



*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



50th Meeting
Washington, D. C.
April-May 1964

CE50/15, Rev. 1 (Eng.)
18 July 1964
ORIGINAL: ENGLISH-SPANISH

F I N A L R E P O R T

TABLE OF CONTENTS

	<u>Page</u>
1. Administrative Rationalization in the PASB	1
Resolution I	6
2. Proposed Program and Budget of the Pan American Health Organization for 1965	7
Resolution II	26
3. Report on Buildings and Installations for Headquarters	28
Resolution III	31
4. A Program Review of a Sample of Long-Term Projects of the Organization	32
Resolution IV	37
5. Emergency Revolving Fund	38
Resolution V	39
6. Amendments to the Staff Rules of the Pan American Sanitary Bureau	40
Resolution VI	41
7. Preliminary Arrangements for the XV Meeting of the Directing Council of PAHO, XVI Meeting of the Regional Committee of WHO for the Americas	42
Resolution VII	44
8. Study of the Organization of the Pan American Sanitary Conference	45
Resolution VIII	49

	<u>Page</u>
9. Second Annual Meetings of the Inter-American Economic and Social Council	50
Resolution IX	56
10. Training of Auxiliary Personnel	58
Resolution X	61
11. Financial Report of the Director and Report of the External Auditor for 1963	63
12. Report on the Collection of Quota Contributions	63
Resolution XI	72
Resolution XII	80
Resolution XIII	82
13. Provisional Agenda for the XV Meeting of the Directing Council of PAHO, XVI Meeting of the Regional Committee of WHO for the Americas	83
Resolution XIV	86
14. Progress Report on the Program of Rural Water Supply and Well-Being	90
Resolution XV	99
15. Technical Discussions	104

FINAL REPORT

Under the chairmanship of Dr. Carlos Quirós Salinas (Peru), the 50th Meeting of the Executive Committee of the Pan American Health Organization was held from 27 April to 1 May 1964 in Washington, D. C., in the Conference Hall of the National Wildlife Federation, 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. Woodrow Pimentel Pantoja	BRAZIL
Dr. Claudio Orlich Carranza	COSTA RICA
Dr. Pedro Daniel Martínez	MEXICO
Dr. Carlos Amaya	NICARAGUA
Dr. Carlos Quirós Salinas	PERU
Dr. Jorge M. Jarufe	
Dr. Charles L. Williams, Jr.	UNITED STATES OF AMERICA
Mr. Leonard M. Board	
Mr. Howard B. Calderwood	
Mr. Paul Byrnes	
Mrs. Virginia T. Harris	
Dr. Frederick Vintinner	
Dr. Orestes Vidovich	URUGUAY

Member and Secretary ex-officio of
the Committee:

Dr. Abraham Horwitz, Director	PAN AMERICAN SANITARY BUREAU
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Observers:

Dr. Miguel A. Ortega	DOMINICAN REPUBLIC
Dr. Herbert W. Eldemire	JAMAICA
Mr. Louis H. Boothe	
Dr. L. A. M. Lichtveld	KINGDOM OF THE NETHERLANDS
Miss C. Y. Henny	

Permanent Subcommittee on
Buildings and Installations:

Mr. Carter Hills, Chairman

Organization of American States:

Mr. Carr L. Donald
Mr. Earl J. Roueche
Mrs. Alzora H. Eldridge

Inter-American Development Bank:

Mr. A. C. Wolf
Mr. Enrique Pérez-Cisneros
Mr. Rafael Suárez-Guzmán

Advisers to the Director of the
Pan American Sanitary Bureau:

Dr. John C. Cutler, Deputy Director
Dr. Victor A. Sutter, Assistant Director
Dr. Stuart Portner, Chief of Administration
Dr. Alfredo N. Bica, Chief, Communicable Diseases Branch

Advisers to the Director of the
Pan American Sanitary Bureau (Cont.):

Dr. Carlos Díaz-Collier, Chief, Professional Education Branch

Dr. Mark D. Hollis, Chief, Environmental Sanitation Branch

Dr. John J. Kevany, Regional Adviser in Nutrition

Dr. Rogelio Valladares, Regional Adviser in Tuberculosis

Chief, Secretariat Services:

Mr. Earl D. Brooks

AGENDA

The agenda appearing in Document 50/1, Rev. 1 was approved at the first plenary session held on 27 April 1964 with the addition of one item "Study on the Organization of the Pan American Sanitary Conference" as proposed by the Chairman and concurred in by Mr. Calderwood (United States of America) in accordance with the Rules of Procedure of the Executive Committee.

OPENING OF THE MEETING

In opening the Meeting, the CHAIRMAN, extended a cordial welcome to the members and observers.

ITEMS DISCUSSED AND RESOLUTIONS APPROVED

During the Meeting, which held eight plenary sessions, the following items were discussed:

1. ADMINISTRATIVE RATIONALIZATION IN THE PASB

At the first plenary session Dr. PORTNER (Chief of Administration, PASB) presented Document CE50/7 on administrative rationalization in the PASB, representing a progress report on the program for the rationalization of the administrative organization and processes of the Bureau. This report brings up to date the status of the program and its development in keeping with the plans and the schedule established in the statements presented to the Governing Bodies at the meetings held during 1963.

Specific attention was called to the fact that the rationalization of administration has advanced to the point where virtually all of the basic administrative activities previously performed in the Zone Offices have been incorporated into the Washington processes, thereby completing the movement begun on 1 January 1962. As a result, the target of positions to be saved, established previously at a net reduction of 57, at an annualized savings of \$434,000 in the estimate of early 1963, has been realized. Further, experience has shown that with the continual refinement of procedures and techniques this target can now be increased to a total of 70 positions, at an annualized savings for personnel services and allowances of \$532,000 which can be employed in direct technical assistance to Governments.

Dr. Portner next referred to the programming for mechanization, mentioned in earlier reports, indicating that this process has been accelerated and a cadre of administrative personnel is being retrained to undertake their new responsibilities.

Complementing the mechanization program has been the intensification of review of structure, process and staffing of administrative elements in Washington and the continued refinement of field-headquarters movement of administrative transactions to the end of realizing greater quality in performance as well as economies stated previously. New tools of management, such as the Country Representative's Manual issued in late 1963, have been developed as guides to action and statements of policy on the programs under the rationalization effort.

Dr. Portner stated that advancement toward the twin objective of the program of administrative rationalization, namely, decentralization of technical authority to the country level was nearing completion with the designation of country representatives or acting country representatives in 25 locations, this was accomplished 17 months after the first appointment had been made in August 1962 of representatives in Colombia and Peru. These officers have undertaken the direction of operations for all Organization programs in the countries to which they are assigned, thereby permitting an integration of activity, heretofore not possible, and has permitted an assumption on their part of greater responsibility for the recommendation on program and budget development and the initial evaluation of progress on PAHO/WHO program objectives. Through this delegation of authority and responsibilities the structure and operations have been strengthened at the country level and more rapid and effective service to the Governments is already in evidence.

Dr. Portner concluded that the process of rationalization was an overcontinuing one. Stating as examples, new starts were being made in several administrative areas such as the eventual conversion to mechanization and the continual development of the program budget resulting in broad changes and a higher quality product in every aspect of budget work from initial plans to budget control and execution, a subject which is covered in detail under a separate item on the agenda.

Dr. Portner stated further that the phase-out of posts were to a large extent accomplished through attrition and affecting a majority of professional posts as well as local posts in the Zone Offices.

Dr. WILLIAMS (United States of America) thanked Dr. Portner for his presentation and indicated that the Government of the United States of America was very much interested in the Bureau's program of administrative rationalization. He was extremely impressed with the fact that the earlier target was accomplished and that a new target of 70 positions representing a savings of \$532,000 is contemplated.

Dr. Williams further stated that the designated 25 Country Representatives would increase the efficiency in the program areas permitting a better coordination and integration of program activities at the country level which is essential to the success of the Bureau's objectives.

He noted that the Pan American Sanitary Bureau is well ahead of other international agencies through the introduction of computer techniques and program budgeting.

In view of the above, the Delegate presented a proposed resolution before the Committee for consideration at the appropriate moment.

The CHAIRMAN thanked the Delegate of the United States of America for his observations and indicated his absolute agreement with the statements made. He then referred to the portion of the Financial Report of the Director and the Report of the External Auditor which mentioned the financial costs incurred through indemnity payments and overtime required and felt that this matter should be studied further in order to have a better idea of the actual savings realized and requested that this information be made available to the next Meeting of the Executive Committee.

Dr. MARTINEZ (Mexico) indicated that the status of the program of rationalization merited the praise of all Member Governments; however he declared that there was no reference made to measures adopted for the field operations, particularly the Zone Offices. Dr. Martínez felt that the introduction of mechanization and centralization of the administrative process might have a definite effect on the operations of the field staff through loss of close control of the activities and that centralization may cause the loss of the regional character of the Zone structure. Dr. Martínez stated that he wished to add a paragraph on this point to the resolution proposed by the Delegate of the United States of America.

Dr. HORWITZ (Director, PASB) in reply to the comments made by the Delegate of Mexico assured the Executive Committee that the technical activities within the Zones have in no way been modified but that the program of rationalization was solely a revision of the administrative

aspects of the operation through the elimination of duplication and the introduction of mechanization. Further, with the designation of the Country Representatives the program activities of the Organization have been decentralized to the individual country level thereby enhancing the total development and coordination of all public health matters in their respective areas.

The following resolution as amended by the Delegate of Mexico was adopted:

RESOLUTION I CE50 R1

THE EXECUTIVE COMMITTEE,

Having examined the report of the Director on administrative rationalization in the Pan American Sanitary Bureau (Document CE50/7);

Noting the progress made to date in accomplishing the objective of the program; and

Bearing in mind the economies made as a result of the program of rationalization and the investment of these funds in program service to the Governments,

RESOLVES:

1. To take note of the report of the Director on administrative rationalization in the Pan American Sanitary Bureau (Document CE50/7).
2. To commend the Director and the staff of PASB for their efforts to date in effecting economies in administration.
3. To request the Director to continue the program of rationalization and to report progress to the 52nd Meeting of the Executive Committee.
4. To instruct the Director to report to the XV Meeting of the Directing Council on the technical and administrative consequences at the regional level of the process of administrative rationalization.
5. To transmit this resolution and the report of the Director to the XV Meeting of the Directing Council.

(Approved at the first plenary session,
27 April 1964)

2. PROPOSED PROGRAM AND BUDGET OF THE PAN AMERICAN HEALTH ORGANIZATION FOR 1965

The CHAIRMAN opened the item to discussion and Dr. HORWITZ (Director, PASB) began by saying that he would deal primarily with the program and that Dr. Portner would deal with the budgetary aspects. On reviewing the status of health planning in Latin America it was found that only ten countries had prepared a health plan which extended over more than one fiscal or calendar year. The mode of presentation of the plans differed. Some consisted merely of a list of activities together with the total amount of money to be spent, without any clear indication of function, the geographical extent, or the institution concerned. Such document mixed health problems with the services and institutions that would be responsible for solving them. Others included an order of priority among the health problems in the country as a whole, or policy for solving them and the money to be spent in each case. El Salvador was an exception since it had formulated a ten-year health plan and had used a method which disclosed an intention to apply certain principles and methods in the preparation of the plan.

The essence of the plan was a division of the diseases prevalent in the country into reducible and non-reducible diseases. Such a classification was of course artificial but it did allow some order of priority to be established among the diseases. For the first group -the reducible diseases- the priorities were based on the possibility of reducing mortality, which of course would involve a reduction in morbidity. For the non-reducible diseases which included most of the chronic and the degenerative

diseases and accidents, priority was based primarily on the known demand for services, there being no intention to stimulate it. Each priority was expressed in geographical terms according to the administrative division of the country as well as in term of population by age group. The plan included alternative proposals so that the political authorities could make a decision and the whole plan was expressed in a programed budget.

In most countries the annual budget is an indication of what the Government intended to do in the health field; but as was well known in Latin American countries the budget not only for health but for all Governmental activities over-emphasized means and did not specify the ends. It was extremely difficult to gather from the budgets of Latin American countries any clear picture of the services that particular groups of persons were to be provided with so as to attain specific goals and that was especially so in the field of hospital administration.

Taken as a whole, those annual plans and budgets emphasized a series of problems which could be grouped as follows: communicable diseases control; eradication of malaria and, where appropriate, of smallpox and the urban vector of yellow fever; sanitation, with special emphasis on water; nutrition; construction and administration of health services, in particular hospitals; and, to a lesser extent, education and training.

Apart from malaria and smallpox, the communicable diseases included tuberculosis, leprosy, enteric diseases, diphtheria, tetanus, and whooping cough. In some instances special emphasis was given to maternal and child health and medical care.

In short, the Governments convinced of the need to give a more precise formulation to what they intended to do in the health field, had been improving the formulation of their aims, policies and methods but were still far from the principles that governed the formulation of national development plans; there was no clear and precise definition of targets, of the time in which it would take to attain them, of the resources needed and of alternatives in which to invest their limited funds. Nor was each program presented in relation to age groups of the population and their geographical distribution.

In view of that situation, international assistance should be a consequence of national action, a reflexion of additional needs as determined by each Government, depending on the international agency concerned.

As PAHO Governing Bodies had pointed out, an international agency should have its own plan of action, which should be a reflexion of what the Governments wished because they considered it essential in order to carry out the general policy which had been framed in each basic field. Of course, the Governments, armed with an increasingly accurate knowledge of the real situation in their countries, and of the possibilities of applying scientific and technological advances, would know how, when, and whom to consult concerning those various fields of action. The policy established by the same Governments would be another criterion for determining the plan of work of the organization.

The criteria the Pan American Sanitary Bureau had used in preparing its program for 1965 were the following: it had taken into account the needs and requests of the Governments; the decisions of the Governing Bodies, both of the Pan American Health Organization and of the World Health

Organization; prevalent problems and possibilities of solving them; and the role incumbent upon the Bureau as laid down by the Governments. Attempts have been made to present a program budget that would show as clearly as possible how the funds would be spent, depending on the prevalence, frequency and importance of the problems. That was what was called the plan of the Pan American Sanitary Bureau. A plan which exhibited such a diversity of subject matter and of projects only reflected the progress made in public health in the continent; it could be predicted that as the Governments went on formulating more detailed health plans, as they went on solving basic problems with their own resources, and as they went on distinguishing the areas for which they needed assistance, the program of the Pan American Sanitary Bureau was going to be even more diversified, because the major problems which currently accounted for more than 85 per cent of the PAHO budget, were going to be solved or the Governments were in a position to do so and therefore they were going to center their interest on the ever increasing progress in science and technology.

The Pan American Sanitary Bureau's plan consisted of about 320 projects which were reflexion of what the Bureau's staff had seen in the continent and what the Governments had indicated in a series of categories. The classification in Official Document N° 45, page 18, Table 6, which the Executive Committee and the Directing Council had approved, divided activities into protection of health which in turn was subdivided into communicable diseases and environmental health; promotion of health, broken down in general services and specific programs. The third category was education and training. Then came a series of activities represented in all the programs and projects which had been called program services;

administrative direction, Governing Bodies; and increase to assets. Each of the categories was divided into planning and execution, development of professional personnel, research, and indirect program costs. Each of the items which corresponded to a public health program was broken down into projects by countries in which the Government had determined the targets which it wished to reach in a specified period of time.

The Director went on to discuss the percentage distribution as it had been originally presented to the Directing Council in 1963. Communicable diseases were to receive 31.8 per cent; environmental sanitation, 10.8 per cent; health promotion 15.8 per cent, and specific programs for the same purpose 15.1 per cent. For cooperation with teaching institutions and training courses 7.8 per cent of the funds were to be allocated. All those activities were to be supported by services and programs which would amount to 4.2 per cent; Administrative Direction which would account for 10.9 per cent; the costs of Governing Bodies, 1.8 per cent; and increase to assets which would also be 1.8 per cent. The same distribution without major changes appeared in Document CE50/10, which described the plan of operations which were to be financed solely by funds from the regular budget of PAHO.

Dr. Horwitz paid particular attention to the malaria program and pointed out that although the eradication program had encountered certain technical problems it had made great progress. By the end of 1963, of the 106 million persons residing in the originally malarious areas of Latin America, 10 million were living in areas in which malaria had been eradicated, about 32 million in areas in the consolidation phase, 30 million in areas in the attack phase and 28 in areas in the preparatory phase. Perhaps even more important than the technical problems were the administrative, political and educational problems which had to be overcome.

As a result of the agreement between the World Health Organization and laboratories producing insecticides, more than 800 new products had been analyzed, of which 10, which were under trial, had been found to be superior to DDT and dieldrin. New drugs were also being tested, and work was being done in the fundamental field of the immunology of malaria. Despite the fact that there were large areas in which the vector was resistant to insecticides, that should not reduce the intensity of the effort or the rhythm of investments; the truth was that as epidemiological studies improved and vigilance increased, the program became more expensive.

Dr. Horwitz then referred to the tuberculosis problem and pointed out that it was not possible to rely on the estimates of the number of cases of tuberculosis in America, since available statistics did not show the real situation in the countries. The figures for 1961 and 1962 showed a total of 125,000 reported cases of the disease in Latin America, and 36,000 deaths. Probably a more accurate figure would be 240,000 new cases and 60,000 deaths. It was generally believed that in Latin America there were two unknown cases for every reported case under treatment. The total number of active cases would therefore be approximately two millions. The problem was an enormous one, but there was no doubt that progress was being made.

Dr. Horwitz then referred to the problem of leprosy and pointed out that only 52 per cent of the known cases were undergoing treatment, and that the real incidence or prevalence of the disease was unknown.

With respect to environmental sanitation Dr. Horwitz mentioned water supply projects and A. aegypti eradication projects. He emphasized the

need to continue to urge credit institutions to finance water projects, since they were a very important aspect of economic development. He also referred to the proposal that water supplies should be the beginning of a rural welfare program. He would not make a further comment since that matter was covered by another item on the agenda.

The Director then analyzed the health promotion program, to which 30.9 per cent of the total budget was allocated. That program included public health projects, nursing, education and in service training, and statistics.

He added that the assistance being given in the matter of administrative methods for training personnel in new techniques and in the application of the proper procedures in Ministries of Health stemmed from the resolution approved by the Directing Council in 1957, and was in line with the discussions at the meeting of the Inter-American Economic and Social Council at São Paulo concerning administrative problems which were hampering the economic and social development of Latin America.

He then went on to examine the maternal and child health program which, although its scope might appear to be small, was in fact one of the principal objectives of the other programs, such as environmental sanitation, housing, water supply, nutrition, malaria, etc. Taken as a whole those programs represented an extraordinary effort to improve maternal and child health.

The Director stated that 8 per cent of the funds were assigned to nutrition, including personnel training and advisory services to ministries of education and health. He mentioned the concern about the fact that the food being sent to Latin American countries from various sources, both private

and public, was possibly not reaching the most vulnerable groups. He added that a relatively small amount of money had been set aside for mental health activities. A strong start had been made in that field in recent years by the Organization and had already shown the magnitude of the problem; there were more than one million hospitalized cases in 800 mental hospitals in the Americas and an unknown number of mentally sick persons in the communities, the great majority of whom were not being treated. Practically no mental health program had been launched, and the time had come to study the epidemiology of those diseases, for it could not be forgotten that many patients could be restored to their social environment as productive citizens.

A relatively small allotment had been made for public health dentistry, which was generously assisted as usual by the Kellogg Foundation. In the field of medical care the Bureau had centered its attention on framing a policy, and a publication which had been widely distributed to the Governments clearly laid down what the Bureau thought should be done in that field, which accounted for 80 per cent of the national budgets and an unknown amount of private funds. Studies were urgently needed in that field and they would show the enormous amount of money that was being spent on medical care, apart from the regular budgets of the ministries of health and social security organizations; an end should be put to the separation between preventive and curative services not only in theory but also in the matter of institutions. The provision of medical care for those sectors of the population which the Governments decided upon should be the exclusive responsibility of the ministry of health; therefore hospitals, outpatient departments, and other medical services attached to the social

security institutions should be transferred to the ministries of health. It was towards this end that the Bureau was directing part of its work in addition to direct advisory services to various hospitals in the continent to improve their administration and personnel training. The Director pointed out that about 30 per cent of the total funds of the Organization were devoted to education and training, but only 7.8 per cent were for direct advisory services to teaching institutions. The general policy was to assist the Governments in improving their institutions and in setting up educational machinery that would benefit various countries at the same time. Since 1959 conferences of deans and professors of schools of public health had been held every two years to enable them to discuss some essential aspect of teaching, in addition to direct advisory services to each school.

The possibility was being explored of assisting Governments to provide continuing education, especially for medical officers who worked for the ministries of health and which had responsibilities both for preventive and curative services. In the field of medical education interest was being centered on medical pedagogy, on the planning of human resources for health programs, and on direct technical advisory services to certain medical schools. The budget did not make provision for the two years study to be carried out in Colombia to ascertain the professional and auxiliary workers that country would need to carry out its preventive and curative programs. The methods that would be used stemmed from a conference held in the preceding September, sponsored by the Milbank Memorial Fund and PAHO; the program would be a joint one of the Ministry of Health, the Association of Medical Schools of Colombia, PAHO, and it would be financed by the Government, through the Ministry of Health Fund, and PAHO. It should also be pointed

out that studies were already in an advanced state to invigorate existing centers in Latin America that could be transformed into centers for training teachers for medical schools both in the basic disciplines and in the clinic subjects.

Dr. Horwitz stated that the staff members of the Bureau came from 47 countries, 90 per cent of them from the Americas. In PAHO projects, the tendency was to provide highly specialized, short-term consultants, since many countries had sufficient trained personnel to handle routine services. This was also the tendency in the fellowships program since the teaching institutions in the various countries could train their own personnel but do not have means for highly specialized training. Consequently, by means of the fellowship program, the needs of the Governments for specialists were being met. In conclusion Dr. Horwitz asked that Dr. Portner be allowed to deal with the details of the budget.

Dr. PORTNER (Chief of Administration, PASB) opened his remarks by calling attention to the continuum of program presentation and execution. The PAHO/Regular budget has been noted in the previous meeting of the Directing Council, which approved a resolution recognizing that the plan for 1965 contained well-conceived and much-needed health projects. At this time the Director is presenting his revision of the plan first proposed in 1963, based on consultation with Governments to reflect their

current needs. The Executive Committee is expected to review it in detail and make its recommendations to the next Directing Council where appropriation action will be taken. Dr. Portner pointed out that the budget proposal also includes modification arising from organizational and administrative changes and also reflects cost increases of all types. He reported that surveys have shown that increasing costs represent 4.5 to nearly 5 per cent. Thus of the proposed increase of 9.6 per cent over 1964, only one half, or about \$300,000 was available for program expansion.

Dr. Portner, in reviewing the budget by parts, pointed out that it has been possible to reduce the estimated costs of the meetings of the Governing Bodies, the Headquarters and the Zone Offices by \$51,062. This amount has been transferred into projects to meet the most pressing of the new requirements which have arisen, including those in fields of highest priority and those designed to meet the diverse wishes of the Member Governments in subjects of particular interest to them.

Dr. Portner pointed out that there was a net decrease in Part I of the budget, that Part pertaining to Organizational Meetings, of \$38,741. This decrease is a result primarily of the deletion of two professional and one clerical post. Part II of the budget relating to Headquarters shows a net increase of \$21,644. This increase reflects the net from recosting of posts, deletion and transfer of posts, provision of two professional and two clerical posts for liaison with other international agencies, and increase for common services.

Dr. Portner reviewed Part III of the budget in three sections; Zone Offices, Projects, and Editorial Services. He called attention to the portion relating to Zone Offices, pages 8 and 9, which shows a net decrease of \$40,314. The decrease is related directly to the revised role of the Zone Offices in the administrative processes of the Organization. In essence the figure reflects a net decrease of two clerical posts in the Zone Offices, and the reduction in the cost of common services amongst the six Zone Offices.

He then called attention to the portion of Part III relating to the projects, which has been increased by \$51,062. He called attention to the fact that the Special Fund for Health Promotion, resulting from a grant by the W. K. Kellogg Foundation, was included in the project presentation along with other projects. There was a balancing entry under Part IV for this item as well.

Dr. Portner also pointed out that transfers have been made from Zone intercountry projects to country projects as plans have become more precise. Complementing this shift has been the transfer of \$174,916 from interzone projects into country projects. This, he stated, is in continuation of current efforts to present the budget in relation to the receiving country with as much definitiveness as is feasible and practical.

The third section of Part III, Editorial Services, shows an increase of \$6,349, reflecting the transfer of one clerical post from Part II of the budget in order for the cost of the post to be reflected in the unit to which the post is assigned.

Dr. Portner also pointed out that there is no change in Part IV of the budget, Special Fund for Health Promotion nor in Part V, Amount for Increasing the Working Capital Fund and the Emergency Revolving Fund.

Dr. Portner reviewed with the committee the evolution of the analytical tables now being presented in the program and budget document. As a further step in the presentation of budget plans it is proposed that a format be adapted such as the one illustrated on pages 45 and 46 of Document CE50/10. The example given is that of a country summary and one illustrative project. However, it is the intention to show all Parts of the entire budget document in this format. Presentations will consist of narratives and summaries indentifying total costs. The format suggested is expected to cut space requirements by as much as one half to two thirds. Each unit displayed in the budget would show by fund the cost of: (1) personnel and travel; (2) supplies and equipment; (3) fellowships; (4) seminars, and (5) grants and other. In addition posts will be listed by grade and fund. The number of months of short-term consultant services, as well as the number of fellowships would be summarized in one figure, and the number of participants in seminars and conferences will also be shown.

In response to invitation by the Chairman for comments, Dr. WILLIAMS (United States of America) asked for explanation of the decrease of two professional and one local post in Part I.

Dr. PORTNER (Chief of Administration, PASB) replied that as part of rationalization process, it had been found that a section chief, a translator and a clerk stenographer could be eliminated.

Dr. MARTINEZ (Mexico) asked about the two liaison officers in the Office of the Director. He feared that in creating specialized personnel for liaison with cooperating agencies, the joint programs would lose the views of the PAHO experts in charge of the individual specific subject matter fields. Furthermore, the personal intervention of the Director in negotiations would diminish.

Dr. HORWITZ (Director, PASB) said that Dr. Martinez is right under some circumstances but that the purpose of this office is different. It will have an administrative function, not a technical one, in dealing with the ever-growing family of international agencies, particularly those having programs in support of economic and social development which have unattended health aspects. For example, he mentioned the Inter-American Agricultural Organization, the IA-ECOSOC, the international lending agencies, Alliance for Progress, UN agencies, UNICEF, FAO, private foundations, etc. He mentioned the volume of activities of PAHO in this connection and spoke of the difficulties being encountered since there is no focal point for coordination. Therefore, it is not a substitution but a mean of facilitating PAHO's relationships with other agencies. The technical work will continue to be directly between the appropriate PAHO expert and the different agencies. PAHO has had little experience in this type of activities but the Director will report on its operations at a latter date.

To Dr. Williams' query as to what portion of the \$56,901 was for new posts and what part for recosting, Dr. PORTNER (Chief of Administration, PASB) replied that approximately \$50,000 was for the new posts, including provision for duty travel.

Dr. WILLIAMS (United States of America) then asked for a brief resumé of the progress under project AMRO-346.

Dr. PORTNER (Chief of Administration, PASB) said that this project which provides consultation in administrative methods is concerned with servicing Zone I, with emphasis directed to the newly independent nations and territories in the Caribbean. In 1963 the project began with a seminar on the value of better administration and refinement of administrative processes. Sixteen governments reviewed the basic elements of administration as it relates to national health services, particularly their meaningfulness in deriving maximum effectiveness from limited funds. He then reviewed the activities following up the seminar and the participation of the UN public administration office.

Dr. WILLIAMS (United States of America) then noted the anticipated completion of the Aedes aegypti eradication campaign in Cuba in 1966. He asked if the increase in the project Cuba-1 signified special problems being encountered.

Dr. BICA (Chief, Communicable Diseases Branch, PASB) said that in order to complete the campaign by 1966, the Government would have to almost double its staff. That would make it necessary for the PAHO contribution to the program to be increased to some extent.

Dr. WILLIAMS (United States of America) inquired specifically about the vegetable mixture project at INCAP.

Dr. KEVANY (Regional Adviser in Nutrition, PASB) said that PAHO's increased support was for research in: (1) systematic substitution of various parts of the mixture in order to make it more flexible in its use in other parts of the world; (2) the addition of various enzymes; and (3) in packaging and delivery of the finished product.

Dr. WILLIAMS (United States of America) then asked about addition of a seminar in AMRO-16, Schools of Public Health, and the deletion of a seminar in AMRO-60, Smallpox.

Dr. DIAZ-COLLER (Chief, Professional Education Branch, PASB) said that the seminar is a travelling seminar to study schools of public health, similar to the one held in 1963.

Dr. BICA (Chief, Communicable Diseases Branch, PASB) added that the smallpox seminar was cancelled because a study group held by WHO/Geneva covered the same points that this seminar would have. In addition, the campaign in the Americas had made excellent progress, even in Brazil, which was the main focus. In 1963 the total number of cases in the Continent had been 292, as compared with 3,062 in the previous year.

On the new format Dr. WILLIAMS (United States of America) requested that travel be separated from personal services.

Dr. PORTNER (Chief of Administration, PASB) agreed.

Dr. MARTINEZ (Mexico) voiced the view that more emphasis should be given to training auxiliary health personnel, since he felt that there was a greater deficiency in trained auxiliaries than in professional

personnel. Secondly, he suggested a seminar to study the possibility of integration of health activities being carried out by social security agencies with those of ministries of health.

Dr. HORWITZ (Director, PASB) agreed with Dr. Martínez in the importance of training auxiliary personnel. He said that as part of the general activities of health ministries, auxiliaries are being trained but not in sufficient numbers. His information was that in training courses carried out in 1963, 3,715 persons were trained, including 2,290 nursing auxiliaries and 672 sanitary inspectors. This, he felt, was an understatement of training but it indicated that this activity was being carried out. However, in the immediate future training activities must be emphasized since mostly the work will be by auxiliaries under the supervision of professional personnel. The Director said that he would provide additional information on these activities.

In response to Dr. Martinez' request for reflection of more emphasis on training in the budget, Dr. Horwitz said that PAHO would be fully amenable to requests for cooperation in this activity.

Dr. Horwitz then reviewed the development of health services in social security agencies in Latin America. Since 1925, social security agencies have been developing health services separate from those of health ministries. It is logical for the policy to be reviewed.

Consideration should be given to this item in discussing the agenda for the XV Meeting of the Directing Council.

Dr. WILLIAMS (United States of America) asked for elaboration on several points: (1) the effect of diversification on program priorities; (2) the extent of PAHO's budget for training auxiliaries; (3) the adequacy of the amount budgeted for smallpox eradication; and (4) the Director's opinion on the possibility of eradicating tuberculosis.

He went on to say that the United States Government feels that the program proposed is well designed and much needed. He had full confidence in the technical and administrative ability of the Director and the PASB staff to carry it out. However, his concern was with the financing of the program since collection of quotas has been lagging by 15-20 per cent. He saw no signs of improvement. Lack of financing gave the Director an almost impossible task in trying to carry out the programs budgeted. For this latter reason only, his Government was abstaining from approval of the budget at this time and would reserve its decision until the meeting of the Directing Council in September when the financial situation might be changed. Dr. Williams asked that the Director be prepared to discuss with the Directing Council the program he would carry if only 80 per cent of the quotas were collected.

Dr. HORWITZ (Director, PASB) thanked Dr. Williams on behalf of the staff for his recognition of the quality of the program proposed. He said that his reference to program diversification earlier in the day referred to the expectation that as Governments develop national health plans, there would be consequential requests for cooperation in more diversified fields. Thus, the diversification would be an outgrowth of developments in health services by the various Governments.

On training of auxiliaries, he said that information on this subject would be presented later.

On the smallpox eradication campaign, he referred back to early remarks on its status in the Americas and pointed out that the problem is now more a matter of financing than of technical cooperation. Thus, the international budget is supplementary to national programs and has diminished as the campaign has progressed.

On the question of program to be carried out if funds do not become available, he said that he believed that the funds would be available. He also called attention to the budget review made each three months which took into account availability of funds as well as likelihood of recruiting suitable consultants and the readiness of the recipient Government to carry out the projects originally envisioned. For these reasons, he would prefer to have 100 per cent of the funds rather than reduce programs.

The resolution introduced by Dr. Jarufe (Peru) was adopted by a vote of six in favor and one abstention, (United States of America).

RESOLUTION II

CE50.R2

THE EXECUTIVE COMMITTEE,

Having studied in detail the provisional draft of the Proposed Program and Budget of the Pan American Health Organization for 1965 contained in Official Document No 45, with modifications thereto appearing in Document CE50/10, prepared by the Director;

Considering that the XIV Meeting of the Directing Council, in Resolution XVII, recognized that the provisional draft of the Proposed Program and Budget for 1965 appearing in Official Document No 45 comprised well-conceived and much needed health programs;

Considering that the modifications appearing in Document CE50/10 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

Bearing in mind the terms of Article 14-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 XV Meeting of the Directing Council the Proposed Program and Budget of the Pan American Health Organization for 1965 as prepared by the Director and presented to this Committee in Document CE50/10.

2. To recommend to the Directing Council that it establish the budget level of the Pan American Health Organization for 1965 at \$7,190,000.

3. To approve the proposed changes in the format of the budget presentation as outlined in Document CE50/10.

(Approved at the second plenary session,
27 April 1964)

3. REPORT ON BUILDINGS AND INSTALLATIONS FOR HEADQUARTERS

The CHAIRMAN introduced the item on the Report on Buildings and Installations for Headquarters.

Dr. PORTNER (Chief of Administration, PASE) suggested that the Chairman of the Subcommittee Mr. Hills be given the opportunity to present his views on the matter on behalf of the Subcommittee.

Mr. HILLS (Chairman of the Subcommittee on Buildings and Installations, United States of America) reviewed in general terms the progress of efforts on the building since his last report at the Directing Council and noted the satisfactory manner in which construction had progressed to date. He also elaborated on the work being undertaken in the vicinity of the new Headquarters to beautify the area in close proximity to the new building and noted the interest of his Government in having so attractive and striking an edifice in the area close to the Lincoln Memorial. Mr. Hills congratulated the Director and members of the Secretariat for their efforts and thanked his colleagues on the Permanent Subcommittee for their ready and able assistance, and spoke of the continuing and ready counsel of Dr. Emory Morris, President, W. K. Kellogg Foundation on matters of the building.

Dr. PORTNER (Chief of Administration, PASB) presented a progress report on the program of the construction of the permanent Headquarters building of PAHO.

Dr. Portner summarized in detail the development since the report made at the XIV Meeting of the Directing Council in September 1963. Dr. Portner

indicated that the construction started in September 1963 has progressed almost on schedule, notwithstanding certain minor delays due to inclement weather during the winter months and early spring period. At the date of his report Dr. Portner indicated that foundation work had been completed, including the placement of 112 caissons of reinforced concrete. These caissons had been placed at an average depth of 52 feet below the level of the sub-basement. In addition concrete had been poured through the second floor of the structure and work by plumbers, steamfitters, and electricians had complemented the concrete activity.

All major contracts had been issued and basic plan and design work on the interior of the building were also near completion. Dr. Portner confirmed that the estimate of completion, given by the architects, was in the period April-May 1965.

Report was also given of progress of the sale of the two buildings, 1501 and 1515 New Hampshire Ave., N.W., owned by the Organization. Basic legal work had been completed, and it was proposed to put the buildings on sale during the spring of 1964. A reappraisal had been made of the property since the report to the Directing Council in 1963 and a confirming evaluation obtained of prices of similar property on the current market. Appreciation was also expressed for the assistance of the Chairman and members of the Subcommittee on Buildings and Installations, and Dr. Emory Morris of the W. K. Kellogg Foundation.

Dr. Portner noted that, in keeping with the practice of the Subcommittee, representatives from the Government of Argentina and Chile had retired with the end of their term on the Executive Committee and that the Committee should designate two members from the Governments now represented on the Executive Committee to succeed the outgoing members of the Subcommittee.

The CHAIRMAN thanked both Mr. Hills and Dr. Portner for their reports on the excellent progress made on the construction of the new building and requested comments from the floor. No comments being put forth, the Secretary submitted the proposed resolution and announced that once it was adopted the members of the Executive Committee to replace the retiring members could be designated. The resolution having received unanimous approval, the Chairman then suggested that the Delegates from Brazil and Mexico be designated as the two new members to the Subcommittee, replacing Argentina and Chile. With the approval of these designations the following resolution was adopted:

RESOLUTION III

CE50 R3

THE EXECUTIVE COMMITTEE,

Considering the report of the Director on the progress of the construction of the Headquarters building and the sale of property owned by the Organization (Document CE50/5),

RESOLVES:

1. To express its appreciation to the Chairman and the Members of the Permanent Subcommittee on Buildings and Installations for their valuable assistance in the prosecution of all activities related to the construction of the new Headquarters building and the sale of the buildings at 1501-1515 New Hampshire Avenue, N.W.
2. To request the Director to make further reports of progress to the next meetings of the Directing Council and the Executive Committee.
3. To designate the Governments of Brazil and Mexico to membership on the Permanent Subcommittee on Buildings and Installations.

(Approved at the fourth plenary session,
28 April 1964)

4. A PROGRAM REVIEW OF A SAMPLE OF LONG-TERM PROJECTS OF
THE ORGANIZATION

Dr. HORWITZ (Director, PASB), introducing the item, said that the program review had been prepared in response to the suggestion of the Representative of the United States of America at the XIV Meeting of the Directing Council. The criterion for selecting the projects was that suggested by the Representative of the United States of America, namely, the date on which the projects were begun. A total of 25 projects had been selected all of which had been in existence for ten years or more, and were the oldest in operation. Of course, there were other projects initiated on the same date that had already been completed. The projects chosen were described by field of activity and by country in the working document, which was based on the information collected by the Bureau from consultants who were in close and daily contacts with the national experts. Given the diversity of the projects, it was not surprising that their objectives were different. Although the great majority were eradication projects, there were others dealing with education or institutions which naturally had to be considered in a different way as far as their objectives were concerned.

For the past year the Bureau had been intensifying its evaluation of projects in the countries in collaboration with the Governments. Unfortunately program reviews were not customarily made in Ministries of Health and their agencies. Efforts should be made to ensure that the criteria demonstrated in the program review were incorporated into all health activities.

Mr. BOARD (United States of America) said that unfortunately it had not been possible for the members of his delegation who had made the request to attend the session, but they had read the report with great interest and had considered it beforehand. All the members of his delegation had been very impressed by the working document and agreed that the eradication projects were not projects that could be terminated on a given date but only when the goal they pursued had been achieved or when that goal has been given up, something he would not like to see happen. Thus there was a clear justification for 20 of the 26 projects covered by the program review. As to the projects dealing with institutions, INCAP was a good example, it was clear that as long as the Institution was in operation, continued to pursue the aim for which it had been established and justified the support it received by the results it produced, the assistance had to continue to be furnished. Account had also to be taken of projects such as AMRO-10 which extended over a long period during which their objectives had perhaps been reformulated or reoriented once or more often since they were begun, i.e., a part or phase of which had been completed and a new one begun.

Thus, just as it had been helpful to his delegation in their effort to explain, comprehend, and support those projects, he hoped that the review had also been helpful to the secretariat.

It would be helpful if the program and budget were to indicate when each project was begun and if a particular date had been set for its completion. Dr. Williams had asked him to explain that that factor was sometimes important when deciding on priorities.

The United States delegation had been extremely favorable impressed by the program review and was fully convinced that the assistance given by the Organization to those projects was fully justified.

Dr. MARTINEZ (Mexico) stated that he too had been extremely impressed by the program review which was worthy of high praise for its clarity and conciseness. There was, however, one point to which attention might be called, namely that the document contained a partial evaluation and did not attempt to give an overall view of each one of the programs in each one of the countries, it did not make any mention of the countries that were carrying out the same activities for themselves, without the aid of the Organization or of those which had already carried them out, with the assistance of the Organization but some years before.

The suggestion which had just been made, that the date of the beginning and proposed completion of the projects should be included in the budget, seemed to him to be a good one. There were some programs which were not meant to eradicate anything; the INCAP project was a case in point, and it might perhaps be worth discussing what the role of the Organization should be in promoting it and whether INCAP should be considered a permanent responsibility at the service of a given number of countries.

The program of the Organization in the field of foot-and-mouth disease seems to him to be somewhat weak. It appeared that the production of the live virus vaccine was almost the only objective. It was not advisable for the Organization to aim at a single target.

Dr. HORWITZ (Director, PASB) said that he would first like to refer to the suggestion of the Representative of the United States of America supported by the Representative of Mexico, that mention should be made of the date of commencement and the completion of projects. In the Annual Report of the Director the final chapter entitled "Project activities" contained a short summary of each project, in which the probable duration was mentioned; thus in his opinion that document, which was submitted to the Directing Council each year, already met the suggestion that had been made.

It was extremely gratifying to have heard the speakers describe the favorable impression which the program review had made on them. In his opinion that type of analysis should continue and its results should be incorporated in each case into the Annual Report, which from 1963 onwards, would contain better numerical data than in previous years.

Another matter on which comments had been made had been foot-and-mouth disease. It was not true to say that all the Bureau's activities in this field were directed toward obtaining a live virus vaccine, as might appear from the document under consideration. Another important aspect was that of training; 287 professional workers had been trained. In addition, advisory services were constantly being provided. It should be borne in mind that fortunately the problem was confined to South America; consequently there were two experts from the Center, one stationed in Lima and the other in Bogota, to provide advisory services to the countries on the Pacific coast. The Headquarters of the Center, which was naturally Panamerican in its scope, could thus give greater attention

to requests for advisory services made by the countries of the Atlantic coast. In addition, laboratory services were constantly being provided in identifying virus strains and similar work and, of course, there was research into which a great deal of money and effort had been put.

He acknowledged that the program review perhaps gave undue emphasis to the future and not sufficient importance to what was being done. That attitude was the result of a firm conviction that if the same line of activities were pursued, the influence of foot-and-mouth disease could be halted or at least substantially reduced, which would have important effects on the production of animal proteins. The purpose of his explanations was to bring out the fact that although the document was very short it embodied the results of huge amount of complicated work.

Dr. CUTLER (Deputy Director, PASB) read a draft resolution.

Mr. BOARD (United States of America) stated that his delegation suggested the inclusion of a further paragraph commending the Director and the staff of the Bureau for the work they had done on the agenda item.

The following resolution was then approved:

RESOLUTION IV

CE50.R4

THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on the program review of a sample of long-term projects of the Organization (Document CE50/3),

RESOLVES:

1. To take note of the report of the Director and to express its satisfaction with the general progress of the projects covered by the review.

2. To congratulate the Director and the staff of the Bureau on the analysis and the report (Document CE50/3).

(Approved at the fourth plenary session,
28 April 1964)

5. EMERGENCY REVOLVING FUND

Dr. PORTNER (Chief of Administration, PASB) presented Document CE50/9 on the status of the Emergency Revolving Fund up to 25 February 1964, on which date the cash balance was \$19,463 with additional transactions of slightly over \$2,000 pending. The status has not changed since issuance of the document, except that the pending items have now been paid and show as expenditures.

Dr. AMAYA (Nicaragua) pointed out that Document CE50/9 shows an amount of \$5,140 due from his country. A check for this amount has been drawn and payment is in process. Also, payment for the poliomyelitis vaccine shown on page 2 of Document CE50/9 will be made immediately upon receipt of the invoice.

Dr. PORTNER (Chief of Administration, PASB) then called attention to the relationship of this subject to Item 4, Program and Budget. The XIV Directing Council in Resolution II authorized an increase in the ceiling of the Fund to \$75,000 effective in 1965 to be achieved by means of a budgetary provision for this purpose, to be included in the budget for that year. It will be noted in Document CE50/10 that provision for the addition of \$25,000 to the Fund is included under Part V of the proposed budget.

The following resolution was approved by the Committee:

RESOLUTION V

CE50 R5

THE EXECUTIVE COMMITTEE,

Having examined the report of the Director on the Emergency Revolving Fund (Document CE50/9),

RESOLVES:

1. To take note of the report of the Director on the Emergency Revolving Fund (Document CE50/9).

2. To invite the Governments, when they receive assistance from the Fund, to reimburse the amounts advanced as soon as possible.

(Approved at the fifth plenary session,
29 April 1964)

6. AMENDMENTS TO THE STAFF RULES OF THE PAN AMERICAN SANITARY BUREAU

The CHAIRMAN introduced Document CE50/6 on the above item.

Dr. PORTNER (Chief of Administration, PASE) presented Document CE50/6 on the item at the fifth plenary session. The amendments made by the Director in the Staff Rules were being submitted to the Executive Committee for confirmation, in accordance with the provisions of Staff Rule 130. The Director-General of the World Health Organization had introduced similar changes in the WHO Staff Rules and they had been confirmed by the Executive Board at its Thirty-Third Session (EB33.R23).

He commented on the pattern of uniformity that existed in matters of conditions of employment, since the Pan American Sanitary Bureau followed as closely as possible the action taken by WHO, which was guided in turn by the decisions of the United Nations.

Dr. Portner then proceeded to explain in detail the changes introduced into Staff Rules 210.3, 230, 230.1, 230.2, 230.3, 230.4, 230.5, 265.1, 265.2, 270, 270.1, 270.2, 270.3, 450.2, 730.3, and 740. It was noted that the changes effected involved five editorial changes, five renumberings of existing Rules and six changes of a substantive nature. Dr. Portner also mentioned certain discussions held with WHO and in CCAQ on the Education Grant.

The CHAIRMAN thanked Dr. Portner for his presentation and then asked for discussion from the floor. No comments being offered, the Secretary then presented the following resolution which was adopted by the Executive Committee:

RESOLUTION VI

CE50 R6

THE EXECUTIVE COMMITTEE,

Having examined the amendments to the Staff Rules of the Pan American Sanitary Bureau, as set forth in the annex to Document CE50/6 presented by the Director; and

Considering the provisions of Staff Rule 30,

RESOLVES:

To confirm the amendments to the Staff Rules of the Pan American Sanitary Bureau, as presented by the Director in the annex to Document CE50/6.

(Approved at the fifth plenary session,
29 April 1964)

7. PRELIMINARY ARRANGEMENTS FOR THE XV MEETING OF THE DIRECTING COUNCIL OF PAHO, XVI MEETING OF THE REGIONAL COMMITTEE OF WHO FOR THE AMERICAS

Dr. PORTNER (Chief of Administration, PASB) in presenting Document CE50/12 and Addendum I, explained the status of the preparations for the XV Meeting of the Directing Council. First he made reference to the gracious invitation of the Representative of Mexico, made at the XIV Meeting of the Directing Council, that the next Meeting of the Directing Council be held in Mexico, D.F. It was noted that an agreement had been signed with the Government of Mexico to hold the meeting with the suggested dates from 31 August to 11 September 1964, at the Hotel Del Prado, which provides all needed space and facilities. Appreciation was extended to the Mexican officials and particularly to Dr. Alvarez Amézquita, Minister of Health, for the assistance which has been rendered to the PASB in making the preliminary arrangements.

Dr. HORWITZ (Director, PASB) reminded the Members of the Executive Committee that on 1 September 1964, the President of Mexico will address Congress on the state of affairs of the country. This being considered a national holiday, it would not be proper for the Directing Council to hold a session. He further pointed out that because of the lengthy agenda to be considered it might be necessary for the Council to meet on Saturday morning and several evenings.

Several of the Delegates thanked the Government of Mexico for its gracious invitation and expressed reassurance that the meeting would be a great success.

Dr. MARTINEZ (Mexico) expressed the appreciation of his Government for the Organization's acceptance of the invitation to hold the next Meeting of the Directing Council in Mexico City and hoped that it would be a success in all respects.

At the fifth plenary session the Committee adopted the following resolution:

RESOLUTION VII

CE50.R7

THE EXECUTIVE COMMITTEE,

Having considered the report of the Director on the arrangements for the XV Meeting of the Directing Council of the Pan American Health Organization (Document CE50/12 and Addendum I); and

Bearing in mind Rule 1 of the Rules of Procedure of the Directing Council,

RESOLVES:

1. To take note of the arrangements adopted for the organization of the XV Meeting of the Directing Council of the Pan American Health Organization, XVI Meeting of the Regional Committee of the World Health Organization, which will be held in Mexico City, and to express its thanks to the Government of the United States of Mexico for the assistance given in the preparations for these meetings.

2. To authorize the Director of the Pan American Sanitary Bureau to convoke the XV Meeting of the Directing Council to be held from 31 August to 11 September 1964.

(Approved at the fifth plenary session,
29 April 1964)

8. STUDY OF THE ORGANIZATION OF THE PAN AMERICAN SANITARY CONFERENCE

Dr. PORTNER (Chief of Administration, PASB) in introducing this subject referred to the discussion at the 47th Meeting of the Executive Committee on the structure, organization and procedures of the Pan American Sanitary Conference. He made mention of the suggestion by the Representative of the Government of the United States of America to review, among other items, the need for the two committee system employed at the Conference. It also had been suggested that steps might be taken to change the organization of the Conference and as a result make it more effective, while at the same time realizing savings in both space and manpower requirements.

Following these discussions, the Director had communicated with all Member Governments on the matter, requesting that they forward any comments or suggestions considered of interest for the organization and procedures of future meetings of the Conference.

As reported by the Director to the XIV Meeting of the Directing Council in 1963 (Document CD14/5) only ten replies had been received, ranging from acknowledgement of receipt to proposals for modifying Conference rules and arrangements. The Director pointed out at the time that it would be premature to make a comprehensive report on the matter since the opinion of the majority of the Governments had not yet been received. The Director had subsequently communicated with Governments again. However, only a few replies had been received and basically the situation was unchanged.

Dr. Portner concluded that the subject was to be considered by the XVI Directing Council following a resolution of the XIV Directing Council. In the interim, before that meeting, every effort would be made to request Member Governments to submit their comments.

Mr. CALDERWOOD (United States of America) stated that in addition to what had already been suggested in writing by his Government, he would refer to the suggestion by the Government of Argentina (in response to the request of the Director, PASB, for comments on this matter) to the effect that the PASB should study the situation and submit proposals for the solution of the problem. In his opinion, the Director of PASB should now proceed to prepare a report for the consideration of the Directing Council. As far as his Government's suggestions were concerned these had already been set forth in writing as shown in the attachment to Document CD14/5.

The CHAIRMAN reminded the Members of the Committee of the rather long time that had passed since this matter was first discussed and called upon them to consider alternative methods of formulating a proposal for the Directing Council. A number of different methods of approach was suggested for consideration by the Committee.

Dr. HORWITZ (Director, PASB) said that he would be glad to prepare a document for the consideration of the Directing Council based upon the views and suggestions received. The Director proposed therefore, (1) once more to contact Member Governments and (2) subsequently to prepare a document for the Directing Council.

The CHAIRMAN stated that if the members of the Committee were in agreement, he intended to include in his report to the Directing Council the views expressed in the discussion on the desirability for the Council to analyze and discuss in detail topics of a routine nature already dealt with by the Executive Committee.

Mr. CALDERWOOD (United States of America) declared that in his opinion the Chairman's views on the treatment of routine matters by the Directing Council and on shortening its agenda were somewhat similar to those of the Government of Venezuela, as expressed in the latter's letter attached to Document CD14/5. He agreed that a certain amount of simplification might be in order. However, the Executive Committee would still need to present a full agenda to the Directing Council, even though all items might not be discussed in detail.

Dr. MARTINEZ (Mexico) expressed the opinion that the Directing Council could analyze and review or simply ratify any topic put before it as it saw fit.

It was agreed that the Chairman's report to the Directing Council should include the various points of view expressed relative to the number of topics included in the agenda of the Directing Council. It was further agreed that certain items already analyzed and discussed in detail by the Executive Committee should only be reviewed by the Directing Council.

The CHAIRMAN expressed his agreement with the thoughts put forward.

Dr. WILLIAMS (United States of America) stated that in his opinion the effectiveness of the Executive Committee depended on the confidence which the Directing Council had in it. Perhaps one way would be for the Directing Council to delegate more authority to the Executive Committee who would thus take action and simply report on a matter to the Directing Council. It was suggested to resume discussion of this proposal at the forthcoming Meeting of the Directing Council.

The following draft resolution was presented to and approved by the Executive Committee:

RESOLUTION VIII

CE50 R8

THE EXECUTIVE COMMITTEE,

Having studied the report of the Director of the Bureau on the status of the study of the structure and organization of the Pan American Sanitary Conference;

Noting that many Governments have as yet not expressed their opinion on the various points under study; and

Bearing in mind Resolution XXVI of the XIV Meeting of the Directing Council, which requests the Director to report on this matter to the XVI Meeting of the Council,

RESOLVES:

1. To request the Director to pursue the study, communicating with Governments which have not yet expressed their views on this matter.

2. To suggest to the Director the value of a preliminary report to the XV Meeting of the Directing Council on the progress of the study.

(Approved at the fifth plenary session,
29 April 1964)

9. SECOND ANNUAL MEETINGS OF THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL

Dr. CUTLER (Deputy Director, PASB) introduced the item and stated that the Second Annual Meeting of the Inter-American Economic and Social Council at the Expert Level had been held in São Paulo, Brazil, from 29 October to 19 November and, at the Ministerial Level, from 11 to 16 November 1963. Of the 19 delegations present 13 had included representatives of Ministries of Health. The Bureau had been represented by the Director, the Deputy Director, and other officials. The advance made in the Alliance for Progress, both in the economic and in the social field, including health activities, were discussed. The machinery of the Alliance was examined, and the Inter-American Committee of the Alliance for Progress was established. A total of 34 resolutions were approved at the expert level and 30 at the ministerial level.

Among the resolutions approved at the Expert Level were those approving the report of the Task Force on Health at the Ministerial Level, organized by the Bureau in accordance with the provisions of the Charter of Punta del Este; recognizing the importance of foot-and-mouth disease in South America and the need for vigilance in areas free of the disease; and recommending that contributions to the financing of malaria eradication operations provided through the mechanism of the Alliance for Progress should be in the form of grants.

The resolutions approved at the Ministerial Level included those dealing with the establishment of a continent-wide program of rural sanitation and welfare, approval of the appropriations for the Pan American Foot-and-Mouth Disease Center (\$632,105) and for courses on the planning of water supply systems (\$58,058), the technical administration of which will be incumbent on the Bureau; the recommendations of the report of Committee VI of IA-ECOSOC concerning health which covered planning, statistics, personnel training, organization and administration of services, environmental sanitation communicable diseases, nutrition, medical care, and water supply systems and general matters.

Dr. JARUFE (Peru) said that he had listened to the statement of Dr. Cutler with much interest. Once again, the need to unite national efforts with international efforts to improve the level of living in the Americas had to be stressed. The agencies engaged in those efforts should adopt an overall view of the problem; for frequently they did not pay proper attention to health activities in national development programs. Sometimes the pattern of health activities was too closely modeled on that of more developed countries. It was urgently necessary to see the health implications of large-scale works, such as those of urbanization, irrigation, road building, etc., connected with development plans.

At the recent World Health Assembly the Peruvian delegation had asked WHO to accord high priority to health projects in areas where large-scale works such as those to which he had already referred were being

carried out. That draft resolution had been approved. He therefore suggested that the Executive Committee might wish to transmit the same request to the Directing Council so that they might consider it at their next meeting.

Dr. HORWITZ (Director, PASB) stated that for his part he wished to emphasize two facts in connection with the meeting of the Inter-American Economic and Social Council. The first was that stated in the document on the item; namely, that of the 19 delegations attending the meeting, 13 included representatives of ministries of health. That situation was similar to the one that had occurred when the Inter-American Economic and Social Council met at Punta del Este and the Alliance for Progress was born. Even at the risk of falling into exaggeration it was necessary, in his opinion, to go on unflaggingly insisting on the incorporation of health programs into general development plans. By doing so, an attempt was being made to further an educational process. Governments did not always see social development as an organic whole, with the result that their activities did not appear homogeneous; the ministries worked on what might be called a vertical plane, more or less in isolation the one from the other; that was clearly shown by an examination of the national budgets. There had to be a new approach, a continuous exchange of views between all the experts and technicians involved in social development.

For that reason the ministries of health should be represented at meetings of international agencies and should take part in the discussions; health had an essential part to play in humanizing development.

The second point related to foot-and-mouth disease. No exact figures were available because no thorough studies had been made, but various sample surveys showed that the losses due to foot-and-mouth disease amounted to about 500 million dollars a year, to which it was necessary to add another 50 million dollars for deaths caused by paralytic rabies. The efforts to expand the activities of the Pan American Foot-and-Mouth Disease Center were thus justified. In that connection great advances have been made in the search for a live virus vaccine, which was necessary because the vaccine in use up to then gave no more than 3 or 4 months' protection; the live virus vaccine which attempts were being made to produce, would confer immunity for a longer period, which would make it more possible to plan continuous activity. The same held true for rabies; both the amount and the quality of the vaccine produced in Latin America was deficient. The Organization was engaged in negotiations which might possibly lead to an expansion in the production of those vaccines.

With respect to the statement of Dr. Jarufe, the agenda for the next meeting of the Directing Council contained an item relating to the resolutions approved by the last World Health Assembly and thus the one Dr. Jarufe had mentioned, would be included; unless he preferred to single it out and to have it appear as a separate item.

In conclusion, it could be said that a custom was in a process of being created and that that custom could only be created by repeated and continued examples. To do so was also a function of the Organization and for that reason he again apologized for any apparent lack of respect toward the Governments which might be involved in his continually emphasizing the same themes.

Dr. WILLIAMS (United States of America) said that he had listened to the preceding statements with great interest. He only had a few comments to make; first, the Inter-American Economic and Social Council by its actions had shown that it tended to acknowledge more clearly the importance of health in the process of economic development. Formerly, unfortunately, less account had been taken of the human factor. All that had changed and health was receiving the attention it undoubtedly deserved; the role of health in the economic development was something already acknowledged. In that connection a great debt was owed to the staff of the Bureau, which had worked hard at the various meetings of international agencies to bring about that change of attitude.

Mr. ROUECHE (Observer, OAS), speaking at the invitation of the Chairman, stated that he only wished to say that the OAS was very much interested in the problem of foot-and-mouth disease, in which it had invested about 5 million dollars. The OAS wanted the activities of the Foot-and-Mouth Disease Center to be expanded and strengthened.

Another program which had not been mentioned was that of community organization and development, including the development of Indian communities; he invited PASB to cooperate in that field where its valuable experience would enable health to play the role it should in that program.

The OAS was extremely pleased with the way in which PASB had developed the Pan American Foot-and-Mouth 'Disease' Center and the impetus it had given to other programs financed by the Technical Cooperation Program of the OAS. Those were the programs about which the OAS had the least concern, since they knew they were in good hands.

The CHAIRMAN said that he wished once again to emphasize the priority that health programs should have in development plans. In Peru the Government had laid it down that the budgets of large-scale public works should include allotments for dealing with the health problems arising from those works. It was necessary at all times to take into account the difference in the health requirements in developing countries and those in developed countries and, in that connection, the importance of having efficient laboratories producing biological products not only for animal health but also for human consumption. All agencies connected with the Alliance for Progress should examine that problem and give it the priority it deserved.

Dr. VIDOVIICH (Uruguay) submitted a draft resolution which was read by Dr. Cutler.

Dr. JARUFE (Peru) stated that he wished to add to the draft resolution a fifth paragraph relating to the problem he had mentioned in his statement, namely that proper attention should be given to the health implications of the large-scale works being carried out in the countries in connection with economic and social development.

The following resolution was approved:

RESOLUTION IX

CE50 R9

THE EXECUTIVE COMMITTEE,

Having noted the Director's report on the Second Annual Meetings of the Inter-American Economic and Social Council (Document CE50/2);

Being aware of the role of health in economic and social development;

Recognizing the importance of participation by the organization representing the health sector in the various governmental and inter-governmental activities and programs which plan for and assist in the process of social and economic development;

Being convinced of the necessity for attention to the health of the individual and the community as part of the development process, as well as of the contribution that health must make to assist in development; and

Having taken particular note of the health related resolutions of the Second Meetings of the IA-ECOSOC,

RESOLVES:

1. To take note of the report presented by the Director (Document CE50/2).

2. To commend the Director on the role and participation of the Pan American Sanitary Bureau in the meetings of the Inter-American Economic and Social Council.

3. To instruct the Director to continue providing such cooperation as he finds appropriate and necessary to assure the fullest participation and contribution of the health sector, at the international level, in the planning for and carrying out of programs of social and economic development.

4. To instruct the Director to continue his efforts to implement the health-related resolutions and recommendations approved by the IA-ECOSOC, especially those concerning the continent-wide program of rural environmental health and well-being and its integration with other community development programs, and the economic significance of foot-and-mouth disease to the Americas.

5. To request the Director to report to the next meeting of the Directing Council on whether it would be possible for international credit institutions, when granting loans for large-scale works such as irrigation, roadbuilding, urbanization and the like, to consider the allocation of the necessary funds for dealing with the health problems to which such works give rise.

6. To transmit this resolution to the Directing Council so that it may lend its support to the recommendations contained therein.

(Approved at the sixth plenary session,
29 April 1964)

10. TRAINING OF AUXILIARY PERSONNEL

Dr. DIAZ-COLLER (Chief, Professional Education Branch, PASB) gave figures on the number of auxiliary medical workers trained in 1963 by the countries in projects to which the Organization gave assistance. In all, there were 5,574, and a table showing their distribution by field of study had already been distributed.

That figure, which was the result of a very summary study, did not give the true picture, since the number of auxiliary medical workers trained by the countries was certainly much higher. The duration of courses varied from two to nine months. And the general level of education of the students also varied from country to country.

As to the share of the expenses borne by the Bureau it was very difficult to give an accurate figure at that point, and to do so a further study would be necessary.

The Bureau was very interested in the training of auxiliary medical workers and was in fact holding conversations with the W. K. Kellogg Foundation with a view to obtaining financial assistance for courses of programmed instruction for auxiliary workers in the countries.

Dr. MARTINEZ (Mexico) stated that the training of auxiliary workers was a major problem and the efforts of the Bureau in that regard were highly commendable. Nevertheless, the Bureau should take the lead in bringing about a change of attitude in Latin American countries, since it was in fact the more developed countries that had and used more auxiliary medical personnel.

He was well aware of the difficulty in making a financial analysis of what was spent in the field of training and was of the opinion that it was advisable to study the type of auxiliary personnel that each of the regions of Latin America should have.

The Organization should take the lead in expanding the training of auxiliary workers and he asked that the Directing Council be informed of the need to promote the training of this type of personnel.

Dr. ORTEGA (Observer, Dominican Republic) speaking at the invitation of the Chairman, expressed his agreement with the statement of Dr. Martinez and said that in Latin America, and especially in his own country, it was essential to train many more auxiliary workers and for that purpose the Dominican Republic needed the technical advisory services of the Organization.

Dr. HORWITZ (Director, PASB) said that he had nothing to add to what had been so clearly expressed by the Representative of Mexico. He would only like to know how the Committee intended to bring its interest in the matter to the attention of the Directing Council. It might perhaps be advisable to have a complete study made of this type of training.

In the document on the health situation in the Americas it was stated that there were about 100,000 auxiliary nurses in Latin America but a high proportion of that category of workers had not received appropriate training.

Dr. MARTINEZ (Mexico) said that it would be desirable to have a study made, with the help of national experts, of the types and numbers of auxiliary workers needed. Perhaps the Director would organize a meeting of experts in 1965 or 1966 to examine the situation and explore the possibilities of solving the problem.

Dr. HORWITZ (Director, PASB) stated that in Venezuela trials were being made of what was known as simplified medicine so as to make more use of auxiliary personnel, especially in areas to which access was difficult.

The study of human resources which the Organization was going to make with the assistance of the Milbank Memorial Fund, would also cover the need for auxiliary medical personnel.

By means of visits to the countries one or two of the experts might be able to collect the necessary background information for a seminar or meeting of experts.

Finally, the following resolution was approved:

RESOLUTION X

CE50 R10

THE EXECUTIVE COMMITTEE,

Having examined the proposal of the Representative of Mexico concerning the training of auxiliary personnel; and

Taking into account the discussion on the proposal in plenary session,

RESOLVES:

To recommend to the Directing Council, at its XV Meeting, that it adopt the following resolution:

THE DIRECTING COUNCIL,

Considering the urgent need to train a sufficient number of auxiliary workers of a caliber to meet the demands of the economic, social, and health situation in each country;

Considering the need to set up guidelines for the training of auxiliary workers and of the persons who will teach them; and

Considering the advisability of determining the types, number and duties of auxiliary workers in relation to professional personnel and to health programs,

RESOLVES:

To instruct the Director to prepare a study on the training of auxiliary workers that may serve as the basis for discussion at a meeting of national authorities experienced or interested in the question, with the collaboration of international experts, for the purpose of presenting, for consideration by the Organization, a policy for the training of auxiliary workers based on the needs of the countries of the Americas.

(Approved at the sixth plenary session,
29 April 1964)

11. FINANCIAL REPORT OF THE DIRECTOR AND REPORT OF THE EXTERNAL AUDITOR FOR 1963
12. REPORT ON THE COLLECTION OF QUOTA CONTRIBUTIONS

Dr. PORTNER (Chief of Administration, PASB) presented agenda Item 7, and noted that it was closely linked with agenda Item 8. He introduced Official Document No. 53 containing the Reports of the Director and the External Auditor.

The Report of the Director presents an accounting of the funds of the Organization in accordance with the Financial Regulations and Rules. More important, it is a report on managerial stewardship in the wise utilization of resources for the objectives of the Organization, and the prudent control of funds to assure a sound financial position. Program and managerial aspects of 1963 activities also will be reflected in the Director's Annual Report, as well as in individual reports on administrative rationalization and on specific health subjects.

Expenditures from PAHO and WHO sources are summarized on page 2 of Official Document No. 53. Total expenditures in 1963 are two million dollars higher than in 1962. Taking just the funds for operations, which amount to \$14,143,839, excluding building costs and purchases on behalf of Governments, the increase over operations expenditure in 1962 is \$784,804. Of the expenditures for operations, 74 per cent are from PAHO sources and 26 per cent from WHO sources. Details of expenditure, by project are shown in the Informational Annex, starting on page 53 of the document. Except for this table and the Informational Annex, this Report deals only with PAHO funds. Accounting for WHO funds is presented in the WHO Financial Report.

The financial situation of PAHO regular is presented in summary form in the Introduction. It will be noted in the paragraph under Budget Income that the figures as of 31 December do not include a quota payment for 1963 of \$1,000,000 from the largest contributor. Due to an unusual legislative delay this payment was not received until 14 January. If this is taken into account, the income in relation to authorized budget is above the average for the last five years. The same is true for collection of quotas for the current year, which rises above the five year average if the late payment is considered.

The quota situation shows some improvement, but remains serious, especially in respect of countries owing two years or more. Although the number of countries in this category dropped from 7 in 1962 to 5 at the end of 1963, only 2 of them had agreed upon a plan for payment within a specific period. The total amount of the arrears rose considerably, since the assessed quota of one of the countries represents over 7 per cent of the assessed budget. As noted in the Introduction serious attention is invited to the recommendation of the External Auditor, considered on a preliminary basis by the Governing Bodies last year, for adopting a provision in the PAHO Constitution along the lines of Article 7 of the WHO Constitution. The Executive Committee may wish to take the necessary steps to bring this matter to the Directing Council for action.

Prudent management was exercised throughout the year to fulfill the Directors policy of keeping expenditure within income. Total expenditure for operations were \$5,090,269, or \$599,731 below the appropriation for operations.

The financial situation can best be grasped by studying Tables A and B on pages 6 and 7. Because of the exceptional situation, alternate columns are shown for 1963, one for the status as of 31 December and the other including the delayed payment. When the second alternate column is used, the income for the six-year period exceeds expenditures by \$351,184. This redresses the negative balance of \$106,492 reported last year for the previous five year period. It is this balance which reflects fulfillment of the Director's commitment for prudent fiscal management.

In Table B the status of the Working Capital Fund also reflects the financial position of the Organization. Taken as of 31 December, it is the lowest in percentage (17.9 per cent) since the WCF was established. If the delayed payment is considered, however, the percentage (33.18 per cent) is the highest since January 1958.

Dr. Portner pointed out that among PAHO Other Funds, the level of expenditures for Malaria Eradication and Water Supply were almost the same as in 1962. Grants and other contributions to PAHO increased in 1963 to \$801,699, from \$630,964 in 1962.

Funds from the OAS Program of Technical Cooperation continued to support the highly valuable work of the Foot-and-Mouth Disease Center, as well as supporting special courses on design of water supply systems.

INCAP activities accounted for an increase in expenditure of about \$85,000 in 1963 compared to 1962.

For the first time the Financial Report reflects substantial amounts in relation to the new building. The major portion of expenditure reflects the cost of the site kindly donated by the U.S. Government. This amount of \$1,092,150, is shown both as an income and expenditure in 1963, since the Organization does not retain buildings and land as assets on the balance sheet. The generous loan of \$5,000,000 from the Kellogg Foundation was received and is shown as income to the Building Fund in 1963.

Dr. Portner then reviewed the notes, exhibits and schedules of the Report.

Dr. Portner presented the Report of the External Auditor, reading the portions of greatest importance, especially the paragraph on Budgetary Income. The Auditor had complimented the officers of the Organization for keeping down costs relating to construction of the building. He had commented favorably on the Director's financial prudence in establishing reserves for terminal costs for staff members financed from voluntary contributions and grants. The Auditor had called attention to the substantial savings realized as a result of recentralization of administrative services.

Dr. Portner read in full the Auditor's summary paragraph urging payment of quotas and reiterating his recommendation for the adoption of

a constitutional provision similar to WHO and other international organizations for possible withholding of voting privileges and services in relation to Member Governments in arrears two or more years.

Following Dr. Portner's presentation the CHAIRMAN asked for comments and questions.

Dr. MARTINEZ (Mexico) pointing out the interrelationship between Items 7 and 8 asked for clarification as to whether both should be considered at the same time or individually and if so in which order.

The CHAIRMAN decided that in view of their close relationship Items 7 and 8 should be discussed at the same time and asked Dr. Portner to continue with Item 8.

Dr. PORTNER (Chief of Administration, PASB) then drew attention to Document CE50/8, and Addendum I, documentation on the current status of quota contributions.

Quota payments are, of course, much higher than at the same time in previous years, due to the inclusion of \$1,000,000 paid by the largest contributor on 14 January as previously mentioned. Collection of current quotas for 1964 are \$156,000 compared to collection of \$30,300 at the same time last year. This is a modest improvement but encouraging.

Dr. MARTINEZ (Mexico) wanted to know the program consequences of delays in quota payments. Also he wanted to know the exact provisions of that part of the WHO Constitution relating to the non-payment of quotas by Governments.

Dr. HORWITZ (Director, PASB) then proceeded to read Article 7 of the WHO Constitution. As to the consequences of delays in quota payments, he pointed out that the Organization reviews its programs each three months to adjust them to the financial situation. Two types of activities which most often suffer from insufficient resources are (1) technical assistance provided to governments through short-term consultants and (2) training of public health personnel under our fellowship program. Generally, lack of funds do not cause so much the deletion of a program as its delay. Furthermore, the Organization was not able to redeploy any of the savings due to delays in implementation of projects to meet additional needs of governments such as those presented in Annex 5 of Official Document No. 45 which could not be included within the budget ceiling.

Dr. MARTINEZ (Mexico) pointed out that delays in implementation of programs following delays in receipt of quota payments resulted in an increase in costs, since it resulted in the Organization's administrative facilities not being fully used. Also, the limits placed on needed field operations were an unfortunate consequence of the delays. Non-payment of quotas was not only due to financial difficulties faced by the governments but, more importantly, was a result of lack of positive attitudes on the part of public health officials within the country. He wanted to know what role the Director had in mind for the newly appointed Country Representatives, in his search for a solution to this problem.

Dr. HORWITZ (Director, PASB) replied that the Country Representatives had been requested to take an active part in the encouragement of quota

payments. However, this must be done with tact and diplomacy since collection work is difficult.

Mr. CALDERWOOD (United States of America) referred to his government's concern over budget increases while this problem of delays in quota payments exists in its present magnitude, and recalled that this was the reason for the United States abstention on the vote to approve the budget, pending review of the financial situation of the Organization by the Directing Council. He was sure the Committee appreciated the efforts of the Director, in accordance with the mandate given him by the Directing Council, to obtain payment of contributions which were overdue. But the collection of the contributions in arrears should not be regarded as the sole responsibility of the Director. The Committee should support his efforts. The Director has drawn attention to the effect which the financial condition of the Organization has had on the annual program. A review of the actual expenditures shows clearly that the amount of funds allocated by the budget for 1963 for many programs was substantially reduced. It seemed to him that the Committee should give serious consideration to the views expressed in the financial report both by the Director and the External Auditor in regard to the inclusion of a penalty clause in the Constitution similar to Article 7 of the WHO Constitution.

Dr. ORLICH (Costa Rica) stated his concern over the effects of application of Article 7. The suspension of services in one country could lead to harmful results that would affect neighboring countries.

Dr. MARTINEZ (Mexico) agreed that suspension of services in a country could lead to harmful results and was not practical in the Americas. He felt furthermore that the Organization should not deprive itself of full participation of all countries in meetings, which could happen if voting privileges were suspended for failure to pay quotas.

Mr. ROUECHE (Organization of American States) reported successful experience in collecting pledges in the Technical Cooperation Program of OAS and stated that interested ministries are the best salesmen for programs inside their country. Ministers of health could make an effective contribution by visiting their fellow ministers controlling quota payments and pressing for assistance in meeting PAHO assessments.

Mr. CALDERWOOD (United States of America) agreed that it would be unfortunate if the countries were deprived of the Organization's services and declared it was not necessary that the terms of WHO's Article 7 be followed exactly. Suspension of voting rights alone, without suspension of services, might be sufficient.

Dr. VIDOVIICH (Uruguay) stated that his country fell behind in its quota payments not through ill will or disinterest but solely due to the pressures of unfavorable economic developments following the drastic decline in the prices of Uruguay's exports. Economic conditions have now improved and it is anticipated that Uruguay will soon be able to make a substantial payment of amounts now in arrears.

Dr. AMAYA (Nicaragua) wished to point out that his country was not in arrears. It had not yet paid the 1964 quota because Nicaragua's fiscal year starts 1 July 1964. The 1964 quota would be paid at that time. Other amounts due PAHO for procurement, etc. had been paid or would be paid upon receipt of invoices.

The CHAIRMAN, reviewed the discussion of the XIV Directing Council which left the matter open for further consideration. He pointed out that the WHO experience shows that it is sufficient to have a constitutional provision to obtain better quota payments, and that it had not been necessary to apply it. In view of the discussion it would be best to have a working party to draft a resolution, for which he named Dr. Martínez (Mexico), Mr. Calderwood (United States of America) and Dr. Pantoja (Brazil).

The working party submitted its report in the form of two resolutions for agenda items 7 and 8 respectively. At the request of the Chairman, Dr. CUTLER (Deputy Director, PASB) read the proposed resolution on Item 7, (Financial Report of the Director and Report of the External Auditor for 1963).

The Committee unanimously approved the following resolution:

RESOLUTION XI

CE50.R11

THE EXECUTIVE COMMITTEE,

Having examined the Financial Report of the Director and Report of the External Auditor for the fiscal year 1963 (Official Document No. 53);

Considering that there has been improvement in the financial situation but that the problem of quota collections remains serious, especially with respect to Governments in arrears two or more years; and

Observing that the expenditures for programs recommended in the authorized budget are necessary to attain the objectives for improvement of the health of the peoples of the Americas and for promotion of economic and social development,

RESOLVES:

1. To take note of the Financial Report of the Director and Report of the External Auditor for the fiscal year 1963 (Official Document No. 53), and transmit them to the Directing Council at its XV Meeting.

2. To urge Governments that have outstanding quotas to pay them as soon as possible, and to urge those Governments in arrears two or more years to adopt a financial plan for the payment of outstanding quotas within a definite period.

3. To commend the policy of prudent management followed by the Director in maintaining budgetary expenditure within income and in establishing reserves in relation to programs financed with voluntary contributions and grants.

(Approved at the sixth plenary session,
29 April 1964)

At the request of the Chairman, Dr. CUTLER (Deputy Director, PASE) read the proposed resolution on Item 8, Collection of Quota Contributions, as proposed by the working party as follows:

THE EXECUTIVE COMMITTEE,

Having examined the report on the collection of quota contributions (Document CE50/8 and Addendum I), and having noted the information and comments on quotas contained in the Financial Report of the Director and Report of the External Auditor (Official Document No. 53);

Considering Resolution XXXIV of the XIV Meeting of the Directing Council, which, inter alia, requests the Executive Committee to continue its study of this subject and to retain this item on the agenda for the XV Meeting of the Council; and

Taking note of the efforts of the Director, pursuant to that resolution, to obtain settlement of the problem of arrearages,

RESOLVES:

1. To take note of the report on the collection of quota contributions (Document CE50/8 and Addendum I).

2. To commend the Director for his efforts to obtain settlement of the outstanding arrearages.

3. To express appreciation for the improvements which have been realized since the 48th Meeting of the Executive Committee in the status of contributions.

4. To express its concern, nevertheless, over the continuing serious financial situation of the Organization.

5. To recommend that the Directing Council consider the adoption of an amendment to the Constitution of the Pan American Health Organization along the following lines:

If a Government fails to meet its financial obligations to the Organization by the date of the opening of the Pan American Sanitary Conference or the Directing Council, the following provisions shall apply:

a) A Government in arrears in an amount equal to or exceeding the contribution due from it for the preceding year shall be assessed an additional interest charge calculated at the rate of 10 per cent per annum on the total amount in arrears until paid.

b) In respect of a Government in arrears in an amount which exceeds the amount of contributions due from it for the preceding two full years, the voting privileges of such

Government shall be suspended. The Conference or the Directing Council may, nevertheless, permit such Member to vote if it is satisfied that the failure is due to conditions beyond the control of the Government.

Dr. AMAYA (Nicaragua) observed that the loss of voting rights provision of the resolution would have coercive effects, and the interest rate to be applied to arrears seemed rather high.

Dr. MARTINEZ (Mexico) stated that the working party had considered a lower interest rate but decided that the rate should be high enough to avoid giving the appearance of being merely payment for a loan of funds, which might have an opposite effect from that intended.

Dr. VIDOVIH (Uruguay) also thought the interest rate to be high. He did not favor any interest being charged for delayed payments.

Dr. PANTOJA (Brazil) called attention to the provision of the resolution giving the Directing Council authority to waive suspension of voting rights where financial conditions in the country warranted such action. This authority did not extend to waiver of the interest charge. He thought this waiver provision should apply to the interest penalty as well as to suspension of voting rights.

The CHAIRMAN viewed the interest penalty as a possible brake on payment of quota collections. A more fruitful approach was expressed in the past tendency to search for ways to ease payment difficulties instead of making payment more difficult.

Dr. ORLICH (Costa Rica) also thought the interest rate too high. It would double the debt of some countries.

Mr. CALDERWOOD (United States of America) favoured Dr. Pantoja's proposal whereby the Directing Council would also have authority to waive the interest penalty. The interest penalty served the useful purpose of drawing the Directing Council's attention to the seriousness of the situation. If the countries anticipated an extra 10 per cent charge they would make every effort to raise funds, and if the qualifying clause also were to apply to the interest penalty, the Directing Council could grant relief to a country whose failure to pay was due to conditions beyond its control.

Dr. JARUFE (Peru) pointed out the need for making clear that the proposed interest penalty would not be applied retroactively.

Dr. MARTINEZ (Mexico) agreed with Dr. Jarufe that the interest penalty should not be applied retroactively. However, if after a certain grace period present balances remain unpaid, then the interest penalty would apply also to such balances.

Dr. CUTLER (Deputy Director, PASB) then read out paragraph 5 of the draft resolution embodying the amendments proposed during the course of the discussion.

"5. To recommend that the Directing Council consider the adoption of an amendment to the Constitution of the Pan American Health Organization along the following lines:

If in the future a Government fails to meet its financial obligations to the Organization by the date of the opening of the Pan American Sanitary Conference or the Directing Council, the following provisions shall apply:

a) A Government in arrears in an amount equal to or exceeding the contribution due from it for the preceding year shall be assessed an additional interest charge calculated at the rate of 10 per cent per annum on the total amount in arrears until paid.

b) In respect of a Government in arrears in an amount which exceeds the amount of contributions due from it for the preceding two full years, the voting privileges of such Government shall be suspended.

c) The Conference or the Directing Council, nevertheless, may waive or modify terms and conditions of payment of an interest charge or may permit a Government to vote if it is satisfied that the failure is due to conditions beyond the control of the Government.

d) The Conference or Directing Council shall establish the effective date of the application of this provision to the countries presently in arrears for two or more years".

Dr. JARUFE (Peru) commented that the proposal to charge interest on the arrears would make collection more difficult and proposed to delete this provision.

Dr. MARTINEZ (Mexico) stated that he had been in consultation with Dr. Pantoja and that they felt that the proposed resolution could be revised to include the following points:

a) To commend the Director for his efforts.

b) To recommend that the Director instruct the Country Representatives to make every effort to stimulate action for payment of quotas.

c) To request the Director to keep Governments informed on the status of quotas and the implications of non-payment.

d) To recommend that the Directing Council consider authorizing interest bearing loans to countries in arrears to facilitate payment of quotas.

After discussion of the various amendments the CHAIRMAN decided that the working party should hold a second meeting to prepare a draft resolution.

Dr. PANTOJA (Brazil), at the following session, reported that the working party, with the participation of Dr. Orlich, had prepared a new draft and requested that it be given consideration in substitution for the resolution previously submitted.

This being acceptable to the Committee, Dr. CUTLER (Deputy Director, PASB), read the draft.

The Committee unanimously accepted the revised proposal and approved the following resolution:

RESOLUTION XII

CE50 R12

THE EXECUTIVE COMMITTEE,

Having examined the report on the collection of quota contributions (Document CE50/8 and Addendum I), and having noted the information and comments on quotas contained in the Financial Report of the Director and Report of the External Auditor (Official Document No 53);

Considering Resolution XXXIV of the XIV Meeting of the Directing Council, which, inter alia, requests the Executive Committee to continue its study of this subject and to retain this item on the agenda for the XV Meeting of the Council; and

Taking note of the efforts of the Director, pursuant to that resolution, to obtain settlement of the problem of arrearages,

RESOLVES:

1. To take note of the report on the collection of quota contributions (Document CE50/8 and Addendum I).
2. To commend the Director for his efforts to obtain settlement of the outstanding arrearages.
3. To express appreciation for the improvements which have been realized since the 48th Meeting of the Executive Committee in the status of contributions.
4. To express its concern, nevertheless, over the continuing serious financial situation of the Organization.

5. To recommend that the Director instruct the PAHO Zone Chiefs and Country Representatives in the respective countries to maintain continuous efforts to have the payment of quotas effected on a current basis and to have any arrearages paid as soon as possible.

6. To request the Director to continue his efforts to keep the Governments amply informed of the status of quota payments and of the implications of non-payment on the prosecution of the program of the Organization.

7. To recommend that the Directing Council authorize the Director to cooperate with a Government in arrears, if the Government so agrees, to obtain credits or find other means to meet its quota arrearages.

8. To recommend that the Directing Council consider the adoption of an amendment to the Constitution of the Pan American Health Organization in the following terms:

"If a Government fails to meet its financial obligations to the Organization by being in arrears in an amount exceeding two full years, by the date of the opening of the Pan American Sanitary Conference or the Directing Council, the voting privileges of such Government shall be suspended. The Conference or the Directing Council may, nevertheless, permit such Member to vote if it is satisfied that the failure is due to conditions beyond the control of the Government."

(Approved at the seventh plenary session,
30 April 1964)

Dr. WILLIAMS (United States of America) called attention to Article 28 of the PAHO Constitution which relates to the procedure for submitting proposals for amendment of the Constitution. After some discussion the working party was assigned the task of drafting an additional resolution to assure conformity with the requirements of Article 28.

The resolution as drafted by the working party was read.

The Committee unanimously approved the following:

RESOLUTION XIII

CE50.R13

THE EXECUTIVE COMMITTEE,

Bearing in mind the provisions of Article 28 of the Constitution of the Pan American Health Organization,

RESOLVES:

To instruct the Director, in order to comply with the above article, to transmit to the Member Governments Resolution XII of the 50th Meeting of the Executive Committee, taking into consideration that point 8 of the resolution proposes an amendment to the Constitution.

(Approved at the seventh plenary session,
30 April 1964)

13. PRELIMINARY DRAFT AGENDA FOR THE XV MEETING OF THE DIRECTING COUNCIL OF PAHO, XVI MEETING OF THE REGIONAL COMMITTEE OF WHO FOR THE AMERICAS

Dr. CUTLER (Deputy Director, PASB) on presenting Document CE50/11 stated that the Constitution of the Organization provides "that the provisional agenda of the Council shall be prepared by the Director of the Bureau and submitted to the Executive Committee for approval." In conformity with that constitutional provision, the Director had presented Document CD15/1, Rev. 1, the Provisional Agenda of the XV Meeting of the Directing Council, XVI Meeting of the Regional Committee of the WHO for the Americas. Dr. Cutler then read the draft agenda.

Dr. JARUFE (Peru) requested that an agenda item on large scale development programs, similar to the one for which a resolution was adopted by the Seventeenth World Health Assembly at the request of Bolivia, Colombia, Ecuador and Peru, be included in the draft agenda of the XV Meeting of the Directing Council. He made reference to priorities which should be established with projects related to economic development, making special reference to the Carretera Marginal de la Selva Sud Americana.

Dr. ORLICH (Costa Rica) supported what Dr. Martínez had suggested at a previous session, that a study be made on the relationship between social security institutions and ministries of health.

Mr. CALDERWOOD (United States of America) requested that an item "Study of the Organization of the Pan American Sanitary Conference", similar to an item that had been taken up by the Executive Committee, be also included in the draft agenda.

Dr. HORWITZ (Director, PASB) noted that the provisional agenda (Document CD15/1, Rev.1) for the XV Meeting of the Directing Council, which had been prepared before the 50th Meeting of the Executive Committee included an item "A Program Review of a Sample of Long-term Projects of the Organization". The Executive Committee had since reviewed and approved the report submitted by the Director on the same subject; therefore, it would not be mandatory for the Executive Committee to include a similar item in the draft agenda of the Directing Council, unless it wished to do so.

Dr. MARTINEZ (Mexico) felt that the Directing Council should be informed of this review. He further proposed that an item on the training of auxiliary personnel be added to the Directing Council's agenda. He then requested that the Executive Committee be informed on the progress being made in the preparation for the technical discussions, "Tuberculosis Eradication: A Task for Present Planning and Future Action", at the Directing Council.

The CHAIRMAN summarized the proposals which had been made by the Members. He pointed out that in the provisional agenda (Document CD15/1, Rev.1) such items as "Proposed Program and Budget", "Financial Report of the Director and Report of the External Auditor", "Report on the Collection of Quota Contributions", "Amendments to the Staff Rules of the PASB", "Emergency Revolving Fund", "Report on Buildings and Installation for Headquarters", "A Program for Review of a Sample of Long-term Projects of the Organization", and "Progress Report on the Administrative

Rationalization in the PASB" which had been reviewed in depth by the Executive Committee, should perhaps be omitted from agendas of the Directing Council, considering that the action of the Executive Committee could be included in a more extensive report of its Chairman. He recognized that his suggestion might require amendments to the PAHO Constitution, however, every possibility should be explored, if the Executive Committee was indeed to perform executive functions.

Dr. HORWITZ (Director, PASB) read to the Committee Article 14 of the Constitution of PAHO which lists the functions of the Executive Committee among which is "To consider and submit to the Conference or to the Council the proposed Program and Budget prepared by the Director of the Bureau, with such recommendations as it deems advisable." He understood the Chairman's concern for the Directing Council debating subjects which had been fully reviewed by the Executive Committee but expressed his doubt that some Member Governments not represented at the Executive Committee would forgo their privilege of reviewing some of these items, particularly the proposed budget.

At the sixth plenary session the Committee adopted the following resolution:

RESOLUTION XIV

CE50 R14

THE EXECUTIVE COMMITTEE,

Having examined the provisional agenda (Document CD15/1, Rev. 1) prepared by the Director of the Bureau for the XV Meeting of the Directing Council of PAHO, XVI Meeting of the Regional Committee of the World Health Organization for the Americas; and

Considering that Article 12-C of the Constitution provides that "the provisional agenda of the Council shall be prepared by the Director of the Bureau and submitted to the Executive Committee for approval," and that, pursuant to the provisions in force, the Governments may propose items which in their opinion should be considered by the Directing Council,

RESOLVES:

1. To approve the provisional agenda prepared by the Director (Document CD15/1, Rev.1) for the XV Meeting of the Directing Council of PAHO, XVI Meeting of the Regional Committee of the World Health Organization for the Americas.

2. To authorize the Director to include in the provisional agenda such additional items as may be proposed in due time by the Governments and by those organizations entitled to propose agenda items.

(Approved at the sixth plenary session,
29 April 1964)

PROVISIONAL AGENDA

1. Opening of the Meeting
2. Establishment of the Committee on Credentials
3. Election of President and Two Vice-Presidents
4. Adoption of the Agenda
5. Establishment of the General Committee
6. Annual Report of the Chairman of the Executive Committee
7. Annual Report of the Director of the Pan American Sanitary Bureau
8. A. Proposed Program and Budget of the Pan American Health Organization for 1965
B. Proposed Program and Budget of the World Health Organization for the Region of the Americas for 1966
C. Provisional Draft of the Proposed Program and Budget of the Pan American Health Organization for 1966
9. Financial Report of the Director and Report of the External Auditor for 1963
10. Procedure for the Admission of New Members
11. Report on the Collection of Quota Contributions
12. Amendments to the Staff Rules of the Pan American Sanitary Bureau
13. Resolutions of the Executive Board and the World Health Assembly of Interest to the Regional Committee
 - a) Large-Scale Development Programs (WHA17.20)
 - b) Others

14. Second Annual Meetings of the Inter-American Economic and Social Council, and Related Matters
15. Emergency Revolving Fund
16. Report on Buildings and Installations for Headquarters
17. Progress Report on the Program of Rural Water Supply and Well-Being
18. Report of Program Review of a Sample of Long-Term Projects of the Organization
19. Technical Discussions: "Tuberculosis Eradication: a Task for Present Planning and Future Action"
20. Report on the Status of Malaria Eradication in the Americas and Estimated Requirements for the Special Malaria Fund of the Pan American Health Organization
21. Election of Three Member Governments to the Executive Committee on the Termination of the Periods of Office of Nicaragua, Peru, and Uruguay
22. Selection of Topics for the Technical Discussions during the XVI Meeting of the Directing Council of PAHO, XVII Meeting of the Regional Committee of WHO for the Americas
23. Progress Report on Administrative Rationalization in the Pan American Sanitary Bureau
24. Research Policy and Program of the Pan American Health Organization
25. Place of the XVII Pan American Sanitary Conference
26. Inter-American Investigation of Mortality
27. Status of Smallpox Eradication in the Americas
28. Status of Aedes aegypti Eradication in the Americas
29. Status of the Continental Water Supply and Sewage Disposal Program

30. Collaboration of the Pan American Sanitary Bureau in Administrative Practices of National Health Services
31. Status of National Health Planning
32. Intercountry Exchange of Teaching and Other Health Personnel
33. Review of the Status of the Venereal Disease Problem and Control Programs in the Americas
34. Fluoridation of Public Water Supplies
35. Study of the Relationship between Social Security Medical Programs and Those of Ministries of Health or Other Official Health Agencies
36. Study of the Organization of the Pan American Sanitary Conference
37. Training of Auxiliary Personnel
38. Other Matters

14. PROGRESS REPORT ON THE PROGRAM OF RURAL WATER SUPPLY
AND WELL-BEING

Mr. HOLLIS (Chief, Environmental Sanitation Branch, PASB) presented Document CE50/4 on the program of rural water supply and well-being of PAHO. This report brings up to date the chronology of developments since the 48th Meeting of the Executive Committee, and the supporting actions which have been taken by governing groups.

In Latin America substantial work is under way to improve a community water systems in large urban centers. Responding to the goal of the Charter of Punta del Este for 70 per cent coverage of urban people in the decade, the countries of Latin America have, over the past three years, marshalled \$500 million for this urban task. This work benefits more than 10 million urban dwellers. In view of the interest of governments and the support of international lending agencies, this trend should continue. If so, the 70 per cent goal can be attained.

The progress on providing rural water supplies is much too slow to even approach the 50 per cent goal for rural population as established in the Charter of Punta del Este. Following actions taken by the Executive Committee (48th Meeting), the Directing Council of PAHO at its XIVth Meeting gave firm support to the rural programs. (Resolution XX) This rural programs proposal was also considered and approved by the Second Annual Meeting of the IA-ECOSOC at São Paulo in November 1963. Resolution 19-M/63, at the ministerial level, suggests that the Inter-American Development Bank undertake administration of the external financial resources, and that PAHO undertake the provision of technical assistance to governments at each stage of the program.

Responding to these resolutions, the Director carried out a series of meetings with international agencies and technical committees (Item 2, Document CE50/4). Among the measures taken was an extensive revision of Document CD14/23. This revised Document ES/RW1, entitled "Continent-wide Program of Rural Environmental Health and Well-Being" takes into account, in its title and in its contents, the discussions by delegates of the Member Governments at the XIVth Meeting of the Directing Council of PAHO and at the São Paulo meeting of IA-ECOSOC. The document outlines a practical approach to the rural water problems. It discusses procedures and administrative relationships covers the more pertinent technical and administrative aspects to be considered and is sufficiently flexible in its details to permit the adaptation of the plan to conditions in each country. The plan emphasizes community self-help and the establishment of national revolving funds.

After discussing approaches to international financing, Mr. Hollis concluded that as an initial starting point, it is proposed to develop a two-year action program in Central America as a pilot operation. Concurrently, opportunities will be explored to extend these activities to other areas. The intent of the program is to assist the Member Governments with the task of providing water supplies for rural areas. In doing this a key objective is to assist each country in developing an effective institutional infrastructure in this field with a competent organizations a well prepared technical staff and a sound financial mechanism, including community participation and payments for water services. This is

considered a fundamental need and should be kept clearly in mind in establishing terms and conditions of international loans.

Dr. ORLICH (Costa Rica) stated that his country supported both the program and the solution proposed by PAHO. Costa Rica had established a revolving fund as recommended, because it considered it to be one of the most effective ways of implementing the program.

Dr. AMAYA (Nicaragua) said that he supported the program, but that Nicaragua was faced with certain legal, organizational, administrative, and financial difficulties in implementing the program in the way proposed. He emphasized the need for encouragement and technical and financial assistance in executing the plan.

Mr. BOARD (United States of America) expressed his view that the program as presented represents a sound approach to the problem and that a concentration of effort on a pilot project is a desirable way to begin the Continent-wide program. He expressed satisfaction with the rapid progress that has been made in initiating a complex program of such magnitude in so short time. He indicated concern that the high priority given to this matter by the Governing Bodies of the Organization and by IA-ECOSOC, is not reflected in the proposed regular PAHO budget. Mr. Board noted that \$640,000 for water supply projects are shown in the proposed budget for 1965 under the Special Water Supply Fund. Obviously the Governments are giving water supply a high priority. If the level of contributions is not increased, it appears that additional resources to meet these requirements will be needed.

Dr. JARUFE (Peru) expressed his support for the plan. The Government of Peru was already taking steps through the agency of the "Institución de Cooperación Popular" to obtain the participation of the communities that would be benefited by development programs. His country was extremely grateful for the loan of US\$1,650,000, which the IDB had awarded it in order to finance water services in 150 rural communities, and for the assistance the Bureau had furnished in obtaining that loan.

Dr. MARTINEZ (Mexico) said that he supported the PAHO plan as far as the technical and financial aspects were concerned, but that he was somewhat concerned about the social and economic problem involved in community participation. These communities had to be organized, and the project had to be integrated into a comprehensive program of rural community development. He would like a report to be submitted to the Directing Council on the measures which PAHO had taken, or would take in the future, in order to ensure the success of the program.

He also expressed his concern about the fact that there was no provision for the implementation of the program in the budget and asked the Director to indicate what financial resources would be assigned to the program.

Dr. HORWITZ (Director, PASB) stated that the program as conceived involved community participation and that communities would have to be organized beforehand. Pursuant to the resolutions of the Inter-American Economic and Social Council, PAHO had held a meeting in January with those international credit agencies providing funds for development that

might be interested in the problem and, in February, had convened meetings of the advisory committees on sanitary engineering and the behavioral sciences. It was the intention of the Organization to submit to the Governments an outline of ways of organizing agencies within the Ministries of Public Health and other Governmental departments in order to enable the program to be conducted on the basis of community organization. As far as revolving funds were concerned PAHO continued to insist that they should be set up so that lasting rural welfare programs beginning with water supply could be established.

The CHAIRMAN recalled that the program had been proposed by PAHO and approved by the Meeting of the Task Force on Health (Washington, April, 1963) as the beginning of a program which in the future years would include housing and other activities.

Mr. PEREZ-CISNEROS (Inter-American Development Bank), speaking at the invitation of the Chairman, stated that the Bank was very appreciative of the opportunity he had been given to attend the sessions of the Committee. He would like to take advantage of the occasion to repeat once again the desire of the Inter-American Development Bank to continue to cooperate with all the countries of Latin America in the Rural Water Supply Program, to the extent of its possibilities.

The Inter-American Development Bank was ready to assist the countries of Central America and Panama, which almost simultaneously had requested financial assistance, and it was hoped that the assistance of PAHO in the

form of technical advisory services would be forthcoming in drawing up programs, preparing projects, community organization, and the supervision of the execution of the works.

The CHAIRMAN proposed that a working party consisting of Dr. Williams of the United States of America and Dr. Orlich of Costa Rica should be set up to draft a resolution embodying the views expressed in the course of the discussions.

Dr. MARTINEZ (Mexico) pointed out that the Director had developed a formal financial plan to carry out the rural water program and that PASB would provide advisory services on technological aspects of the program. He emphasized that community water services should not be considered in isolation but as part of general community development. He commented on the importance of community organization and the importance of integrating community water service programs with other programs directed at bringing about community development and general social progress.

The CHAIRMAN reviewed the development of the proposal for establishing a special fund for rural welfare and the support that the concept had received from the Task Force on Health and by the Directing Council of PAHO.

Dr. WILLIAMS (United States of America) expressed the view that there would be difficulties in establishing a special fund of the type under consideration and recalled earlier discussions of the fact that there were adequate means presently available to provide international financing. He stated that existing sources of international

credit should be tried, before considering the establishment of some new instrument or resorting to other means of financing.

Dr. HORWITZ (Director, PASB) stated that a special fund for the rural program was preferred. He recognized there were some objections to a special fund, but not on the part of health officials. He pointed out that the special fund would not be a "permanent" one, but "temporary" to establish the program and that such a fund would further provide for technical assistance and for participation of social scientist to work on community organization. Dr. Horwitz pointed out that most health budgets were made up of a "series of special funds". He suggested that the Executive Committee keep in mind the previous actions regarding a special fund for these purposes by Governing Bodies.

Dr. MARTINEZ (Mexico) urged that the Director push forward with the important program of rural water supply. He pointed out that the program involved more than engineering work but also community organization to assure the success of the program itself and the integration of it, into other existing or planned programs for community development.

The CHAIRMAN appointed the Delegates of Mexico, Costa Rica, and the United States of America to the working party to prepare the resolution on rural water program in line with the discussions.

Dr. MARTINEZ (Mexico) said that he objected to paragraph 5 of the operative part of the resolution in that the only method of repayment mentioned, was said to be through the establishment of "appropriate water

rates". He proposed that with regard to methods of repayment the resolution be worded to read "that with a view to ensuring success appropriate measures be taken to enable the programs to become self-sustaining".

Dr. HORWITZ (Director, PASB) said he was concerned about the comment on repayment through water rates. He referred to the method whereby water supply programs would be self-sustaining. In urban areas it was necessary to improve the present water rate systems, to increase their product, and to make them more equitable by adjusting them to the financial capacity of the users. In rural areas where to date water rates had not existed their application was recommended. That of course was only a recommendation, and it was for the countries themselves to decide on the most suitable way of obtaining repayment of the funds invested. If repayment was not obtained, it would not be possible to implement the programs. There were precedents for that opinion which had appeared in resolutions approved at earlier meetings.

Dr. MARTINEZ (Mexico) stated that he was unaware of the precedents but it would nevertheless be advisable to study the matter. In Mexico other procedures were in use, one in connection with agricultural programs was financed by banks. He reiterated his suggestion that specific mention of water rates should be omitted so that the Governments could decide on the best way of obtaining repayment.

Dr. HORWITZ (Director, PASB) read paragraphs from the recommendations of the meeting of the Task Force on Health at the Ministerial Level held

in April 1963 and from the resolutions adopted since 1951 by the Governing Bodies emphasizing that the program should be self-sustaining through the participation of the persons benefited. The old idea that water should be free because it was a natural product had been replaced by the idea that services should be paid for.

Dr. CUTLER (Deputy Director, PASB) mentioned the discussions held at the meeting of the Inter-American Economic and Social Council in December 1963 where it was emphasized that repayment should be obtained through water rates or other means.

Dr. PANTOJA (Brazil) proposed that in order to solve the problem the final sentence of paragraph 5 of the operative part should be amended to read "including repayment through appropriate water rates".

The resolution was finally approved as amended.

RESOLUTION XV

CE50.R15

THE EXECUTIVE COMMITTEE,

Having made a detailed examination in plenary session of the report of the Director on the present status of the program of rural water supply and well-being (Document CE50/4),

RESOLVES:

To recommend to the Directing Council that it consider the adoption of the following draft resolution:

THE DIRECTING COUNCIL,

Having examined the progress report of the Director on the establishment of the continent-wide program of rural water supply and well-being;

Bearing in mind the urgency of providing rural community water supplies, in view of their importance to health and to the social and economic progress envisioned by the Alliance for Progress;

Considering the strong endorsement given to rural water supply activities by the XIV Meeting of the Directing Council of the Pan American Health Organization (Resolution XX) and by the Second Annual Meeting of the Inter-American Economic and Social Council at the Ministerial Level (Resolution 19-M/63);

Recognizing the increased interest and concern of the Governments in connection with community water supplies, and the world-wide interest reflected by the action taken at the Seventeenth World Health Assembly (Resolution WHA17.40); and

Viewing with satisfaction the demonstrated interest in and support of the PAHO proposal for a program of rural water supply and well-being,

RESOLVES:

1. To urge the Director promptly to take all necessary steps to begin the continent-wide program of rural environmental health and well-being along the guidelines set forth in Document ES/RW=1, calling for the participation of the communities, the establishment of national revolving funds, and for contributions from outside sources, so as to achieve the objectives contained in Resolution A.2 appended to the Charter of Punta del Este.

2. To ask the Director to continue his close collaboration with national and international organizations which are sources for grants or credits, especially the Inter-American Development Bank, and the Agency for International Development (AID), with a view to stimulating greater investments in community water supply systems.

3. To instruct the Director to assign high priority to community water supply programs and to expand and redeploy the

present advisory services in order to enable the PAHO to provide technical services and assist Governments with community organization and the integration of the rural water program with related community developments, and to work out with lending and borrowing agencies methods of assuring the financing of technical assistance by the Organization.

4. To recommend that the Governments take appropriate action to establish adequate and competent organizations in each country, supported by the legal and financial provisions necessary for administering the rural water supply program at the national level, keeping in mind the need to integrate in the program related improvements for rural well-being and the social development of rural communities.

5. To recommend that loans for water supply revolving funds made to Governments or their independent agencies by international credit institutions should be at the lowest possible rate of interest and the longest possible repayment period so as to ensure that these programs will be self-sustaining in the future, including repayment through appropriate water rates.

6. To recommend that the Director continue to search for ways and means to secure appropriate international financing, within the framework of the instructions given by the Directing Council of the Pan American Health Organization and the recommendations of the Inter-American Economic and Social Council, which will provide the most effective instrumentality for this program.

(Approved at the sixth plenary session,
29 April 1964)

Mr. PEREZ-CISNEROS (Observer, Inter-American Development Bank) speaking at the invitation of the Chairman, said that with reference to the resolution just adopted and the negotiations conducted by PAHO with a view to establishing a rural water supply program, he wished to reiterate the statement he had made yesterday concerning the deep interest of the Inter-American Development Bank in environmental sanitation projects. That was exemplified by the fact that the Bank had financed 37 such programs at a cost of more than \$176,000,000.

The Bank had maintained and would continue to maintain close contact with the Pan American Health Organization in the matter of the water supply in general and would lend its assistance for the execution of rural water supply programs. The Bank would be very pleased if the countries were to establish national revolving funds by applying water rates or by some other method which would ensure the continuity of the programs. The IBD was of the opinion that in view of the very low rate of interest and the very long period of amortization it would be essential to have the maximum contribution from the Governments and the communities. In his opinion it was necessary when formulating programs, to envisage the application of water rates or of other system that would ensure that the persons to be benefited would participate in the programs.

15. TECHNICAL DISCUSSIONS

Dr. VALLADARES (Regional Adviser in Tuberculosis, PASB) stated that the topic for the 1964 Technical Discussions was "Tuberculosis eradication: a task for present planning and future action". In studying how the topic should be presented it was thought necessary not to focus the discussion on whether or not it was possible to eradicate tuberculosis but, as the title of the topic itself expressed it, to draw special attention to the need for immediate planning and for the initiation of control activities as soon as possible. In order to have sound planning and effective action, the suggestion was made to the authors of the working documents that they present a review of control techniques and procedures, with particular reference to their efficiency, applicability, and as far as possible their cost. Furthermore, as tuberculosis control activities could not be disassociated from other aspects of public health or from the social, economic, and cultural conditions in the countries themselves, it had been thought advisable for the working documents to contain alternative approaches to, or schemes for, tuberculosis control.

The organization of the discussion would be very similar to that which had been done so successfully in 1963. Accordingly, provision had been made for the presentation of two working documents and the participation of a group of experts whose function it would be to help the representatives of the Member Governments by providing the technical information on the aspects being discussed and to give guidance that would stimulate the formulation and execution of plans for the control and possible eradication of the disease.

Dr. MARTINEZ (Mexico) expressed his thanks for the information supplied to the Committee and said that one of the most difficult things in tuberculosis control was to control the tuberculosis experts. He would be very pleased, if sufficient funds were available, if an invitation could be issued to an anthropologist or a health educator with experience in tuberculosis programs because frequently the human aspect of the problem was overlooked.

Dr. HORWITZ (Director, PASB) stated that the idea behind the technical discussions was that the representatives acted in their personal capacity, discussed problems and indicated possible lines for their solution; that the working documents and the experts group were meant to supply the participants with the results of the best technical experience and with specific information that could serve as a basis for discussion. Despite the title of the topic, he was afraid that the discussions would focus on whether or not tuberculosis could be eradicated, when what was really wanted was for them to be devoted to the examination of the best way of using the available resources in order to reduce the mortality and morbidity due to tuberculosis.

Dr. WILLIAMS (United States of America) said that he was especially interested in the technical discussions for the next meeting of the Directing Council. After an absence of 24 years he had had an opportunity to observe that in the area where he had begun his career as a public health officer, the percentage of tuberculin positives among high school children, which was from 65 to 70 per cent, had fallen to a figure of less than 5 per cent; that

indicated what could be achieved in a relatively short period of time. As to whether or not tuberculosis could be eradicated, experts in the United States of America were divided among themselves; some thought that it could be eradicated, others thought that that goal was impossible of achievement. He understood that the experts in Latin American countries did not believe that eradication was possible, because of the magnitude of the problem but he personally was of the opinion that sooner or later it would be achieved.

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

DONE in Washington, D. C., United States of America, this first day of May one thousand nine hundred and sixty four. The Secretary shall deposit the original texts in the archives of the Pan American Sanitary Bureau and shall send copies thereof to the Governments of the Organization.

Chairman of the
50th Meeting of the
Executive Committee
Representative of Peru

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