



Solution to World Food Crisis

RAPID DEVELOPMENT, MORE EQUITABLE TERMS IN INTERNATIONAL TRADE, SAYS ORTIZ MENA

To solve the world food crisis, the growth of the developing countries must be accelerated, rural sectors must be incorporated into productive activities and international trade on equitable terms must be expanded, according to Antonio Ortiz Mena, President of the Inter-American Development Bank.

Addressing the United Nations World Food Conference on November 8 in Rome, Mr. Ortiz Mena said these measures were the most direct way of increasing food production for domestic consumption and of reducing dependence on imports of basic foods or—when this cannot be done—of providing the developing countries with the means for importing the food they need. He stressed that a more dynamic and efficient growth in rural areas must rest on a base of harmonious development in the economy as a whole.

Mr. Ortiz Mena described Latin America's situation as a food producer and the IDB's strong support of the region's efforts to develop its agriculture more vigorously.

The IDB President said Latin America has developed a modern agricultural sector which has assimilated a high degree of technology and mechanization and whose products are competing successfully in the export markets. However, it also has a type of subsistence farming that is largely outside the mainstream of economic activity and modern technology. This, he said, helps to explain why many Latin American countries have shortages of basic foodstuffs. That is why, although 40 per cent of the economically active population is engaged in agriculture, the farm sector accounts for 15 per cent of the region's gross domestic product.

Mr. Ortiz Mena told the 2,000 delegates and observers attending the Conference that it is obvious that an increase in domestic food production will not in itself be enough to satisfy the unmet needs of the population in the lowest-income sectors. A substantial rise in the income of farm workers is also vitally needed. He said that, even beyond this, a more dynamic and efficient growth in rural

areas must rest on a base of harmonious development in the economy as a whole. This is demonstrated by the experience of the more advanced countries, where agricultural productivity was raised to levels incomparably higher than those in developing countries, thanks to the firm support of finance, industry and technology.

Mr. Ortiz Mena pointed out that the IDB is the most important source of external financing for Latin America's agricultural development. To date, Mr. Ortiz Mena said, the Bank has lent slightly more than \$1.5 billion to help finance 180 agricultural projects whose total cost is close to \$6 billion.

This amount includes loans and technical cooperation to agricultural credit institutions for programs for comprehensive agricultural development, land settlement and agrarian reform, livestock development and animal health, agricultural marketing, research and extension, fisheries and other activities.

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Water for Latin America's Needs

In a village in northeastern Mexico, where drought is drying their fields and streams, people are praying for rain. At the same time, other people in other places, struck by storms or floods, may be praying for dry weather.

In arid or wet lands, water control and management are among the oldest and most persistent human needs.

The main difficulty, the experts say, is not always so much the amount of water available as how we manage it.

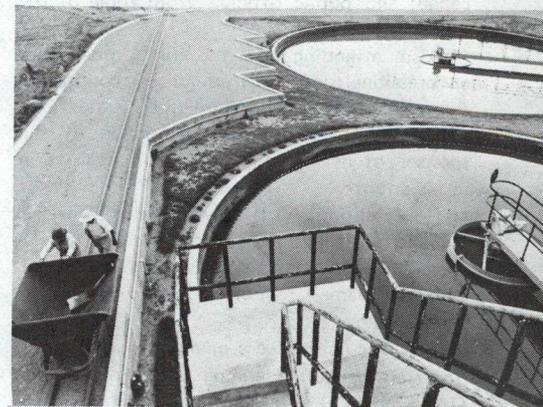
Virtually every country in the world has water supply problems. Growing populations, expanding industry, pollution and rising standards of living are straining water resources everywhere. In five years, some experts at the recent United Nations World Food Conference in Rome said, the world will be as concerned about water supplies as it is now about food shortages.

The significance of water for agriculture is obvious. But water is just as important for industrial development. It is essential for almost every industrial process from baking bread to manufacturing sugar, coffee, or cars and television sets. Besides using water as an ingredient of finished products, industries need vast amounts for cooling, preparing solutions, eliminating impurities, and removing wastes.

Moreover, safe water and sanitary sewage systems raise the level of public health, helping to reduce diseases and infant mortality, thereby cutting down economic losses from absenteeism and the premature death of potentially productive manpower.

In Latin America, conditions vary from country to country, but often the

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The Bank made its first loan to help improve potable water facilities in Arequipa, Peru. The project spurred the region's development.

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IDB AT INTERNATIONAL MEETINGS

The Inter-American Development Bank participates regularly, through representatives attending either as guests or observers, in international meetings on economic and social development.

Among the recent meetings in which Bank officials have participated—and some of the topics discussed and conclusions or resolutions adopted—were:

IV Round Table on Private Foreign Investment in Latin America

Salvador (Bahia), Brazil, Oct. 21-24. Sponsored by the Government of Brazil, the Organization of American States and the Inter-American Bank.

These round-table discussions on investments differ from other similar discussion groups in this field. One outstanding difference is the frank and open dialogue by representatives of public and private sectors and the informal nature of the talks in which participants speak as individuals rather than as government or company representatives.

The discussions do not produce a slate of resolutions. Instead, the rapporteur summarizes in a final report the main positions adopted during the discussions, without personal attribution.

Thus, these meetings are perhaps the only forum in Latin America in which representatives of the three groups that play a major role in foreign investment, or are affected by it—the public sector, the private sector and multinational companies—participate.

The Salvador meeting was attended by participants from 15 Latin American countries; 30 representatives of multinational companies—mainly in the manufacturing, banking and petroleum fields—from the United States, Canada, Western Europe and Japan; and public officials from three of the industrialized countries.

Also attending for the first time were congressional leaders from three countries—Argentina, Canada and the United States. One of these, Herbert Gray of Canada, is the sponsor of new foreign investment legislation in his country.

Representing the IDB were Cecilio Morales, Manager of the Bank's Economic and Social Development Department; Georges D. Landau, who was named rapporteur; Milic Kybal and Daniel Szabo.

The discussions were opened by João Paulo dos Reis Velloso, Planning Minister of Brazil. OAS and IDB representatives read messages from Antonio Ortiz Mena, President of the Inter-American Bank, and from Galo Plaza, Secretary General of the Organization of American States.

In discussing the world economic and financial situation that affects long-term private capital flows, many participants mentioned the marked deterioration which has occurred since the previous round-table talks, held in Caracas in 1972. They attributed this

principally to the inflation which in varying degrees is affecting the entire Western world and is hindering operations of capital markets in the industrialized nations.

In a discussion of problems affecting foreign private investment, participants adhered to the methodological order outlined in the recent "Report on the Impact of Multinational Corporations on Development and on International Relations" prepared under United Nations sponsorship. L. K. Jha of India, former Chairman of the UN Working Group, attended the meeting as a representative of the world organization.

The discussions produced a higher degree of agreement on common problems than that reached at previous meetings. This was partially attributed by participants to the increasing economic interdependence of nations.

Considering the limited possibility of a major increase in the flow of public financing to developing countries in the near future, the general consensus of the group was that Latin America should attempt to increase its volume of private investment.

It was brought out that many Latin American countries have accumulated a significant quantity of internal savings. For this reason foreign private investment is no longer the most important external factor in development. Of equal or even greater importance are imported technology, management skills and other intangible elements such as easier access to foreign markets.

These views led a number of participants to voice support for mixed-capital enterprises, made up of foreign and national capital. Also mentioned were the possibility of pooling private capital from several Latin American countries to help finance new business and industry, and the need to create the legal framework for such investment.

Delegates agreed on the need for capital-importing countries to sharply define those fields for which they wish foreign investment and to develop the long-term policies needed to attract it.

The talks also emphasized that the Latin American countries should adopt foreign investment guidelines in consultation with representatives of the three major groups represented at the conference, and that such guidelines should be taken into account when legislation is enacted or modified in the respective countries.

Resuming the discussion of a point raised in Caracas, the conferees expressed approval of a plan for creating a center or a program for information on foreign investment in Latin America which, in addition, would be qualified to provide technical cooperation and offer training courses.

Tenth Latin American Food Production Conference. Lima, September 16-18.

Frank Meissner, a specialist in the Live-

stock and Marketing Section of the Division of Analysis of Agricultural Development Projects, represented the Bank.

Discussion centered on measures to alleviate the critical food shortage facing some Latin American countries. Most participants focused on the adaptive research being undertaken in plant and livestock production, particularly the work of the Center for the Improvement of Maize and Wheat (CIMMYT) in Mexico, the International Tropical Agricultural Center (CIAT) in Colombia and the International Potato Center (CIP) in Peru.

Executives of the International Minerals and Chemicals, Inc., which sponsored the Conference, and of trade associations, indicated the need for formulating consortia aimed at orderly expansion of production capacity and the desirability of having agencies like the World Bank, the Inter-American Bank, and the Agency for International Development participate in the production and distribution of these crucial agricultural inputs. Special attention was devoted to the dimensions and implications of the chemical fertilizer shortage.

The *Review Analysis of the Fertilizer Situation in Latin America*, a document prepared by the Tennessee Valley Authority (TVA), which was distributed during the Conference, confirmed estimates that at least \$330 million would be required for nitrogen and \$400 million for phosphates to make Latin America self-sufficient by 1980.

All panelists endorsed a proposal for establishing an International Fertilizer Institute. The IFI would provide guidance to developing nations on research and development, as well as production and distribution of fertilizers.

Conference on Urbanization and Development.

Institute of Urban and Regional Research, University of Iowa, Iowa City. September 12-15.

Oscar Reyes, of the Bank's Urban Development Section, represented the Bank.

Some of the main topics and ideas which received special attention were: urbanization techniques—with special emphasis on a comparative analysis of strategies in socialist countries and under free enterprise systems—planning efforts, political components, realities in urban planning, social changes and class structure, future solutions and operational choices.

Also discussed, especially in connection with Latin America, were building technology, land use, planning, financing, construction and experimental projects.

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Appointments

Executive Vice President Named

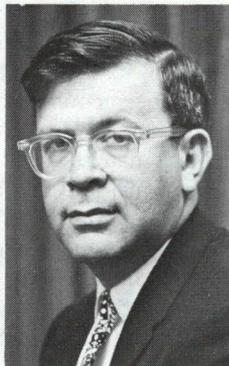
Antonio Ortiz Mena, President of the Inter-American Development Bank, on November 1 announced the appointment of Reuben Sternfeld as Executive Vice-President of the 24-nation bank effective December 1, 1974. Mr. Sternfeld was appointed to his new position by the Bank's Board of Executive Directors on the recommendation of Mr. Ortiz Mena.

He will succeed Henry J. Costanzo, who resigned as Executive Vice-President effective November 30, 1974, to become the Executive Secretary of the new Joint Development Committee established by the World Bank and the International Monetary Fund.

Mr. Sternfeld comes to his new position with broad experience in inter-American and particularly Inter-American Bank affairs, having served as Alternate Executive Director for the United States on the Bank's Board of Directors from October 31, 1966, to August 12, 1973. From January 1 to June 30, 1973, he was Acting Executive Director for the United States on the Board.

On leaving the Bank, he became an Assistant Director of the United States Government's Council on International Economic Policy, which is part of the Executive Office of the President of the United States.

Before coming to the Bank as Alternate Executive Director for the United States in 1966, Mr. Sternfeld had held a number of positions in the Agency for International Development, the Department of State and the Bureau of the Budget.



Born in New York City, May 5, 1924, Mr. Sternfeld received an A.B. degree from the University of Maryland in 1948 and did post-graduate work at the Universities of Maryland and Michigan in 1948-49.

From 1949 to 1960, Mr. Sternfeld held a number of positions with the Bureau of the Budget, and from 1960 to 1961, he served as Special Assistant to the Under Secretary of State and as Executive Secretary of the President's Task Force on Foreign Economic Assistance.

From 1961 to 1965, he served as Director of Planning and Programs in the Bureau of Latin American Affairs of the Agency for International

Development. He became Associate United States Coordinator for the Alliance for Progress in 1965.

During 1969 Mr. Sternfeld was a senior staff member of the Presidential Task Force on International Development, which formulated recommendations on foreign aid policies for the 1970s.

Mr. Costanzo had been Executive Vice-President of the Bank since January 1, 1972. Prior to that he had been United States Executive Director on the Board, as well as a Special Assistant to the United States Secretary of the Treasury since November 1969.

Other appointments

President Ortiz Mena also announced the designation of Rafael Glower Valdivieso as the Bank's Representative in Venezuela. He replaces Danilo Poklepovic, who, in turn, was appointed Representative in Costa Rica.

Also announced was the appointment of Fernando Cáceres as Chief of the Division of Analysis of Agricultural Development Projects, effective December 1.

Rodrigo Moscoso was designated Chief of Division 3, Region 1, of the Department of Operations. This Division is responsible for Bank operations in Costa Rica, Honduras, Panama and the Central American Bank for Economic Integration.

IDB Pledges Support for Food Production

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Many of the Bank's loans in other fields, Mr. Ortiz Mena said, have had a strong direct impact on agricultural development—among them, loans for power projects, particularly hydroelectric plants and rural electrification programs; transportation, including arterial highways, access roads and port facilities; and plants for manufacturing farm machinery and fertilizers and for agro-industrial production. He added that the Bank has given preferential attention to the social aspects of rural development, including education, water supply and public health.

Mr. Ortiz Mena announced that, in response to the requirements of the member countries—which have become even more urgent under present world economic conditions and the world food crisis—the Bank intends to direct its operations in the agricultural field toward the following goals in the years immediately ahead:

- Increased production of food for domestic consumption and improvement

in the income levels of rural sectors through employment in productive activities.

- Encouragement of food production for export.

Mr. Ortiz Mena also said that, in pursuing these objectives, the Bank would accord priority to the following areas in its loans and technical cooperation:

- Integrated rural development, which makes possible improving the quality and level of rural life.

- Water resources development, which permits recovery of precious agricultural land through irrigation and drainage, as well as generation of hydroelectric power and protection of rural zones through flood and erosion control.

- Food storage and marketing facilities, as well as food processing plants, along with plants for producing essential inputs such as fertilizers, pesticides and farm machinery—a field in which the Bank is the region's leading source of external financing.

- Applied research for developing food substitutes for high nutritional value at costs which lower income groups can afford. Latin America has already made effective contributions in this area, not only for the benefit of the developing world, but also for that of the industrialized countries through the work done at the International Center for the Improvement of Maize and Wheat (CIMMYT) in Mexico, the International Tropical Agriculture Center (CIAT) in Colombia and the International Potato Center (CIP) in Peru, as well as other national and regional institutions.

- Fisheries, an important source of protein for domestic consumption and export, is another area in which the Bank has cooperated with several Latin American governments in programs which hold the promise of increasing food supplies.

Concluding, Mr. Ortiz Mena said the Bank, in order to carry out this program and at the same time continue providing technical and financial cooperation in other priority areas of regional development, will need additional financial resources.

Water: \$3 Billion in Fourteen Years

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situation—at least in the cities—is that a once adequate system is no longer able to keep up with increased demand.

The urban population, as a whole, is growing by more than 4 per cent a year, compared to less than 2 per cent in the rural areas. In 1960, half of the people of the region lived in the country; by 1970, 60 per cent lived in cities. That means more consumers in cities which, for the most part, are growing faster than their water systems can be expanded.

Much of this urban growth reflects the heavy migration to cities, with more and more people leaving towns and villages in search of better living conditions.

This, however, has not meant a reduction of needs in the countryside. If anything, governments are giving greater attention to water and housing improvement programs for rural areas as they seek to increase farm production and income, not only to raise living standards, but to discourage the flight to the overburdened cities—a trend which IDB President Antonio Ortiz Mena calls “the most serious threat to sustained and dynamic development in the region.”

Water development in Latin America

In recent years, the Latin American countries have increased and improved their water and sanitation services through water development planning and by strengthening the institutions responsible for administering water and sewage disposal systems or, when necessary, creating new ones.

Between 1960 and 1974, with the support of international financing, notably the IDB, Latin America invested more than \$3 billion in water and sewage works. It has increased its water and sanitation services from 40 per cent of the urban population to 60 per cent and from 8 to 25 per cent in rural areas.

“In the last 14 years,” says Humberto Olivero, Chief of the IDB’s Sanitary Engineering Section, “more people in Latin America have benefited from water supply programs than ever before.”

In 1971, according to the World Health Organization, only one third of the developing countries’ population had water service at home or in their yards, a third used community faucets or fountains, and the rest had to rely on untreated water from sometimes distant

streams, lakes and rivers.

An IDB survey showed that at that time 56 per cent of the Latin American population had house connections—a considerably better situation than the WHO average for other areas.

“That does not mean conditions are satisfactory,” Mr. Olivero points out, “but it does show that, despite the large population increases, significant improvements have been made.”

The Bank has been a leading source of outside financing to the Latin American and the Caribbean countries for water and sewage systems.

Up to June 1974, it had supplied 55 per cent of all international and bilateral loans for water and sanitation. And according to an official document issued by the Pan American Health Organization in 1974, between 1961 and 1972 it extended 96 per cent of all international and bilateral loans for rural facilities.

IDB loans amounting to \$710 million have helped to develop programs costing more than \$1.6 billion; in this way the Bank has been a catalyst, helping, with its loans, to mobilize local resources exceeding the amount of the loans.

The ultimate goal, as recommended by the WHO in a 1973 report, should be to provide everyone with water at home or on their grounds. But the inability of many consumers to pay for that type of service has often required the installation of public water taps or fountains.

Such services, according to the WHO recommendations, even though they are an improvement, should be considered temporary measures to be replaced as soon as possible.

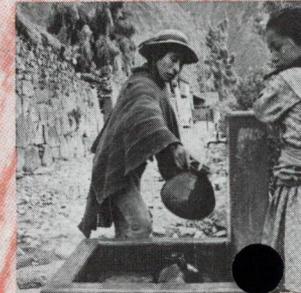
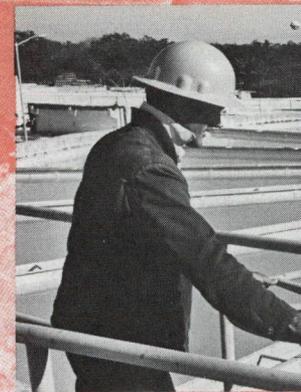
One person who would support this view wholeheartedly is Mrs. Mónica Suárez of the Dominican Republic. Mrs. Suárez, who lives in a low-cost housing development in Santo Domingo, says “My house is comfortable enough, but we have no water. There is a public faucet on the street corner, but I can carry only so much. I have to bring back water every time I have to cook or wash, do laundry or scrub the floors. That means many trips a day.”

The IDB’s contribution

Recognizing the importance of basic sanitation to development, the Inter-American Bank from its earliest days has worked to help improve the quality of the human environment.

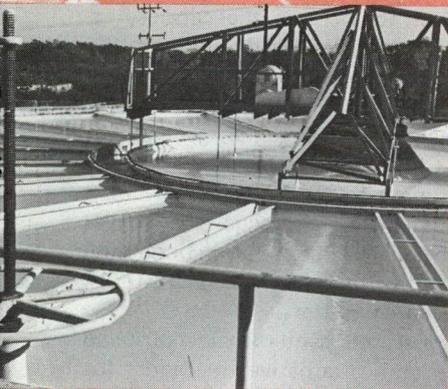
At a time when financing agencies were not funding social projects, the Bank associated itself with its members’ efforts to improve potable water and sanitation facilities.

In fact, its first loan—in 1961—was to



WATER FESTIVAL

Potable water has brought many social and economic changes in the town and country life of Latin America since 1960. The IDB’s contribution—\$700 million in loans—has helped to supply 55 million people in the region—or one out of every four—with potable water facilities.



help improve water and sewage services in Arequipa, Peru's second largest city, where the lack of adequate facilities was responsible for serious health hazards, slow community growth, and business and industrial stagnation.

That year, 16 of the 40 loans the Bank extended—amounting to more than \$63 million—were for installing or improving water and sewage services in various communities in eight member countries—Brazil, Colombia, Chile, El Salvador, Guatemala, Peru, Uruguay and Venezuela.

Since then, the Bank has extended 110 loans amounting to some \$710 million for about 4,500 water and sewage projects, both urban and rural, benefiting more than 55 million people—or one out of every four in the region.

But the Bank's contribution has not been limited to helping to finance the installation of waterworks. It has made possible, through technical cooperation to its member countries, studies for future projects and for organizing or building up water and sanitation agencies, improving their operating efficiency and revenue policies—budgeting, accounting, administration, and maintenance—to promote more efficient use of water resources and better service to consumers.

"Efficient use and administration of resources is just as important as technically sound facilities," according to Ferruccio Accame, Chief of the Division of Social Projects. "That is why the Bank has extended so much technical cooperation, using the services of consulting firms and specialized international institutions, especially the Pan American Health Organization."

Mr. Accame explained that the main purpose of the Bank's sanitation program is to provide services to the greatest number of consumers in the shortest possible time at the lowest possible cost per person. It gives preference to projects which will serve a high percentage of the population, particularly in communities where deficient services threaten public health and hold back development.

For example, in 1965 the Bank made a \$10 million loan to Venezuela to help finance the installation of house connections for 82 per cent of the population and public fountains for 18 per cent of the population in about 300 rural communities of less than 5,000 people.

In 1969 it extended two loans for \$12.5 million to help expand the water supply and sewage systems of Monter-

rey, the industrial hub of northeastern Mexico, to meet the city's needs through 1980.

This project was one of the first attempts to tap deep underground water resources in Latin America. The first stage of the long-range program was designed to cover water and sewage needs in Monterrey and the surrounding area, which has one of the lowest rainfalls in all Mexico, up to the year 2000. The second stage will develop surface water resources.

These projects are typical of the Bank's collaboration in the efforts to improve public health conditions. In more recent years the Bank has continued this work, frequently, though not always, financing another stage of projects for which it had previously made loans.

The most recent loans—in 1974—were to Bolivia, El Salvador, Guatemala, Honduras, Paraguay and Peru, for projects ranging from expanding and improving systems in large cities to installing waterworks in small country villages which have never had any before.

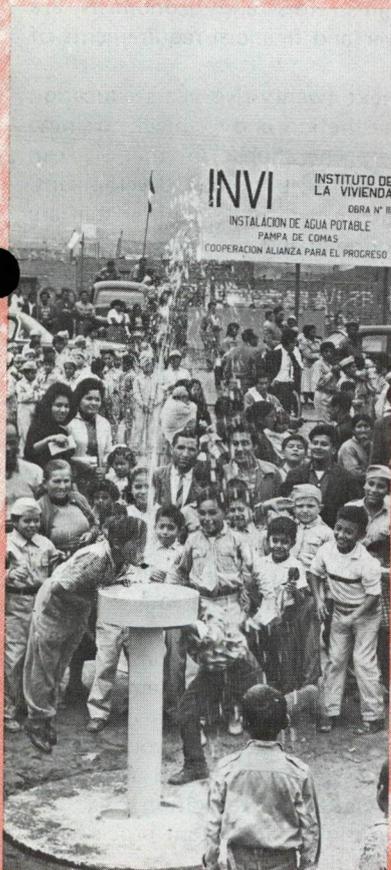
Future prospects

In the 1970s the countries of Latin America will have to continue to give the highest priority to supplying their increasing populations with sufficient potable water and to expanding sewage disposal facilities. And as development and industrialization increase, they will have to give more emphasis to pollution control measures, including the treatment of used waters.

If at least 80 per cent of the urban population is to have home service and sewage facilities, and 50 per cent of the rural population is to have potable water and sewage or other used waters disposal facilities by 1980—the goal the member countries have set themselves—there will have to be steady construction programs in towns and cities and more attention will have to be concentrated on rural areas to achieve more balanced development and to stem the tide of rural migration.

Greater resources will be required not only from national sources, but from international organizations.

"In keeping with its philosophy regarding the relationship between basic sanitation and economic development," according to Mr. Olivero, "the Bank will intensify its support of member countries' efforts to achieve their objectives. And it will continue its work to strengthen the institutions responsible for preparing and administering projects."



New Objectives and Approaches Needed in Region's Education

Soon after it began its operations, the Inter-American Bank pioneered a new frontier in public financing by entering the field of higher education.

This decision was a recognition that education and science are essential to any development effort.

Then, in 1965, the Bank broadened its lending for education to include technical and vocational training. And in 1968, the Board of Executive Directors broadened Bank policy still further to include loans for scientific and technological research.

In January 1973 the Bank adopted a new policy that was designed to support national efforts at every level of the educational system. At the same time, it specified that Bank-supported programs must be in consonance with, and integrated into, national plans, and not duplicate or overlap the activities of other international agencies and organizations.

The Bank's operations in the field of education have been designed to expand facilities, staff and enrollment capacity and, at the same time, improve the quality and effectiveness of teaching.

The impact of Bank-supported projects has been reflected in more efficient student and registration procedures, fewer dropouts, and improved facilities, including additional classrooms, workshops and laboratories. And in the attention given to restructuring administrative procedures and academic standards; revised curricula emphasizing technical trades and professions; more effective instruction through teaching and research equipment and facilities; better use of laboratories and libraries, and increased student aid.

The Bank, through its loans and technical cooperation, has fostered institutional reforms, generating systematic development planning practices as a permanent feature in the field of education.

Some 2,000 experts from all parts of the world, meeting in Williamsburg in the early sixties to study the educational situation, agreed that the common denominator the world over was "the educational crisis," a phrase used—for want of a better one—to cover a number of negative and complex factors.

Significantly, the value of science and education began to be questioned precisely at a time when the atomic era came of age; when new dimensions were found in the universe and men were put on the moon; when unsuspected cybernetic possibilities were discovered, and live cells were produced in laboratories.

Concern for environmental pollution and ecology—the conservation of natural resources—became fashionable in the industrialized nations precisely when their need for energy was greatest. This dichotomy appears in the developing countries when they question not only the strategies, but the conceptual values of development at the same time that their peoples' economic, social and cultural expectations are burgeoning.

In this incongruous setting, education has been blamed, among a host of ills besetting the world, for not having fulfilled the hopes and dreams of the young, for not being equal to the needs and demands of socio-economic growth and for contributing to the imbalance existing among the various social groups. To all this has been added the steady rise in the cost of education and national financial limitations in meeting rising educational demands.

This situation is forcing a search for new solutions and new alternatives to keep education from continuing to offer "more of the same."

We are living in a time which is characterized by the need to revise educational objectives, methodology and structures everywhere, especially in the Latin American countries.

The subject-matter of education and how to impart it is as substantive as the attitudes and aspirations of teachers and students. Methods and techniques to increase the capacity to learn, assimilate and innovate are being devised, while at the same time, ways of reducing the cost per pupil are being sought.

Educational reform movements have become general. In some countries—Peru, Brazil, Chile—these reform movements range all the way from the primary to the advanced level. In others—Bolivia, El Salvador, Guatemala, Nicaragua—they cover only basic education. Virtually all of them are conducting experimental pilot projects with modern teaching tools, including television, radio and even computers.

The number of educational research centers has multiplied considerably in recent years, and alternative methods for improving and making education more meaningful has given rise to numerous approaches, described in hundreds of published studies by educators, sociologists, scientists and technicians and inter-disciplinary groups. Administrators and economists are evaluating the possible manpower and financial requirements of these new approaches.

All are agreed that in the next twenty-five years education must provide intellectual, aesthetic and ethical training opportunities for the coming generations so that it can contribute to harmonious and balanced human development. The education of the future must lead to opportunities that are conducive to more equitable economic and social justice.

The basic trend is to develop the whole human personality within the social framework; to increase society's critical sense within a permanent process of self-evaluation; to foster individual thought, while adequately transmitting advanced knowledge and learning.

The education of the future will be centered, above all, on teaching those who teach. In other words, teaching will not be limited to professional teachers only. Anyone who masters a discipline or a skill will share his knowledge with others. New technologies, appropriately administered by educational planners, will make it possible for education to reach the furthest corners of the land while strengthening already existing educational centers.

In pursuit of these goals, both formal educational systems and nonformal systems are needed. The formal systems need to be improved and made more flexible and open to innovation and to modern technology. Nonformal education would permit taking education into homes, offices, workshops and union halls and to use it as a means for recreation and relaxation.

In short, the idea is that education is a constant process that begins at birth and ends only with death.



Ismael Escobar, the author of this article, is Chief of the Section on Education, Science and Technology. A physicist as well as an educator, Dr. Escobar has written a number of books on scientific subjects and is widely published in scholarly journals in the United States and abroad. He has honorary degrees from several universities and is a member of various scientific societies—some of which he helped to found—in Latin America and the United States.

New Loans: \$145 Million to Three Members for Development Projects

The Inter-American Development Bank in recent weeks authorized \$145 million in loans for development projects in several Latin American member countries.

The details are as follows:

ARGENTINA: A \$43 million loan announced on September 30 will be used by the *Banco de la Nación Argentina (BNA)*, a Government development bank, to grant credits to electric utility cooperatives to provide electric power to approximately 26,000 farms covering an estimated 17,166,500 acres of land throughout the country.

This increases to \$58 million the total resources approved by the Inter-American Bank for rural electrification in Argentina. In 1968 the Bank extended a \$15 million loan to help finance the first stage of the project, which benefited an estimated 15,000 farms in an 8,151,000-acre zone.

The total cost of the project is

estimated at \$101.3 million, of which the Bank will finance \$43 million, the BNA \$39 million, and the beneficiaries the remaining \$19.3 million.

The Bank loan will help finance approximately 86 projects which will help mechanize farming and improve the quality of life in areas which, for the most part, do not have electric power, although they are near urban centers.

The project is part of the Government's rural electrification program, in which the country's electric utility cooperatives are playing a major role.

Other loans to Argentina totaling \$45 million were approved by the Bank's Board of Executive Directors on October 31 to help finance an agricultural development and colonization program in San Juan province in the Andean

mountain region in the western part of the country.

The loans—one for \$34 million and the other for \$11 million—will be used by San Juan province through its Department of Water Resources to benefit a total of 14,689 farm families in a net area of 256,139 acres under intense cultivation in the valleys of Tulum, Ullum and Zonda.

The project includes rehabilitation works designed to improve the productivity of 247,000 acres of land under cultivation by improving and extending irrigation canals and drains, building earth-fill dikes, installing a pumping plant and constructing and equipping water wells; purchasing machinery, equipment and vehicles; and extending farm credit to families owning less than 8.6 acres of land.

Execution of the project will bring an additional 69,160 acres under cultivation over a five-year period and is expected

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Enrique Iglesias, ECLA's Executive Secretary and IDB President Ortiz Mena, sign a contract for \$624,000 in nonreimbursable technical cooperation for a scientific and technological research program to be undertaken jointly by the two regional organizations. Cecilio Morales, Manager of the Bank's Department of Economic and Social Development (left), attended the signing ceremony.



BIDDING INFORMATION

Recently, several member countries have requested bids for goods and services which, in some cases, are to be acquired with financial resources furnished by the Inter-American Bank.

CHILE: The *Empresa Nacional de Electricidad S.A. de Chile (ENDESA)*, requested international bids for turbines, generators and safety valves for the 30,000 Kw Antuco hydroelectric plant, as well as technical cooperation for installing and putting them into operation.

The *Empresa Nacional de Electricidad S.A.* requests international bids for the above items. This procurement will be financed under Inter-American Bank loan 267/OC-CH.

Suppliers from all countries classified under IDB regulations as eligible for procurement under ordinary capital funds may participate in the bidding.

Bidding conditions are available to interested parties at Room 1507, 15th Floor, Santa Rosa No. 76, Santiago, Chile.

Offers will be received and opened at 10 a.m., January 13, 1975 in the auditorium at ENDESA headquarters (Santa Rosa No. 76, Santiago, Chile).

NOTE: Copies of bidding forms are

available at a fee of 100,000 *escudos* each, in cash. Each copy contains a) a version in Spanish; b) a version in English; c) an addendum to be filled out in English by the manufacturer.

Purchasers of the bidding requirement forms should fill in a form supplied at the time of purchase, giving the following information: social purpose of the firm, enterprise, consulate, etc. on behalf of whom the purchase is made. Name and country of origin of the factory represented.

A form with full technical information is available, free of charge, to interested parties at the above address.

COLOMBIA: The *Empresa de Acueducto y Alcantarillado de Bogotá, D.E.*, has requested construction and transport equipment under international public bid No. 342-OP-11-3H, as follows:

Three wheel-mounted backloaders and accessories; eight wheel-mounted loaders (1 1/2 cubic yards); four 100 H.P. bulldozers; three caterpillar-mounted shovels (3/4 cubic yard); one loader (2 1/2 tons); two ten-ton self-propelled cranes; one 125 H.P. road grader; six wheel-mounted com-

pressors; four portable compressors; 36 pneumatic hammers; six pneumatic rollers; 48 pump-motor sets (three inches in diameter); 48 pump-motor sets (two inches in diameter); 10 2-Kw portable electric power generators; 12 (1 1/2 ton) differentials; one medium-depth drilling equipment for depths of 700 to 900 feet; one drilling equipment for wells 1,500 to 1,700 feet in depth; drilling accessories; two trailer haulers with a 36-ton capacity; two truck bodies for eight-ton loads.

The requirement form is available for a fee of 3,000 *pesos* for the first copy and 500 *pesos* for each additional copy at the *Dirección del Plan Maestro de Acueducto* (Calle 22-C No. 44-99, Oficina 201).

The bidder or his representative should submit offers personally at the above address by 6 p.m., Friday, January 10, 1975. Bids will be open publicly at that time.

The *Empresa Nacional de Electricidad S.A.* obtained funds from the World Bank under Loan No. 741-Co to help finance the purchase of the above equipment. Payments will be made under the conditions and terms of that loan. Under World Bank regulations, only bids from its member countries and Switzerland may be considered.



Bank's Field Representatives Meet in Washington

When Antonio Ortiz Mena became President of the Inter-American Bank in 1971, one of the goals he set was to strengthen the institution's representations in the member countries.

To do this, he endowed its field offices with the administrative and technical autonomy they needed to enable them to concern themselves not only with operations already under way, but to work with member countries in the preparation of projects. The purpose was to expedite the processing of new projects.

In the last three years, this approach has brought the hoped-for results: simplified procedures and negotiations, speedier evaluation of loan requests and more prompt disbursements in operations authorized by the Board of Executive Directors.

In pursuit of this policy, in the last half of October the Manager of the Operations Department convened the Bank's field representatives for a week of working meetings in Washington.

During the meetings, the Representatives' Manual was studied and analyzed, as were new Bank policies in various fields.

Above: The Bank's Representatives. Lower left: Ewaldo Correia Lima, Operations Manager, with IDB Vice-President Henry J. Costanzo, and James A. Lynn, Senior Deputy Manager. Right, Guillermo Atria, Representative in Mexico, at a meeting with officials of the Bank's Office of Information to discuss the institution's public affairs program.



Three Countries Get Bank Loans

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to increase considerably the yield of grapes, olives, onions and tomatoes.

The total cost of the project is estimated at \$101.2 million, of which the Bank will finance \$43 million, the BNA \$39 million, and the beneficiaries the remaining \$19.3 million.

COSTA RICA: Also on October 31, the Bank announced approval of a \$50.5 million loan to help build a hydroelectric plant with a generating capacity of 135,000 kilowatts on Lake Arenal in the northwestern corner of the country.

The *Instituto Costarricense de Electricidad (ICE)*, the national power agency, will use the loan to help double its installed generating capacity by 1978, when the three generating units to be installed at the Arenal plant come on stream. In 1973 ICE provided approximately 84 per cent of the total power sold by the National Interconnected System which supplies the major cities and towns of Costa Rica.

The total cost of the project is estimated at \$91 million, of which the Bank loan will cover 55 per cent and

ICE the remaining 45 per cent.

The project, which includes a tank for water storage, will make possible an irrigation program and gradually colonizing 247,000 acres of farmland.

HONDURAS: On October 24 the Bank announced the approval of a \$6,750,000 loan to help expand and strengthen secondary-level vocational and technical education.

The loan resources will be used by

the Ministry of Public Education (MEP) through the Executing and Coordinating Unit for Comprehensive Education Reform (UECRIE) to increase the capacity of the country's three main vocational and technical schools from 1,000 at present to 1,900 by 1977 and to reorient and modernize the curricula by placing greater emphasis on practical work in trade, agriculture and industrial specialties.

Bank Bonds Sold to Trinidad and Tobago

The Inter-American Bank recently announced that it had sold at par two issues of long-term bonds equivalent to 10 million United States dollars in the Trinidad and Tobago market.

"This borrowing is an example of the means by which governments of countries with added energy revenues are benefiting the less developed countries of the Hemisphere," Antonio Ortiz Mena, President of the Inter-American Bank, said at the signing ceremony. The agreements under which the bonds are being sold to Trinidad and Tobago were signed October 23 by Prime Minister Eric Williams and Mr. Ortiz Mena in Port of Spain.

Mr. Ortiz Mena emphasized that "the authorities of Trinidad and Tobago have provided extraordinary cooperation to the Bank in making the borrowing under the most favorable terms."

These issues, the first foreign bonds placed in Trinidad and Tobago, were sold to the Central Bank of Trinidad and Tobago. One will be for 10 million Trinidad and Tobago dollars—equivalent to about 5 million U.S. dollars—and the other for 5 million in U.S. dollars.

The borrowing, Mr. Ortiz Mena noted, is the Bank's second long-term borrowing in one of its developing member countries. The first was for 100 billion bolivers—equivalent to 23.3 million U.S. dollars—placed in Venezuela last March.

The proceeds of the sale of the bond issue will be incorporated into the Bank's ordinary capital resources and will be used to help finance the development of the Bank's member countries in the Caribbean and Latin America.