



Bank Launches Campaign to Fight Foot-and-Mouth Disease in South America

During the third quarter of 1968, the Bank put into action a new policy providing financial support to help South American countries carry out a coordinated and stepped up effort to control and eventually eradicate foot-and-mouth disease. North and Central America are presently free of the disease. The Bank's first loans, totaling \$5.1 million, were granted to Chile and Paraguay. The loans will enable those two countries to carry out nationwide programs of livestock vaccination and to implement adequate sanitary control measures for the prevention of the disease. The Bank is also considering loans totaling approximately \$30 million for similar projects in Argentina, Brazil, Peru and Uruguay.

Foot-and-mouth disease, which is endemic in South America, causes livestock losses estimated at \$400 million a year, excluding losses in export revenues caused by the closing of foreign markets due to the disease.

The programs that the Bank is helping to finance will be carried out by local national agencies responsible for the control of the disease with the cooperation of the Pan American Foot-and-Mouth Disease Center, an affiliate of the Pan American Health Organization. Established in 1951 in Rio de Janeiro, the Center devotes more than \$1 million annually to research and provides advanced training to specialists from all over Latin America.

To unify their efforts and policies on livestock disease, Argentina, Brazil, Chile, Paraguay and Uruguay have joined in establishing a Regional Technical Commission on Animal Health and Peru is considering joining.

The initial two Bank loans in the campaign were \$2.8 million to Paraguay and \$2.3 million to Chile.

In Paraguay, the Bank's loan will help finance a first stage of a project to be carried out over the next four years at a total cost of \$7.6 million. Livestock is the most important sector in Paraguay's economy. In 1966 it accounted for nearly one-third of the nation's total exports and 11 per cent of its gross national product. That year foot-and-mouth disease affected between 25 to 50 per

cent of the six million head of cattle in the country. The program being carried out by Paraguay is expected gradually to reduce the incidence of the disease and completely eradicate it within 15 to 20 years.

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Inter-American Bank Helps Finance Central American Telecommunications Network

In a further step in its support for the development of closer communications ties between the countries of the Americas, the Bank is cooperating in the construction of a telecommunications network in Central America. The network will be part of the eventual Inter-American Telecommunications Network, studies for which are also being supported by the Bank.

On September 18, 1968 the Bank authorized Central American Bank for Economic Integration (CABEI) to use \$3 million of a 1967 \$10 million loan authorized for industry in financing the initial phase of the construction of the telecommunications network.

The system will link the five Central American Countries—Cost Rica, El Salvador, Guatemala, Honduras and Nicaragua—through an 812-mile long network which will provide telephone, telegraph, telex, radio and television transmission service. The system will eventually have 960 channels of which 400 will be installed in the first stage of the project.

The Central American Network represents the first stage in the construction of the proposed Inter-American Telecommunications Network, which will interconnect all the nations of the Americas, and also link them with the rest of the world. The construction of the network to which the Presidents of Central America and the United States meeting in San Salvador in July 1968 gave high priority, will help overcome current shortcomings in the region's communications, thus helping to stimulate private investment and expand production and trade in the area.

LOANS UP TO SEPTEMBER 30, 1968

(In millions of dollars)

Sectors	Ordinary Capital Resources		Fund for Special Operations		Social Progress Trust Fund		Other Resources		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Industry and Mining	80	408.2	23	111.3	—	—	3	3.2	106	522.7
Agriculture	26	183.8	42	310.5	26	83.7	—	—	94	578.0
Electric Power	18	179.9	8	82.9	—	—	—	—	26	262.8
Transportation	9	77.1	16	215.9	2	5.6	4	14.6	31	313.2
Water Supply and Sewage	15	68.5	26	178.6	32	161.0	1	5.0	74	413.1
Housing	—	—	11	95.7	33	217.8	—	—	44	313.5
Education	—	—	22	74.9	19	31.6	1	4.0	42	110.5
Preinvestment	3	2.4	40	53.5	5	1.2	6	4.6	54	61.7
Export Financing	8	28.4	—	—	—	—	—	—	8	28.4
TOTAL	159	948.3	188	1,123.3	117	500.9	15	31.4	479	2,603.9

Bank's Loans Total \$100,855,000 During the Third Quarter of 1968

During the third quarter of 1968, the Inter-American Bank authorized 13 loans for the equivalent of \$100,855,000. By sources of funds, they were:

Ordinary Capital Resources: Loans for \$23,100,000:

- \$10,000,000 to the *Republic of Argentina* to be relented for the expansion and improvement of private industrial plants.
- \$13,100,000 to the *Instituto Venezolano de Petroquímica* to help finance a fertilizer-producing complex in the city of Morón.

Fund for Special Operations: Loans for \$77,755,000:

- \$2,800,000 to the *Universidad Nacional Autónoma de Honduras* to help improve and expand its educational facilities and establish new courses in agriculture, the basic sciences and engineering.
- \$2,800,000 to the *Republic of Paraguay* to help carry out a campaign to control and eventually eradicate foot-and-mouth disease.
- \$2,300,000 to the *Republic of Chile* also to control and eventually eradicate foot-and-mouth disease.
- \$4,300,000 to *Trinidad and Tobago* to build 2,090 housing units and related facilities in 12 communities.
- \$9,100,000 to the *Instituto de Crédito Territorial* to help finance the construction of 7,311 housing units and their respective community services in the Colombian cities of Bogotá, Cali, Medellín, and Barranquilla.
- \$35,000,000 to the *Departamento Nacional de Estradas de Rodagem* to help finance the completion of a basic highway network for Brazil's underdeveloped Northeast.
- \$15,000,000 to the *Banco de la Nación Argentina* to help finance rural electrification proj-

ects which will benefit 40,000 farmers and ranchers throughout the country.

- \$355,000 in technical assistance to the *Dominican Republic* to help set up a pilot settlement project and demonstration farm and to carry out hydrogeological studies.
- \$2,000,000 to the *Banco Central de Reserva de El Salvador* to help finance a credit program for low-income farmers.
- \$1,000,000 also to the *Banco Central de Reserva de El Salvador*, for the preparation of preinvestment studies in the agricultural, industrial economic and social infrastructure fields.
- \$3,100,000 supplementing the \$13.1 million loan from the ordinary capital resources mentioned above, to help finance the construction of a fertilizer plant in Venezuela.

Disbursements

As of September 30, 1968, disbursements on the 479 loans authorized by the Bank amounted to \$1,235.8 million. This sum represents 47.4 per cent of the total of \$2,603.9 million in loans authorized to that date. The following table shows the rise in disbursements during the past five quarters.

Quarter Ending	Cumulative Disbursements (In millions of dollars)	Quarterly Increase	Disbursements as per cent of Authorizations
Sept. 30, 1967	975.9	60.1	44.3
Dec. 30, 1967	1,040.8	64.9	43.5
Mar. 31, 1968	1,089.7	48.9	45.3
June 30, 1968	1,158.1	68.4	46.3
Sept. 30, 1968	1,235.8	77.7	47.4

Inter-American Bank Designated Executing Agency of United Nations Development Programme

The Inter-American Bank has been designated executing agency of the United Nations Development Programme (UNDP) in carrying out large-scale preinvestment projects in Latin America for UNDP. The Bank was the first institution not directly associated with the United Nations to be designated an executing agency for UNDP.

The Bank and UNDP have committed substantial sums in Latin America for such preinvestment purposes as the preparation of feasibility studies of specific projects, sectoral studies, technical assistance for the preparation and carrying out of development projects and programs and training and research activities. UNDP has devoted some \$215 million to these objectives and the Bank more than \$100 million.

The first project in which the Bank and the UNDP will cooperate under the new agreement is a feasibility study for the establishment of an Inter-American Telecommunications Network (ITN), considered a prerequisite for the economic and social integration of Latin America. It represents a new phase of a study initiated jointly

in 1967 by the Bank and the Inter-American Telecommunications Committee (CITEL), a specialized agency of OAS, to determine the general requirements needed to build an Inter-American Telecommunications System which would interconnect the local telecommunications systems of the Latin American nations and link them to the rest of the world.

The new Bank-UNDP project will have the support of CITEL, which will act as a coordinating agency on behalf of the participating countries, and of the International Telecommunications Union (ITU), a United Nations agency which establishes design and specifications standards for telecommunications systems throughout the world.

UNDP will contribute \$955,000 to the project and participating countries will put up \$529,000. The Bank will provide \$250,000 worth of technical assistance.

The agreement establishing the Bank as UNDP Executing Agency was signed at United Nations headquarters in New York on July 16 by Paul G. Hoffman, Administrator of the Program, and by Felipe Herrera, President of the Bank.



Paul G. Hoffman (left), Administrator of the United Nations Development Programme (UNDP), and Felipe Herrera, President of the Bank, sign the Agreement in which the Bank is designated Executing Agency of the UNDP. The ceremony took place at U.N. headquarters in New York July 16, 1968.

Inter-American Bank Sells 60 Million Swiss Franc Bond Issue in Switzerland

On September 12, 1968, the Inter-American Bank made a public offering of 60 million Swiss francs (equivalent to \$13.7 million) of its 5½ per cent, 15-year bonds. The bonds were offered for sale at a price of 99 per cent. The issue was the second placed by the Bank in Switzerland and is part of its continuing efforts to raise financial resources for the development of Latin America. The issue was sold by a group of Swiss banks headed by the Swiss Credit Bank, the Union Bank of Switzerland and the Swiss Bank Corporation.

Known as "5½ Per Cent Swiss Franc Bonds of 1968," the issue was dated September 30, 1968 and will mature September 30, 1983. The issue is listed on the stock exchanges of Zurich, Basel, Geneva, Berne and Lausanne.

This is the tenth long-term borrowing obtained by the Bank in European capital markets. The other nine, included: the equivalents of \$24 million in Italy in 1962, \$15 million in Germany in 1964, \$7.2 million in the United Kingdom in 1964, \$12.5 million in Spain in 1965, \$24 million in Italy in 1966, \$11.5 million in Switzerland in 1966, \$6 million in Belgium in 1967, \$8.3 million in the Netherlands in 1968, and \$25 million in Germany in 1968.

At the end of the third quarter of 1968, the Bank had also floated long-term bond issues totaling \$335 million, all rated Triple A, in the United States market and had short-term bond issues totaling \$68 million outstanding in Latin America and Israel. In addition, Japan had loaned the Bank the equivalent of \$10 million.

The proceeds of the new issue, which will be fully convertible into any other currency, will be included in the Bank's ordinary capital resources and will be used to make economic development loans in the Bank's Latin American member countries.

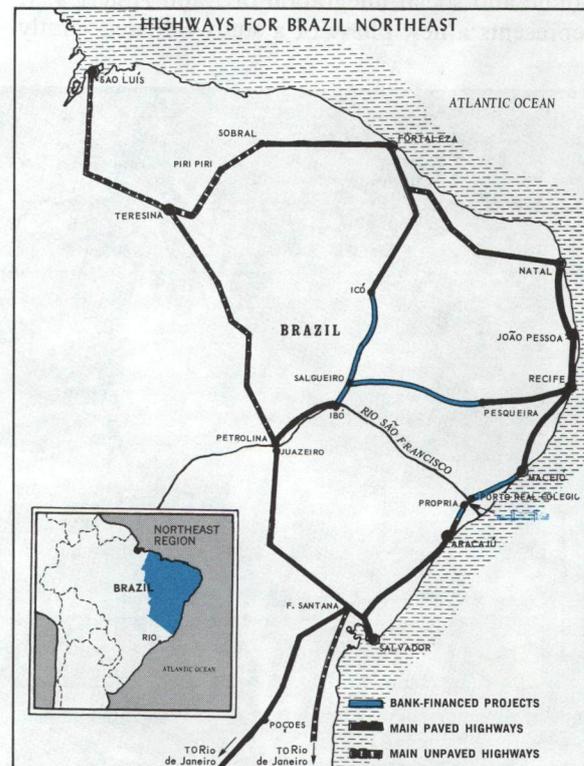
New Publication

The Bank has recently issued the *Proceedings of the Ninth Meeting of the Board of Governors* which took place in Bogota, Colombia in April 1968. The publication contains the addresses delivered at the meeting, the resolutions adopted by the Board and a roster of the delegates and principal participants.

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In Chile the incidence of foot-and-mouth disease is one of the main obstacles to the development of its livestock sector. Basically self-sufficient in its beef and dairy requirements in the early 1940's, Chile by 1967 was importing some \$36 million of livestock products. This figure may rise to a projected \$74 million annually by 1975 if foot-and-mouth disease is not checked. The Bank's loan will help finance the first stage of a project being carried out at a cost of \$13.5 million, to control and eradicate the disease.

Bank Finances Broad Road Network in Brazil



With a \$35 million loan granted in September 1968, the Bank will help finance the completion of a basic highway network in Northeast Brazil at a total cost of \$76.1 million. The project will promote the integration of the region by helping to construct the basic infrastructure for a better economic, social and cultural exchange through overland communication between six of the nine state capitals of the Northeast: Natal, J. Pessoa, Recife, Maceió, Aracajú and Salvador.