



Joint Latin American Request

ENVOYS SUPPORT HIKE IN BANK'S FINANCIAL RESOURCES, MEMBERSHIP

The ambassadors to the United States from the Bank's 22 Latin American and Caribbean member countries on November 21 presented a note and an *aide mémoire* to United States Secretary of State Henry A. Kissinger asking him to inform the members of Congress of their governments' concern over reports of a possible delay in Congressional approval of measures leading to the replenishment of the Bank's resources by its members and to the admission of nonregional countries as full, contributing members.

The ambassadors recalled, in their *aide mémoire*, that Assistant Secretary of State for Inter-American Affairs William D. Rogers, speaking on behalf of Secretary Kissinger, had stated that the Inter-American Bank, since its establishment

"has been a principal component of our Latin American policy. It is a key symbol—and a living expression—of continuing hemispheric cooperation for a better life for the peoples of the Americas."

The presentation highlighted the importance which Latin America attaches to the IDB as an instrument for the economic and social development of the region. "Our Governments are vitally interested in having the increase in funds of the Inter-American Development Bank implemented as promptly as possible, since this is essential to the Bank's continued cooperation in the regional countries' efforts to promote their economic and social development," the ambassadors stated in their note.

The 22 ambassadors, headed by the

dean of the Washington diplomatic corps, Ambassador Guillermo Sevilla Sacasa, of Nicaragua, on November 13 met with IDB President Antonio Ortiz Mena at Bank headquarters to discuss the replenishment of the Bank's resources and the proposed amendments to the Agreement Establishing the Bank which, when approved by the member countries, will make possible the entrance of nonregional countries as full members.

The document recalls that the Board of Governors, at its special meeting last July 9, recommended that member countries adopt the necessary measures to increase the institution's financial resources by approximately

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The Latin American and Caribbean ambassadors to the United States meet with Secretary of State Henry Kissinger. At the meeting, the envoys expressed their interest in prompt implementation of the recommendations for an increase in the Bank's financial resources.

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COMMUNICATIONS FACILITIES AND LATIN AMERICAN DEVELOPMENT

The communications media of the hemisphere have a special responsibility to provide an image that accurately reflects the conditions of Latin America's current economic and social evolution, according to a statement by Antonio Ortiz Mena, President of the Inter-American Development Bank, in an address to the 31st Annual Meeting of the Inter-American Press Association, held in São Paulo, Brazil, in October.

In particular, Mr. Ortiz Mena said, the press of the hemisphere should "create an awareness" of the position of Latin America in international economic relations.

It is desirable, he said, for the countries of Latin America to organize so that they

can speak with a single voice in international forums in negotiating matters that are of interest to the region. This can be done without confrontation, for Latin America's interests coincide with those of other regions, including the major industrial centers, Mr. Ortiz Mena added.

In giving an overview of the current economic and social situation of the region to the 400 participants in the meeting, Mr. Ortiz Mena noted that the Latin American region has become "an economic sphere which is already, in terms of its size and structure, highly important to the industrialized countries." He said the Latin American market for exports of capital goods, durable consumer goods, and chem-

ical products from the United States is three times larger than the Japanese market and almost as large as that of the European Economic Community. He added that cooperation between Latin America and the industrial centers has become beneficial to both sides and, consequently, any weakening of that cooperation would be harmful to all concerned.

"For example, a curtailment of the financial cooperation granted by the industrial countries would inevitably produce a sizable drop in Latin American imports from those countries, producing losses for the industrial centers that would probably be much greater than the savings on aid they would have granted."

Mr. Ortiz Mena emphasized the urgency of devising instruments which will facili-

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THE IDB AT INTERNATIONAL MEETINGS

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

REGIONAL SEMINAR ON EMPLOYMENT PROBLEMS IN THE COMMONWEALTH CARIBBEAN.

Kingston, Jamaica, September 11-13. Marfa Ester Sanjurjo, Senior Economist, Social Studies Section, represented the Bank.

The Seminar was sponsored jointly by the International Labour Organisation (ILO), the United Nations Development Programme (UNDP) and the Caribbean Community (CARICOM).

Following the opening session, panel discussions were held on measurement of employment and unemployment; evaluation and policy recommendations on existing systems, national employment policies in the Caribbean; foreign aid, technology and employment in the Commonwealth Caribbean; and sectoral development and employment.

The Bank's representative participated in the discussion held in Panel 1—Measurement of Employment and Unemployment—and presented comments on a paper on "Statistical Information for Employment Policies in the Commonwealth Caribbean."

The Seminar concentrated on discussions of methodological problems in relation to employment statistics and the policies affecting employment. Participants included representatives from 15 Caribbean countries, as well as observers from the Caribbean Community Secretariat, Caribbean Employers Confederation, Caribbean Labour Congress, Canadian International Development Aid, Economic Commission for Latin America, the Inter-American Development Bank, the International Labour Organisation, Employment Program for Latin America and the Caribbean, Organization of American States, United Nations Development Programme, University of the West Indies, and United States Agency for International Development.

INTERNATIONAL PUBLIC WORKS CONGRESS AND EQUIPMENT SHOW.

New Orleans, Louisiana, and Mexico City, Mexico, September 22-29.

Robert E. Mathe, Chief, Infrastructure Division, Projects and Analysis Department, represented the Bank and participated in activities involving the Council on International Collaboration, an entity established by the American Public Works Association (APWA) to promote improvement in the management of public works functions on an international scale and to foster the establishment of a federation of national public works associations. Mr. Mathe has served as chairman of the Council since its inception a year ago.

New Orleans. A meeting was held with members from various Canadian provinces to discuss the establishment of an independent Canadian Public Works Association. No final decision was reached on this matter at the Congress. The matter is under consideration in Canada by the entire membership. The Council adopted the final version of its by-laws and established the basis of its 1976 operating program. A report on Council activities was presented to the APWA Board of Directors.

Mexico City. The session reconvened in Mex-

ico City to promote international cooperation and participation in the annual Congress. More than 100 APWA members joined with Latin American delegates in presenting technical papers. Mexican officials presented papers on the Mexico City Inter-Expressway Ring, water supply for the valley of Mexico, the Mexico City deep tunnel sewer project, and the national public equipment information system. Pedro Galicia Estrada of NAFINSA covered "The Trend in Public Works Financing" and credited the IDB and the World Bank for their significant roles in that field. The IDB representative addressed the Congress on "Promoting International Cooperation through Public Works Association."

Luis E. Bracamontes, Secretary of Public Works of Mexico, other Mexican officials, and APWA delegates from the United States and Canada held a meeting to discuss the establishment of national public works associations and the federation of such associations. The Mexican officials, who have played a leading role in this effort, having established their own association during the past year with Mr. Bracamontes as its first president, reported that they had held preliminary discussions with officials from Costa Rica, Panama and Venezuela and would continue their efforts with those and other Latin American countries to promote the establishment of public works associations. An Ad Hoc Committee was established, with Mr. Bracamontes as chairman, to coordinate international efforts.

INTERNATIONAL FOOD DELIVERY SYSTEMS SYMPOSIUM.

University of California, Berkeley, California, September 17-19.

The symposium was structured as a logical extension of the World Food Conference. A select group of business leaders, government officials and academicians were invited to share their knowledge and experience on the identification and implementation of successful food delivery systems in developing countries. Emphasis was placed on practical, innovative approaches to the many and complex variables in developing countries challenging the international food industry today.

The symposium used the Harvard "case" method of instruction, a teaching technique in which participants held in-depth discussions on a series of carefully researched situations. In addition, five speakers discussed pertinent food and nutrition topics. The keynote speaker was Ambassador Edwin M. Martin, Chairman of the International Consultative Group on Food Production and Investment in Developing Countries. Other speakers were Dr. Martin Forman, Director, Office of Nutrition, Agency for International Development, Washington, D.C., Robert Long, United States Assistant Secretary of Agriculture, and Frank Meissner, of the Livestock and Marketing Section, who represented the Bank and presented a paper on "Role of Development Banks in Structuring and Implementing Agricultural Projects." Dr. Norimasa Hosoya, Professor, Department of Public Health Nutrition, University of Tokyo, discussed Japan's National Nutrition Policy at a special luncheon presentation.

Six cases dealing with food delivery systems in Mexico, Jamaica, Brazil, Turkey, Iran and Pakistan were discussed. Case instructors were from Harvard University, the Ford Foundation, the World Bank and the University of California. The resource persons were top executives from the enterprises discussed in the cases, including Gustavo Esteva, manager of the Planning and Finance Department of CONASUPO.

XIX CONFERENCE OF THE INTER-AMERICAN BAR ASSOCIATION.

Cartagena, Colombia, September 28-October 4.

Freeborn G. Jewett, Jr., IDB Deputy General

Counsel attended as an observer. The principal theme of the conference was "Juridical Aspects and Documents Relating to Latin American Economic Integration, Including Those Relating to the Andean Pact." Several valuable papers were presented on that subject and there was considerable discussion on the impact of decisions taken by members of the Andean Pact on foreign investment in the countries to which the Pact relates.

XVITH STRATEGY FOR PEACE CONFERENCE.

Airlie House, Warrenton, Virginia, October 9-12. The Conference was sponsored by the Stanley Foundation, a private, non-profit, non-political operating foundation which for the past 15 years has organized annual meetings dedicated to the continuing evaluation of United States foreign policy for the promotion of peace.

About 150 participants representing a wide spectrum of disciplines, including government, education, diplomacy, business and other professions, convened for off-the-record discussions on issues confronting the world community.

Georges D. Landau, Senior Advisor, Office of the President, attended on behalf of the Bank. He participated in the Working Group on "The United States and the New World Economic Order," which produced a report analyzing in depth the resolution on "Development and International Economic Cooperation" adopted by the Seventh Special Session of the United Nations General Assembly, held in September 1975, and its portents for the future of cooperation between the industrialized and the developing countries.

THE FIRST ANNUAL WILLIAM T. PECORA MEMORIAL SYMPOSIUM.

Sioux Falls, South Dakota, October 28-31.

The symposium was held under the sponsorship of the American Mining Congress in collaboration with the United States Geological Survey, the American Association of Petroleum Geologists, the American Society of Photogrammetry, the Association of American Geographers, the Geological Society of America and the Society of Economic Geologists.

Its objective was to examine the application of remote sensing techniques in the exploration of minerals and combustible minerals.

More than 30 papers were presented on a wide variety of topics by specialists in the field, including specialists based in Bolivia and Mexico. Dr. Carlos Brockmann, Director, *Servicio Geológico de Bolivia, Programa del Satélite Tecnológico de Recursos Naturales*, in La Paz, Bolivia, presented a paper on "LANDSAT Applications to Resources Exploration and Gasoline Planning," and Guillermo P. Salas, Director General, *Consejo de Recursos Naturales No Renovables*, in Mexico City, Mexico, presented one on "Relationship of Mineral Resources to Linear Features in Mexico as Determined from LANDSAT Data."

Juan Astiz, Chief, Industry Division, Project Analysis Department, represented the Bank.

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INTAL's Consultative Council, chaired by IDB Executive Vice President Reuben Sternfeld, meets at Bank headquarters to review Latin American integration trends and the outlook for the coming year.

Integration: New Approaches, Instruments and Strategies

The Institute for the integration of Latin America (INTAL), will be strengthened as a study, training, information and technical cooperation agency adapted to the new trends in regional integration, according to a recommendation made by the organization's Consultative Council at its XVI Meeting, held at Bank headquarters in Washington, D.C. on October 20 and 21.

Reuben Sternfeld, the Bank's Executive Vice President, opened the meeting. Knowlson Gift was elected temporary chairman.

Present at the meeting were Council members Carlos R. G. Leyba, Roberto Mayorga Cortés, Isaiah Frank, Augusto Ramírez Ocampo, Edwin Rodríguez y Aguirre, Ary dos Santos Pinto and Messrs. Jesús Rodríguez y Rodríguez (representing Council member Enrique Loaeza Tovar), Charles T. Greenwood (representing Council member Earl Drake) and Knowlson Gift (representing Council member Eugene Lansworth Moore).

Representing the Inter-American Development Bank were Cecilio J. Morales, Manager of the Department of Economic

and Social Development, Néstor Vega Moreno, Deputy Manager for Integration, and Félix Peña, Director and Deputy Director of INTAL respectively.

The Director of INTAL, in his statement, spoke about the reasons for reconsidering concepts, instruments and strategies on the subject of integration; the need to distinguish between integration processes as programmed and actual integration relations; the characteristics and current trends of the Latin American integration and cooperation process; and the main problems that may be anticipated as a result of the crystallization of those trends. Finally, he referred to the possible implications of the new characteristics of the Latin American system for INTAL's future activities and, in general, for technical cooperation in respect of integration within the region.

In the general debate that followed, it was pointed out that the Institute should link its activities to those of the recently established Latin American Economic System (SELA), in the understanding that the new mechanism for international co-

operation increased the possibilities for effective action by the Institute. At the same time, it was stressed that the Institute should be closely connected to the action of integration schemes. It was stated that the Institute was in a position to offer effective cooperation to SELA concerning the correlation and connection between the different integration schemes and the countries not participating in them.

In its recommendations, the Council stated that there is a growing need for studies and technical cooperation concerning the region's integration and cooperation and that a greater effort from international agencies is required. On that basis, it was decided to increase INTAL's resources.

The Council took note of the information furnished by the Director of INTAL on the measures being taken during the course of the current year to heighten the Institute's presence in the countries of the region through cooperative programs with other agencies and associations of the private sector, such as ECLA, FELABAN, and AILA; of efforts made to obtain additional resources, such as funds assigned for the legal-economic program on international investment in Latin America and for studies on tourism, and of the steps taken to adapt the Institute's organization and structure to the requirements of its future action.

New Director

At the recent Council meeting, members expressed satisfaction at the appointment of Félix Peña, of Argentina, as Director of INTAL last September.

Mr. Peña has been with INTAL since 1966, where he was Chief of the Legal Section and Editor of *Derecho de la Integración*, a magazine INTAL has been publishing since 1967.

Mr. Peña, a graduate of the Law School of the Universidad del Litoral, in Santa Fe, also received a degree of doctor of laws from the University of Madrid. He has a degree in European law from Catholic University, in Louvain, Belgium.

Members requested that their appreciation for the valuable contribution to INTAL's work made by Leopoldo Tettamanti, its former Director, who resigned from that post to serve as Secretary of Foreign Trade and International Economic Relations of Argentina, be placed on the record.

POPULATION GROWTH TRENDS

"Urban Population Growth Trends in Latin America," by Robert W. Fox, a report issued recently by the Inter-American Development Bank, provides urban population projections to the year 2000 for six major Latin American countries—Argentina, Brazil, Chile, Mexico, Peru and Venezuela—which have 73 per cent of the region's population and 639 of its approximately 800 cities with more than 20,000 people. It is part of a series of surveys on population trends in the region. Its basic objective is to present current data for use in

development planning and investment project preparation.

The report deals with three factors which, as the introduction points out, are essential for a full understanding of urban population trends in Latin America—the massive urban expansion and slow rural and small-town growth expected in the next quarter century; the changing structure of urban systems; and population growth at the national level.

The publication, available in Spanish and English editions, may be requested from the Office of Information, Inter-American Development Bank, 808 17th Street N.W., Washington, D.C., 20577.



Agencies Plan Coordinated Agricultural Development Efforts

The guidelines for the establishment of the International Group for the Agricultural Development of Latin America (GIDA-AL) were set at a meeting of intergovernmental and nongovernmental organizations operating financial and technical assistance programs in Latin America held recently at IDB headquarters. The Group's objective is to promote the channeling of greater external financial and technical cooperation to the countries of the region to increase their food production and step up the development of rural areas.

IDB President Ortiz Mena, in his welcoming address, highlighted the importance of the Group—which will be composed of international agencies working in agricultural development—to Latin America's ability to increase its food production and to help improve the world food situation.

Attending the meeting were representatives of the IDB, the World Bank, the Organization of American States (OAS), the United Nations Economic Commission for Latin America (ECLA), the United Nations Food and Agriculture Organization (FAO), the United Nations Development Programme (UNDP), the United States Agency for International Development (AID), the Canadian Agency for International Development (CIDA), and the Inter-American Institute of Agricultural Sciences (IICA).

Edwin Martin, who heads the Consult-

ing Group on the Production of Food and Investments (GCPAI)—established under the joint sponsorship of the World Bank, UNDP and FAO, and with which GIDA-AL plans to coordinate its work—also attended the meeting.

Participants approved the assignment of the preparatory work for the International Group's first annual meeting, which is scheduled to be held concurrently with the XVIIth Annual Meeting of the Bank's Board of Governors in the second quarter of 1976.

According to the guidelines, the Group should tailor its priorities to the needs and the capacity of each individual country and to three overall objectives: increasing domestic food production and the availability of basic food products within the region; increasing agricultural exports within the region and to the rest of the world; and increasing rural income and employment and improving living conditions in the countryside.

Mr. Ortiz Mena emphasized that attaining those three objectives would help to establish areas of rural development offering viable possibilities for stemming the increasing migration to the region's urban centers.

The United Nations World Food Conference adopted a number of proposals designed to solve world food problems. Among those proposals was one for establishing the Consultative Group on the



Agricultural development, leading sector of Bank financing in Latin America, will have increased financial and technical support through the international group being set up by several international agencies. Left: meeting held at the Bank with its President, Antonio Ortiz Mena, presiding.

Production of Food and Investments. The Group has already held its first meeting.

The IDB President addressed his efforts to encouraging the establishment of an organization that would foster agricultural development at the regional level. The XVIth Annual Meeting of the Bank's Board of Governors, held in the Dominican Republic last May, expressed satisfaction with this effort and instructed the Bank to continue to work to establish the Group.

Other governmental, intergovernmental and private organizations interested in certain areas of the region, or in specific problems to be examined by the Group, will be invited to join the Group as associate members; eventually, bilateral and multilateral cooperation agencies from countries outside the region will also be invited to participate as associate members. The Consultative Group on International Agricultural Research (GCIAR), the Consultative Group on the Production of Food and Investments (GCPAI), and the International Fund for Agricultural Development (FIDA), may attend as observers without prejudice to the official relations which may be established with the two latter organizations.

Last April, at the request of President Ortiz Mena, Ambassador Juan Felipe Yriart, Assistant Director General of the FAO, undertook to organize the Group and coordinate the preparatory work on a temporary basis. Having completed his mission, Mr. Yriart returned to his FAO post.

Latin American Diplomats Move to Strengthen IDB

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\$6.3 billion. The recommended increase is to be made in two parts—a \$4 billion increase in the authorized ordinary capital stock (\$344 million in paid-in capital and \$3,656 million in callable capital) and \$1,045 million to increase the resources of the Fund for Special Operations. At a second stage, an increase of \$1.3 billion would be made.

The amendments to the Agreement Establishing the Bank will open the door to the 12 industrialized countries which in December 1974 formalized their intention to adopt the measures necessary to enable them to become members of the Bank by subscribing to the Declaration of Madrid. Those countries—Austria, Belgium, Denmark, the Federal Republic of Germany, Israel, Italy, Japan, the Netherlands, Spain, Switzerland, the United Kingdom and Yugoslavia—would initially contribute some \$750 million to the Bank's resources.

The amendments to the Agreement must be approved by the present members and the prospective members must adopt the legal and financial measures required under their own laws. In the case of the United States, approval must come, in the first instance, from Congress and then from the Executive Branch.

Underlining the importance of obtaining Congressional approval as soon as possible, the ambassadors stated in their *aide mémoire* that the admission of the 12 nonregional countries as contributing members, and the fact that five Latin American member countries will soon become contributors of convertible currency to the FSO, thus assisting in the development of the less developed member countries, is tangible proof of the Bank's value as an appropriate vehicle for the development of the region.

The ambassadors also signed a note which they presented to Secretary Kissinger with the *aide mémoire* at the November 21 interview. In that note they requested Secretary Kissinger to inform the members of Congress of their Government's concern and of their confidence that positive results "that will benefit our community of nations" would be obtained.

Speaking on behalf of the signers, Ambassador Julio Asensio Wunderlich, of

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Above: The Latin American envoys, headed by Ambassador Sevilla Sacasa, dean of the Washington diplomatic corps, meet with President Ortiz Mena and Bank officials (center), call on Secretary Kissinger and, (below) accompanied by William D. Rogers, Assistant Secretary of State for Inter-American Affairs, talk to newspaper reporters at the Department of State.



NEW EXECUTIVE DIRECTOR FOR CENTRAL AMERICA

Mario Rietti Matheu, 37, a Honduran economist and former university professor, was appointed Alternate Executive Director for Costa Rica, El Salvador, Guatemala, Haiti, Honduras and Nicaragua on October 16, following the resignation of Neftalí Alvarenga Peña from that post.

Before entering the Bank, Mr. Rietti Matheu was Manager of the *Banco Financiera Hondureña S.A.* in Tegucigalpa, and represented the private banking sector on the Board of Directors of the Central Bank of Honduras. He served as Vice President of the Honduran Association of Banking Institutions, First Vice President of the Honduran Association of Banking Institutions, First Vice President of the Board of Directors and of the Governing Board of the Latin American Banking Federation, and held executive posts in the academic world and in private industry.

Previously, he was a director of the National Development Bank, a member of the Commission of Industrial Enterprises of the Government of Honduras, and Secretary of the National Industrial Development

Commission. From 1965 to 1970, he held the chair of Economic Development and Labor Economics in the Economics Department of the National University in Tegucigalpa, where he also taught courses in management.



Mr. Rietti Matheu, a graduate of the University of Honduras with a degree in economics, has done postgraduate work at the Latin American Economic and Social Planning Institute in Santiago, Chile, and at Stanford University, in California, from which he received an M.A. in economics.

Bank Approves \$235 Million In Loans to 19 Countries

The Inter-American Bank in recent weeks authorized several loans and technical cooperation for developing projects in 19 countries—Argentina, Barbados, Brazil, Chile, Guatemala, Haiti, Honduras, Jamaica, Mexico and the ten member countries of the Latin American Confederation of Credit Unions (COLAC). The details are as follows:

ARGENTINA: The IDB on October 9 announced the approval of a \$70 million loan to help finance expansion of the production capacity of the steel mill of the *Industria Argentina de Aceros, S.A. (ACINDAR)* in Villa Constitución in the province of Santa Fe, to 600,000 tons of steel billets per year.

With the approval of this loan, total Inter-American Bank lending to Argentina since 1961 surpasses the \$1 billion mark.

The loan included a \$55 million loan extended directly to ACINDAR for the acquisition of goods and services required to complete the integration of the Villa Constitución plant and enable it to produce steel using local raw materials, and a supplementary renewable—or standby—credit, of up to \$15 million secured in the Eurocurrency market which may be used by ACINDAR as needed to supplement financial arrangements relating to the project.

The standby credit will be made available by private commercial banks—with the Bank of America, NTSA, and the Chemical Bank acting as co-managers—through the purchase of participations for the amount of the line of credit, and the transfer of the funds to the Inter-American Bank as required to meet ACINDAR disbursement requests.

With this operation, the Inter-American Bank is initiating a new financial approach by which it will assist in the financing of large-scale capital-intensive projects by obtaining additional resources from the private international capital markets. Through this new approach and other means, the Bank will actively support its borrowers in structuring an overall project-financing package and in obtaining the required external resources. Due to the association of the Bank, the terms of such credits are more favorable than they would be otherwise.

The total cost of the program is estimated at approximately \$180 million, of which the Bank loan will cover 38.9 per cent. Additional financing for \$20.4 million will be extended by the United States Export-Import Bank and private United States banks by the *Banco Nacional de Desarrollo* of Argentina for \$42.7 million; and for \$14 million through suppliers' credits. ACINDAR will provide the equivalent of \$47.6 million, including the resources of the line of credit made available by the Bank.

The project provides for the installation of the equipment and machinery required to produce 600,000 tons per year of steel billets at the Villa Constitución plant, which is one of two operated by ACINDAR. It will be carried out in two successive stages—the first, to be completed in 30 months, is designed to achieve an annual production level of 400,000 tons per year of steel billets, and the second stage, which will require an additional 18 months, to raise the production level to 600,000 tons per year four years after the start of the project.

BARBADOS: On October 9 the Bank also announced the approval of a \$9.7 million loan to help finance the construction of a sewage system in downtown Bridgetown, the country's capital.

The loan will be used by the Ministry of Health and Welfare to help build a sanitary sewage system benefiting an estimated 37,700

persons in a part of the capital where the problems of waste and sewage have reached critical proportions and have seriously polluted the environment.

In addition, the Bank approved \$100,000 in technical cooperation to help establish an authority to administer the water and sewage services for which the Barbados Waterworks Department is now responsible, and to prepare tariff studies.

Because of the size of Barbados and its high population density, the improved sanitation of the central area of Bridgetown—which comprises 43 per cent of the city's total area and has a transient population of over 25,000 persons and an additional 4,600 permanent residents—has been granted high national priority. By eliminating a source of pollution, the project will benefit all of the country's residents and visitors, as well as direct users.

BRAZIL: The Bank on September 25 announced the approval of a \$64 million loan to help finance the construction of a hydroelectric power plant with an initial installed capacity of 1,332,000 kilowatts on the Iguazú River in southern Brazil.

The loan was extended to the *Centrais Elétricas do Sul do Brasil S.A. (ELETROSUL)*, a regional subsidiary of *Centrais Elétricas Brasileiras S.A. (ELETROBRAS)*, Brazil's national electric power agency, and will be used to build a major dam and hydroelectric power plant at Salto Santiago on the Iguazú River to provide power in the southern and southeastern/west-central regions of Brazil.

The total cost of the project is estimated at \$684.5 million, of which the Bank loan will cover 9 per cent, the local contribution 77 per cent and bilateral financing the remaining 14 per cent.

On completion in 1980, the project will supply electric power to the southern and southeastern/west-central regions of Brazil, through a transmission system to be built under a separate program, until the Itaipú hydroelectric plant scheduled for construction on the Paraná River enters into operation in 1983. Thereafter, the Salto Santiago production will be allocated to meet electric power demand in southern Brazil.

CHILE: The Bank on October 16 announced the approval of \$60,000 in technical cooperation for the preparation of a nation-wide program of expansion and improvement of technical education and professional training.

The technical cooperation was extended on a contingent recovery basis—that is, subject to repayment if the cooperation leads to a project for which the IDB or another external credit

institution subsequently extends a loan. The resources will be used by the *Oficina Nacional de Planificación (ODEPLAN)*, the national planning agency, to contract consultants to identify the requirements of the labor market for trained manpower and to develop a program of technical education and professional training that will meet the basic requirements of international financing agencies, including technical, economic and financial feasibility studies.

The program will help to train persons now outside the labor market for lack of qualifications for most agricultural, industrial and service jobs, and will improve the teaching and training systems in order to supply the qualified manpower needed by national development plans.

GUATEMALA: On October 16 the Bank announced the approval of an \$8.6 million loan to help finance the expansion of technical education in Guatemala.

The loan will be used by the *Instituto Técnico de Capacitación y Productividad (INTECAP)*, a government agency charged with the development of human resources, to provide the necessary education infrastructure to train some 27,000 workers per year for work in the industrial, agricultural and service sectors.

The total cost of the project is estimated at \$10.7 million, of which the Bank loan will cover 80 per cent and local sources the remaining 20 per cent.

In addition to the loan, the Bank extended \$375,000 in grant technical cooperation to contract consultants to advise INTECAP on the planning and administration of teaching activities, on administration and finance and on organization of a fellowship program for the training of INTECAP personnel.

HAITI: On October 16 the Bank announced the approval of a \$25 million loan to help finance a project consisting of the construction of the Aquin-Les Cayes section of the Southern Highway and a bridge over the Momance River.

The loan, which was extended to the *Banque Nationale de la République d'Haiti* complements a \$22.2 million loan approved by the Bank in 1973 for construction of the Léogane-Aquin section of the Southern Highway and will be used by the Secretariat of Public Works, Transport and Communications to complete the Southern Highway. The highway is the backbone of the transportation system in southern Haiti, where there is a population of some two million inhabitants.

The Les Cayes plain, through which the highway will run, has considerable agricultural potential; the area of influence of the project has considerable tourist potential because of its fine beaches. Completion of the highway is expected to facilitate construction of hotels and other tourist facilities in the region.



José C. Cárdenas, Ecuadorian Ambassador to Washington, signs documents formalizing a loan for \$11.1 million extended by the IDB to help finance construction of the Loja-Velacruz-Saracay Highway. IDB President Ortiz Mena and Bank officials participated in the signing ceremony at Bank headquarters.

HONDURAS: The Bank on October 16 approved two loans totaling \$14 million to help expand and improve the country's health services, particularly in rural areas.

The loans—one for \$11.5 million from the Bank's Fund for Special Operations and another for \$2.5 million from its Norwegian Fund for Latin American Development—will be used by the *Ministerio de Salud Pública y Asistencia Social* to provide basic medical services to an estimated 1.5 million people living in rural areas by 1980.

The program consists of the construction and equipping of:

- Approximately 243 rural health centers having a waiting room, a consultation room and a bedroom.

- Eight emergency hospital centers, with a capacity of about 50 beds.

- Two regional hospitals, including the Comayagua Regional Hospital, with a capacity of about 50 beds, and the San Pedro Sula Regional Hospital, with a capacity of about 245 beds.

In addition to the loan, the Bank extended \$465,000 in grant technical cooperation to contract consultants to improve the administrative and accounting procedures of the Health Ministry, to introduce modern methods of hospital administration, to train local staff in technical and administrative matters and to provide study fellowships.

JAMAICA: On October 9 the Bank announced the approval of \$80,000 in grant technical cooperation to help finance the institutional strengthening of the country's planning and project preparation system.

The technical cooperation will enable the Government to contract consultants to help the Projects Division of the Finance Ministry carry out the following works:

- Design a system for the identification and preparation of investment projects in the public sector.

- Collaborate in the evaluation and control of the execution of the projects selected, including on-the-job training of personnel.

The total cost of the program, which will take approximately one year to carry out, is estimated at \$90,000.

The Government recently initiated the reorganization of its national planning and project formulation system to make it more responsive to requirements of the country's socioeconomic development plans.

The technical cooperation will enable the Government to help the Projects Division of the Finance Ministry to strengthen its procedures for the adequate preparation of priority investment projects within the country's economic and social development guidelines.

MEXICO: The Bank on October 2 announced the approval of a \$35 million loan to help Mexico step up the pace of its national cattle tick campaign.

The loan was extended to the *Nacional Financiera, S.A. (NAFINSA)*, the government agency charged with negotiating foreign loans, and will be used by the *Banco Nacional de Crédito Rural, S.A. (BANRURAL)* through the Trust for the National Campaign Against Cattle Ticks to free approximately 163 million acres and 11.7 million head of livestock from ticks and to grant approximately 4,200 credits to small farmers to enable them to build communal tick dips and associated rural facilities.

The total cost of the program is estimated at \$178,049,000, of which the Bank loan will cover 19.7 per cent and local sources the remaining 80.3 per cent.

The program will be divided into two sub-programs, as follows:

- A direct investment subprogram which will include the preparation of final engineering plans and the construction of the National Animal Parasitology Center in Jalisco State, 32 state and 80 zone offices, 90 prefabricated quarantine stations, 30 line baths to check, inspect and treat

cattle herds moving into or out of the eradication zone, a central workshop and 16 state workshops for maintenance and repair of campaign vehicles; the procurement of technical inputs and laboratory equipment and of machinery, equipment and vehicles.

- A credit subprogram designed to grant approximately 4,200 credits totaling \$16,718,000 to groups of small stockfarmers to finance expenditures and investments required under the program. These credits will benefit some 175,000 families organized in *ejidal* associations, cooperatives and similar groups.

In addition, 3,300 new full-time personnel—zone chiefs, supervisors and inspectors for the most part—will be employed to work on the campaign, representing a 750 per cent increase in staff.

REGIONAL: The Bank on October 9 announced the approval of a \$9 million loan to strengthen programs being carried out by national federations of credit unions in 10 Latin American member countries.

The operation will benefit the Latin American Confederation of credit Unions *Confederación Latinoamericana de Cooperativas de Ahorro y Crédito R.L. (COLAC)*—a private non-profit cooperative service organization located in Panama City, Panama.

Organized in 1971, COLAC performs the functions of a central credit union fund for its member federations. It embraces and serves 16 affiliated cooperative federations located in 15 of the Bank's member countries and the Netherlands Antilles.

The resources of the financing will be used to strengthen the national federation of credit

unions of 10 of these members—Bolivia, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua and Peru.

DIPLOMATS

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Guatemala, told journalists accredited to the State Department that the ambassadors had decided to take joint action because approval of the measures involved is a matter of signal importance to Latin America. He also expressed the satisfaction of the Latin American ambassadors with the assurances of the Secretary of State reaffirming the strong support of the Executive Branch of the United States Government for the increase in IDB funds and pledging that it would redouble its efforts in Congress in connection with this important matter.

The note and the *aide mémoire* were signed by the ambassadors of Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru, Paraguay, Trinidad and Tobago, Uruguay and Venezuela.

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.

ECUADOR: *Ministerio de Recursos Naturales y Energéticos. Instituto Ecuatoriano de Electrificación.* Paute Hydroelectric Project, Stage I. Bid PA/2/3 Invitation for Prequalification of Construction Firms.

The Bid Committee of the *Instituto Ecuatoriano de Electrificación (INECEL)*, Quito, Ecuador, announces the reopening of the prequalification process for bids on the construction of Amaluza dam and appurtenances; Bid Nbr. PA/2/3, previously Bid Nbr. PA/2, to permit the participation of construction companies from all countries of the world.

Amaluza dam is an arch dam with a concrete volume of approximately 1,200,000 m³.

Prequalification documents may be obtained at the address shown below upon payment of two thousand sucres (2,000,00) or eighty dollars (US \$80,00), non-reimbursable.

Instituto Ecuatoriano de Electrificación
Secretaría General
Avenida 10 de Agosto No. 1820, Room 102
P.O. Box 565-A
Quito, Ecuador, S.A.

These documents will be available also at the Ecuadorian Embassies in Washington, London, Madrid, Paris, Bonn and Rome.

Firms which have previously submitted prequalification documents for INECEL Bid Nbr. PA/2 do not need to submit new prequalification documents. However, they should supplement their presentation by filling in an additional form which they will receive at no additional cost from INECEL.

Interested companies are to indicate the

possibility of their participation in the financing of this work. It is anticipated that INECEL will furnish certain materials required, such as cement and reinforcing steel.

The time for submittal of the prequalification documents expires on December 22, 1975, at 4 p.m.

COLOMBIA: *Empresas Públicas*, of Medellín, has announced that it is interested in bids for the design, manufacture and delivery of a 30-ton travelling crane.

This equipment is part of the *Desviación Río Piedras* program to improve the city's potable water supply system.

The following equipment is sought: a complete travelling crane outfit, plus accessories and spare parts.

As the equipment will be purchased with funds from a loan extended by the Inter-American Development Bank to *Empresas*, bids for goods and services will be accepted only from the following:

- IDB member countries.
- Extra-regional developing countries; member countries of the International Monetary Fund.
- Developed countries which on the bidding date have been declared eligible by the Bank.

Bidding documents are available at the following address:

Sección de Importaciones de la División Comercial
Oficina No. 607, Edificio Miguel de Aguinaga
Medellín, Colombia

There is a nonrefundable fee of 800 Colombian pesos for the first copy and 400 pesos for each additional copy provided they are requested by the same purchaser.

Requests for forms should be made in writing, with the name, address and telephone number of the requesting agent or person and the name and address of the firm or entity to which they are to be sent. Bids will be accepted until January 15, 1976, at 5:10 p.m. at the office of the *Gerencia Técnica*. Bids will be opened in public at the end of the bidding period.

Ortiz Mena Tells IAPA Latin America Should "Speak With One Voice"

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tate access by the developing countries to international capital markets in an effort to maintain the region's rate of development, prevent economic repercussions in the industrialized countries and assure a greater flow of development resources to regions and countries of relatively low income levels.

He said the world is witnessing the culmination of a process that began at the end of World War II and "in only three decades has produced drastic changes in forms of human coexistence and in relations between world nations."

"Rapid industrialization is creating problems of overcrowding which tend to diminish the quality of life," he said. The international system, furthermore, "has given way to a new order marked by the emergence of several more-or-less equally balanced power centers which are moving toward a relationship that transcends ideology."

Mr. Ortiz Mena noted that Latin America today constitutes a major market for the industrial nations. He said, however, that the Latin American economy is in danger of a serious breakdown because of the crises affecting the world economy in the last two years, primarily inflation and economic recession aggravated by rising food and petroleum costs.

"The industrialized countries have access to a variety of financial resources that have enabled them to protect themselves against the worst effects of the crisis, while the developing countries have no

such resources and are consequently much more seriously affected," he said. "Most of the Latin American countries are in that position. In 1974 the oil-importing countries of the region have had to face an additional balance of payments deficit of \$8 billion, leading to a sharp deterioration in the pace of their economic development over the course of many years.

"Initially," he added, "all indications were that the Latin American countries most seriously affected by the crisis would receive special external cooperation that would give them time to adapt to the new prices prevailing in the international market. But we find ourselves confronted by a paradox. The idea is widespread that public international cooperation should be focused in these critical times solely on those areas and countries in the lowest relative income categories. Such cooperation is designed to maintain the subsistence level of those hard-hit countries without achieving any real economic and social development through which to resolve their critical situation.

"In contrast, as I have pointed out, to deny international cooperation to countries that have achieved a more advanced level of economic evolution but still require huge amounts of external resources, as in the case of most of the Latin American countries, is to undermine both those nations and the industrial centers. In turn, this will make it more difficult for these centers to extend the concessional aid required by the poorest countries. The Latin American nations have stated their

disagreement with this approach, making it equally clear that they are aware of the urgent need for assisting the most depressed peoples."

The Bank President continued:

"Faced by the prospects of growing competition for the use of external resources, it is extremely urgent to devise instruments which will facilitate access of the developing countries to international capital markets and make the mobilization of such resources less burdensome. This proposal is particularly valid in Latin America's case because—in addition to the reasons I've already outlined—the region has the capacity to absorb the conventional external resources required to promote its economic development."

THE BRAZILIAN MODEL

Mario Simonsen, Brazil's Finance Minister, who represents his country on the Board of Governors of the Inter-American Development Bank, reviewed that country's rapid economic development over the past decade and analyzed the outlook for the coming years.

Mr. Simonsen began by saying that, since March 1964, Brazil has been trying to follow a pragmatic economic policy based on cooperation between national private capital and government capital with the idea of building a dynamic society, attaining a high rate of growth in the real product, benefiting every region and every social group in the country, reducing inflation to tolerable levels, maintaining a balance of payments equilibrium and laying the basis for long-range development.

The Finance Minister divided Brazil's recent economic history into three stages: 1964 to 1967, reconstruction; 1968 to 1973, the "golden age" of economic growth; and the present stage, which he described as a period of adjustment to the new conditions caused by the international situation.

Referring to the impact of higher oil prices and of world inflation on Brazil, Mr. Simonsen said that President Geisel's administration has adopted a "gradualist" line in the struggle against inflation and the current accounts deficit.

For the 80s Mr. Simonsen foresees a new wave of national prosperity "Current import substitution programs, especially in steel, petroleum, nonferrous metals, chemical products, fertilizers, paper and cellulose, and capital goods," he said, "suggest for the next decade a Brazilian development model that will be less vulnerable to the ups and downs of the world situation."

IDB President Ortiz Mena addresses the XXXI Annual Meeting of the Inter-American Press Association in São Paulo. (Left to right): Julio Mesquita Neto, the publisher of the newspaper *O Estado de São Paulo*, and Mario Henrique Simonsen, Brazil's Finance Minister.

