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On March 22 in Amsterdam, the annual meeting of the Inter-American Development Bank ended after three days of talks resulting in approval of a $26.5 billion capital increase. The capital increase must now be ratified by the board of governors, and then signed by the IDB's 44 member nations. Under a compromise worked out with the US, ending three years of confrontation over Washington's desire for veto power on IDB loans, the US director can effectively achieve loan approval postponements of up to 12 months. However, the IDB president can override a decision by the US director to block a loan request. (See Chronicle, 03/21/89 for details on mechanics of compromise, other changes in IDB practices, and plans for IDB loan programs.) [On March 20 in Amsterdam, International Monetary Fund director Michel Camdessus was cautiously optimistic regarding Treasury Secretary Nicholas F. Brady's proposals for reducing Third World debt announced March 10. On IMF participation in providing guarantees to encourage debt reduction, he said, "In assessing the adequacy of financing commitments, the fund must remain prudent. But it is also important that it be able to react quickly to support good programs. Indeed, an institution with a preferred creditor status has to be willing to take the lead." Camdessus said the Fund might facilitate debt reduction by providing resources to allow a cash buyback, to purchase collateral for an asset exchange or to secure interest payments. The "Brady Plan," said Camdessus will be discussed during the IMF's interim committee meeting in April. He stated that it "would have implications for the enlargement of the fund's resource base, already in may view overjustified."] (Basic data from New York Times, 03/21/89; DPA, Xinhua, 03/22/89)

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