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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

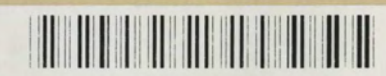
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McNamara Papers

1571 (Mar. - Apr.) Vol 19



1771877

A1995-252 Other #: 2

309647B

President's papers - Robert S. McNamara Chronological files - (outgoing) - Chrons 19

DECLASSIFIED
WBG Archives

489/5/164

April 21, 1971

Governor David Horowitz
Bank of Israel
Jerusalem, Israel

Dear Governor Horowitz:

Thank you for sending me, with your letter of April 8, a copy of the report entitled "Some Institutional Aspects of a Multilateral Interest Equalisation Fund", prepared by Harry H. Bell for the UNCTAD Secretariat. It is an interesting report, and we are glad to have it.

I note your comment that the implementation of the proposal which you put before UNCTAD I in 1964 seems a matter of urgency, and that the World Bank could easily lend to IDA funds raised in the international market, even at high interest rates, if proper guarantees were available and an interest equalization fund fed by the Bank's profits and allocations from governments were to be established. I entirely agree with the premise underlying your proposal, the importance for the developing countries of a substantial increase in the resources available to IDA. However, it has been my position and that of my predecessors as President of the Bank that it is for governments to decide what technique would facilitate that result -- appropriations through the legislative process, your proposal, or some other approach. Thus far, the technique you have suggested, requiring government guarantees and a long-term commitment to an interest equalization fund, has not commended itself to the capital-exporting members of the Bank. Instead, as you may know, the Part I members of IDA, together with Switzerland, have reached agreement, subject to any necessary legislative action, to make a substantially increased amount available to IDA for the three-year period of the Third Replenishment. This agreement calls for an aggregate of \$2,438.62 million, which would provide approximately \$813 million a year, compared to the \$250 million a year of the First Replenishment and the \$400 million of the Second Replenishment. In addition, three Part II countries have also indicated an intention, subject to any necessary legislative action, to

Governor David Horowitz

- 2 -

April 21, 1971

contribute a total of \$10.54 million. Thus, when the replenishment agreement becomes effective, the objective which you sought to achieve will have been accomplished, although by a means which, when you first made your proposal, you thought it politically unrealistic to envisage.

As to the Bank's ability to lend to IDA amounts borrowed in the private capital markets, I would note only that the level of operations projected for the Bank over the next decade calls for a striking rise in the level of disbursements, which will in turn imply greatly increased borrowings of so large a magnitude as to make it highly unlikely that it would be feasible for the Bank to borrow additional sums in any substantial amount for lending to IDA.

Sincerely,

Robert S. McNamara

Shirley Boskey:tsb
April 20, 1971

cc: Office of the President (2) ✓

489 / 5 / 1963

ERNESTO FRANCO - HOLGUIN

APRIL 21, 1971

HOTEL DES BERGUES

GENEVA

SWITZERLAND

PLEASE INFORM SWISS AUTHORITIES CAR ARRANGEMENT GENEVA AIRPORT
FRIDAY EVENING WILL NOT BE NECESSARY. MRS. MCNAMARA WILL RETURN
FROM LAUSANNE IN HER CAR TO MEET FLIGHT SR ⁸¹⁵ ~~656~~ FROM LONDON.
CONFIRM MRS. MCNAMARA WILL MEET YOUR WIFE AT HOTEL DES BERGUES
AND LUNCH WITH HER AT NOON FRIDAY.

CHRISTOFFERSEN

L.E. Christoffersen

Personal Assistant to the President

LEC:pay

FOR MR. McNAMARA'S OFFICE

489 15/162

APR 21 1971

Dear Fred:

Many thanks for your letter of April 16, 1971, regarding Mr. Saeed Ahmed Khan. I appreciate your bringing his interest in Bank employment to my attention.

My Director of Personnel has been exploring possibilities for Mr. Khan throughout the Bank Group. While his background is indeed impressive, it is rather specialized and I am afraid that we have not been able to identify a suitable position for Mr. Khan.

You may be sure, however, that we will continue to actively explore all future possibilities for Mr. Khan, especially in view of your warm endorsement. My Personnel people will be in touch with Mr. Khan shortly to acknowledge his application and advise him of prospects.

With warm personal regards.

Sincerely,

(Signed) Robert S. McNamara

R. S. McNamara

Mr. Fred Korth
Korth and Korth
Suite 407, Barr Building
Farragut Square
Washington, D.C. 20006

HJDyck/cjl

Cleared with Mr. Twining

489 / 5 / 161

April 21, 1971

Dear Mr. Ambassador:

Thank you for your kind invitation to attend the International Conference on Environmental Future to be held in Helsinki from June 27 through July 3, 1971.

As I recently informed Dr. Polunin, it is an attractive prospect, but I must regretfully decline. The period of the Conference coincides with the end of our financial year and the press of business at that time is particularly heavy.

I am grateful for your thinking of me. You will be considering important issues, and I wish your deliberations every success.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Olavi Munkki
Ambassador of Finland
1900 - 24th Street, N.W.
Washington, D. C. 20008

cc: Messrs. Demuth
Clark
Benjenk

JALee:RMcN:mss

489/5/160

APR 21 1971

Dear Mr. Minister:

I am writing to acknowledge receipt of and thank you for, your letter of April 13 which was handed to me, on your behalf, by Mr. Zerouta. This communication is now being examined in the Bank and if it calls for any comments from the Bank, we will not fail to communicate with you on the matter. I should like to express my appreciation for your promptness in informing me of the most recent developments in connection with the compensation proposed for the nationalized properties in the petroleum sector.

The Bank has also given much thought to the most helpful way of responding to your request for financing contained in your letter of March 10 concerning the gas liquefaction project. I realize how important this project is to the Algerian Government and that it is urgent for you to know what part, if any, the Bank can play in the financing of this project. On the other hand, the Bank operates under a number of constraints with which you are familiar and I am anxious that these constraints do not delay you in proceeding with a project to which you attach so much priority. I have therefore asked Mr. Benjenk, the Director of the Europe, Middle East and North Africa Department, who will be in the Mediterranean area during the first week of May, to call on you and convey to you the views of the Bank on the matter.

I should also, in closing, thank you for the very kind reception accorded by your authorities to our economic and project identification missions which have visited Algeria during the last few months. I was particularly glad that, in the spirit of our conversations in Copenhagen, the Bank was able to adhere to a prompt schedule for both these important stages in our agreed program of cooperation. With regard to the second area of cooperation mentioned during our talks last autumn, we have, in addition to the document mentioned above, received your communication on the repurchase of the banking sector and a short note on compensation procedures in the industrial sector, for which I would like to thank you. I now look forward to receiving the other communications which have been announced in the recent exchanges between Algeria and the Bank and which constitute an important part of the question on which the Bank must form an opinion.

I very much look forward to seeing you again later this year at our Annual Meeting.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Smail Mahroug
Minister of Finance
Ministry of Finance
Algiers, Algeria

MPBenjenk/dm
4/21/71

cc: Mr. McNamara's office (2)
Messrs. Knapp, Nurick, Fuchs

489/5/159

April 19, 1971

His Excellency
Tran-Thien-Khiem
Prime Minister of Vietnam
Saigon, Vietnam

Dear Mr. Prime Minister:

Thank you for your letter of March 8, 1971, which was handed to me by H.E. Ambassador Bui Diem when he visited the Bank on April 2, 1971.

I am encouraged to learn that the situation is improving in the Republic of Vietnam. I have also noted from your letter that with the type of conflict you now have in your territory you do not expect a formal peace but instead an unconventional peace in which a program of reconstruction and development of the country will nevertheless be possible. We earnestly hope that that time will soon come and Vietnam will then be able to devote its main efforts to the task of rebuilding the economy and providing a better life for its people.

As I promised the Ambassador, I have given most careful consideration to possible ways in which the Bank Group might eventually be able to assist Vietnam's efforts and whether there is any preparatory work which the Bank might appropriately undertake in the meantime.

As you rightly say, the task of reconstruction and development will be formidable and I well understand your desire to begin as soon as possible. Looking ahead, I am inclined to the view that the magnitude of the task could be such that it may warrant the setting up of a coordinated international and multinational aid effort. The Bank would be happy to join in such an effort provided it had the support of its principal member countries. Also, it would be important to have the cooperation of other international financial institutions such as the International Monetary Fund, the UNDP and the Asian Development Bank.

Bank assistance should, of course, only be given to a country when there is reasonable assurance that the Government's economic and financial policies are conducive to development and the country is in a position to mobilize a substantial amount of resources, including an appropriate contribution of its own resources, for the task. It may well be that in the course of the next year a continuing improvement in the security situation, and in the stability of the economy following the anti-inflationary measures to which you refer in your letter, will permit a beginning to be made. In the meantime, I believe it would be useful for the Bank to be kept informed of your Government's plans to meet the changing situation.

I have noted with pleasure your satisfaction with the efforts of the Bank to assist the Mekong Committee develop a program of pioneer projects in the riparian countries. We hope it will be possible to identify and prepare, with funds provided by UNDP and bilateral contributions to the Mekong Committee, five such pioneer projects in the Vietnam delta for subsequent implementation. At the request of your Government we are also in the process of assessing that part of the Thuc-Lilienthal Report dealing with development of the delta. We expect to be in a position to let you have our conclusions later in the year, at which time the Bank will also make its report to Secretary General U Thant on the development of the Mekong Basin. Our association with these activities will provide us with an opportunity to become better informed about Vietnam's development needs.

While our assistance to Vietnam is necessarily limited at the present time, I shall keep the situation under constant review, bearing in mind the broad considerations set out in this letter.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

RJGoodman:NGibbs:RMcN:mss

cc: Dr. Chen
Mr. Knapp
Mr. Shoaib

Copy for Office of the President

489/5/158

April 19, 1971

Dear Dr. Eklund:

I am replying to your letter of March 26, in which you tell me of the unanimous reaction of the United Nations Scientific Advisory Committee, at its March 24 meeting, that it would be desirable for the Fourth International Conference on the Peaceful Uses of Nuclear Energy to have before it a paper on the financing of nuclear power plants prepared by the World Bank. You ask that, in the light of the Committee's reaction, I reconsider the conclusion expressed in my letter of March 12.

I have reviewed the matter, as you requested. If you feel that it would serve the purpose of the Conference to receive from the Bank a paper which discusses the economic role of nuclear power plants in the developing countries, the appropriate financial terms for investment in such plants and the history of nuclear power plant financing in developing countries, we should be glad to prepare it. I appreciate that a paper of this character may not be precisely what you had in mind but I would hope that the Conference might find it a useful contribution.

If you decide that it would be appropriate and desirable for us to prepare a paper of the kind indicated, we would undertake to have the paper in your hands by the end of July, and to provide you with a title and the name of the author by the end of June, as you suggest.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Sigvard Eklund
Director-General
International Atomic Energy Agency
Kärntnering 11
A1010 Vienna 1
Austria

SEB/RHD:tf
April 19, 1971

cc: Mr. Chadevet

489/5/157

APR 19 1971

Dear Mr. Alattar:

Thank you for your letter of April 5 informing me that you have relinquished your post as Permanent Representative of the Yemen Arab Republic to the United Nations.

I would like to express my appreciation, and that of my colleagues, for the role that you have personally played in developing the cordial and constructive relationship that exists between your country and the Bank Group.

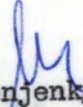
I wish you success in your future work.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Mohamed Said Alattar
Permanent Representative
Permanent Mission of the
Yemen Arab Republic
to the United Nations
211 East 43rd Street
New York, N.Y. 10017


ADavar/MPBenjenk/11j
April 16, 1971

April 15, 1971

1. LEC for info
2. Chron
489 / 5 / 156

MEMORANDUM FOR MR. SHOAIB

Andy Brimmer (who, as you know, is a Governor of the Federal Reserve) mentioned to me today that Federal Reserve is re-examining its pension plan and is using Dan McGill, a senior professor at the Wharton School, University of Pennsylvania, to assist them. They are very pleased with his services and consider him far superior to Bucks firm for other than actuarial calculations. You might wish to call on McGill for assistance in the review that we must undertake of our own plan.

Robert S. McNamara

489/5/155

APR 15 1971

Dear Mr. de Cubas:

Thank you for your letter of April 6, together with the copy of the Council questionnaire concerning the impact of the Andean Code on your 202 member countries and the tabulation of the 56 replies received.

With reference to the last paragraph of your letter under reply, I enclose herewith a copy of the letter dated March 9 which Mr. Gerald Alter, Director of the South America Department, wrote to you, at my request, in answer to your communication of March 3. I should also like to add that, as mentioned to you in his letter of April 8, Mr. Luis Escobar, who is the Bank's Special Representative for Inter-American Organizations, will be in New York next week and he would like to call on you to discuss this and other matters of mutual interest.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
José de Cubas
President and Chairman
Council of the Americas
680 Park Avenue
New York, N.Y. 10021

Attachment

cc. Mr. McNamara (2)
Mr. Alter
Mr. Escobar

LEscobar/hm
Typed on April 15, 1971

489/5/153

April 14, 1971

The Honorable John Sparkman, Chairman
Committee on Banking and Currency
Subcommittee on Housing and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Senator Sparkman:

Your letter of February 26 informed me of the plans of your Subcommittee on Housing and Urban Affairs to update an earlier study of international housing and of the plans to hold hearings on programs in which the United States Government is involved in international housing and urban development. You requested a description of the present and planned activities of the World Bank in the field of housing and urbanization in the developing countries. Your letter also refers to plans to explore the feasibility of an international agency being established to create a pool of technical and financial resources to help in the solution of housing and urban problems. You ask our views on the feasibility of the Bank establishing a new financial unit to support savings and loan type institutions for housing and urbanization. Members of the Bank's staff recently met with your Subcommittee's Staff Director, Carl S. Coan, to discuss the questions raised in your letter and to inform Mr. Coan of our own activities and interest in this area.

We are just now in the process of formulating a more comprehensive approach to the problem of how the Bank might contribute more effectively to urban development in the developing countries. This approach and our plans for the future have come out of the World Bank Group experience. In many urban communities the Group has made loans and credits for one or more projects which have contributed to the economic development of these urban areas, as well as to the national economies. As examples they include electric power facilities indispensable in a modern society for industry, commerce, and many of the amenities for urban life; water systems necessary for the urban population, industry, commerce, and the removal of human wastes; expressways and other forms of transport required to transfer people within and to and from centers of urban population; telecommunication facilities to provide telephone, telegraph, telex and other services without which many dimensions of life in urban communities could not function effectively; schools for the improvement of human resources essential in a modern urban economy; and industries which contribute to economic growth in urban areas. Some industries financed have been for building materials used in housing as well as other structures. We have at present under consideration a site and service project that

April 14, 1971

would provide infrastructure for self-help housing, thereby encouraging the mobilization of local resources. The Bank Group, however, has not provided direct assistance in the development of housing except for houses incidental to the construction and development of projects being financed.

It has become apparent in the last few years that a more comprehensive approach is needed if the Bank is to assist the developing countries to meet in a more effective way the growing urban crisis throughout the world, and a year ago, the Bank created an Urbanization Projects Division as well as a special research group to formulate such an approach.

The problems of urbanization are enormously complex and difficult. Urbanization is a worldwide phenomenon that affects all countries, particularly the developing ones, where it is compounded with the population explosion. In dealing with both the phenomenon of urbanization and the problems it entails for the urban areas of the developing countries, the Bank has increasingly been confronting:

- (a) the complex relationships which exist between the various urban functions - housing, transport, industry, employment, utilities, etc., which must be taken into account in assessing the impact of any investment upon the urban fabric;
- (b) the relationships between the urban community and its surrounding regions, other areas, and the country as a whole which must be considered in the broader implications of economic development;
- (c) the vast gaps in knowledge and understanding of these complex processes and relationships which have posed serious analytical problems;
- (d) the infancy of the "state of the art" in urban analysis and development planning which itself has placed further constraints in dealing with urban problems; and,
- (e) the institutional problems which often impose the most serious constraint on urban development and create problems for administration and execution of projects.

We recognize that housing deficiencies in the developing countries are a critical aspect of the general problems resulting from rapid urban

April 14, 1971

growth, and that savings for housing are badly needed in practically all such countries. Hence we plan to make a review of housing to obtain a better understanding of its various aspects including the demand at different income levels and the efficiency of alternative ways of mobilizing savings for housing finance. The critical questions which the Bank will wish to examine are how housing is related to economic development and what particular role, if any, the Bank as distinct from other international, bilateral and private organizations, is in a position to perform in this field.

One important problem to be borne in mind is that, if the housing requirements in many of the developing countries were to be financed from international funds, the volume of foreign capital required would be substantially beyond any of the capital flows currently considered feasible. To finance housing programs in many countries with international funds would require massive transfers of a very scarce resource, foreign capital, which would need to be repaid. The balance of payments situation and debt service capacities of many such countries would be adversely affected by such a flow of international funds for housing. Unlike more directly productive investments, investments in housing do not have a "built-in" repayment potential as they would not contribute to export earnings or import savings. In any event housing's largest requirement is for local currency financing.

A better case might be made for investments on a more limited scale to provide seed capital for savings and loan associations of the developing countries if such investments would promote new savings or lead to the growth of systematic savings in these countries. We shall be examining this matter but much more needs to be known about how best to go about mobilizing local savings for use in housing purposes.

You state that you want to explore the feasibility of an international agency being established to create a pool of technical and financial resources which could be made available to developing countries to help in the solution of their housing and urban development problems. The World Bank has had considerable experience in the creation of new international organizations, having sponsored and helped create the International Development Association, the International Finance Corporation and the International Centre for the Settlement of Investment Disputes; and our Executive Directors are now considering the feasibility of creating an international investment insurance agency which would insure private foreign investments against various political risks. It has been our experience that the creation of a new international organization is a major and time-consuming operation, involving as it does the drafting of a charter which would be acceptable to governments, the necessity for governments to agree to pay the amounts required to finance the organization and the necessity for obtaining

April 14, 1971

the parliamentary approvals required for ratification of the charter. The task should be undertaken only when a convincing case can be made that the proposed organization is likely to perform a useful function and that existing organizations cannot fulfill that function. In view of these considerations we do not believe it advisable to propose that our member countries consider the question without a better understanding than we now have of the role such an organization might play in the face of the enormous housing requirements, the need for a new financing unit, how such an organization could contribute to a solution of the problem and an estimate of the resources that would be required. Furthermore, I should call to your attention the fact that each of the three institutions within the Bank Group already has the authority to finance housing projects, including support to savings and loan associations, where it is clear that such financing would contribute to economic development.

I hope the foregoing gives you some indications of how the Bank views problems of housing and urban development. On the specific question of the potential Bank role in financing of housing through seed capital for savings and loan associations or otherwise, we hope to be in a position to give a fuller response when the review referred to above has been completed.

You have posed one of the larger and more difficult issues of the development process, and one which is of continuing interest to the World Bank Group. We welcome this opportunity for an exchange of views with you on it and if you think we can be of any further assistance please let me know.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

KRIverson:WCBaum:LNurick:JBKnapp:jm

April 12, 1971

Cleared with and cc: Messrs. Kirmani
Graves
Stevenson
Richards
Merriam

489/5/152

APR 14 1971

Dear U Thant:

Thank you for your letter of April 5, 1971, concerning the recommendation of the Managing Committee of the International Computing Centre that Mr. William A. Mackay be appointed Director of the Centre. I am glad to have this information, and appreciate your having consulted the Bank in advance of your appointment of Mr. Mackay.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

U Thant
Secretary-General
United Nations
New York, 10017

cc: Office of the President (2)

Typed on April 13, 1971

HG/RHD:mcj

489/5/151

APR 14 1971

Dear U Thant:

I am pleased to inform you that I have appointed Mr. Ernesto Franco-Holguin, a Colombian national, to be the Bank's Special Representative for United Nations Organizations, following the retirement of Mr. Federico Consolo from the service of the Bank. Mr. Franco is one of the most experienced members of the Bank's staff. He joined the staff of the Bank in 1949, and served on the staff of the Bank's affiliate, the International Finance Corporation, from 1961 to 1969, at which time he returned to the Bank to assist Mr. Consolo.

From May 1, Mr. Franco will be assisted in the discharge of his duties by Mr. L. Peter Chatenay, a French national, who has been appointed as Deputy Special Representative for United Nations Organizations. Mr. Chatenay joined the staff of the Bank in 1961, and served in the Bank's European Office in Paris from 1963 to the present.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

U Thant
Secretary-General
United Nations
New York, 10017

cc: Office of the Presidnet (2)

Typed on April 13, 1971

RG/RHD:mcj

489/5/149

APR 12 1971

Dear Mr. Maheu:

I am most grateful to you for sending me
a copy of the booklet "Literacy and Development,"
by H.M. Phillips. It was especially thoughtful
of you to remember my special interest in this
subject.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Rene Maheu
Director-General
United Nations Educational,
Scientific and Cultural Organization
Place de Fontenoy
75 Paris 7e
France

cc: Mr. McNamara(2)

Central Files with incoming letter

HGraves
HG:mmcd
April 9, 1971

April 12, 1971

1. LEC for info
2. Chm

489/5/147

MEMORANDUM FOR DR. CHENERY

Attached is a note on malnutrition. My questions are two:

1. Am I correct in believing malnutrition is a serious problem in the developing countries?
2. If malnutrition is an impediment to development, what should we in the Bank be doing with respect to it?

After you have had an opportunity to read the note and consider my questions, please discuss the subject with me.

Robert S. McNamara

489/5/146

BRUCE MCKENZIE

APRIL 12, 1971

KNOWLE, CRANLEIGH

FULL RATE

SURREY

ENGLAND

MY APOLOGIES FOR LONG DELAY IN REPLYING TO YOUR LETTER. YOU MENTIONED
BEING IN WASHINGTON THE WEEK AFTER EASTER. I HOPE YOU WILL ALLOW TIME
FOR A VISIT WITH ME, PREFERABLY LUNCH AT 12:00^{NOON} ON FRIDAY, APRIL 16,
IF THAT FITS YOUR SCHEDULE. BEST WISHES.

BOB MCNAMARA

Robert S. McNamara

President

RMcn:pay

489/5/145

APR 12 1971

Dear Mr. Governor:

I thank you for your letter of March 23 and your kind invitation to the commemorations of the 125th anniversary of the founding of the Bank of Portugal. This memorable event in the history of your esteemed institution must be seen as a significant landmark in the continuing endeavor to promote a sound monetary system as a basis for economic development in your country.

It is therefore to the sincere regret of my wife and myself that we will not be able to attend these ceremonies. I am already committed to several firm engagements during the second half of November, which unfortunately cannot be altered.

I am looking forward to the continuing fruitful cooperation between your Bank and my institution on the many issues of mutual interest.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Prof. Dr. Antonio Manuel Pinto Barbosa
Governor
Banco de Portugal
1148 Rua do Comercio
Lisbon
Portugal

Mr. McNamara's office (2)

Hugo Riedl/Jack L. Upper:sr

April 8, 1971

DHartwich/MPBenjenk

489 / 5 / 144

APR 12 1971

Dear Harry:

This note is just to thank you for your letter of March 29, sending me three copies of the Notes on Family Planning which you have prepared for the consideration of the ACC.

I believe that your initiative in getting this whole problem before the ACC for discussion is a very useful one and your Notes will provide a good starting point. I hope, however, that the discussion goes beyond the specific points discussed in the Notes, important as these are, to the broader issues of the appropriate role for the United Nations system in supporting population programs in the developing countries and of how the system might be strengthened to play that role more effectively.

I look forward to seeing you in Berne. With best regards,

Sincerely,

Robert S. McNamara

Mr. Henry R. Labouisse
Executive Director
United Nations Children's Fund
United Nations, New York

cc: Office of the President (2)

RHDemuth:jg

489/5/143

APR 12 1971

Dear Dr. Silva:

I was pleased to receive your letter of March 29, 1971. It is an honor for the Bank to be invited to the next technical meeting of Central Banks of the American Continent. The agenda of the meeting has several points which are of interest to the Bank, and I am therefore pleased to inform you that the Bank will send a representative to the meeting.

I would appreciate if your staff could direct future correspondence about arrangements for the meeting to Mr. Pedro-Pablo Kuczynski, Chief Economist of the Central America and Caribbean Department, who will in due course inform you of the name of the Bank representative for the meeting.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Carlos Rafael Silva
Primer Vicepresidente - Gerente
Banco Central de Venezuela
Caracas, Venezuela

cc: Messrs. Dragoslav Avramovic
Luis Escobar

Pedro-Pablo Kuczynski/rso

Typed on April 9, 1971

489/5/142

APR 12 1971

Dear Dr. Losada:

I was pleased to receive your letter of March 25, 1971. It is an honor for the Bank to be invited to the next technical meeting of Central Banks of the American Continent. The agenda of the meeting has several points which are of interest to the Bank, and I am therefore pleased to inform you that the Bank will send a representative to the meeting.

I would appreciate if your staff could direct future correspondence about arrangements for the meeting to Mr. Pedro-Pablo Kuczynski, Chief Economist of the Central America and Caribbean Department, who will in due course inform you of the name of the Bank representative for the meeting.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Benito Raul Losada
Presidente
Banco Central de Venezuela
Caracas, Venezuela

Pedro-Pablo Kuczynski/rso

cc: Messrs. Dragoslav Avramovic
Luis Escobar

Typed on April 9, 1971

1. LEC for info
2. Check

April 10, 1971

489/5/141

MEMORANDUM FOR MR. BROCHES

As you know, we are making every effort to reduce the FY '72 budget below the amounts initially recommended by department heads. I have asked John Adler to discuss with you whether it would be possible to defer the organization of a permanent staff to continue the research project on investment laws in developing countries. After discussing the matter with John, if you wish to talk to me about it, don't hesitate to call.

Robert S. McNamara

cc: Mr. Adler

April 10, 1971

489/5/140

MEMORANDUM FOR MR. CLARK

As you know, we are making every effort to reduce the FY '72 budget below the amounts initially recommended by department heads. I have asked John Adler to discuss with you whether it would not be possible to reduce the estimates for "contractual services" without seriously impairing the work of your department.

Robert S. McNamara

cc: Mr. Adler

April 10, 1971

489/5/138

MEMORANDUM FOR MR. ADLER

I understand that in the past it has been necessary for Programming and Budgeting to borrow personnel from other departments of the Bank in order to perform the tasks which I and others have assigned to it. I am sure you will agree that in the future P&B assignments should be carried out by staff recruited by P&B and included in its budget. If the budget you and I have considered for FY '72 does not provide for such staff, please submit a revised budget to me immediately.

When I reviewed the budget of the economic staff of Hollis Chenery and reduced the total below the levels he initially requested, it was with the clear understanding that other departments of the Bank -- Area, Projects, P&B -- would not continue their past practice of borrowing economic staff personnel to supplement their own budget and personnel. I want to be certain that I can carry out my commitment to Hollis.

Robert S. McNamara

April 9, 1971

1. *See*

2. *Chen*

489/5/137

MEMORANDUM FOR DR. CHENERY

In the attached memorandum Dr. Sen suggests we determine whether the Bank can play a role in developing, adapting, and choosing appropriate technology for such developing countries as have substantial labor surpluses. Murray Cell-Mann made the same suggestion to me a few weeks ago. Please consider this subject for possible inclusion in your research program.

Robert S. McNamara

cc: Dr. Sen

OFFICE MEMORANDUM

TO: Mr. Robert S. McNamara

FROM: S.R. Sen

SUBJECT: CHOICE OF TECHNOLOGY FOR DEVELOPING COUNTRIES WITH SUBSTANTIAL LABOUR SURPLUS.

The UNCTAD had invited Prof. E.F. Schumacher (Chairman, The Intermediate Technology Development Group, 9, King Street, Covent Garden, London, W.C. 2) to participate in their Expert Group on Diversification of which I was the Chairman. I had heard about him earlier, but this was the first time that I met him. I was greatly impressed by his wide experience and constructive approach in regard to the problem of choice of technology, especially in developing countries with substantial labour surplus. I enclose a copy of a short statement of his regarding the basic approach of the Intermediate Technology Development Group. I do not know whether the Bank is in touch with this Group. In any case I feel that it would be useful if the Bank invites Prof. Schumacher to give a lecture in the Bank on the subject of "Choice of Technology for Developing Countries with Substantial Labour Surplus" and also consult either him or the Group of which he is the Chairman when serious controversial points come up about choice of technology for a particular industry or sector of a particular developing country.

Apart from encouraging new basic research in the field of appropriate technology for developing countries with substantial labour surplus, if steps could be taken by the Bank to induce or even help some competent institutions to undertake intensive adaptive research for identifying and adapting for use in these countries such relevant technology as had been evolved in developed countries like say, Japan or Germany in the recent past but have become out of date for them now, it could be of great benefit to a large number of developing countries.

Mr. Fritz Stedtfeld tells me that in the Federal Republic of Germany a special agency has been set up called "Arbeitsgemeinschaft Industrielle Forschungsvereinigungen (AIF)" for development and promotion of appropriate technology particularly favouring small and medium size industrial enterprises within that country. There may be some similar institutions in Japan and some other developed countries also. The Bank might consider contacting such institutions and see what could be done to make use of their expertise to help the development, adaptation and choice of appropriate technology for such developing countries as have substantial labour surplus.

E. F. Schumacher

INTERMEDIATE TECHNOLOGY: THE MISSING FACTOR IN FOREIGN AID

As I became involved with the problems of World Poverty, some fifteen years ago, as economic adviser to the government of the Union of Burma, I did not start with the idea that this was going to be an easy job, that we knew all the answers and had only to give our poor brethren the money by which they would then be able to apply these answers to their own situation. It struck me that there was a very big gulf fixed between the people trying to help and those most in need of help, or rather three gulfs, because, after all, who are 'we' and who are 'they'? We are rich—I mean, relatively rich; we are educated—if in a peculiar kind of way; and we are, most of us, town-based. Yet the people most needing help are poor, semi-illiterate, country-folk. Rich to poor, educated to semi-illiterate, townsman to countryman—what a distance, what a challenge, what a problem of mutual understanding and of communications!

**Development? Splendid!
But the poor, the majority,
have been left out**

I felt that I must do three things: I must study poverty and the boundaries and disabilities of poverty; I must identify myself with poverty; and then I must try and discover how to help the poor to help themselves.

I might perhaps say, without polemical intent, that I found a lot of other people approaching the problem quite differently. They did not speak of poverty but of 'development'; they were concerned with 'countries' rather than 'people'. I felt that many of them, with their sophisticated economic terminology, their five-year-planning and national income accounting, often tended to lose sight of The People.

Development of a country — very well! But does it not have to mean above all else the development of people? Industrialisation — splendid! But will the poor people be involved, and, if so, how many of them? Growth of the national income — excellent! But will it benefit the poor and enable them to develop?

As we look back upon 'development' during the sixties — the 'Development Decade' — we come to the disturbing conclusion that by and large, speaking

very generally, development has gone ahead in many places, but The People, the poor, the great majority, have been by-passed and left out. The obvious signs are: unemployment, particularly among the young, aged 15-19 years; 43% in Jamaica, 44% in Guyana; 30% in Malaysia, and so on; a desperate, dangerous — because excessive and unmanageable — drift of rural people into cities; and stagnation, even retrogression, in many rural areas.

These signs are too glaring to be ignored. So now the cry goes up: the 1970s must become the World Employment-Decade; we must do much more, not merely for agricultural, but for rural development, for the development of the rural areas where most of the poor of this world actually live. And we must help these people to help themselves, to become self-reliant. No one can do it for them: they must do it themselves.

This is only too true. No one can do it for them. No amount of aid can do it for them. Look at the quantitative significance of aid, when taken as a 'subsidy' from the rich to the poor. On average it amounts to something like sixpence per person per week.

As a subsidy, I say, aid is totally insignificant and would remain so even if the amount were doubled or trebled. We can point to oil- or mineral-rich countries where royalty income — a kind of indigenous aid source — amounts, not to sixpence, but to one pound per person per week. Are they examples of healthy development? No, they face the same problems and suffer the same disappointments as their poorer neighbours. The wealth stays in the towns; it stays mainly with people already rich and, by and large, refuses to percolate to the poor. It fails to set in motion a process of genuine development in the rural areas where 80 or 90 per cent of the people actually live.

**Have we overlooked something?
Maybe there's a missing factor
of knowledge of how to help**

So, what is the matter? What can one do? With mass unemployment, particularly among the young, how can the people develop? With widening gaps between rich and poor, how can

these societies hold together? Is the task altogether too large and too difficult? Must we give up — and then? Let chaos and fury prevail?

Or is there a Missing Factor? Have we overlooked something? And by 'we' I mean all of us together, the leaders of opinion on all sides.

If 'we' are mainly rich, educated townsmen, perhaps we do not have the knowledge of how really to help poor, semi-illiterate villagers. If we do *not* know, but *think* we know, we shall not even try to obtain the knowledge we lack.

What makes us think, here in Britain for instance, that we know how to bring help to two million destitute villages around the world — when we have no destitute villages here and therefore no indigenous experience of how to tackle this problem humanely, successfully, and expeditiously?

Suspecting that this might be the case — that there might be a missing factor of *knowledge*, that the efforts of the donors and equally of the governments in the Less Developed Countries could not reach and benefit the poor because of a lack of understanding of the 'condition of poverty' — suspecting all this, some of us decided to set up an organisation, the Intermediate Technology Development Group Limited. The objectives were: to study poverty; to identify ourselves with poverty; and to identify and develop the means by which the poor can help themselves and become self-reliant.

It is no use shouting to a drowning man that he should swim ashore. Equally, it is no use calling upon helpless people to be self-reliant and to help themselves. But if you can throw the drowning man a life-belt or a raft, or can show him that there is a raft bobbing up and down a few yards from him — then you may indeed enable him to save himself.

**Intermediate technology
defined as 'somewhere between
the hoe and the tractor'**

So, what is the life-belt? What is the raft?

We had to give it a name, so that one could more easily talk about it, and we named it 'Intermediate Technology'. But this is just a label, and not more than a hint of a definition. It is one of those things you can describe in many ways but not adequately define. It is a technology somewhere intermediate between the hoe and the tractor—that is one hint of a definition.

It is a technology which is, or can be brought, within the reach of the poor, by which they can become self-reliant — that is another kind of a definition.

The poor cannot help themselves, cannot become self-reliant, largely because they do not know how to do it. What they mainly lack is knowledge, useful knowledge, knowledge they can use, poor as they are.

Now, setting out like this, with these ideas or hypotheses, we soon found ourselves embarked on a journey of discovery. We discovered that, in this line, virtually nothing exists. Not even a catalogue of simple tools and equipment for small-scale, self-help development existed — until we produced 'Tools for Progress' two years ago.

Here is a village, or a district, a province. The people have been fired with the idea of 'development'. Let us assume everything is right: the leadership is right, the ideas are right, the people are anxious to 'get a move on', ready to work. Where can they get the information on how to do things cheaply and efficiently? On what equipment to get and where to get it: equipment cheap enough, sturdy enough, easy to operate and maintain? On how to organise themselves, how to keep accounts, how to buy, how to sell?

The answer is: Nowhere. Except by lucky chance, nobody has the information. This work has not been done. Nobody has bothered to do it.

So we set out to do it, without resources, without powerful backing, in a spirit — you might say — of happy abandon.

Where to begin?

There can be no development without building, without a building industry. Let us therefore study the problem of how to develop the building industry in the developing countries. No one could tell us how to do that. So we set up a Panel of first-class experts to help us to find out, with the generous assistance of the Ministry of Overseas Development — to find out

how to reach, train, inform the small local builders, and what technical material and information they need.

Second: Water. No development without water! A very great deal is known about water technologies; a lot has been written by experts for experts. But the Agricultural Extension Officer in a rural area, the Community Development Officer out in the bush, the leader of the local Cooperative Society, or the Project Leader of this or that project financed by a voluntary agency, none of these is a water engineer, and he cannot hire a water engineer to tell him how to do things by self-help methods, with a minimum of capital expenditure.

Easier to buy something big and expensive than something small and cheap

We found that there is an almost total lack of suitable literature, no effective system of communications, no flow of knowledge and relevant information, no accumulative process of knowledge and experience—at this level of technology, the level of intermediate or self-help technology. Contrast this with what happens at the level of high technology: excellent communications, superb documentation, a free flow of knowledge and experience. In fact, we came to realise that it is infinitely easier to buy something sophisticated, big and expensive, than something small, simple, sturdy and cheap — provided you had the money. But when you do not have big money, what do you do then? The answer is nothing, or you run your head against a brick wall of non-information.

After building and water: agricultural implements and methods — a third Panel.

These three Panels have all been independently financed from a variety of sources. Another seven Panels or Study Groups are in various stages of formation. They are all separately organised but centrally held together,

all guided by first-class experts in their field, who give their guidance free of charge, covering, in addition to the subjects already mentioned: Rural Health; Education and Training; Co-operatives; Communications/Printing/Mass Media; the Homecrafts of Women; Forestry and Forestry Products; and certain types of Food Technology.

An international effort is needed to fill the knowledge gap

Two comments in conclusion. The first is that I confidently hope that this effort to supply the Missing Factor, the knowledge of self-help technologies, effectively communicated, will soon be put on a proper financial basis, because what a small private group can do in this respect is not enough, and time is not on our side. Surely, a much bigger effort is needed, an *international* effort, to fill this knowledge-gap, an effort to which one quarter of one per cent or even one half of one per cent of available aid and development funds may have to be devoted — to make the remaining ninety-nine-and-a-half per cent very much more fruitful.

Secondly, I should say this: to supply the Missing Factor of knowledge and communications is not a vast undertaking; it is a manageable job, a finite job. We now have ten or eleven Study Panels; it is not as if 10,000 were needed, but perhaps thirty or so. The requirements of poor people are quite modest. But once they have learned effectively to look after their basic needs and have become self-reliant, they do not require any further special help to move forward. It is a finite job, not an infinite one. From this, we can derive some comfort and confidence in the future — provided we take the right steps now.

The Intermediate Technology Development Group Ltd., can be contacted at 9 King Street, Covent Garden, London, W.C.2.

April 9, 1971

1. LEC
2. Chan
489/5/136
DECLASSIFIED
CONFIDENTIAL
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WBG ARCHIVES

MEMORANDUM FOR MR. KNAPP

It is alleged that Portugal devotes approximately 40% of its government expenditures to military spending, most of which is for military operations in the colonies. It is said that about 140,000 of Portugal's 190,000-man army is in the African colonies. If these allegations are true, can we justify Bank lending to Portugal?

Robert S. McNamara

cc: Mr. Benjenk

489/5/135

April 9, 1971

DECLASSIFIED

CONFIDENTIAL

Dear Mr. de Seynes:

Thank you for your letter of March 4, 1971, inviting me to attend the meeting of the Panel of Experts on the protein problem that will be held in New York from May 3 to 7, 1971.

I would have very much liked to be present at the meeting. Unfortunately, I cannot attend. I have, therefore, asked Mr. Harold H. Graves, Associate Director of our Development Services Department, and Mr. Shigeharu Takahashi of our Agriculture Projects Department, to represent the Bank. I will be very interested to hear from them the outcome of the discussion.

With all best wishes for a successful meeting.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Philippe de Seynes
Under-Secretary-General for
Economic and Social Affairs
United Nations, New York 10017

EFranco:RMcNamara:pay

cc: Mr. McNamara (2)
Mr. Graves
Mr. Takahashi

Central Files with incoming letter

489/5/134

APR 8 1971

Dear Governor:

I write on behalf of the Executive Directors and the staff of the World Bank Group to ask you to convey to your Government our sincere condolences on the sudden and very sad death of Ambassador Magnusson.

He was highly esteemed by all who worked with him and was especially warmly regarded by our staff working with Iceland. He will be greatly missed.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

His Excellency
Gyfla Gislason
Minister of Commerce
Reykjavik
Iceland

cc: Mr. Tornqvist

NHorsley/emt
April 7, 1971

489/5/133

April 7, 1971

Dear Mr. Minister:

Many thanks for your letter of April 1st about the replenishment of IDA resources in which you confirm that Canada is willing to authorize IDA to commit the first third of your contribution beginning on July 1, 1971, and that you would be willing to make your first payment in the following November whether or not the Agreement has come into effect by that date.

May I say how much I welcome this very helpful decision by your Government. I hope very much that the lead which you have given will be followed very soon by others of the major contributors and that, in this way, we shall be able to avoid a serious hiatus in the lending activities of IDA.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Edgar J. Benson
Minister of Finance
Department of Finance
Ottawa 4, Ontario
Canada

2 copies to Mr. McNamara's Office

DHFRickett:emcc
IDA

489/5/132

APR 8 1971

Dear Mr. Minister:

Thank you for your letter of March 14 about the East Africa Industrial Mission. I am glad that you consider the mission to have made a useful contribution and I have asked Mr. Lejeune to respond to your various comments on the report.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable R. J. Ouko
Minister for Common Market
and Economic Affairs
East African Community
P.O. Box 1003
Arusha, Tanzania

JHWilliams:dr
April 6, 1971

cc: Office of the President (2)
Mr. Hornstein

489/5/131

APR 7 1971

Dear Mr. Faure:

Thank you very much for your letter of March 25, 1971, regarding your forthcoming visit to Washington. I will be pleased to meet with you and with Messrs. Rahnema and Ward. I am well aware of the importance of your wide-ranging assignment and welcome Unesco's initiative in creating the Commission. It's work, I am sure, will contribute significantly to a better understanding of the learning process and to the development of new strategies for education.

Unesco's New York office has informed us that it will be convenient for you and your colleagues to come to my office on April 15 at 5.45 p.m. I look forward to seeing you then.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. Edgar Faure
President
International Commission on the
Development of Education
C/o United Nations Educational,
Scientific and Cultural Organization
Place de Fontenoy
75 Paris 7e, France

cc: Mr. McNamara (2)
Messrs. Demuth/Hoffman
Ballantine

Central Files with incoming letter

EFranco/mmcd
April 6, 1971

489/5/130

APR 7 1971

Dear Mr. van Lennep:

I appreciate your invitation to attend the Ministerial level meeting of the O.E.C.D. Council on June 7 and 8. Unfortunately, I will not be able to be present but I will arrange to have the Bank suitably represented by an observer.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. E. van Lennep
The Secretary-General
Organisation for Economic
Co-operation and Development
2, rue Andre-Pascal
Paris (XVIe), France

MLHoffman/pnn
April 5, 1971

cc: Mr. McNamara's files (2)
Mr. Ernesto Franco-Holguin

489/5/129

APR 7 1971

Dear Dave:

Thank you for your letter of March 23. The arrangements for the meeting with Paul Hoffman and yourself on May 10, from 11.30 a.m. to 2.30 or 3 p.m., are fine with me. I will be bringing Dick Demuth with me for both the meeting and the luncheon.

With kind regards,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. David A. Morse
Chairman, Advisory Panel on
Programme Policy
United Nations Development
Programme
United Nations, New York 10017

RHDemuth:gg
April 5, 1971

cc: Office of the President (2)

489/5/128

April 5, 1971

Dear Dave:

I have received your letter of March 24 regarding your assignment when you return to the Bank headquarters.

In regard to the post of Jim Evans, I think the question is purely academic since it is, I am glad to say, improbable that he will be leaving us in the near future.

Nevertheless, I want to assure you that I have the question of your reassignment on my mind and shall be consulting with other colleagues to identify an assignment which would provide a challenge for your abilities and be satisfactory from the Bank's point of view. You will hear from us in due course in regard to this matter.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Mr. David L. Gordon
Resident Representative
International Bank for
Reconstruction and Development
P. O. Box 1025
Islamabad, Pakistan

MShoaib:RAClarke:mss

489/5/127

Mr. Adrian Lajous-Martinez

April 5, 1971

Robert S. McNamara

Bank's Recruiting Policy

I do apologize to you for not having replied earlier to your memorandum of March 4 regarding our recruitment criteria. However, I understand you have since had an opportunity to discuss this very question with Mr. Evans, Director of the Agriculture Projects Department.

2. Because of the relatively small size of our professional staff, we usually look for men with rather broad gauged professional experience and preferably with experience in several countries, on jobs somewhat similar to the projects with which the man would deal if he came into the Bank. For example, when we look for irrigation engineers we do not usually seek men who are highly specialized in a single aspect of the job, such as design, hydrology, construction, operation and maintenance, engineering, techniques of large dam design and construction etc. When we need to look into specialized aspects we often hire the best consultants in the field. For staff we need men with sufficient experience of a number of things, such as design, construction, operation management (without probably being highly specialized in any), to enable them to deal with a fairly wide range of problems which they will meet in project work; to enable them to know how to select and supervise the consultants whom we hire; and whose professional and geographical experience will command the respect of our borrowers and of their professional experts.

3. You were correct in your assumptions that the decision to turn down Mr. Serrano's candidacy was taken without consulting the Agriculture Projects Department. This is normal practice, for it is standard procedure for the Personnel Division to submit to the various operating departments, out of the more than 1,000 applications received each month, only those where the candidates appear broadly to fit the requirements of the Department. The Personnel Division concluded that Mr. Serrano's background and experience did not fit the requirements we seek in candidates for employment - a judgment which has since been confirmed by Mr. Evans and his staff. This is certainly not a reflection on Mr. Serrano's background and experience, which indeed appear impressive in their own field, but stems directly from the unique staffing requirements of the Bank Group.

4. I trust the above brief description of the problem and your earlier discussion with Mr. Evans will explain the difficulties of accommodating such a candidate as Mr. Serrano on our staff. May I take the opportunity to re-emphasize that I am most anxious to continue to diversify the national origin of the professional staff of the Bank Group and I very much appreciate the help which I know you are giving in this.

(Signed) Robert S. McNamara

RAClarke/sjs
April 5, 1971

489/5/126

March 29, 1971

Dear Mr. Minister:

I acknowledge the receipt of your letter dated February 24, 1971 on the Sao Francisco Valley Irrigation Project. We are examining the points raised and shall write to you again shortly.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Jose Costa Cavalcanti
Ministro do Interior
Ministerio do Interior
Rio de Janeiro
Brazil

cc: Messrs. Alter
Evans
Christoffersen(2) ✓

DDutt:pv

489/5/124

MAR 29 1971

Dear Minister:

Thank you for your letter of March 16 and kind remarks. It is always rewarding for us at the Bank to be assured that our work is contributing significantly to the development efforts of our member countries.

With further projects now under active consideration, I am looking forward to a continuous and fruitful relationship between Ireland and the Bank.

With best regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. George Colley, T.D.
Minister for Finance
Dublin 2
IRELAND

Mr. McNamara's office (2)

HRiedl/JLUpper:orp
March 25, 1971

489/5/123

MAR 29 1971

General Francisco Morales Bermudez
Minister of Economy and Finance
Ministry of Economy and Finance
Republic of Peru
Lima, Peru

Dear Mr. Minister:

Thank you for your kind letter of March 15 referring to Mr. Knapp's recent visit to Peru.

Mr. Knapp has informed me of the excellent exchange of views he had with you and other Ministers of your Government. He has also told me of the development plans for the various economic sectors which several of the Ministers of your Government outlined for him. I was especially interested to hear of the plans for mining development and of your Government's determination to increase domestic agricultural production. I understand you also plan to continue your efforts at maintaining a high level of public savings while increasing public investment. As you know, our economic report places emphasis on these matters in view of their importance for Peru's balance of payments and sustained economic growth. I am pleased to know that your Government agrees with the major conclusions of our economic report.

I am also informed that private industrial activity in your country recovered satisfactorily in 1970. Equally important for the future economic development of Peru, in our view, would be a revival of private sector domestic investment because of its quantitative importance in Peru's total investment. I understand your Government is aware of this need and that you have been discussing the matter on a regular basis with important groups from the private sector.

As Mr. Knapp mentioned to you, we are prepared to continue reviewing project priorities with your Government and to help with preparatory work on projects for eventual Bank financing. In this connection, we have already informed the Ministry of Education that Bank education experts will stop in Peru in mid-April to exchange views on your Government's education reform program and to prepare the way for identifying a project in this field.

We are also reviewing the information on other project proposals summarized for Mr. Knapp during his visit to Peru. After completing our

General Francisco Morales Bermudes - 2 -

examination of this material, we will be in touch with you about our plans for helping to build up a pipeline of projects in Peru which might be suitable for eventual Bank financing.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Cleared with and cc: Messrs. Alter
Knapp

cc: Messrs. Calika (Educ. Proj.)
Kapur
Guerra/Devaux

BZinman/JBKnappp:jk

489/5/122

For Mr. McNamara's Office

MAR 24 1971

Dear John:

Many thanks for your letter of March 10 regarding Dr. Peter P. S. Ching.

Our staffing requirements have remained unchanged since last summer when Dr. Ching was interviewed hereby senior staff members of both the Population Projects and Economics Departments. Although Dr. Ching's credentials are indeed impressive, he unfortunately does not have the technical expertise in demography and population planning which we require in our current positions.

I very much appreciate your warm endorsement of Dr. Ching's candidacy however and we shall certainly keep him in mind for any suitable position which may develop at a future date.

Sincerely,
(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
John Sparkman
United States Senate
Washington, D.C. 20510

H.J.Dyck/cjl

Cleared with Mr. Twining
March 19, 1971

489/5/121

MR. & MRS. LAXMAN GOVIND DATAR

MARCH 23, 1971

TYPE 413 - BLOCK 15

LT

CENTRAL GOVERNMENT QUARTERS

GHATKOPAR, BOMBAY 77, INDIA

YOUR DAUGHTER'S TRAGIC DEATH HAS BROUGHT MUCH SADNESS TO HER
MANY FRIENDS IN THE BANK. SHE WAS LOVED FOR HER FRIENDLY, WARM
PERSONALITY AND AIMED FOR HER EXCELLENT ACCOMPLISHMENTS. WE
SHALL MISS HER SPLENDID CONTRIBUTION TO THE WORK OF THE WORLD
BANK. MAY YOU FIND CONSOLATION IN THE HIGH ESTEEM IN WHICH SHE
WAS HELD. YOU HAVE MY DEEP AND SINCERE SYMPATHY

(Signed) Robert S. McNamara
ROBERT S. McNAMARA

MR. J. E. TWINING

Cleared with Mr. J.E. Twining

ADMINISTRATION

489/5/121

MAR 23 1971

Dear Mr. President:

Thank you for your thoughtful invitation to attend the Annual General Meeting of the Bank for International Settlements in Basle on June 14.

In view of the distinguished group that will be present it is a very attractive prospect, and it is with great reluctance that I must decline. The problem is that the meeting occurs just prior to the end of our financial year when the workload here is particularly pressing.

I do, however, want to take advantage of your kind offer that we be represented, and hence have asked Sir Denis Rickett, Vice President of the World Bank Group, to attend in my place. Sir Denis will be accompanied by Mr. Arthur Karasz, Director of our European Office, and Mr. Robert de Lesseps, Chief of European Financial Operations.

I am confident that the meeting will be a valuable one, and I want to convey my warm personal wishes for its success.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. J. Zijlstra, President
Bank for International Settlements
Basle, Switzerland

DS:JLM:lmt

C
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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360

489/5/120

MAR 23 1971

Dear Prime Minister,

I would like to extend to you my warmest personal congratulations on your recent election victory. It will surely rank as one of the most formidable electoral triumphs achieved in any democracy.

The massive demonstration of the people's confidence in you personally, as well as your program, must be extremely gratifying; it will also be, I am sure, a source of strength and encouragement to you in facing the immense tasks that lie ahead.

I look forward to paying a visit to India in the near future and hope that we may meet again at that time.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Her Excellency
Indira Gandhi
Prime Minister of India
New Delhi, India

AFKirk/gs

Mr. McNamara

489/5/118

March 22, 1971

Dear U Thant:

I have your letter of March 8, 1971 informing us that pursuant to resolution 2667 (XXV) adopted by the General Assembly on December 7, 1970, you will be preparing, with the assistance of a Group of consultant experts, a report on the economic and social consequences of the arms race and of military expenditures. You also request information that may be relevant to the preparation of the report.

Let me say at the outset that I fully share your endorsement of the considerations that led the Assembly to request the report. I have expressed my views in this regard on several occasions. I need only refer to my address to the Bank's Board of Governors in September of last year of which I am enclosing a copy. On pages 22 and 23 you will find the reference I made to expenditures on military power. The study which you will undertake will, I am sure, reveal still more clearly the tragic consequences of such expenditures and their adverse effects on economic and social development.

As to material and data that might be helpful in the preparation of your report our information on these matters is all furnished by our member governments. I do not believe therefore that the World Bank has anything more than what governments themselves will be supplying you in response to your request. On general economic and social conditions in particular countries the World Bank's country economic reports, copies of which are regularly sent to the U.N., may be helpful. If, in the course of your enquiries, you find specific matters on which you believe we might be able to furnish useful information, please do not hesitate to let me know.

Sincerely,

Robert S. McNamara

U Thant
Secretary-General
United Nations
New York, 10017

Cleared with Mr. Demuth
cc: Mr. McNamara (2)
Efranco/MHoffman:da (Typed March 19, 1971)

488/5 /117

MAR 22 1971

Monsieur le Ministre,

Je vous remercie très sincèrement de votre lettre du 8 février 1971 et vous assure que c'est avec le plus vif intérêt que j'ai pris note du programme d'assistance technique de la Tunisie au bénéfice d'autres pays en voie de développement.

Cette manifestation de solidarité m'a beaucoup impressionné, d'autant plus que ces activités représentent un sacrifice pour votre pays. Je me permets d'exprimer au Gouvernement tunisien mes félicitations pour cette oeuvre.

Je vous prie de recevoir, Monsieur le Ministre, les assurances de ma haute considération.

(Signed) Robert S. McNamara

Robert S. McNamara

Son Excellence Mohamed Masmoudi
Ministre des Affaires Etrangères
Ministère des Affaires Etrangères
Tunis, Tunisie

cc.: Son Excellence Slaheddine El Goulli
Ambassadeur de Tunisie, Washington.

March 17, 1971

SJulin:gr

DHartwich/MPBenjenk

cc.: Mr. Van Wagenen

Mr. McNamara's copy

419/9 1/24

Translation for files

Dear Mr. Minister:

I thank you most sincerely for your letter of February 8, 1971, and should like to tell you that I have taken note with the greatest interest of Tunisia's technical assistance program for other developing countries.

This manifestation of solidarity impressed me very much, particularly since these activities constitute a burden to your country. May I express my congratulations to the Tunisian Government on this undertaking.

Sincerely,

Robert S. McNamara

His Excellency Mohamed Masmoudi
Minister of Foreign Affairs
Tunis, Tunisia

489/5 1/16

MAR 19 1971

Dear Mr. Losada:

I was most pleased to learn from your cable of February 19 that you have subscribed \$10,000,000 to the World Bank's latest issue of two-year bonds.

I welcome your action not only as an expression of your continuous confidence in our bonds as an investment instrument but as a very valuable support for the World Bank in its efforts to promote the economic development of member countries.

I would like to take the occasion to express my personal appreciation for the cordial relations and cooperation maintained between the Banco Central and the World Bank during your presidency, and to wish you success in your future activities.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Mr. Benito R. Losada
President
Banco Central de Venezuela
Avenida Urdaneta
Caracas, Venezuela

cc: Messrs. Lajous-Martinez
Rotberg
Gutierrez o/r

MSchloss:hj
March 17, 1971

C
O
P
Y

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone - EXecutive 3-6360

489/5/115

Washington, 1e19 mars 1971

Excellence,

Je me fais un plaisir de vous adresser la présente lettre pour vous remercier de la contribution que votre Gouvernement et vous personnellement aviez apportée dans le cadre des consultations qui avaient eu lieu au sujet de la Troisième Reconstitution des Ressources de l'Association Internationale de Développement.

Votre Administrateur, Monsieur KOCHMAN, m'avait rendu compte, en temps opportun, de toutes vos démarches, tant à titre privé qu'officiel, auprès de votre Chef d'Etat.

Je tiens donc à le remercier sincèrement, à travers vous, pour une initiative qui ne peut que consolider les rapports entre la République Malagasy et le Groupe de la Banque mondiale.

Croyez, Excellence, en l'expression de mon cordial souvenir.

Robert S. McNamara

Son Excellence
Monsieur Jules Razafimbahiny
Ambassade de la République Malagasy
WASHINGTON, D.C.

489/5/114

MAR 19 1971

Dear Dr. Fernandez Hurtado:

I was most pleased to learn from your cable of February 19 that you have subscribed \$10 million to the World Bank's latest issue of two-year bonds.

I welcome your action not only as an expression of your confidence in our bonds as an investment instrument, but as a very valuable and substantial support for the World Bank in its efforts to promote the economic development of member countries.

I would like to take this opportunity to confirm the plans which have been worked out with Lic. Silva Herzog for a visit to Mexico by the end of March by Messrs. Wright and Nelson to discuss the proposed new industrial fund, as well as other projects for inclusion in the Bank's future lending program to Mexico. We look forward to continuing close cooperation with Mexico in carrying forward economic and social development.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Lic. Ernesto Fernandez Hurtado
Director General
Banco de México, S.A.
Cinco de Mayo 6
México 1, D.F.

cc: Messrs. A. Lajous-Martinez
E. Rotberg
E. Gutierrez

RNelson/HBMeier:lc.

Typed March 18, 1971

489/5/113

MAR 18 1971

Dear Mr. Granfil:

Thank you very much for your letter of February 23 which was brought to me by Mr. Popovic, Assistant to the Federal Secretary for Finance.

He has conveyed to me some of the questions concerning which you desired a preliminary reaction from the Bank. He will have told you about our conversation and the limited possibilities which are open to the Bank in the general area which you asked him to discuss with me.

I still look back with much pleasure to my visit to Yugoslavia last autumn and, in particular, to your very friendly and generous hospitality on that occasion.

With best personal regards,

Sincerely,

Robert S. McNamara

His Excellency
Toma Granfil
Member
Federal Executive Council of
the SFR of Yugoslavia
Belgrade, Yugoslavia

MPBenjenk/dm
3/16/71

489/5/112

MAR 18 1971

Dear Mr. President:

It is with great pleasure that I received your letter of February 23, which was brought to Washington by the Assistant to the Federal Secretary for Finance, Mr. Popovic. I have followed with great interest the recent economic developments in Yugoslavia and the stabilization measures which the Government has recently taken. I shall be very interested to hear of these measures in greater detail and look forward to receiving the letter from Mr. Smole which you announced in your letter.

As you know, the next few weeks will be a period of intensive negotiation between the Bank staff and four Yugoslav delegations which will be visiting Washington successively. The first of these negotiations has been substantially completed and the second has just begun. We hope that all these four negotiations will be successfully completed and that I shall soon be in a position to propose four new loans to Yugoslavia to our Executive Directors.

Let me assure you once again of the Bank's great interest in making even more effective its already excellent cooperation with Yugoslavia and confirm to you that I am personally following with the closest attention the progress of our lending program in Yugoslavia.

With best personal regards,

Sincerely,

Robert S. McNamara

His Excellency
Mitja Ribicic
President of the Federal Executive
Council of the SFR of Yugoslavia
Belgrade, Yugoslavia

TRANSLATION

489/5/111
MAR 15 1971

Mr. Vice President:

Thank you for your letter of February 1, 1971 regarding the possible participation by the World Bank Group in financing the project for the exploitation of the bauxite deposits of Manantenina.

As indicated in the note attached to your letter, the technical and economic studies of this project are now being done and will apparently not be completed before the end of the year. I take note of your intention of requesting in due course the financial assistance of the World Bank to finance the infrastructure envisaged. I also note that before setting up the operating company and signing an establishment convention, you would like to know the position in principle of IFC with regard to the possibility of its participating in the financing of this project. In that regard, I can confirm to you Mr. Vice President that IFC is disposed in principle to consider such a participation.

If in the coming months you consider that the assistance of IFC would be desirable, I would like to give you the assurance that our staff will do their best to help you resolve questions relating to the implementation of this project. In this regard, I am taking the liberty of suggesting that you get in touch with Mr. William Gaud, Executive Vice President of IFC. Mr. Gaud is aware of the interest that you attach to this project and at the appropriate time he will give all necessary instructions to his staff concerning the detailed study of any problems relating to the participation of IFC in this major investment.

Please accept, Mr. Vice President, et cetera.

Robert S. McNamara

His Excellency
Victor Miadana
Vice President
Minister of State in Charge
of Finances
Tananarive,
Republic of Malagasy

WICohn:jg
March 10, 1971

cc: Office of the President

489/5/110

15

March 17, 1971

MOHAMED ABDEL HALIM
MINISTER OF PLANNING
KHARTOUM

LT

(SUDAN)

THANK YOU FOR YOUR CABLE OF MARCH 10 REGARDING MR. EL EMARY'S VISIT TO
KHARTOUM DURING APRIL STOP HE IS NOW CONSIDERING HOW HIS PRESENT
COMMITMENTS COULD ACCOMMODATE A VISIT DURING THAT MONTH AND HE WILL
as soon as possible
BE IN TOUCH WITH YOU ~~IN/DUE/COURSE~~ STOP KINDEST REGARDS

(Signed) Robert S. McNamara

ROBERT McNAMARA
INTBAFRAD

Robert S. McNamara
President

cleared with and cc: Mr. El Emary

cc: Mr. Cope
Mr. Malone

JHWilliams:dr
SUDAN: General

489 15/109

March 12, 1971

Dear Henry:

Many thanks for your kind letter of March 1
and for the useful conversation we had subsequently.

Since I understand from Bob Wieczorowski that
the whole subject is under active consideration
within the U.S. Government, I think it would be
inappropriate for me, at this time, to comment on
the specific points you made. I am confident that
in due course we can find a solution to any dif-
ferences which may need to be resolved.

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

Honorable Henry Kearns
President and Chairman
Export-Import Bank of the
United States
Washington, D. C. 20571

SRCoPe:LEC:mss

cc: Mr. Aldewereld
Mr. Wieczorowski
Mr. Wm. Clark
Mr. Merriam

489/5/108

THE RT. HON W. McMAHON, M. P.
PRIME MINISTER OF AUSTRALIA
PARLIAMENT HOUSE
CANBERRA

MARCH 12, 1971

FR

AUSTRALIA

I AND YOUR OTHER FRIENDS IN THE WORLD BANK SEND YOU OUR WARMEST
CONGRATULATIONS ON YOUR APPOINTMENT AS PRIME MINISTER. ALL GOOD
WISHES FOR YOUR SUCCESS IN THE FUTURE.

(Signed) Robert S. McNamara

ROBERT S. McNAMARA

Robert S. McNamara

President

489/5/107

March 11, 1971

Dr. D.A. Davies
Secretary-General
World Meteorological Organization
41 Avenue Giuseppe-Motta
Geneva, Switzerland

Dear Dr. Davies:

Thank you for your letter of March 2 relating to the ACC Functional Group on Human Environment.

Let me say at once that, in view of your inability to be present, I do not believe that it would be desirable to proceed with the meeting of the Functional Group in April, as now scheduled. Of the various alternatives you mention, I would favor postponing the Functional Group meeting until after the ACC meeting in July.

As for the technical level meeting which you propose for March 24-25 in Geneva, our Ecological Adviser, Dr. James Lee, who would be the only appropriate Bank representative to this meeting, has such a full schedule for the next month that it is not possible for him to attend. We would have no objection, however, if you and the other agencies want to proceed with this meeting without a Bank representative.

I would like to add, however, that I am not convinced of the necessity for the ACC to present to the Stockholm Conference, as a formal conference document, "a single coordinated statement of the present and planned activities of the specialized agencies in the field of human environment". Those activities will be clearly apparent in the papers already being prepared for the Conference pursuant to the requests of its Preparatory Committee, and, I would not think that a mere synthesis of this aspect of the papers would be very useful.

Dr. D.A. Davies

- 2 -

I would appreciate being kept advised of the course you decide to follow after you hear from the other agencies concerned.

With kind regards,

Sincerely,

Robert S. McNamara

RHDemuth:JALee:jg
March 10, 1971

cc - Office of the President (2)

Mr. Christofferson

489/5/106

MAR 11 1971

Dear Mr. Minister:

This is to acknowledge with thanks your letter about coordinating the work of the various Bank missions with the Mexican authorities. We in the World Bank fully appreciate the importance of such coordination and will be happy to cooperate in following the procedures you propose.

I would like to take this opportunity to confirm the plans which have been worked out with Lic. Silva Herzog for a visit to Mexico at the end of March by Messrs. Wright and Nelson for discussions on the Bank's future lending program to Mexico, as well as on specific projects already under consideration, particularly the proposed new industrial fund. I attach the greatest importance to reaching early agreement with you on the scope of the Bank's future activities in Mexico and look forward to continued close association with your Government in carrying forward Mexico's economic and social development.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Lic. Hugo B. Margain
Secretary of Finance and Public Credit
Ministry of Finance
Palacio Nacional
Mexico 1, D.F.

cc: Mr. Lajous-Martinez
Mr. Nelson
Mr. Pfeffermann

RNelson/EPWright/mpd

489 / 5 / 105

MAR 11 1971

Dr. Gale Plaza
Secretary General
Organization of American States
Room MNB-20
17th & Constitution Avenue
Washington D.C. 20006

Dear Dr. Plaza:

I am writing to express my appreciation of the results of the CIAP country review for Colombia which took place last month just prior to the meeting of the Consultative Group for Colombia.

The close cooperation exhibited by the OAS staff with the representatives of the Bank and other external lending agencies in preparing for the review and during the review itself contributed to production of an excellent, coordinated report on Colombia and greatly facilitated the identification of the principal issue for discussion, namely the government's need to raise additional fiscal resources.

Moreover, during the review the Colombian delegation was persuaded by the Chairman of the sub-committee, Ambassador Henderson, and the OAS staff to crystallize their government's intentions on this issue. This cleared the way for a more favorable presentation of the Colombian case to the Consultative Group for Colombia than would otherwise have been possible. We shall continue to work closely with CIAP to encourage the Colombian Government to carry out the fiscal measures outlined at the country review and considered by the Consultative Group as essential if full support is to be granted by external financing agencies to Colombia's development program.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

cc. Mr. Luis Escobar

cc. Dr. Carlos Sans de Santamaria
Chairman
Inter-American Committee on the Alliance for Progress
Washington D.C.

RMFrost:mdk

MAR 11 1971

489/5/104

~~MAR 11 REC'D~~

Dear Mr. Prime Minister:

I wish to acknowledge your letter of February 3, 1971 regarding the IBRD/IMF Annual Meetings in 1973.

We greatly appreciate the action you have taken and are grateful for your offer of Singapore as a possible venue for a subsequent meeting to be held outside Washington.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable
Lee Kuan Yew
Prime Minister
Singapore, Singapore

489/5/103

BERNARD BELL
INTBAFRAD
DJAKARTA

MARCH 10, 1971

NL

INDONESIA

188

VERY PLEASED TO RECEIVE THE FIRST OF YOUR MONTHLY REPORTS. I PRESUME YOU HAVE NO OBJECTION TO MY SHARING THEM WITH MESSRS. SHOAI B, KNAPP AND ALDEWERELD. IN ORDER TO INSURE THAT INDONESIA TAKES MAXIMUM ADVANTAGE OF POSSIBLE IDA FUND AVAILABILITY IN FISCAL 71 IT IS ESSENTIAL THAT EVERY POSSIBLE EFFORT BE MADE TO COMPLETE ACTION DURING THE FISCAL YEAR ON THE TEA ESTATE, THE HIGHWAY, AND THE SEEDS PROJECT. I HAVE NO PLANS TO VISIT INDONESIA IN THE NEAR FUTURE. BEST WISHES.

ROBERT S. McNAMARA

Robert S. McNamara

President

RMcn:mss

489/5/102

MAR 9 1971

Dear Lic. Cortina Portilla:

This is to acknowledge with thanks the kind invitation extended in your letter of February 24 to attend the XXXVII Annual Convention of the Mexican Bankers Association at Guadalajara on April 2 and 3. I regret that I shall not be able to attend because of a previous commitment, but Mr. Peter Wright, Deputy Director of the Central America and Caribbean Department, will represent the Bank at the meeting.

With best wishes for a successful convention,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Lic. Manuel Cortina Portilla
President
Asociacion de Banqueros de Mexico
Madero y San Juan de Letran
Mexico 1, D.F.

RNelson/eg
March 5, 1971

489/5/101

MAR 9 1971

Dear Mr. Minister:

Many thanks for your letter of February 17. I enjoyed very much meeting with you when you were in Washington and I am pleased to note that your meetings in New York and Ottawa were successful.

I have been informed by our Personnel Division that Mr. Sven Burmester was considered for appointment under our Young Professionals Program and I am happy to advise you that he was chosen for the Program by the Selection Committee on February 26, 1971. An offer of employment was subsequently made to Mr. Burmester and he has accepted.

For your information, the Young Professionals Program is the keenly competitive institutional channel through which the Bank selects a small number of very bright, well-trained young men and women with limited experience, but sincerely interested in development problems.

With warm regards,

Sincerely,

(Signed) Robert S. McNamara
Robert S. McNamara

The Honorable
K. Helveg Petersen
Minister for Cultural Affairs
Copenhagen, Denmark

FAguirre-Sacasa/mm
March 5, 1971
(Cleared with Mr. Ripman)

489 / 5 / 1100

EXCELLENCE
LEOPOLD SEDAR SENGHOR
PRESIDENT DE LA REPUBLIQUE
DAKAR

8 MARS 1971

LT

SENEGAL

EN REPONSE VOTRE MESSAGE CONCERNANT TABLE RONDE OERS HONNEUR VOUS FAIRE
PART DE NOTRE DECISION ENVOYER OBSERVATEUR BANQUE STOP SECRETAIRE EXECUTIF
OERS A ETE INFORME CETTE DECISION NOTRE CABLE DU TROIS MARS STOP PRESENCE
BANQUE ETAIT DEVENUE EXTREMEMENT DIFFICILE VU CHANGEMENT DATE REUNION
INITIALEMENT PREVUE POUR DEBUT FEVRIER VIRGULE ETANT DONNE IMPORTANCE
PARTICULIERE QUE NOUS ATTACHONS A CETTE REUNION NOUS NOUS SOMMES TOUTEFOIS
EFFORCES D'ASSURER NOTRE PRESENCE STOP HAUTE CONSIDERATION

MCNAMARA

INTBAFRAD

Rom n

ENGLISH TRANSLATION - Not for Transmittal

IN REPLY YOUR MESSAGE REGARDING OERS ROUND TABLE HONOR TO INFORM YOU OUR
DECISION TO SEND BANK OBSERVER STOP EXECUTIVE SECRETARY OERS HAS BEEN
INFORMED THIS DECISION BY CABLE OF MARCH 3 STOP ATTENDANCE BANK HAD BECOME
VERY DIFFICULT CONSIDERING A CHANGE IN DATES FOR THE MEETING INITIALLY
SCHEDULED FOR EARLY FEBRUARY COMMA IN VIEW OF SPECIAL IMPORTANCE WE ATTACH
TO MEETING WE HAVE NEVERTHELESS MADE EFFORT TO ASSURE OUR PRESENCE

Robert S. McNamara

President

NJPajmans : pnc

BL
489/5/99
MAR 8 1971

Dear Mr. Minister:

Thank you very much for the kind invitation which you have extended to me on behalf of the Government of Spain to visit your country in April. It is with great pleasure that I accept this invitation. I look forward to learning more about the economic, cultural and social problems of Spain and to discussing with you the many matters of common interest between Spain and the World Bank.

I have informed Mr. Moro that previous engagements did not permit me to arrive in Spain on the exact dates suggested by you and he has informed me that the alternative dates I have suggested - namely, arrive in the evening of April 27 and depart May 1, are acceptable to you. I have asked Mr. Benjenk, Director of the Europe, Middle East and North Africa Department, to discuss with Mr. Moro the outlines of a possible program which will cover the points of interest mentioned in your letter, with which I fully agree.

With my best personal regards and looking forward to seeing you soon,

Sincerely,

/s/
Robert S. McNamara

Excmo Senor
Don Alberto Monreal
Ministro de Hacienda
Alcala 11
Madrid 14, Spain

cc: Mr. Moro

MPPenjenk/dm
3/5/71

489/5/98

MAR 8 1971

The Right Honourable
Dr. K. A. Busia
Prime Minister of Ghana
The Castle
Osu, Accra
Ghana

Dear Mr. Prime Minister:

Through Ambassador Debrah, I have been informed of your kind invitation for me to visit Ghana within the next two months. I appreciate this renewed offer of hospitality very much, particularly as our schedules could not be aligned earlier this year. Unfortunately, however, the press of business at this time appears to be too great to permit any extensive travel within the next month or two. I want to assure you, though, that I do intend to visit Ghana at the earliest opportunity.

I am, however, pleased to inform you that my economic adviser, Mr. Hollis Chenery, plans to visit West Africa in the next few weeks. He would like to come to Ghana during the period April 5-7. I hope that will be convenient and that he may have the opportunity to see you during his stay.

His visit should be timely and advantageous from several standpoints. I understand that the Government has just recently revised its Cabinet structure, particularly in the area of economic affairs. I hope that you will be able to afford Mr. Chenery your personal views on the import of the new directions planned for the machinery now located in your office. He will also be interested in learning more about the Government's plans and actions on some key points of economic policy. At the last Consultative Group meeting, the member governments generally shared the emphasis in the Bank's recent economic report on Ghana's need for measures to promote an accelerated pace of economic development. I was pleased, therefore, to learn that Mr. Mensah informed the Group of encouraging indications of progress already made. The expectation that economic growth has increased to an estimated pace of some 5% per annum, the mobilization of substantial domestic resources, the decline in payments arrears, the declared intention to restrict the growth of government current expenditures to 3.4% this year and the prospects that the new import liberalization measures would restrain consumer imports are promising signs indeed.

.../

Similarly, as I wrote to Minister of Finance J. H. Mensah on January 12th, the Government's efforts to improve the coordination of external aid represent an essential action.

I share the CG meeting's hopes that these will be followed by further measures on several pressing questions. This refers specifically to the matters cited on the attachment, entitled "Points for discussion with Delegation of Ghana", which was the focus of the Group meeting. As you know, the CG members agreed that this paper summarized the problems and constraints which require vigorous action by the Government. They represent the components of what major bilateral donors agree forms the yardstick for consideration of additional assistance to Ghana. These points also represent the principal criteria for determination of an appropriate Bank Group lending position in Ghana. On both accounts, the Group meeting concluded that the Bank should continue in close contact with the Government on the implementation of its policies and the preparation of its program.

We appreciate that the list includes a number of areas on which extensive staff work will be needed and on which many domestic considerations impinge. Our economic mission, which is scheduled to arrive in Ghana on March 29th (and about which we have written to Messrs. Mensah and Ofori-Atta), will be making a detailed review of the progress being made by your Government in the implementation of these policies, the preparation of a plan for accelerating growth and the problems confronting Ghana over the longer term.

Handwritten: With best wishes for continued progress in your efforts to advance the welfare of your people.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

clearance and cc: Mr. Chenery
Mr. Chaufournier
Mr. de Vries

cc: Amb. Debrah
Mr. Reitter
Mr. McGibbon

HJNissenbaum:crm

489/5/97

MAR 8 1971

Dear Governor:

I thank you for your letter of February 24, 1971. I was very sorry to read that you have relinquished your office as Governor of the National Bank of Belgium. Your wise counsel will be sorely missed, especially in view of your longstanding association with our group of institutions. On behalf of the Executive Directors, Officers and Staff of the World Bank Group, I wish to express our sincere appreciation to you for your support of our activities.

Please accept my very best wishes for the future.

With warm personal regards,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Baron Hubert Ansiaux
c/o Banque Nationale de Belgique
5, boulevard de Berlaimont
1000 Brussels, Belgium

Handwritten: I am most grateful for personal support you have given me.

c.c. Office of the President (2)
c.c. Mr. Benjenk/Mr. Hartwich
c.c. Mr. Venkatraman (Secretary's)

KSVenkatraman/MPBenjenk:lsn.
March 5, 1971



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.

Area Code 202 • Telephone • EXecutive 3 6360 • Cable Address • INTBAFRAD

489/5/96

March 8, 1971

Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10045

Gentlemen:

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, 1971 to a representative of each of the purchasers set forth in Schedule A hereto the respective principal amount of Two Year Bonds of 1971, due March 15, 1973 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 6-3/4% Two Year Bonds of 1969, due March 15, 1971, 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 5.20% per annum from March 15, 1971 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 UURB 1 and upwards; and \$1,000, \$10,000 and \$100,000 denomination coupon Bonds to be numbered, respectively, UUM 1, UUX 1 and UUC 1, and upwards.

Sincerely,

Robert S. McNamara
President

Eugene H. Rotberg
Treasurer

489/5/95

March 5, 1971

Dear Mr. Perera:

I much appreciate your letters of February 11, 1971 inviting me to designate a representative of the World Bank Group to the 23rd Plenary Assembly of the World Federation of United Nations Associations to be held in Luxembourg from May 10 to 16 of this year.

I fully appreciate the significance of this meeting which will mark the twenty-fifth anniversary of the Federation and I am enclosing a message for distribution at the special celebrations that will be held on May 11.

I hope that I will be able to designate one of the members of our staff to represent us at the Assembly and I will communicate with you in this respect at a later date.

With all best wishes for a successful meeting.

Sincerely,

Robert S. McNamara

Mr. L. H. Perera
Secretary-General
World Federation of
United Nations Associations
Case Postale 39
1211 Geneva
Switzerland

Mr. McNamara (2)✓

EFranco:da (Typed March 3, 1971)

Message prepared by Mr. Maddux, Information and Public Affairs Dept.

489/5/94

March 4, 1971

Dear Chief Adebo:

Many thanks for sending to me, with your letter of February 17, 1971, your note on the establishment of the United Nations Staff College and the Symonds feasibility study on that matter.

I agree with your suggestion that the proposal be first discussed at the forthcoming session of the Preparatory Committee for ACC. We will study the documents and will be prepared to express any comments we may have at that time.

With kind regards,

Sincerely,

Robert S. McNamara

Chief S.O. Adebo
Executive Director
United Nations Institute for
Training and Research
801 United Nations Plaza
New York, 10017

EFranco:RHDemuth:jg
March 3, 1971

cc: Office of the President (2) ✓

489/5/93

MAR 4 1971

Office of the President

Dear Mr. Minister:

Last month I had the pleasure of meeting His Excellency Kul Shekhar Sharma, Nepal's Ambassador in Washington, D.C., who gave me your kind invitation, for which I wish to thank you most sincerely.

Both my wife and I have long wished to visit Nepal and I very much regret that I could not do so earlier. After meeting Ambassador Sharma I reviewed my calendar with a view to finding the earliest possible date for such a visit, and I now hope that a visit can be arranged later this year - perhaps in October or November after our Annual Meeting. I shall write you again as my schedule becomes firm.

Meanwhile, let me take this occasion to reiterate my interest in increasing Bank Group activities in Nepal. I shall welcome any suggestions toward that end, which you may have.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable Gehendra Bahadur Rajbhandary
Minister of Finance
Singh Durbar
Kathmandu, Nepal

cc: His Excellency Kul Shekhar Sharma
Ambassador of Nepal
2131 Leroy Place, N.W.
Washington, D.C., 20008

KHideshima/J.-D.Roulet/GVotaw:cm

489/5/92

March 3, 1971

Dear Gardner:

Many thanks for your letter of February 15 regarding David Dill.

Mr. Dill has been in contact with our Personnel Division. He is being considered for the next selection of our Young Professionals Program which will take place in June.

Do let me know when you are next in Washington. I would very much enjoy dining with you.

With warm regards to you and Bonnie.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Gardner Ackley
Department of Economics
University of Michigan
Ann Arbor, Michigan 48104

FAguirre-Sacasa:RMcN:mss

489/5/90

MAR 3 1971

Dear Dr. Krause:

I appreciated your taking the time last week to come and talk about my testimony to the Commission on International Trade and Investment Policy on February 25th. We wanted to make the most effective use of this opportunity. While trade liberalization by the more developed countries is not a subject in which IBRD staff have any special expertise, we wanted to emphasize its importance to the successful outcome of our economic development programs. Your stimulating comments and suggestions helped us to do so.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Dr. Lawrence B. Krause
Senior Fellow
Economic Studies Program
The Brookings Institute (Room 705)
1775 Massachusetts Avenue, N.W.
Washington, D.C. 20036

JHulley/and

Cleared by: ELerdaw
HBChenery

March 2, 1971

489/5/89

MAR 3 1971

Dear Professor Metzger:

I appreciated your taking the time last week to come and talk about my testimony to the Commission on International Trade and Investment Policy on February 25th. We wanted to make the most effective use of this opportunity. While trade liberalization by the more developed countries is not a subject in which IBRD staff have any special expertise, we wanted to emphasize its importance to the successful outcome of our economic development programs. Your stimulating comments and suggestions helped us to do so.

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

Professor Stanley Metzger
Georgetown Law School
Georgetown University
506 E Street, N.W.
Washington, D.C. 20001

JHulley/and

Cleared by: ELerdau
HBChenery

March 2, 1971

489/5187

MAR 2 1971

Dear Mr. President:

Thank you very much for your kind letter of January 26, 1971. I believe all the Executive Directors share with me a sense of satisfaction that the Association was able to provide prompt assistance toward the reconstruction of the cyclone damaged areas.

Judging from the reports reaching me, I can appreciate the additional difficulties which the reconstruction efforts impose on the administrative and financial resources of Pakistan which already are fully committed; but I am sure that with the personal attention you are giving to the reconstruction effort these difficulties can be overcome promptly.

With all good wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
General Agha Muhammad Yahya Khan, H.Pk., H.J.
President of Pakistan
President's House
Rawalpindi, Pakistan

GBVotaw/lgl

cc: Mr. S. Osman Ali

March 1, 1971