

1989 has been a time of challenge, change and upheaval for the Bank and its staff. It has been well served by the wise and active leadership of our President, Mr. Enrique Iglesias. Mr. Iglesias must know that he has our full and continued support as Governors in his difficult task. We very much look forward to receiving his report on actions taken over the past year and his proposals for our discussion and review here in Montreal.

Making multilateral institutions work is never easy. On the one hand, they must provide policy leadership if they are to remain relevant to the agenda of their membership. On the other hand, it is a requirement of multilateralism that often disparate views be brought together into a coherent and workable compromise without diluting the overarching requirement for action and accomplishment. It is here where vision and political leadership are required. We as Governors must take our role seriously as both the originators and the final arbiters, as the policy makers who can provide the Bank with the leadership which they can then act upon and which can serve to guide the Board of Directors in their supervision of the institution's program of activities.

The objectives we collectively defined in the 7th Replenishment are ambitious and establish a specific role for the Bank in the region. We expect the Bank to continue to be an important source of technical expertise, to provide leadership in the search for new ways and means to expand human productivity, to do so in ways which are both environmentally sustainable and of genuine and enduring benefit to the poor.

To realize these objectives will require goodwill, energy and discipline from every member. It will require persistence. It will demand a keen sense of what is possible and an even keener sense of what is necessary. It will demand the continued commitment of Bank staff, the President and the Board of Directors. As Chairman of the Board of Governors, I am committed to work with all of you to ensure that our collective objectives as Governors are met and that the true spirit of multilateralism is reflected both in the operations of the Bank and its governing bodies.

As a bank for the Americas, we face profound challenges. The trend towards democracy and the open market is welcome. So too are the brave and visionary steps being taken by many countries to create a structure conducive to lasting prosperity for all their citizens. But the debt burden continues to loom large and high interest rates severely limit the room for manoeuvre available to countries as they seek to adjust their economic policies. This is an important point of intervention for the Bank: to work closely and co-operatively with borrowing members as they define their policy requirements and to provide sectoral policy leadership in conjunction with the Bretton Woods institutions within a coherent country framework.