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## Ortiz Mena Presents Bank Views, Policies, to First World Conference on Population

Antonio Ortiz Mena, President of the Inter-American Development Bank, announced that the Bank is prepared to adopt flexible operating criteria in considering requests from member countries for loans and technical cooperation in the population field.

In an address to the United Nations Population Conference, which met August 19 to 30 in Bucharest, Mr. Ortiz Mena said the Bank would establish the same close working relations with the United Nations Fund for Population Activities that it enjoys with the United Nations Development Programme.

Mr. Ortiz Mena headed the Bank delegation to the Conference, in which some 205 governments and institutions participated, making it the broadest representation under United Nations sponsorship to date. Antonio Carrillo Flores, of Mexico, was Secretary-General of the Conference.

"I would like to stress" the Bank

President told the delegates and guests assembled at the Palace of the Republic, "that we conceive of development as a technical process which pursues profoundly human goals, respecting and harmonizing family values, the nation, the State and the life style which corresponds to the culture of every society."

Mr. Ortiz Mena described the Conference as "one more link in the chain of efforts being made by the international community within the context of the United Nations to deal with problems that are today affecting all mankind and whose solution can be facilitated to the extent that the countries coordinate their national interests and create the conditions required for collective and responsible action." He indicated that agreements adopted during the conference "will significantly accelerate the countries' demand for technical aid and financing from international agencies" and added that the critical problem is

how to meet the challenge of this new level of activity satisfactorily.

He explained that the Bank's demographic policy is based on recognition of the fact that population problems and related policies adopted by its member countries "have cultural and social implications that are sensitive in themselves; these require the dialogue and consensus of the national community.

"We have also considered the wide range of approaches to demographic growth at the national level and of strategies for dealing with the consequences of such growth, which often evolve within different development contexts," he said.

The IDB President noted that current demographic trends dramatically illustrate the backwardness of two-thirds of the human race and said that any future action on this front must be closely tied to the war against poverty, disease and ignorance.

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## Bridges, Tunnels, Dams, Are Giving the River Plate Basin a New Look

Travelers from Argentina, Uruguay and Brazil will soon be able to go from one country to another by land in only a few hours—an impossible feat only a few years ago.

Before the end of the decade, Buenos Aires, Montevideo and Rio de Janeiro, the Southern Cone's urban triangle, will be connected by highways, bridges and tunnels, drawing a stream of businessmen and tourists traveling by train or car.

This modern miracle is materializing because the three countries' drive for better communication has produced large-scale engineering works that will enable travelers to surmount the difficulties now presented by the Paraná and Uruguay Rivers, which cut through mid-eastern Argentina.

The Uruguay River is a natural boundary between Argentina and Uruguay. Further down, it flows into the Paraná, forming the River Plate, the world's widest river, on whose banks each country has built its capital—Buenos Aires and Montevideo.

But Argentines and Uruguayans are trapped by geography. Three Argentine provinces bordering on Uruguay and Brazil—Entre Ríos, Corrientes and Misiones—are surrounded by the Paraná and Uruguay Rivers and their tributaries, cutting them off "as if they were another country," as the local people say. So Argentines and Uruguayans have had to rely on ships and planes for travel and communication.

"We realized that the rivers, instead of

linking our territories, separated them," according to José Luis Buzzetti, an Uruguayan engineer who became interested in the problem more than two decades ago.

At that time, plans to build one or more bridges over the Uruguay River were already under way.

Now Buzzetti is seeing his work crowned with success. He is president of

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## The 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 participated—and some of the topics discussed and conclusions or resolutions adopted—were:

**United Nations Development Programme:** XVIIIth Session of the Governing Council, Manila, June 5-24.

Pedro Abelardo Delgado, Deputy Manager, Technical Cooperation, represented the Bank.

The UNDP Administrator, Rudolph A. Peterson, presented his 1973 report to the Council. The report, in addition to an account of the year's activities, contained an overview of past accomplishments, current concerns, future directions, and a summary of evolving policy guidelines and operational procedures.

Three recent trends which, in the Administrator's view, will characterize future UNDP programs are increased assistance to the least developed countries; increased social program content; and greater cooperation among developing countries.

Voluntary contributions for 1974 increased to about \$400 million at a yearly rate of almost the 15 per cent annual growth rate urged by the 1972 United Nations General Assembly, according to the report. The increase will probably bring the available resources for the 1977-1981 programming cycle to about \$2 billion.

The Council approved the report of the Working Group on Cooperation Among Developing Countries. The report contained recommendations designed to stimulate the participation of the developing countries in the Programme, including the establishment of a special unit in the Office of the Administrator for that purpose. Another recommendation, addressed to participating agencies, including the IDB, was the establishment of coordinating centers for fostering technical cooperation among the developing countries.

**Inter-American Institute for Agricultural Sciences of the OAS:** VIth Meeting of the Advisory Commission, Regional Cooperative Agricultural Research Program for the Southern Zone, Brasilia, June 24-29.

José Soto Angli, of the Training Division, who represented the Bank, described the Bank's work in supporting such agencies.

The Commission reviewed its regional cooperative agricultural research program, the main objective of which is to foster and coordinate agricultural research. It considered a proposal presented by the Inter-

American Development Bank to that effect and recommended measures designed to encourage cooperation among agricultural and scientific research institutions.

The Commission singled out six specific activities for priority in future IICA research programs for the Southern Zone, including regional seminars on agricultural, production and technical evaluation techniques; the study of possibilities for joint research in fields of regional interest; and the exchange of scientists, researchers and experimental materials among the countries of the area; and publication of technical material.

It recommended the study of a system for uniform codification of the research programs of the region's institutions and the possibility of undertaking joint research projects of regional significance.

**XVth International Congress on Administrative Sciences.** Mexico City, July 21-27. (Sponsored by the Institute of Administrative Sciences and the Government of Mexico).

A message from President Antonio Ortiz Mena was transmitted to Andrés Caso, President of the Congress, together with a document entitled "The IDB's Role in Institutional Support and the Strengthening of Planning Systems in Latin America (1961-1974)."

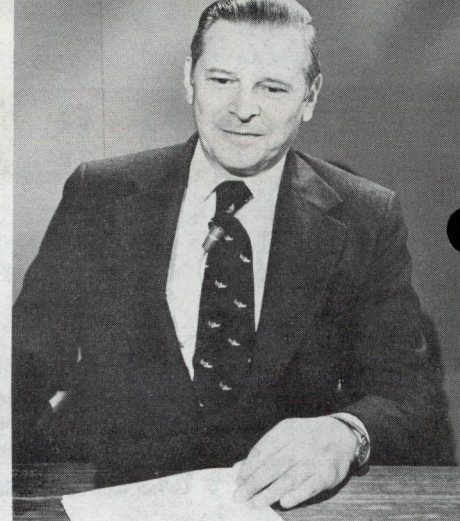
Mr. Ortiz Mena stated that the IDB "is interested in this field, as well as in the mobilization of domestic resources to generate national counterpart funds for the international credit it grants, for as a development financing institution, it depends on effective governmental action in the member countries, particularly in financial and sectoral administration having a direct bearing on the execution of the programs it supports."

Mr. Ortiz Mena pointed out that the Bank, "in close cooperation with other international agencies operating in Latin America, will continue to provide member countries, to the extent of its capacity and within the framework of integrated fiscal and administrative components of institutional development, with the financial and technical cooperation they require."

This was the first time the Institute, based in Brussels, held its Congress in a Latin American country. Another "first" was the election of a Latin American as president of the Institute—Gustavo Martínez Cabañas, of Mexico—thus highlighting the importance of the developing countries.

Alfredo Gutiérrez, Executive Assistant to the President, and Mauricio Herman, Chief of the Training Division, represented the Bank.

Prior to the session, Latin American delegates held a Seminar on Administrative Reforms. Mr. Gutiérrez represented the Bank at the Seminar.



## Porges Supports Broad Membership

The United States and the Latin American countries would welcome the membership of additional donor nations, according to John M. Porges, United States Executive Director of the Bank.

"Participation in the IDB by Western European countries and Japan would be an effective means of increasing the Bank's capital resources and technical know-how," Mr. Porges said in an interview with three Washington reporters. "It would also reduce the Bank's dependence on United States contribution."

Discussing the Bank's work for the development of Latin America on "Overseas Mission," a nationwide weekly radio and television public affairs program, Mr. Porges said membership negotiations were under way with a number of European countries and Japan. "These negotiations are aimed at bringing in some 18 countries," he said.

Mr. Porges was interviewed by Ray Cromley, syndicated columnist of the Newspaper Enterprise Association, Phil Gailey of the Washington Bureau of the Knight Newspapers, and Winthrop Carty, of *Visión*, a news magazine published in Latin America in Spanish and Portuguese editions.

In reply to a question about possible financial cooperation by the oil-producing countries of the Middle East, Mr. Porges said the Bank has been in touch with some of them. "We're hopeful," he said, "that at some point in the not too distant future we will be able to achieve some kind of financial understanding."

Mr. Porges came to the Bank in April 1973 from the Morgan Guaranty Trust Company, where he served as Vice President in charge of Latin American affairs. Previously, he was a director of the *Banco Francés del Río de la Plata* in Buenos Aires.



# New Look Coming to River Plate

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The Uruguayan delegation to COMPAU, a technical commission on bridges between Argentina and Uruguay. With Jorge del Mazo of Argentina, currently president of COMPAU, he is one of the men responsible for the international bridge that by 1975 will link the two countries at Fray Bentos in Uruguay and Puerto Unzué in Argentina.

The bridge—3.3 miles long—is being built with local funds and loans from the Inter-American Development Bank to the two countries.

This bridge will not be the first international project of its kind in the area. The international bridge connecting Paso de los Libres, in Argentina, and Uruguaiana, in Brazil—249 miles to the north of the site of the new international bridge between Argentina and Uruguay—has been in service for years, a viable solution to the increasing commercial traffic gravitating to Buenos Aires and Porto Alegre in Brazil.

But the Fray Bentos-Puerto Unzué

bridge, only 60.2 miles from the mouth of the Uruguay River, will end the isolation of the roadway systems on both sides of the River Plate.

"About 20 or 30 years ago," Buzzetti explains, "river transport could satisfy both countries' needs, but now, with some 250,000 trucks and cars in Uruguay and almost 3 million in Argentina—not counting the number coming from Brazil—the River has become a hindrance to progress. The new bridge is the only solution to the traffic situation in the Buenos Aires-Montevideo-São Paulo-Rio de Janeiro corridor. It will promote trade, tourism and communication among people with many interests in common."

Statistics seem to support this view. In the 1956-57 season, almost 200,000 tourists visited Uruguay. Since then the number of visitors has increased at a yearly rate of almost 5 per cent, reaching 700,000 this year. Nearly half a million came from Argentina.

The number of Uruguayans traveling to Buenos Aires has increased at a rate of 8 per cent a year to 200,000. The number of Brazilians going south to Montevideo and Buenos Aires is increas-

ing astronomically, particularly in winter, when they converge on the two cities.

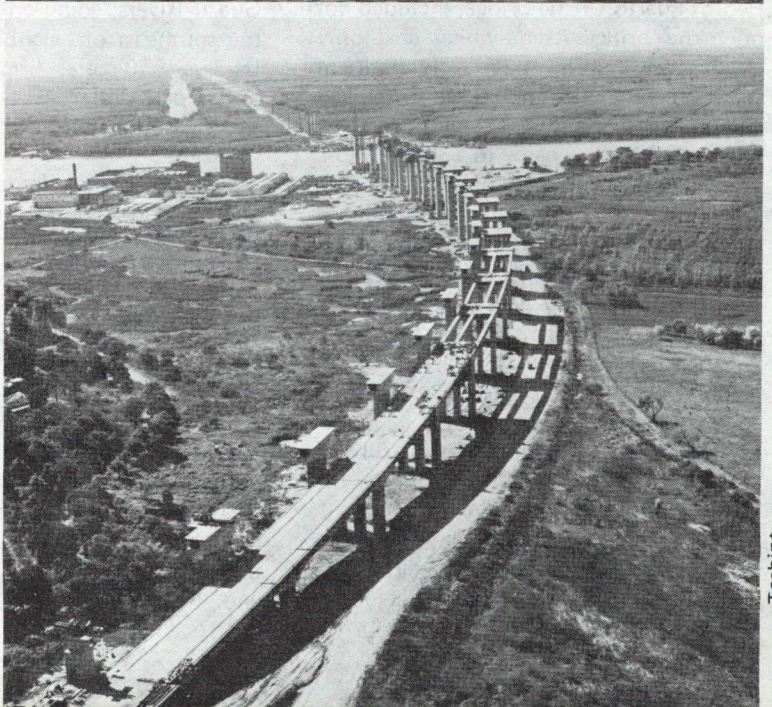
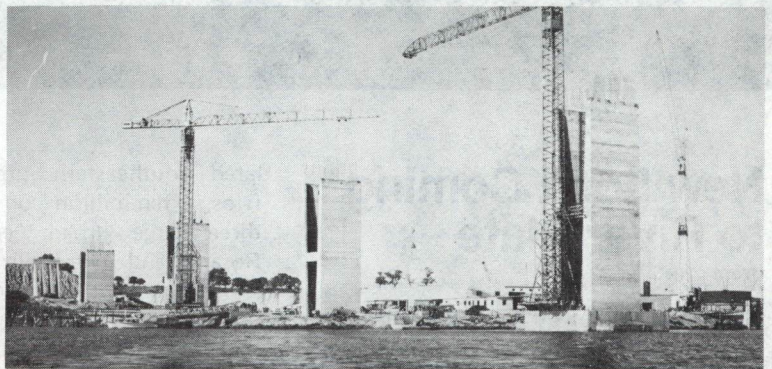
Last year, 50,000 Brazilians arrived in Buenos Aires, going as far as snow-capped Bariloche in the Andes mountain-range.

Being able to drive from one country to another without using rafts or ferries will no doubt draw greater numbers of travelers to the area. It should also increase its trade, which revolves around certain specific points—Brazilian goods for Rosario, Santa Fe and Buenos Aires markets in Argentina; Argentine products for Montevideo, Paysandú and Tacuarembó, in Uruguay; and Uruguayan goods for Buenos Aires, Rosario and Santa Fe.

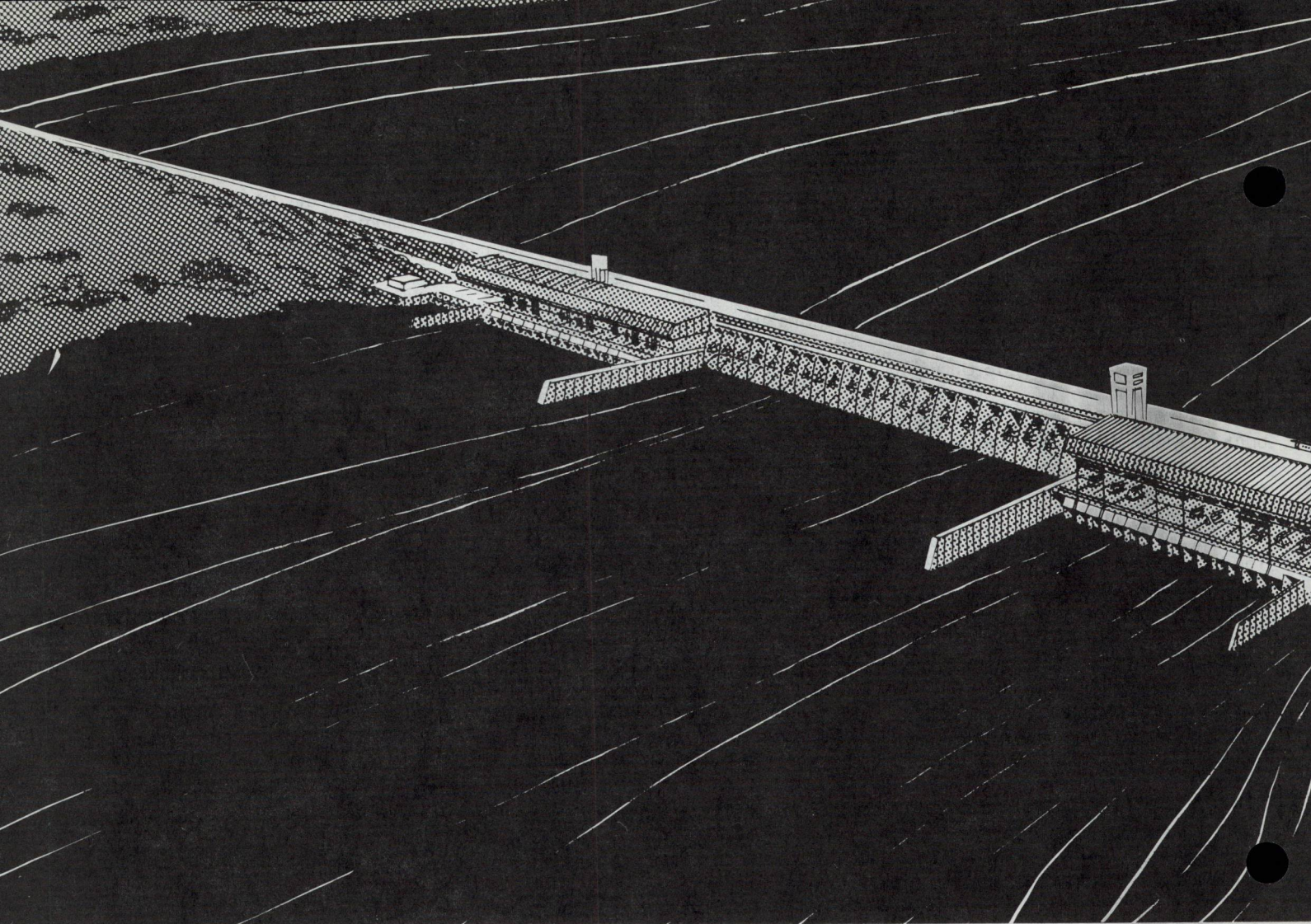
This regional physical integration achieved through the Fray Bentos-Puerto Unzué bridge and another international bridge under construction over the Uruguay river between Paysandú, in Uruguay, and Colón, in Argentina—some 78 miles above the previous junction—was preceded by a number of local infrastructure works such as airports, bridges, tunnels and the like as part of a network that will make possible better use of the advantages provided by the joint projects.

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The network of roads, bridges, tunnels, dams, and power plants Argentina and Uruguay are installing in the River Plate region will stimulate industry, trade and tourism. Left: a map showing the site of the main projects. Right: the supporting pillars of the Fray Bentos-Puerto Unzué international bridge, which will become part of the Pan American Highway. Below: the Zárate-Brazo Largo road and railway complex includes a 350-mile highway connecting two Argentine provinces and linking Buenos Aires and Montevideo.







## New Look Coming to River Plate

(from page 3)

For example, the IDB loans to Argentina and Uruguay for the Fray Bentos-Puerto Unzué bridge, included not only the bridge itself—which cost only about \$17 million—but a network of roads throughout the three provinces comprising Argentina's mesopotamian region. Bank loans came to \$38.3 million.

A considerable portion of the Bank loans to Uruguay for road-building—almost \$40 million—was used for routes which, like Route 9, are part of the Buenos Aires-Montevideo-São Paulo-Rio de Janeiro "corridor."

Argentina, which has invested heavily in this field, has registered spectacular achievements.

In 1969, the 2,900-meter tubular Hernandarias tunnel, 32 meters under the Paraná River, went into service.

The tunnel, which connects the cities of Santa Fe and Paraná, opened up to production the until then virtually iso-

lated southeastern province of Entre Ríos, a ten-million consumer market for three large urban centers—Santa Fe, Rosario and metropolitan Buenos Aires.

Another huge project, Brazo Largo, the Zárate railway complex, crosses over the Paraná de las Palmas and the Paraná Guazú Rivers, going on to Brazo Largo in the southeast of neighboring Entre Ríos. Its two 550-meter bridges will serve as both road and railway routes, classing them among the world's first bridges of that type.

The work includes about 6 miles of railway viaducts and 4 miles of two-lane viaducts to be completed in 1976.

When Zárate-Brazo Largo and the Fray Bentos-Puerto Unzué bridge are in use, it will be possible to drive without stopping over a 356-mile stretch linking Buenos Aires, Zárate, Brazo Largo, Gualeguaychú, Fray Bentos-Puerto Unzué, Mercedes, Cardona and Montevideo in no more than eight hours.

Argentina's mesopotamian region will be open to traffic with completion of the bridge connecting the cities of Corrientes and Resistencia at a point 750 miles

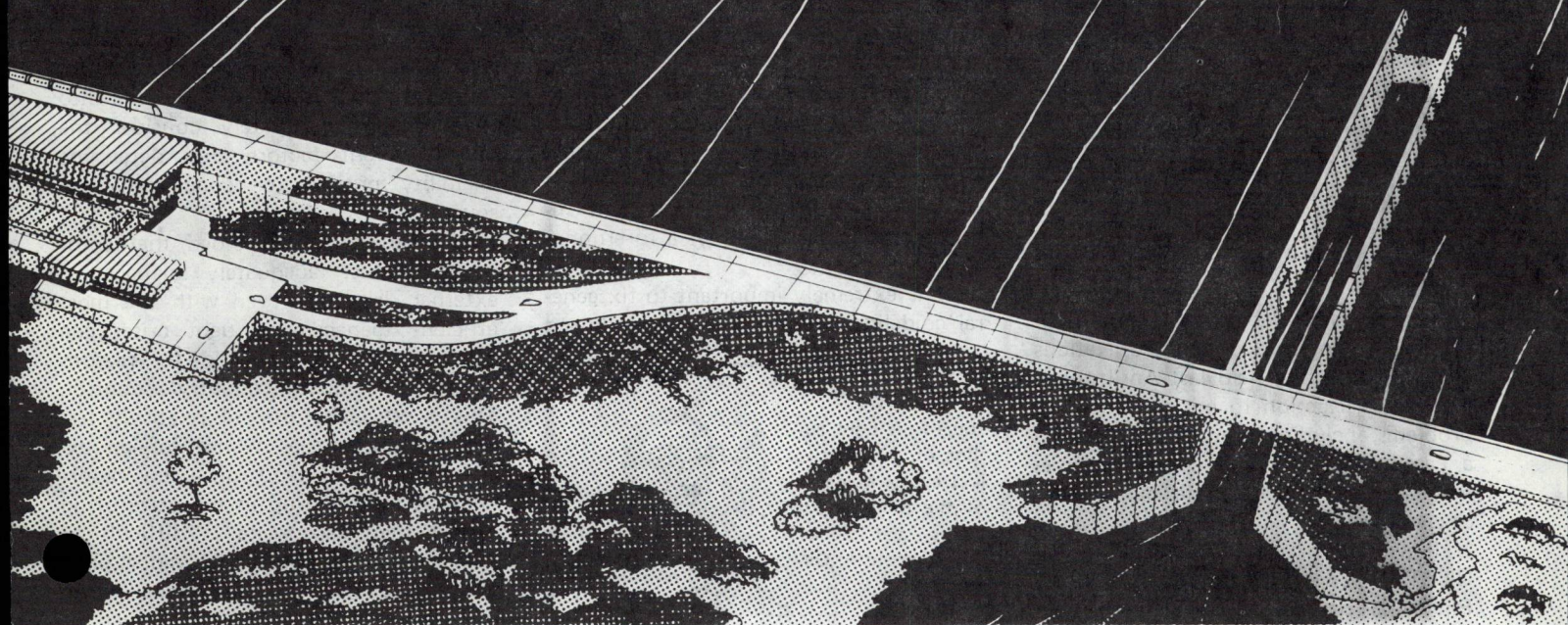
north of Buenos Aires, near the Apipé Falls on the Alto Paraná, where Argentina and Paraguay plan to build jointly a 2.1-million kilowatt electric plant. The bridge will be a crucial facility for the urban, industrial and commercial growth the increase in electric power will engender.

The increase in available installed electric capacity is also evident in the region at the mouth of the River Plate.

The Argentine side of that area is already being served by the power generated 500 miles to the west by the El Chocón-Cerros Colorados Hydroelectric complex.

In 1980, the 1,620,000-kilowatt Salto Grande hydroelectric plant will begin to supply consumers in Uruguay and in the Argentine border provinces of Entre Ríos and Santa Fe—a 187,500-square-mile area of more than 5 million population, 2.9 million of whom are in Uruguay. At the same time, Uruguay will have additional electric power from two smaller plants to be built next year—Centurion and Talavera—in the Brazilian border area.





Abel Guibe

The importance of Salto Grande to both countries can be gauged by the rate at which the work is advancing. Access and engineering works are already under way, and suppliers have been selected for the 12 great turbines and the electrical and mechanical equipment needed for the complex.

Construction of Salto Grande, for which the IDB extended loans of \$79 million to Argentina and Uruguay, is being directed by a bi-national organization similar to the one responsible for the construction of the Fray Bentos-Puerto Unzué bridge—the *Comisión Mixta*

*Técnica de Salto Grande*. Its presidency is held alternately by Argentines and Uruguayans.

Last July 1, Jorge Echeverría Leunda, a 47-year-old Uruguayan lawyer and former Governor for Uruguay at the World Bank and the International Monetary Fund, became president of the Salto Grande Commission.

That same day he presided over the opening of offers at the third request for bids by the Commission, and declared that work would not be delayed.

Argentines and Uruguayans are enthusiastic about their experiences in working

Salto Grande: A great barrier spanning the Uruguay River, as shown in a sketch from *Gente*, an Argentine magazine. The 800-meter dam will be used to generate electric power, improve navigation, install irrigation works and develop the Argentina-Uruguay border region. The experience gained through this venture will be valuable to other countries as well. Above: the Salto Grande Mixed Commission at a recent session.

on joint enterprises.

Norberto Papini, the Argentine engineer who is Executive Director of the Fray Bentos-Puerto Unzué bridge, says that working with workers from two countries, under two different national jurisdictions having different labor laws, currency, and exchange regulations, as well as other difficulties never before encountered, such as different national holidays on the two sides of the river, had challenged the imagination of Commission members.

"All the same," he says, "we found no problem we couldn't solve, and we're chalking up experience which should be very valuable to countries undertaking similar jobs."

## Paraguay's economy thrived in 1973

Paraguay's rate of economic growth in 1973 continued to increase, according to a report by the International Monetary Fund. The rise in gross domestic product (GDP) in real terms was estimated at 5.8 per cent, against 5.3 per cent in 1972 and an average of 5 per cent in 1969-71.

With a substantial improvement in the external terms of trade, real national income rose by close to 8 per cent; the increase in real per capita income was 5 per cent.

The improvement in the standard of living followed an increase in real per capita income of 3.5 per cent in 1972, the highest since 1965, when it improved by 4 per cent. The largest components of the GDP were commerce and finance, agriculture and fishing, and manufacturing, in that order. The ratios of these sectors to the total GDP, in real terms, have been in the vicinity of 25 per cent, 18 per cent, and 16 per cent in the past six years.



# External Public Indebtedness and the Developing Countries

The public external indebtedness of developing countries—defined as debt repayable to external creditors in foreign currency, goods or services with a maturity of more than one year—rose from \$21,600 million in 1961 to \$88,000 million in 1972, a fourfold expansion, according to a recent UNCTAD report. During the period 1965-1971, gross disbursement of official loans and grants increased more slowly than debt service payments, with a lower net transfer of resources on account of these items to the developing countries. In recent years, therefore, an increasing number of countries have been requesting renegotiation of their external debt.

In view of the developing countries' growing external debt problem, the VIth Special Session of the United Nations General Assembly, held last April, urged international action to mitigate the debt problems, including debt renegotiation on a case-by-case basis to conclude agreements on debt rescheduling, moratorium or cancellation.

Previously, in June 1973, the UNCTAD Committee on Invisibles and Financing Related to Trade had established a special committee of government experts to study external debt problems in developing countries, as well as possible measures to avoid debt crises and keep service payments within reasonable limits.

The group, meeting for the first time in Geneva last May 9 and 10 with the participation of experts from both developed and developing countries, held preliminary discussions on the economic factors which should be considered for evaluating the importance of debt-service payments, ways of avoiding debt-service difficulties, and measures to lessen the debt burden of developing countries in difficulty.

Although it was an exploratory meeting, the Group established more accurately the main points requiring study and the most important areas of disagreement between creditor countries (developed) and debtor countries (developing).

At this stage, the areas of agreement among the members of the Group cannot be pinpointed, but it is worth examining some of the topics they discussed.

Despite the importance of the statistics compiled by the World Bank and the

documents issued by the UNCTAD Secretariat on the debt status, lack of complete and relevant information is one of the main obstacles in studying the debt and forestalling and avoiding possible difficulties. Information on private debt and on short-time debt—due in less than a year—is marked by serious gaps and deficiencies. For example, there is little information on the Euro-currency market—an increasingly important source of financing for the developing countries.

The short-term debt is a valuable indicator of the balance of payments situation, and excessive short-term indebtedness is nearly always a forerunner of a debt crisis.

It is extremely important to fix general guidelines and criteria to be followed

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in analyzing the debt capacity of developing countries, advisable debt structures as far as payment period, interest and other terms are concerned, circumstances warranting renegotiation, and measures recommended in each situation for a timely solution of debt-service problems. Although it would be difficult to establish rules inflexibly applicable in each case, adequate general guidelines are urgently needed by debtor as much as by creditor countries and international financing entities.

It would be extremely harmful if increases in the debt of developing countries created the false impression that they have reached or are about to reach their debt capacity. On the contrary, a greater debt with longer payment period, lower interest rates and more favorable terms in many cases can bring relief from the service burden.

A developing country has good reasons to increase its external debt for enlarging its import and investment capacity in order to reach feasible, carefully established, development goals.

Debt crises would be more acute and would affect more countries if official

development aid failed to increase at a pace compatible with the justifiable need for such financing. Many countries do not yet have sufficient savings and import capacity for their development needs without a net transfer of external resources. The efforts made so far would be unproductive if, at this stage, allocations for official development aid should not continue to increase.

Closely linked to the availability of sufficient official resources for development financing is the problem of distributing concessional resources—always in short supply—among beneficiary countries. General guidelines should be established for this purpose which take into account and adequately consider the main relevant factors, and determine eligibility criteria for concessional resources.

If crises are to be avoided, the debtor country must adequately manage its external debt. But even with the most efficient management, debt crises can crop up—and, in fact, do—for reasons beyond the debtor country's control. This is especially true of relatively less developed countries whose foreign exchange intake depends on a few export lines. A sudden drop in the price of an export item can make it difficult to service the debt. Substantial import price increases can have the same effect. And in both cases, price-change factors can be totally beyond the debtor country's control.

The ideal situation would be to adopt agreed-upon guidelines, procedures and facilities designed to avoid debt crises, while preserving the debtor countries' long-term development goals.

## Colombia Improves Farm Marketing

President Antonio Ortiz Mena, during his recent trip to Colombia, presided over the official opening of "Mercalipuerto," a new central wholesale farm market in Cali.

The market is part of a \$12 million program—in which the Inter-American Development Bank participated with a \$6 million loan—to improve farm marketing in Bogotá, Cali and Medellín, three of the country's major cities.

It includes nine large warehouses with 33,300 net square-meters of space for perishables, grains, meats and poultry, dairy products and processed foods. More than 400 wholesale dealers from the area will use the market.



## Four Countries Get Bank Loans

The Inter-American Development Bank in recent weeks authorized \$27.7 million in loans and technical cooperation to its member countries in Latin America. The details are as follows:

**COSTA RICA:** A \$3.3 million loan will be used to help finance the expansion of the Technological Institute of Costa Rica (ITCR) in Cartago, a city near San José, the capital.

The loan will help to finance construction of eight buildings and purchase equipment, textbooks and other teaching materials.

The new buildings will make it possible to increase enrollment by 1,200 students by 1979 and to offer training in electronics and in lumber and road technology.

**PANAMA:** An \$8 million loan approved on August 1 will be used by the Agricultural Development Bank for re-lending to approximately 2,350 small- and medium-scale farmers.

The loans are expected to help increase production, increase income, multiply agricultural employment opportunities, and expand the supply of domestic food products and of beef for export.

**PARAGUAY:** On August 8 the Bank announced an \$8 million loan to help finance a development program for industry, tourism and agriculture which will benefit small- and medium-scale producers.

The loan will be used by the *Banco Nacional de Fomento* (BNF), the national development bank, for re-lending to small- and medium-scale industrialists and



Henry J. Costanzo, Executive Vice-President of the Inter-American Bank, and Ulysses Grant, Director-General of the International Center for Tropical Agriculture, sign the documents for the \$839,500 technical assistance operation extended to the Bogotá-based institution for agricultural research and extension work.

farmers to develop small and intermediate industry, including tourism, and provide credit to producers working on farms, truck gardens, and mixed operations.

**TRINIDAD AND TOBAGO:** Also on August 8 the Bank announced a \$5.3 million loan to help improve health services in Trinidad and Tobago.

The loan will be used to build and equip new hospitals and health centers, almost doubling present hospital facilities.

**AGRICULTURAL RESEARCH:** On August 8 the Bank extended a \$2 million technical cooperation grant to foster training and extension services in the member countries by the International Center for the Improvement of Maize and Wheat (CIMMYT), the International Center for Tropical Agriculture (CIAT), and the International Potato Center (CIP). The three centers are working to help solve the problems of malnutrition

and insufficient agricultural production in Latin America and elsewhere.

**PUBLIC ADMINISTRATION:** The Bank on July 31 approved \$923,250 in grant technical cooperation to help train officials of the public sector and decentralized agencies in specialized areas of public administration in a joint program with the Getulio Vargas Foundation (GVF), of Brazil.

**AGRICULTURAL DEVELOPMENT:** A \$180,000 grant technical cooperation approved on August 21 will help identify and analyze agricultural investment and preinvestment opportunities in Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

## 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 Bank.

**COLOMBIA:** *The Central Hidroeléctrica de Caldas, S. A. (CHEC)* request bids (No.258/OC-CO-001) for the construction of civil works to channel the waters of the San Francisco River into the reservoir of the same name in the municipality of Chinchiná, department of Caldas. Forms at 1,000 pesos each are available in the CHEC General Secretariat, Edificio Seguros Bolívar, Oficina 502, Manizales, Colombia. Bids will close at 3 p.m., Sept. 27, 1974.

For information on bidding procedures, contact *División de Planeación y Obras, Oficina 301*, at the same address.

The works to be executed comprise the installation of radial floodgates and the construction of a rectangular concrete canal measuring 2.40 x 2.05 by 3,500 meters in length; of two tunnels, the longest 925 meters in length; of a metallic and concrete syphon 120 meters long, of a sandtrap 100 meters long, and of two miles of access road and related works, the excavation of canals, the drilling of tunnels, the lining of tunnels with 1,500 tons of cement and with 5,400 square meters of metallic sheathing.

The Inter-American Bank in 1973 extended two loans totaling \$6.9 million to the CHEC to help finance the project. Estimated completion time of the project is 30 months.



Freeborn Jewett Jr., Deputy Legal Counsel of the Inter-American Development Bank (right), and Lewis Carroll, Legal Counsel of the Asian Development Bank, met recently in Manila to discuss the administration of loans by international financial agencies.

The meetings, which lasted a week, followed earlier discussions on related topics by Krishna Moorthi, Vice President of the Asian Bank, and IDB Vice President Henry J. Costanzo.

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# Flexible Policies on Population

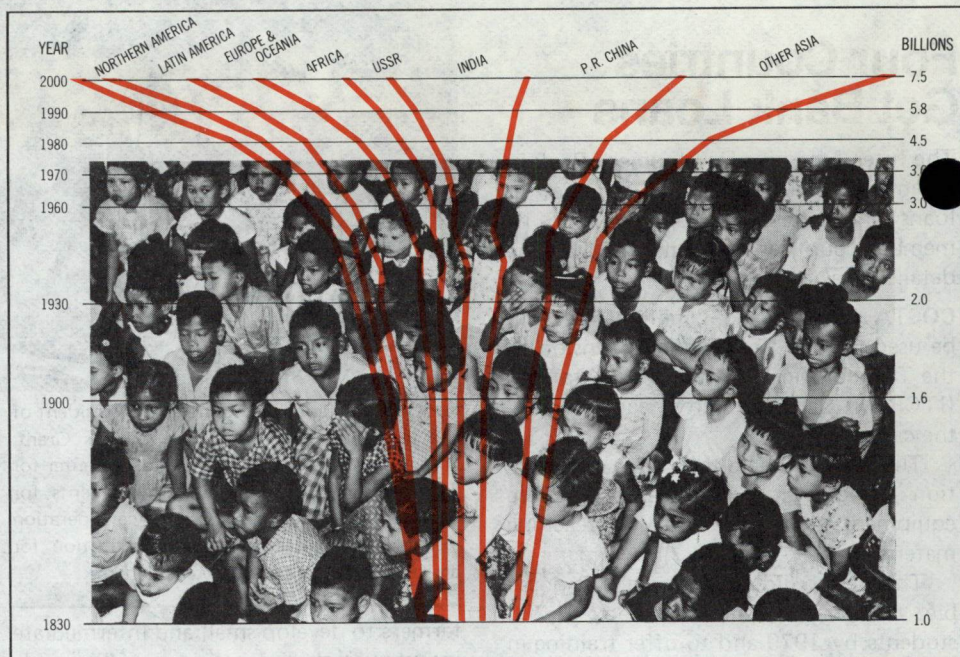
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Mr. Ortiz Mena said that Latin America has the most rapid demographic growth in the world and that its population is doubling every 23 years. He said this poses serious questions on the increase of overall population, geographic and sectoral distribution of inhabitants and even composition of the nuclear family.

At the recent preparatory meeting for the Population Conference in Costa Rica, he pointed out, the Latin American Governments "adopted a broad view of demographic problems." But despite a diversity of opinions, he added, "the area has advanced in recent years toward a regional consensus, acknowledging the importance of this matter in the formulation of development policies."

Regional governments, he said, realize that the public sector must commit itself to undertaking certain vital changes to harmonize demographic growth with a qualitative improvement in human life. "To harmonize family aspirations with national purposes appears to be a fundamental consideration in better understanding the Latin American mind in this connection."

Mr. Ortiz Mena said that, within the broad view of the implications of demographic trends, four subjects concern Latin America which in general play a



World population, as this United Nations chart shows, will double within slightly more than the next quarter of a century. By the year 2000, there will be 7,522 million people in the world instead of the 3,630 million there were in 1970. In Latin America alone, the population will increase from the 283 million of 1970 to 756 million.

part in making the best use of population: creation of productive employment in the city and in the countryside; expansion and improvement of investment in human beings; intensification of efforts to integrate vast areas in the interior of the Latin American continent; and chan-

neling migration for development purposes.

"We are confronted," he said, "with a clear choice of alternatives: through our efforts either the great masses of population will work as a development factor—that is, by generating new markets for commerce and trade designed to reinforce international progress—or, for lack of capital, technology, education, proper health care and, of course, a suitable demographic policy, we let these masses become a burden on progress and, above all, restrict their right to make full use of all their opportunities."

## New Power Plant Opens in Colombia

The recent startup of the Alto Anchicayá hydroelectric plant attracted wide public interest in Colombia, rivaling even the election and swearing-in of a new President.

The 350,000 kilowatt plant, a key part of the nationwide electric power grid the Government is developing, is expected to have a strong impact on the socio-economic development of the area.

In one of his last official acts before turning over the Government to the new President, Alfonso López Michelsen, outgoing President Misael Pastrana Borrero on July 31 presided over the hour-long ceremony inaugurating the plant.

Colombia's top officials watched as the floodgates opened and the great reservoir—45 million cubic meters capacity—began to fill with the water that runs the plant's giant turbines. Also present were Antonio Ortiz Mena, President of the Inter-American Development

Bank, and the representative of President Luis Echeverría of Mexico, Leandro Roviroso Wade, Secretary of Hydraulic Resources.

The plant on the Alto Anchicayá River, about 30 miles west of Cali, will serve the Cauca Valley, a 15,400-square mile agricultural and industrial area in western Colombia.

The increase in the country's installed electric capacity is expected to stimulate industry, open up new jobs and spread rural electrification and mechanized farming. And the improved conditions in the countryside, it is hoped, will keep people on the farm and slow down the rush to the already overcrowded towns and cities.

The plant cost more than \$110 million—of which \$58 million came from an IDB loan—and took six years to build. Work began in 1968, with construction of access roads to the plant site. In 1971, *Ingenieros Civiles Asociados, S.A.*, the

Mexican firm awarded the job in the international bidding, began construction work on the dam itself.

Dominion Engineering, Canadian Vickers, Asea Limited, and Canada Electric, all of Canada, supplied much of the mechanical and electrical equipment.

Mr. Ortiz Mena, speaking of Mexican and Canadian cooperation in the Alto Anchicayá project, said the plant was "an inter-American piece of work, built in the very heart of the Andes and meant to help bring changes to Latin America."

Mr. Roviroso Wade said the plant was an example of the good relations existing between Colombia and Canada. And President Pastrana Borrero highlighted the fact that Colombia in recent years has increased its electric power by 55 percent, bringing its installed capacity to 1,200,000 kilowatts. He announced the establishment of a National Study Fund with the help of international agencies that will undertake hydraulic studies for new works to upgrade the country's electric power to 25 million kilowatts.