

responsibility for selecting and processing loan projects and for establishing the terms and conditions for the loans in accordance with the provisions of the agreement, applying the operational procedures it normally uses in operations with its resources. The Bank will consult Canada during the various stages of project consideration. Agreed loan contracts will be signed by the Bank on behalf of the Canadian Government.

Proceeds of the loans extended under the agreement will be used for the purchase of goods and services in Canada under a competitive bidding system among Canadian suppliers.

Provision has been made in the agreement for the possible allocation of additional funds in the future.

The Inter-American Development Bank was founded on December 30, 1959, by twenty American nations as a regional agency to accelerate the economic development of Latin America. This is the first time the Bank has entered into an agreement to administer funds of a non-member country. In April 1964 the Board of Governors recommended that the Executive Directors of the Bank study measures designed to make possible and facilitate the participation of countries which presently are not members in the provision of additional resources to the Bank to help stimulate the development of Latin America.

Today's action represents a further step in the Bank's efforts to mobilize resources for Latin America's development. The Bank previously has sold bond issues and participations in its loans and promoted parallel financing operations as the means of increasing the flow of capital from non-member countries to Latin America. In addition, the Bank is serving as financial agent for the Federal Republic of Germany in connection with a program to rehabilitate the Bolivian tin mines and for the Intergovernmental Committee for European Migration in connection with a colonization project in Brazil.