



IDB VOTES INCREASE IN MEMBERS, RESOURCES

The Inter-American Development Bank on June 1 announced that its member countries had increased the institution's authorized resources by approximately \$6.3 billion, bringing the total to \$17 billion. The measures adopted will greatly strengthen the role of the Bank as a multilateral instrument for the transfer of development resources to Latin America.

In a far-reaching expansion of the Bank's resources and membership, member countries also amended the Agreement Establishing the Bank to expedite the admission of 12 nonregional countries.

Another measure adopted on the same date will permit the entry into Bank membership of two regional countries—Bahamas and Guyana.

It is expected that at least eight of the non-regional countries will enter the Bank contributing members early in July.

The measures authorizing the increase in resources, which had been previously approved by 22 member countries, entered into effect on June 1, when the United States also deposited a favorable vote.

The measures taken by present members to augment the Bank's resources call for:

- An increase in the Bank's capital resources—its hard loan window—by \$4 billion. Up to \$344 million of this sum is to be paid in over a three-year period beginning June 30, 1976, and \$3,656 million will be callable, to be subscribed over a three-year period beginning in 1976.

Of that amount, the United States will subscribe a total of \$1.2 billion—\$120 million in paid-in capital and \$1.08

billion in callable capital. The other member countries will subscribe \$2.7 billion, of which \$211 million will be paid-in and \$2.5 billion will be callable. The remaining \$127 million will be available for future subscription.

- An additional increase of \$1.3 billion in the callable capital stock to meet loan program needs starting in 1978, and to take effect after the subscription of the last installment of the callable portion of the \$4 billion increase. The United States will subscribe \$450 million of that amount and the other member countries, \$850 million.

- An increase of \$1,045,300,000 in the resources of the Fund for Special Operations—the Bank's concessional or soft loan window—to be paid in by the member countries in three equal installments on December 31 of 1976, 1977 and 1978. The United States will contribute \$600 million and the other member countries, \$445,300,000.

Each country will make its payments in its national currency or in United States dollars. Canada, Trinidad and Tobago, the United States and Venezuela will make their entire contributions freely convertible into the currencies of other countries eligible for procurement, and Argentina, Brazil and Mexico will do the same with respect to 25 per cent of their respective contributions.

The action taken to amend the Agreement to permit the entry of nonregional member countries provide that they should contribute \$745 million in resources over a three-year period.

That amount includes subscriptions of \$372,711,808 to a new inter-regional capital stock, of which \$61,475,252 will

be paid in and \$311,236,556 will be callable, and contributions of \$372,711,808 to the Fund for Special Operations.

Nine of the 12 nonregional countries which in December 1974 signed the Declaration of Madrid indicating their intention to join the Bank will be formally admitted as members in a ceremony to be held in Washington, D.C., early in July. They are Belgium, Denmark, Germany, Israel, Japan, Spain, Switzerland, the United Kingdom and Yugoslavia; the three others are Austria, Italy and the Netherlands.

The amendments to the Agreement Establishing the Bank which were included in the measures approved create a new category of Bank resources parallel to, but completely separate from, the ordinary capital resources, to be called the inter-regional capital stock.

This stock—to be held, obligated and otherwise disposed of entirely separate from the ordinary capital resources and the Fund for Special Operations—will be open to subscription by present and nonregional members and will permit the Bank to support borrowings independently of its ordinary capital stock.

Following their formal admission to the Bank in July, the nonregional members will elect two Executive Directors to serve on the Bank's Board of Executive Directors.

The Board, which is composed of nine members, including seven elected by groups of Latin American countries, one by Canada, and one appointed by the United States, will be expanded to 11 members to seat the representatives of the nonregional countries.

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IDB's WORK IS SEEN AS CONTRIBUTING TO EFFORT TO BRING ABOUT A MORE BALANCED WORLD ORDER IN ECONOMIC RELATIONS

IDB President Antonio Ortiz Mena has often spoken about the economic interdependence of nations and of the need to increase and improve international cooperation.

Addressing the Fifteenth Annual Meeting of the Bank's Board of Governors, held in Santiago, Chile in 1974, Mr. Ortiz Mena said the Bank, "as one of Latin America's financial and legal solutions, has developed the ability to contribute, where required, to the refining of international law on economic matters. Thus the Asian Development Bank was able to use our experience in its legal and technical constitution, for as we all know, law cannot be improvised. More than in ideas alone, the Bank is active in the observation and continuous management of social facts."

Economic cooperation, he added, should be based on international law rather than on reaction to moral scruples or political pressures.

President Luis Echeverría of Mexico, in his opening address on May 17 of this year at the Board's Seventeenth Meeting in Cancún, singled out this pioneering

work of the Bank's.

"We in Mexico," he said, "are engaged in an intensive search for better forms of liberty and justice for our people. That is why we find this work and these contributions of the Inter-American Development Bank's to be a way of working together in solidarity and cooperation."

"It often occurs to us that this is a foreshadowing, in the financial area, of what 120 nations decided upon at the end of 1974 when they approved the Charter of Economic Rights and Duties of States. The purpose of that instrument is to seek better ways of bringing about a more balanced international order."

The Charter of Economic Rights and Duties of States, an instrument initiated by President Echeverría, was approved by the United Nations General Assembly on December 12, 1974, with the vote of 120 nations.

In Chapter I of the Charter, 15 principles which should govern economic and political relations among States are enumerated and explicitly laid out in other chapters, with a total of 34 articles.

BOARD OF GOVERNORS ADOPTS RESOLUTIONS ON RESOURCES, POLICIES AND PROCEDURES

The Bank's Board of Governors, at its Annual Meeting—held in Cancún, Mexico May 17 to 19—adopted five resolutions on the institution's resources, policies and procedures.

The texts of the five resolutions, as well as of a resolution which the Board adopted in Washington, D.C. on April 2, follow:

OPERATING POLICIES OF THE BANK

Whereas: It is advisable that, in order to continue fulfilling its purposes, the Bank adopt a systematic body of rules, together with operating policies embodying the experience of the member countries, since ambiguities have arisen in the interpretation and/or application of policies relating to international bidding, to the use of currencies held by the Bank, to the effects of the exchange risk, to the determination of the direct and indirect import component of projects, to the financing of local costs and to the cost of projects;

The adaptation and more accurate definition of these policies should help to ensure that projects in which the Bank participates will benefit the economies of the member countries more effectively, and

It is timely for the Bank to study, examine and define its operating policies in the areas mentioned so as to ensure equitable treatment for all the member countries,

The Board of Governors resolves:

1. To instruct the Board of Executive Directors to study, examine, define and adopt a systematic body of rules, together with

operating policies, relating to international bidding, to the use of currencies held by the Bank, to the effects of the exchange risk, to the determination of the direct and indirect import component of projects, to the financing of local costs, and to the cost of projects.

2. To request the Board of Executive Directors to present a progress report to the Committee of the Board of Governors on November 15, 1976, and to complete its work and present a final report to the Committee by February 15, 1977, concerning the measures it has taken and those which it recommends that the Board of Governors adopt.

3. To instruct the Committee of the Board of Governors to present its recommendations on these matters to the Board of Governors so that they may be considered at the Eighteenth Annual Meeting.

Resolution AG-5/76, approved May 19, 1976.

FINANCIAL STATEMENT OF THE ORDINARY CAPITAL RESOURCES (1975)

Whereas: The outside auditors of the Bank, selected in accordance with Article VIII, Section 2(b) (x), of the Agreement Establishing the Bank, have certified the general balance sheet and the statement of profit and loss of the Bank.

The Board of Governors resolves: That the financial statement of the Bank with respect to the ordinary capital resources for the fiscal year ended December 31, 1975, containing the

general balance sheet and the statement of profit and loss, is approved.

Resolution AG-3/76, approved May 17, 1976.

FINANCIAL STATEMENT OF THE FUND FOR SPECIAL OPERATIONS (1975)

Whereas: The outside auditors of the Bank, selected in accordance with Article Section 2(b) (x), of the Agreement Establishing the Bank, have certified the general balance sheet and the statement of profit and loss of the Bank,

The Board of Governors resolves:

That the financial statement of the Fund for Special Operations for the fiscal year ended December 31, 1975, containing the general balance sheet and the statement of profit and loss, is approved.

Resolution AG-4/76, approved May 17, 1976.

APPOINTMENT OF TEMPORARY ALTERNATE EXECUTIVE DIRECTORS AMENDMENT OF THE BY-LAWS OF THE BANK

The Board of Governors resolves:

That Section 3(e) of the By-Laws be amended to read as follows:

Section 3. Conditions of Service

(e) When an Executive Director or his Alternate is unable to attend a meeting of the Board of Directors, the Executive Director may appoint a Temporary Alternate to take his place. When the office of the Executive Director is vacant, the Alternate may appoint a Temporary Alternate. The Temporary Alternate shall receive no salary or compensation for expenses."

Resolution AG-2/76, approved May 16, 1976.

PROCEDURE FOR SELECTING THE SITE OF ANNUAL BOARD OF GOVERNORS MEETINGS

The Board of Governors resolves: That the procedure for selecting the site of annual meetings of the Board of Governors be approved pursuant to the terms appearing in Document AB-476. This procedure will go into effect beginning with the Nineteenth Annual Meeting.

Resolution AG-1/76, approved April 2, 1976.

PLACE AND DATE OF BOARD MEETINGS IN 1977, 1978 AND 1979

Whereas: The Governors for Bolivia, Canada and El Salvador have invited the Board of Governors to hold its annual meetings in their countries (Document AB-478), and

The Governor for Bolivia, with due regard for the interests of the region and the Bank, has decided to postpone the invitation until 1979,

The Board of Governors resolves:

1. To express its appreciation for the invitations extended by the Governors for Bolivia, Canada and El Salvador.

2. To hold its Eighteenth Annual Meeting in San Salvador, El Salvador, during April or May, 1977.

3. To hold its Nineteenth Annual Meeting in Vancouver, Canada, from April 17 to 19, 1978.

4. To hold its Twentieth Annual Meeting in La Paz, Bolivia, in April, 1979.

Resolution AG-6/76, approved May 19, 1976.

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HABITAT: Urban Crisis Calls for New Approaches and Strategies

Onio Ortiz Mena, President of the Inter-American Development Bank, on June 3 said that a solution of the urban crisis in Latin America requires approaches and strategies that come closer to the main causes of the problem and urged the adoption of policies that reflect new concepts of development.

In an address to the United Nations Conference on Human Settlements (HABITAT) in Vancouver, Canada, Mr. Ortiz Mena said that "the developing countries, whose fundamental objective is economic growth, in the last decade have become painfully aware of the state of their human settlements. This awareness is painful because the available resources are insufficient to meet the demands and problems of these countries and at the same time maintain the pace of development."

The Bank President said that of all the topics examined by the United Nations at the meetings of the second development decade, perhaps none is more complex than the human environment "because this environment reflects the value of people and their social organization and because any change in the state of human settlements involves, in the end, a profound transformation in the scheme of life."

TRANSITION FROM PARTIAL DEVELOPMENT

One of the lessons to be drawn from the situation in Latin America, Mr. Ortiz Mena said, is that semidevelopment is the distinctive characteristic of the region.

"We can hardly, as in the past, describe the majority of the Latin American nations today as agrarian, or as mainly exporters of raw materials," he said. "But neither can we say that these features have disappeared altogether. Likewise, it would be a mistake to conclude that they have achieved the status of industrial nations, although in some countries the dramatic growth of tensions and conflicts seems to confirm the advent of a more mature state of industrialism."

"The state of partial development," he continued, "is a peculiar condition in which many of the deficiencies that characterize social and economic backwardness merge with the problems created by industrialization itself. It is a situation of great disparity between the

new levels of expectations and needs and the precarious capacity of societies to satisfy them."

"It is obvious, of course, that in this state of transition the old problems are added to the new ones that industrialization itself creates, and at times it seems that the material progress achieved is not sufficient to solve the problems that this very advance has created."

In a review of some of the general questions bearing on this dilemma, Mr. Ortiz Mena said, "In the first place, we must bear in mind that many of these problems arise from the insufficient development of the countries involved, and so it would be erroneous to think that they might be solved by slowing down the rate of industrialization. To the contrary, what is now needed is to speed up technological and industrial progress in the region."

"There is, furthermore, a widespread view that many of the undesirable consequences of progress are inherent in modern technology. I believe that the nature of the consequences is determined by the use people make of technology, and not the other way around."

"Finally, we must understand that though the dynamism of development generally starts with acute imbalances in the economic organization and the social structure, the orderly and creative responses of human beings are what

Ortiz Mena: New concept of development.



transform crises and imbalances into improved opportunities and a better quality of life."

DIAGNOSIS OF THE CRISIS

Mr. Ortiz Mena offered a diagnosis of the crisis of Latin America's cities, starting in 1930 when industrialization in the area started to gather strength.

"In barely 40 years," he said, "new national goals and values, more complex social and economic systems and a profusion of specialized institutions which guide the development of the region have come into being."

"Industrialization," he added, "has given Latin American societies a new dimension of heterogeneity which was superimposed on the traditional economic and social differences and affected in varying degrees the life and destiny of all social groups. Four decades of industrialization have created a modern economic and social sector, the principal motor of development, with the capacity to absorb technologies, factors and modern values, but not sufficiently dynamic to carry with it and incorporate the rest of society. Those writers who have most thoroughly explored this historical turning point emphasize that the modern sector has failed to break with the traditional patterns of inequality. After its initial expansionary phases, its ability to extend the benefits of economic growth to new social groups and geographical regions has wavered."

"The human settlement problems the Latin American countries face must be approached from this historical perspective. Without playing down the enormous effort the governments of the region have made in this field in recent decades, there are clear signs that the main cities of Latin America have reached a critical phase. To overcome this crisis, the approaches and strategies used so far must be revised and the lessons of experience put to use. There is an obvious need for new policies that will incisively attack the causes of the urban problem and bring its more backward features under control."

SEVEN AREAS OF ACTION

Mr. Ortiz Mena said that the purpose of his exposition was to examine some of the qualitative and quantitative aspects of the urban crisis and to identify some of the principal areas in which action is needed. Given the semideveloped state of the region, he pointed out, vigorous measures are essential if, by the end of

(Continued on next page)

(from the preceding page)

the century, Latin America is not to become "one of the regions of the world distinguished by the extreme severity of its urban problems."

Population increase: Mr. Ortiz Mena said that Latin America is faced with a

process of "undercapitalized urbanization" created by accelerated population growth, the migration of rural population, the precarious industrial base of the urban economy and the spatial concentration of investments, and which makes it necessary in general to control population growth.

"... These human groups have proliferated rapidly and, building their own makeshift housing, have created in the urban landscape unique settlements that physically reflect a culture of adaptation to an environment that cannot integrate them."



NEW OPERATIONS MANAGER APPOINTED

President Antonio Ortiz Mena on June 10 announced the appointment of Norman Marques Jones as Manager of Operations in replacement of Ewaldo Correia Lima who, after 15 years at the Inter-American Bank, resigned from that post to return to Brazil, his home country.

Mr. Marques Jones, a Brazilian, received his primary and secondary school education in Rio de Janeiro. Later he specialized in accounting and in the stock and foreign exchange markets at the Brazilian Accounting Institute, and took graduate courses in the same field at the Pontifical Catholic University and the Getulio Vargas Foundation, also in Rio de Janeiro.

He began his professional career in 1945 at the Ministry of Finance. The following year he transferred to the Ex-

change Department of the Bank of Brazil, where he worked on the institution's activities in connection with international agencies.

In 1965 he joined the IDB as an accountant in the Treasury and Finance Division, resigning from that post in 1968 to return to the Bank of Brazil, this time to open branches in San Francisco and Los Angeles.

At the time of his appointment as the IDB's Manager of Operations, Mr. Marques Jones was Manager of the Los Angeles branch of the Bank of Brazil.

Mr. Correia Lima, as the IDB's first Operations Manager, organized and set in motion the institution's main activity—the negotiation and administration of loans, a new undertaking in the field of regional development banking.

In 1968 he was appointed Representative in Brazil, returning to headquarters in 1974 as Manager of its Department of Operations.

The governments of the region, he continued, having surmounted the initial ideological obstacles and, on the basis of Latin America's cultural values, had concluded at various meetings that the main barriers to family planning are poverty of some social sectors and the inadequate services available to them, especially in the fields of health and education.

Geographical redistribution of the population: Unless policies are adopted to help slow down the trend of populations to concentrate in a few cities, it is probable that planning and measures seeking orderly growth will have only a marginal effect.

"The magnitude of population growth in Latin America makes it urgent to adopt bold national urban and regional development policies. I am convinced that we are approaching a historical period in which the interior of countries will be economically developed. While in this country, we have created incentives for populations to concentrate in the cities, we have, as a by-product, brought rural poverty to the cities. We must now make a great effort to achieve greater balance in the spread of technical progress and its benefits."

Urban land values: The price of urban property must be regulated, he said. The excessive increase in recent years of urban land values has created an almost unsurmountable obstacle to the expansion of the cities. It is imperative for cities to enact legislation levying taxes to enable communities to achieve a sound property price structure, create land reserves, and support financing that will facilitate control of the real estate market.

Eradication of poverty: Cities cannot survive as centers of culture and civilization unless a major campaign is undertaken to wipe out poverty, the Bank President observed. This involves expanding the cities' economic base by increasing remunerative employment and preparing workers to avail themselves of these expanding opportunities.

Housing and urban services: Another area requiring priority attention is that of low-cost housing and urban services, Mr. Ortiz Mena said. "Policies adopted in the last decade have increased significantly the number of housing units constructed, but they have not satisfied the demand for housing by the neediest sector of society," he added. "To do this, we must develop more flexible and, at the same time, more dynamic conceptual ap-

proaches to the problem."

Housing should be part of a service package designed to integrate marginal families into the economic and social life of cities. The policy decision made in recent decades to create a great urban base of homeowners, which essentially adequately satisfies the housing needs of the middle class and of a considerable percentage of the industrial workers, should be complemented with other policies which take into account the situation of groups with limited savings and productivity and should be coordinated with the public decisions which affect salary levels.

Transportation crisis: Solving the transportation crisis in the cities of Latin America requires immediate decisions, Mr. Ortiz Mena said. Beyond the congestion—the most obvious aspect of the problem—there are certain economic realities which cannot be ignored.

"It is clear that a situation has evolved which demands that we strongly support collective transportation and institute

measures which will limit the use of private individual transportation within our cities," he said. "These measures are urgent and should be complemented with long-term measures.

"There is no doubt that the transportation problem is part of urban planning and of the selection of appropriate technology. If we consider that the region's population is expected to increase threefold in the coming decades, it is clear this formidable expansion must be carefully planned for, taking into account that there will be a more than proportional increase in the transportation needs of cities and that the space for new facilities is limited."

Strengthening urban institutions: The institutions charged with regulating the disorderly growth of our cities must be strengthened. "The systems of administration and urban government which predominate in Latin America are particularly inappropriate for handling the complex responsibility of orienting and administering the expansion of the cities."

Mr. Ortiz Mena stated. "The weakness of local government produces a vacuum of authority in strategic areas where the lack of timely decisions permits the proliferation of disorder.

"Our commitment to act within these seven fields should be the framework of a new development strategy," Mr. Ortiz Mena said.

"The fate of the cities of Latin America and their development role depends on the policies adopted to correct the course of tendencies which many may regard as uncontrollable.

"Historically, the cities have been centers of civilization and progress, and we know of no social sources which could play an equivalent role," Mr. Ortiz Mena said in closing. "The decadence of the cities as a way of life is one of the most serious problems facing the development of Latin America. It would be fatal," he warned, "for the governments of the region to view with resignation the foreseeable impact of trends which can be corrected."

LIVING CLOSE TO THE FACTORY—AN EXPERIMENT WORTH WATCHING

A seminar on human settlements and urban development, at which the experience of the Latin American countries in low-cost housing and on the housing problems facing them were discussed, was held at IDB headquarters in Washington, D.C. on May 3 and 4.

Representatives of regional and international organizations concerned with housing problems participated in the seminar, which was financed through a Bank technical cooperation operation. The participants included Mrs. Liebe de Gruss, of Argentina; Eduardo Novaes, of Brazil; Gustavo Garza, of Mexico; Luis Lander, of Venezuela; and Luis Ratino, of the Office of the Program Advisor of the Inter-American Development Bank, who presented studies on population and regional urban development trends in Argentina, Brazil, Mexico and Venezuela, and chaired the debate.

The Bank will prepare a document based on the observations, ideas and suggestions emerging from the discussions at the seminar for presentation as a technical contribution to the United Nations Conference on Human Settlements (Habitat) to be held in Vancouver May 31 to June 11.

Addressing the group of experts at an

all-day meeting on May 4, IDB President Antonio Ortiz Mena said that housing should be included among the social services which governments offer lower income groups. Such services, he said, should include not only community services, but the opportunity for them to acquire the training and technical skills they need to improve their social and economic situation.

Mr. Ortiz Mena pointed out that Latin America's experience showed that attempting to solve the problem of low-cost housing through policies that were oriented to the needs of sectors having a savings capacity had not proven

Garza, Ratino, Ortiz Mena, Gruss, and Lander: Experience we should learn from.



to be the best method for meeting the growing demands for housing in industrial urban centers.

He recalled the policies adopted in Mexico after 1956, which provided for the construction of housing near industrial centers, together with social service facilities to be rented at low-cost to workers and their families. He said the time tenants saved by living near their places of work was used to acquire further training and skills. This, he added, was a government effort to offer the opportunity, as a social service, for social and economic betterment.

"Thus a great human potential was tapped in the case of young men and women who, in improving their training and skills, were able to increase their earning power and improve the quality of their lives and to enter into a more selective housing market which formerly was open only to those who, having greater economic resources, also had greater access to education and self-improvement."

The IDB President called for new formulas that will make it possible to face the triple challenge of the worldwide serious housing shortage, the high population growth rates in many parts of the world, and the increasing population density that is worsening the quality of life in cities.

GIDA/AL Meeting Takes Up Important Points on Agricultural Development

The First Meeting of Consultation of the International Group for Agricultural Development in Latin America (GIDA/AL), was held in Cancún, Mexico, May 14 to 16. Representatives of 20 countries—15 of them at the ministerial level—and of nine international institutions attended the Meeting.

The Meeting marked the first time the Group had met with the participation of the Ministers of Agriculture of several of the countries of Latin America. Its purpose was to highlight the need to strengthen GIDA/AL as a mechanism for coordinating agricultural financing and as a center for discussing the goals and concerns of the countries of the region in the field of agricultural development.

The Group, which includes the IDB and several other international organizations, as well as a number of private institutions in its membership, was established under IDB sponsorship in 1975 to help step up agricultural production, make basic foodstuffs more widely available, improve nutrition, boost agricultural exports, raise rural income levels, open up job opportunities, and improve the standard of living.

Julián Rodríguez Adame, former Secretary of Agriculture of Mexico, is Coordinator of the Group.

COORDINATING EFFORTS

Speaking at the beginning of the working sessions, Mr. Rodríguez Adame said that, after many years of paying scant attention to the rural sector, the world had realized that agricultural development is the key to socioeconomic development.

"This conceptual awareness," he said, "could turn into concrete action if, in our countries and in the industrialized countries, we add political decision to the contemporary world's technical and scientific know-how."

Mr. Rodríguez Adame said that this policy "is gradually emerging with world economic recovery and the recognition of the ever-greater interdependence of nations, with their common interest in fostering a substantial increase in agricultural production, and attaining adequate distribution, so that we can feed the people of our increasingly crowded planet. Moreover, there is deep concern

about the dispersion of undertakings, of institutions, and of efforts, and about the growing risk of inconsistent and conflicting lines of action."

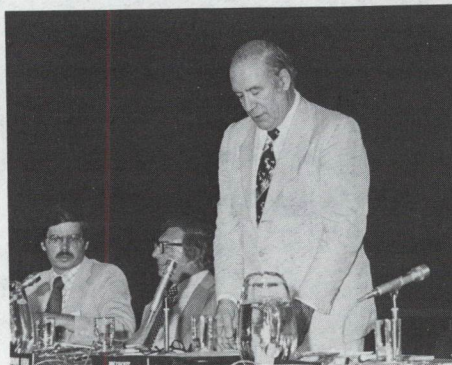
The Coordinator described the Group's role as an instrument for coordinating efforts. Its undertakings, he said, will be directed to seeking the expansion and better use of external resources for agricultural development, and to creating more favorable conditions for increasing the sector's capacity to absorb external aid. "At first, the Group's goals will be modest," he said. "It should not create expectations which cannot be fulfilled."

Mr. Rodríguez Adame said the Group will work closely with agencies seeking rural progress. It would serve as a bridge for communication, as a forum for undertaking collective studies, as a liaison agency, and as a clearing house for inter-agency coordination agreements. He added that, in the light of the requests and priorities of the Latin American countries, the Group will hold meetings at the national and subregional levels.

LINES OF ACTION

In their statements, ministers and representatives concentrated on topics involving lines of action for the Group's future work. They discussed the commercialization of agricultural production; the possibility of establishing an international center for the control of foot-and-mouth disease—for which the Government of Argentina offered the use of existing buildings in Buenos Aires Province; the training of technical and medium-level personnel to work in the rural sector;

A new forum: Rodríguez Adame opens the GIDA/AL meeting recently held in Cancún.



expansion of irrigation works; urban, economic, and social development programs for young people in rural areas as a way of increasing their interest in farming; improving the transfer of technology and information; establishing agricultural information facilities; stabilizing the prices of agricultural products and equipment; fostering greater technical cooperation among the Latin American countries; seeking the establishment of mechanisms that will help prevent national losses caused by trade restrictions or price drops; encouraging greater inter-agency coordination in agricultural activities; adopting measures for protecting natural resources; establishing adequate control and management of food supplies and reserves; seeking reductions in the time-terms fixed for formulating and financing agricultural projects; investing the ministries of agriculture with decision-making powers in the formulation of national agricultural policies, and other important points.

The agencies participating in the Meeting, in addition to the IDB, were: the World Bank, the Organization of American States, the United States Agency for International Development, the Canadian International Development Agency, the Consultative Group for Food Production and Investment, the Economic Commission for Latin America, the Inter-American Institute of Agricultural Sciences, the Rockefeller Foundation, and the Ford Foundation.

IDB MOBILIZES NEW RESOURCES IN ITALY

The Inter-American Bank on June 24 announced that it had borrowed \$7.5 million in Italy for the development of its member countries in Latin America.

The borrowing was effected in the form of a single note sold by the Bank to the *Ufficio Italiano dei Cambi*, the official Italian foreign exchange office.

The United States dollar borrowing will carry an interest rate of 8% per cent per annum and a ten-year straight maturity.

The proceeds of the loan will be incorporated into the Bank's ordinary capital resources and will be used in its ordinary lending operations.

This borrowing is the sixth the Bank has made in Italy and increases to the equivalent of \$11.03 million its gross borrowings in that country.

Italy is one of 12 countries from outside the region which signed the Declaration of Madrid in 1974 signifying their intention of joining the Bank.

Eight of those countries will be formally admitted into the Bank as contributing member countries early in July. The four others, including Italy, have not yet completed the necessary procedures for admission, but are expected to do so in the near future.



Guest speakers discuss English-speaking countries of the Caribbean at seminar.

Seminars, Lectures, Roundtables Held at Bank's Library

Two Bank-sponsored seminars on the English-speaking countries of the Caribbean were held on June 8 and 9. The objective of the seminars, which were developed by the institution's library, were designed to brief Bank officials on the economic, social, political and cultural development of these member countries.

The seminars focused especially on Barbados, Jamaica and Trinidad and Tobago. Alister McIntyre, Secretary

General of the Caribbean Economic Community (CARICOM); Valerie McComie, Ambassador to Venezuela from Barbados; and Roy Augier, historian and professor at the University of the West Indies, were the panelists.

Discussions revolved around three topics developed by the three panelists: The Economy of the Caribbean ("*CARICOM: Present Situation and Perspectives*"), by Alister McIntyre; *Socio-cultural Evolution of the*

Caribbean, by Roy Augier; and *The Caribbean and the Americas: Similarities and Differences*, by Valerie McComie.

This year the IDB library—40,000 volumes and 900 periodicals—has broadened its activities to serve as a center for the study and assessment of Latin American themes.

To that end it has offered conferences, roundtables, seminars and work-lunches at which political, business and labor leaders, as well as university professors and officials in the private and public sectors have participated, among them, Enrique Iglesias, Executive Secretary of the Economic Commission for Latin America ("*ECLA'S Future Roles*"); Paul Gérin Lajoie, President of the Canadian Agency for International Development ("*Canada and Latin America*"); Constantino Quero Morales, President of the Venezuelan Trust Fund ("*Meaning and Projections of the VTF*"); and Adolfo Linares, President of the Andean Development Corporation ("*The Andean Development Corporation and Sub-regional Integration*").

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—were:

INTERNATIONAL SEMINAR ON ECUADOR AND POLICIES FOR INDUSTRIAL DEVELOPMENT. Quito, Ecuador, May 3-7.

Simón Teitel, of the Office of the Program Advisor, represented the Bank.

The seminar, at which Mr. Teitel made a presentation on "Industrial Development and Policies for Technological Development," was aimed at collecting the various Latin American experiences relating to industrial development so as to assist Ecuador in its industrial planning.

The seminar—organized by the *Centro de Estudios del Desarrollo (CENDES)* and the *Instituto Latinoamericano de Investigaciones Sociales (ILDIS)*—touched upon the following subjects: Industrial Development Strategy and Policies; Policy Instruments for Industrial

Development, Industrial Development and Export Policies, Western Europe and the Tendency Toward Industrial Displacement to the Third World, New Forms of Company Organizations in the Industrial Development Process, and Regional Development and Industrial Decentralization.

SEMINAR ON AGRIBUSINESS MANAGEMENT FOR DEVELOPING AND DEVELOPED WORLD FOOD SYSTEMS. Harvard University, Cambridge, Massachusetts, May 16-18.

Frank Meissner, of the Livestock and Marketing Section, attended on behalf of the Bank as an observer.

The purpose of the Meeting—sponsored by the Agency for International Development, which undertook three years of research into comparative agribusiness in developing countries in Asia and Latin America—was to analyze methods for incorporating small and traditional subsistence farmers into world food commodity systems, examine the adaptability of the experience gained for the world's developing countries, and explore the role which private agri-

business can play in transferring technology.

The seminar used case-method instruction, and four of the eight cases focused on Latin America: sugar systems in Jamaica, Belize and Trinidad and Tobago; a Mexican strawberry project; Central American tomato processing plants and rice procurement from small farmers in Guatemala; and the Nicaraguan cotton case.

The seminar placed special emphasis on appraising the effectiveness of different institutions that serve as coordinating agents for the commodity systems: cooperatives and other group arrangements for collective action, cooperative-corporate joint ventures, government-private joint ventures, consortia for parallel financing, contract farming, future markets, horizontal transfer of technology and the role of multinational development banks.

The other cases included corn-production development in Thailand, Pakistan and Indonesia, and an Indian Cooperative Milk Producers' Union dealing with the integration of small-scale milk producers into the dairy commodity systems in a developing country.

ALIDE: 100 Member Institutions From 20 Latin American Countries

The year 1976 was a milestone for the Latin American Association of Development Finance Institutions (ALIDE), when its membership reached 100.

ALIDE, an international organization representing the region's development community, began operations barely eight years ago under Bank sponsorship and with the participation of 17 institutions from 11 Latin American countries.

Today its membership consists of institutions from 20 nations of the region—Argentina, Bolivia, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Peru, Paraguay,

Uruguay, and Venezuela; Puerto Rico, as well as the Federal Republic of Germany and Spain, are also members.

Its members also include such regional and international organizations as the Inter-American Development Bank, the World Bank, the Central American Bank for Economic Integration, and the Andean Development Corporation.

Among the European institutions in its membership are the Official Credit Institute of Spain, the Agricultural Credit Bank of Spain, the Construction Credit Bank of Spain, the Industrial Credit Bank of Spain, the Mortgage Bank of Spain, the *Kreditanstalt für Wiederaufbau* of the Federal Republic of Germany and the Arab-Spanish Bank.

INTAL Issues New Monthly Publication on Latin American Integration

The Institute for Latin American Integration (INTAL) has recently launched a new monthly publication called *Integración Latinoamericana*. The publication will replace *Revista de la Integración* and *Boletín de la Integración*.

The editorial contents of *Integración Latinoamericana* will express INTAL's philosophy and will highlight topics and developments relating to regional integration and cooperation.

The magazine will cover such aspects as economics, politics, law, history and sociology. It will have nine sections: Editorial, Studies, Notes and Comments, Latin American Information, International Information, Documentation and Statistics, INTAL Activities, and Latin American History and Bibliography.

The first number includes an article entitled "Theoretical and Practical Thoughts on Latin American Integration and its External Dimension" and another entitled "Latin American Joint Enterprises: Coinciding and Conflicting Interests," and a feature on Simón Bolívar's convocation of the Congress of Panama, a conference of all the new republics, now regarded as the

beginning of Panamericanism. It covers INTAL's activities and the developments in integration and international economic relations of the last few months, but in future these items will be covered on a monthly basis, along with basic national statistical data.

The "Notes and Comments" section includes a note on the Latin American Economic System (SELA), another on the promotion of technical cooperation among the developing countries, and one on the study of the process of integration and cooperation in Latin America.

In "Documentation and Statistics," the publication carries basic statistical information for 1974 covering the countries of the Latin American Free Trade Association (LAFTA), the Central American Common Market (CACM), the Andean Group, and the Caribbean Common Market (CARICOM).

Subscriptions are available at:

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Marcelo F. Aftalión is Executive Editor of the new publication. The members of the Editorial Board are Natalio R. Botana, Fernando Mateo, Luciano Tomassini and Eduardo White.

INTAL, based in Buenos Aires, was established in 1965 by the IDB under the auspices of the Government of Argentina to promote the integration of Latin America. It is a research, consulting, and educational center and serves as a clearing house for ideas, plans, and operating techniques designed to help step up the collective development of the IDB's member countries. As such, it conducts research, organizes seminars and working meetings on economic, social and political affairs; collects, exchanges, publishes and circulates studies and documents on integration in different parts of the world; grants scholarships and offers training courses to officials of public and private institutions or of Latin American educational centers of higher education active in the field, and collaborates with regional and international organizations.



MEXICAN PAINTER IN WASHINGTON

The Inter-American Development Bank exhibited two transportable murals by Mexican artist Gabriel Flores at its headquarters in Washington, D.C., June 14-25.

The exhibition was organized by the Bank's Staff Association, and sponsored by José Juan de Olloqui, Ambassador from Mexico to the United States, Alberto Orozco Romero, Governor of the State of Jalisco, and IDB President Antonio Ortiz Mena.

The murals, commissioned by the State of Jalisco for a theatre-auditorium now under construction, depict the alienation of man in a consumer and money-oriented society conditioned by demagogic manipulation of the masses. It is a world devoid of love, hope, or spirituality.

Flores does not hide his preference for murals over easel paintings. When the Staff Association invited him to exhibit his work, he limited his selection to two murals, noting that this medium affords a broader plastic and thematic approach than the easel.

Among the 16 murals he has painted to date one, at Mexico City's Chapultepec Castle, portrays the "child heroes." Others are at the Experimental Center, the Municipal Presidency of Guadalajara, the Science and Humanities Auditorium, and the House of Artcrafts.

The fact that the murals commissioned by the Government of the State of Jalisco were done on canvas made it possible to exhibit them elsewhere until they are placed in their permanent home.

At the opening: Alfredo Gutiérrez, Executive Assistant to the President of the Bank; the artist; Rolando Aguilera, President of the Staff Association, and Ambassador José Juan de Olloqui.

