National Security Decision Memorandum 54

TO: Secretary of the Treasury

SUBJECT: Inter-American Development Bank Replenishment

The President has approved the proposal contained in your memo-
randum of April 3, 1970, for a US contribution to the replenishment
of the resources of the Inter-American Development Bank totaling
$1,725 million over three years, including subscriptions to $150
million of paid-in Ordinary Capital and $575 million of callable
Ordinary Capital, and contributions of $900 million for the Fund
for Special Operations (FSO). The President has authorized you
to support this position, subject to legislative authority, at the
IDB Board of Governors meeting in Uruguay.

With regard to the policy issues associated with the replenishment,
the President has approved the following positions:

Issue 1: Use of Soft-Loan Resources. Accept a new policy
statement by the Bank that would give first priority on FSO use to
least developed countries and limits, but not preclude, lending to
the economically stronger members.

Issue 2: Broadening of IDB Membership. Seek agreement on
elimination of the OAS membership requirement for developed
countries, but be prepared to proceed with full replenishment and
accept assurance by the Governors that the matter will be sincerely
and promptly studied with a view to the submission of appropriate
recommendations to the next Board of Governors meeting. At a
minimum, we would expect agreement at this time on opening mem-
bership in the Bank to Canada.

Issue 3: Performance Conditions. (No decision required).

Issue 4: Level of Latin American FSO Contributions. Seek a
large ($600 million) Latin contribution to the FSO, but be prepared
to accept a reduction to $450 million if necessary.

CONFIDENTIAL
The President was pleased to note your intention to work with the other Governors and the Bank Management on efforts to improve the internal management and operations of the Bank. He would appreciate a report of actions taken and contemplated with regard to this matter following the Board of Governors' meeting.

Henry A. Kissinger

cc: Secretary of State  
    Director, Bureau of the Budget  
    Administrator, Agency for International Development