciate the very limited capacity of Indonesia to assume debt. The Aid Group, known as ICOI, with the U.S. in the lead, has made clear that their willingness to provide large amounts of concessional aid is conditional, among other things, on the Indonesians keeping strict control of the amount of debt assumed by public agencies on hard terms. This undertaking is expressed in the annual standby agreement with the IMF, and the limits are very stringent indeed.

My associates have discussed the matter with the Page people in meetings arranged at the latter's request, first in Djakarta and more recently here in Washington. They tell me that contrary to what is said in Mr. Teare’s letter they took particular care to stress that the Planning Agency reached its decision on the Page proposal without reference to us.

This is a brief comment on a rather complicated matter. If you would find it helpful, I should be happy to have one or two members of the staff call on you at some convenient time to discuss it in more detail.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Honorable Daniel K. Inouye
United States Senate
Washington, D.C. 20510

BJGoodman:RMcN:mss

cc: Mr. Knapp
Mr. Merriam
His Excellency
Señor Salvador Allende Gossens
President of the Republic of Chile
Santiago, Chile

Dear Mr. President:

I was delighted to hear of the discussions that Mr. Jorge L. Terzoglie had with you and your Government recently regarding the relations between Chile and the Bank. Sharing your concern that these links have not been close in the last few years, I wish to assure you, Mr. President, that the Bank has every desire to maintain cordial relations with Chile and to seek ways to cooperate with your Government, in spite of the current difficulties. To this end, the Bank has taken or proposes to take a series of measures, which I outline below.

First of all, I have instructed the staff of the Bank that until further notice they should give the highest priority to accelerating disbursements on existing Bank loans to Chile. I understand that action has been taken already which should result in more expeditious execution of ongoing projects.

Secondly, I want you to know that I would be quite prepared to consider new project loans to Chile, if your Government were to adopt an economic and financial program - I would hope in consultation with the staff of the International Monetary Fund and the Bank - which would restore Chile's creditworthiness, and if some important progress were to be made toward a settlement of the foreign investment disputes.

Thirdly, I am anxious that in the meanwhile we maintain close working relationships in preparing projects for possible future consideration and in carrying forward activities of technical collaboration. For example, the Economic Development Institute (EDI) of the Bank, which is already training several Chileans in its regular courses, would be prepared to increase the number of Chilean trainees and to organise special training courses for Chileans. For this purpose, if you agree, an EDI representative will travel to Chile to discuss the priority needs of the Government and other public institutions. The Bank could also assist or directly participate in selected research projects carried out in Chilean universities and other research centers. Additionally, Chilean participation could be invited to development seminars organized by the Bank. In this connection, consideration is now being given to organizing a meeting of university professors from Andean countries, to discuss economic development problems and policies and possibly project evaluation techniques. If the Government is interested, the Bank will plan to hold this meeting in Santiago.
His Excellency
Señor Salvador Allende G.

Finally, in spite of the current difficulties to which I have referred above and which I continue to hope will be temporary, I would have no hesitation in recommending to my Executive Directors a loan to Chile in the amount of, say, $2-3 million to cover the foreign exchange costs of providing technical assistance for development activities in Chile, including the preparation of feasibility or other pre-investment studies related to future development projects. It seems to us that such requirements might well be identified in fields such as agriculture, livestock and fisheries, education, power, water supply and sewerage, etc. If we could receive your proposals for activities of this kind I would be glad to send a mission to Chile to review them with you and to prepare a loan proposal. When submitting this proposal to our Executive Directors I would want to be in a position to outline in general terms the purposes of the loan, but final agreement on the detailed content of the technical assistance sub-projects could be deferred until after the loan has been approved. I would, of course, want to assure the Executive Directors at the time that such a loan was presented that definite arrangements had been made for the resumption of full debt service on Chile's obligations to the Bank for the calendar year 1973.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Messrs. Tersoglio
    Alter
    Gutierrez
    McNamara's office (2)

EFLari/JBKnapp:nsp
March 21, 1973
Mr. Philippe de Seynes  
Under-Secretary-General  
for Economic and Social Affairs  
United Nations, New York 10017

Dear Mr. de Seynes:

I am happy to respond to your letter of 30 January 1973 inviting the World Bank Group to provide information concerning our activities aimed at eradicating mass poverty and unemployment. As you know, this aim is of particular interest to the World Bank Group and you will recall that I addressed the subject in my statement to the Economic and Social Council on October 19, 1972.

In the long run no direct efforts against poverty and unemployment can succeed without sustained economic growth. Hence, while the Bank Group is increasingly directing attention and assistance to employment and the distribution of income, the transfer of real resources for development assistance continues to increase. In the five years ending in June 1973, the Bank’s lending will have doubled from the previous five years. The increase has been proportionately greater to those countries most in need of assistance: lending will triple to African countries and increase four-fold to the poorest countries (those with average per capita incomes less than $100). In the five-year period beginning July 1973, the Bank Group proposes to increase its lending by an average of 11% per year, and to shift an increasing percentage of these commitments to International Development Association credits.

However, success in aggregate growth terms — e.g., achievement of the Second Development Decade’s 6% growth target — would not by itself guarantee a significant advance in the quality of life for the majority of the two billion people in the developing countries. Despite historically unprecedented average rates of growth during the past decade, the poorest groups of most developing countries have not benefited to any significant degree from the increase in national income.

Three broad categories of poverty in the developing world may be usefully distinguished. First, there are the very poor countries which have been designated as the least developed. These twenty-five nations with populations totalling 140 million have so little wealth that a more
equitable distribution of income would hardly relieve the poverty of most of the population. Second, there are impoverished geographical regions in some of the larger developing countries — e.g., the northeast regions of Brazil and of Thailand and the southern republics of Yugoslavia.

The third category is the poverty of the low income strata dispersed among the total population in all developing countries. The condition of the poorest 40% is far worse than national averages suggest. In 10 countries with per capita incomes averaging $145, the poorest 40% of the population receive per capita incomes of $50; in another 10 countries the average per capita income of the poorest 40% is $80, while the average for the whole population is $275.

The possibilities for focusing external assistance on these problems differ among these categories of poverty. The poorest countries can be given preferential terms for assistance. Within the Bank Group, this is accomplished through the International Development Association, the least developed countries receiving assistance in the form of long-term interest-free IDA credits.

It is much more difficult to improve the prospects of the dispersed poor. The affected groups are heterogeneous and the concrete opportunities for improvement are varied, both within and among countries. The Bank Group’s response to the poverty and employment problem is taking the form of (1) new or sharply increased assistance within sectors which are especially relevant to poverty and unemployment; (2) new initiatives within the traditional sectors; and (3) support for new departures in governmental policies.

First, three sectors are particularly significant — population, education, and urbanization. While not yet a large fraction of total Bank assistance (about 8% of the total in 1972), support to these sectors has increased dramatically in the past several years. Assistance for family planning is a long-term investment in the effort against poverty and unemployment; in most developing countries that effort cannot succeed without reductions in the present high growth rates of population. While education is no panacea for unemployment, education and participation in the benefits of economic growth are positively, and highly, correlated. The extension of educational opportunities to disadvantaged groups is essential for increasing their productive potential. This enhanced human resource base, with complementary measures ensuring employment opportunities, permits substantial increases in the real income of previously disadvantaged groups without sacrifices from other groups or future generations. In urbanization projects the Bank is focusing attention on urban projects likely to help groups which have been largely neglected. A promising innovation is the "site and services" project which facilitates private self-help efforts in housing construction and promises substantial improvements in living conditions from modest public resources.
Secondly, there is a changing emphasis in Bank lending in traditional sectors. A very high proportion of the lowest income groups in all developing countries live in the rural areas. The fraction of Bank lending devoted to agricultural development has been increasing; in 1972 it was about 15% of the total. Within the growing agricultural support there has been a shift from basic infrastructure, such as irrigation, toward on-farm activities such as credit and technical services, and toward support activities such as marketing, storage, seed multiplication, and agricultural research. The average size of holdings by participating farmers in agricultural projects financed by the Bank and IDA has declined. Individual projects increasingly include non-agricultural components and stress integrated agricultural development. The Bank is searching actively for means to further these trends and to attack rural poverty directly, while increasing agricultural production.

The World Bank Group activities will involve many related aspects of development policy, other than projects for which the Bank Group will be providing finance. The Bank will direct attention to poverty and employment issues in its country and sector analysis, as well as in its research and support for preinvestment activities. The implications of widespread poverty and unemployment involve a reconsideration of such questions as the distribution of the costs and benefits of taxation and public expenditures, the role of public works, land tenure arrangements and other institutional questions. In all these cases there is insufficient information available at present. While the Bank cannot fill this gap through its own activities, we have started studies on these questions.

The eradication of mass poverty and unemployment is an enormous task which will occupy all of us in the international agencies throughout the Second Development Decade. We in the World Bank look forward to joining in a cooperative effort towards this object. We shall follow the discussions of the ECOSOC on the subject with great interest.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

EK Hawkins/B Hofmeister/ML Hoffman/nn
March 21, 1973
Cleared with and copy to Mr. Stern, Sr. Adv., Dev. Policy
Mr. Stevenson, Dir., DED

copies: Mr. William Clark, Dir., ER
Mr. Hawkins, Sr. Adv., DED
Mr. Franco/Mr. Chatenay, IRD
Mr. Steuber, Paris Office
Mr. McNamara's files (2)
March 22, 1973

Excellency:

Mr. McNamara was very pleased and touched by your thoughtfulness in sending photographs from his recent visit to Dubai.

Please convey to His Highness, The Ruler, Mr. McNamara's affection and best wishes. He would like once more to express his sincere thanks for the warm hospitality extended during his visit to Dubai.

Sincerely,

Anders Ljungh
Personal Assistant to Mr. McNamara

His Excellency
Sayyed Humeid Bin Drai
Chief of Protocol
Government of Dubai
Dubai (Trucial States)
Mr. Luis Ugueto

Robert S. McNamara

Impact of Recent Currency Changes

I am responding to your memorandum of March 8. You are raising two sets of questions: What "numeraire" should the Bank use as its unit of account and how would the use of SDRs affect the financial projections? Are the Bank and the Fund following a uniform procedure in the valuation of assets and liabilities held in floating currencies and should they use a uniform procedure?

The Bank's Unit of Account

This question was considered last year at the time of the first devaluation of the US dollar and, as you know, was brought up again in recent meetings of the Executive Directors. It was taken up last month also in a meeting of the Joint Audit Committee for which the Controller prepared the attached memorandum dated February 23, 1973. As discussed in the memorandum, our view is that for the present the advantages of continuing the use of the dollar as the Bank's unit of account outweigh the advantages of changing to the SDR but that this position needs to be reviewed once the shape of future international monetary arrangements has become clearer.

The Controller's memorandum contains in paragraph 7 and in the appendix table a summary of how the use of the SDR as the Bank's unit of account would affect the financial projections. To update this material, I have asked the staff to prepare additional tables (also attached) which show the balance sheet and statement of income and expense projections for the Bank and IDA for FY73 side by side first in 1973 dollars and then in SDRs. The underlying principles remain the same, but the order of magnitude of the impact changes on account of the further depreciation of the dollar in terms of gold and SDRs.

Valuation of Floating Currencies

In the valuation of assets and liabilities held in floating currencies, the Bank and the Fund do not follow the same procedure. Until now, the Bank has not recognized floating rates. Instead we have used for the valuation of assets and liabilities held in the respective currencies the IMF par value or central rate or, in cases in which neither value had been established, the rate at which the member country paid its 9% capital subscription. Until recently, this procedure allowed a reasonably realistic valuation of the underlying assets and liabilities. Now that the number of currencies which are floating, the spread between their market rates and prior par values or central rates and the share of these currencies in the various categories of assets and liabilities are
greater than they were in the past, we propose to change the procedure and to apply in future in the case of currencies which are floating the market rates as of the end of each quarterly accounting period. The Fund's practice is to value its holdings of members' currencies at agreed par values or provisional rates communicated to the Fund by each member. For members who are not maintaining their exchange rates within the margins of 1 per cent of the established par values, and whose currencies are used in Fund transactions, the Fund revalues its holdings of such currencies at the representative rates (floating rates) communicated by the members two business days prior to the value date of an operation. These currency holdings are also adjusted at other intervals based on the representative rates as circumstances require.

The Bank's procedures are influenced mainly by the goal to present in the accounts the dollar value of the non-dollar assets and liabilities on a realistic basis and the fact that the maintenance of value obligations apply only to the 9% portion of paid-in capital (and the 90% portion of callable capital), which is to say that the valuation of currency holdings between reporting periods or the dates on which par value or central rate changes are announced is relatively less important. In the Fund's case, on the other hand, the procedures reflect the fact that valuation of a currency is necessary each time a transaction involving that currency takes place and that the maintenance of value obligations apply to the whole of the Fund's holdings of a given currency which makes it much more important to have an accurate value of the various currencies in the accounts at least at regular short intervals.

In sum, therefore, the differences in the financial structures of the two institutions and in the maintenance of value provisions lead to somewhat different procedures used by them in the valuation of assets and liabilities held in floating currencies.

(Signed) Robert S. McNamara

Attachments

cc: Messrs. Aldewereld
    Broches
    Gabriel

VChang:SA:ldb
Dear Governor:

On behalf of the Executive Directors, Officers and Staff, I would like to express our pleasure at your reappointment to the Board of Governors of the International Bank for Reconstruction and Development as Alternate Governor for Kuwait.

We look forward to your continued participation in our activities and assure you of our cooperation.

With kind regards,

Sincerely,

Robert S. McNamara

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

Best wishes for a fine year.
To: Mr. Hyong W. Shin

Subject: IDA Assistance for Korea

I am sorry that I could not reply earlier to your memorandum of March 5, but as you know I have been away from Washington.

The decision as to how our limited IDA funds should be shared among the potential claimants has always been a very difficult one. In general, as my recent memorandum on IDA lending policies indicated, we have thought it right to allocate an increasing share to the really poor countries, particularly those that are the least developed and that have limited capacity to service debt. As the ability of these countries to use IDA funds effectively has increased, the amounts available for what I would call the marginally eligible countries has tended to shrink. For the next fiscal year we have a particularly difficult problem in that we shall have to provide substantial amounts for Bangladesh and may well have to make some contribution towards the postwar needs of the Indochina countries. In the circumstances, we have had to re-examine our ability to continue allocating any share of IDA funds to the marginal countries, of which Korea is clearly one.

In reviewing the case of Korea I was of course aware of the fact that it is still a relatively poor country and that with its excellent performance it continues to meet two of the criteria we apply in deciding IDA eligibility. I might say in this connection that while I understand your puzzlement about the application of the performance test I would not regard it as a "perverse" criterion. Obviously, countries that are doing well will cease to need IDA assistance at some stage, and there are a number of examples of countries that have ceased to receive IDA credits well before their per capita income reached the cut-off point. In East Asia the Republic of China is such an example. I hope you would agree that the spirit of IDA is that countries should be prepared to see their share of funds go to others less well placed just as soon as their situation warrants the assumption of aid entirely on conventional terms.

As to our judgment on this point in Korea's case, you are quite right that a couple of years ago we were concerned about the rapidly growing resource gap which your government was financing, or permitting the private sector to finance, with rather short-term credits. We attributed this problem to the laudable desire of your government
that the economy should grow at a fast rate, but a rate which seemed to us to be excessive. I know that this view was shared by the Minister of Finance at the time I talked with him at the 1971 Annual Meeting, and I am delighted that towards the end of last year your government, no doubt in large measure at his urging, decided to adopt a stringent stabilization program. I am told by my associates that, partly as a result of the stabilization measures and partly owing to external factors, the economy is now growing at the more modest rate of 3 to 4% envisaged in the current Five Year Plan. If this rate is maintained for the next two or three years, as is your government's intention, then we feel that a somewhat faster rate of growth should be feasible during the next Plan period while still permitting a significant reduction in the debt service burden.

A few figures will illustrate this point. Assuming that exports grow at 27% a year between now and 1976, as assumed in the Plan, and drop during the succeeding Plan to only half that rate of growth, which we consider to be realistic, then the gross borrowing requirement will remain at around its present level of $900 million a year through 1975 and will decline thereafter. The speed with which the decline takes place will depend upon the pace of economic growth after 1976. With a 10% growth of GNP the borrowing requirement will drop to around $280 million in 1980, while with an 11% growth the requirement will be around $700 million in that year. In both cases, however, the debt service ratio will have peaked in 1971 at about 19% and will decline gradually to 12 to 14% by 1980. In making these projections, we have assumed a level of imports consistent with the growth of the economy and the present mix of approximately 60% of official aid and 40% private borrowing. However, we have also assumed some hardening of the terms of official aid to allow for a substitution of loans on Bank terms for IDA credits and for some of the soft aid now available from the United States and Japan.

If these projections are even approximately correct, and I am assured that if anything they are on the conservative side, it is difficult for me to justify the earmarking for Korea of the small amount of IDA funds that we could at best make available. Much more important in my view is that we should provide a substantial amount of Bank lending. As I am sure you know, I hope to bring projects to the Board this fiscal year which would make a total of almost $200 million for the year. This will indeed be exceptionally high, but we should be able to lend well over $100 million in each of the next year or two, assuming the projects come along as planned.

(Signed) Robert S. McNamara

Robert S. McNamara

cleared with and cc: Mr. Knapp )
cc: Mr. Cargill) with incoming
cc: Mr. Chenery)

RJGoodman/rf
March 20, 1973

Dear Mr. Minister:

Thank you for your kind letter of March 9, 1973, in which you outlined the arrangements agreed with the staff of the International Development Association for setting the interest rate and adjusting the principal of loans made to ranchers from the proceeds of our third livestock development credit to Bolivia.

In my letter of December 1, 1972 to you, I expressed the hope for an early resolution of the interest rate problem. I am very pleased to learn that it has been possible to reach an agreement satisfactory to all parties. Mr. Wiese will write you shortly to formalize the arrangements.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Lic. Luis Bedregal Rode
Minister of Finance
Ministry of Finance
La Paz, Bolivia

cc: Messrs. Alter
Goffin
van der Heijden o/r
Mr. McNamara's Office (2)

JFajans:ak
TO: HERR BUNDESMINISTER ERHARD EPPLE
MINISTER FOR ECONOMIC COOPERATION
MINISTRY FOR ECONOMIC COOPERATION
D-5300 BONN

DATE: MARCH 20, 1973

COUNTRY: GERMANY

CLASS OF SERVICE: LT

TEXT:

MAY I SAY HOW GRATEFUL I AM FOR THE WAY IN WHICH YOU RESPONDED TO THE REQUEST MADE IN MY CABLE TO YOU OF MARCH 6 (PARAGRAPH) THE STATEMENT MADE BY HERR MOLTRECHT ON YOUR BEHALF AT THE LONDON MEETING OF DEPUTIES WAS MOST HELPFUL (COMMA) AND CONTRIBUTED GREATLY TO THE BUILDING UP OF A STRONG BODY OF OPINION IN FAVOR OF A HIGH LEVEL OF REPLACEMENT (PERIOD) I HOPE VERY MUCH THAT THIS WILL HAVE ITS EFFECT ON THE ATTITUDE OF OTHER DONORS (PARAGRAPH) WITH MY BEST THANKS AND WARM PERSONAL REGARDS

ROBERT S. MCNAMARA

INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME: Robert S. McNamara

DEPT: President

SIGNATURE: (Signature of Individual Authorized to Approve)

REFERENCE: IDA 4 Replenishment

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Stedtfeld, Executive Director

Mr. Adler, P & B

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch
Mr. Roland Brown, an English barrister, is presently in Washington on a Ford Foundation grant for study of certain legal aspects of the Bank's operations, in particular our policy on expropriation. Mr. Brown was the Attorney General of the Territory of Tanganyika when it became independent in 1961 and has more recently worked with the Tanzanian Government as a special legal adviser. In this capacity he has been involved in several expropriation questions in which the Bank was interested and has had access to various Bank documents relevant to our policy. He has asked us to provide additional documentation that would help him in his work. To ensure that the study will be based on accurate information, we propose to release to him a number of Bank documents which have been given general distribution to the Executive Directors and through them to member governments.
March 19, 1973

Dear Ms. Harris:

Thank you very much for your letter inviting Mr. McNamara to speak at a UN Association event. Unfortunately, Mr. McNamara's schedule does not include any visits to Britain in the near future, but we will certainly keep the invitation in mind when a suitable occasion arises, knowing the importance of the work performed by your organization.

Sincerely,

Anders Ljungh
Personal Assistant to Mr. McNamara

Ms. Irene Harris
Appeals Director
United Nations Association of Great Britain and Northern Ireland
93 Albert Embankment
London SE1 7TX, England

AL:mss
Dear Mr. Reinhardt:

This is to acknowledge with thanks your letter of January 31, 1973, regarding our expropriation policy, which was brought to my attention on my return recently from a trip to the Middle East.

As you doubtless know, I have also received a letter of the same date on the same subject from Dr. Abs.

I note that you have asked your working group to study the comments we made on individual cases and that you will revert to them in due course. I would be interested to receive any further comments you may have on these cases. As I wrote in my reply to Dr. Abs, either I or my colleagues would be happy to discuss these matters with you or your representatives again.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. E. Reinhardt
President, Association Internationale
pour la Promotion et la Protection
des Investissements Prives en
Territoires Etrangers
Paradeplatz 9
8021 Zurich, Switzerland

L Nunick:vv
March 9, 1973

cc: (2) Mr. McNamara's office
Mr. Knapp

Cleared with Mr. Broches
Dear Dr. Abs:

This is to acknowledge with thanks your letter of January 31, 1973, regarding our expropriation policy, which was brought to my attention on my return recently from a trip to the Middle East.

You make three general observations. As to your first observation, you state that we rely primarily on information supplied by governments applying for loans regarding their efforts to settle expropriation claims and suggest that we should establish a procedure whereby an expropriated investor could make his views known directly to the Bank. When an expropriation dispute is brought to our attention which we think warrants study, we do not primarily confine ourselves to obtaining information about it from the government of the expropriating country. The views of the government of the expropriated investor are usually made known to us by that government, particularly if the dispute is regarded by them as a serious one which may affect our lending operations. In many cases we also obtain the views of the investor himself, either because the investor makes them known to us of his own accord or because we invite him to do so. (Indeed, although not strictly relevant to the point you raise, it should be noted that in cases involving claims arising from defaulted bond issues, we usually have obtained the views of the bondholders’ council involved.) We have not believed it advisable to establish a formal procedure describing the manner in which we investigate these claims, preferring to investigate and deal with them as the particular circumstances warrant. A formal procedure would appear to put us in the role of both an investigatory and judicial tribunal, a role which might well be self-defeating and counterproductive. I think that the informal procedures we have followed have not prejudiced our ability to obtain enough information about these claims in order to be able to deal with them properly.

As to your second and third observations, it seems to me that they deal with matters as to which I have already expressed our views and I need not elaborate on them further in this letter, although as I said in my letter of December 13, 1972 to you, either I or my colleagues would be happy to discuss these matters with you or your representatives again.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Hermann J. Abs
Junghofstrasse 5-11
Frankfurt (Main)
Federal Republic of Germany

cc: (2) Mr. McNamara’s office
Mr. Knapp

(Cleared with Mr. Broches)
Le 9 mars 1973

Monsieur le Premier Ministre,

Je vous remercie de votre lettre du 16 février 1973, qui réaffirme la volonté du Gouvernement de Sa Majesté le Roi de doter l'ONEP des attributs nécessaires à son bon fonctionnement.

Nous sommes tout particulièrement encouragés par l'assurance que vous avez donnée à Messieurs Hartsch et Springuel que les mesures réellement indispensables seront prises et que l'usage le plus efficace possible des moyens les meilleurs sera fait pour que le prêt (350-MDR à l'ONEP) trouve sa justification économique dans le cadre de la souveraineté nationale du Maroc, de telle sorte que l'ONEP réponde effectivement aux finalités qui lui ont été assignées par le Gouvernement Marocain lors de la signature de l'Accord sus-visé. Je ne doute pas que le Gouvernement pourra bientôt informer la Banque des mesures qu'il a prises; c'est dans cette attente que la Banque a reporté la date-limite de mise en vigueur de l'Accord de Prêt au 20 avril 1973.

Je suis également très sensible à l'appréciation que vous avez exprimée, au sujet des opérations effectuées par la Banque en vue de participer au développement économique du Maroc.

Je vous prie d'agréer, Monsieur le Premier Ministre, l'assurance de ma très haute considération.

Robert S. McNamara

Son Excellence
Ahmed Osman
Premier Ministre
Rabat, Maroc

GSHomsi/RH_SPRINGUEL:lo
March 7, 1973
Mr. Richard A. Debs
Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Dear Mr. Debs:

Pursuant to paragraph 3 of the Fiscal Agency Agreement between the International Bank for Reconstruction and Development and the Federal Reserve Bank of New York, you are hereby authorized and instructed to authenticate and to deliver on or after March 15, 1973 to a representative of each of the purchasers set forth in Schedule A hereto the respective principal amount of Two Year Bonds of 1973, due March 15, 1975 of the International Bank for Reconstruction and Development, set forth in said Schedule with respect to such purchaser. Each such delivery is to be made upon receipt by you of 5.20% Two Year Bonds of 1971, due March 15, 1973, of the Bank or of Federal Reserve Bank of New York funds for our account of an amount equal to the principal amount of Bonds allotted to each such purchaser as set forth in said Schedule plus, in the event all or a portion is to be paid in Federal Reserve Bank of New York funds, accrued interest on such portion at 6-3/4% per annum from March 15, 1973 to the date of delivery of the Bonds in each instance.

Authorized denominations and numbering of such Bonds are as follows: registered Bonds without coupons in denominations of $1,000 and any multiple thereof, to be numbered ABBB 1 and upwards; and $1,000, $10,000 and $100,000 denomination coupon Bonds to be numbered, respectively, ABM 1, ABX 1 and ABC 1, and upwards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara
President

Eugene H. Rotberg
Treasurer

cc and cleared with: Mr. Marine
cc: Messrs. Rotberg
Hittmair
Deely/SecDivFiles

DEHarris:ktp
March 7, 1973
### PURCHASERS OF INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

6-3/4% TWO YEAR BONDS OF 1973, DUE MARCH 15, 1975

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SCHEDULE A

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Dear Mr. Minister:

You will now have received a message from me sent through Mr. Hattori, your Executive Director, saying that I plan to visit Japan from April 18th to April 20th next.

The timing of my visit seems to me to be particularly fortunate coming as it does shortly before the Third Meeting of the Deputies for the IDA Fourth Replenishment which, as you know, is to take place in Tokyo on May 1st and 2nd. This will almost certainly be the decisive meeting in the replenishment negotiations and you will not be surprised if I say that I look upon the Japanese role in these negotiations as being of critical importance. The United States is facing quite unusual difficulties in the Congress over foreign aid of all kinds and over multilateral aid in particular. We shall have a hard task to work out an arrangement which will produce the kind of total that IDA needs and must have, and at the same time provide for some readjustment of the share in contributions of individual countries. Obviously the recent currency changes will be a complicating factor in this situation.

We have had a number of preliminary discussions with your representatives and it is no secret that we hope to secure your support for a very substantial increase not only in the amount of the replenishment but also in the Japanese share. I know that I can count on you to take an imaginative and far-sighted attitude towards this problem.

I shall look forward with great pleasure to my meeting with you in Tokyo and to having an opportunity to discuss these questions with you fully at that time.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Kiichi Aichi
Minister of Finance
Ministry of Finance
Tokyo, Japan

Copy to Mr. Hattori, Executive Director

cc: Mr. McNamara's Office (2)
Cleared with and cc: Mr. Adler, P & B
" " " " Mr. Soejima, Tokyo Office

DHFRickett:emcc
IDA4
Dear Dr. Nayudamma:

Thank you very much for taking the time and trouble to give us the benefit of your wisdom and experience at the management seminar on industrial technology last week. I very much appreciated your remarks, as well as the opportunity to peruse the texts with which you provided me and the others attending the seminar. Thank you also for the excellent tie and parchment figure which you were kind enough to present to me.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Y. Nayudamma
Council of Scientific and Industrial Research
Rafi Marg
New Delhi.

CWeiss:lka
3/6/73

cc: for Mr. McNamara's Office (2)
Monsieur le Président,

Je vous remercie vivement de votre lettre du 8 février et de l'exposé très complet que vous avez bien voulu me faire sur les problèmes économiques très difficiles que rencontre actuellement votre gouvernement. Je suis très sensible à la confiance que vous accordez à nos institutions et puis vous assurer que nous ferons tout ce qui est en notre pouvoir pour renforcer notre coopération et vous aider dans la réalisation des objectifs que vous vous êtes assignés pour le développement de votre pays et l'amélioration du niveau de vie de sa population.

Comme vous l'avez vous-même souligné, nous aussi sommes préoccupés par les problèmes financiers qui peuvent gêner la réalisation de vos objectifs de développement et qui dès maintenant affectent l'exécution de projets déjà financés par nous, à savoir le projet d'entretien routier, les deux projets d'éducation et le projet d'élevage pour lequel un crédit de 2,2 millions de dollars a été approuvé par notre Conseil d'administration au début de 1972. Je suis pleinement conscient des difficultés qu'éprouve votre gouvernement à dégager les fonds de contrepartie nécessaires à la bonne exécution de ces projets. Nous nous rendons compte que ces difficultés sont partiellement imputables à des circonstances indépendantes de votre volonté; c'est pourquoi, dans la mesure où les autorités tchadiennes font les efforts nécessaires pour la solution de ces problèmes, sommes-nous prêts à étudier les mesures permettant de faciliter la relance de ces projets.

Les projets qui ont été les plus touchés sont les deux projets d'éducation qui ont fait l'objet d'une série de discussions entre les services de la Banque et les représentants de votre gouvernement, notamment en janvier dernier à Fort Lamy à l'occasion d'une mission de supervision d'un expert de notre Département Education.
A l’issue de ces discussions, un certain nombre de modifications ont été envisagées en ce qui concerne la composition de ces deux projets; ces changements sont de nature à assurer la bonne exécution des projets sans en compromettre l’esprit ni l’influence qu’ils devraient avoir sur le développement de votre pays. J’espère soumettre prochainement ces propositions à l’approbation de notre Conseil d’administration.

J’ai noté avec sympathie, Monsieur le Président, votre demande visant à ce que la Banque envoie bientôt une mission à Fort Lamy afin de discuter avec votre gouvernement du rôle que la Banque pourrait jouer dans les années à venir en faveur du développement économique de votre pays. Je pense que ces discussions pourraient avoir lieu à l’occasion d’une revue plus détaillée, à Fort Lamy, des conclusions du rapport de notre mission économique de l’an dernier. Nous avons déjà envoyé des exemplaires du rapport à la Direction du Plan et avons proposé que ces discussions aient lieu à Fort Lamy dans le courant du mois d’avril prochain. Compte tenu de votre recommandation, ces discussions ne devraient pas se limiter à l’examen des questions générales, mais devraient également porter sur l’exécution des projets en cours et sur le programme d’opérations et de financement que nous envisagions de réaliser au cours des prochaines années. Cette mission comprendrait donc outre M. Westebbe, l’économiste principal qui avait dirigé notre dernière mission économique, le chef de la Division des Programmes qui suit nos opérations au Tchad, ou son principal adjoint.

En ce qui concerne votre demande relative au détachement d’un expert en matière économique et financière, notre mission d’avril pourra en discuter de façon plus détaillée avec vous pour déterminer dans quelle mesure et sous quelle forme nous pourrions vous assister dans ce domaine.

Je voudrais conclure, Monsieur le Président, en exprimant l’espoir que, maintenant que votre gouvernement a réussi dans une large mesure à résoudre les problèmes de sécurité qui vous ont préoccupé au cours des dernières années, il sera désormais possible à votre pays de consacrer ses énergies et ses ressources aux importantes tâches du redressement économique et financier. De la même façon, vous pouvez compter sur notre appui pour la réalisation de cet objectif.

Veuillez agréer, Monsieur le Président, les assurances de ma plus haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

CVEnenthal/RWestebbe/RAssa/
X delaRenaudière: sjb

cc: Mr. Kochman (Executive Director)
ENGLISH TRANSLATION

His Excellency
François Tombalbaye
President of the Republic of Chad
Fort Lamy
Chad

Dear Mr. President,

I would like to thank you for your letter of February 8 and for the most comprehensive statement of the economic problems with which your Government is faced. I am most grateful to you for the confidence which you have shown in our institutions, and I would like to assure you that we will do everything possible to assist you in your efforts to develop the country and raise the standard of living of its people.

As you have so correctly noted, we, too, are concerned about the financial problems which are inhibiting the achievement of your development objectives, and which are adversely affecting the execution of projects for which the Bank has already provided financial assistance, namely the highway maintenance project, the two education projects and the livestock development project for which a credit of $2.2 million was approved by our Board of Directors early in 1972. I am well aware of these problems which, as you have pointed out, stem from your Government's lack of local financial resources, partly caused by circumstances beyond your control, and the resultant inability to find counterpart funds necessary for the successful implementation of these projects. We are prepared to study measures which will make it possible for the execution of these projects to go ahead again.

The projects which have been most affected in this manner are the two education projects which have been the subject of a series of discussions between the staff of the Bank and representatives of your Government. The most recent of these discussions took place in Fort Lamy last January when a member of our Education projects technical staff visited Chad to review progress on the execution of these projects. Following from these discussions a number of changes, which I hope shortly to present to our Board of Directors for consideration, have been proposed in the content of the projects. The proposed changes are intended to ensure the successful implementation of the projects without adversely altering their spirit and their intended impact on the country's development.
We welcome, Mr. President, your request for a Bank mission to visit Chad in the near future for discussions with your Government on the Bank's future role in the economic development of your country. I think that such discussions could take place in Fort Lamy at the time of the proposed review of the conclusions of the report of our economic mission which visited Chad last year. We have already sent copies of the report to the Directorate of the Plan, and have suggested that discussions take place in Fort Lamy sometime in the month of April this year. It is our intention that these discussions should cover not only general economic matters, but that opportunity should also be taken to discuss existing operations and to explore possible future projects. The mission would comprise Mr. Westebbe, Senior Economist, who was leader of the economic mission and the Programs Division Chief in charge of our operations in Chad, or his assistant.

With regard to your request for an economic and financial expert, we suggest that our mission of next April should discuss with you in detail in what way we could assist you in this field.

I would like to conclude, Mr. President, by expressing the hope that, now that your Government has succeeded, in large measure, in solving the internal security problem with which you have preoccupied yourself during the past several years, it will be possible for your country to direct its energies and resources to the task of solving economic and financial problems. You can count on our support for the realization of these objectives.

Yours sincerely,

Robert S. McNamara
DR. IPPLEER
MINISTER FOR ECONOMIC COOPERATION
MINISTRY FOR ECONOMIC COOPERATION
D-5300 BONN
GERMANY

MARCH 6, 1973

SINCE MY MEETING WITH YOU IN BONN (COMMA) WE HAVE BEEN IN TOUCH WITH OTHER
PART ONE COUNTRIES TO TRY TO MOBILIZE AS SUBSTANTIAL A BODY OF SUPPORT AS
POSSIBLE AT THE LONDON MEETING IN FAVOR OF A REPLENISHMENT OF IDA AT A HIGH
LEVEL. (PERIOD) THESE CONTACTS ARE CONTINUING BUT THERE SEEM ALREADY TO BE A
NUMBER OF COUNTRIES WHO WOULD EXPRESS SUPPORT FOR THE FIGURE YOU MENTIONED
TO ME IN BONN (COMMA) NAMELY 1500 MILLION PRE-DEVALUATION DOLLARS (PARAGRAPH)
I KNOW THAT YOU TOLD ME THAT THIS WAS YOUR OWN VIEW AND THAT IT STILL NEEDED
TO BE AGREED FINALLY WITH YOUR COLLEAGUES (PERIOD) IF THERE IS NOT TIME FOR
SUCH FULL AND FINAL AGREEMENT BEFORE THE LONDON MEETING (COMMA) IT WOULD
NEVERTHELESS BE MOST HELPFUL IF YOUR REPRESENTATIVE COULD MENTION THE FIGURE
OF 1500 MILLION PRE-DEVALUATION DOLLARS AS BEING THE SORT OF FIGURE TO WHICH
(COMMA) IN YOUR VIEW AS THE MINISTER RESPONSIBLE (COMMA) GERMANY SHOULD BE
PREPARED TO CONTRIBUTE AT THE LEVEL OF ITS PRESENT SHARE (PERIOD) HE COULD
ADD THAT THIS STATEMENT WOULD HAVE TO BE CONFIRMED LATER (PARAGRAPH) I HOPE
VERY MUCH THAT YOU MAY FEEL ABLE TO AUTHORIZE YOUR REPRESENTATIVE TO SPEAK
ON THESE LINES (PERIOD) A STATEMENT OF A QUALITATIVE KIND (COMMA) HOWEVER

(CONTINUED ON PAGE 2)

Mr. Robert S. McNamara

cc: Mr. Fritz Stadtfield, Executive Director
    Mr. John Adler, P & B

IDA 4 Replenishment

PMFRickett:smcc
POSITIVE (COMMA) WHICH MENTIONED NO PARTICULAR FIGURE WOULD I FEAR WEAKEN SERIously THE CONSENSUS WHICH WE ARE TRYING TO BUILD UP AT THE LONDON MEETING (PARAGRAPH) THERE WILL OF COURSE BE NO DECISION IN LONDON SINCE THERE WILL BE IMPORTANT CONTRIBUTORS (COMMA) INCLUDING THE UNITED STATES (COMMA) WHO WILL NOT TAKE A POSITION (PERIOD) THE PURPOSE OF THE MEETING WILL BE (COMMA) AS YOU AND I AGREED IN BONN (COMMA) TO ENCOURAGE OTHER CONTRIBUTORS TO MOVE CLOSER TO THE POSITION ADOPTED BY THE COUNTRIES FAVORING A HIGH LEVEL OF REPLENISHMENT (PERIOD) WARMEST REGARDS (Signed) Robert S. McNamara

ROBERT S. McNAMARA
INTBAFRAD

Mr. Robert S. McNamara

cc: Mr. Fritz Stedtfeld, Executive Director
Mr. John Adler, P & B

IDA 4 Replenishment
DIFRickett:emcc
MAR 6 1973

Dear L.K.:

I have just learnt of the death of Pitamber Pant. I did not know him well but met him on my visits to India and formed the impression of him as an outstanding person. Of course, the many members of the Bank staff who worked with him over the years have told me of his great abilities and his humanity. I would be grateful if you would convey to your Government and to his family the loss which the Bank feels at the passing away of a dedicated public servant.

Best regards.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
L.K. Jha
The Ambassador of India
Washington D.C. 20035

cc: Mr. McNamara's office (2)

IPMCargill:plc
His Excellency  
Valery Giscard d'Estaing  
Minister of Economy and Finance  
Ministry of Economy and Finance  
93 rue de Rivoli  
F-75001 Paris  
France

Dear Mr. Minister:

This is in response to your letter of February 19, containing observations about the Consultative Group on International Agricultural Research and sending me information about a proposal for a project in Upper Volta aimed at control of the vector of Trypanosomiasis.

As one of the sponsors of the Consultative Group, the Bank, let me assure you, is keenly aware of the importance of French agricultural research institutions. The expertise of these institutions already is making its contribution in the Group's endeavors; officials of O.R.S.T.O.M. and I.R.A.T., for instance, are serving on the governing boards of several of the international agricultural research centers being supported by the Group. On a more general plane, the whole Group is benefiting from the participation of a French official of I.E.M.V.T. in the Group's Technical Advisory Committee.

It is the expectation of the members of the Consultative Group that the links between the international research network and national institutes, including those benefiting specifically from French support, will be strengthened. The International Institute of Tropical Agriculture (IITA), based in Nigeria, already has begun a program of cooperation in its own research sphere with national efforts in Africa, including francophone Africa, and will expand this program further. The development of a similar program of cooperation with African countries is one of the first tasks on the agenda of the new International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) based in India.
As you know, members of the Consultative Group at the present time are engaged in formulating plans for the establishment of a research program to promote animal production and health in tropical Africa. The Task Force which has formulated the basic proposals on this matter had the benefit of the services of a French member; your Government and the francophone governments of Africa were consulted by the Task Force. When the new enterprise is created, it is intended that one of its principal activities will be to assist national institutes devoted to animal production and health in tropical Africa, including the francophone countries of that region.

I am grateful for the information you have given us concerning the projected research in Upper Volta on Trypanosomiasis, and am interested to learn that this project is being presented for the consideration of the Technical Advisory Committee of the Consultative Group. If the Committee should recommend the project as falling within the terms of reference of the Consultative Group and as having high priority from an international point of view, the possibilities of its financing will be considered at an early date by the members of the Consultative Group, including the Bank Group.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc: Office of the President (2)
Typed on March 5, 1973
HGraves/RHDemuth:mcj
Dear Mr. Minister:

Thank you for your letter of February 8 and the documents concerning your budget for 1973.

In going through your budget speech and the budget documents, I recalled our discussions in Lusaka about the difficult decisions you and President Kaunda face at this juncture. I have little doubt that with determination and effort the questions of resource mobilization and investment priorities that your Government faces can be resolved. I understand that you have already proposed in your budget specific measures to increase domestic resources for development and to cut back on some of the expenditure of Government agencies. As I mentioned to you, on our side, we would do whatever needs to be done to assist your development effort and we expect to be ready to negotiate loans for the Kafue and education projects during April.

I look forward, Mr. Minister, to continued cooperation between your Government and the Bank, so that you and we together can address ourselves to the pressing needs for development, particularly in rural areas and human resources.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Hon. J.K. Mwanakatwe, MP
Minister of Finance
P.O. Box RW62
Ridgeway
Lusaka, Zambia

cc: Mr. McNamara's office (2)
Messrs. Knapp, Bell, Dean

SSHusain:pe
March 5, 1973
Dear Jaalle Siad:

Thank you for your letter of February 17.

I am pleased to say that since I wrote to you on January 8, we have taken further steps to assist in the development of Somalia. The Mogadiscio Fort Project was approved by the Bank's Executive Directors today. The team to appraise the Trans-Juba Livestock Project and the UNESCO/IBRD Education Project Identification Mission both completed their field work in February. Our agriculture project identification mission has recently returned to Somalia to discuss its draft report with your government. We hope that this report will help to identify high-priority rural development activities and provide the basis for preparing specific projects which would be appropriate for financing by IDA.

Regarding the other proposals mentioned in the memorandum given to me in Somalia, I understand that my associates have already discussed with your government what we hope to be able to do over the next few years in terms of financial and technical assistance for project preparation and implementation.

I can assure you that I intend to ensure that all the various projects which we have under consideration in Somalia will receive our full and prompt attention.

Best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Jaalle General Mohamed Sied Barre
President of the Supreme Revolutionary Council
Somali Democratic Republic
Mogadiscio, Somalia

cc: Mr. Mohamed Nasser Kochman,
Mr. Syed Salar Kirmani;
President's Office (2).

March 2, 1973
Le 5 mars 1973

Monsieur le Ministre de l'Économie
et des Finances
93, rue de Rivoli
75056 Paris RP
France

Monsieur le Ministre,

Je vous remercie vivement de la lettre du 8 février relative au projet de chemin de fer Transgabonais que Monsieur Viénot a bien voulu me transmettre en votre nom. Au moment où nous recevions cette lettre, une mission de la Banque était déjà partie pour Libreville pour aviser le Gouvernement gabonais de nos conclusions au sujet de ce projet. À son retour du Gabon, cette mission est d'ailleurs passée par Paris pour s'entretenir avec vos services des raisons de la position prise par la Banque Mondiale et des problèmes posés par notre démarche. M. Knapp, lors de son récent passage à Paris, s'était entretenu de cette question avec Monsieur Pierre-Brosselette.

Je tiens cependant à vous expliquer personnellement quelles considérations nous ont conduits à décider que nous ne pouvions pas participer au financement du Transgabonais, du moins à ce stade.

L'un des principaux problèmes est l'augmentation du coût du projet, que votre lettre ne manque d'ailleurs pas de signaler. En effet, le coût de l'investissement total (chemin de fer Owendo-Boua, installations portuaires et première phase du programme de routes d'accès) est maintenant évalué à environ 59 milliards de francs CFA. Or, au moment même où le coût du projet augmente, nous avons l'impression que s'éloigne la probabilité d'ouverture de la mine de fer de Bélinga, qui demeure la justification principale d'un chemin de fer lourd conçu pour transporter un trafic d'environ 15 à 20 millions de tonnes. En effet, d'une part le marché du minerai de fer s'est affaibli du fait notamment que le Japon a réduit ses objectifs de production d'acier; d'autre part, les sondages effectués ont montré que la qualité du minerai de Bélinga était inférieure aux estimations initiales; enfin, nos discussions avec SOMIFER et Bethlehem Steel et notre analyse du projet minier proprement dit nous ont conduits à
Monsieur le Ministre
de l’Economie et des Finances

conclure que ce projet ne pouvait devenir rentable pour ses promoteurs que dans le cadre d’une forte augmentation du prix du minerai de fer, qui paraît peu vraisemblable au cours des dix prochaines années. Le fait d’ailleurs que SOMIFER n’ait pas jugé bon d’entreprendre les études géologiques complémentaires nécessaires pour mieux connaître la taille et la qualité du gisement nous paraît confirmer cette indication.

Certes, les avantages forestiers d’un chemin de fer Gwendo-Boué sont très importants, notamment depuis la révision du système de permis et de taxes que le Gouvernement gabonais a décidé d’adopter pour intensifier et rationaliser l’exploitation forestière. Mais une grande partie de cette augmentation de la production et des recettes fiscales liées à la réalisation du chemin de fer pourrait être obtenue par l’aménagement du système fluvial et routier existant dont le coût atteindrait vraisemblablement moins du tiers de l’investissement global envisagé pour le Transgabonais.

C’est cette solution que nous avons recommandée au gouvernement et qui nous paraît la meilleure, tant que les chances d’ouverture de la mine apparaissent encore aussi faibles. Nous comprenons que le Gouvernement gabonais n’est pas prêt à suivre cette suggestion et poursuit ses démarches auprès des autres bailleurs de fonds pour assurer le financement du projet. Nous jugeons cette décision regrettable mais souhaitons que si le Transgabonais doit néanmoins être réalisé, son financement soit assuré à des conditions n’aggravant pas excessivement l’endettement du Gabon et soit accompagné d’une politique gouvernementale d’austérité budgétaire, nécessaire pour que le Gabon puisse financer sa contribution et supporter cet endettement.

Nous restons à votre disposition pour toutes discussions que vos services souhaiteraient avoir avec les nôtres au sujet des aspects techniques et économiques de ce projet et serions toujours prêts à réviser notre analyse si des faits nouveaux survenaient qui devaient influencer la justification du chemin de fer. En outre, je tiens à vous assurer que nous continuerons de suivre de près l’évolution de l’économie gabonaise et poursuivrons l’examen des autres projets qui nous ont été soumis par le Gouvernement gabonais et de toute autre intervention nous permettant de participer activement au développement économique du pays.

Veuillez agréer, Monsieur le Ministre, l’assurance de ma haute considération.

(Signed) Robert S. McNamara

3/6/73

Robert S. McNamara

RSStockhan/XdelaRenaudiere:sjb
Translator: RAssa
Minister of Economy and Finance
Treasury Department
International Affairs
53, rue de Rivoli
75056 Paris SF
France

Dear Mr. Minister:

I am writing to thank you for your message dated February 8 concerning the Gabon railway project which Mr. Viénot conveyed to me on your behalf. When I received your letter a Bank mission had already left to advise the Gabonese Government of the Bank's position on this project. On their way back from Gabon, the mission visited Paris to discuss with your associates the basis for our position and its implications. During his recent stay in Paris, Mr. Knapp had also discussed this matter with Mr. Pierre-Brossolette.

Nevertheless, I would like to personally explain to you the principal reasons why we feel we cannot participate in the financing of this project at this stage.

As you mention yourself, one of the main problems is the increase in project cost. In fact, we now estimate total investment cost for the Owendo-Bocoué railroad, timber port facilities at Owendo and major access roads necessary through 1976 to amount to some CFAF 59 billion. At the same time, we believe that the probability of the opening of the Belinga mine which remains the primary justification for a heavy-duty railroad designed for an annual traffic of about 15 to 20 million tons, has become more remote. As a matter of fact, the world iron ore market has recently weakened and Japan, the world's largest importer of iron ore, has reduced its steel production targets for the near future. Moreover, the tests so far undertaken have shown a lower quality of iron ore at Belinga than originally anticipated. In general, our discussions with SOMIFER, especially its principal shareholder, Bethlehem Steel, and a review of the estimated costs and benefits of the exploitation of the Belinga mine seem to indicate that the profitability of such exploitation is not very attractive for its promoters unless world iron prices increase substantially, which does not seem likely for the next 10 years. The fact, for instance, that SOMIFER has not yet decided to spend the estimated US$ 2 million for geological studies required to assess the size and quality of the deposit and prepare a detailed mining plan, seems to confirm our conclusion.

It is true that the timber benefits attributable to a railroad from Owendo to Bocoué are very important, especially because of the new system of taxes and concession fees which was adopted to allow a more
intensive and more rational forest exploitation. However, a large part of the economic benefits of the railroad project in the form of increased forestry production could also be obtained by the improvement and expansion of the existing road/river system at a cost of probably less than one-third of the cost of the railroad.

We have recommended the latter to the Government as the best solution as long as the probability of the opening of the mine remains remote. We understand that the Government of Gabon will not follow our suggestion and continues to solicit the support of other donors for the financing of the railroad project. We regret this decision. However, should the railroad be built anyhow, we hope that it can be financed on conditions which will not further aggravate Gabon's debt service problem and that it will be accompanied by a policy of budget austerity which is necessary to allow Gabon to make its contribution and cover the debt service.

We will always be happy to engage in such discussions of the technical and economic aspects of the project as you may desire, and similarly, we stand ready to adjust our analysis to fit in with any new facts which might affect justification of the project. Moreover, we shall follow closely the development of the Gabonese economy and will continue to appraise whatever other projects have been submitted to us for financing and to assist, in every possible way, the economic development of the country.

Yours sincerely,

Robert S. McNamara
Dear Dr. Salem,

After returning recently from my trip to Lebanon and the Middle East, I would like to thank you for the kindness and hospitality extended to my wife, myself and my associates during our visit to your country. I want particularly to thank you for taking the time to accompany us throughout our trip which enabled us to appreciate your impressive development efforts. This visit was one of the most interesting of my entire trip, and I only wished it had been possible for us to have spent more time with you and your colleagues. I am also very grateful for your help and the time you spent with me when I transited through Beirut on the way back to Washington.

It was a great pleasure to see you and I look forward to seeing you again.

Sincerely,

Robert S. McNamara

Dr. Khalil Salem
Director General of Finance
Minister of Finance
Beirut
Lebanon

DMwright: dng
March 2, 1973

cc: Mr. McNamara's Office
Dear Mr. President,

Upon returning recently from my trip to Lebanon, I am writing to thank you for the hospitality and kindness extended to my wife, myself and my associates during our visit to your country. I am glad to have had the opportunity to learn at first hand how your Government intends to tackle the problems of Lebanon's economic development. I would particularly like to thank you and Mrs. Frangie for the very pleasant dinner party you gave on our last night in Beirut.

I very much appreciated our frank discussion, especially concerning the proposed South Beqa'a Irrigation project, and I am pleased to report that the Bank's talks with Mr. Kasal Khoury in Washington at the end of February were very fruitful. It was agreed that the mission to appraise the South Beqa'a project would arrive in Lebanon on April 1 for a stay of about four weeks. Its findings should guide us both as we seek appropriate ways to assist in the development of this region. I am happy that the World Bank and your Government are working together on this project which we sincerely hope will contribute further to the already impressive economic and social achievements which have been made.

I was also most interested in hearing of the priorities and plans which you and your Government have set in order to improve urban infrastructure, particularly in Beirut. You can be assured that we, in the World Bank, will do all we can to support your efforts in this field. We would also be very glad to assist in the development of the Lebanese capital market, which could play a key and even more active financial role in the Middle East.

It was a great pleasure to have met you and I look forward to seeing you again.

Sincerely,

Robert S. McNamara

President Sleiman Frangie
President of Lebanon
Beirut
Lebanon
Dear Mr. Minister,

Upon returning recently from my trip to Lebanon and the Middle East, I am writing to thank you, Mrs. Naffah, and your Government for the hospitality and kindness shown to my wife, myself and my associates during our visit to your country. This visit was one of the most interesting of my entire trip, and I only wished it had been possible for us to have spent more time with you and your colleagues. Thank you particularly for the very pleasant luncheon which you gave for us.

I was greatly impressed with the achievements of your Government towards economic and social prosperity. You can be assured that we, in the World Bank, will do what we can to support these efforts. I am pleased to hear that the Bank's discussions with Mr. Kamal Khouri in Washington at the end of February were very fruitful and it was agreed that the mission to appraise the South Bekaa's project would arrive in Lebanon on April 1 for a stay of about four weeks. Its findings should guide us both as we seek appropriate ways to assist in the development of this region.

Sincerely,

Robert S. McNamara

His Excellency
Fu'ad Naffah
Minister of Finance
Beirut, Lebanon

ASED/DE/MPB
DMMwright:dg
March 2, 1973

cc: Mr. McNamara's office
Dear Mr. Minister,

Having recently returned from my trip to Lebanon and the Middle East, I am writing to thank you and Mrs. Skaff for the hospitality and kindness extended to my wife, myself and my associates during our recent visit to your country. I want particularly to thank you for taking the time to accompany us on a very interesting field trip to the South Beqa'a. Thank you also for the very pleasant lunch you gave for us at that time.

I am pleased to hear that the Bank’s discussions with Mr. Kamal Khoury in Washington at the end of February were very fruitful and it was agreed that the mission to appraise the South Beqa’a project would arrive in Lebanon on April 1 for a stay of about four weeks. Its findings should guide us both as we seek appropriate ways to assist in the development of this region.

It was a great pleasure to meet you and I look forward to seeing you again.

Sincerely,

Robert S. McNamara

His Excellency
Joseph Skaff
Minister of Hydraulic and Electric Resources
Beirut
Lebanon

ASRD/DH
IMwright/dmg
March 2, 1973

cc: Mr. McNamara's Office
Dear Ted:

Thank you very much for your letters of February 8 and February 15, which I received on my return from a fascinating trip round the Middle East and in Europe.

I am reading the Agenda for Action with great interest, and hope it will have good impact in this country.

I am increasingly aware of what an uphill struggle there is for all of us in convincing the American public of the importance of an equitable amount of assistance to the developing world. I have watched with great interest and admiration the work of the O.D.C. in the past four years under your guidance and that of Jim Grant. I send you every good wish in the continuance of this work.

I am also asking William Clark to ensure that our regular contribution to the O.D.C.'s work is sent immediately.

With all good wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Rev. Theodore M. Hesburgh, C.S.C.
Chairman of the Board
Overseas Development Council
1717 Massachusetts Avenue, N.W.
Washington D.C. 20036
Excellency:

After my return to Washington, I would like to express my sincere thanks to His Highness Sheikh Rashid and yourself for your warm hospitality in receiving my wife, my associates and myself in Dubai, and for the superb lunch which was given us that day. You were particularly kind to come to Abu Dhabi to greet us when we arrived.

The short visit allowed me to understand better the wisdom with which His Highness carries his heavy responsibility and the rapid progress and bright future prospects of Dubai. A tour of the city and visit to the port gave ample evidence of the rapid pace of economic development. We in the World Bank support your efforts for the well-being of all your people and stand ready to assist in every possible way.

Sincerely,

Robert S. McNamara

His Excellency
Hamdan Bin Rashid Al-Falasa
Minister of Finance
Ministry of Finance United Arab Emirates
Abu Dhabi
United Arab Emirates
March 2, 1973

Excellency:

Please accept my most sincere thanks for a memorable visit to Abu Dhabi. Although the visit was short, it gave me an opportunity to appreciate the rapid progress which is being made in Abu Dhabi and the enormous potential which your country holds.

I very much enjoyed the conversation I had with His Highness Sheikh Zayed which allowed me to appreciate the serious determination with which he faces the responsibility of conducting the affairs of a nation which will play a key role in the future of the Arab World. We in the World Bank are in full agreement with your objectives and are prepared to work closely with you in every respect.

With best wishes,

Sincerely,

Robert S. McNamara

His Excellency
Ahmed Khalifa Alsowaidi
Minister of Foreign Affairs
Abu Dhabi
United Arab Emirates
March 2, 1973

Excellency:

Please accept my sincere thanks for a most enjoyable and fruitful visit to Saudi Arabia.

It was a great pleasure to meet with His Majesty The King and I owe him particular gratitude for receiving me so soon after a tiring journey. The conversation we had allowed me to appreciate his deep devotion to the wellbeing of the people of Saudi Arabia and to the peace and prosperity for all nations in the Arab World. I fully share and support these goals and we in the World Bank stand ready to assist in every respect.

I appreciated the opportunity to meet with the Minister of Finance and officials of your Government. The visit to the Harad agricultural project gave an excellent illustration of the possibilities for agricultural development and economic diversification in Saudi Arabia.

Once again thank you for a memorable visit.

Sincerely,

Robert S. McNamara

His Excellency
Sheikh Ahmed Abdel Wahab
Chief of Royal Protocol
King's Palace
Riyadh
Saudi Arabia
Excellency:

It was a great pleasure to visit your country and I wish to thank you in particular since your personal efforts contributed to make our stay interesting and pleasant, and helped me to understand the great potential of your country.

I look forward to meeting with you when you come to Washington in order to discuss how the World Bank can be of assistance and how we shall proceed in the near future. In the meantime, I have asked that a small group of World Bank staff visit Doha for preliminary discussions.

I also wish to thank you on behalf of my associates and myself for the pleasant dinner you hosted at El Marmar Palace.

With best wishes,

Sincerely,

Robert S. McNamara

His Excellency
Sheikh Abdul Aziz ibn Khalifa al-Thani
Minister of Finance
Ministry of Finance and Petroleum Affairs
Doha
Qatar
Arabian Gulf
March 2, 1973

Dear Mr. Ali:

After returning to Washington, I would like to express on behalf of my wife, my associates and myself how much we enjoyed our visit to Riyadh. In particular I wish to thank you for your hospitality and all the assistance you gave us. Largely thanks to you I now feel we have a much more firm foundation on which to build future cooperation with Saudi Arabia, both inside the country and in the rest of the Arab World.

I look forward to seeing you soon again.

With best personal regards,

Sincerely,

Robert S. McNamara

Mr. Anwar Ali
Governor
Saudi Arabian Monetary Agency
Post Office Box 394
Jeddah
Saudi Arabia
March 2, 1973

Your Highness:

Please accept my sincere thanks for a memorable visit to Doha and the wonderful hospitality shown us by you and everyone we met.

My brief visit allowed me to appreciate the rapid pace of economic and social advance and the tremendous future potential of your country. The visit to the Umm Said fertilizer plant was a good illustration.

I look forward to meeting with your Minister of Finance when he next visits Washington in order to discuss future plans for cooperation. In the meantime, a group of economic experts will visit Doha shortly to prepare for an economic mission early next year.

I was deeply impressed with the desire of Your Highness to further the wellbeing of your people and the World Bank stands ready to work with you in every respect.

Sincerely,

Robert S. McNamara

His Highness
Sheikh Ahmad Ben Ali Al-Thani
The Ruler and Prime Minister
Doha
Qatar
Arabian Gulf
Highness:

I wish to thank you most sincerely for a successful and enjoyable visit to Saudi Arabia. It was a great pleasure to meet with you and Mr. Abul Khail and other senior members of your Government.

I was greatly impressed with the achievements of Saudi Arabia and the bright prospects for the future. We in the World Bank wholly support your objectives of economic and social development in Saudi Arabia and the rest of the Arab World and I am convinced that the next few years will see the establishment of close cooperation of the World Bank in your efforts.

Thank you once more for a memorable visit.

Sincerely,

Robert S. McNamara

His Royal Highness
Prince Moussaeed bin Abdul Rahman
Minister of Finance and National Economy
Riyadh
Saudi Arabia
Excellency:

After returning to Washington, I would like to thank you on behalf of my wife, my associates and myself for a most successful visit. The changes which had taken place in Kuwait since my last visit were amazing, and I am greatly impressed with the economic activity in Kuwait, the concern of the leadership for the wellbeing of the people and the prominent role of Kuwait in the Arab World.

It was a great pleasure to meet with His Highness Sheikh Sabah and I fully agree with his view that personal relationships should continue to be strengthened and complemented by cooperation between institutions. I also enjoyed meeting His Highness Sheikh Jaber and particularly appreciated his offer for close and candid exchange of views. We in the World Bank fully share your goals and, in this spirit, stand ready to cooperate in every respect.

You have personally played an important part in establishing our excellent relations and I would like to thank you again for all your efforts. Also, please extend to Mrs. Al-Ateeqi best wishes from Mrs. McNamara and myself and thank her for the excellent luncheon which we were offered in your new home.

Sincerely,

Robert S. McNamara

His Excellency
Abdul Rahman Salim Al-Ateeqi
Minister of Finance and Oil
Ministry of Finance and Oil
Post Office Box 9
Kuwait, State of Kuwait
Dear Abdlatif:

Please accept my sincere thanks for a memorable visit to Kuwait. As always I enjoyed seeing you and the discussions we had.

The progress made in Kuwait is impressive and the Kuwait Fund is clearly in the forefront as a Kuwaiti institution and as a force for development and stability in the Arab World. I am more than even convinced that cooperation between the Kuwait Fund and the World Bank is essential and will continue to be strengthened.

My wife and my associates join me in thanking you and Mrs. Al-Hamad for the exquisite dinner you offered in your home.

On your recommendation, I am meeting with Mr. Saaty today in order to ensure joint efforts in Sudan's transportation sector.

Once more thank you for an enjoyable visit.

With best regards,

Sincerely,

Robert S. McNamara

Mr. Abdlatif Y. Al-Hamad
Director General
Kuwait Fund for Arab Economic Development
Post Office Box 2921
Kuwait, State of Kuwait
Dear Dr. Nurul Islam:

Thank you for your letter of February 9 inviting me and my colleagues in the Bank to participate in the international meeting that is scheduled to take place in Dacca on March 31 and April 1. We in the Bank are, of course, deeply interested in the development of Bangladesh, and we look forward to that meeting with great expectation. While I personally will not be able, unfortunately, to attend the meeting, Mr. Cargill and some of his colleagues from the Asia Regional Office plan to participate.

I send you my best wishes for success at the meeting. With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Nurul Islam
Deputy Chairman
Planning Commission
Government of Bangladesh
Dacca, Bangladesh

MM\shen/1gl
March 1, 1973

Cleared w/ cc: Mr. Cargill
MAR 2 1973

Dear Mr. Brito:

Thank you very much for your letter of February 2, 1973, bringing to my attention the forthcoming first Seminar on Brazilian Integration to be held in Rio de Janeiro from April 2-5. I wish to take this opportunity to congratulate the Jornal do Brasil for this initiative. I am confident that the meeting will play an important role in bringing to the attention of investors, both Brazilian and foreign, the enormous economic potential of the various regions of your country. As such, the seminar fits admirably with the Government's objective of insuring both rapid and balanced economic and social development.

I am pleased to inform you that the World Bank Group will be represented at the seminar by Mr. Kurt B. Eckrich. Mr. Eckrich, who will be accompanied by other members of the staff, is Deputy Director of Investments for South America of the International Finance Corporation.

In accordance with your request, I shall be sending to you within the next few weeks an article on the subject of regional imbalances, a matter which is of great concern to the World Bank and which I was glad to see will be a highlight of the Seminar on Brazilian Integration.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. M. F. de Nascimento Brito
Vice Presidente Executivo
Jornal do Brasil
Av. Rio Branco, 110/2
Rio de Janeiro, 26, Brazil

Cleared with and cc (with copy of incoming letter): Messrs. Bravo, Advisor on Latin American Affairs Eckrich, Deputy Director, IFC

cc: Mr. McNamara's office (2)

RMFernandes: iap
February 23, 1973
His Excellency
Mr. Albert Bernard Bongo
President of Gabon
Libreville, Gabon

Dear Mr. President,

Upon their return from Libreville, Messrs. de la Renaudière and Stockhan handed me your letter dated February 15. I understand that your Ambassador to Washington and Mr. Vion, Director General of OCPRA, have since visited the Bank as your emissaries and have had technical discussions with my associates on some of the points you raise in your letter. At their request, we have handed them copies of our appraisal report for onward transmission to FND and other interested donors.

I hope this report will serve as a basis for further discussions leading to a clearer idea on the best course of action to follow. We have received the studies relating to forestry benefits, feeder roads and the Nouad-Boué spur which Mr. Vion handed us and will certainly review them carefully. I have noted with particular interest what you say about your contacts with Japanese steelmakers and the representatives of SOMIFER. In fact, the mineral aspects of the project are of prime importance and firm commitments by mining companies, with respect to the exploitation of the Bilinga deposit, are obviously very relevant to the profitability of the proposed railroad.
The purpose of this letter, Mr. President, is to confirm that we are keenly interested in continuing our dialogue with your Government to ensure that the transport problems of Gabon find an appropriate solution without jeopardizing the balanced development of your country. In this respect we are ready to review with you whatever new elements may emerge concerning the railway project, or an interim solution. In this context, I want to assure you that we will do all we can to continue to assist your country in putting in the infrastructure required for present and future productive activities. In general, we are prepared to make available to Gabon significant amounts of assistance for high-priority economic and social development and will give sympathetic consideration to progress the Government has already brought to our attention or to those it may wish us to review in these fields.

Sincerely,

Robert S. Vallinara
Son Excellence
Monsieur Albert Bernard Bangi
Président de la République Gabonaise
Libreville, Gabon

Monsieur le Président,

À leur retour de Libreville, M. de la Renaudière et Steckhan m'ont remis votre lettre en date du 15 février. Par
ailleurs, votre Ambassadeur à Washington et M. Vian, Directeur
général de l'OCTRA, ont rendu depuis lors visite à la Banque
titres officielles et ont eu des discussions d'ordre technique
avec nos collaborateurs sur certaines des points que vous avez
soullevés dans votre lettre. Sur leur demande, nous leur avons
remis des exemplaires de notre rapport d'évaluation aux fins de
transmission au PED et à d'autres bailleurs de fonds intéressés.

J'espère que ce rapport permettra de poursuivre nos
discussions afin de parvenir à une idée plus précise du meilleur
parti à prendre. M. Vian nous a remis les études concernant la
production forestière, le programme de développement routier et
la desserte ferroviaire du haut Ogooué, études que nous ne
manquerons pas d'examiner avec le plus grand soin. J'ai noté
avec un intérêt tout particulier vos indications au sujet de vos
contacts avec les sidérurgistes japonais et les représentants de
SOMIFER. Le fait est que les aspects minéraux du projet
représentent une importance primordiale et que l'obtention d'engages-
nements formels de la part des sociétés minières, en ce qui concerne
l'exploitation du gisement deéléa, a évidemment une incidence
très marquée sur la rentabilité du chemin de fer envisagé.

L'objet de la présente lettre, Monsieur le Président,
est de confirmer notre vif intérêt à poursuivre le dialogue
avec votre gouvernement pour faire en sorte que les problèmes
de transport du Gabon trouvent une solution appropriée sans
compromettre le développement harmonieux de votre pays.
A cet égard, nous restons disposés d'une part à examiner tout nouvel élément pouvant influencer le projet de chemin de fer, d'autre part à étudier toute solution intérimaire permettant d'adapter l'infrastructure du pays aux besoins de sa production actuelle et future. En outre, nous sommes prêts à apporter au Gabon une aide importante dans tous les secteurs prioritaires pour son développement économique et social et considérerons avec bienveillance les programmes que le Gouvernement nous a présentés ou pourrait souhaiter nous présenter dans ces domaines.

Veuillez agréer, Monsieur le Président, l'expression de ma plus haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

REStockham/Rassaigco

3/3/73
Dear K.T:

It was very kind of you to write and bring me up to date on developments in the economy. It must be heartening to you in particular to review the growth of your economy in 1972. We were especially glad to note the rate of growth of trade and industrial production. We are also pleased to note that you are not overlooking agriculture and that accelerated efforts are being made to bring agricultural development more in line with the growth of the rest of the economy.

All of us here continue to follow economic affairs in the Republic of China with great interest and we wish you continued success in your efforts. We look forward to the results of our next economic mission which, as I am sure you know, is scheduled to begin work in March.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Minister K. T. Li
Minister of Finance
Ministry of Finance
Taipei, Taiwan
Republic of China

cc: for Mr. McNamara’s office (2)
cleared with Mr. Goodman – Director
East Asia & Pacific

DADunn:Jhw
February 27, 1973
Dear Mr. Minister:

Thank you very much for your letter of January 31, 1973, introducing Mr. Noenio Spinola of the Jornal do Brasil. Although I was not able to meet with the Brazilian committee that came to Washington on February 6 to extend to the Bank a formal invitation to be represented at the first Seminar on Brazilian Integration, I am well aware of the importance and interest of that meeting. It will, I am sure, highlight the vast opportunities for investment in Brazil's different regions, thereby contributing to your Government's goal of balanced, as well as rapid, economic growth.

I am happy to inform you that the World Bank Group will be represented at the seminar in Rio from April 2-5 by Mr. Kurt B. Eckrich. Mr. Eckrich, who will be accompanied by other members of the staff, is Deputy Director of Investments for South America of the International Finance Corporation.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Antonio Delfim Netto
Ministro da Fazenda
Av. Presidente Antonio Carlos, 375
Rio de Janeiro, GB
Brazil

Cleared with and cc: Messrs. Bravo, Advisor on Latin American Affairs (with copy of incoming) Eckrich, Deputy Director, IFC

cc: Mr. Ljungh (2)

RMFernandes:glw

February 23, 1973
Dear Mr. Assumpcao:

I am writing to express my congratulations to the Brazilian Association of Development Banks for its initiative in organizing the first Seminar on Brazilian Integration from April 2 to 5, 1973, and to extend to you my best wishes for the success of the seminar. I am sure that the seminar will further increase the knowledge and awareness of investors, both Brazilian and foreign, of the enormous potential for development of each of the various regions which comprise your country. As such, you will be contributing towards the Brazilian Government's policy of promoting balanced, as well as rapid, economic growth, inter alia, through the opening up of the interior of the country and the creation of conditions for the settlement of the Center-West and Amazon regions. I am convinced that inequalities in the level of development among different regions of a country can lead to serious economic difficulties and social tensions, and that regional development can play a significant role in achieving an increasingly equitable distribution of the benefits of economic growth. We are aware that meaningful, self-sustained economic growth must result in the mobilization of all national resources, and in particular of the human factor.

I am sorry that my other commitments will not permit me to join you. I have asked Mr. Kurt B. Eckrich, Deputy Director of Investments for South America of the International Finance Corporation, to represent the World Bank Group at the seminar. Mr. Eckrich will be accompanied by other members of our staff.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Lucio Souza Assumpcao
Presidente
Associação Brasileira de Bancos de Desenvolvimento - AEBDE
Av. Rio Branco, 147 - 16º Andar
Rio de Janeiro, RJ
Brazil

Cleared with and cc: Messrs. Bravo, Advisor (with copy of incoming letter) on Latin America Affairs
Eckrich, Deputy Director, IFC
cc: Mr. Ljungh (2)
RMFernandes/RFSkillings:nev:bjv
Dear Mr. Minister:

Thank you very much for your letter of January 30, 1973, forwarding an invitation from the Brazilian Association of Development Banks for the World Bank to be represented at the forthcoming first Seminar on Brazilian Integration. Although I was not able to meet with the Brazilian committee that came to Washington on February 6 to extend to the Bank a formal invitation to be represented at the seminar, I am well aware of the importance and interest of that meeting. It will, I am sure, highlight the vast opportunities for investment in Brazil’s different Regions, thereby contributing to your Government’s goal of balanced, as well as rapid, economic growth.

I am happy to inform you that the World Bank Group will be represented at the seminar in Rio from April 2-5 by Mr. Kurt B. Eckrich. Mr. Eckrich, who will be accompanied by other members of the staff, is Deputy Director of Investments for South America of the International Finance Corporation.

With best personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
José Paulo dos Reis Velloso
Ministro de Planejamento e Coordenacao Geral
Esplanada dos Ministérios, Bloco 7
Brasilia, Brazil

Cleared with and cc: Messrs. Bravo, Advisor on Latin American Affairs (with copy of incoming) Eckrich, Deputy Director, IFC

cc: Mr. Ljungh (2)

RMFernandes:glw

February 23, 1973