Bringing America Back to Books
The Board of Directors
Reading Is Fundamental, Inc.

We have examined the balance sheet of Reading Is Fundamental, Inc. as of September 30, 1980, and the related statement of revenue, expenditures and changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Reading Is Fundamental, Inc., as of September 30, 1980, and the results of its operations and changes in fund balances for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year.

The financial statements referred to in the foregoing opinion appear on pages 4 to 6 inclusive, of this report. Our examination was made primarily for the purpose of rendering an opinion on these basic financial statements taken as a whole. The other data included in this report on page 6, although not considered necessary for a fair presentation of financial position, results of operations and changes in fund balances in conformity with generally accepted accounting principles, is presented primarily for supplemental analysis purposes. This additional data has been subjected to the audit procedures applied in the examination of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

1800 M Street, N.W.
Washington, D.C. 20036
December 1, 1980
1. Organization
The purpose of Reading Is Fundamental, Inc. (RIF) is to promote the establishment of local RIF projects throughout the country in order to give impetus to reading motivation at an early age by making inexpensive books, particularly paperbacks, accessible to children through ownership, loan and purchase. The accompanying financial statements do not include the assets, liabilities and transactions of the local projects for which RIF provides technical assistance.

2. Summary of significant accounting policies

U.S. Government contract
Income from the U.S. Government contract is recognized as costs are incurred by RIF, including books purchased by subcontractors.

Contributions
RIF recognizes unrestricted contributions as revenue in the unrestricted fund in the year in which payments are received.

Grants
Revenue received from donor-restricted grants is recognized as revenue in the restricted fund when received.

Property and equipment
Expenditures for furniture and equipment have consistently been charged directly to income in the year acquired, a practice followed by many nonprofit organizations.

Contributed services
Significant services have been provided to RIF in the form of free advertisement through various media and contributions of time by unpaid volunteers. The value of these services is not reflected in these statements since it is not susceptible to objective measurement or valuation.

3. Accounts receivable—Smithsonian Institution
Under a contractual agreement, the Smithsonian Institution (Institution) acts as

<table>
<thead>
<tr>
<th>Assets</th>
<th>Accounts receivable:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Smithsonian Institution (Note 3)  $441,195</td>
</tr>
<tr>
<td></td>
<td>U.S. Government—Inexpensive Book Distribution Program 576,207</td>
</tr>
<tr>
<td></td>
<td>Prepaid expenses 14,838</td>
</tr>
<tr>
<td></td>
<td>Other assets 709</td>
</tr>
<tr>
<td></td>
<td>$1,017,402</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Accounts payable:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inexpensive Book Distribution Program $625,830</td>
</tr>
<tr>
<td></td>
<td>Other 22,909</td>
</tr>
<tr>
<td></td>
<td>$648,739</td>
</tr>
<tr>
<td></td>
<td>Accrued liabilities 65,517</td>
</tr>
<tr>
<td></td>
<td>Agency funds (Note 4) 6,111</td>
</tr>
<tr>
<td></td>
<td>720,367</td>
</tr>
<tr>
<td></td>
<td>Commitments (Note 5)</td>
</tr>
</tbody>
</table>

| Fund Balances           | Unrestricted (Note 6) 278,941 |
|-------------------------| Restricted (Note 7) 33,641 |
|                         | $312,582 |
|                         | $1,032,949 |
RIF's fiscal agent and provides accounting services, certain administrative services and telephones. The amount paid to the Institution for these services totaled $130,000 for the year ended September 30, 1980. The Institution has agreed to pay interest, approximately $29,000 in fiscal year 1980, to RIF on its fund balance, as reimbursement for nonfederal contract funds held by the Institution in its capacity as fiscal agent.

The by-laws of RIF provide that the Secretary of the Institution or his designated representative shall be a member of the Board of Directors and of the Executive Committee.

4. Agency funds
Agency funds represent the undisbursed portion of moneys received by RIF as custodian for specified local RIF programs. These funds do not represent revenue and expenditures of RIF and are not included in the statement of revenue, expenditures and changes in fund balances.

5. Commitments
RIF leases office space under two noncancelable leases, both of which expire in 1981. Minimum rental obligations under the leases require payments of approximately $81,000 in 1981, plus a pro rata share of any increases in the landlord's operating expenses.

Total rent expense for office space and equipment was approximately $104,000 for the year ended September 30, 1980.

6. Unrestricted fund balance
The Board of Directors has designated $50,000 of the unrestricted fund balance as a reserve fund. This reserve fund will serve to meet possible obligations of RIF that may arise as a result of certain unforeseeable events.

7. Restricted fund
Included in contract revenue in the restricted fund is income derived from a cost-reimbursable contract with the U.S. Office of

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Reading Is Fundamental, Inc.
Statement of Revenue Expenditures and Changes in Fund Balances for the year ended September 30, 1980

<table>
<thead>
<tr>
<th>Revenue (Note 2):</th>
<th>Unrestricted fund</th>
<th>Restricted fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>157,837</td>
<td>-</td>
<td>157,837</td>
</tr>
<tr>
<td>Interest and other income</td>
<td>72,967</td>
<td>-</td>
<td>72,967</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>230,804</td>
<td>7,383,011</td>
<td>7,613,815</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures (Note 2):</th>
<th>Unrestricted fund</th>
<th>Restricted fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>46,822</td>
<td>7,465,137</td>
<td>7,511,959</td>
</tr>
<tr>
<td>Public education</td>
<td>67,353</td>
<td>-</td>
<td>67,353</td>
</tr>
<tr>
<td>Administration</td>
<td>57,517</td>
<td>-</td>
<td>57,517</td>
</tr>
<tr>
<td>Fund raising</td>
<td>55,550</td>
<td>-</td>
<td>55,550</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>227,242</td>
<td>7,465,137</td>
<td>7,692,379</td>
</tr>
<tr>
<td>Excess of revenue over (under) expenditures</td>
<td>3,562</td>
<td>(82,126)</td>
<td>(78,564)</td>
</tr>
<tr>
<td>Fund balances at beginning of year</td>
<td>246,329</td>
<td>144,817</td>
<td>391,146</td>
</tr>
<tr>
<td>Transfer among funds (Note 7)</td>
<td>29,050</td>
<td>(29,050)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fund balances at end of year</strong></td>
<td>$278,941</td>
<td>$33,541</td>
<td>$312,582</td>
</tr>
</tbody>
</table>
Education for conducting the Inexpensive Book Distribution Program authorized by Public Law 94-194.

A grant totaling $200,000 from the Mattel Foundation was received and recognized as revenue in fiscal year 1979. This grant, which assisted RIF in sponsoring an International Year of the Child Project, was completed in fiscal year 1980. The balance of this grant, $29,050 after direct costs, was transferred from the restricted fund to the unrestricted fund to cover general administrative costs associated with this project.

8. Pension plan

RIF is covered under the retirement plan of the Smithsonian Institution in which substantially all employees are eligible to participate. Under the plan, both RIF and employees contribute stipulated percentages of salary which are used to purchase individual annuities, the rights to which are immediately vested with the employees. Total pension expense for the year ended September 30, 1980 was approximately $77,000. It is the policy of RIF to fund pension costs accrued. There are no unfunded prior service costs under the plan.

9. Income taxes

Under provisions of the Internal Revenue Code and the applicable income tax regulations of the District of Columbia, RIF is exempt from taxes on income other than unrelated business income. No provision for income taxes is required as of September 30, 1980 since RIF had no unrelated business income.

### Reading Is Fundamental, Inc.
**Schedule of Functional Expenses**
for the year ended September 30, 1980

<table>
<thead>
<tr>
<th></th>
<th>Program services</th>
<th>Public education</th>
<th>Administration</th>
<th>Fund raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>$918,581</td>
<td>$ -</td>
<td>$30,773</td>
<td>$36,928</td>
<td>$986,282</td>
</tr>
<tr>
<td>Travel costs</td>
<td>47,592</td>
<td>137</td>
<td>1,146</td>
<td>5,250</td>
<td>54,125</td>
</tr>
<tr>
<td>Rental of office space</td>
<td>95,046</td>
<td>2,979</td>
<td>3,103</td>
<td>3,051</td>
<td>104,179</td>
</tr>
<tr>
<td>and equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication services</td>
<td>46,565</td>
<td></td>
<td>71</td>
<td>315</td>
<td>46,951</td>
</tr>
<tr>
<td>(postage and telephone)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical services</td>
<td>2,302</td>
<td></td>
<td>1,000</td>
<td>1,408</td>
<td>4,710</td>
</tr>
<tr>
<td>Other services</td>
<td>99,804</td>
<td>59,786</td>
<td>12,179</td>
<td>2,535</td>
<td>174,304</td>
</tr>
<tr>
<td>Printing and reproduction</td>
<td>79,371</td>
<td></td>
<td>365</td>
<td>307</td>
<td>80,043</td>
</tr>
<tr>
<td>Supplies</td>
<td>36,631</td>
<td>162</td>
<td>2,828</td>
<td>848</td>
<td>40,469</td>
</tr>
<tr>
<td>Books for local programs</td>
<td>6,020,483</td>
<td></td>
<td></td>
<td></td>
<td>6,020,483</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>5,928</td>
<td></td>
<td>1,309</td>
<td>507</td>
<td>7,744</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>42,832</td>
<td></td>
<td>257</td>
<td></td>
<td>43,089</td>
</tr>
<tr>
<td><strong>Total direct expenses</strong></td>
<td>7,395,135</td>
<td>63,064</td>
<td>53,031</td>
<td>51,149</td>
<td>7,562,379</td>
</tr>
<tr>
<td>Smithsonian Institution fee</td>
<td>116,824</td>
<td>4,289</td>
<td>4,486</td>
<td>4,401</td>
<td>130,000</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>$7,511,959</td>
<td>$67,353</td>
<td>$57,517</td>
<td>$55,550</td>
<td>$7,692,379</td>
</tr>
</tbody>
</table>
Reading Is Fundamental, Inc. (RIF) is a national, non-profit organization dedicated to creating a literate American citizenry by getting books to children and children into books and reading at the earliest possible age.

Founded in 1966, in Washington, D.C., by Mrs. Robert S. McNamara, RIF works at the grass-roots level helping to develop projects that give children a chance to choose—and to keep as their own—books that interest them. RIF projects involve parents, educators, librarians, business and civic leaders. The projects provide year-round reading activities for young people age pre-school through high school.

Reading Is Fundamental is associated with the Smithsonian Institution and maintains offices in Washington, D.C.

RIF is supported by corporations, foundations and private citizens. Reading Is Fundamental has been given tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. Contributions to Reading Is Fundamental, Inc., are tax deductible.
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Founder

Mrs. Robert S. McNamara
Margaret Craig McNamara, founder and chairman of Reading Is Fundamental, died February 4, 1981, shortly after being honored with the Presidential Medal of Freedom, the highest U.S. civilian award. On the day Mrs. McNamara went to the White House to receive the Medal of Freedom, The Washington Post saluted her in an editorial, an eloquent tribute to a remarkable woman. It is reprinted here with the permission of The Washington Post.

Margaret McNamara’s Many Gifts

Tradition, laced with a helping of political affinity, has it that almost any presidential list of Medal of Freedom winners can be, and is, heavy with the names of public figures—many from within said president’s very own administration. So it was no great surprise to learn this week that Jimmy Carter’s final roll of 15 recipients of the country’s highest civilian honor includes seven past or present members of the Carter White House. But what brings us rising to our editorial feet with enthusiasm and applause is Mr. Carter’s recognition of a special person in this community whose “modest experiment” 15 years ago has grown to mean so much to so many children across the land.

She is Margaret McNamara, and her idea was born in a classroom of a District public school, where she was a volunteer reading aide. She encountered two fifth-grade boys with severe reading problems. “One of them told me he had never had a book of his own,” she recalls. “When I brought in some of my son’s books for the boys, they were just amazed that anyone would give them a book.”

From there things spread to other youngsters in a handful of the city’s public schools. Using her organizational know-how and, as she readily acknowledges, her helpful connections as wife of the secretary of defense at the time, Mrs. McNamara went to work drumming up grants, contributions and volunteers for a program that she named “Reading Is FUNdamental.”

The concept was brilliantly uncomplicated: let children choose, for themselves, books that personally interest them, and let the books be theirs to keep. This way, youngsters may learn not only to read, but to want to read. RIF was an instant success. In a year, Mrs. McNamara had rustled up the wherewithal to get RIF operating in 61 schools, giving away paperbacks at the rate of five for each child to 43,000 youngsters.

In a couple of years, money from the Ford Foundation enabled Mrs. McNamara to take the program to other parts of the country. Today, RIF has more than 4,500 projects going, in about 13,000 places in all 50 states, Puerto Rico, the Virgin Islands, Guam—and right here. RIF is not only in the schools, but in libraries, hospitals, mobile units, migrant worker communities, Indian reservations, day care centers, schools for the blind and correctional institutions.

Margaret McNamara’s work of love—and love of children—is now sure to have infinite impact, reaching out to touch and motivate countless new generations. The strength of her devotion to it has been a constant source of inspiration to others who have given freely of their time to invest in the futures of this country’s children. From the community, and from all her book-toting “customers” everywhere, this pause for thanks.
Anne Hazard Richardson, a longtime member of the RIF Board of Directors, was named Chairman of Reading Is Fundamental February, 1981. In accepting the post, Mrs. Richardson said, "The loss of Margy McNamara is too large to be measured, but I know that she would want nothing more than to see RIF continue and flourish as it did under her leadership. "I am confident that Reading Is Fundamental will continue to grow as a force for literacy in our nation. RIF is a program that works, creating enthusiasm for reading wherever it goes. I look forward to working closely with Ruth Graves, RIF's able president, the fine staff she has assembled, and with RIF's talented, diverse and dedicated board.

"The RIF organization is in fine condition. All of us—members of the RIF board and staff—are determined to continue the work that Margaret McNamara began."

Anne Hazard Richardson's public service work has covered a wide field. At present, she is a member of the board of the Washington Performing Arts Society and also Chairman of the Community Advisory Board of Second Genesis, an organization that works to rehabilitate drug addicts.

In the past, she has served with the National Reading Council, the National Center for Voluntary Action, the United Fund, and the Urban Service Corps. In 1963 and again in 1966, she was elected to the Brookline, Massachusetts, Town Meeting for three-year terms. She has also been a member of the League of Women Voters.

Her husband, Elliot, has held four cabinet posts. He served as U.S. Attorney General and as Secretary of the Department of Health, Education and Welfare, Secretary of Defense, and Secretary of Commerce. He also served as United States Ambassador to the Court of St. James's and as Ambassador-at-Large for the Law of the Sea.
As Reading Is Fundamental enters its fifteenth year, its growth and development into a nationwide, grassroots movement dedicated to eradicating illiteracy in the United States can be traced to one singular idea. The idea: give young people an opportunity to choose for themselves, and to keep as their own, the books that interest them, and they will begin to read and learn.

That idea has engaged millions of children, parents, educators, librarians, business and civic leaders. It has engaged them because it works. As a result, since 1966, RIF has delivered 37 million books into American homes in big cities, small towns, and in remote rural areas. It has done so with efficiency and economy, and with a remarkable lack of red tape. It has produced tangible results: children are reading more and their attitudes towards reading are improving, there are marked increases in library circulations, growing involvement between parents and children with books and reading, and a greater involvement among parents, teachers and other educators.

Functional illiteracy in this country, particularly in the past decade, has become a stubborn problem that plagues all facets of our economy and our culture. We know from more than one study that there are at least 23 million American adults who are functionally illiterate\(^*\); that some 40 percent of American adults never read a book\(^\text{**} \); that reading scores are down—and shockingly so. We know that our increasingly technological society offers a multitude of distractions to keep young people out of books, but we also know that so complex a society requires a literate citizenry.


Across the country, the situation is not a happy one. But the following pages in this report offer hope that the problem is one that can be solved in a relatively simple way and at relatively little cost. It does require, and, as you will see, it does generate dedication, enthusiasm, and determination. The reports that flow daily into the Washington offices of RIF are heartening for they tell how freedom of choice, of books, and pride of ownership, of books, are motivating children to read.

Margaret McNamara, whose idea Reading Is Fundamental was, spent 15 years as RIF's chairman working for this program. Her dedication and energy and her fierce determination to get books to children and children into books, has made RIF a household word in this country. Her favorite quotation, written in 1762 by Jean-Jacques Rousseau in his *Emile*, was: "A surer way, that nobody thinks of, is to create the desire to read. Give the child this desire and have done with gadgets and any method will be good."

RIF does indeed give young people the desire to read, and we do it with books. Because RIF gets tangible results, it is supported by both the private and public sectors.

Our projection for 1981 is the delivery of 11 million books to three million children. Margaret McNamara wanted to reach millions more. With continuing private and public support, we expect to be motivating millions more young people to read.

We salute Mrs. McNamara for her idea. We thank her for all she has given the country, and we are especially grateful to have had the opportunity to work with her.

Ruth Graves
President
In nearly 15 years of getting books to young people and young people into books, reading and learning, Reading Is Fundamental has obtained significant results.

Research has identified some results of the RIF program. But equally persuasive is the constant stream of personal reports from parents, teachers and others who have seen RIF light the fire of intellectual curiosity in even the most reluctant readers.

This year, a research team began a comprehensive survey of RIF projects which have been operating at least two years. Survey conclusions will be published in 1981.

For this year's report, we present a sampling of research findings and personal observations gathered over the last several years which document the effectiveness of the Reading Is Fundamental program and show how RIF is, through its remarkably simple and inexpensive method, helping to bring America back to books.

_Sacramento_

"Does RIF Make a Difference?" Yes—and involvement in a RIF project markedly improves children's attitudes towards reading. That is the principal conclusion of a thesis published in 1980 by Marcia J. Marsh and Patricia A. Williams, candidates for the M.A. in education at California State University, Sacramento.

The researchers conducted pre- and post-RIF project surveys of 154 children, grades 1-6, at Sacramento's Creekside Elementary School. Occupations of the children's parents ranged from unskilled workers and welfare recipients to skilled blue-collar workers and executives.

After 16 weeks of RIF project activities, the researchers found that children in all grades showed significantly more positive attitudes about reading. "They seemed to become more positive as grade level increased," the study said, adding, "The writers felt strongly that these results could be attributed to the RIF program."

Free choice of books was an important factor. "These results tend to support the research which says children will read more and become more involved _if_ given a chance to self-select books of his/her own interest, in a non-evaluative situation," the researchers reported.

"After 16 weeks of RIF project activities, the researchers found that children in all grades showed significantly more positive attitudes about reading."
They also found that RIF increased a child's willingness to read at home. "The primary children demonstrated a significantly more positive attitude about reading for fun at home on the post-test. The writers felt this could be attributed to RIF."

All the children especially enjoyed "how-to" books, and they tended to choose books whose topics interested them, even if the reading level was above or below their abilities.

The research concluded, "Although the children in this study started with relatively positive attitudes toward reading, the results . . . demonstrated that RIF can and did improve attitudes. Generally, all the children became more positive about reading.

"The implication seems to be that RIF does make a difference."

Pennsylvania and Texas

The 1978 Pennsylvania Educational Quality Assessment study, administered by the Department of Education, tested students in grades 5, 8 and 11 throughout the state. In addition to testing reading levels, the study gathered information about the students' homes and their reading habits. Analysis then correlated this data with the students' reading scores.

*Literacy Line*, a publication of the Pennsylvania Department of Education reported on the study:

"One of the 35 condition variables collected—amount of reading material in the home—was clearly associated with reading scores at all three grade levels . . . schools in which students reported having more reading materials in the home tended to have higher scores in reading comprehension.

"At all three levels, the average percentage of reading items answered correctly increased significantly as the amount of reading material increased from 'minimal' to 'abundant.' From these results it would appear that programs like Reading Is Fundamental are 'on target.'"
Also in 1978, the Texas Education Agency conducted a similar survey among students in that state. An agency publication, Region II News, reporting on the results said:

"Students who reported availability of various reading materials in their homes performed better in both reading and mathematics than did students who reported little or no reading materials at home . . . "

"Surely RIF is one way schools can assist students in collecting reading material and encouraging children to read for FUN."

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U.S. Department of Education Research

From 1978 to 1980, the General Research Corporation, a contractor for the U.S. Department of Education, conducted a national study of the federal program RIF operates, the Inexpensive Book Distribution Program. The research resulted in a "descriptive study" of RIF in action.

In addition to crediting "effective and efficient" RIF management, the study included case studies of a number of unique RIF projects.

On the Wind River Indian Reservation, in west-central Wyoming, two RIF projects serve 600 students, kindergarten through grade 9, who are members of the Arapahoe and Shoshone tribes. According to the study, "Literacy on the reservation is very low and in many households is considered a negative value, a capitulation to white society . . . Without the basic literacy and computational skills, many Indian children drop out of the public high school within a very short period of time. In 1976, when the present school superintendent arrived, only a handful of children were not three or more years behind in grade level."

At one RIF school, all the teachers interviewed stated that "RIF increased students' use of the library, interest in reading, interest in acquiring books for home libraries, and time spent in reading. One teacher felt that RIF had even increased the students' reading skills."

At another school, the researchers found that the "major strength of the RIF program appears to be the extent to which it is linked to the school's reading program . . . " For this reason, the school superintendent claimed that "RIF is a dream answer to our needs."
In Dallas, Texas, the RIF project began in 1972 at the David Crockett Elementary School, guided by a school librarian and a professor at Southern Methodist University. Today, the Dallas project serves 90 elementary schools, eight middle schools and six high schools with an annual local budget of $53,000. There are more than 8,000 volunteers working in the Dallas schools. Among the volunteers are employees on paid leaves of absence from the Shell, Sun and Atlantic Richfield oil companies and other local companies.

The Department of Education study reported, "The Dallas, Texas, RIF program is the tremendous success story of a school district and a community working together to provide a better education for its children."

It added, "The RIF program has provided children with books for the home and, in conjunction with the Essential Reading Skills program has raised the reading scores. It has also increased hard-cover book circulation in the school libraries.

"Dallas is a good example of a volunteer program that works."

The Texas Migrant Council is bringing RIF to the Head Start Center it operates in Eagle Pass. The three- to five-year-old children are Mexican-Americans of Spanish-speaking parents. Children come to the center speaking Spanish, but with a low vocabulary. The RIF project is designed to reinforce the Head Start curriculum which aims to build the children's skills in Spanish and then slowly introduce them to English. The directors also hope the program will transmit to the parents the skills learned by the children—using RIF books as the vehicle. According to the study, the program seems to be having significant success.

Some 30 percent of parents have attended RIF book distributions. High on the list of the project's strengths is "the patent enthusiasm it has generated among teachers, staff, parents, and children . . . The children treated the books as dear possessions. Teachers expressed their enthusiasm for the children's attitudes towards the books . . . parents interacted with the children . . ."
General Observations

Without systematic research and testing, and sometimes even with it, it is often difficult to isolate RIF as the needle in a haystack of factors that suddenly opened a child’s mind or raised his test scores. Motivation is difficult to measure.

We present the following reports because, in every case, the person who witnessed the results believes that RIF was directly responsible for them.

Mean Scores Up Five Points

“There is no doubt in our minds that the addition of RIF distributions to our reading program has increased the interest in reading. In an attitude survey administered in September 1977 and May 1978, the mean scores increased five points for the entire student body. For those students who were assigned to developmental reading, a class for those students reading two years or more below grade level, the average mean score increased 10 full points. Our library circulation has tripled, and students can be seen reading in the halls, chapel, and the lunchroom.”

Barbara J. Livdahl
Reading Consultant
Oak Grove Lutheran High School
Fargo, North Dakota

RIF Made Books Fun

“There is a little girl I am teaching for the second year in first grade. Since I have had her in my class, I have tried to help her overcome her reading frustrations. Nevertheless, she seemed to be ‘turned-off’ by the stories in the basal reader. With the introduction of the RIF program, she has found that books are fun. At the present time she is reading well and keeps me busy answering questions about the written word.”

Mary Etta Eatmon
Teacher
Gardners School
Wilson County, North Carolina
Sponsors of RIF projects

- 55% Schools and school districts
- 21% PTA's
- 16% Libraries, daycare centers and service groups
- 8% Federal and state programs, foundations, united charities, and others

“This Program Is Unique”

“Congratulations to RIF on developing one of the finest reading incentive programs I have seen. This past year in our school district, there has been a greater awareness of the pleasures of books, more reading, more story telling, and more sharing of stories than ever before.

“This program is unique because of the amount of enthusiasm it generates, not only among the children but within the community itself.”

Carleton P. Lightfoot
Superintendent
Etiwanda School District
Etiwanda, California

“RIF Is a Magic Word”

“Aside from the fun ... we have measurable evidence that RIF, accompanied by an ‘award-for-reading’ program in the school library, has caused more reading. Our circulation is up 25 percent from last year . . .

“RIF is a fantastic, magic word. Our ‘loan’ books on the RIF rack get read—even if we have a regular library edition on the shelf. If it’s RIF, it’s read.”

Shirley L. Morrison
Project Director
Nowata City Schools
Nowata, Oklahoma

12 Percentiles Above in Reading

“The first class that we included in the RIF book distribution program made the highest Science Research Associates test scores to date. We distributed free books to first-grade students in the Spring of 1975 and...
6,111 contributors of funds and/or services to local RIF projects

- Federal and state programs: 1%
- Service groups, local business and united charities, corporations and foundations: 36%
- Libraries, daycare centers and others: 25%
- PTA's: 28%
- Schools and school districts: 10%

Tested them in basic reading skills. In the Fall of 1977 after three years of their receiving RIF books their reading test scores were about 12 percentile scores above the previous class."

Dr. J. S. Smith
Project Director
Hopewell, Virginia

Empirical Evidence of Increased Reading
"... a fourteen-hundred pupil district in central Maine, has been fortunate enough to be involved in its first year with the National Reading Is Fundamental Program. I wish to go on record as stating that I fully support the efforts of this very fine program. Through pre- and post-testing procedures, we have empirical evidence that the increased reading, which is a result of the books purchased through the Reading Is Fundamental Program, has raised reading levels in those students who have participated.

"I encourage the decision-makers who have the authority to extend or increase funds for the National RIF program to do so as there is a direct correlation to the improvement of individual students' reading in my district with the influx of these fine materials."

James Hennigar
Superintendent of Schools
Madison, Maine

First Graders Exceeded National Average
"We recently received the results of the California Achievement Tests, given to our first graders, and I thought I would pass on the good news. The students took the test in the fifth month of first grade and exceeded the national average, in the reading section, by four months. Since student achievement has been closely linked to socio-economic status, our students' achievements were even more remarkable considering our school was recently designated 'low income' by the National Student Defense..."
Volunteers

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<tr>
<th>Percentage</th>
<th>Group</th>
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<tbody>
<tr>
<td>39%</td>
<td>Parents</td>
</tr>
<tr>
<td>20%</td>
<td>Members of sponsoring groups and others</td>
</tr>
<tr>
<td>6%</td>
<td>Librarians</td>
</tr>
<tr>
<td>35%</td>
<td>Teachers</td>
</tr>
<tr>
<td>Less than 1%</td>
<td>Paid staff</td>
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"... our reading achievement scores exceeded those of the school in the highest income area which, incidentally, has no RIF program. Of course, success in reading is influenced by many different things, but it seems obvious that part of this success is due to Reading Is Fundamental."

Mr. Steve Binder
Principal
Riverdale Elementary School
Riverdale, Michigan

Reading Scores and RIF Involvement

"The reading scores of our elementary students have shown improvement the last two years during involvement with RIF. On the State of Missouri Basic Essential Skills Test reading section, our eighth graders in all three elementary schools scored 100% passing of thirty-nine objectives."

Earl Brown
Superintendent
North Callaway R-1 School District
Kingdom City, Missouri

RIF's Major Role

"This year our basic skill test results in reading show the highest overall scores we've ever had! We feel through RIF the interest we've generated with students and parents in the reading area has played a major role with our success."

James Hess
Principal
Lawton-Bronson Elementary School
Bronson, Iowa
As a RIF project serves a community for several years, it tends to attract more support and more volunteers, and to expand to more sites.

<table>
<thead>
<tr>
<th>Average Number of Groups Contributing Funds or Volunteers to Each Project</th>
<th>Average Number of Sites Served by Each Project</th>
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<tbody>
<tr>
<td>1</td>
<td>2</td>
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<td>3</td>
<td>7</td>
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</table>

"RIF Changed Atmosphere"

"We are presently having a distribution here at Utterback Junior High School, and it reminds me anew how much this program means to our school community. RIF has changed the entire atmosphere of our building, as well as the attitude of our students. There is excitement in the air—books are everywhere. Students are exchanging comments and descriptions of books as they review the books on display and try to make that excruciating final selection! We have found a new 'high'—books and the fulfillment they bring . . ."  

Jean Larson  
Principal  
Utterback Jr. High School  
Tuscon, Arizona

"Most Successful Program in 26 Years"

"I feel this is the most successful motivation program I have seen in my 26 years in the field of education. I have seen so many long-lasting effects, on parents, teachers and students. "We have had more parent involvement on this project than any other I have witnessed . . ."  

Bob Eakers  
Principal  
Holiday Elementary School  
Hopkinsville, Kentucky

"100% Parent Involvement"

"There has not been one parent who has not volunteered (for RIF) in some way. I have not had another school project in my tenure as principal in which we have had 100% involvement from our parents.  
The overwhelming response of parents and the community is only overshadowed by the changes in our students' attitude toward reading . . ."
There has been an air of anticipation throughout the school year... "As principal, I feel the children's, parents', and community's response has inspired the teaching staff, too. In days of talk of 'teacher burnout' I have witnessed teachers who have renewed enthusiasm and energy for teaching, and I believe it to be a result of our RIF Program."

Kay Zmudka
Principal
Bernard and Cascade Elementary Schools
Cascade, Iowa

New Parent-Teacher Interaction

"In general, the RIF program has generated a camaraderie and involvement between the school and parents which did not exist before. Parents are involved in the selection of the books and therefore are becoming more knowledgeable about children's literature."

Helen Fleishman
Librarian
Lindell Boulevard School
Long Beach, New York

"RIF Most Positive Thing Done"

"Being part of the RIF program was probably the most positive thing we have done. Many people have commented on the program and how much their children appreciated the beautiful books they received.

"The school board of our school also received many compliments concerning the program. They felt that for a change something was done that no one could 'kick about.'"

Gary M. Volk
Superintendent
Souris Public School District No. 29
Souris, North Dakota
Reading Is Fundamental is a unique institution, known throughout the U.S. as an organization working in the vanguard of the literacy drive since 1966. As such, it is recognized and supported by the private and public sectors.

Private funds gave RIF its start 15 years ago and the private sector—corporations, foundations, individuals—continue to support RIF not only with generous financial contributions but also with active participation.

As one example of the private sector’s high regard for RIF, this year David Rockefeller, Chairman of the Chase Manhattan Bank, invited 15 executives of major banks and corporations to a luncheon presentation so they could learn more about the need for RIF and the importance of RIF to their future business operations.

The Mattel Foundation, following its sponsorship of National Reading Is Fun Day in 1979, this year made a major challenge grant to RIF to create a new film on literacy.

RIF continued to find innovative ways of involving corporations which seek to augment their public affairs activities, both at the local and national levels. Santa Fe Railway and Levi Strauss, to name two companies, assign employ-
ees who are interested in RIF as volunteers in projects located where the companies have plants or offices.

"Chase Manhattan has consistently supported Reading Is Fundamental, and it has done so for very practical reasons. Those reasons are apparent to any business executive today who is familiar with the sometimes staggering personnel problems that companies are facing... From its very beginning, Reading Is Fundamental has been supported by the private sector. Government matching funds available to RIF are primarily spent on book purchases. But RIF is a private organization—nonprofit, non-governmental. It has maintained its independence and its freedom from bureaucracy...

"If, for one, believe in supporting an organization that simply, quickly and efficiently gets books to children... I believe that the private sector has a responsibility to all of the children in this country, and I think one of the ways we can meet our responsibilities and contribute to their futures—and to our own—is to continue to support this organization."

David Rockefeller
Chairman of the Board
Chase Manhattan Bank
(March 18, 1980)

On the public side, Reading Is Fundamental continued to operate the Inexpensive Book Distribution Program (IBDP), a program modeled on RIF, which was enacted by the Congress in 1975. The program, which Reading Is Fundamental operates under contract with the U.S. Department of Education, allows RIF to offer federal matching funds to local communities to buy books for youngsters in RIF projects. The IBDP has been widely applauded as one of the best cooperative efforts between private citizens and the federal government, as well as a demonstration that it is possible to operate a federal program without burdening communities with red tape.

Typical of comments RIF has received are these:

"Having been involved in applications for and administration of various Federal programs for quite a few years, I would like to commend you for the efficiency and thoroughness in which your particular program is conducted. It is a pleasure to read instructions which are short, concise and understandable. You completely shattered my concept of Washington when one of your staff contacted me for information at my home at 8:00 p.m.—on a Friday evening."

F. H. Smedley
Director of Elementary Education
Hempfield School District
Landisville, Pennsylvania

"...it is my personal belief that the RIF program has been the most cost effective program for children that the federal government is involved in. It certainly provides more direct service per dollar spent than any other program in the domestic assistance catalogue."

Robert McNichols
County Administrator
Pulaski County Board of Supervisors
Pulaski, Virginia
Reading Is Fundamental's work is made possible through generous contributions from corporations, foundations and individuals, and through a major contract with the U.S. Department of Education to operate a program the Congress modeled on RIF. The Board of Directors, the staff and the volunteers of Reading Is Fundamental gratefully acknowledge this support.

Major Contributors to Reading Is Fundamental, Inc.

Corporations, Foundations and Organizations

ACF Foundation  
Alcoa Foundation  
Allied Chemical Foundation  
American Federation of Labor—Congress of Industrial Organizations  
American Telephone & Telegraph Company  
Atlantic Richfield Foundation  
Bendix Corporation  
CBS Inc.  
Carrier Corporation Foundation  
Carter Hawley Hale Stores, Inc.  
Chase Manhattan Bank, N.A.  
Chesebrough-Pond's Inc.  
Circle K Club, Salisbury College  
The Coca-Cola Company  
Cummins Engine Foundation  
Continental Group Foundation, Inc.  
Delta Sigma Theta—Delta Chapter  
Educational Foundation of America  
Exxon Education Foundation  
Ford Motor Company Fund  
General Electric Foundation  
General Mills Foundation  
General Motors Foundation, Inc.  
Richard & Rhoda Goldman Fund  
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W. Averell Harriman Lead Trust  
Heinz Company Foundation  
The Honeywell Fund  
International Business Machines Corporation  
International Paper Company Foundation  
International Telephone & Telegraph Corporation  
Junior League of Washington Book Group  
Kimberly-Clark Foundation, Inc.  
Koppers Company Foundation  
Foundation of the Litton Industries  
The Mayflower Hotel  
Mattel Foundation  
Merck Company Foundation  
Metropolitan Life Foundation  
Millmaster Onyx Group  
Mobil Foundation, Inc.  
NL Industries Foundation, Inc.  
Nalco Foundation  
New York Life Foundation  
New York Times Company Foundation  
Pfizer Foundation, Inc.  
PPG Industries Foundation  
De Witt Wallace/Reader's Digest  
Continued
Students from Lincoln Junior High School in Shepherd, Michigan, visit the book distributor's warehouse to help adult volunteers find titles for book distributions.

Reliance Group, Inc.
Santa Fe Industries Foundation
Schering Plough Corporation
Sun Company, Inc.
Texaco Philanthropic Foundation
Time Incorporated
Times Mirror Company
Union Carbide Corporation
Raymond John Wean Foundation
Xerox Foundation

Individuals
Mr. Frederick Adler
Mr. Arthur Ashe, Jr.
Mrs. Helen E. Atwater
Ms. Loretta Barrett
Mr. Leo C. Beebe
Mrs. Ruth Boorstin
Mr. & Mrs. Henry E. Catto, Jr.
Mrs. Edward D. Eddy
Mr. Dale R. Egeberg
Mr. Edward E. Elson
Mr. Samuel B. Ethridge
Mr. David Friedman
Mrs. Ruth Graves
Mr. James Glenville
Mr. Charles F. Harris
Mrs. Ruth S. Holmberg
Ms. Barbara B. Jackson

Mrs. Shirley Katzander
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Ms. Edna May Parish
Mr. Milton Petrie
Mrs. Elliot L. Richardson
Mrs. Charles S. Robb
Mrs. Sylvia Robison
Mrs. Jean Head Sisco
Mr. Arthur H. White
Mr. Eliot Wigginton
Ms. Catherine Winkler

Reading Is Fundamental also receives many contributions from organizations and individuals who wish to remain anonymous, as well as smaller donations, too numerous to list, from private citizens and local groups around the country. Contributions to Reading Is Fundamental, Inc. are tax deductible. RIF has been accorded 501(c)(3) status as a nonprofit corporation by the Internal Revenue Service.
Officials and Organizations Endorsing the RIF Program

Every Commissioner of Education since 1970, including Secretary of Education Terrel Bell, who endorsed RIF during his tenure as Commissioner (1974-1976).

National Association of Elementary School Principals
National Association of Secondary School Principals
National Association for the Education of Young Children
National Catholic Educators’ Association
American Association of School Administrators
American Library Association, Association for Library Services to Children
International Reading Association
National Urban League
National Education Association
Girl Scouts of America
Alpha Kappa Alpha Sorority
Boys’ Clubs of America
Campfire Girls, Inc.

Reading Is Fundamental provides a wide variety of services with a two-fold purpose: 1) to bring materials and assistance directly to local citizens; 2) to work for literacy on a national level through public education, cooperation with other organizations and other special projects.

Assistance to local RIF projects serving more than three million children was provided this year by the Reading Is Fundamental staff from its Washington, D.C. base. RIF staff members traveled to local communities across the country, holding 225 meetings with RIF volunteers. Thousands of hours of assistance were provided by telephone.

A particularly effective development was the training of 12 experienced local project directors to be in-the-field consultants to other volunteers. With guidance from RIF staff, the local consultants are conducting training sessions on RIF techniques for selecting books, recruiting volunteers, devising reading activities, and fundraising.

To help volunteers serve as many children as possible, Reading Is Fundamental obtains from book publishers and distributors high discounts on books purchased by RIF projects. In 1980, 320 such companies were cooperating with RIF and giving generous discounts. Most books were purchased at an average discount of 41 percent. Many companies offer special materials and services to RIF volunteers.

RIF processes the bills for books purchased by local projects receiving federal funds to relieve volunteers of paperwork. This year, the RIF staff handled more than 40,000 individual invoices.
Age of Three Million Children Served

Publications RIF published and distributed in 1980 included:

- **RIF Bulletin**—a quarterly publication for volunteers. This year, issues covered such topics as program organization, and techniques parents can employ to encourage young children to read.

- **RIF Newsletter**—another quarterly publication, reports on RIF activities nationwide. The Newsletter is distributed to the public as well as to RIF projects. It reaches more than 20,000 readers.

- **A Book in Every Hand**—a pamphlet describing RIF activities around the country.

- **Will Your Community's Youngsters Grow Up Reading?**—a brochure explaining procedures on applications to start RIF projects. It is printed in English and Spanish.

- **RIF's Painless Guide To Ordering Books and Making Payments**—an instruction manual for project leaders. For projects that have trouble ordering books, RIF also has a problem solving brochure.

- **Resource Manual**—an aid for volunteers organizing their first RIF project.

- **Read, Read, Read**—a film on RIF that projects use to involve their communities.

- **Profiles**—descriptions of the 320 publishers and distributors who work with RIF. The profiles list special discounts and services RIF has obtained for the projects.

- **For the Migrant Youngster, Books Are Friends in Strange Places**—a brochure explaining the special help RIF offers projects serving the children of migrant and seasonal farmworkers. It is printed in English and Spanish.

**Reaching Migrant Children**

In 1980, Reading Is Fundamental was serving 80,000 migrant children in 65 projects around the country. Half of the projects are located in Texas. This year, these youngsters were choosing, to own, some 300,000 books.

Other states with migrant programs include Arizona, California, Colorado, Georgia, Florida, Illinois, Maine, Michigan, Minnesota, New Mexico, North Dakota, North Carolina, Oregon, Pennsylvania, Utah, Vermont, Virginia, and West Virginia.

In Pennsylvania, The RIF migrant program, under the jurisdiction of the Pennsylvania Department of Education, has been operating five years.

Jean deSabatino says, "I don't know what we would do without the program. Ownership for migrant children is very important. Our kids, especially the transient kids, have nothing. They don't even have clothing of their own. For them to have books is fantastic."

The Reading Is Fundamental office serves as a national clearinghouse for information on reading and education. In 1980, the RIF staff responded to more than 6,000 queries. Questions
involved sources of books for children, motivational activities in the home, and many other subjects.

Conventions and meetings RIF participated in this year included those of the Title I Parents' organization, the National Black Child Development program, the Indian Education Conference, the National Association for the Education of Young Children, the National Council of Teachers of English, the Association for Children with Learning Disabilities, the International Reading Association, the West Virginia Library Association and the National Urban League.

Bringing the Reading Message to the Public

The Reading Is Fundamental public education campaign on radio, television and in magazines is playing a critical role in involving Americans in the reading campaign. Since 1971, national magazines, the CBS, ABC, and NBC radio and television networks, and local TV and radio stations have given RIF more than $17 million in free space and time.

Since 1971, the Al Paul Lefton Advertising Company has volunteered its time and its talent to create the RIF announcements. The Advertising Council has approved the RIF campaign as a public service cause and lists Reading Is Fundamental in its Bulletin.

The 1980 campaign features actor Edward Asner on radio and television. There is also a series of five print public service advertisements, one featuring Mr. Asner.
A vote for RIF is a vote for the future.

Next time you're reading about the candidates or studying the issues in the newspaper, think how much harder it would be to make a decision if you were one of 23 million Americans who can't read well enough to function in our present-day society. For them, coping with everyday issues in an increasingly complex, technological world is close to impossible.

Will future generations be able to cope? Will they be able to read a newspaper, job application, tax return—or read just for pleasure? They will if we begin right now to inspire more children to want to read. By putting books into their hands. Books that will teach them to think, help them to learn and make them grow.

Join the RIF rally to read. RIF stands for Reading Is Fundamental, a national, non-profit program that gets children interested in reading. Through thousands of local community programs that help kids help themselves to books.

So, if you have youngsters, put the RIF philosophy to work in your home. Bring back the bedtime story tonight. Then help make it work in your neighborhood. Get in touch with your local RIF project soon.

Bring back the bedtime story.

Do you remember a parent or grandparent reading to you when you were a child? If you do, you're probably luckier than you ever imagined. That early exposure to books was an important first step to get you interested in reading. So you started to read and books you read made you think, learn and grow.

The bedtime story needs reviving. Because there are already 23 million Americans over 16 who can't read well enough to function in our present-day society now that they're adults. Very likely they didn't read as children.

Changing that statistic means we must inspire the next generation to want to read. First by reading to our children, and later by putting books into their hands. That's the philosophy and strategy of RIF stands for Reading Is Fundamental, a national, non-profit program with thousands of local community projects that get books to children and children into books.

The world is full of empty words when you can't read.

From street signs to danger warnings; medicine bottles to want ads; the signs of our times are meaningless to the 23 million Americans who can't read them. These are the people who get lost in the shuffle. Because it's hard enough to get around town, let alone get a job, without elementary reading skills.

RIF is helping to make sure this won't happen to the next generation. RIF stands for Reading Is Fundamental, a national, non-profit program that makes children want to read. With thousands of local community projects that help youngsters help themselves to books.

Books they can pick for themselves and keep for their own. Books that help children grow into lives that are more rewarding.

RIF works. Make it work in your neighborhood. Get in touch with your local RIF project.

Figures for the first six months of 1980 reveal that the media have been exceptionally generous in carrying RIF announcements—always free.

Print advertisements have been published free, nationally in Newsweek, Fortune, and U.S News & World Report.

Thanks to Media Networks, the organization that supplies advertising inserts to regional editions of national magazines, the RIF campaign has been published in regional editions of these magazines:

Business Week
Dun's Review
Nation's Business
U.S. News & World Report
Newsweek
New York Magazine
Sports Illustrated
Time
Money
Glamour
Mademoiselle
Seventeen

Reader's Digest, National Geographic and Scientific American are also running RIF announcements in regional editions.

Recent reports show that one Reader's Digest issue alone has given RIF $218,651 in space and reached more than 21 million readers.

In addition, RIF announcements have been running in city magazines and specialized ones, including:

Creative Computing
The Roanoker
Woman's Day
CBS Publications (specials)
Nuestro
Magazine Age
Colorado Realtor
Utah Holiday
Strength & Health
The Triad
Mechanics Illustrated
The Country Shopper
Prime Time Magazine
Sunset Magazine
St. Louis Magazine
Children's Playmate
Dallas Magazine

TWA Ambassador
Child Life
Caminos
Texas Medicine
Jack & Jill
Turtle
Rapides Revue
Coast Magazine
Clubwoman
Shuttle, Spindle & Dyepot
Campground & Trailer Park Guide
Surgical Rounds
Voice of the Tennessee Walking Horse
Washington Journalism Review

Television and radio coverage has also been exceptional. In 1980, the three radio and television networks, ABC, CBS and NBC, gave nearly $4 million in free time to RIF public service announcements.

On the local level, it is impossible to keep track of all broadcasts of a public service announcement. From reports received, however, we know that more than 150 local television stations and 225 local radio stations are using RIF announcements.

In editorial coverage, both The New York Times and The Washington Post published stories on Reading Is Fundamental in 1980. RIF President Ruth Graves was interviewed on Cable News Network and stories on local RIF projects appeared in thousands of newspapers and on hundreds of television and radio programs.
Youngsters in the Dearborn, Michigan RIF project dressed up as book characters to greet Mayor John B. O'Reilly.
In 1980, 3,800 RIF projects were bringing 11 million books to three million young Americans. Among the projects Reading Is Fundamental visited this year, we found:

A RIF program in the Saratoga branch of the Brooklyn Public Library, located in Bedford Stuyvesant, where the children created a mural that helped them find beauty in their often discouraging surroundings. The project was the brainchild of the librarian, Mike Havner, and the children's librarian, Amelita Movey, who sent the children to take color photographs of the neighborhood around the library. Large prints were made of each photograph, and the children used them as patterns to draw a mural of their community on a library wall.

The librarians also assembled a presentation of slides, taken by the children, and the youngsters' comments. Said one, "We saw a burnt-out building. It looked ugly until we saw a spider making a web in the window. We decided to take a picture of it. It was so beautiful!" Another said, "I liked doing the mural better than taking the pictures. You can change things in the drawing. You can't change the photographs."

According to Mr. Havner, "RIF is the best thing that ever happened to libraries like this."

We have also worked this year with programs serving Eskimo children in Hooper Bay, Alaska; with youngsters on the Wind River Indian Reservation in Wyoming; with volunteers and children from every major city in the country, hundreds of suburbs, and countless rural areas.

What follows is a small selection of highlights from RIF projects in the four Reading Is Fundamental service regions of the country.
At the Resource Center of Pierce School, Belfast, Maine, children used their RIF books to research the seashore as part of a summer school program. On August 2, 1980 they put messages into bottles and launched them from the beach. One ketchup bottle arrived in Cherbourg, France, on October 9. The writer of the message, fifth-grader Colleen Sweeney, received a postcard from Cherbourg with a note from the man whose three-year-old son found her ketchup bottle on the beach. The note said: "Dear Colleen, Greetings from the other side of the Atlantic. My son Gregory, age three, discovered your note in the ketchup bottle which found its way to France with the assistance of the jet stream. Do hope you enjoy school. What you learn there is so very important. Best wishes, Arthur de St. Maurice."

William Lederer, author of the best-seller The Ugly American, spoke at the first RIF distribution held at the Peacham Elementary School in Peacham, Vermont. Mr. Lederer led a lively discussion about books, authors, writing, imagination and reading with 50 fascinated and attentive children. He then read to them from his forthcoming book of short stories and told the children that books are a "miracle of freedom."

At Gesu Catholic School in Philadelphia a recent RIF program included a "celebrity" day each week for six weeks at which a well-known member of the community came to read to the children and to tell them about the importance of reading to work. A doctor, a clown, a mailman and Beth Siniawsky, secretary to Philadelphia Mayor William Green, all contributed their time to this program.

At the Ohio Veterans' Children's Home and School in Xenia, Ohio, children in grades K-6 participated in a musical chairs book distribution. Books were placed on chairs around the room. Music began, and as it played, the children walked by the chairs, glancing at the books as they went. When the music stopped, each child picked up a book from the closest chair and examined it. This was repeated about 10 times. Once the music stopped, the children were free to browse through all of the books and make a choice. The type of music changed according to the grade level participating.
Region II

Highlights

Books from Pearl Bailey's private collection were auctioned off for the benefit of children in the Arlington, Virginia RIF project. The benefit auction and cocktail party, held at the home of Lieutenant Governor and Mrs. Charles S. Robb, drew more than 100 guests. Many of the 160 books offered for sale were signed by their authors or contained Miss Bailey's personal inscription. The best selling book of the night was *My Heart Belongs to Daddy*, by Mary Martin, which contained a personal message from Mary Martin to Pearl Bailey and sold for $40. The event raised $1,800 for Northern Virginia RIF. Mrs. Robb is a member of RIF's Board of Directors.

At the Moore Elementary Alternative School in Winston-Salem, North Carolina, activities included a balloon lift-off. One student later received a letter from the captain of a ship in the mid-Atlantic where the boy's balloon had landed. The captain included a photograph of himself on his ship.

The Grand Rapids, Michigan, public training schools offered an elective program on RIF for teachers at a district-wide day. Nearly 50 teachers attended the session, and were so impressed with it that they requested and were granted a class in which 25 teachers met for 15 hours of instruction in RIF reading activities. The teachers received "professional growth" credits for their class work.

Also in Grand Rapids the RIF theme for November was "Elections." A campaign began on election day and culminated with National Book Week (November 17-22). Campaign buttons urged "Vote for Books" and "Vote for RIF" and each class held an election to choose favorite authors and RIF titles. Among the "best sellers" were Geraldine Richelson, *Star Wars Storybook*; Laura Ingalls Wilder, *Little House on the Prairie*; John Bellairs, *House with a Clock in its Walls*; Donald Sobol, *Encyclopedia Brown* series.

Region III

Highlights

In Pine Bluff, Arkansas, VIPS (Volunteers in Public Schools) coordinated the RIF program at 16 schools. An excellent example of cooperation among parents, volunteers and school personnel, the Arkansas project has sponsored such imaginative RIF activities as:

- 220 children at First Ward Elementary School painted a 397-foot mural illustrating stories they had read in RIF books. The students plan to send the mural to the *Guinness Book of World Records* as the world's largest children's mural.
When the stage show, "Bugs Bunny Meets the Super Heroes," came to Pine Bluff, RIF volunteers borrowed costumes from Bugs Bunny and Sylvester Cat and toured five area schools in support of RIF projects. The activity was so successful that the New York manager of the show wrote a letter to RIF saying he hoped to initiate the idea of visiting schools to promote RIF on a national basis.

Wisconsin Rapids School District had a district-wide RIF week in October. The mayor opened the week at a ceremony, and special events marked each day. Every school selected a theme, with "Kick-Off with RIF" the most popular. Activities at the six schools choosing that theme included judging football cheers, sports costume contests, a read-a-thon, playground games, and punt, pass and kick contests. Other themes included "Climb Aboard the RIF Raft," which featured a raft race; "Falling for Books," dressed up with leaves; "Plant the Seed of Reading and Grow," involving a Johnny Appleseed skit and the planting of two apple trees. The district-wide distribution served 6,400 students.

In Omaha, Nebraska, St. James Manor, a low-income housing community of 60 families, holds RIF distributions at night and on Saturdays so that parents may attend. This project, now in its third year, serves 80 children and is operated by community residents.

Region IV

One of the most unusual RIF projects may be the one in Hooper Bay Public Schools. Hooper Bay, Alaska, is an isolated Eskimo village of 700, located on the coast of the Bering Sea. The community can be reached only by plane, boat or sled. Ninety-eight percent of the children in the project are Yup'k Eskimo. At its first distribution, 215 Hooper Bay children chose, to keep as their own, 864 books. Not only is the project partially funded by student fundraising activities, but students also sit on the book selection committee where they select books, calculate discounts, and fill out order forms. One reason for RIF's success in Hooper Bay may be that books are especially precious where there is no television reception.

At the Colorado Boys' Ranch in La Junta, Colorado, boys participated in a reward system called "Book Karate," where they earned belts similar to Karate belts by reading a specific number of books for each level. The ranch, a private, nonprofit organization, provides care and education for 91 residents and three day students.

In Louisiana, 300,000 children received half a million books in a statewide program. The state legislature appropriated $500,000, matched by RIF with federal funds. Jan Melton, of the state Department of Education, coordinated the project in 1,205 schools in 60 parishes, working individually with librarians to develop information for each community. A state book selection committee, composed of representatives from the RIF project, librarians, state personnel, and parents bought books and sorted them into 20 packets, varying in size and cost. Each school chose the packets appropriate for its students.

Highlights
3 June 1981

Mr. Robert S. McNamara,
President : International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON, D.C. 20433
USA

Dear Mr. McNamara,

Thank you very much for having afforded me the opportunity on Thursday, the 14th of May, to discuss with you some of the basic ideas we have for setting up a Development Bank for the Southern African region. As I explained, we will probably be able to set up the top management of the Bank early in 1982 and we expect that it will be extremely useful to receive some technical support from the World Bank with regard to the training of development officers. I was glad to learn from you that this is the kind of assistance that the Bank shall be able to provide.

May I also wish you well on the new assignment you are taking up within a few weeks in Washington. I would certainly like to make use of your invitation to look you up when next I am over there.

Yours sincerely,

J.A. Lombard
Special Adviser : Economic Co-operation in Southern Africa
South African Reserve Bank
Preto, Pretoria

3 June 1981

Dear Mr. Mendelsohn,

Thank you very much for having allocated me the opportunity on Thursday, the 14th of May, to discuss with you some of the basic issues we have for setting up a Development Bank for the Southern African region. As I explained to you, we will proceed to set up the Board of Management and the Bank early in 1982 and hope to have the Board very soon.

I am extremely grateful for the training and support from the World Bank with regard to the training of development officers. I was glad to learn from you that this is the kind of assistance that the Bank will be able to provide.

I also wish you well on the new assignment you are taking up within a few weeks in Washington. I would certainly like to make use of your invitation to look you up whenever I am over there.

Yours sincerely,

[Signature]

incoming mail unit

1981 jun 9 pm 3 11
received

Special Adviser: Economic Co-operation in Southern Africa

A.L. Lombard
Mr. McNamara:

Mimi Conger, Publicity Person (honest) for the Planned Parenthood Fund Raising Dance on June 30, called.

She asked if you would give her one or two lines for use in a publicity release saying simply "I am more than happy to support Planned Parenthood (of Metropolitan Washington) as a worthy cause" -- or something to that effect.

B.

783 4848
May 15, 1981

Mr. Robert Strange McNamara
2412 Tracy Place, N.W.
Washington, D.C. 20008

Dear Mr. McNamara:

On Tuesday, June 30, 1981, Planned Parenthood of Metropolitan Washington, D.C., Inc. and Consumer Health Services of America, Inc. are presenting an evening of dining and dancing. The proceeds from this benefit will be equally distributed between the two non-profit organizations to enable them to continue to provide clinical, health care, and counseling services to residents of the Washington metropolitan area.

Recognizing your support for family planning and health care, we would be most pleased to have you serve as an Honorary Patron of the evening's events. As an Honorary Patron you will be our special guest at the Benefit Sponsors and Committee "Kick-Off" Reception to be held on June 16 at the Embassy of Ecuador from 6:00 until 8:00 in the evening. On June 30, you will be our guest at one of the twenty dinner parties sponsored by embassies and committee chairmen preceding the dance.

The Ambassador of New Zealand and Mrs. Gill have graciosly offered their Embassy to host the dance, which will be held from nine-thirty until twelve midnight. Names of all Honorary Patrons and Corporate Sponsors will appear on the evening's program.

Consumer Health Services is a home health agency serving the metropolitan Washington area with a full range of services including skilled nursing; physical, occupational and speech therapy; social services; and home health care aids that provide personal and professional care. The agency offers an effective alternative to expensive hospitalization or nursing home care by providing professional assistance in the home to persons of all ages who are chronically ill, recovering from an illness, handicapped, and those who cannot live at home without professional care because of the infirmities of old age.

1108 16th Street, N.W.
Washington, D.C. 20036
202-347-8500
Dear Sil:

I am writing to request your support for legislation authorizing and appropriating funds for continued U.S. participation in the multilateral development banks. Major provisions of this legislation will provide for the U.S. contribution to the sixth replenishment of the International Development Association, for membership in the African Development Bank, and for subscriptions to the General Capital Increase of the World Bank.

I intend to review our approach, and level of contribution, to the multilateral development banks before we agree to new replenishments or capital increases. However, I regard the legislation I have requested as necessary to live up to agreements already made.

U.S. participation in the multilateral development banks has had a long record of bipartisan support in the Congress and in both Democratic and Republican Administrations. I urge you to continue that tradition and assert U.S. international leadership by supporting this legislation.

Sincerely,

Ronald Reagan

The Honorable Silvio O. Conte
Committee on Appropriations
House of Representatives
Washington, D.C. 20515
1. India's latest approved allocation for FY82 is US$2,000 million consisting of US$1,600 million in IDA funds and US$400 million in Bank funds.1/ The purpose of this memorandum is to seek your approval for a US$600 million increase in the IBRD program for FY82, making a total of US$2,600 million.

2. After a difficult period surrounding the political developments of 1979-80, the Indian Government has responded to our urgings that they develop a strong project pipeline. Indeed, the current situation is remarkable. Sixteen prospective projects involving total loan/credit amounts of about US$3,275 million have already been appraised, or will be appraised within the next month or so, and another five projects involving lending amounts totalling some US$700 million are expected to be appraised before the end of the calendar year. Given normal delays and project attrition, this can be expected to yield a lending program of at least the size we recommend, with substantial carry-over to FY83.

3. The composition of this pipeline is directed entirely toward supporting the Government's efforts to promote rural development and to solve the infrastructure problems which have plagued the Indian economy in recent years. In addition to eight projects in irrigation, agricultural credit, agricultural extension, social forestry, and drinking water supply, it includes one project in urban development and twelve in the power, industry, railways, and petroleum sectors. Since there is a minimum level of involvement in a sector required to know it well, choosing among the projects involved would impose on us and on the Government extraordinarily difficult priority decisions among sectors and projects which have already been selected for their high priority.

4. This is particularly true since we are pursuing sectoral objectives which go beyond the lending program. We have already made significant progress, especially in irrigation and power. In both these sectors and in credit, railways and the cement and fertilizer industries, our future lending is linked with technical, operational and pricing reforms which, if achieved, would have major benefits for the economy far transcending any particular project. Thus, it is not just the projects or the lending program which are at risk; our whole strategy of focussing on the necessary adjustments in key sectors is in jeopardy if we are forced to withdraw from the program on which we and the Government have already embarked.

5. An increase in the availability of Bank funds for India in FY82 is also called for by India's external resource requirements, which will

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1/ This represents a nominal increase of 21% in the FY81 IDA allocation of US$1,320 million but a 7% decrease in the FY81 IBRD figure of US$430 million.
increase dramatically over the period during which FY82 commitments will be disbursed. The IMF’s proposed EFF would be designed to help meet the deficit on current account this year and the following two years, but it would not address the rapidly growing deficit from 1983/84 onward, which is when the bulk of any increase in Bank Group funds would flow. It should be emphasized that the Government has also heeded our advice on the need to mobilize other non-concessional finance: The Sixth Plan projects some US$5 billion in net flows of borrowings on commercial terms from non-traditional sources (e.g., the IMF, the ADB, Eurodollar markets and suppliers’ credits) over the Plan period. This implies commitments much larger than those likely to be available from the Bank over the period.

6. Finally, there is no question at this stage of India’s creditworthiness for the amounts of increased Bank lending advocated here, even in conjunction with the amounts of additional borrowing on commercial terms currently envisaged. An increase in the Bank lending program for FY82 from US$400 million to US$1 billion would be consistent with the need for India to mobilize additional resources in support of her adjustment efforts which you acknowledged in your discussions with the Government during your recent visit. Such an increase would signal our confidence that the types of investments we are supporting can make a significant difference to those adjustment efforts.

7. May we have your authorization to plan for an FY82 Bank lending program of this order of magnitude?

cc and cleared with: Mr. Wiehen (ASA)

AOHamilton:ns

Dear Bob,

Since you liked the Austrian wine we had at lunch last week, I am sending you a few samples of this product of my country. I greatly enjoyed our luncheon à deux and, as always, the very interesting conversation we had.

With best wishes

Kurt Waldheim

Mr. Robert McNamara
President
World Bank
Washington, D.C.
Dear Mr. McNamara,

I should like to thank you for your letter of 17 March 1981 concerning the safe release of your staff member, Mr Jeffrey Balkind, from the hijacked PIA aircraft.

Your kind words regarding my efforts to assist in bringing the crisis to a peaceful end were much appreciated. I had indeed been following the situation with great concern and was deeply gratified that the incident was resolved without further bloodshed.

I was very glad to see you at the reception before David Rockefeller's dinner last week and was extremely sorry, as I told you, that I was prevented from staying on by the emergency session of the Security Council on Lebanon.

With kind personal regards,

Yours sincerely,

[Signature]

Kurt Waldheim

Mr. Robert S. McNamara
President
The World Bank
Washington D.C.
25 March 1991

Dear Mr. McManus,

I should like to thank you for your letter of 17 March 1990 concerning the release of your State member Mr. Jeffery Barking from the Philippine P.I.A. airstrip.

Your kind words regarding my efforts to secure in principle the release of a political prisoner are much appreciated. I had indeed been following the situation with great concern and was deeply distressed that the incident was occurring without further progress.

I was very glad to see you at the reception before David Rockefeller’s dinner last week and have enjoyed many discussions with you in the past. I hope to see you again at a later date.

With kind personal regards,

Yours sincerely,

[Signature]

INCOMING MAIL UNIT
MR. ROBERT S. MCMASTERS
1991 ARB - 2 FM 2 - 10
RECEIVED

The World Bank
Washington D.C.
Dear Mr. McNamara:

I thought that you might be interested in the enclosed press release, reporting the findings of a UN Mission which reviewed Operation Flood and found it a success.

The newspapers gave this release quite good coverage.

I thought you might also be interested in the enclosed card, recently received from friends in Bombay, congratulating us on our "success":

I wish you a very happy visit to India.

With kind regards,

Yours sincerely,

[Signature]

(V. Kurien)
March 20, 1981

Mr. Robert S. McNamara
President
World Bank
Washington, D.C. 20433

Dear Mr. McNamara:

Thank you for your thoughtful comments on Senator Eagleton's and my bill to establish a Commission on More Effective Government. Both your thoughts and your continued interest in the effort will be of real help in developing effective legislation.

With warmest personal regards.

Sincerely,

William V. Roth, Jr.
U. S. Senate

WVR/dmi
Dealing with the Senate
WASHINGTON, D.C.

Mr. President & Members of the Senate:

Thank you for your continued interest in the effort to amend the Congressionally mandated 1971 Commission on Price Elasticity of Demand. I am pleased to report that your proposal to expand the original mandate of the Commission seems to have been well received. Both your proposal and your continuing interest in the effort will be of great help in developing effective legislative recommendations.

With warmest personal regards,

[Signature]

William V. Roth, Jr.
U.S. Senate

1981 MAR 23 PM 3 17
INCOMING MAIL UNIT
RECEIVED
February 2, 1981

Dear Hannes:

I was saddened to read of your resignation as Minister of Finance, but I send you best wishes in your new assignment.

Do please plan to allow time for a visit with me when you next come to the United States.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

His Excellency
Hannes Androsch
Vienna, Austria

RMcN: bmm
Vienna, 20th January 1981

Dear Mr. McNAMARA,

After more than ten years as Austrian Minister of Finance I have now decided to give up this office.

I should like to take this opportunity to thank you most sincerely for your excellent cooperation and openmindedness which helped so greatly in promoting relations between our countries.

May I wish you the very best for your future work and your personal well-being.

Sincerely yours,

[Signature]

Mr. President
Robert McNAMARA
World Bank
1818 H Street, N.W.
WASHINGTON, D.C. 20433
USA
Dear Mr. NAMARA,

After more than ten years as Austrian Minister of Finance I have now decided to give up this office.

I should like to take this opportunity to thank you most sincerely for your excellent cooperation and understanding which helped so greatly in promoting relations between our countries.

May I wish you the very best for your future work and your personal well-being.

Sincerely yours,

[Signature]

Mr. President
Rector Mr. NAMARA
World Bank
1818 H Street, N.W.
WASHINGTON, D.C. 20543
USA

INCOMING MAIL UNIT
1981 JAN 30 PN 2 36
RECEIVED
February 2, 1981

Dear Bill:

Now that you have left the Treasury, I want to say to you again how grateful we in the Bank are for the strong support which you gave to our programs. During my 13 years here no other Secretary has done as much to educate the public and the Congress as to the way in which the Bank serves U. S. interests. Although the problems ahead of us are difficult indeed they would be far worse had it not been for the program you carried out.

Do let me know when you have time for a leisurely lunch or dinner.

With best wishes,

Sincerely,

(Signed) Robert S. McNamara

Robert S. McNamara

The Honorable G. William Miller
4200 Massachusetts Avenue
Washington, D. C. 20016
Dear Bob:

As my departure from office approaches, I want to thank you personally for your contributions to our mutual efforts to assure a sound international economic and monetary system. During this period, there has been significant progress in addressing the difficult problems facing the world economy. The cooperation and support I have received from you and my other colleagues abroad during my terms of office as Secretary of the Treasury and Chairman of the Board of Governors of the Federal Reserve are deeply appreciated.

It has been a pleasure working with you. I know that my successor at the Treasury will need and value your help and support, as I have.

Many thanks, and my best wishes to you in all your future endeavors.

Sincerely,

G. William Miller

The Honorable
Robert S. McNamara
President
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
Dear Pop:

As my departure from office approaches, I want to thank you personally for your contributions to our mutual efforts to secure a sound international economic and monetary system. During these past years, there has been significant progress in that regard.

Difficult problems facing the world economy and cooperation and support from you and my other colleagues have gradually increased from my term of office as Secretary of the Treasury and Chairman of the Board of Governors of the Federal Reserve System. Rest assured that you will be deeply appreciated.

It has been a pleasure working with you. I know that my successor at the Treasury will need and value your help and support, as I have.

Many thanks, and my best wishes to you in your future endeavors.

Sincerely,

C. William Miller

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

INCOMING MAIL UNIT
1981 JAN 27 AN 10:01
RECEIVED
Mr. R. McNamara,
President,
International Bank for Reconstruction and Development,
1818 H Street North-West,
Washington, D.C. 20433.

Dear Sir:

On behalf of all members of the Special Committee to act as a Parliamentary Task Force on North-South Relations, we are pleased to present to you a copy of our Report which was tabled in the House of Commons on Wednesday, December 17, 1980.

As representatives of each of the Canadian parties in the House of Commons, we wish to emphasize that our study was approached in a non-partisan manner and emerged from this all-party participation with unanimity in the interests of development.

We trust you will read our Report with interest, and would be pleased to receive your comments.

Yours sincerely,

[Signatures]
Herb Breau, M.P.
Douglas Roche, M.P.
Fr. Bob Ogle, M.P.
To Messrs. Benjiek, Jon

Pruski

Drugs

O pneumonitis

draft a reply

Lord
Dear Bob,

I very much enjoyed our conversation on the eve of my departure for Saudi Arabia a few weeks ago. As you can imagine, some of the same topics emerged in my discussions with various of the Saudi leaders. For your own information I am attaching a copy of the telex report of my meetings, as it may provide you with a useful perspective on current Saudi thinking.

The invitation to Canada to participate in the November 24 meeting on the Energy Affiliate was appreciated. I gather that it went well and that we can look forward to progress on this very important issue, hopefully in time for some substantive decisions at next summer's Economic Summit in Ottawa.

Yours sincerely,

[Signature]

Mr. Robert McNamara
President
Room E1227
World Bank
Washington, D.C.
20433
I very much appreciate our conversation on the subject of the proposed staff reduction of about 300 positions. In the report on the meeting, it is not clear where the 300 people will be employed or in what capacity they will be employed.

I agree that there is a need for effective and efficient organisation of the Office of Premier. As we have discussed, it may be important to consider a reduction in the size of the management and executive staff. In this regard, I agree that the Office of Premier should review its structure and procedures to ensure that they are efficient and effective.

Yours sincerely,

[Signature]

INCOMING MAIL UNIT
1981 FEB 6 PM 1:43
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CONFIDENTIAL

FM CAIRO PDE 0019 20 NOV 80

TO ETTOTT ECR

INFO WSHDC DELIVER TO CANDEL TO IBRD MTG BY 241000

BONN PARIS LDN TOKYO ROME JEDDA PRMNY BREEC POECD GENEV MXICO VIENN
PCOOTT/PITFIELD/FOWLER ITCOTT/JOHNSTONE/EASTHAM/OCR FINOTT/STEWART/
IFD/IPD/IER CIDAOTT/MASS/SHORTLIFFE/POL

BH EMROTT/COHEN/IERB/CAMPBELL AGRICOTT/TRANT MSEDOTT/OSHALDESTON

DF OTT

BAG ORCAS BR5LA KNSTN GRGTH STKHIN OSLO ALGER LAGOS DSJAM DELHI

DACCA MANIL JKRTA DAKAR ADDJN BGRAD PEKIN CNBRA MOSCO HAGUE BRU

BNATO DE OTT

DISTR MIN AFG DMM JHT LHS PGN PGA PCP PGE POS PES POL SPS ECD ESE

ECO SER GAM

---PM VISIT TO SAUDI ARABIA NORTH/SOUTH DISCUSSIONS

VISIT TO RIYADH GAVE PM USEFUL OPPORTUNITY TO REVIEW NORTH/SOUTH
(N/S)ISSUES WITH NUMBER OF MINISTERS, IT WAS SOLE TOPIC IN MTG WITH
FINANCE MINISTER, SIGNIFICANT TOPIC IN MTG WITH OIL MINISTER, AND PART
OF FINAL ROUND TABLE DISCUSSION CHAIRED BY CROWN PRINCE WITH OTHER
MINISTERS PRESENT AT SEPARATE MTG WITH FOREIGN MINISTER, PM GAVE
NOTICE OF WANTING TO RAISE N/S ISSUE BUT IN FACT SESSION SPENT
LARGELY ON ARAB-ISRAEL QUESTION. IN ALL CASES, PM WAS ASKED TO LEAD
OFF WITH CDN VIEWS, NATURE OF HIS MSG AND WAY IT WAS DELIVERED MADE
MARKED IMPRESSION ON SAUDI HOSTS WHO RESPONDED WARMLY AND OPENLY,

...
EXPRESSING DESIRE TO WORK CLOSELY WITH CDA IN SEEKING ANSWERS TO
INTERNATIONAL ECONOMIC PROBLEMS, WHILE DESCRIBING PARTICULAR SAUDI CONCERNS.

2. PM'S MSG HAD FOUR MAIN COMPONENTS: ROLE OF CDA AND N/S ISSUES AT
ECONOMIC SUMMIT; SUBSTANCE OF N/S PROBLEMS; PROCESS OF N/S DIALOGUE;
AND ATTITUDE OF CDA TO COOPERATION WITH SAUDIS AND OTHERS.

3. IN DESCRIBING ROLE OF CDA AS HOST OF NEXT ECONOMIC SUMMIT, PM
OUTLINED IMPORTANCE OF N/S ISSUES AS AGENDA ITEM BOTH BECAUSE OF
CDN VIEWS (WITH ROOTS GOING BACK TO PEERSON) AND VIEWS OF SUMMIT
PARTNERS AS AGREED AT VENICE. HE STRESSED CDN SUMMIT SHOULD NOT/NOT
BE SEEN AS SOME LCDS ARED, AS ATTEMPT BY MAJOR INDUSTRIAL COUNTRIES
TO QUOTE GANG UP UNQUOTE ON POORER COUNTRIES OR CRYSTALIZE DEFENSIVE
POSITIONS. RATHER IT SHOULD BE SEEN AS EFFORT TO GIVE N/S PROBLEMS
ATTENTION THEY DESERVE IN PRESENT WORLD. HE FELT VENICE HAD RECOGNIZED
WE HAD NOT/NOT SOLVED N/S ISSUES AND HAD QUOTE WOKEN UP UNQUOTE TO
FACT THAT WE NEEDED TO BRIDGE GAP AS HOST, HE WANTED TO USE CDN SUMMIT
TO FIND QUOTE CONSTRUCTIVE APPROACHES UNQUOTE. FOR THIS PURPOSE HIS
INTENTION WAS TO CONSULT WIDELY IN ADVANCE, NOT/NOT ONLY WITH SUMMIT
PARTNERS, BUT ALSO WITH OTHER KEY COUNTRIES SUCH AS SAUDI ARABIA
(HE MENTIONED ALSO COUNTRIES TO BE VISITED IN JAN), IN ORDER TO
OBTAIN GREATER UNDERSTANDING OF THEIR VIEWS ON PRIORITIES AND AREAS
FOR PROGRESS, AND ALLOW HIM TO SPEAK FROM DIRECT KNOWLEDGE. THESE COULD
BE APPROACHED ON GROUNDS OF BOTH SUBSTANCE AND PROCESS.

4. WHILE RECOGNIZING THERE WERE MANY IMPORTANT AREAS OF SUBSTANCE

...3
WHICH NEEDED TO BE RESOLVED, INCLUDING RECYCLING OF PETRODOLLARS AND ROLE OF IBRD/IMF, PM SINGLED OUT PROPOSED ENERGY AFFILIATE OF WORLD BANK FOR SPECIAL ATTENTION. HE MENTIONED HIS CONVERSATION WITH McNAMARA ON EVE OF DEPARTURE AND HIS OWN FAVOURABLE DISPOSITION TOWARDS CONCEPT OF AFFILIATE WHICH WORLD BANK WAS ELABORATING. DEVELOPMENT OF ENERGY RESOURCES IN THIRD WORLD WAS, IN HIS VIEW, ONE OF MOST IMPORTANT OBJECTIVES OF INNATL COOPERATION AND HE WENT ON TO DESCRIBE NEW PROGRAM TO ASSIST DEVELOPING COUNTRIES BY PETROCDA INNATL UNDER CDN NEP. HE SAID CDA WOULD ATTEND MTG OF NINE COUNTRIES BEING CONVENED BY WORLD BANK NOV 24, TO WHICH SAUDI ARABIA AND KUWAIT ALSO INVITED, FOR PRELIMINARY DISCUSSION OF ENERGY AFFILIATE. HE SAW ADVANTAGE OF AFFILIATE NOT JUST AS MEANS OF MTG FINANCING NEEDS OF ENERGY-DEFICIT LDCS, BUT AS INSTITUTION WHERE QUOTE WE CAN TALK TOGETHER AND IMPROVE COOPERATION UNQUOTE. IN HIS VIEW ALSO, AFFILIATE SHOULD BE IMPORTANT EXAMPLE OF WILLINGNESS TO DEVELOP NEW POWER-SHARING TECHNIQUES WITH OPEC COUNTRIES WHERE VOTING STRUCTURES WOULD REFLECT NEW PATTERNS.

5. ON PROCESS OF DIALOGUE, PM REFERRED TO FRUSTRATIONS EXPERIENCED BY ALL COUNTRIES AT LACK OF PROGRESS IN PAST BUT EXPRESSED CDN SUPPORT FOR TWO TECHNIQUES NOW UNDER INNATL DISCUSSION TO IMPROVE DIALOGUE AND MAKE IT MORE EFFECTIVE: ROUND OF GLOBAL NEGOTIATIONS AND NORTH/SOUTH SUMMIT WITH RESPECT TO PROPOSED GLOBAL NEGOTIATIONS, PM ADMITTED UN FORUM WITH ITS RHETORIC AND SLOW PACE COULD BE PAINFUL.
BUT THOUGHT IT IMPORTANT TO USE FORUM BOTH FOR POSITIVE PURPOSES AND AS ESCAPE VALVE WHERE COUNTRIES COULD QUOTE LET OFF STEAM UNQUOTE AND STATE GENERAL IMPRESSIONS OF WHAT IS WRONG GIVEN INEVITABLE BLOC-TO-BLOC NEGOTIATING APPROACH IN UNIVERSAL FORUM, HOWEVER, PM BELIEVED THERE WOULD BE UTILITY IN ARRANGING SMALLER MTGS. IN THIS RESPECT, CDA WAS QUOTE READY TO GAMBLE UNQUOTE ON PROPOSED MXICAN N/S SUMMIT WHICH HE HOPED WOULD CREATE NUCLEUS OF COUNTRIES, INCLUDING SAUDI ARABIA, WHO ARE GENUINELY CONCERNED WITH N/S PROBLEMS AND PREPARED TO QUOTE THINK THEM THROUGH UNQUOTE TO SOLUTIONS.

6. GENERAL MSG LEFT BY PM WITH SAUDI MINISTERS WAS THAT CDA WANTED TO CONSULT FULLY WITH THEM ON IMPORTANT INNATL ECONOMIC ISSUES AND HOPED FOR CLOSE COOPERATION IN INNATL BODIES WHERE ISSUES UNDER EXAM, AS LEADER IN OPEC, ISLAM, ARAB WORLD AND THIRD WORLD, SAUDI ARABIA HAD KEY AND VITAL ROLE TO PLAY, REINFORCED BY ITS RAPIDLY GROWING STATUS AS MAJOR FINANCIAL POWER. PM THEREFORE INVITED RESPONSES FROM SAUDIS ON THEIR ASSESSMENT OF N/S ISSUES AND HOW TWO COUNTRIES COULD WORK TOGETHER TO QUOTE BREAK LOG JAM UNQUOTE IN BOTH SUBSTANCE AND PROCESS.

7. REACTIONS OF SAUDI MINISTERS WERE WARMLY POSITIVE, THOUGH CLEARLY CONTAINING RESERVATIONS ABOUT TYPE OF ROLE SAUDI ARABIA COULD BE EXPECTED TO PLAY, THEY EXPRESSED DESIRE TO COOPERATE WITH AND SUPPORT CDA WHICH THEY HOPED WOULD PLAY QUOTE LEADING ROLE UNQUOTE IN NORTHERN/SOUTH ISSUES BECAUSE OF RESPECT AND GOOD RELATIONS IT ENJOYED IN ALL PARTS OF WORLD. THEY UNDERLINED PRESENT FORTHCOMING ATTITUDE
OF SAUDI ARABIA IN PROVIDING HIGH LEVELS OF AID AND IN COOPERATING IN GLOBAL AND REGIONAL INSTITUTIONS, THEY MAINTAINED STRONG SUPPORT FOR IBRD AND IMF AND MADE NO/NO MENTION OF PLO OBSERVER ISSUE. THEY WERE COMMITTED TO WORKING WITH INDUSTRIALIZED COUNTRIES IN ATTEMPTING TO FIND SOLUTIONS TO ECONOMIC PROBLEMS OF THIRD WORLD.

8. MORE SPECIFICALLY, THEY CONFIRMED SAUDI ARABIA WELCOMED IDEA OF ENERGY AFFILIATE AND WOULD PARTICIPATE THROUGH IBRD EXECUTIVE DIRECTOR, IN NOV 24 MTG. ACCORDING TO FINANCE MINISTER, TWO POINTS WOULD BE IMPORTANT IN CREATION OF AFFILIATE. FIRST WAS DISTR OF VOTING POWER, WHICH HE DID NOT/NOT EXPECT TO BE DIFFICULT ISSUE. SECOND WAS NUMBER OF PARTICIPANTS WHICH HE HOPE'D WOULD REFLECT BROAD QUOTE MORAL RESPONSIBILITY UNQUOTE OF INNATL COMMUNITY RATHER THAN SIMPLY ASSUMPTION OPEC SURPLUS COUNTRIES WOULD BEAR FINANCIAL BURDEN.

9. FINANCE MINISTER ALSO CONFIRMED SAUDI ARABIA WOULD SUPPORT EXPANDED LENDING PROGRAM OF IMF, INCLUDING DIRECT BORROWING BY FUND FROM SURPLUS COUNTRIES AND CAPITAL MARKETS, IN ORDER TO EASE RECYCLING PROBLEM.

10. MORE CAUTIONARY REMARKS WERE OF FOLLOWING NATURE. FIRST, SAUDI ARABIA WAS QUOTE NOT/NOT PLEASED UNQUOTE AT WAY LEADERS OF INDUSTRIAL COUNTRIES FREQUENTLY STATED OR IMPLIED THAT OPEC WAS RESPONSIBLE FOR ECONOMIC PROBLEMS OF WORLD. THEY REFERRED TO OIL PRICES BUT NOT/NOT FUNCTIONING OF INNATL ECONOMIC SYSTEM. THEY
TALKED ABOUT FACT OF SURPLUSES BUT NOT/NOT REASONS, AS FINANCE MINISTER PUT IT, QUOTE HOW CAN WE CONSTANTLY BE ASKED TO PRODUCE MORE OIL TO MEET INNATL NEEDS AND NOT/NOT HAVE SURPLUSES? UNQUOTE.

11. SECOND, SAUDI ARABIA HAD CONCERNS ABOUT INNATL PROCESSES WHICH TENDED TO BACK OPEC INTO CORNER AND PUT ALL BLAME ON THEM. THIS EXPLAINED IN PART SAUDI ATTITUDE AT UN SPECIAL SESSION TOWARDS GLOBAL NEGOTIATIONS. SAME CONCERNS APPLIED TO NORTH/SOUTH SUMMIT

THOUGH SAUDI ARABIA WOULD BE PREPARED TO CONSIDER FAVOURABLY INVITATION TO BALANCED SUMMIT. (YAMANI EXPRESSED APPRECIATION FOR AND REASSURANCE FROM PM'S DESCRIPTION OF INFORMAL, NOT-NEGOTIATING, NON-SPEECH TYPE OF SUMMIT HE PREFERRED.)

12. THIRD, YAMANI CONFIRMED AGAIN DIFFICULTY OF SAUDI ARABIA IN TAKING POSITIONS ON INNATL ECONOMIC POLICY ISSUES UNTIL SUCH TIME AS OPEC HAD ADOPTED ITS OWN LONG TERM STRATEGY REVIEW. HE HOPED THIS COULD BE ADOPTED IN SECOND QUARTER OF NEW YEAR BUT IN MEANTIME SAUDI ARABIA WAS COMMITTED TO MOVING IN STEP WITH OPEC PARTNERS.

13. FOURTH, POINT PARTICULARLY STRESSED BY FINANCE MINISTER ABA AL-KHAII, WAS CONFUSION CREATED BY LARGE NUMBER OF OVERLAPPING PROPOSALS FOR INNATL COOPERATION AND COMPETITION BETWEEN THEM FOR LIMITED MANPOWER RESOURCES AND FINANCING, WHICH MADE IT IMPOSSIBLE FOR SAUDI ARABIA TO BE POSITIVE ON ALL. WHILE NOT/NOT SPECIFIC ON EXAMPLES, HE STATED THAT EVEN CIEC AGENDA HAD BEEN TOO WIDE AND IMPLIED GLOBAL NEGOTIATIONS WERE TRYING TO COVER TOO MUCH GROUND.
HE URGED THAT FIRST PRIORITY SHOULD BE TO CHOOSE AND CONCENTRATE ATTENTION OF WORLD ON CERTAIN KEY PROPOSALS. HE HOPED CDN ECONOMIC SUMMIT WOULD AT LEAST TRY TO ESTABLISH SMALL LIST OF MAIN ISSUES ON WHICH INDUSTRIAL COUNTRIES WERE JOINTLY PREPARED TO MOVE IN MORE COORDINATED AND DYNAMIC WAY. (IN AGREEING, PM POINTED OUT THIS WAS PRECISELY WHAT CDA WAS TRYING TO ACHIEVE THROUGH CONSOLIDATED LIST OF KEY QUESTIONS NOW UNDER PREPARATION BY PERSONAL REPS OF SUMMIT LEADERS.)

14. IN REPLYING TO SAUDI VIEWS, PM ACCEPTED VALIDITY OF MANY OF POINTS MADE. HE DREW FROM EXCHANGE THAT THERE WAS REQUIREMENT FOR INSTITUTIONAL CHANGES RESULTING FROM SHIFTING BALANCES OF POWER IN WORLD. NO LONGER COULD HALF DOZEN MAJOR INDUSTRIAL COUNTRIES WIELD ALL POWER AS THEY HAD IN PAST. IT HAD TAKEN TIME FOR THEM TO APPRECIATE SIGNIFICANCE OF CHANGES TAKING PLACE IN WORLD BUT HE THOUGHT THAT RECENT INNATL DEVELOPMENTS HAD REVEALED LIMITED ABILITY OF WEST TO EXERCISE ECONOMIC, POLITICAL OR MILITARY POWER AND THAT COUNTRIES FROM THIRD WORLD HAD TO BE BROUGHT INTO DECISION-MAKING PROCESS. HE BELIEVED THAT, AT VENICE, SUMMIT SEVEN HAD BEEN SAYING NOT THAT OPEC WAS AT FAULT AND MUST PAY, BUT RATHER THAT OPEC WAS REALITY WITH CONSIDERABLE POWER WITH WHICH RESPONSIBILITIES FOR OTHER DEVELOPING COUNTRIES NEEDED TO BE SHARED.

15. IN FINAL SESSION WITH CROWN PRINCE AND KEY MINISTERS, NORTH/SOUTH THEME CAME UP IN SLIGHTLY DIFFERENT FORM, IN CONTEXT OF ARAB-ISRAELI PROBLEM; PRINCE FAHD STRESSED NEED FOR STABILITY IN THIRD WORLD...
WHERE FREEDOM AND JUSTICE WERE BEST GUARANTEES THAT COMMUNISM WOULD BE REJECTED AS IDEOLOGY. PICKING UP THEM, I'M APPLIED IT TO DOMESTIC SITUS AS WELL AS INNATL RELATIONS. HE AGREED THAT SOVIET IDEOLOGY HAD LITTLE APPEAL FOR TRULY FREE PEOPLES BUT SUGGESTED THAT IN VERY POOR COUNTRIES TO CHOOSE TO BE WITH FREE WORLD, WE HAD TO SHOW WE COULD HELP SOLVE THEIR PROBLEMS AND INSTITUTE INNATL SYSTEMS CONDUCIVE TO JUSTICE. THIS WAS ONE OF REASONS CDA WAS DETERMINED TO TRY TO HELP SOLVE N/S PROBLEMS. CROWN PRINCE FULLY AGREED, POINTING TO GENEROSITY OF SAUDI AID EFFORTS AND WELCOMING DISCUSSIONS WHICH HAD TAKEN PLACE FOR CLOSER COOPERATION BETWEEN SAUDI ARABIA AND CDA IN DEVELOPMENT OF N/S RELATIONS.

CCC/233 2012152 PDEL0019
January 19, 1981

Dear Bob:

As you requested at the dinner on Saturday evening, I have asked that copies of the video tape covering the presentation of the Medal of Freedom winners be obtained for you if at all possible. I have indicated that you will gladly pay for these tapes if they are available and can be reproduced.

Since my assignment ends today, I have asked a former colleague on the White House staff to follow through on these requests and to be in touch directly with you. He is Bob Meyers, currently Director of U.S. Foreign Press Centers and very knowledgeable about the operations of the White House Press Office as well as the networks themselves. *Bob's name, address and telephone number are listed below for your information. He will be in touch with you in a few days to report on his progress.

My personal congratulations again to your wife. I hope we will have an opportunity to see each other again soon, perhaps at the Harvard Business School.

Sincerely,

Alonzo L. McDonald

*Robert S. Meyers
Director U.S. Foreign Press Centers
202 National Press Building
Washington, D.C. 20045
Below is the list of names for the White House Fellows attending the luncheon session with Mr. McNamara on Friday, January 16, 1981.

Joan Abrahamson
Jane Bradley
Mark Clodfelter
Bruce Dew
John Holmes
Michael Korenko
Gael Lebby
Phoebe Morse
Margaret McKeown
Alexander Rodriguez
Kelsey Selander
Merrie Spaeth
David Vidal
Earl Walker

Olga Pierre, Associate Director for the White House Fellows Commission
W. Landis Jones, Director for the White House Fellows Commission

Note: There are 17 White House Fellows, but three will be unable to attend.
January 15, 1981

Dear Bob:

Since my letter to you of January 7 concerning the children of Mr. Tran Quang Quyen, we have had a message from our Embassy in Geneva, which has been in touch with the UNHCR concerning this case. The Embassy reports that UNHCR has informed its representative in Hanoi that these children have been unable to acquire exit permits, and has asked him to provide any possible assistance.

Sincerely,

Richard Holbrooke

Mr. Robert S. McNamara
President
The World Bank
Washington, D.C. 20433
January 7, 1981

Dear Bob:

Your letter of December 5 concerning exit visas from Vietnam for the children of Mr. Quyen Tran arrived while I was out of the country. Thus, my delay in responding.

As you indicated, there is little we can do to help Vietnamese citizens obtain exit permits from their government. However, as you may know, the Orderly Departure Program, designed primarily to reunite split families, has finally gotten under way with several flights from Vietnam in December. Thus, the prospects for family reunification are perhaps better now than they have been.

Our Embassy in Bangkok is again reviewing and updating its lists of persons who appear to fit the criteria for the Orderly Departure Program, and we have brought to their attention the case of the two Tran children. We have asked the Embassy to raise the case of these children with the UNHCR, with a view to their inclusion on an early flight.

Sincerely,

Richard Holbrooke

Mr. Robert S. McNamara
President
The World Bank
Washington, D.C. 20433
DIRECTOR OF DECORATION & CONSERVATION, EXHIBITS
YOUR LETTER OF DECEMBER 15th, RELATING TO THE DECORATION OF THE
CAPITOL, WHICH I HAVE RECEIVED HAVE CAUSED ME TO WRITE YOU AS FOLLOWS:

Your attention has been called to the fact that the Capitol is being decorated for the Christmas season, and that certain exhibits of flowers will be used.

I have had the privilege of seeing the exhibits prepared for the Capitol in December, and have been pleased with the results. The exhibits are of a high order, and I am sure that they will be a credit to the city.

I am therefore enclosing a check for $1,000.00, which I trust will be of some assistance in covering the cost of the exhibits.

Yours truly,

[Signature]

[Place]