

*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



43rd Meeting
Washington, D. C.
May 1961

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FINAL REPORT

Under the chairmanship of Dr. Elliott Ross Jenney (United States of America) and the vice-chairmanship of Dr. Alvaro de Angulo (Colombia), the 43rd Meeting of the Executive Committee of the Pan American Health Organization was held from 15 to 22 May 1961 in Washington, D. C., in the International Conference Suite of the U. S. Department of State, as convoked by the Director of the Pan American Sanitary Bureau. The following Members of the Committee, Observers, and officers of the Bureau were present:

Members:

| | |
|-------------------------------|-----------------------------|
| Dr. Andrés Martínez Marchetti | ARGENTINA |
| Dr. Bichat Rodrigues | BRAZIL |
| Dr. Alfredo Leonardo Bravo | CHILE |
| Dr. Alvaro de Angulo | COLOMBIA |
| Dr. Alberto Aguilar Rivas | EL SALVADOR |
| Dr. Juan Lara Zepeda | HONDURAS |
| Dr. Elliott Ross Jenney | UNITED STATES OF AMERICA |
| Dr. Arthur S. Osborne | |
| Dr. Frederick J. Vintinner | |
| Mr. James R. Wachob | |
| Mr. Laurence R. Wyatt | |

Member and Secretary ex officio
of the Committee:

Dr. Abraham Horwitz, Director

PAN AMERICAN
SANITARY BUREAU

Observers:

Mr. Jacques Dupont

FRANCE

Mr. Arturo Rivera G.

GUATEMALA

Mr. Augusto López Mejía

Mr. Lodewijk A. M. Lichtveld

KINGDOM OF THE
NETHERLANDS

Mr. Frans Joseph van Agt

Dr. Daniel Orellana

VENEZUELA

Organization of American States:

Mr. Howard Salzman, Jr.

Mrs. Alzora H. Eldridge

Mrs. Bernice Randall

Advisers to the Director of the
Pan American Sanitary Bureau:

Dr. John C. Cutler, Assistant Director

Dr. Víctor A. Sutter, Secretary General

Mr. Donald F. Simpson, Chief, Division of Administration

Dr. Oswaldo J. da Silva, Chief, Malaria Eradication

Acting Chief, Secretariat Services:

Mr. José Quero Molaes

AGENDA

The agenda appearing in Document CE43/1, Rev. 2, was approved at the second session, held on 15 May 1961. At the request of the Representative of Chile at the seventh session, it was decided not to examine Topic 17 (Collaboration with Governments in the Maintenance Phase of Malaria Eradication Programs), originally proposed by the Government of his country. At the ninth session the proposal of the Representative of Chile to include in the agenda a new topic, "Training of Sanitary Engineers and Auxiliary Personnel," was approved.

DRAFTING COMMITTEE

In accordance with Article 17 of the Rules of Procedure of the Executive Committee, a Drafting Committee composed of the Chairman, the Vice-Chairman, and the Secretary was established. The Committee, which was entrusted with the preparation of the Final Report, held two sessions.

OPENING OF THE MEETING

In opening the 43rd Meeting of the Executive Committee, the Chairman welcomed the Members and Observers to the new State Department building. He called attention to the plaque displayed in the entrance hall in memory of diplomatic and consular officers who while on active duty lost their lives under tragic or heroic circumstances, many of whom had died from such diseases as cholera, smallpox, and yellow fever. The Pan American Health Organization's proven effectiveness in the control of diseases that afflict the Western Hemisphere now gives rise to the

hope that in the future the roll of honor will not include the name of anyone who dies from the diseases mentioned earlier, since they have either already disappeared or are disappearing from the Americas, thanks to the effectiveness of the public health programs of the Governments of the Americas and the assistance given them by the Pan American Sanitary Bureau and other organizations working in the international health field.

Posthumous Tribute to Mr. Guillermo A. Suro, Chief, Conference and Publications Branch, Pan American Sanitary Bureau

The Chairman announced the sad news of the death of Mr. Guillermo A. Suro, Chief, Conference and Publications Branch, on Friday, 12 May 1961, on the eve of the meeting. After giving a brief biography of the deceased and expressing condolences to his family, he said that Mr. Suro's absence would always be felt in the Organization. He then announced that funeral and burial services would take place within the hour.

Dr. Bichat Rodrigues (Brazil) said that he was deeply moved by the news of Mr. Suro's death. He paid tribute to the abilities and personal qualities of the deceased, who had contributed so much to the success of the meetings of the Governing Bodies of the Organization. He suggested that the Executive Committee suspend the session as a sign of mourning so that all present could, as a final tribute, attend the funeral.

Mr. Rivera (Observer, Guatemala) associated himself with the remarks of the Representative of Brazil.

Dr. Horwitz (Director, PASB) stated that the great merit of the work of the deceased lay precisely in the quiet, highly efficient, and unassuming way in which it was done. His had been a silent but continuous task that went on literally day and night and had facilitated the efficient conduct of the meetings of the Governing Bodies of the Organization for the past ten years, enabling the delegates to make the most of their valuable time. It was work that was not apparent, behind the scenes, and that highlighted the efforts of others, in the true spirit of the international public servant. More than that, it was work that helped to write the history of the Organization: for the series of documents that emanates from each meeting of the Governing Bodies goes toward building and consolidating the tradition of the Organization. Mr. Guillermo Suro was always absorbed in this task and devoted his whole life to it. To his qualities as an international civil servant Mr. Suro brought, in addition, a sense of humanity, of simplicity, of a way with people, and the qualities of a gentleman and of a colleague of great merit, so that his absence will be a great loss to the Organization.

The Chairman, interpreting the unanimous feelings of the Members of the Executive Committee, suspended the session as a mark of mourning and in order to permit all present to go to the Church of the Blessed Sacrament in Chevy Chase to attend the funeral services for Mr. Suro.

At the ninth session the Chairman read a letter from Mrs. Piedad Levi-Castillo Suro gratefully acknowledging on behalf of herself and her children the sympathy and condolences expressed by the Executive Committee and by the Director and staff of the Bureau on the death of her husband.

Introduction of the New Senior Officers of the Bureau

At the first session, the Chairman announced that the Governments forming the Executive Committee had, since the last meeting of the Committee in August 1960, approved by cable the recommendation of the Director to appoint Dr. John C. Cutler, of the United States of America, as Assistant Director of the Pan American Sanitary Bureau, in replacement of Dr. Carlos Luis González, of Venezuela, and Dr. Víctor A. Sutter, of El Salvador, as Secretary General of the Pan American Sanitary Bureau as successor to Dr. Myron Wegman, of the United States of America.

Dr. Horwitz (Director, PASB) thanked the Member Governments of the Executive Committee for the promptness with which they had replied to his cable requesting approval of the designation of Dr. Cutler and of Dr. Sutter for the posts mentioned. He added that this mark of confidence had enabled the Bureau and the Organizations it represents to continue their work without interruption.

He then said that the Governments represented on the Executive Committee had received the curriculum vitae of the Assistant Director and of the Secretary General and were thus well aware that they were officials with great experience in public health, both in their own countries and in the international field. Both had reached the positions they held after rendering continuous and outstanding services in their own countries and in international organizations, in particular in the World Health Organization.

He ended by saying that during these months of continuous work he had been able to appreciate their devotion and intense interest in the problems of the Continent and their complete intellectual adjustment to the current situation in the Americas. Their arrival helped to fill the gap left by the absence of their esteemed and distinguished predecessors.

TOPICS DISCUSSED AND RESOLUTIONS APPROVED

During the 43rd Meeting of the Executive Committee, which held ten sessions, the following topics were discussed:

1. Proposed Program and Budget of the Pan American Health Organization for 1962

The Executive Committee considered this topic at the second, third, fourth, and ninth session. Dr. Horwitz (Director, PASB) began by reminding the Members of the Committee that the activities being developed by the Pan American Sanitary Bureau in the Americas were the expression of a single, functional program based on several sources of funds: the regular budget of the Pan American Health Organization; the regular budget of the World Health Organization; that portion of the United Nations Expanded Program of Technical Assistance Funds applicable to the Region; and voluntary contributions principally from the Governments of the United States of America, Venezuela, and the Dominican Republic, intended primarily for malaria programs, community water supply, and scientific research. Other sources of funds were the Technical Cooperation Program of the Organization of American States, whose contribution was chiefly

devoted to the Pan American Foot-and-Mouth Disease Center, to which the Government of Brazil also contributed; the support of the Governments of Central America and Panama, which were used, together with other funds, for the maintenance of the Institute of Nutrition of Central America and Panama; the Government of Argentina's contribution for the maintenance of the Pan American Zoonoses Center; and the generous voluntary contribution of the Government of Venezuela for the activities of Zone I the headquarters of which were located in Caracas: these constituted but the most important sources of the budget of the Organization.

From an administrative point of view it is indeed a complex enterprise, for the Bureau must administer all these various sources of funds during every budgetary period; however, from the functional point of view, it is a single program.

He then cited Article 1 of the Constitution of the Pan American Health Organization, saying that those who drew it up were very wise in stating that "the fundamental purposes of the Pan American Health Organization shall be to promote and coordinate efforts of the countries of the Western Hemisphere to combat disease, lengthen life, and promote the physical and mental health of the people." How should the purposes of the Pan American Health Organization, which were identical in every respect with those of the World Health Organization, be interpreted against the background of what is occurring in the Americas?

The Director believed that the responsibilities of the public health agencies in the countries of the Continent are of a dual nature. On the one hand, there are those which might be called specific, for

example smallpox and malaria eradication. On the other hand, there are complementary responsibilities--activities in which public health (in all its different manifestations) is a component part of the economic development, social progress, and welfare of the countries. There is not a single function of government, as there is no single private sector in the countries, in which public health does not have a basic role, because, in the final analysis and from an economic point of view, health activities help to produce producers. This is why in both agricultural and industrial development, transportation, roads, land irrigation, energy, housing, education, improved utilization and tenure of land, industrialization, and so forth, public health has a vital role to play, whether in directly protecting the inhabitants or in improving their environment so that they might better be able to carry out their tasks.

The Director held the view that at this point in the life of the Continent it is urgently necessary that public authorities recognize that monies devoted to health activities constituted not an expenditure but an investment. The idea that public health activities represented an expenditure within the national budget or the national income has increasingly led governments of the Hemisphere to underestimate the economic value of health activities for the past ten years. And although those who work in public health recognize that money allocated to health is an investment, not an expenditure, the fact is, that within the countries of the Continent this idea is not widely accepted, and as a consequence there seems to be in some places a constant decrease --particularly in countries with unstable currencies-- in the budgets for health activities.

The Director therefore wished to call attention to an idea which, although obvious to all who deal with public health problems, is not so obvious to the governments or to the public. So long as the fundamental idea that to provide funds for health activities is to create wealth, to invest, and is not mere expenditure is not generally accepted, it will be difficult to obtain the funds needed to meet the public health problems existing and newly arising in the Continent.

The Director added that at the Fifth World Health Assembly the famous Swedish economist, Myrdal (his paper was published in an issue of the WHO Chronicle) maintained that even in the countries that were furthest developed and had the greatest capital, the contribution of human labor to the national product and the part attributed to it in the national income represented two-thirds or even more of the total.

Dr. Horwitz believed that a change of attitude was necessary on the part of the authorities in charge of public health activities in the countries, for, as he had been able to observe, they had not taken sufficient part in the other activities being developed in the countries, sometimes in an orderly, sometimes in a disorderly, fashion, to foster economic growth and welfare. Because health authorities are not participating in these large undertakings to the extent desirable, the public health aspects of economic development are not sufficiently taken into account.

Dr. Horwitz was of the opinion that the time has come when the ministries of health, the ministers of health, and the authorities of the

various services in a country should participate when development is being planned and when programs are being carried out, to ensure that public health has an appropriate place in all these enterprises. In this regard he could not see, for example, how land tenure and utilization could be improved in the 13 million square kilometers in Latin America that continued to be infested by malaria, nor how the necessary industrialization could come about, unless measures for the health protection of workers were taken; nor could he see how the problem of housing or urbanization could be solved in the face of the constant migration of persons from rural to urban areas without the application of public health techniques.

The Director believed that, as far as the mission of health workers is concerned, they have an opportunity for more effective action whenever the possibility exists of carrying out their tasks in concert with all the other experts engaged in development. This is precisely what the Pan American Sanitary Bureau has been doing for the past two years, i.e., fostering an awareness of this thesis, promoting this new policy, and entering into contact with the various agencies charged with the distribution of international capital, for the purpose of promoting greater investments in health. Fortunately, it had been possible to participate in the drafting of the Act of Bogotá and, as indicated in a special topic of the agenda, to maintain close relations with the other international agencies so as to nurture and develop this concept.

The Director added that the general program for 1962 showed these measures to a limited extent, because, he believed, the Continent is still at a stage where it is necessary to disseminate this thesis and to strive

for general national development plans which would incorporate health aspects.

The Director went on to say that the program naturally reflects the specific tasks of a strictly advisory agency such as the Pan American Sanitary Bureau, and not those of an executive agency. Thus it shows that, for 1962, PASB proposes 276 projects to be financed with funds from the several sources in four large fields of action that the Member Governments have approved as parts of the general program of work. The first of these is the control or eradication of communicable diseases; the second, the strengthening of the national and local health services; the third, education and training; and the fourth, scientific research.

Dr. Horwitz drew attention to Official Document No. 31, page 5, which shows the distribution of field programs by activity. There are two Tables marked A and B: Table A includes all funds which the Organization proposes to expend for its programs in 1961 and 1962; Table B indicates the program distribution for three funds --PAHO Regular, WHO Regular, and United Nations Technical Assistance.

He referred first to Table A, which covers three of the large fields of action he had just mentioned: communicable diseases, strengthening of health services, and education and training. The percentage distribution of the funds, as shown in the table, reflects the priorities that have been assigned to the various proposals of the Member Governments. He pointed out that the preparation of the program for 1962 began at the end of 1959, when the first proposal as to the content of the budget was made,

the general lines along which it should be developed were established, and instructions in this regard had been given to the Zone Representatives so that they might consult with the various Member Governments. Almost a year and a half has gone by since then.

As may be seen in Table A, the intention is to devote 51.5 per cent of all funds to communicable diseases, 39 per cent to the strengthening of health services, and 9.5 per cent to education and training programs. The table shows no breakdown for scientific research, which up to the present has related largely to activities in the fields of malaria and nutrition. The plans for expanding this activity within the functions of the Organization would be covered under a separate item of the agenda of the meeting.

In the portion for communicable diseases, eradication programs represented 45.6 per cent, of which 40 per cent are for malaria. The assignment of this percentage to malaria is easily understandable, for there are still 85 million people in the Americas living in malarious areas --areas that constitute immeasurably rich agricultural lands. This fact corroborates the thesis that health is a component of economic development. The malaria program has been financed through voluntary contributions received in the past years from the Governments of Venezuela, of Haiti, of the Dominican Republic, and, especially, of the United States of America, which up to the present has contributed to the Pan American Health Organization \$10,000,000 for this purpose.

The portion of the funds assigned for Aedes aegypti eradication represented almost 4 per cent. This vector of urban yellow fever has already been eradicated from 80 per cent of the originally infested area, and the programs to eliminate it from the remainder of that area are being actively pursued.

For the eradication of yaws, the portion of the funds assigned is 1.2 per cent; for smallpox, which it is hoped can be made to disappear completely in the next few years, the portion assigned is 0.5 per cent; and for the other communicable diseases, including tuberculosis, leprosy, poliomyelitis, schistosomiasis, rabies, typhoid fever, plague, filariasis, and onchocercosis, approximately 6 per cent is assigned.

Table A, which includes all funds for 1962, shows for each subject classification the portion that is proposed for training. The funds assigned for the strengthening of health services amount to 39 per cent, which represents a slight increase of 1.6 per cent over 1961. As the severity of the problem of communicable diseases decreases, through the achievement of eradication or control, the task of the Bureau will naturally become, more and more, one of providing advisory services to the Governments for the improvement of the national and local health administrations. It is not possible, Dr. Horwitz said, to conceive of an eradication program that is not supported by at least a minimum local organization, for once the eradication campaign is completed its effect can rapidly be lost if no action is taken to maintain freedom from the disease.

The Director mentioned the advisory services furnished by teams of experts composed of medical officers, engineers, nurses, and other specialists, and referred also to the nutrition programs, which include a regional consultant as well as other zone-consultant posts that are to be filled as soon as the experts can be recruited. He pointed out the slight, but constant increase in the programs of statistics, and made reference to a series of other activities included in the table: dental health, food and drugs, and veterinary public health.

The Director then made special mention of the environmental sanitation programs. To the amount of \$513,608 budgeted for 1962 should be added the sum of \$284,251, representing sanitation activities, especially rural sanitation, carried out by the advisory staff for the integrated health projects. In the distribution of all funds, these amounts account for 10 per cent of the total available to the Pan American Health Organization. The Director stressed the importance of the Organization's advisory function and said that with the afore-mentioned funds --which represented a good portion of the salaries of more than 25 sanitary engineers and of other professional staff-- together with the voluntary contributions to the Community Water Supply Fund, it should be possible to promote a truly sound program of water supply.

The first effects of the water program are to be seen in the approval of two loans by the Inter-American Development Bank: one to the Sanitation Corporation of Arequipa, Peru, for \$4,000,000; and the other to the city of Medellín, Colombia, for \$6,150,000. Many other important cities in the majority of the American countries are making

studies on the financing of their water-supply systems, and, in some cases, their sewerage systems, through loans from the Inter-American Development Bank and from other international credit sources. The promotional activities approved by the Organization can be carried out with amounts that are relatively negligible by comparison with the total expenditures involved.

Of all funds 9.5 per cent will be devoted in 1962 to education and training. This activity was initiated more than twelve years ago. The largest proportion is devoted to nursing. The funds assigned to nursing amount to almost half a million dollars, but they are sufficient to cover assistance to only a limited number of schools. Nevertheless, through the organization of seminars and group meetings, it is possible to give increasing numbers of professionals an opportunity of studying problems of common interest. As for medical and public health education, the amounts assigned are relatively small by comparison with the needs, and the Bureau is endeavoring to obtain funds from extra-governmental sources.

Table B contains the same analysis of programs by subject classification, but includes only funds of the PAHO and the WHO regular budgets and of the United Nations Technical Assistance. With regard to Table A Dr. Horwitz pointed out that 26.5 per cent of all the funds expended by PASB are devoted to training; for Table B, this percentage rose to 45.2 of the total. A considerable part of the efforts of the PASB staff assigned to the integrated health projects is devoted to advisory services for the training of personnel.

The Director then explained that the program of WHO for the Americas and that covered by Technical Assistance funds were approved at the XII Meeting of the Directing Council and were incorporated into the general program of WHO that was approved at the Fourteenth World Health Assembly, held in New Delhi in February of the present year. It was therefore incumbent on the Executive Committee to examine only that part of the over-all budget relating to the program financed from PAHO regular funds. The Director recalled that the PAHO program and budget for 1962 had been presented as a provisional draft to the XII Meeting of the Directing Council, held in Havana in August of last year. In Resolution X, the Council had recognized that the provisional draft contained well-conceived and much-needed health projects, and had instructed the Director, in preparing his proposed program and budget for 1962 and in his consultations with the Member Governments, to give due consideration to the recommendations and comments made by several delegations at that meeting. In general, those recommendations and comments had been to the effect that the proposed increase was reasonable for an international agency of this kind, especially in view of the increasing requirements of the countries and the large number of requests that would still be unmet. In compliance with that resolution, consultations had been held with the various Member Governments and a new study made in the light of the over-all program developed by the Bureau. The result of all these studies was the proposed program and budget now under consideration.

Dr. Horwitz then indicated the proposed changes by each fund: for the regular budget of PAHO, there was an increase of 9.78 per cent; in the

WHO budget, already approved, the increase was 11.07 per cent. He recalled that the increase in the WHO regular budget in 1960 had been only 4.1 per cent. The Directing Council had pointed out the advisability of increasing that budget and this request had been favorably received by the WHO Director-General, Dr. Candau, with the result that the increase for 1962 was 11 per cent. The Expanded Program of Technical Assistance funds, on the other hand, show a decrease of almost 1 per cent. Taken as a whole, the program increased by only 8.58 per cent, and if the \$300,000 for strengthening the Working Capital Fund is deducted, the increase comes to only 8.24 per cent.

The Director then mentioned the projects requested by Member Governments that could not be included in the program for 1962. That list, consisting of five pages, totals \$2,602,752. He believed that this fact should be borne in mind when considering the 8.24 per cent increase in all funds and the 9.78 per cent increase in the PAHO regular budget.

He added that an analysis of this program, as well as an analysis of the activities financed with funds of WHO and of the Expanded Program of Technical Assistance, shows that the program is essentially a diversified one. As for the percentage distribution of funds, by order of priority, he pointed out that, along with the heavy investment in malaria eradication, which was fully justified, and other large and equally justified investments in sanitation (more than 10 per cent), in education, and in maternal and child health, there are amounts assigned for radiation protection, water fluoridation programs, and a series of other activities which, at first

glance, might lead some to request that activities be concentrated on what some consider the major public health activities. However, the Director added, his thesis has been to view the Americas as a continent in transition, insofar as the distribution of diseases --among other factors-- is concerned. The truth is that available statistics --although still incomplete and subject to improvement-- show that in some of the large urban centers of the Continent the chronic and degenerative diseases, cancer, cardiovascular diseases, diabetes, accidents, and so forth, already appear among the ten major causes of death. Because of this situation, together with the fact that the major pestilential diseases seem to be on the wane, the Bureau has to provide, when requested by the Member Governments, advice and collaboration in a program as diversified as that presented. After re-emphasizing the diversified nature of the program, Dr. Horwitz concluded by asking the Secretary General to explain in detail the PAHO program and budget for 1962 in order to facilitate its study by the Executive Committee.

When the Director concluded his remarks, he was congratulated on the manner in which he had presented the 1962 program and budget, on the emphasis that had been placed on the functional nature of the budget, and on his apt statements on the relationship of health to national economy.

Dr. Sutter (Secretary General, PASB) then explained in detail the program and budget for 1962, making reference to Official Document No. 31, which contains the initial proposals, and to Document CE43/2, which contains the changes introduced, so that the Executive Committee might study it and make its recommendations to the Directing Council.

The Secretary General stated that the Directing Council, at its XII Meeting, had recognized that the proposed program and budget presented by the Director contained well-conceived and much-needed projects. On that occasion, it had been pointed out that the increase in the 1962 budget, over the one for 1961, was somewhat less than 10 per cent and that the increase was reasonable in view of the rise in costs in general and of the number of requests for assistance presented by Member Governments. While it was difficult to calculate exactly the increase attributable to the higher level of operating costs for the same level of program, that increase is calculated to amount to at least 4 per cent. Therefore, the remaining 5 to 6 per cent represents additional Organization activities.

In the item-by-item study of the budget figures and of the individual projects, various comments and observations were made, principally with reference to public health services, fellowships, advanced nursing education, communicable disease, organization of hospital services, nutrition, activities of INCAP, diarrheal diseases of childhood, consultant services, training of sanitarians, etc. The comments and observations are summarized in the report of the Executive Committee to the Directing Council on the proposed program and budget of the Pan American Health Organization for 1962 (Document CEL3/18, Annex I).

Finally, the following resolution was unanimously approved:

RESOLUTION I

C43.R1

The Executive Committee,

Having studied in detail the provisional draft of the proposed program and budget of the Pan American Health Organization for 1962 contained in Official Document No. 31, with the modifications thereto appearing in Document CE43/2, prepared by the Director;

Considering that the XII Directing Council in Resolution X recognized that the provisional draft of the Proposed Program and Budget for 1962 appearing in Official Document No. 31 comprised well-conceived and much-needed health projects;

Considering that the modifications appearing in Document CE43/2 were made after consultation with each government and reflect the latest known desires and requirements of governments with due regard to priorities of needs; and

Considering the terms of Article 12-C of the Constitution of the Pan American Health Organization and paragraphs 3.5 and 3.6 of Article III of the Financial Regulations of the Pan American Health Organization,

RESOLVES:

1. To submit to the XIII Meeting of the Directing Council the proposed program and budget of the Pan American Health Organization for 1962, prepared by the Director (Official Document No. 31 and Document CE43/2), together with the report containing the observations and recommendations made by this Committee (Document CE43/18, Annex I).

2. To recommend that the Directing Council establish the budget level of the Pan American Health Organization for 1962 at \$5,240,000.

2. Special Fund for Health Promotion

Dr. Horwitz (Director, PASB), in presenting Part II of Document CE43/2, stated that he had proposed the establishment of the Special Fund for Health Promotion as a result of the negotiations carried out on behalf of the Organization and in compliance with Resolution XIV of the XII Meeting of the Directing Council, which authorized the Director, with the concurrence of the Permanent Subcommittee on Buildings and Installations, to arrange financing for the construction of the Headquarters building by means of a twenty-year loan, if possible interest free, and to provide in the regular annual budgets of the Organization the funds necessary to repay the loan in annual installments.

Bearing in mind the harmonious relations that the Organization has and has had with the Kellogg Foundation, the various joint programs that have been and are being carried out, the humanitarian purposes of the Foundation and its interest in and emphasis on the progress of the Americas, he had got into touch with Dr. Emory W. Morris, President and Director General of the Kellogg Foundation, and had informed him of the above-mentioned resolution of the Directing Council and of the interest of the Member Governments in the Organization having a Headquarters building in keeping with its important purposes and tasks. Dr. Morris had stated at their first meeting that the statutes of the Foundation did not provide for loans or grants for construction purposes, but that he would examine the problem carefully because both agencies had the same

high altruistic purposes. At subsequent interviews, it became clear that the Kellogg Foundation was prepared to consider, if a request was made, a grant of \$3,750,000 for the purpose of constructing a Headquarters building, provided such an amount would be devoted to expanding the activities of the general program of the Organization, especially field projects. In other words, the Kellogg Foundation would be willing to donate to the Pan American Health Organization the sum of \$3,750,000, provided that an annual amount of \$187,500, already authorized for payment for the Headquarters building by the Directing Council, would be invested each year in new programs and projects. The Director was of the opinion that the proposal, in addition to demonstrating again the generosity of the Foundation, would be of great benefit to the objectives of the Organization, and he therefore submitted it to the Permanent Subcommittee on Buildings and Installations, to which the authorization to act on behalf of the Organization in all matters pertaining to the construction of the new Headquarters building had been delegated. After a careful study of the matter the Permanent Subcommittee asked the Director to submit the pertinent request to the Kellogg Foundation. The request was submitted in a 25-page document containing a historical background of the Organization and its most outstanding accomplishments in this century, an outline of the purposes and objectives of its present activities, and indications of how the programs could be expanded with the additional income of \$3,750,000.

It was then that the proposal for the establishment, subject to the approval of the Governing Bodies, of a Special Fund for Health Promotion was made. The Fund would represent the amount that would have to be allocated as payment for a loan from any other organization should this grant not be obtained. The suggestion was made that the amount of \$187,500 be devoted initially to expand programs of water supply, nutrition, and education and training, including fellowships.

The Director said that the previous week in an interview with the President of the Kellogg Foundation he had learned with great satisfaction that the Board of Trustees of the Foundation had approved the proposal and therefore had agreed to donate to the Pan American Health Organization the sum of \$3,750,000. This sum, together with the present Building Reserve Fund and the proceeds from the sale of the buildings and property of the Organization located at 1501 and 1515 New Hampshire Ave., N. W., would make it possible to finance the construction of the Headquarters building, the cost of which is at present estimated at approximately \$4,555,000.

A letter contract subsequently received from the Kellogg Foundation in support of the proposal made was reviewed by the Legal Department of the Pan American Union, which acts as adviser to the Bureau in legal matters, and was found to be in perfect order.

Dr. Horwitz then proceeded to read the document, first pointing out that it was couched in terms of a loan payable in programs and that its text revealed a concern as to what the general attitude of the Member Governments might be. In essence, the document contained the following terms and conditions:

The W. K. Kellogg Foundation agrees to loan to the Pan American Health Organization the sum of \$3,750,000, which is payable in annual payments of \$187,500 beginning on 1 September 1962 and to be repaid in full on or before 1 January 1982, without interest. Instead of going to the Kellogg Foundation, however, these annual payments will be used to improve the health of the Americas through support of additional health programs as follows. Beginning with the year 1962 the Organization shall establish a Special Fund for Health Promotion which will be used exclusively to finance certain expanded program activities and will be maintained by allocating to it from the regular budget of the Organization at least \$187,500 each year until the full amount of the loan of \$3,750,000 is paid into it. In making up the regular annual budget the amount of this allocation shall be considered as used in repaying the above loan, and the remaining items of the budget will cover and not reduce regular program activities, so that each payment to the Fund shall be treated as a repayment and credit on the above loan.

The Organization shall use this loan to expand activities relating to (1) community water supplies; (2) nutrition; and (3) educational and training activities, including fellowships,

although the Organization may from time to time revise these expanded activities upon approval by the Directing Council or the Conference, and give notice thereof to the Foundation.

The funds so loaned shall be used together with other funds agreed upon by the Organization for the purpose of erecting a Headquarters building for the Pan American Health Organization and for the Regional Office for the Americas of the World Health Organization on land to be donated by the Government of the United States of America. An appropriate plaque giving notice of this grant shall be placed and maintained in some public place in the building.

Dr. Horwitz added that if the land to be donated by the Government of the United States is estimated at a value of \$1,000,000, and the sum of \$3,750,000 representing the Kellogg Foundation grant is added to it, the Organization will be acquiring a capital of \$4,750,000 for the better carrying out of its programs.

The Director, in concluding, expressed his thanks to the Kellogg Foundation for this very generous offer and for the imaginative and understanding way in which the Foundation had conducted the negotiations leading up to the present offer. This grant is but another manifestation of the many contributions of the Foundation to PASB to accelerate improvement in the state of health of the Americas.

The Director expressed his particular appreciation to Dr. Emory Morris, President of the Kellogg Foundation, for the gracious and generous assistance given to enable him better to fulfill the responsibilities entrusted to him by the Directing Council.

Dr. Martínez Marchetti (Argentina), Dr. Bichat Rodrigues (Brazil), Dr. Bravo (Chile), Dr. Angulo (Colombia), Dr. Aguilar Rivas (El Salvador), Dr. Lara Zepeda (Honduras), Dr. Osborne (United States of America), Dr. Orellana (Observer, Venezuela), and the Chairman praised the generous action of the Kellogg Foundation and congratulated the Director on the success of his negotiations.

The following resolution was then approved by acclamation:

RESOLUTION II

CE43.R2

The Executive Committee,

Having examined the Director's report on the establishment of a Special Fund for Health Promotion; and

Taking into account the generous offer of a grant by the W. K. Kellogg Foundation,

RESOLVES:

1. To express its deep appreciation to the W. K. Kellogg Foundation for the very generous grant of \$3,750,000 for expanded program activities of the Pan American Health Organization, which will enable the Organization to proceed with the construction of a new Headquarters building.

2. To transmit the report of the Director on the creation of a Special Fund for Health Promotion (Document CE43/2: Part II) to the XIII Meeting of the Directing Council.

3. To recommend that the Directing Council authorize the Director to create a Special Fund for Health Promotion to which at least \$187,500 per year shall be appropriated from the Regular Budget of the Pan American Health Organization until an amount of \$3,750,000 has been committed for expanded program activities.

3. Report on Buildings and Installations for Headquarters

Mr. Simpson (Chief, Division of Administration, PASB) presented Document CEL3/7. He pointed out that it comprised two parts: one relating to the permanent Headquarters building and the other to current matters concerning Headquarters accommodations.

As to the first matter, the Permanent Subcommittee on Buildings and Installations at its meeting on 9 December 1960 approved the appointment of Mr. Leon Chatelain, Jr., of Washington, D. C., a past president of the American Institute of Architects, as professional architectural adviser. He is responsible for preparing the background engineering and architectural information and for directing an international competition for the design of the Organization's new Headquarters building. At its meeting on 17 January 1961 the Subcommittee approved the Conditions of Competition, contained in Annex III of the above-mentioned document, which set forth the conditions for the international architectural competition in the form required by the International Union of Architects.

The Conditions of Competition were distributed throughout the Western Hemisphere and, as a result, about 460 architects registered for the competition.

The Subcommittee also approved the composition of the Jury for the competition: Mr. Augusto Guzmán Robles, a prominent Peruvian architect; Mr. Luis González Aparicio, a past president of the Society of Architects

of Mexico; Mr. Héctor Mardones Restat of Chile, currently President of the International Union of Architects, which has its headquarters in Paris; Mr. Samuel Inman Cooper, a prominent United States architect, currently President of the Inter-American Congress of Architects; and Dr. Horwitz, Director of the Pan American Sanitary Bureau.

He stated that the architects who have registered for the competition are now busily preparing their designs and have submitted various inquiries concerning details of the plans for the new Headquarters building. He believed that the Jury would meet on 21-23 September this year to select the winning design, so that in turn it could be submitted to the XIII Meeting of the Directing Council,

In conclusion, he referred to the fact that a disagreement had arisen between the Government of the United States and the owner of the site which the Government of the United States is to donate to the Organization concerning the price to be paid for it. Since it had not been possible to reach an agreement, the matter had been submitted to the Courts and was expected to be adjudicated in June. That would leave sufficient time for the Directing Council at its October meeting to take the necessary measures to ensure that there would be no delay in the construction of the building.

As to the second matter, he explained that, at its meeting on 9 December 1960, the Permanent Subcommittee on Buildings and Installations had reviewed the documentation submitted by the Secretariat concerning

the need for additional space for the technical staff of the Bureau and had approved the signing of a contract for the rental of additional space at a new location, 1424- 16th St, which would, temporarily at least, satisfy the need.

The Executive Committee unanimously approved the following resolution:

RESOLUTION III

CE43.R3

The Executive Committee,

Having examined the reports of the Permanent Subcommittee on Buildings and Installations and of the Director on the financing of the construction costs of the Headquarters building, the international competition to select an architectural design, and the rental of additional temporary space for Headquarters,

RESOLVES:

1. To express its appreciation of the work of the Permanent Subcommittee on Buildings and Installations.
2. To approve the steps taken to date by the Director and the Permanent Subcommittee with respect to the new Headquarters building.
3. To transmit the reports of the Subcommittee and of the Director (Document CE43/7) to the XIII Meeting of the Directing Council.

4. Financial Report of the Director and Report of the External Auditor for 1960

Mr. Simpson (Chief, Division of Administration, PASB) presented at the fourth session the Financial Report of the Director of the Pan American Sanitary Bureau (Official Document No. 37), which contains separate statements for the Pan American Health Organization, for the Institute of Nutrition of Central America and Panama, and for the Technical Cooperation Program of the Organization of American States.

During 1960 the combined expenditures of the Pan American Health Organization and of the World Health Organization, in the Americas, amounted to \$10,025,807: \$6,964,654 for PAHO; \$2,729,951 for WHO; and \$331,202 expended on behalf of government administrations, public institutions, etc., for procurement services.

Mr. Simpson drew a parallel between these figures and the figures for 1959, when total expenditures were \$9,921,495, of which \$6,287,297 was for PAHO; \$2,753,727 for WHO; and \$880,471 for procurement services.

The total amount of quota contributions received during 1960 was \$3,485,847; of this sum \$3,052,661 represented quota contributions for 1960 and \$433,186 quota contributions for prior years. The percentage collection of 76.3 per cent of 1960 contributions represented a decline from 1959 when the figure was 81.4 per cent.

The amount received from Other Income was \$155,398, which exceeded the estimate of \$100,000 in the budget by a considerable amount. This increase was due in large measure to the fact that approximately \$80,000 was earned in interest on U. S. Government securities in which the Organization had invested its funds, and that for the first time the investment program for all sources of funds was consolidated.

Owing to the decline in quota collections during 1960, there was a net deficit or difference between income and expenditure in 1960 of \$38,150 and that amount had to be advanced from the Working Capital Fund. This reduced the Fund to \$1,143,185, an amount less than half of \$2,880,000, the authorized level of the Working Capital Fund in relation to the 1961 budget.

Report of the External Auditor

With regard to the second part of Official Document No. 37, the Report of the External Auditor, Mr. Simpson stated that it followed the same format as in previous years. The External Auditor approved the work of the internal audit staff and certified the correctness of the financial statements of the Organization in the Director's Financial Report. An attempt had been made during 1960 to hold the budgetary expenditures down and every opportunity to effect savings had been taken advantage of, as was shown by the fact that the total expenditure was considerably lower than that authorized by the Governing Bodies.

Mr. Simpson noted one paragraph of the Report in which the External Auditor stated that, although he considered the reductions advisable, "where a program must be reduced because of financial limitations that were directly caused by either the late payment or non-payment of Member Government quotas, the Member States are in fact adversely affecting themselves."

It was pointed out in the External Auditor's Report that during 1960 budgetary income was only 88.81 per cent of the authorized budget, as compared with 98.37 per cent in 1959.

Mr. Simpson drew attention to the External Auditor's analysis of the collection of quota contributions during the preceding five years. The Auditor emphasized the seriousness of the situation, in that the trend of collections each year had been generally downward to the point that in the period 1958-1960 the contributions collected were 78.6 per cent of the amounts assessed. Mr. Simpson noted, however, that over a five-year period the record of collections was far better. During the period 1954-1958 all but about 1 per cent had been collected.

Mr. Simpson stated that if the language on page 63 of the External Auditor's Report in connection with accounts receivable from Governments, institutions, and individuals suggested these should be written off, he did not agree, since negotiations under way for their collection may have satisfactory results.

Dr. Bravo (Chile) referred to the comparison between expenditures for 1959 and 1960 and the income of the Bureau in the same years, which implied a stabilization of the budget, for between 1959 and 1960 there was a difference of only \$100,000. In that regard, he wished to praise the course followed by the Director in adjusting to actual income rather than in working with a theoretical budget. He next spoke of the problem of collection of quotas and also of arrears, the amount of which had increased by one million dollars in three years. He considered that it was a very serious problem which had to be borne in mind in planning the activities of the Organization.

He did not believe that the delay in quota payments was due to the fact that the PAHO had not established sanctions; the fact was that the countries did not pay their quota contributions simply because their financial position did not allow them to do so. Therefore there was no other recourse but to proceed with caution, to study the financial administration of the Organization carefully, in order not to exceed the limits of its possibilities.

Mr. Wachob (United States of America) expressed the wish that the Pan American Health Organization would carry out the program approved by the Directing Council each year, but he recognized that the Director was forced to maintain the activities at the level that the annual collection of quota contributions would permit and that, as the External Auditor had pointed out, where a program must be reduced because of financial

limitations which are directly caused by either late payment or non-payment by Member Government of their quotas, the Member States were in fact adversely affecting themselves.

Dr. Orellana (Observer, Venezuela) expressed the same concern over the financial situation of the Organization. He referred specifically to the Working Capital Fund which, despite the annual allotment to it of \$300,000, it would be difficult to raise to its established level, in view of the circumstances. He expressed his satisfaction at the increased sale of PAHO publications, not so much for the money involved but because it meant a greater circulation of interesting public health publications, the dissemination of which all governments should promote.

Dr. Horwitz (Director, PASB) was particularly gratified with the careful analysis made by the Committee of the Report, which he personally did not look upon pessimistically. He added that he did not agree with the conclusions reached by the External Auditor, for to accept them would be to believe that the Governments of the Americas, which had maintained the Pan American Health Organization for the past 59 years, were not interested in supporting it.

The payment of quota contributions by Latin American countries might perhaps be a matter of punctuality, but the Director believed that they would continue to be paid. The arrears already paid up supported his conviction. Further, he believed that the Organization would continue to progress; of that he had no doubt whatsoever.

He then pointed out how favorable the situation was for the Continent, where the major contributor contributed two thirds of the total budget, and that the Organization had the benefit of a series of extraordinary contributions, as for example the Special Malaria Fund expenditures which amounted to almost \$2,000,000, the Community Water Supply Fund expenditures of \$1,200,000, plus expenditures of grants totaling \$292,000, and other grants and contributions to INCAP that amounted to \$366,000.

In the opinion of the Director the fact that some contributors were one or two years behind in paying their quotas did not affect the progress of the Organization, and even if the total percentage of quotas collected in 1960 was lower than in 1959, there had been, in absolute figures, an increase of over \$100,000 in income - \$3,541,000 in 1959 as compared with \$3,641,000 in 1960. It was therefore not a matter of a stabilized budget, even discounting the fact that the Organization had become wealthier by acquiring a capital of almost \$5,000,000 through its new Headquarters site and building.

With regard to the comparison made with other international agencies, he said that of the total amount invested by PASB, 74 per cent originated from the inter-American system and only 26 per cent from the United Nations system through the World Health Organization and through the Program of Technical Assistance.

He believed that the observations made on the Report should be interpreted as a desire for caution but at the same time as a willingness to do everything possible to pay quotas in arrears and to ensure punctual payment of the annual quota contributions, as was done in the World Health Organization, which usually received 98 per cent of its authorized budget in the course of the year for which it was approved.

He then referred to the Working Capital Fund, which is a safety measure, and pointed out that the annual allocation of \$300,000 to that Fund would begin in 1961.

In conclusion, the Director said that, if the Working Capital Fund were maintained at a level of 45 per cent of the budget, the Organization could regularly develop its activities with relative ease and stability in order to carry out the program as approved.

The Committee then approved the following resolution:

RESOLUTION IV

CE43.R4

The Executive Committee,

Having examined the Financial Report of the Director for the fiscal year 1960 and the Report of the External Auditor on the audit of the accounts of the Pan American Sanitary Bureau for 1960 (Official Document No. 37);

Considering the continued financial problems of the Pan American Health Organization resulting from the substantial amount of uncollected quotas; and

Bearing in mind the views expressed during the course of the present meeting,

RESOLVES:

1. To take note of the Financial Report of the Director and the Report of the External Auditor for the fiscal year 1960, and to transmit them to the XIII Meeting of the Directing Council.
2. To urge the Member Governments whose quota contributions are in arrears to pay them at the earliest possible date.
3. To request the Director to bring to the attention of the Member Governments the need for the prompt payment of their quotas, to take whatever additional action he may deem advisable to this effect, and to report to the XIII Meeting of the Directing Council the results of his efforts in this connection.

5. Decentralization of Activities of the PASB

This topic was discussed at the fifth and sixth session.

Dr. Horwitz (Director, PASB), in presenting Document CE43/6, described the background of the problem, which had been under consideration for many years, and enumerated the various resolutions that had been adopted on decentralization, and the actions taken pursuant to them.

He said that the manner and scope of the decentralization of the activities had been the object of repeated studies on the part of the Organization. For the Organization is continent-wide and carries on activities in 22 countries, as well as in 26 separate political units in the Caribbean Area. These activities cover at the present time 410,000,000 inhabitants living in an area equal to one third of the world's land area. That fact must be borne in mind when considering up to what point it is possible to decentralize, to bring the execution of policy as near as possible to the places where problems exist, where the persons who will benefit from such policy live, yet at an administrative and geographic location which will permit the most effective operation of programs. Moreover, PAHO is an organization whose staff, including short-term staff, consists of 900 professionals and their assistants and comes from 44 countries. The Organization is currently undertaking between 250 and 300 projects; during 1960 it has carried out a training program for 516 fellows; it is an Organization that has been able to cooperate with the Members Governments in basic public health programs for training

about 800 auxiliary workers in the various countries in which such programs were being developed. Finally the program of the Organization is becoming increasingly diversified so that it encompasses the various activities, techniques, professions, and concepts involved in the prevention of disease and promotion of health.

In this Organization decentralization has been developing at an accelerated rate during the past 10 years. The document submitted to the Committee for consideration gives a history of that development and shows how local structures were developed to bring the operations of the Bureau closer to the Governments. By 1958, when what is now known as Zone I was created, the present structure of the Bureau was established. This consists basically of a central agency with Headquarters in Washington, D. C., where operating policy is established for translating into practice the high purposes set forth in the Constitution of the Pan American Health Organization and in the Constitution of the World Health Organization, and the general policies of the Pan American Sanitary Conference and of the Directing Council. That policy translates objectives into practical measures and programs in the light of the problems existing in the Continent and of the resources available to solve them. The Headquarters, which for obvious reasons is responsible for correlating the activities of both health organizations with the other international agencies, both bilateral and multilateral, has several levels for putting into practice the programs approved by the Member Governments: one, which might be called intermediate and a simple extension of Headquarters, consists of the so-called Zone Offices; these Zone Offices are essentially executive and not

policy making, and their experts actively collaborate in the execution of the programs by providing advisory services. These Zone Offices also provide a channel for the submission of the proposals of Headquarters to the Member Governments and vice versa so that negotiations can be undertaken and programs can be developed. The next level is in the countries themselves, where the country advisers for various specific projects are situated, a service of a national character that has been intensified in recent years in such a way that there are no countries, and few territories of participating governments in the Continent, where the Bureau does not have experts collaborating with their national counterparts in carrying out some of the numerous projects of the Organization.

With reference to the various views put forward about decentralization, its scope, and how it should be implemented, he stated that, with all due respect, he personally considered that since it is a delicate problem it would not be advisable to adopt precipitously measures that might affect the progress of the Organization.

To facilitate the study of the problem, he referred to the tables contained in the document under consideration. The first shows the distribution, both by amount and by percentage, of the expenditures for the three levels of organization, i.e., Headquarters, the Zone Offices, and the field projects. It can be seen that while the expenditures for Headquarters have decreased from 36.3 per cent in 1955 to 22.3 per cent in 1961, -which represents a reduction of 14 per cent in the expenditures

budgeted for Headquarters in the past 7 years- the expenditures for the Zone Offices, which in 1955 were 10.8 per cent, would be 5.7 per cent in 1962, and those for field projects, which in 1955 were almost 53 per cent, would be 72 per cent for 1962. There is thus a marked tendency to make larger expenditures and to put more qualified staff closer to where the problems are.

The Director emphasized the executive nature of the Zone Offices, which are the coordinating machinery at the local level where projects are evaluated and advisory services given in some disciplines, but which have no policy-making powers.

The Director then referred to Table 2 of Document CE43/6 which showed the number of posts and their percentage distribution. While in 1955 there were 204 professional and auxiliary posts at Headquarters, representing 38.5 per cent of all posts, in 1962 there would be only 245, or 27.1 per cent. It should be pointed out that since 1958 there had been practically no change in the number of posts, which was 245 in 1958, 243 in 1959, and 242, 243, and 245 in succeeding years. In the Zones the number of posts was 80 in 1955 and would be 85 in 1962, i.e., 15.1 per cent and 9.4 per cent, respectively; in field projects, there were 246 posts in 1955 and would be 573 in 1962, i.e., 46.4 and 63.5 per cent respectively, a 17 per cent increase.

Those figures, added the Director, illustrated the Bureau's constant effort to decentralize organization, without, however

disjointing it, and to maintain unity of approach, directives, and procedures in order to facilitate health progress. Of course, the process has been progressive, because, public health being essentially a dynamic phenomenon, it is obvious and logical that structural, functional, and administrative modifications to meet the changing needs have to be made carefully.

He then referred to the study made between August 1960 and February 1961 by two senior officials of the Organization, in compliance with the resolution adopted by the Committee at its 41st Meeting. The study consisted in an examination of the current situation and of the work in the various Zones. It entailed ascertaining the views of national officers at the different levels and discussing with the representatives of Governments their own experience in connection with PASB programs and projects. As a result of all this, and after examining the matter together with the Zone Representatives, whose opinion was of the utmost importance, the study had been prepared. It put forward the fundamental thesis that the Pan American Health Organization is still growing and that the current situation in Latin America, its economic growth and social progress, calls for the expansion of the functions of this Organization dedicated to the service of Governments even into fields of health which extend beyond the traditional concept of public health.

Dr. Horwitz added that it had been felt that precipitous fundamental changes in national and international structures, before future needs and

opportunities for expanded health activities can be clearly envisaged, might be more detrimental than beneficial. It was therefore preferable to maintain the Organization's present structure, always with the objective of greater decentralization whenever it will be productive of greater efficiency, rather than to make fundamental changes in it. There were, therefore, some important measures that could be adopted within the present structure.

He felt the moment has arrived, in some countries where there is a large number of projects and international consultants, to appoint at the local level a country chief who would coordinate all the projects of the Pan American Sanitary Bureau. He would also be responsible for relationships with ministries and high health authorities, and would act for the Zone Representative at times when the Zone Representative was not able to visit a particular country, provided the Zone Office was not located there. Decentralization would thus be extended, programs would be better carried out, and there would be even more effective supervision of PASB staff and projects.

The change can be initiated soon in some of the countries of the Hemisphere, and will be extended progressively as circumstances require it.

Thought has also been given, after a careful analysis of the nature of the work of officers in each Zone, to redistributing them in the budget, since it was ascertained that many of the Zone staff devoted as much as 80 per cent of their time to direct country activities. Aside

from the Zone Representative, his Deputy, the local administrative chief, and a few clerical and administrative workers, the rest of the Zone staff are technical personnel concerned with projects covering one or more countries. If this measure were to be applied in the 1962 budget, 12 professional officers and 14 clerical assistants would be assigned to programs. This change would mean that the expenditure for the Zones would be reduced by approximately \$220,000, which would then be assigned to projects. The total staff of the Zone Offices would therefore, for purposes of budgetary analysis, be reduced from 111 to 85. He pointed out that this change would be a new step toward the creation of truly functional budgets since, as experiences had shown, these were not persons who were performing technical-administrative functions in the Zone, but persons who primarily had technical functions and served more than one country. He added that the PASB was revising and continuing to revise its administrative systems and practices in order to find the simplest and most economical ways of making ideas, techniques, and procedures most effective.

The Director concluded by saying that decentralization had been a continuous phenomenon in the Organization during the preceding ten years and that, from the functional point of view, the situation in the Americas made it necessary to intensify efforts to bring about concrete accomplishments for the benefit of the peoples and to devise the most appropriate structural modifications needed to carry them out. Therefore, he believed

that the structure of the Bureau, with the internal modifications suggested, was suitable. He will continue to adopt measures for further decentralization shown necessary and productive by experience, and, in so doing, will be interpreting the views expressed by the Governing Bodies during the past ten years.

Dr. Bichat Rodrigues (Brazil) stated that the decentralization problem has long been a source of concern to the Governing Bodies. The document presented to the Executive Committee shows that decentralization is continuing. He was in agreement with Dr. Horwitz on the present structure, provided that such modifications as might be deemed advisable will be made in the future. As an example, he cited the Federal Health Regions of Brazil, where excessive importance had been given to local activities as such. As a result, the intermediate coordinating machinery disappeared almost completely and the work of the central offices became excessive. He shared the Director's opinion that the Zone Offices constituted an intermediate stage in the coordination of activities, particularly advisory services, in the countries where programs were being carried out. He called attention to the fact that the technical staff and consultants assigned to a given Zone worked more on field projects of the countries than in the Zone Office, which was decentralization pure and simple. He praised the Director's proposal to establish country chiefs to serve in a coordinating capacity. Lastly, he proposed that the Executive Committee recommend to the Directing Council that the present system with

the modifications proposed by the Director, be continued, so that the experience gained could serve as the basis for possible future modifications should they be necessary.

Dr. Aguilar Rivas (El Salvador) and Dr. Lara Zepeda (Honduras) presented their points of view, which coincided with that expressed by the Representative of Brazil.

At the request of Dr. Osborne (United States of America) the Director explained that the country chiefs would be officers responsible for a project but would, at the same time, serve as coordinators in the various countries. It would therefore not be necessary to appoint another technical officer of the Organization in the respective country.

Dr. Bravo (Chile) stated that the present system worked extremely well in his country, as was shown on the occasion of the recent earthquakes in Chile. He praised the idea of assigning to the field programs some of the present Zone Office staff who might act as local coordinators with the necessary flexibility to take into account the characteristics of the country programs.

Dr. Orellana (Observer, Venezuela) also endorsed the idea of decentralization and stated that it was necessary to be on one's guard against the existing excessive concern of all international organizations to reduce administrative expenses in order to apply those savings to programs. In his opinion, all the Bureau's expenses were program expenses, since all its staff prepared, planned, and carried out those programs. He was in

agreement with the creation of coordinators at the national level. In his opinion, they should not confine themselves to the PASB program alone, but should concern themselves with all international public health work, which needed to be coordinated.

Dr. Martínez Marchetti (Argentina) was also of the opinion that the present PASB organization is the most efficient, but that, considering the more or less immediate future, it may well not be definitive. Little by little the countries themselves will be able to solve their health problems and the Organization can then become less executive than it is at present.

A working group under the chairmanship of Dr. Bichat Rodrigues (Brazil) was appointed to draft a proposed resolution embodying the views expressed. The Committee approved the following resolution:

RESOLUTION V

CE43.R5

The Executive Committee,

Having examined the report of the Director on the decentralization of activities of the Bureau (Document CE43/6); and

Bearing in mind that the study presented by the Director has met with the recommendation of the Executive Committee at its 41st Meeting,

RESOLVES:

1. To note with satisfaction the report presented by the Director on the decentralization of activities of the Bureau (Document CE43/6).

2. To instruct the Director to continue to apply the decentralization measures and administrative procedures he may deem appropriate, in accordance with the plan and criteria presented in his report.

6. Amendments to the Staff Rules of the Pan American Sanitary Bureau
Part I: Confirmation of Amendments to the Staff Rules

Mr. Simpson (Chief, Division of Administration, PASB) proposed at the fifth session that Topic 8 be considered in two parts, since the first part of Document CE43/4 would require, pursuant to Staff Rule 30, action by the Executive Committee in confirming the amendments to the Staff Rules which the Director has proposed. The second part of the document did not involve a change of rule, but rather a change in policy regarding the granting of dependents' allowances to general service staff. He added that the amendments proposed in Part I of Document CE43/4, which were identical with those introduced by the Director-General of WHO and confirmed by the Executive Board at its Twenty-seventh Session, should be introduced so that the same procedures might be followed for both WHO and PASB paid personnel. He then described in detail each one of the proposed amendments contained in Part I of the document under discussion, calling particular attention to the change in Rule 260 which would result in a reduction in total remuneration for certain field staff on 1 January 1963.

Dr. Horwitz (Director, PASB) also referred to the amendment proposed to Staff Rule 260 dealing with assignment allowances. He pointed out that approval of this amendment would mean a reduction in income for international officers, whose salaries were not particularly attractive at the present time. It would also mean that it would become even more difficult to obtain the services of consultants so badly needed for

collaborating with Governments. He felt it his moral obligation to call attention to this fact, since the amendment offers no alternate compensation.

Mr. Wachob (United States of America), Dr. Aguilar Rivas (El Salvador), and Dr. Orellana (Observer, Venezuela) requested clarifications on the matter.

Mr. Simpson (Chief, Division of Administration, PASB) explained that the assignment allowance was established essentially to replace the allowance to cover removal of household effects at the time of change of duty stations and the former project service allowance for relatively short term field staff. This established common conditions of employment for all staff serving at Schedule S stations. He added that the amendment would have little or no practical effect until 1 January 1963, since assignment allowances introduced in 1958 did not cease under the amendment until a staff member had been at a Schedule S duty station for five or more years. Since WHO had already approved it, if the amendment were not to be approved, the PASB would have two different types of compensation for staff members, depending on whether their salaries were paid from PAHO or WHO funds. He thought that the amendment might be approved and that an attempt could be made to obtain a further modification at a later date.

A discussion of this problem then ensued, during which Dr. Bravo (Chile) proposed that the present situation should not be changed at the moment but that the matter should be taken up with the United Nations

in an attempt to obtain the modification along the lines indicated by Mr. Simpson; Dr. Bichat Rodrigues (Brazil) stated that the proposed amendment might be approved, provided the resolution included a request for its modification; Dr. Aguilar Rivas (El Salvador) requested that the Director be instructed to take the necessary steps in this matter; and Dr. Martínez Marchetti (Argentina) thought it advisable to allocate the necessary funds for this allowance since it had become practically an increase in salary.

Dr. Horwitz (Director, PASB) stated that, in the event that the assignment allowance amendment were to be approved, it would stand to reason that the officers would not care to remain more than five years in one place. That would create the problem of frequent transfers, which might not always be possible. He suggested that thought be given to some compensatory clause that might help resolve the serious problem of recruiting competent experts.

A working group composed of Dr. Bravo (Chile), as Chairman, Dr. Bichat Rodrigues (Brazil), and Mr. Wachob (United States of America) was appointed to prepare with the assistance of Mr. Simpson (Chief, Division of Administration, PASB) a draft resolution reflecting the views expressed by the representatives.

Dr. Bravo (Chile) presented the draft resolution prepared by the working group at the seventh session, explaining that it was a compromise text.

After the text was read, the Committee approved the following resolution:

RESOLUTION VI

CE43.R6

The Executive Committee,

Having examined the amendments to the Staff Rules of the Pan American Sanitary Bureau, as set forth in Document CE43/4, Part I, presented by the Director;

Noting that the amendments to Staff Rule 260, Assignment Allowance, will result in a substantial loss of remuneration to those staff members who are assigned to any one Schedule S duty station for five consecutive years or more;

Considering that the above provision was not incorporated into the Staff Rules at the time the assignment allowance was introduced in January 1958;

Considering the necessity of maintaining uniformity of rules and of conditions of employment for PASB and WHO staff; and

Considering the provisions of Staff Rule 030,

RESOLVES:

1. To confirm the amendments to the Staff Rules of the Pan American Sanitary Bureau as presented by the Director in the Annex to Document CE43/4, Part I, except for the amendment to Staff Rule 260.
2. To request the World Health Organization to initiate within the United Nations a re-examination of the provisions of Staff Rule 260, Assignment Allowance, to eliminate conditions of employment which would discriminate against those staff members stationed at Schedule S duty stations for periods of five consecutive years or more.
3. To request the Director to undertake all measures possible to solve the problem of the assignment allowance and to report thereon to the next meeting of the Executive Committee.

7. Amendments to the Staff Rules of the Pan American Sanitary Bureau
Part II: Dependents' Allowances for General Service Staff

Mr. Simpson (Chief, Division of Administration, PASB) presented Part II of Document CE43/4 on dependents' allowances for general service staff, at the fifth session.

He called attention to the fact that this type of allowance had been discontinued in 1951 by authority of Resolution XIV of the 13th Meeting of the Executive Committee. That decision was taken on the basis of a study of the wages and conditions of employment prevailing at that time. However, further studies of this matter in 1957, and more recently in 1960, indicated the desirability of a reexamination of the present policy. The United Nations, the Food and Agriculture Organization, the International Monetary Fund, the World Bank, and the Inter-American Development Bank are all paying dependents' allowances for spouses and children in the Washington area. Although the United States Government and private business firms in the United States of America do not pay dependents' allowances as such, indirect benefits do accrue by virtue of the national income tax law which provides tax exemptions for dependents. On the other hand, the Pan American Union pays a "family" allowance. All United Nations agencies that have offices in Latin America, with the exception of PAHO/WHO, are paying dependents' allowances, for children only, in amounts consistent with local custom and practice at each station.

Finally, Mr. Simpson pointed out that the implementation of a program of allowances, based upon the practice observed by other international agencies of paying children's allowances in Latin America and allowances for spouses and children in Washington, D. C., would entail for PAHO/WHO an annual expenditure of approximately \$48,303. In computing that sum federal income tax reimbursement in Washington in the case of staff members with dependents has been taken into account.

Mr. Wachob (United States of America) drew attention to Staff Rule 1110.3, and stated that it was to be assumed that local staff was recruited under the best prevailing practice in the local area. Therefore, the Delegation of the United States of America was unable to associate itself with any proposal to increase the emoluments of general service personnel, by whatever name that increase might be called.

Comments were made on the proposed allowance by Dr. Aguilar Rivas (El Salvador), who called attention to the difficulty of resolving the matter since the budget has already been approved and therefore suggested that the proposal be accepted in principle; by Dr. Bravo (Chile), who considered it inadvisable to increase the PAHO budget in the amount of \$41,000 on the basis of possible savings and proposed that the Director include it in the budget for 1963; by Dr. Bichat Rodrigues (Brazil), who stated that there were two ways of resolving the matter: to effect savings in the programs

or to increase the budget; and by Dr. Orellana (Observer, Venezuela), who asked that careful consideration be given to the method of financing the increase, which, once approved, would be a permanent one.

Mr. Simpson (Chief, Division of Administration, PASB) stated that, when evaluating the best prevailing wage practices to be used in recruiting local staff, the United Nations agencies took into account the total remuneration paid for each type of position or post in government and private agencies comparable to a similar post in a United Nations agency in the locality. He also referred to the very important tax exemptions for dependents in Washington and elsewhere, which were not taken into account in computing the best local prevailing wages and stated that in that sense there was justification for the introduction of dependents' allowances for local staff. He added that the only possibility of obtaining the \$41,000 involved in dependents' allowances within the present budget ceiling would be to utilize such savings as might accrue as a result of postponement of projects, postponement of filling vacant posts, and other economies that might be effected.

Dr. Horwitz (Director, PASB) stated that the approval of the proposal would involve an increase of nearly 1 per cent in the budget and that the new item would have to be charged against other activities, unless the Executive Committee decided to increase the amount of the budget. He added that the allowance proposed for spouses and children of local staff in Washington was higher than that being

paid to professional staff, probably because local staff received salaries that were proportionately much lower than those paid to professional personnel. Dependents' allowances were perhaps one of the few cases in which the lower-paid staff would receive higher family allowances than the higher echelon staff.

After the proposed resolution was read by the Secretariat, Dr. Horwitz (Director, PASB) stated that he had a doubt about the way it was drafted, in view of the statement of the Representative of the United States of America to the effect that the local custom in Washington was not to pay family allowances to locally-recruited staff, while international organizations with offices in Washington did pay those allowances.

Dr. Orellana (Observer, Venezuela) suggested that the following phrase be deleted from the proposed resolution: "based on local custom and practice prevailing at each of the stations in the Region."

Dr. Horwitz (Director, PASB) stated that, failing an opinion to the contrary from the Executive Committee, the phrase mentioned by the Observer of Venezuela might be deleted.

When the matter was put to a vote, Mr. Wachob (United States of America) stated that his Delegation had instructions to abstain. After a brief exchange of views, Dr. Martínez Marchetti (Argentina) stated that the Director might be authorized to grant the allowances as proposed instead of giving him definite instructions thereon; Dr. Bravo (Chile) stated that the Executive Committee should not give the Director that authorization but assume the responsibility itself; and the Representative of the United States of America reaffirmed his intention to abstain.

By a vote of 4 in favor, 0 against, and 2 abstentions, the following resolution was approved:

RESOLUTION VII

CE43.R7

The Executive Committee,

Having considered the report of the Director on the matter of dependents' allowances for general service staff (Document CE43/4);

Noting the practices of the United Nations and other international agencies in the Region of the Americas; and

Having considered the financial implications of adopting a program of dependents' allowances for general service staff,

RESOLVES:

To approve in principle a program of dependents' allowances for general service staff at each of the Organization's stations in the Region, and to request the Director to include in the proposed budget for 1963 the amount necessary to implement this program.

8. Report of the Subcommittee on Basic Documents of the Pan American Health Organization

Mr. Wyatt (United States of America), as Rapporteur of the Subcommittee on Basic Documents of the PAHO, presented Document CE43/8 at the sixth session. He stated that the Subcommittee, which was established in compliance with Resolution I of the 36th Meeting of the Executive Committee, had completed its task in conformity with Resolutions XXX and XXXIV of the XV Pan American Sanitary Conference. The Subcommittee had made a detailed study of the Constitution of PAHO and of the Rules of Procedure of the Pan American Sanitary Conference with a view to ensuring that the provisions of these basic documents were clear, specific, and unambiguous and that the English and the Spanish texts were identical in meaning. Substantive amendments were therefore kept to a minimum. In the revised texts of the Constitution and Rules of Procedure of the Conference prepared by the Subcommittee some reorganization of material has been proposed, especially with respect to the Conference Rules of Procedure, in order to provide a more logical grouping of subjects.

He explained that the term "Member Governments" had been used throughout the revised text of the Constitution to refer to the Governments with full membership rights, and that, in order to avoid the frequent repetition of the phrase "territories or groups of territories within the Western Hemisphere which are not responsible for the conduct of their international relations", it was proposed to use the term "Participating Governments" in referring to the Governments representing such "territories". The simple term "Governments" was used when both were referred to.

Mr. Wyatt reported that the Subcommittee planned to develop revised drafts of the Rules of Procedure of the Directing Council and of the Executive Committee, and that, after approval of the proposed text of the basic documents, the Subcommittee planned to have texts prepared in French and Portuguese in compliance with Resolution XXIX of the XI Meeting of the Directing Council.

In conclusion, he wished to thank, on behalf of the Subcommittee, Mr. Jesús Aguirre Flores and Mrs. Ninfa Santos of Mexico, Mr. Italo Zappa of Brazil, and Mr. Simon Wilson of the United States of America for their valuable contributions to the work of the Subcommittee, as well as Dr. Charles G. Fenwick of the Legal Department of the Pan American Union and the staff of the Bureau for the valuable advice and assistance they provided in all phases of the work.

A discussion in which Dr. Martínez Marchetti (Argentina), Dr. Sibat Rodrigues (Brazil), Dr. Bravo (Chile), Dr. Crellana (Observer, Venezuela), and Dr. Osborne and Mr. Wyatt (United States of America) participated then ensued, regarding whether or not the Executive Committee should limit itself to asking the Governments for their comments on the revised texts and transmitting these, through the Director, to the Directing Council, or whether the Committee should make its own recommendations after receiving the comments of the Member Governments. Mention was made of the need to give the Governments an opportunity to examine the revised texts in detail. It was also pointed out that it

might be difficult for the Governments to make comments before the next Directing Council meeting was held. On the other hand, Resolution XXX of the XV Pan American Sanitary Conference provided that, after consultation with the Member Governments, a proposal with regard to the election of the Director should be presented to the XIII Meeting of the Directing Council so that it might adopt a specific procedure.

The following resolution was unanimously approved:

RESOLUTION VIII

CE43.R8

The Executive Committee,

Taking into account the Report of the Subcommittee on Basic Documents of the Pan American Health Organization (Document CE43/8) on the study assigned to it by the Executive Committee, in virtue of Resolution I of its 36th Meeting;

Bearing in mind that, as pointed out previously by the Executive Committee, it is considered advisable to include also in the study of the basic documents the Rules of Procedure of the Directing Council and the Rules of Procedure of the Executive Committee; and

Considering the terms of Resolutions XXX and XXXIV of the XV Pan American Sanitary Conference,

RESOLVES:

1. To take note of the Report of the Subcommittee on Basic Documents of the Pan American Health Organization (Document CE43/8).
2. To express its thanks to the Subcommittee on Basic Documents for the important work it has accomplished in order to fulfill the assignment with which it was entrusted.
3. To request the Subcommittee on Basic Documents to complete, as soon as possible, its study on the Rules of Procedure of the Directing Council and the Rules of Procedure of the Executive Committee.

4. To authorize the Director to submit to the Member Governments the revisions proposed by the Subcommittee on Basic Documents in its report, as well as the revisions to be proposed with reference to the Rules of Procedure of the Directing Council and the Rules of Procedure of the Executive Committee, with a request that any comments be sent to the Director by 1 September 1961, so that he may present them to the 44th Meeting of the Executive Committee.

5. To hold the 44th Meeting of the Executive Committee concurrently with the XIII Meeting of the Directing Council.

6. To submit the Executive Committee's recommendations, along with the comments of Member Governments, to the XIII Meeting of the Directing Council for appropriate action.

9. Report on the Collection of Quota Contributions - Payment of Quota Contributions in Local Currencies

Mr. Simpson (Chief, Division of Administration, PASB) presented Document CE43/9 at the sixth session and read Resolution XIX of the XII Meeting of the Directing Council. He then stated that PAHO had always assessed and collected quota contributions from its Member Governments in dollars, in accordance with Article 60 of the Pan American Sanitary Code and with Financial Regulation 5.5.

The First World Health Assembly had considered this subject in 1948 and adopted Provisional Financial Regulation 19, which provided that "annual contributions and advances to the Working Capital Fund shall be assessed in US dollars, and shall be paid in either US dollars or Swiss francs; provided that payment of the whole or part of these contributions may be made in such other currency or currencies as the Director-General, in consultation with the Board, shall have determined." Subsequently, based on a note submitted by the Director-General to the First Session of the WHO Executive Board, the Board adopted a resolution which provided that quota contributions should be accepted only in US dollars or Swiss francs. Ten additional resolutions on this subject were adopted by the World Health Assembly and the Executive Board in the years between 1948 and 1952, but the basic position taken by the Governing Bodies remained essentially the same. The Governing Bodies of PAHO, on their part, at meetings held during 1950 and 1951, also considered the possibility of the acceptance of quota contributions in currencies other than US dollars but met with the same problems as those encountered by WHO, namely

the difficulty of assuring equity and fairness to all Member Governments in regard to quota contribution payments. If there was no equity in the application of quota assessments, then there was no way of making certain that each Member paid only its just and proper share according to the formula established for determining each country's assessment. The reason for this was that sometimes rapid fluctuations in currency values, in terms of both exchange rates and purchasing power, made it very difficult to determine, even in the course of the financial year during which quota assessments were due and payable, what value the payment should be given in meeting the quota assessment.

Mr. Simpson stated further that, by virtue of the decisions of the Governing Bodies of the Organization in those years, the Bureau had asked the International Bank and the International Monetary Fund whether it was possible to have quota contributions paid in local currencies while ensuring that the value of the contribution of each Member Government would truly be in accordance with the proportion established and to ensure that each government would have the same opportunity of utilizing currencies other than dollars. After a thorough discussion of the matter with the Directors of these banking institutions, the Bureau reported to the Executive Committee that the institutions were not in a position to accept transactions of this kind, and the Director of the PASB had therefore recommended that quota contributions should continue to be paid in dollars.

Mr. Simpson also pointed out that payment in currencies freely convertible on world markets was required to ensure full flexibility in

the execution of the activities of the Organization, otherwise the program would have to be determined in accordance with the availability of certain currencies, rather than on the basis of the Organization's health policies and program needs. Moreover, it should be borne in mind that currencies of limited convertibility would be difficult to use if in total they were more than could be expended on program activities in the country of origin. These currencies either would be idle for months, or even years, until fully utilized (which would necessitate a very substantial increase in the level of the Working Capital Fund), or the Organization would have to convert them when needed to finance program activities, and possibly suffer losses in exchange in doing so. Another consideration was that the use of several local currencies would further complicate the administrative and financial procedures of the Organization. With regard to the possibility of partial payment of quota assessments in the form of services, he enumerated three problems with respect to this proposal: (a) it would be applicable only to those countries with educational and other facilities and resources which could be utilized by the Organization in administering fellowships, seminars, and similar activities; (b) it would be difficult to place an equitable money value on these services whose costs vary considerably from country to country; and (c) there would be a number of administrative and financial difficulties in accounting for these contributions and in determining what services to fellows, participants, etc., should be taken into account as part of the quota assessment.

In conclusion he stated that, in view of the analysis presented, the Director did not believe it appropriate, at this time, to recommend any change in Financial Regulation 5.5.

The Committee unanimously approved the following resolution:

RESOLUTION IX

CE43.R9

The Executive Committee,

Having considered the report of the Director on Resolution XIX of the XII Meeting of the Directing Council (Document CE43/9);

Considering the difficulties in attempting to change the present system of quota payments, particularly with reference to the problem of maintaining equity and fairness for all Member Governments; and

Having studied the problem in detail, particularly with respect to the experience of the World Health Organization in this matter,

RESOLVES:

To maintain the present arrangements for the payment of annual quota contributions as expressed in Financial Regulation 5.5.

10. Economic Aspects of Health Activities

At the sixth session, Dr. Horwitz (Director, PASB) presented Document CE43/15 on the economic aspects of health activities. He pointed out that the inclusion of this item on the agenda derived from Resolution XXIII of the XII Meeting of the Directing Council, and in particular, from the second operative paragraph of that resolution. He stated that at that meeting the representatives had endorsed the policy of viewing health activities as a component of the general process of development. That endorsement had taken several forms: the above-mentioned resolution; the proposal to include in the Technical Discussions at the next Directing Council meeting the topic "Methods of Evaluation of the Contribution of Health Programs to Economic Development"; and the proposal of the Delegation of Ecuador recommending that the Bureau seek to devise methods for measuring the impact of the malaria eradication campaign on economic development in the Hemisphere. Dr. Horwitz stated that to all the above should be added the comments of the Representatives, as recorded in the minutes, nearly all of whom expressed the view that this policy constituted an essential element of the Organization's philosophy at the present time. Bearing in mind the spirit that prevailed at that meeting, and in compliance with Resolution XXIII, the Bureau had prepared the document which is now before the Executive Committee, and which describes the steps taken in this matter.

The Director mentioned first the consultations held with the Organization of American States, specific mention of which had been made in the resolution of the Directing Council. He said that, since assuming office as Director of the Pan American Sanitary Bureau, he could not have found a more pleasant and cordial atmosphere of collaboration than that within the Pan American Union, on the part of Secretary General Mora and all his staff, with whom there had been constant exchange of ideas on problems of common interest. After the approval of the resolution by the Directing Council, he had called on Dr. Mora, informing him of the spirit that had motivated the decision. Dr. Mora, in turn, had offered most constructive opinions on how its provisions could be carried out.

Dr. Horwitz then mentioned the Organization's participation in the second and third meetings of the so-called "Committee of Twenty-One," a special committee of the Inter-American Economic and Social Council established to study the formulation of new measures for economic cooperation. During the Committee's second meeting, held in Buenos Aires in April 1959, the Director had made a general statement on the relation of health to economic development, and he saw with satisfaction the approval of Resolution VII, which reaffirmed that thesis and recommended that the Governments, in formulating their plans for economic development, include those health measures which were fundamental and essential. It also recognized that the Pan American Health Organization was the competent technical advisory agency in this field within the inter-American system. The third meeting of the Committee of Twenty-One, which in the Director's

opinion would have historic significance for the Hemisphere, was held in Bogotá in September 1960. From it had come that document so widely heralded, insofar as its principles were concerned, and so replete with hopes for practical implementation-- the "Act of Bogotá". The Director had also had the opportunity to participate in that meeting, representing the Organization and, during it, had made the presentation contained in Annex I to Document CE43/15. He had also participated in the committee that drafted the section on health, which is included in the Act of Bogotá under the title "Measures for the Improvement of Public Health." This section sets forth the problems which, directly or indirectly, are of the greatest significance to health in the Americas in the present day.

Dr. Horwitz added that during the two years he had served as Director of the Bureau, he had had the opportunity of attending, at the kind invitation of Dr. Mora, the annual meetings of the inter-American specialized organizations, and of studying, together with the heads of the other agencies, procedures for the better coordination of efforts and the development of activities of common interest. To this end, in a measure that involved not the specialized organizations but rather a fundamental activity of the OAS, negotiations are well advanced with the Department of Social Affairs of the Pan American Union for collaborating in work on housing problems and programs. Once a definitive agreement is reached with Secretary General Mora, the terms of this mutual collaboration will be submitted to the Governing Bodies for consideration. This collaboration is based primarily on the fact that, in accordance with

the provisions of the Act of Bogotá, the Inter-American Development Bank will be in a position to grant long-term, low-interest loans for housing programs undertaken by public or private agencies in the countries of the Hemisphere, and that health matters should enter into consideration in the planning for housing.

Dr. Horwitz stated that, in addition to reporting fully to the Governments on the measures taken in relation to the Act of Bogotá, he had suggested in a letter to each of the ministers of health the idea that, for the moment, they should concentrate their efforts on environmental sanitation programs, especially water-supply programs, since at present this was the problem that could perhaps most easily and quickly relate the contributions of public health to the interests of economic development.

The Organization has offered its further collaboration in this field, taking into account the valuable work carried out in Latin America by the U. S. International Cooperation Administration during the past twelve to fifteen years. Thanks to the Community Water Supply Fund, it had been possible to give advisory services to a number of Governments of the Hemisphere in the formulation of plans for the solution of important urban water problems.

It was noted with satisfaction that the first loan granted by the Inter-American Development Bank, since its establishment, was to the Municipality of Arequipa, Peru, which would enable it to solve the water-supply problems of that community for the next fifty years. The Arequipa

water plan was part of the so-called "Plan for Southern Peru," which covers seven departments of the country and constitutes a well-conceived program of economic development. This water project, in addition to solving the health problems of that growing community, will also help solve irrigation problems.

The second meeting of the Board of Governors of the Inter-American Development Bank was held in Rio de Janeiro from 10 to 14 April 1961, and the Director attended as representative of the Organization. Of the first \$50,000,000 approved by the Bank at that meeting, \$10,000,000 was for water projects: the afore-mentioned \$4,000,000 for Arequipa, and \$6,150,000 for Medellin, Colombia. After mentioning a large number of projects for which negotiations were under way, the Director stated that, on the basis of the successful results achieved in the Arequipa project, the Peruvian Ministry of Public Works had already prepared, with the collaboration of the U. S. International Cooperation Administration and of the Bureau, a fifteen-year plan for the solution of water supply and sewage disposal problems of all towns and cities of more than 2,000 inhabitants. This plan had been submitted to the consideration of the Bank for financing over a thirty-year period; as its first comment on the plan, the Bank proposed that projects covering four-year periods be presented. Dr. Horwitz attributed much importance to the public attitudes that seem to be developing along two lines in the countries of the Hemisphere. First, as for public opinion, there seems to be an acceptance of the fact that it is not possible to expect everything from the

Government, that although water is a natural resource, it takes money to bring it into the home, and higher rates will therefore have to be paid to obtain it. In the case of Arequipa, although the increase in water rates was substantial, the rate-factor did not represent a problem, according to the Minister of Public Works of Peru. Second, the Governments have not taken fright at the fact that there are 110 million inhabitants without water in Latin America, and that the average cost for water supplies for each of them will be close to 30 dollars. Little interest was shown in multiplying figures, and even if this were done, there would be no cause for alarm at the totals, for there is a new spirit in the countries today, and by means of a plan spaced over the next twenty or thirty years a gradual solution to the problem can certainly be achieved. The significant fact is that a start has already been made to increase potable water supplies and, in that action and the planning leading to this stage, there has been an acceptance of the doctrine of health as a component of economic development.

Dr. Horwitz said that the Organization has established close relations with the Inter-American Development Bank even before it opened its doors. He added that a medical officer and an engineer from the Pan American Sanitary Bureau will be assigned to the staff of the Bank to maintain liaison between the two organizations. In this way, the Bureau will be in a position not only to know of health-related projects as such as soon as they are presented to the Bank, but also to study, with respect to health implications, other loan requests so that the necessary action

may be undertaken at the appropriate organizational, international, or national level. This measure will make it possible to strengthen even further the health aspects of economic development. The Director added that he had held informal talks with representatives of the World Bank in connection with water programs, and other conversations at the time when plans were being made for the new International Development Association. In these conversations he had had in mind long-term, low-interest loans for projects directly connected with public health. He had also had an interview with the Chief of the Economics Department of the Export and Import Bank, consulting with him on the terms under which the Bank could grant loans for projects of this kind.

Dr. Horwitz then stated that at the present time Bureau's efforts are being brought to bear in assisting in the realization of the works of social and economic progress enunciated in the Act of Bogotá. Subsequent to the preparation of Document CE43/15, the Director had learned of the proposal made by the President of the United States of America to the Council of the Organization of American States, that a meeting of the Inter-American Economic and Social Council, at the ministerial level, be held during July in order to examine the Act of Bogotá more thoroughly and to discuss ways of planning short-term and long-term programs that would cover both sides of this coin, which is well-being--one side looking toward economic development, the other toward social progress, the two indivisible. The Bureau, he said, was in close communication with the Pan American Union and it has been agreed in principle that, if this meeting takes place, the Bureau will be

represented and will present the points of view deriving from this basic policy, which has had the support of the members of the Executive Committee and of the Member Governments as a whole.

Should this meeting of the Inter-American Economic and Social Council be held, the conclusions, which perforce would relate essentially to ways of planning this development, could well serve as the basis for a later meeting of ministers of public health of the Hemisphere. In the course of three or four days, such a gathering could study in detail section D of the Act of Bogotá, covering measures for the improvement of public health. It could examine each of the phases and, especially, analyze ways and means of formulating national health plans as part of the general process of economic development. Dr. Horwitz said, in concluding, that according to his interpretation of Resolution XXIII of the last meeting of the Directing Council, the decision called for making all possible approaches to the organizations which have a direct or indirect interest in public health for the purpose of promoting the thesis of the interrelationship of health and social and economic development. In his opinion, this thesis has opened up a vast vista of possibilities, possibilities that can lead to realities if the health ministers and their co-workers remain constantly alert to the trend of economic development, to the development of specific projects in the various fields, and to the opportunities for associating public health programs with those for social and economic development. If this is not done, the international organizations will have to confine themselves to opening paths that could be followed successfully only if it were the wish of the Member Governments to do so.

Dr. Bravo (Chile) congratulated the Director on his presentation. He referred particularly to the road mentioned by the Director that Governments, following the example of Peru and Colombia, must travel in order to implement rapidly the idea of linking public health with economic development. That path is being followed by Chile, which is preparing a project under the direction of a distinguished sanitary engineer and former staff member of the Organization. He called attention to the difficulties which stand in the way of making these ideas a reality, since projects of that kind are not generally the direct responsibility of ministries of public health but rather of the ministries of public works or of national planning commissions, to which frequently health authorities have no access. Even if they do, they very seldom succeed in having their plans put into practice. He therefore recommended that the decision taken by the Bureau be made as widely known as possible and that it get into touch with persons of international repute whose statements with respect to the role of health in economic and social development should be published throughout the Americas. Such a step would strengthen the position of the national health authorities, who could then better defend these principles before the other authorities called upon to make the final decision.

Mr. Salzman (Observer, OAS) thanked the Director for his statement in connection with the efforts of the Organization of American States and stated that the participation and support of the Director of PASB had also been very valuable, not only during the meetings of the Committee of Twenty-One but also in the subsequent steps taken with

reference to the planning of the program for social development. He then confirmed that the Inter-American Economic and Social Council would meet in extraordinary session in July in Montevideo, with the ministers of finance or of economic affairs, for the purpose of preparing detailed plans for the program of social development which had its origin in the Act of Bogotá. He announced that a group of high-level experts would meet in Washington to prepare the preliminary working documents relating to planning, in particular to planning in four fields: housing, public education, agrarian problems, and public health. He added that he had just sent the Director of the Bureau an invitation from the group to meet with them next week in order to advise them on public health matters. The Bureau would undoubtedly be asked to prepare a basic paper to be presented as part of the documentation for the conference. He then referred to the fund for social development amounting to 500 million dollars, approved by the Government of the United States of America at the initiative of President Kennedy. The fund was divided into three portions: 394 million for the Inter-American Development Bank; 100 million for ICA (International Cooperation Administration); and 6 million for the Organization of American States. The portion allocated to the OAS was for the purpose of carrying out basic studies in five or six fields of activity covered in the Act of Bogotá. After these general studies are made, top-level conferences will be held to study the conclusions reached and to prepare recommendations for future action at the inter-American level. A portion of these funds will also be used to assist the American countries in the organization or improvement of their own machinery of economic planning, and a still smaller portion would be devoted to technical assistance for the preparation of annual

national economic reports that will be presented each year to the ministerial meeting of the Inter-American Economic and Social Council. As for the part to be played by the OAS, that organization intends to carry out these activities through its specialized agencies, where technically feasible. In the field of public health, the PASB will naturally be asked to cooperate. He stated that Dr. Sol, the Under-Secretary of Economic and Social Affairs of the OAS, had authorized him to inform the Executive Committee that discussions would be held on possible future steps for assigning a part of these funds for a meeting of a group of experts in the field of health. The purpose of the meeting would be to discuss further plans for the ministerial meeting in health mentioned by the Director. He concluded by saying that it was particularly heartening to the OAS to be able to have the assistance of the PASB in this entire effort, which, in his opinion, was almost like opening up new avenues of action for the international organizations. The Act of Bogotá had spelled out the relationship between economic development and social development. Fortunately, thanks to the generosity of the Government of the United States of America, funds would be available to carry out those plans.

The Chairman said that the statement on the plans of the OAS was very interesting and useful to the members of the Committee. He pointed out that in his presentation the Director had stressed the fact that it has become more and more evident that, in the round tables convened for the purpose of economic planning throughout the world, there was a vacant seat that should be occupied by someone responsible for drawing attention to the role of health in economic development, as was so clearly stated

at the XII meeting of the Directing Council in Havana. This thesis is already a hundred years old but did not make itself felt until economic planning became a primary objective with most of the Governments of the world during the present decade-- the decade of economic planning. He expressed his agreement with the statement of the Director and said that the PASB could make a very valuable contribution toward the implementation of those ideas.

Dr. Orellana (Observer, Venezuela) expressed his satisfaction with the Director's efforts to draw attention to the importance of public health in relation to economic development and he concurred with Dr. Bravo's statement on the difficulty these programs encountered when they reached the national level. He pointed to the difficulties the health authorities have had in obtaining that "vacant seat" referred to by the Chairman and further stated that the ministries of health should take more and more advantage of the sources of international credit, in financing health activities. However, it is not always easy to gather the materials required to support effectively approaches to international sources of credit. In his opinion, the difficulty could be overcome through advisory services from the Zone Representatives. In Venezuela, they had been fortunate in finding a capable person interested in this field of international credit who has devoted all his time to the study of these problems and the manner in which requests should be prepared.

Mr. Wyatt (United States of America), after commending the document presented, the statement of the Director, and the statement of the Observer of the OAS, referred to the difficulties mentioned by the Observer of Venezuela.

In that connection, he stated that it was very gratifying that the Bureau had supported the studies of the Department of Public Health Economics of the University of Michigan designed to measure the economic impact of malaria eradication. Those studies might provide very interesting data not only for economists but for public health workers. He was also gratified by the information given by the Director on the assistance of the ICA and referred to the importance of the relationships established by the Director with the Inter-American Development Bank. He added that the Bank could properly look to the PASB as the inter-American arm of the OAS in matters of health related to projects carried out in accordance with the Act of Bogota, particularly those related to water supplies which can contribute so much to the improvement of health. He also pointed out that the Act contains many other measures needed for the improvement of public health and that PAHO could appropriately be looked to for technical services in these areas also. He commented also on the difficulties encountered in filling the seat of public health in national planning activities for economic and social development referred to by the Chairman and other speakers, and expressed the belief that if there is recognition of the fact that health programs are inter-related with and a part of broader development programs, it will be necessary to fill that seat. He felt that the measures adopted by the OAS to prepare for the meeting of ministers of finance were very constructive and was happy to learn that PASB will be associated with them. It was to be expected that the Executive Committee would give full support to the steps being taken by the Director in his collaboration with the OAS and the Inter-American Development Bank.

Dr. Bichat Rodrigues (Brazil) congratulated the Director on the importance given to Resolution XXIII of the XII Meeting of the Directing Council and pointed out that the presentation of the document constituted a firm invitation to the Member Governments and the ministers of health to recognize the importance of health in economic development. He stated that in Brazil health activities had already been associated on several occasions with economic plans, particularly when it became necessary to increase production, as was the case during the Second World War. He concluded by saying that the next meeting of the Directing Council would afford an opportunity for an exchange of ideas on the document presented by the Director.

Dr. Aguilar Rivas (El Salvador) concurred with the comments made by the previous speakers and expressed satisfaction with the announcement of the forthcoming OAS meeting of ministers. However, he called attention to the fact that the health ministers should not attend thinking that all they had to do was to make a request for assistance; rather, they should present a program and a plan of work to cover a period of 8 to 10 years.

Dr. Martínez Marchetti (Argentina) expressed his conviction that the Executive Committee had approved the initiative shown by the Director in the consultations referred to in his report. He commended the initiative taken by the Bureau in connection with the study being carried out at the University of Michigan and stated that there were certain activities in the field of public health that were very concrete and that could be shown to have tangible results through statistical evaluation. Those activities could furnish powerful arguments in favor of public health programs.

At the close of the discussion, a working group was appointed to prepare a draft resolution, which was presented by Dr. Bravo (Chile) at the ninth session. The Committee approved the following resolution:

RESOLUTION X

CE43.R10

The Executive Committee,

Having carefully considered Document CE43/15 in which the Director of the Bureau reported on the consultations undertaken in compliance with Resolution XXIII of the XII Meeting of the Directing Council;

Considering that the Organization has been very much aware of the importance of more firmly linking public health to the balanced economic and social development of nations and, in this connection, has taken an active role in the deliberations of the OAS and its committees; and

Considering that the activities of the Director *vis à vis* the Special Committee to Study the Formulation of New Measures for Economic Cooperation of the Organization of American States, the international banking organizations, and the Governments and other institutions have effectively contributed to fostering recognition that health is a basic component of social and economic development,

RESOLVES:

1. To take note of the report presented by the Director of the Pan-American Sanitary Bureau in Document CE43/15 and to transmit it to the XIII Meeting of the Directing Council with the strong endorsement of the Committee.

2. To congratulate the Director on the skillful and effective manner in which he has presented to the Organization of American States, the Inter-American Development Bank, and the Governments, the reasons for incorporating the concept of health into planning for economic and social development of the peoples of the Americas.

3. To recommend that the Directing Council approve the following objectives:

a. To fulfill the role of PAHO in the implementation of the Act of Bogotá, particularly with reference to the strengthening of national health services and to the provision of potable water.

b. To contribute even more effectively, through health activities, to the balanced social and economic development of the countries of the Americas.

c. To emphasize the importance of health programs in the preparation of plans for socio-economic development and to emphasize to the Member Governments the need for the participation of health authorities in the preparation of those plans.

d. To give increasing emphasis to the improvement of the administration of health programs, through the strengthening of statistical services, improvement in administrative practices, personnel management and training, and other means for achieving the same end.

e. To assist in the establishment of more effective criteria for the assessment of the economic value of health programs.

4. To recommend that the Pan American Sanitary Bureau render assistance, on request of the national health authorities, in planning in the field of health in such a way as to emphasize the importance of the concept of health in the social and economic development of the countries.

11. Register of Areas Where Malaria is Eradicated

At the seventh session, Dr. da Silva (Chief, Malaria Eradication, PASB) presented Document CE43/14, which included the recommendations of the WHO Expert Committee on Malaria on the eradication of this disease. In his opinion the Organization is now in a position to assume the responsibility for the establishment in the Pan American Sanitary Bureau of a "Register of Areas Where Malaria is Eradicated".

Dr. Bravo (Chile) referred to the three phases into which malaria eradication is divided, according to the document under discussion: attack, consolidation, and maintenance. He asked the Director whether, within the framework of the PAHO and WHO eradication programs, it would be possible for the Organization to render assistance to countries in any one of the three phases.

Dr. Horwitz (Director, PASB) replied that, in principle, the Bureau could give advisory services in any of the three phases of a given program, but advisory services depended on the availability of experts and also had to be in consonance with the general policy of the Organization. In the particular case of malaria, all advisory services provided by the Organization must follow the methodology established by the WHO through its expert committees.

Dr. Osborne (United States of America) agreed with the idea of the establishment of a malaria register and stated further that PASB is

the logical body to carry out the necessary inspections and to certify the eradication of malaria in specific areas. He asked whether the Organization had any intention of setting up a Register of Areas Where Malaria is Eradicated separate from that which the WHO already had in Geneva. He read a letter on the matter from Geneva Headquarters, which requested Governments to notify the Regional Offices at the earliest possible date of requests for the registration of areas where eradication would be achieved in the coming year, so as to enable the Regional Offices to organize their certification work. That request would imply, according to Dr. Osborne, that the Director-General intended the Regional Offices to do the actual certification and to forward the list of certified areas to Geneva, in addition to keeping the information on file in their own offices. Such a procedure would facilitate compliance with the resolution of the Directing Council on the Register of Areas Where Malaria is Eradicated.

Dr. Horwitz (Director, PASB), replying to the question raised by the Representative of the United States of America, stated that there is an historical reason for the Pan American Sanitary Bureau to maintain its own register -- the idea of establishing a register of areas where malaria is eradicated had originated in a proposal of Dr. Gabaldon, Minister of Public Health of Venezuela, at the meeting of the Directing Council held in 1959. There is also a budgetary reason -- WHO defrays only the administrative expenses of the world-wide malaria program corresponding to the Region of the Americas, whereas the PAHO defrays certain other costs of operating the program, which are much higher. In any case,

all areas in the Americas certified by PAHO as free from malaria will be immediately reported to WHO for inclusion in the World Register of Areas where Malaria is Eradicated. In any case, the purpose of the world-wide program will be achieved so far as registration is concerned.

The following resolution was unanimously approved:

RESOLUTION XI

CE43.R11

The Executive Committee,

Having examined in detail the document presented by the Director on the Register of Areas Where Malaria is Eradicated (Document CE43/14), in which the conclusion was reached that the Pan American Sanitary Bureau is in the position to assume the responsibility assigned by Resolution XXXII of the XI Meeting of the Directing Council,

RESOLVES:

1. To approve the report on the Register of Areas Where Malaria is Eradicated (Document CE43/14) presented by the Director.
2. To request the Director to transmit this report to the Directing Council at its XIII Meeting.

12. Preliminary Draft Agenda for the XIII Meeting of the Directing Council, XIII Meeting of the Regional Committee of the WHO

At the seventh session, Dr. Cutler (Assistant Director, PASB) presented Document CE13/11, which contained the preliminary draft agenda for the XIII Meeting of the PAHO Directing Council.

Dr. Bravo (Chile) proposed that in view of the need explained by the Director during the discussion on the 1962 budget a new item "Training of Sanitary Engineers and Auxiliary Personnel," be included in the agenda. This program might be carried out with funds from international credit or banking institutions. In connection with Topic 28, "Status of Aedes aegypti Eradication in the Americas," Dr. Bravo proposed that the Directing Council make a detailed and complete study of the situation and of the Organization's present policy with respect to the eradication of this vector.

Dr. Orellana (Observer, Venezuela) supported both proposals.

Dr. Horwitz (Director, PASB) pointed out, with reference to the new topic proposed by Dr. Bravo, that it would be advisable for the Governing Bodies of the Organization officially to express their interest in sanitary engineering education and training. Such a step would lend support to any negotiations the Bureau might undertake with the United Nations Special Fund in order to obtain funds for a continent-wide program for the training of professional and auxiliary sanitation technicians. He added that the new item might be included as a separate point or as a part of Topic 26, "Financial Outlay Required to Formulate a Continental Plan of Water Supply and Sewage Disposal."

Dr. Bravo (Chile) expressed his agreement with the last proposal and suggested that a proposed resolution worded in such a way as to strengthen the Director's position before the United Nations Special Fund might be drafted. The resolution might also recommend that the Directing Council study this matter fully at its next meeting.

Dr. Martínez Marchetti (Argentina) and Dr. Aguilar Rivas (El Salvador) made some comments on Topics 25 and 28, referring to smallpox and Aedes aegypti eradication in the Americas, respectively.

At the eighth session, Dr. Horwitz (Director, PASB) referred to the decision taken at the previous session not to hold an Inter-American Congress of Public Health immediately prior to the XVI Pan American Sanitary Conference in Buenos Aires in 1962. In view of that decision, it would be necessary to add to the preliminary draft agenda an item on the selection of the topic for the Technical Discussions to be held at that Pan American Sanitary Conference. It would also be necessary to amend the title of Topic 32.

The following resolution was unanimously approved:

RESOLUTION XII

CE43.R12

The Executive Committee,

Having examined the preliminary draft agenda (Document CD13/1) prepared by the Director for the XIII Meeting of the Directing Council, XIII Meeting of the Regional Committee of the World Health Organization, which will take place in Washington, D.C., in 1961; and

Considering that Article 10-B of the Constitution provides that "the agenda for the meeting of the Council shall be prepared in advance by the Director of the Pan American Sanitary Bureau and approved by the Executive Committee," and that, pursuant to Article 14 (c) of the Rules of Procedure of the Council, Member Governments may propose topics up to 21 days prior to the meeting at which such topics are to be discussed,

RESOLVES:

1. To approve the preliminary draft agenda of the XIII Meeting of the Directing Council, XIII Meeting of the Regional Committee of the World Health Organization (Document CD13/1).

2. To authorize the Director to include in the aforesaid draft agenda such additional topics as may be proposed in due time by the Member Governments and organizations entitled to propose subjects.

3. To request the Director to incorporate in the agenda the changes approved by the Executive Committee at its 43rd Meeting.

13. Inter-American Congresses of Public Health - Technical Discussions

During the discussion of this topic at the seventh session, Dr. Martínez Marchetti (Argentina) stated that it would be preferable not to hold an Inter-American Congress of Public Health immediately prior to the XVI Pan American Sanitary Conference. His opinion was based on considerations related to the nature of the Conference itself, which includes Technical Discussions, as well as on financial considerations. He did not believe it advisable to suspend the Technical Discussions that should be held during the Pan American Sanitary Conference in Buenos Aires in 1962, or to separate scientific discussions from the framework of the Conference.

Dr. Martínez Marchetti then read a letter addressed to the Director of the Pan American Sanitary Bureau in which he had set forth all these reasons.

Accordingly, the Committee approved the following resolution:

RESOLUTION XIII

CE43.R13

The Executive Committee,

Taking into account the reasons expressed by the Representative of the Government of Argentina; and

Considering the terms of Article 4-D of the Constitution,

RESOLVES:

To instruct the Director that, at the XVI Pan American Sanitary Conference, Technical Discussions be held in the same manner as at prior conferences and that an Inter-American Congress of Public Health therefore not be organized on that occasion.

11. Dates of the XIII Meeting of the PAHO Directing Council, XIII Meeting of the Regional Committee of the WHO, and of the Meetings of the Executive Committee

Dr. Sutter (Secretary General, PASB) stated that in view of the fact that the XIII Meeting of the Directing Council, XIII Meeting of the WHO Regional Committee, was to be held in Washington, D. C., preliminary arrangements had already been made to obtain the International Conference Suite of the Department of State of the United States of America during the month of October. He added that it was certain that by the end of September the results of the competition for the design of the new PAHO Headquarters building would be known. The Director had therefore thought it advisable to recommend the dates of 3-17 October 1961 for the meeting of the Directing Council, so that it would then have the opportunity of taking a decision in the matter and time could be gained in starting the construction of the building. Meetings of the Executive Committee would be held during the same period.

Dr. Bravo (Chile) stated that he thought the Executive Committee should meet one day prior to the meeting of the Directing Council so as to be able to study the amendments to the basic documents and the comments made by the Governments and to prepare a report thereon.

Dr. Bichat Rodrigues (Brazil) said that it would be advisable to revoke the resolution that cancelled the meetings of the Executive Committee held immediately before those of the Directing Council. He added that if the Committee did not have enough time to study the comments of Governments

on the basic documents, the study could be entrusted to a legal subcommittee in Washington. That procedure would facilitate the study on the matter to be made by the Executive Committee. He also suggested the possibility of the meeting of the Executive Committee being held concurrently with that of the Directing Council.

The following resolution was then approved:

RESOLUTION XIV

CE43.R14

The Executive Committee,

Taking into account that the next meetings of the Executive Committee and of the Directing Council of the Pan American Health Organization will be held in Washington, D. C., in 1961,

RESOLVES:

To authorize the Director of the Pan American Sanitary Bureau to convoke the XIII Meeting of the Directing Council, XIII Meeting of the WHO Regional Committee, to be held from 3 to 17 October 1961. The 44th Meeting of the Executive Committee will be held concurrently.

15. Financial Rules of the Pan American Health Organization

At the eighth session, Mr. Simpson (Chief, Division of Administration, PASB) presented Document CE43/3, which contained, in Annex I, the Financial Rules of the Pan American Health Organization established by the Director in accordance with Financial Regulation 10.1. He stated that the Rules were closely modeled after the Financial Rules of the World Health Organization, which the Bureau has been using as a reference and guide. In conclusion he said that if these Rules were approved and confirmed by the Executive Committee, the Director would so report to the Directing Council, pursuant to the provisions of Financial Regulation 16.1.

The Executive Committee then unanimously approved the following resolution:

RESOLUTION XV

CE43.R15

The Executive Committee,

Having examined the Financial Rules as set forth in Document CE43/3, Annex I,

RESOLVES:

To confirm the Financial Rules of the Pan American Health Organization as presented by the Director in Document CE43/3, Annex I, and to transmit them to the XIII Meeting of the Directing Council.

16. Emergency Revolving Fund

Mr. Simpson (Chief, Division of Administration, PASB) presented Document CE43/10, Emergency Revolving Fund, at the eighth session. He stated that of the authorized amount of the Fund, \$32,456 was cash in Bank and \$17,544 was in accounts receivable, as at 31 March 1961. Commitments for purchases under the Fund had been entered into as follows: diphtheria toxoid for the Ministry of Public Health of Chile in the amount of \$8,545; human rabies vaccine and diphtheria vaccine for the Ministry of Public Health of Nicaragua at an estimated cost of \$1,270. In view of the above-mentioned commitments the balance of the Fund available for further procurement was approximately \$22,641 as at 31 March 1961.

The Executive Committee unanimously approved the following resolution:

RESOLUTION XVI

CE43.R16

The Executive Committee,

Having examined the report presented by the Director on the Emergency Revolving Fund (Document CE43/10), which describes the activities related to the Fund,

RESOLVES:

To take note of the report presented by the Director on the Emergency Revolving Fund (Document CE43/10).

17. Estimated Requirements for the PAHO Special Malaria Fund

At the eighth session, Dr. Sutter (Secretary General, PASB) gave a summary of developments since the Report on the Status of Malaria Eradication in the Americas was presented to the last meeting of the Directing Council. The program continued to develop in all countries. In Ecuador, a reorganization of the program had made it possible to begin with two DDT sprayings from January 1961; financial difficulties in Haiti had been overcome and the program in that country was now under way; in Paraguay the attack phase had to be interrupted in order to incorporate new areas in which evaluation operations had demonstrated malaria transmission; spraying operations were reduced in Mexico by more than 50 per cent beginning in January, and by more than 60 per cent in Jamaica, where they were expected to be completed in 18 months. In Surinam, it had been possible to complete spraying operations in the coastal area before the deadline. Among the important problems that had arisen, mention should be made of the confirmation in October 1960 of chloroquine resistance in one strain of P. falciparum in the Magdalena Valley of Colombia. Since that time suspect cases had been found in the Amazon Valley in Brazil and in Venezuela. For purposes of studying vector resistance and persistence of transmission, the Organization had assigned teams of specialists to El Salvador and Bolivia and had entrusted them with the study of the ecological factors influencing transmission, various aspects of anopheline resistance, and methods to be followed to solve such problems. In addition, tests were being conducted to

determine the most effective dosage and cycle of existing insecticides and of possible new insecticides for the malaria program. In conclusion, the Secretary General mentioned the studies being made with a view to establishing a Register of Areas Where Malaria is Eradicated.

Dr. da Silva (Chief, Malaria Eradication, PASB) then presented Document CE43/5, Annex I. He stated that from 1957 to date the Governments of the Dominican Republic, Haiti, the United States of America, and Venezuela had made contributions to the Special Malaria Fund that was established by the XIV Pan American Sanitary Conference. During that period, all the countries and territories in the Americas in which malaria existed had organized eradication campaigns and, even though the programs did not begin simultaneously, coordinated efforts in border areas had been developed. In Haiti, where the program had been suspended owing to financial difficulties, activities were resumed. In sum, malaria eradication was progressing satisfactorily in Argentina, Mexico, Venezuela, and in a number of the Caribbean islands. The appearance of resistance to insecticides in Anopheles in Central America had made it necessary to prolong spraying operations beyond the original schedule. Good progress was being made in the western and central part of South America, and only in Brazil and Panama did certain administrative and financial difficulties hamper the development of the campaigns. After explaining the method of presentation of the document under consideration, he said that, in accordance with present knowledge of the progress of the campaign, activities financed by the PAHO Special Malaria Fund should be greatly

reduced by 1967. He cautioned, however, that it was as yet too early to make an accurate forecast for several programs and, should activities have to be prolonged, it might become necessary to extend the period of financing from the Special Fund.

Dr. Bichat Rodrigues (Brazil) stated that the difficulties in Brazil mentioned by Dr. da Silva were of an administrative rather than a financial nature and that not only had they been to the prejudice of Brazil but also of the neighboring countries. He added that the Minister of Health of his country was making arrangements to meet next July with the ministers of health of Argentina, Bolivia, Colombia, Paraguay, and Peru for the purpose of establishing measures that would prevent these neighboring countries from suffering any damage arising out of the difficulties encountered by the campaign in Brazil. The Bureau was investigating insecticide resistance and the true status of the eradication campaign in a group of twenty selected areas in the Amazon Valley where chloroquinated salt was being used. The necessary measures were thus being taken to facilitate the regular development of the campaign so that Brazil might take its rightful place in the eradication of malaria.

Dr. Orellana (Observer, Venezuela) considered that the estimates presented by PASB of the future cost of the malaria eradication campaign in the Continent were heartening, since a reduction to less than 10 per cent was foreseen by 1967. However, he advocated caution regarding the prediction of a fixed date. It was better to be prepared for any

eventuality that might arise in that seven-year period and to bear in mind the possibility of natural drawbacks arising out of such an important biological phenomenon as the eradication of a disease from the world.

Dr. Angulo (Colombia) reported that the progress of the campaign in his country was satisfactory. It was estimated that the incidence of malaria had been reduced from 700,000 to 10,000 cases per year. In some parts of the country spraying had been suspended because no febrile cases had occurred for more than a year. It was hoped that in 1962 it would be possible to complete the first two phases of the campaign and to begin the maintenance phase.

Dr. Horwitz (Director, PASB) stated that it was estimated that in the period 1960-1967 the amount of national funds and international funds to be invested in the campaign would be \$165,261,007. In other words, in the course of eight years the annual rate of investment would be about \$20,000,000. He said that it was not possible to go back on what had already been accomplished in malaria work in the Americas, for that would mean losing all that had been gained and having to start malaria eradication anew. There are still biological and administrative problems, but there should be the confidence that they will eventually be solved: the biological problems, through scientific research, which is being intensified, and the administrative problems through improved methods.

The Director also mentioned the grant of \$95,000 made by the U.S. Public Health Service to the School of Public Health of the University

of Michigan --to which PASB added the sum of \$10,000-- for the study of the economic impact of malaria in some areas of the world. He also drew attention to the effective collaboration and coordination of efforts of the U. S. International Cooperation Administration, UNICEF, and PAHO in their services to the Governments of the Continent on the malaria problem. He said further that it should be borne in mind that the maintenance phase, which is the final stage of the campaign, is the responsibility of the national and local public health services. Although much headway has been made in recent years in promoting the cooperation of the medical profession and in ensuring that the local health agencies will continue the maintenance of eradication once it has been achieved, much still remains to be done. The Director confirmed that the future requirements for the malaria campaign are only estimates. The document in question was prepared in November 1960 and will be revised in the light of what has been achieved since then, so as to serve as a basis for preparing future reports on the status of malaria eradication in the Americas. In conclusion, the Director stated that the Bureau continues to believe that eradication is possible in the Continent and that it will be much more advanced by 1967 even though it may not be completed. At any rate, the progress made by then will reveal where to intensify efforts, not in entire countries or in the entire Continent, as was the case in 1956, but only in certain foci.

Dr. Vintinner (United States of America) congratulated the Director and the staff of the Bureau on the preparation of the document, which gave a general account of the present situation and held out the hope of

progress in the malaria eradication campaign. He added that the United States delegation could in no way commit its Government to any future contributions to the program, but he wished to take this opportunity to express his Government's great interest in this program which affected all peoples alike.

The Executive Committee then adopted the following resolution:

RESOLUTION XVII

CE43.R17

The Executive Committee,

Having examined Document CE43/5, Annex I, "Estimated Requirements for the PAHO Special Malaria Fund;" and

Having reviewed the requirements for individual program activities being developed or planned by the Pan American Health Organization,

RESOLVES:

1. To take note of the funds deemed necessary to cover future requirements (Document CE43/5, Annex I).
2. To request that this material be presented to the Directing Council at its next meeting, together with such revisions as may be required to bring it up to date at that time.
3. To request the Director to prepare annual revisions of these estimates for study by the Executive Committee and the Directing Council.
4. To request Member Governments to continue their support to the PAHO Special Malaria Fund so that eradication activities may proceed as scheduled.

18. Planning for the PAHO Research Program

Dr. Cutler (Assistant Director, PASB) presented Document CE43/16 at the ninth session. The document pointed out that the Pan American Health Organization had a unique opportunity of promoting, coordinating, and assisting in the development of international medical research in the Western Hemisphere. PAHO proposed to expand its program for medical research and research training in the Americas. Research was not a new activity for the Organization, for it had been carried on in one form or another for many years. He mentioned examples of this type of activity and added that, as the program of the Organization expanded, there would be ever increasing need to bring the tools and benefits of research to bear upon the multitude of existing health problems.

Dr. Cutler then referred to the recent agreement between PAHO and the United States Public Health Service, an important advance that would strengthen the research activities of the Organization. He concluded by saying that the USPHS had under consideration an application for a grant of about \$120,000 to enable PAHO to carry out the necessary studies to provide the basis for a sound, effective, and productive expansion of its research program, which would be developed within the general policies for international medical research established by WHO and in close collaboration with the research program activities of that organization so that the efforts of the two organizations would be fully complementary.

Dr. Horwitz (Director, PASB) remarked that the research activities of the Organization could be considered primarily as applied research, that

is to say, research that was indispensable to the rapid solution of the health problems existing in each country. He pointed out that there was a tendency to believe that scientific research could only be done in technologically advanced countries, a view which completely ignored the fact that the nature of problems depended in part on the environment in which they arose and that one had finally to go to the place where they originated and developed if one wanted to get to know certain of their essential characteristics. It would therefore be necessary for research to be carried on in relation to the geographic location as well as to the status and significance of problems. That was why the Organization had deemed it necessary to expand its research activities. The Director mentioned the importance of ascertaining the geographical distribution of diseases, one of the research programs of the Organization which could now be undertaken thanks to the agreement concluded with the United States Public Health Service. He ended by saying that he could foresee scientific research becoming one of the important activities in the general program of the Organization in the next ten years.

Dr. Martínez Marchetti (Argentina) expressed the belief that research programs of PAHO should concentrate on public health and not on clinical medicine or basic sciences.

Dr. Bravo (Chile) believed that the most important aspects of the research program were those relating to epidemiology and to geographical pathology. He said that the crux of the problem was to study diseases as a social phenomenon, and that it would be interesting to investigate the causal relationships between disease and various factors of the environment.

He pointed out the necessity of establishing uniform diagnostic standards and nomenclature for epidemiological studies. He spoke of the desirability of organizing within the growing urban areas, especially the sections with poor living conditions, what he called "social laboratories" for studying the health and social effects of urbanization. In such "laboratories", which would comprise well defined areas within a city and its surroundings, the incidence and prevalence of the various diseases, living and working conditions, and morbidity and mortality rates could be studied.

The Executive Committee adopted the following resolution:

RESOLUTION XVIII

CE43.R18

The Executive Committee,

Having considered the report of the Director on Planning for the PAHO research Program and the steps already being taken for the expansion of research in the Region; and

Considering that such expansion of research will be of benefit to the health and medical programs throughout the Americas,

RESOLVES:

1. To approve the plan and policies outlined by the Director in Document CE43/16, and to transmit the report to the XIII Meeting of the Directing Council.
2. To request the Director to take the necessary action for all possible further expansion of the research activities of the Organization for the mutual benefit of the countries of the Region.

19. Training of Sanitary Engineers and Auxiliary Personnel

At the ninth session it was unanimously agreed to add to the agenda a new item, "Training of Sanitary Engineers and Auxiliary Personnel," as proposed by Dr. Bravo (Chile). Dr. Bravo explained that his initiative sprang from the mention by the Director during the discussion on the budget of the shortage of specialized staff for basic sanitation services and of the negotiations undertaken with the United Nations Special Fund to finance the training of such staff. Dr. Bravo then read the draft resolution he had prepared. The Committee approved the following resolution:

RESOLUTION XIX

CE43.R19

The Executive Committee,

Having discussed at length the problems of sanitation, and specifically those of potable water supply in the Latin American countries, and recognizing that programs directed to their solution must receive ever increasing emphasis;

Recognizing that the development of programs in water supply, sewage disposal, and general sanitation require an adequate number of trained sanitary engineers and auxiliary personnel;

Recognizing that immediate steps must be taken not only to interest more students to enter this field but also to provide facilities in which such personnel can be trained;

Noting that institutions for the training of sanitary engineers and auxiliary personnel within Latin America are either lacking or, where existent, are in need of strengthening;

Recognizing that the magnitude of sanitation problems in Latin America demands a high priority in public health programs and that the solution of such problems will have social as well as economic benefits; and

Taking into account that substantial sums of capital are being made available for the construction of water supply systems, sewage systems, and other sanitation facilities, the use of which will demand national personnel competent to carry out and develop such programs,

RESOLVES:

1. To request the Director of the Bureau to continue to explore ways by which assistance can be given to the Member Governments for the establishment, strengthening, and expansion of the training of sanitary engineers and auxiliary personnel in Latin America.

2. To request the Director to continue to investigate, particularly with the United Nations Special Fund, means for providing a broad program of assistance to Governments in the training of sanitary engineers and auxiliary personnel.

20. Votes of Thanks

At the conclusion of the discussions of the Executive Committee, Dr. Bichat Rodrigues (Brazil) proposed that the Committee congratulate the Chairman, Dr. Jenney, on the effective and able manner in which he had presided. His able chairmanship had been no surprise to those who knew of his vast experience, especially in the international field. He also proposed that the Committee congratulate the Director of the Bureau and the Secretariat on the excellent work done and express its thanks to the Department of State of the United States of America for the facilities it had made available for the meeting.

It was so agreed.

The Chairman thanked the Representative of Brazil for his remarks and stated that the meeting had proceeded smoothly owing mainly to the excellence of the cooperation given by all Members of the Committee and to the effective aid provided by the staff of the Secretariat Services.

21. Closure of the Meeting

The Executive Committee held a final session on Monday, 22 May, when the Final Report, in which various changes suggested by the Members were made, was read and approved. Dr. Bravo (Chile) then said that he wished to reiterate the remarks made by the Representative of Brazil at the last working session and to express on behalf of all the Members of the Committee their sincere thanks to Dr. Jenney, whose able chairmanship had accounted in large measure for the success of the Meeting. The Meeting had been conducted in a cordial and cooperative spirit; important matters had been dealt with; and the decisions adopted would undoubtedly be of benefit to the Pan American Health Organization in carrying out future activities. The Chairman gratefully acknowledged the remarks of the Representative of Chile. He then declared the 43rd Meeting closed.

IN WITNESS WHEREOF, the Chairman of the Committee and the Director of the Pan American Sanitary Bureau, Secretary ex officio, sign the present Final Report in the English and Spanish languages, both texts being equally authentic.

DONE in Washington, D. C., United States of America, this twenty-second day of May 1961. The Secretary shall deposit the original texts in the archives of the Pan American Sanitary Bureau and shall send copies thereof to the Member Governments.

Chairman of the Executive Committee,
Representative of the United States
of America

Director of the Pan American Sanitary
Bureau,
Secretary ex officio of the Executive
Committee

REPORT OF THE EXECUTIVE COMMITTEE TO THE DIRECTING
COUNCIL ON THE PROPOSED PROGRAM AND BUDGET OF THE
PAN AMERICAN HEALTH ORGANIZATION FOR 1962

Introduction

At the second, third, fourth and ninth plenary sessions of its 43rd Meeting, the Executive Committee examined the Proposed Program and Budget of the Pan American Health Organization for 1962 (Official Document No. 31 and Document CE43/2), prepared by the Director of the Pan American Sanitary Bureau.

The Director, before entering on a discussion of PAHO's Regular Program and Budget for 1962, presented to the Executive Committee some considerations of a general nature on the activities of the Organization which in total constitute a unified and functional program despite the widely diverse origin of the funds. In addition to the various funds coming through the Pan American Health Organization and the World Health Organization, as reflected in the budget documents, the Organization is constantly trying to find more resources for health activities. Some additional funds have already been obtained for research; other funds have been mobilized indirectly in the form of loans to Governments for community water supply systems.

In the opinion of the Director, public health organizations, both international and national, now have a double responsibility. There are the specific health programs - the eradication of smallpox and many other

such activities. There is, in addition, a complementary responsibility relating to economic development and social progress of which public health is an integral component. There are few activities either in the public or private sector in which public health is not concerned, whether in agriculture and land use, industrialization and urbanization, transportation, housing, education, or whatever. The role of public health organizations may be exercised in the direct protection of human beings or through improvement of their environment. It is urgent to convince public authorities that funds devoted to health are not just an expenditure but are an investment. Failure to grasp this concept is resulting, in some countries, in a steadily diminishing proportion of national income and national budgets being devoted to health. Health leaders have been devoting most of their time to specific functions but should give increased emphasis to promoting health as an integral part of total economic and social development. Ministers of health need to participate in national planning councils to assure that health programs make a full contribution to integrated and balanced economic and social development in order to obtain maximum results from available human and natural resources. The Organization has been actively engaged in promoting this concept, contacting organizations charged with granting loans or development funds, and cooperating with other agencies to amplify the scope of health in economic development and social welfare.

The Director reviewed with the Executive Committee the tables on page 5 of the introduction to Official Document N^o 31 analyzing the programs by

classification, both in major groups corresponding to the principal program objectives of the Organization and by individual subjects. It was recalled that this analysis was studied by the XII Directing Council which, in Resolution X, recognized "that the provisional draft of the proposed program and budget comprises well-conceived and much-needed health projects."

Attention was called to the fact that the Proposed Program and Budget of the Pan American Health Organization represents an increase of 9.78 per cent over 1961. The Regional Budget of the World Health Organization shows an increase of 11.07 per cent, while WHO/TA funds dropped about 1 per cent. With respect to the increase for the Pan American Health Organization a study has shown that 4 per cent was necessary to meet increased operating costs, principally higher common staff costs and local salary increases. Thus, only a little over 5 per cent is available for expanding the work of the Organization.

Before preparing the Program and Budget for presentation to the Directing Council, the Director again consulted with individual Governments. Document CE43/2 therefore reflects the latest known desires and requirements of Governments. The Director explained a change in the style of presentation in which the common staff costs formerly presented as a lump sum for each of Parts I and II are now presented by chapters. This is a step toward a more understandable budget and facilitates review of the total costs of each office. Document CE43/2 was presented item by item with explanations as needed.

Program Comments

General Program

The Committee Members accepted and reiterated the general concept of the role of health presented by the Director, emphasizing the fundamental role of health in economic and social development. It is considered important that ministers of health should find ways to participate more actively in national planning. The need for balanced development implies an increase in health activities both in value and scope. The Committee expressed appreciation for the activities of the Organization in promoting this new concept of health responsibility and in mobilizing greater resources for health activities both directly and indirectly. This role was particularly evident in the Act of Bogotá.

The Committee found that the program revisions, some resulting from modifications required by increased costs and others reflecting the changing requirements of Governments, do not substantially alter the program balance. The Committee recalled that the XII Directing Council had reviewed the provisional draft and found that it comprised well-conceived and much-needed projects. In the course of the detailed consideration of the Program and Budget, certain subjects were explained more fully as set forth in the following paragraphs:

Leprosy

It was noted that the work of the consultant in Zone III had to be continued although originally planned for termination in 1961. The

Director reported that in a recent meeting of ministers of public health in Tegucigalpa, Honduras, an analysis of the problem showed that the presence of the consultant and the presentation of short courses for the training of professionals in each country, had resulted in doubling or tripling the number of cases known in some countries, thus emphasizing the need for continuing the work of the consultant. It was also reported that UNICEF has indicated a readiness to cooperate through the provision of equipment and drugs for leprosy campaigns. In Zone IV it was noted that a Zone consultant for leprosy will be provided to work in all countries rather than a consultant for each country as originally planned.

Nutrition

In relation to project AMRO-54, the Director announced that Dr. Scrimshaw, present Director of INCAP, has accepted a new position as Director of the Institute for Studies in Nutrition and Food Technology at the Massachusetts Institute of Technology (MIT). This new Institute will certainly be of world-wide importance in nutrition research. It has been possible, however, by arrangements with MIT, for Dr. Scrimshaw to continue as Technical Director-Consultant for at least three months per year. Dr. Moises Béhar, Guatemala, will fulfill the function of Director of INCAP. The name of INCAP is now known throughout the entire world, as is INCAPARINA, which represents one of its major scientific achievements. The Governments of Sudan and Thailand are now interested to see if the principle and preparation of this product can be applied in their country.

Smallpox

Note was taken of the fact that the smallpox project in Colombia will not be needed for 1962 as the campaign has already been completed and the consolidation phase is expected to terminate in 1962. Members of the Committee congratulated the Government of Colombia on this achievement.

Tuberculosis

The project for control of tuberculosis in Argentina is being revised to collaborate with the Government in the creation of a training center, which will be available to all countries in the Region. The appearance of new drugs has produced in the medical world a false impression that this problem has been solved. Consequently the number of professional personnel trained in this field has diminished sharply, and the need now arises to establish new training facilities.

Planning and Organization of Hospital Services

Note was taken of the increase of activities in this field in several countries of the Americas. Members of the Committee reflected the growing interest of Governments and the realization of the need for international consultant services and training.

Diarrheal Diseases in Childhood

The Committee discussed the importance of the diarrheal diseases as a cause of death in the Americas. This subject is treated in many

ways, directly and indirectly, through research projects carried out by INCAP and elsewhere, through projects for environmental sanitation, and through health education and maternal and child health, and portions of integrated public health programs; nevertheless, the Committee felt that specific projects on this subject should appear in the budget in order to emphasize its importance in the field of health. The Director expressed the hope that the new Regional Consultant in Maternal and Child Health, who will join the Organization in 1961, will promote important additional activities in this field.

Plague

The Director explained that the absence of a project for this subject did not imply any lack of attention. On the contrary, an internationally known consultant is now engaged in establishing the basis for a thorough epidemiological study of this disease to be carried out along the frontier of Peru and Ecuador.

Nursing Education

The Committee praised the work of the Organization in nursing education and expressed appreciation for the inclusion in the proposed program of a seminar in advanced nursing education (AMRO-46). Many countries are now recognizing the importance of having qualified nurses in administrative and supervisory positions and are taking steps to raise salaries and to provide expanded and higher level training facilities.

Integrated Public Health Services

In the examination of various projects of this type, the Director reported that the Office of Evaluation of the World Health Organization has carried out an evaluation study of the project in Paraguay after 10 years of operation. The preliminary report shows that the progress realized by Paraguay in this period is important and worthy of further support.

In a recent meeting of ministers of health in Central America and Panama, there was unanimous agreement to request the Organization to evaluate the public health service of the six countries of the area.

Budget Level

After completing a line-by-line review of the program the Committee considered the budget level for 1962 and the general problem of increases in future years. They noted that the proposed increase for 1962 amounted to \$440,000 or 9.17 per cent over the level for 1961.

Three of the Members expressed their concern with the trend of budget increases among international organizations. While praising the work of the Organization they felt that increases should be more strictly limited in order to stay within the capacity of Member Governments to pay.

Four Members supported the budget increase. While also concerned with the problem of Member Governments in meeting their quotas, they believed that the services of the Organization and its international consultants play a key role in the improvement of national health programs which are essential to social and economic development.

Dr. Bichat Rodrigues (Brazil) stated that the Committee found itself in a difficult position. Having seen how carefully the budget was prepared and having noted the long list of requests of governments which could not be met, it was obvious there is a constant pressure for budget increases. On the other hand, his Government is concerned over the tendency toward repeated budget increases among international organizations. He considered it necessary to establish a formula for limiting increases and asked for a limit of 5 per cent for increases in the work of the Organization.

Dr. Martínez Marchetti (Argentina) shared the concern about the budget increases. He expressed the hope that a greater proportion of the budget could be devoted to field programs.

Dr. Bravo (Chile) referred to the problem of production in relation to economic development. He reported economists as saying that, with the highest population increase rate in the world, the needs in Latin America are growing faster than resources. The population growth creates demand for increased health services, so that it is very difficult to reduce the activities of PAHO. On the other hand health must be considered within the national economy of each country. Consequently it is necessary to exercise caution with respect to health budgets, both national and international. It is necessary to establish a rhythm of increases which is economically feasible.

Dr. Orellana (Observer, Venezuela) commented that there is practically no limit to the possibilities for constructive investment in health. On the other hand caution needs to be exercised to stay within the financial limits of governments.

Dr. Angulo (Colombia) expressed his support of the proposed budget. He spoke of the maximum effort which his country and others are making within their capacities, both human and economic, to accelerate the process of economic and social development. Since health is an essential element in this national development, countries should be prepared to contribute the small amounts which the quota assessments represent. He stated that a prime necessity is for trained personnel qualified to plan and execute programs. The rate of progress to date could not have been achieved without the services of international consultants.

Dr. Lara Zepeda (Honduras) recognized the problem which each government faces in finding resources to meet its quotas to international organizations. On the other hand it was necessary to take account of the importance of assuring steady growth in the work of the Organization. His country would not have progressed so far if it had not been for the technical and material help of the Organization. His country is prepared to make sacrifices to meet its share of the cost of the Organization.

Dr. Aguilar Rivas (El Salvador) supported the proposed Program and Budget, while expressing a desire to avoid future increases unless they were within the capacity of the Governments to pay.

Dr. Osborne (United States of America) pointed out that many governments realize the need to achieve a balanced program in the economic and social fields. Since health is an important part of this development it must be expanded. This is true of all countries at whatever stage of development, although the type of needs may be different. As a consequence, all countries

need more of the services of the Organization, and this requires steady growth. The program and budget of the Organization cannot remain static.

Dr. Horwitz (Director, PASB) expressed concern that despite the importance of health as an essential part of national development the percentage of national income devoted to it in many countries shows a tendency to decrease. At previous meetings of Governing Bodies the question of rate of growth for the Organization had been discussed. In 1958 delegates to the XV Pan American Sanitary Conference considered, in view of the increasing cost of living, that an annual increase in the order of 10 per cent was reasonable. Delegates to the XII Directing Council in discussing the provisional draft of this budget for 1962 found that the proposed increase was considered reasonable within the normal terms of increases proposed in international organizations, especially when considering the increasing demand for services and the large number of requests which would still be unmet. It was necessary to bear in mind that an increase of at least 4 per cent is necessary to meet higher personnel and other costs arising from increased cost of living. This leaves only about 5 per cent for expanded activities, which is very low in relation to the demand for services.

Recommendations

The Committee accepted the Proposed Program and Budget as constituting a well-conceived and much-needed program. The Committee agreed that the budget level proposed for 1962 was necessary for the proper

development of the activities the Pan American Health Organization, and the Committee recommended its adoption to the Directing Council.

It was recognized that an increase of about 4 per cent is needed to meet the increased costs of the present level of operations. A further increase of 5 per cent for expansion of the work of the Organization is considered the minimum needed to support the proposed program which has been developed on the basis of requests of Governments.