

directing council



PAN AMERICAN
HEALTH
ORGANIZATION
XI Meeting

regional committee

WORLD
HEALTH
ORGANIZATION
XI Meeting



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Topic 7: ANNUAL REPORT OF THE CHAIRMAN OF THE EXECUTIVE COMMITTEE

Presented by Dr. Miguel E. Bustamante (Mexico), Chairman
of the 37th Meeting of the Executive Committee

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In accordance with Article 8-C of the Constitution, I have the honor to report to the Directing Council on the activities of the Executive Committee during the period October 1958 to September 1959, in which the Committee held its 36th and 37th Meetings.

The 36th Meeting was held on 3 October 1959 at San Juan, Puerto Rico. The following representatives, whose countries were elected to the Executive Committee by the XV Pan American Sanitary Conference, were seated at this meeting: Dr. Bichat Rodríguez (Brazil); and Dr. Carlos A. Javier (Honduras) and his Alternate, Dr. Rodrigo Barahona Carrasco; and Dr. Guillermo Arbona (United States) and his Alternate, Mr. Simon N. Wilson. The meeting was attended also by the following representatives: Mr. Humberto Olivero (Guatemala); Dr. Carlos Díaz Coller (Mexico); Dr. Julio Muñoz Puglisevich (Peru); and Dr. Daniel Orellana and Dr. Alejandro Príncipe (Venezuela). The following attended as observers: Dr. Abraham Horwitz (Chile); Dr. Luis Patiño Camargo (Colombia); Dr. Paul V. Ollé and Mr. Roger Dalichamp (France); Dr. Nicolaas H. Swellengrebel and Dr. Edwin van der Kuyp (Kingdom of the Netherlands); and Dr. Alberto Bissot (Panama).

The Representative of the Government of Mexico was elected Chairman of the Committee, at its 36th meeting, for the period covered by this report. Dr. Carlos Díaz Coller presided at that meeting; I had the honor of presiding at the 37th Meeting, and, as Representative of my country, I thus had the great satisfaction of again participating in the activities of this Organization, which I so much admire and to which I devoted my best efforts for many years. Dr. Daniel Orellana, Representative of Venezuela, was elected Vice-Chairman.

The 37th Meeting, held in Washington D.C. from 4 to 8 May 1959, was attended by the following representatives: Dr. Bichat Rodrigues (Brazil); Mr. Humberto Olivero (Guatemala); Dr. José Rodrigo Barahona Carrasco and Dr. Jorge Zepeda (Honduras); Dr. Miguel E. Bustamante and Dr. Carlos Díaz Coller (Mexico); Dr. Jorge Estrella Ruiz (Peru); Dr. Horace DeLien, Dr. Arthur Clayton Curtis, Mr. Charles Sommer, and Mr. Laurence Wyatt (United States); and Dr. Daniel Orellana (Venezuela). As observers the following

were in attendance: Mr. Didier Ragueneau (France); Mr. G. van Vloten (Kingdom of the Netherlands); and Mr. Paul R. Kelbaugh and Mrs. Bernice Randall (OAS).

According to Article 6 of the Rules of Procedure, the Director of the Pan American Sanitary Bureau is ex officio Secretary of the Executive Committee. Consequently, Dr. Fred L. Soper, the present Director Emeritus, was Secretary of the 36th Meeting, and Dr. Abraham Horwitz, who assumed the post of Director on 1 February 1959, was Secretary of the 37th Meeting.

At the two meetings held during the year, the Committee made detailed studies of matters of the utmost importance to the Organization, with respect to both its structure and operation and its financial resources, its program of work, and the most efficient procedures for implementing the directives of the governing bodies. Very special attention was given to the matters that were expressly recommended to the Committee by the XV Pan American Sanitary Conference. All members of the Committee gave their fullest cooperation in the study of problems submitted to them for consideration.

In their work, the members of the Committee are conscious of their role in the Organization and of the fact that the absent countries consider the Executive Committee as a working party of the Council or of the Conference, in addition to its responsibility to the WHO Regional Committee. Also, the Director of the Pan American Sanitary Bureau and his staff need to know the opinion and the requirements of all the Member Governments for the program of the American Region.

In reporting on the principal topics examined by the Committee, it is perhaps advisable to divide them into two groups: (1) matters referred by the XV Pan American Sanitary Conference, and (2) other matters.

The matters that the Conference referred expressly to the Committee were the following:

Inter-American Congresses of Public Health

This topic was studied in detail by the Executive Committee at its 36th and 37th Meetings, and it was agreed to request the Director to consult with the Government of Argentina on the advisability of planning and Inter-American Congress of Public Health, to be held before the XVI Pan American Sanitary Conference.

Improvement of the Texts of the Basic Documents of the Pan American Health Organization

The Executive Committee examined this topic at its 36th Meeting and appointed a subcommittee, composed of the Representatives of Brazil, Mexico, and the United States, to study the basic documents and to prepare suggestions to improve their clarity and the equivalence of meaning between the English

and Spanish texts, to the end that these texts may be more adequate for their own objectives. The Director was instructed to request legal counsel from the Organization of American States, and from other institutions, for the preparation of a preliminary text both of the Constitution and of the Rules of Procedure, in the drafting of which the documents, minutes, and resolutions of the XV Pan American Sanitary Conference dealing with this matter were to be kept in mind.

At the 37th Meeting, the progress report presented by the subcommittee was examined, note was taken of it, and it was recommended that the Directing Council authorize the aforesaid subcommittee to prepare French and Portuguese texts of the Basic Documents.

Proposed Procedure for the Nomination and Election of the Director of the Pan American Sanitary Bureau

The Conference recommended to the Committee the establishment of a working party that, with legal counsel, would make a study of the problems inherent in the election of the Director and, after consultation with the Member Governments, propose to the XIII Meeting of the Directing Council a specific procedure to govern the election.

The Committee examined this matter at its 36th Meeting and agreed that the subcommittee appointed to study the improvement of the texts of the Basic Documents of the Pan American Health Organization should also examine the problems relating to the Director's election and propose the procedures that it deemed pertinent, and that this study should be made at the time decided upon by the Executive Committee. If the text is available for study at the May 1960 meeting, the countries could be consulted sufficiently in advance of the XVI Conference in 1962.

Proposed New Conditions of Employment

At its 36th Meeting the Executive Committee took note of Resolution XXXI of the XV Pan American Sanitary Conference, and of the authorization given therein to the Committee to negotiate with the Executive Board of the World Health Organization for the implementation of the basic principles given in Document GSPI5/12, Rev. 1, on conditions of employment.

Topic for Technical Discussions during the XI Meeting of the Directing Council

Another matter referred to the Executive Committee by the XV Conference was the determination of the aspects of the general topic "Water" that should be examined in the Technical Discussions of the XI Meeting of the Directing Council. After full debate it was agreed that the topic should be confined to the technical, financial, and administrative aspects of water supply in the urban environment in the Americas.

Amendments to Articles 15 and 12-C of the Constitution

At its 36th Meeting the Committee took note of the amendments to Articles 15 and 12-C of the Constitution as approved by the XV Pan American Sanitary Conference in Resolutions XXVII and XXVIII.

Proposals Presented by the Delegate of Peru
to the XV Conference

The XV Pan American Sanitary Conference referred to the Committee for study the following three proposals presented by the Delegate of Peru:

Proposed Health Charter of Puerto Rico. This subject was examined in detail at the 36th and 37th Meetings. At the 37th Meeting a working party composed of the Representatives of Mexico, Peru, and the United States was appointed to study the wording of the document. The working party, bearing in mind that the Conference had approved the document in principle, restricted its changes to matters that had no bearing on substance. Nevertheless, the Committee, after hearing the views of the Representatives of Mexico and the United States, agreed to change the title from "Health Charter of Puerto Rico" to "Declaration of the XV Pan American Sanitary Conference (San Juan, Puerto Rico, 1958)" and to transmit the revised text to the XI Meeting of the Directing Council.

Draft Resolution on the Tuberculosis Problem. Recognizing the importance of the problem brought up by the Delegation of Peru at the XV Pan American Sanitary Conference, the Committee, at its 36th Meeting, approved a resolution affirming that tuberculosis is one of the primary unsolved health problems in many countries of the Americas. The Director was therefor instructed to report to a future meeting of the Directing Council on the financial outlay that would be required to formulate a continental plan to combat the disease.

Draft Resolution on the Problem of Water Supply Also at its 36th Meeting, the Committee examined the proposal submitted by the Delegation of Peru to the XV Pan American Sanitary Conference on the water-supply problem. After a detailed examination approval was given to a resolution affirming that water-supply and sewage-disposal systems are essential to the progress of health in the Americas, and instructing the Director to report to a future meeting of the Directing Council on the financial outlay that would be required to formulate a continental plan of water supply and sewage disposal.

Having completed the report on the Executive Committee's action on topics referred to it by the XV Pan American Sanitary Conference, we shall now describe its activities in connection with other matters that have received its attention during the year to which this report refers.

Proposed Program and Budget for 1960

This is the first year that the Executive Committee has not been called upon to prepare a proposed budget to be submitted to the Directing Council. Inasmuch as the XV Pan American Sanitary Conference amended

Article 12-C of the Constitution and the corresponding articles of the Financial Regulations, the preparation of the proposed program and budget is now the responsibility of the Director. The Executive Committee, however, has the complex task of studying and submitting the document to the Council or the Conference, as the case may be, together with such recommendations as it deems advisable.

The Committee made a detailed study of the budget at its 37th Meeting, constantly keeping in mind both the wishes and the requirements of the countries and the technical and financial resources available to meet them. Details on the study made appear in the report drafted for presentation to the XI Meeting of the Council (Document CD11/16). The report concludes by stating: "In the considered opinion of the Committee, the program and budget as presented by the Director in Document CE37/11 and Official Document No 24 is well conceived and interprets in excellent fashion the wishes and requirements of the governments, within the established priorities of the Organization. The Executive Committee therefore recommends to the Directing Council the adoption of the proposed budget prepared by the Director." It was recommended that the budget level for 1960 be established at \$4,100,000.

Financial Report of the Director and Report of the External Auditor for 1958

These reports were studied at the 37th Meeting of the Committee. A revised format has been given to the Financial Report of the Director, in which the financial statements of the PAHO, INCAP, and the Program of Technical Cooperation of the OAS now appear separately, thereby facilitating the study of the document. For this reason the Committee voted to congratulate the Director and the members of his staff on the improvements in the method of presentation of the Financial Report; to thank the External Auditor for the Report he submitted; and to take note of the aforesaid reports and transmit them to the XI Meeting of the Directing Council.

During the discussions, the Committee was concerned especially over the serious financial situation of the Pan American Health Organization, as revealed by the Financial Report of the Director and the Report of the External Auditor, a situation due mainly to the delays in quota payments. The External Auditor pointed out in his report that the collected contributions for the year 1958 were only 78.25 per cent of the assessed contributions, which was the lowest percentage in the 1950's. He stated that the present financial situation "is worse than ever," and, consequently, it cannot continue without putting the Organization in a financial position that will seriously hamper the fulfillment of its aims.

Because of the importance of the problem, the Committee adopted a second resolution on this topic, instructing the Director to bring to the

attention of the Member Governments the urgent need for the prompt payment of their quotas, to take whatever action he may deem advisable to this effect and report to the XI Meeting of the Directing Council regarding the results of his efforts in this matter. The Committee was so concerned about the problem of quota payments that it was brought up again when the Working Capital Fund was discussed, as can be seen in the following paragraphs.

Working Capital Fund

When this topic was examined at the 37th Meeting, the financial problems that the Bureau has to cope with were again stressed. Instead of having the level of the Fund raised to 60 per cent of the approved budget, as provided by the Directing Council at its X Meeting, the percentage relationships between the Working Capital Fund and the budget had on the contrary, declined from 57.1 per cent in 1955 to 40.8 per cent in 1958. As of 1 January 1959, the balance of the Fund was approximately \$985,000, or \$1,175,000 below its authorized balance of \$2,160,000. It was therefore pointed out that there was danger that the Fund would be exhausted by 30 June 1959 if during the interval a large amount in quota payments was not received.

The Committee studied in detail the problem described and the possibilities suggested by the External Auditor and the Director for solving it, and adopted a resolution calling to the attention of the governments the gravity of the existing situation and requesting that those countries whose quota contributions are in arrears make every effort to pay them at the earliest possible date. The governments were also requested to take the necessary steps for the payment of their annual quotas as early as possible each year. The Director was instructed to prepare a document giving a clear indication of the Organization's present financial status and to submit as soon as possible to the Member Governments. Finally, it was recommended to the Director that, in the preparation of the program and budget for 1961 and future years, he assign a proportion of the budget for the gradual increase of the Working Capital Fund until it has reached the established level. The Chairman of the Executive Committee feels it is his duty to stress, on behalf of the Members, that it is a very serious matter to have to recourse to loans to keep the Organization from suffering periodic crises due to the budgetary anemia, and that an endeavor should be made to obtain the regular quota payments in the year they are due and the liquidation of the outstanding arrears.

Emergency Revolving Fund

At its 37th Meeting the Committee agreed to take note of the report presented by the Director on the use of the Emergency Revolving Fund. During the discussion on this topic, the Secretariat reported that as of

1 May 1959 the governments owed the Fund \$37,267, and it was pointed out that in recent years the governments have shown a tendency to be slower in reimbursing the Fund. As a result, it was recommended in the resolution adopted that the governments, when they request assistance from the Fund, reimburse as soon as possible the amounts advanced from the Fund.

Amendments to the Financial Regulations of the Pan American Sanitary Bureau (Administration of Fellowships)

At its 37th Meeting, the Executive Committee examined the problems that might arise through the strict application of the Financial Regulations of the Pan American Sanitary Bureau to the administration of PAHO and WHO fellowships. The necessity of providing the necessary flexibility in such administration was recognized and it was agreed to recommend that the Directing Council amend Article IV, paragraphs 4.3 and 4.4, of the Financial Regulations of the Pan American Sanitary Bureau. In the proposed amendment the amounts obligated for fellowship awards are excepted from the provision limiting the availability of appropriations to a 12 month period following the end of the financial years to which they relate.

Amendments to the Staff Rules and Regulations of the Pan American Sanitary Bureau

The Committee, at its 37th Meeting, studied the amendments to the Staff Regulations as proposed by the Director, and the amendments to the Staff Rules of the Pan American Sanitary Bureau as introduced by the Director. A lengthy discussion on this subject was held during which various aspects of problems concerning recruitment of personnel were examined.

Two resolutions were finally adopted. The first recommended to the XI Meeting of the Directing Council the adoption of the amendments to the Staff Regulations as proposed by the Director, and confirmed the amendments to the Staff Rules as introduced by the Director.

In the second resolution the Committee, bearing in mind that one of the main difficulties encountered in the recruitment of personnel lies in the present system of appointments, since these either are of very short duration or are permanent, resolved to instruct the Director to explore the possibilities of establishing a medium-term appointment system and to report the results of this study to the XI Meeting of the Directing Council.

Buildings and Installations for Headquarters and Zone Offices

At its 36th Meeting, the Committee felt that, since the Director's negotiations with the United States Government regarding the acquisition of a site for the headquarters building were to be continued, it would be

advisable for the Representative of the United States to be member of the Permanent Subcommittee on Buildings and Installations, at that time composed of the Representatives of Guatemala, Mexico, and Venezuela.

The difficulty encountered at that time was that Resolution V of the VI Meeting of the Directing Council provides that the Permanent Subcommittee on Buildings and Installations would be composed of three members, and the Subcommittee membership was already complete.

In order to solve the problem, the Representative of Venezuela offered to relinquish his place on the Permanent Subcommittee on Buildings and Installations. After all the points involved in the matter had been examined in detail, it was agreed that the Subcommittee would be composed of the Representatives of Mexico, the United States, and Venezuela. The Executive Committee thanked the Representative of Guatemala for the valuable services he had given to the Subcommittee since it was established.

It should be pointed out that, during this phase of the debate, the Representative of the United States said that his delegation was greatly interested in having the representatives of the countries already on the Subcommittee to continue thereon, adding that the United States would continue to cooperate with the Bureau in the matter of the site for the headquarters building, regardless of whether it were a member of the Subcommittee.

The Executive Committee was informed at its 37th Meeting that the Bureau of the Budget and all the other interested executive agencies of the United States had approved draft legislation to appropriate funds for the purchase of the site for the headquarters building, and that the measure had been presented to the Congress for consideration.

During the discussion the Representative of Mexico again offered an appropriate site in his country in the event that, at any time and for any reason, it should be necessary to transfer the Bureau headquarters elsewhere.

After having examined the report of the Director of the Bureau and the Report of the Permanent Subcommittee, the Committee agreed: (1) to take note of both reports; (2) to thank the Government of the United States for the steps taken in connection with the future headquarters of the Organization, and the Government of Mexico for its offer in the matter; and (3) to express its appreciation to the members of the Subcommittee for the interest they had shown in carrying out the task entrusted to them.

Decentralization of Activities of the Pan American Sanitary Bureau to the Zone Offices

This topic, proposed by the Government of Mexico, was examined in detail at the 37th Meeting, and it was agreed to request the Director of the

Bureau to present a report to the next meeting of the Executive Committee describing the present status of the decentralization of activities of the Pan American Sanitary Bureau, the Bureau's experience in this matter, and the measures it may be proposed to take in the future.

Resolution of the Special Committee of the Council of the OAS to Study the Formulation of New Measures of Economic Cooperation

One of the topics that, because of its present importance and its far-reaching bearing on the future, aroused major interest at the 37th Meeting of the Executive Committee was the one concerning the resolution adopted by the Special Committee of the Council of the OAS to study the formulation of new measures of economic cooperation. The Committee met in Buenos Aires late in April, and the Director of the Bureau, who attended as an observer, delivered an address in which he emphasized the close interrelation between some of the main principles behind the policies of the Pan American Health Organization and the measures for economic cooperation among the countries of the Hemisphere.

On 7 May the Special Committee approved a draft resolution to be submitted to the Council of the OAS, recognizing the permanent and reciprocal relationship between health, economic development, the standard of living, and well-being, and recommending to the governments: (1) that in programming and negotiating the financing of economic development, they include public health programs, inasmuch as they are essential to, and supplement, economic programs; and (2) that they seek technical advice from the Pan American Sanitary Bureau for the formulation of the above-mentioned programs.

The Executive Committee, fully aware of the far-reaching scope of the measure, which, if approved by the Council of OAS, would facilitate the inclusion of public health projects in plans for economic development and at the same time enable the Bureau to give technical endorsement to projects of this kind, resolved unanimously: (1) to take note, with sincere appreciation, of the resolution on measures of economic cooperation for public health projects, adopted by the Special Committee of the OAS at its meeting in Buenos Aires; and (2) to express to the Special Committee, on behalf of the Pan American Health Organization, its satisfaction at the decision taken, which recognizes the importance of public health to economic development, and from which it is expected that great benefits will result for progress in the Americas.

Membership of Colombia in WHO

The Executive Committee, at its 37th Meeting, was highly gratified to learn that the Congress of Colombia had ratified the Constitution of WHO, which meant that all the Americas now had membership in that Organization.

The Committee unanimously agreed to congratulate the Minister of Public Health of Colombia on the decision taken by his country, and through him, the Government and the people of Colombia.

Meetings of the Executive Committee

Bearing in mind the guidelines established by the XV Pan American Sanitary Conference to the effect that meetings of the governing bodies be held with the fewest possible sessions and with the greatest economy possible, the Executive Committee agreed to eliminate the meeting held immediately preceding the Directing Council meeting, and authorized the Director to convoke the 38th Meeting of the Committee to take place during the XI Meeting of the Directing Council.

Portrait honoring the Director Emeritus of the Pan American Sanitary Bureau

At the suggestion of the Director, the Executive Committee unanimously approved at its 37th Meeting a resolution providing that a portrait of Dr. Fred L. Soper, Director Emeritus of the Pan American Sanitary Bureau, occupy a place of honor at the Bureau headquarters. In adopting this resolution, the Committee recognized the valuable services rendered by Dr. Soper during his twelve years as Director of the Pan American Sanitary Bureau, and authorized the Director to make the necessary funds available, within the budget, to carry out this decision.

Provisional Draft Agenda for the XI Meeting of the Directing Council XI Meeting of the Regional Committee of the WHO

At its 37th Meeting, the Executive Committee approved, with one addition, the provisional draft agenda prepared by the Director, as it appears in Document CD11/1. The Director was authorized to include such additional topics as are proposed in due course by the Member Governments and organizations entitled to propose subjects.

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This summarizes the action taken by the Executive Committee during the past year. All the members of the Committee, who, in a spirit of great considerateness, gave able and constant support to the Chair, have participated in these activities without ever sparing their efforts. I wish at this time to express the appreciation of the Mexican delegation for the honor of Mexico's having been elected to occupy the Chair.

I wish also to express my thanks to the Director and to the staff members of the Pan American Sanitary Bureau, whose efficient collaboration was a great help to the Executive Committee in the performance of its task.