



Board of Governors Meeting Scheduled In April In Mexico

The Seventh Annual Meeting of the Board of Governors of the Inter-American Bank will be held this year in Mexico City the week of April 25-29.

The Board, which consists of one Governor and one Alternate Governor representing each of the Bank's twenty members, is the highest governing body of the Bank. It meets yearly to review the activities of the Bank and discuss future tasks.

The agenda for the Seventh Meeting includes the election of a new Board of Executive Directors; the study of the question of increasing the Bank's resources, and the consideration of establishing a preinvestment fund for Latin America's regional development.

The new Board of Executive Directors, to be elected for a three-year term, will take office July 1. The Board is composed of seven directors, six elected by groups of Latin American countries and one designated by the United States. The Board of Directors, the President of the Bank and the Vice President are entrusted with the Bank's operations.

The question of the need for increasing the Bank's resources, both its ordinary capital resources and its Fund for Special Operations, will be taken up at the request of Brazil.

The consideration of the creation of a pre-investment fund under the administration of the Inter-American Bank has been included in the agenda at the request of Argentina. Such a fund would be used to finance the preparation of pre-investment studies of projects of a regional nature

whose execution would contribute to the process of Latin American integration.

Another highlight of the meeting will be a roundtable discussion on community development, which will be held in two afternoon sessions on Tuesday and Wednesday, April 26 and 27.

All of the sessions of the meeting will be held at the Hotel María Isabel, except for the inaugural session, which will take place Monday, April 25 at Mexico City's *Centro Médico Nacional*. The President of Mexico, Gustavo Díaz Ordaz, will participate in this session.

In addition to the governors and their delegations, representatives and observers from a host of international and regional organizations and special guests from throughout the world are expected to attend.

The topics to be taken up at the meeting are:

- Election of the President of the Meeting.
- Sixth Annual Report of the Bank, 1965:
 - a. Financial Statements, Ordinary Capital Resources.
 - b. Financial Statements, Fund for Special Operations.
- Election of the Board of Executive Directors.
- Creation of a Fund for Preinvestment Studies for Regional Projects.
- Increase of the Bank's Resources.
- Site and date of the Eighth Annual Meeting.

Inter-American Bank Recommends Colombia and Ecuador Carry Out \$102 Million Border Development Program

The Inter American Bank has recommended that the Governments of Colombia and Ecuador undertake an integrated development program along their border area. The program contains 71 specific development projects representing a total investment of \$102 million.

It was submitted to the two governments in a report of a Bank-sponsored mission which evaluated integration possibilities along the border in 1964. The mission's report, prepared in cooperation with the Latin American Institute for Economic and Social Planning, was submitted to the two governments earlier this year.

This is the second study sponsored by the Bank

to determine possibilities of developing border areas in Latin America on an integrated basis. The first, completed in 1964, involved the border area between Colombia and Venezuela.

The study on integration of the Colombian-Ecuadorian border was performed by three experts hired by the Bank, in consultation with specialists from both countries.

The report proposes that institutional machinery, consisting of a political-administrative, a technical, and a financial agency, be set up to execute the border integration program.

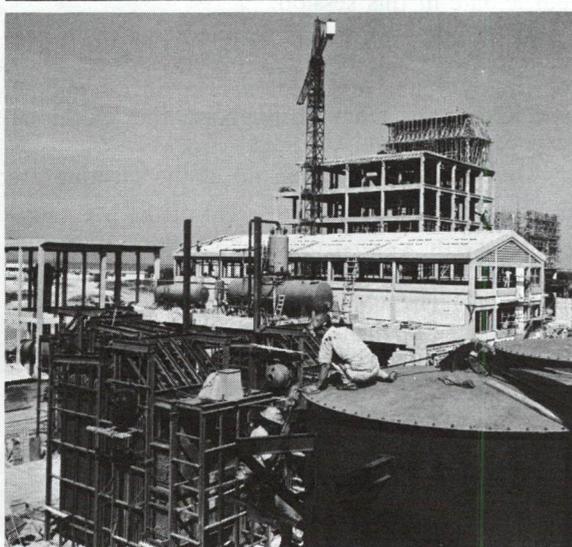
The political agency would be the Permanent
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LOAN AUTHORIZATIONS UP TO MARCH 31, 1966

(In millions of dollars)

Resources	Industry and Mining	Agriculture	Electric Power	Transportation	Water Supply and Sewage	Housing	Education	Pre-investment	Exports Financing	Total	
										No.	Amount
Ordinary Capital	297.0	150.9	101.2	50.1	41.9			2.4	15.3	126	658.8
Fund for Special Operations	60.3	103.0	23.4	83.0	84.6	9.0	7.7	21.3		87	392.3
Social Progress Trust Fund		89.3			161.7	218.1	32.1			117	501.2
Other Resources				3.0				1.2		2	4.2
TOTAL	357.3	343.2	124.6	136.1	288.2	227.1	39.8	24.9	15.3	332	1,556.5

Bank Lends \$29 Million During First Quarter of 1966



SODIUM CARBONATE and caustic Soda plant built in Cartagena, Colombia, with the aid of a \$12 million Bank loan.

Disbursements

As of March 31, 1966, disbursements on the 332 loans authorized by the Bank amounted to \$612.5 million. This sum represents 39.3 per cent of the total of \$1,556.5 million in loans authorized up to that date and 51.2 per cent of the \$1,195.7 million in the 261 loans eligible for disbursement at the end of the quarter. The following table shows the rise in disbursements during the past five quarters:

Quarter Ending	Cumulative Disbursements (In millions of dollars)	Quarterly Increase of dollars)	Disbursements as per cent of Authorizations
Mar. 31, 1965	442.6	38.3	37.1
June 30, 1965	484.4	41.8	38.2
Sept. 30, 1965	531.3	46.9	39.7
Dec. 31, 1965	586.5	55.2	38.3
Mar. 31, 1966	612.5	26.0	39.3

During the first quarter of 1966 the Bank authorized seven loans totaling \$29,000,000. By sources of funds the loans were:

Ordinary Capital Resources — Two lines of credit totaling \$3,000,000, as follows:

- \$2 million to *Nacional Financiera, S.A.*, of Mexico, to help finance exports of capital goods to other Latin American countries which are members of the Bank. This credit was added to one for \$3,000,000, already utilized, which was extended to *Nacional Financiera* in 1964.

- \$1 million to the *Banco Nacional de Nicaragua*, to help finance exports of Nicaraguan capital goods to other member countries of the Bank, primarily to the Central American Common Market area.

Fund for Special Operations — Five loans totaling \$26,000,000:

- \$2.5 million to the *Corporación Minera de Bolivia*, to help finance the third and last phase of a plan to rehabilitate Bolivia's national tin mines.

- \$2.5 million to the *Universidad Técnica Federico Santa María* of Valparaíso, Chile, to help that technical institute expand its educational facilities.

- \$700,000 to the *Republic of Panama* to finance a loan program to help university students and professionals complete their regular studies or pursue specialized training.

- \$300,000 to the *Instituto Agrario de Nicaragua* to help finance the preparation of pre-investment studies related to a land settlement program in the Department of Zelaya.

- \$20 million to the *Republic of Peru* to help finance an integral community development program designed to raise living standards in seven Andean communities with a total population of 1,250,000.



ANDRES BELLO AUDITORIUM—New auditorium dedicated to the memory of Andrés Bello, the great Latin American writer, educator and statesman was opened at the Bank's headquarters in Washington on January 17, 1966. At an inaugural ceremony a portrait of Bello, presented to the Bank by the Government of Venezuela, was unveiled. Speakers at the ceremony included Enrique Tejera-Paris, Ambassador of Venezuela to the United States; Radomiro Tomic, Ambassador of Chile to the United States, and Felipe Herrera, President of the Bank. All paid tribute to Bello's important contributions to Latin American cultural, educational and political development during the 19th century.

Bank Sells Another Bond Issue Equivalent to \$24 Million In Italy

On January 28, 1966, the Inter-American Bank sold a bond issue in Italy for 15 billion lire (equivalent to about \$24 million). The issue was acquired by *Mediobanca*, for private placement. The proceeds of the issue, which are fully convertible into any other currency without restriction, will be used in loan operations from the Bank's ordinary capital resources which are devoted to financing economic development projects in Latin America.

This is the fifth time that the Bank has borrowed funds in European capital markets. Thus, the Bank has obtained \$83.9 million on these markets through four bond issues and one direct borrowing. In addition, it has obtained \$225 million from the sale of three bond issues in the United States.

Thus, the total borrowings of the Bank as of March 31, 1966 amount to \$309 million, distributed as follows:

<i>Bond Issues</i>		
Year of Issue	Dollar Value	Country
1962	\$ 24,000,000	Italy
1962	\$ 75,000,000	United States
1964	\$ 50,000,000	United States
1964	\$ 15,000,000	Germany
1964	\$ 8,400,000	England
1964	\$100,000,000	United States
1966	\$ 24,000,000	Italy
<i>Direct Loan.</i>		
1965	\$ 12,500,000	Spain

Bank Supports Integral Approach In Solving Latin American Urban Development Problems

The Inter-American Bank is prepared to give its assistance to help Latin American municipalities strengthen and modernize their administrative structure to enable them to carry out effective integral urban development programs.

The Bank's willingness to do this was expressed by its President, Felipe Herrera, at a meeting on Municipal Financing in Latin America sponsored by the Bank in Washington on January 24-26.

The meeting, held in Washington, was attended by more than 100 representatives of municipal financing agencies, municipal associations and government and private agencies in the hemisphere. Also present were observers from international agencies and special guests.

At the meeting, discussions were held on means of expanding financial and technical aid to Latin American municipalities and possible ways of improving municipal development institutions.

Mr. Herrera stressed the importance of integral urban development programs within the general process of Latin American development, and

pointed to the need for strengthening and modernizing municipalities so that they can successfully tackle the problems of housing, water supply and sewage, health, schools, communications and transportation.

Mr. Herrera said that urban development has been a special concern of the Bank since its inception, as demonstrated by the fact that 40 per cent of its loans, or about \$600 million, has been committed to projects and programs which directly or indirectly benefit urban centers.

He added, however, that steps still should be taken to strengthen inter-municipal cooperation in the hemisphere, to formulate integral programs for urban development, to intensify the training of personnel for municipal planning and administration, and to strengthen agencies engaging in the financing of municipal projects through financial and technical assistance.

The Inter-American Bank, Mr. Herrera said, is prepared to furnish all of the cooperation of which it is capable toward these ends.

Bank Publications

During the first quarter of 1966 the Bank published the *Fifth Annual Report of the Social Progress Trust Fund*.

The report, a definitive study of social conditions in Latin America, is of particular significance for scholars interested in the Latin American situation, since it not only covers social progress, problems, and prospects during calendar year 1965, but also contains a retrospective analysis of the social scene in the area during the first half of the Alliance for Progress decade.

The Bank's own report, the *Sixth Annual Report of the Inter-American Development Bank*, will be made public in late April, 1966. The two publications, as well as all other publications of the Bank, may be secured from

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Border Development . . .

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Commission on Colombian-Ecuadorian Economic Integration, established in 1962, which would henceforth meet periodically. The technical agency would be a border integration council consisting of representatives of the national and departmental governments, of planning agencies, of the Permanent Commission and of the private sector in both countries. The exact form to be taken by the proposed financial agency would be determined by both nations.

This list of specific projects presented in the report includes investments of \$6.2 million for electric power, \$32 million for transportation and telecommunications, \$6.5 million for water supply and sewage systems, \$3.1 million for health projects, \$1.6 million for education projects, \$27.2 million for agricultural development, \$23.4 million for industrial development, and \$2 for pre-investment studies.