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E.O. 12958, as amended, Sect 3.5

NSC/Soubers to Smith 09/06/2002

By LS Date 02/13/07

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

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April 16, 1970

National Security Decision Memorandum 54

TO: Secretary of the Treasury

SUBJECT: Inter-American Development Bank Replenishment

The President has approved the proposal contained in your memorandum of April 3, 1970, for a US contribution to the replenishment of the resources of the Inter-American Development Bank totaling \$1.725 billion over three years, including subscriptions to \$150 million of paid-in Ordinary Capital and \$675 million of callable Ordinary Capital, and contributions of \$900 million for the Fund for Special Operations (FSO). The President has authorized you to support this position, subject to legislative authority, at the IDB Board of Governors meeting in Uruguay.

With regard to the policy issues associated with the replenishment, the President has approved the following positions:

Issue 1: Use of Soft-Loan Resources. Accept a new policy statement by the Bank that would give first priority on FSO use to least developed countries and limit, but not preclude, lending to the economically stronger members.

Issue 2: Broadening of IDB Membership. Seek agreement on elimination of the OAS membership requirement for developed countries, but be prepared to proceed with full replenishment and accept assurance by the Governors that the matter will be sincerely and promptly studied with a view to the submission of appropriate recommendations to the next Board of Governors meeting. At a minimum, we would expect agreement at this time on opening membership in the Bank to Canada.

Issue 3: Performance Conditions. (No decision required).

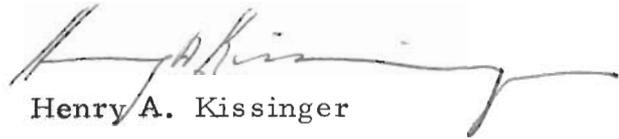
Issue 4: Level of Latin American FSO Contributions. Seek a large (\$600 million) Latin contribution to the FSO, but be prepared to accept a reduction to \$450 million if necessary.

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The President was pleased to note your intention to work with the other Governors and the Bank Management on efforts to improve the internal management and operations of the Bank. He would appreciate a report of actions taken and contemplated with regard to this matter following the Board of Governors' meeting.



Henry A. Kissinger

cc: Secretary of State  
Director, Bureau of the Budget  
Administrator, Agency for International  
Development

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