



THE JACOB RADER MARCUS CENTER OF THE
AMERICAN JEWISH ARCHIVES

Preserving American Jewish History

MS-603: Rabbi Marc H. Tanenbaum Collection, 1945-1992.

Series D: International Relations Activities. 1961-1992

Box 74, Folder 1, Third world, 1980.

THE WORLD BANK
Washington, D.C. 20433
U.S.A.

January 21, 1980

Dear *Mme*

I enclose press releases on two recent agreements by members of the World Bank; one regarding the Bank's capital increase, the other outlining the next IDA replenishment.

The United States has not yet signed up for the General Capital Increase. Other countries that have not yet ratified this are: Cambodia, Fiji, Iran, Qatar, the United Arab Emirates and Viet Nam.

Legislation permitting U.S. participation will be sought in 1981.

The Administration will be requesting an authorization bill for the sixth IDA replenishment and initial funding this year.

Please feel free to call me if you have any questions. My telephone number is 202-477-2161.

Sincerely,



Peter Riddleberger
Public Affair Advisor

Rabbi Marc Tanenbaum
American Jewish Committee
165 East 56th Street
New York, N.Y. 10022



World Bank

1818 H Street, N.W., Washington, D.C. 20433, U.S.A. • Telephone: (202) 477-1234

BANK NEWS RELEASE

January 14, 1980

WORLD BANK GOVERNORS APPROVE GENERAL CAPITAL INCREASE

An increase of the equivalent of \$40 billion (\$40,000 million) to the authorized capital stock of the International Bank for Reconstruction and Development (World Bank) has been approved by the Bank's Board of Governors by a three-fourths majority, the margin required by the Bank's Articles of Agreement for the increase to be approved.

The increase--roughly a doubling of the World Bank's current authorized capital stock--will enable Bank lending to continue to grow, in real terms, through the middle of the decade. The Bank's Articles of Agreement limit the amount of disbursed and outstanding loans to the total of its subscribed capital and reserves.

Of subscriptions received, a 7.5% portion amounting to approximately \$3 billion (\$3,000 million) will be paid in to the Bank. The remaining 92.5%, or \$37 billion (\$37,000 million) of subscriptions will be added to the subscribed capital which is callable only to meet the obligations of the Bank to holders of its securities and which serves as backing for the Bank's obligations. Subscriptions to the increased capital will be accepted between September 30, 1981 and July 1, 1986.

The World Bank was established in 1945 and provides financial and technical assistance to developing countries. The Bank finances its lending operations primarily from its own borrowings in the world capital markets, paid in capital and retained earnings, and as of September 30, 1979 had made loan commitments in excess of \$52.4 billion (\$52.426 million). A further \$17.3 billion (\$17.256 million) has been committed by the Bank's affiliate, the International Development Association, a separate financial institution, which lends on concessionary terms from resources provided by its more industrialized and developed members. Neither institution has experienced a loss on any of its loans or credits.

NOTE: Money figures are expressed in U.S. dollar equivalents.



World Bank

1818 H Street, N.W., Washington, D.C. 20433, U.S.A. • Telephone: (202) 477-1234

IDA NEWS RELEASE

January 17, 1980

AGREEMENT ON A SIXTH REPLENISHMENT OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

The International Development Association (IDA), the affiliate of the World Bank, today announced that representatives of 33 countries have agreed to arrangements to increase the Association's resources in real terms through a Sixth Replenishment of its funds.

The Sixth Replenishment provides for an estimated \$12,000 million in additional funds to IDA which will be used to assist priority development projects in the poorest developing countries. The proposed Replenishment would provide the Association with commitment authority for the three-year period July 1, 1980 to June 30, 1983.

The Executive Directors of the Association have approved these arrangements and are submitting them for adoption to the Governors of the Association representing all member governments. No commitment to contribute by any member will be made until approval, where necessary, has been obtained from its legislature.

The proposed \$12,000 million replenishment allows for an increase in IDA's resources in real terms taking into account price increases and inflation since the Fifth Replenishment.

The attached table gives the agreed level of contributions.

Representatives reviewed the burden sharing arrangements under the Fifth Replenishment and have negotiated a rearrangement of shares in the Sixth Replenishment involving in the main increases in the shares of Germany (from 10.9% to 12.5%) and Japan (from 10.3% to 14.65%) and reductions by the United States (from 31.2% to 27%), Sweden (from 3.8% to 3%), and Canada (from 5.8% to 4.3%). Nine other countries--Austria, Belgium, Denmark, Finland, Netherlands, Norway, Korea, Spain and Yugoslavia--have increased their shares.

Since it began operations in 1960, IDA has attracted growing support from the international community and a widening number of countries contribute to its resources. Membership in IDA has increased from the original 68 to 122 currently, while the number of contributors has grown from 17 in 1960 to 26 in the Fifth Replenishment to 33 contributing to the

NOTE: Money figures are expressed in U.S. dollar equivalents.

Sixth Replenishment. Joining governments contributing to the Sixth Replenishment for the first time are Argentina, Brazil, Greece, Mexico, Portugal, Venezuela, and possibly Romania, providing a total of at least \$128 million.

IDA is the largest source of multilateral lending on concessional terms to developing countries. IDA credits are for 50 years, with repayments after 10 years. These credits are interest-free, except for a service charge of 3/4 of 1% to meet IDA's administrative costs. The development projects financed by IDA must meet the same economic and financial standards as those of the World Bank.

By June 30, 1979, IDA had extended credits totaling \$16,700 million for development projects in 74 countries in Asia, Africa, Middle East and Latin America. IDA assistance is concentrated on the poorest countries. Some 90% of IDA credits have gone to 40 countries with a median annual per capita income level of \$200 or less. IDA assistance is also directed toward projects designed to increase the productivity, incomes, employment opportunities and standards of living in the lowest income groups within the recipient countries. Reflecting the importance of the agricultural sector, on which the majority of the world's poor depend, IDA has devoted nearly half of its lending to agricultural and rural development.



CONTRIBUTIONS TO THE SIXTH REPLENISHMENT

<u>Country</u>	<u>\$ Millions</u>	<u>Percentage</u>
Argentina	25.00	0.21
Australia	229.20	1.91
Austria	81.60	0.68
Belgium	201.60	1.68
Brazil	50.00	0.42
Canada	516.00	4.30
Denmark	144.00	1.20
Finland	72.00	0.60
France	645.60	5.38
Germany	1,540.00	12.50
Greece	6.00	0.05
Iceland <u>1/</u>	3.60	0.03
Ireland	13.20	0.11
Italy	462.00	3.85
Japan	1,757.54	14.65
Korea	3.00	0.03
Kuwait	200.00	1.66
Luxembourg	6.00	0.05
Mexico	20.00	0.17
Netherlands	360.00	3.00
New Zealand	10.02	0.08
Norway	144.00	1.20
Portugal <u>1/ 2/</u>	7.00	0.06
Romania <u>2/</u>	-	-
Saudi Arabia	390.00	3.25
South Africa	10.00	0.08
Spain	50.00	0.42
Sweden	360.00	3.00
United Arab Emirates	79.20	0.66
United Kingdom	1,212.00	10.10
United States	3,240.00	27.00
Venezuela <u>2/</u>	20.00	0.17
Yugoslavia	20.00	0.17
Unallocated <u>3/</u>	<u>161.44</u>	
	12,000.00	

1/ Tentative figures, since as of January 15, 1980, Iceland and Portugal were not in a position to take a final decision on these amounts.

2/ Portugal, Romania and Venezuela are not yet members of IDA, but are considering membership in connection with the Sixth Replenishment.

3/ At the time of the Fifth Replenishment of IDA a small amount was left "unallocated". This was subsequently filled by extra contributions. The \$161.44 million "unallocated" under IDA 6 is expected to be filled by extra contributions and by a contribution from Romania which has previously stated its intention to participate in the Replenishment.

In 1965, the combined incomes of white wealthy post-colonial north Atlantic nations who make up some 20% of the world's peoples, passed the million million dollar mark - which is about 70% of the world's income.

Latin America subsists on an annual income of \$60 billion - a sum the U.S. adds to its income in 18 months.

Africa's income is half as small again.

These are the contrasts. Put into concrete terms, they mean half the expectation of life, five or six times the infant mortality, a fraction of the literacy, diets without protein, rural slums without work, city slums without drains or water.

The gap between the nations to the north of the Tropic of Cancer and the rest of the world is fully as wide as the gap between 19th Cent. tycoons and the raw, bewildered migrants hudding on Ellis Island.

World Bank: Poor nations could absorb roughly another \$4 billion a year in constructive investment. But ever since the flow of western capital reached \$9 billion in 1961, there it has stuck. Meanwhile western income has grown by another \$150 billion. The proportion of aid to national income is therefore falling while expectations continue to rise.

In all this the U.S. occupies a special position. It accounts for 3/4 of the increase in Atlantic income and it started the 60's from a national income base of nearly \$600 billion. If it set the precedent of devoting to aid 1% of income the sum would still only

represent a quarter of its annual growth in wealth. In short, the sum itself would not be noticed.

The sums involved are relatively puny - some \$12 billion a year compared with \$120 billion the developed world, capitalist & communist together, spend on a system of armed security which threatens them both with extinction.

If we look back over the history of mankind, 3 factors constantly recur in the formation & preservation of communities:

- 1) Sense of belonging to this particular group, community, or state-kinship in space & usually thru time.
- 2) The way in which people explain the world to themselves (affects type of ties men create).
- 3) Way in which work & economic resources are organized.

Kinship, ideology (meaning), work interest

Is 2 4 (7)

And it shall come to pass in the latter days that the mountains of y's house shall be established in the top of the mountains, and shall be exalted above the hills; and all nations shall flow into it. And many people shall go and say, come ye, and let us go up to the mt. of the Lord, to the house of the God of Jacob, and he will teach us of his way and we will walk on his paths, for out of Zion shall go forth the law &



Realities

Contradictions - minority - majority

Unresolved Problems

a) existentially unclear about realities -

Biafra - genocide (Israel - threat of genocide) - creatures of mass media (ecce homo - ulpan Arabic in Hebrew)

b) Theoretically unclear about pluralism -

true revelation vs. error (Pope's credo)
pre 8th cent.

development of theology - God of Israel - God of all nations.

Israel 1st in kingdom - but Noachide laws - vouchafed salvation

c) ecumenism - threat to pluralism

Christology - inner chamber lead to Christianidad?

Social action, university, mass media ? - Latin America
Asia, Africa

dialectical balance -

model of pluralism, export to world.

community without compromise