

This is the investment structure of the World Bank and the Inter-American Development Bank. The 31 member nations of the Asian Development Bank have determined that it should also be the structure of their organization.

The Asian Bank now has subscriptions totalling \$1 billion in *ordinary capital*. This appears sufficient for the foreseeable future.

Today's need is for *Special Funds* to complement the ordinary capital. Development cannot be limited to projects which can be financed at commercial interest rates. Where there are factories and power plants there must also be dependable all-weather roads, farm equipment, and clean water supplies. The Bank must be able to lend for these long-term, as well as for short-term, necessities.

The Government of Japan has already announced that it will contribute \$100 million to these Special Funds, mainly to support projects in agriculture. The Government of Canada indicated its willingness to contribute at the Asian Bank's inaugural meeting. Other governments have contributions under consideration.

I propose that the United States pledge up to \$200 million to be provided over four years, on the following conditions:

- The United States contribution must comprise less than one-half of the Special Funds. The Executive Branch would make every effort to assure that our share of total contributions is as modest as possible.
 - Because of our balance of payments problem, our contributions must be available only for the purchase of United States goods and services for use in Asia.
 - The Funds will be used only on the firm understanding that they will supplement, not supplant, the efforts of Asian nations to help themselves. *Self-help will be the watchword in these programs, just as it is for all our foreign assistance.*
- This proposal would result in no cash disbursements during this fiscal year. Appropriations would be sought from the Congress as other contributors pledge their share to the Special Funds.

I believe this proposal represents our fair share.

I believe it protects our vital interests in Asia.

I believe it provides the American taxpayer with the assurance he demands, and deserves, that his money will be put to careful and productive use.

THE ASIAN FUTURE

It is hard for any of us to visualize the face of Asia in the decades ahead. Caught up in the trials and frustrations of the day, many people assume that the poor will always be poor, and that this new wave of Asian determination will falter and dissolve.

But Americans know what can be done with natural resources. We know that a single river can transform the lives of millions. Properly developed, it can provide food, jobs, and transport. It can be an avenue to the bounty of modern life.

What has worked here will work in Asia.

Flowing through Thailand, Laos, Vietnam and Cambodia, the Mekong river drains an area 60% the size of the Missouri Basin. But only 8½ million people live in the Missouri Basin. Thirty million draw their sustenance from the lands surrounding the Mekong. The Mekong's flow is eight times greater than the Missouri's, and its hydroelectric potential is two to three times as great.

Ten solid years of work have already gone into careful and comprehensive planning for the Mekong area. The Mekong Coordinating Committee, along with 23 donor nations and 18 United Nations agencies, have:

- invested \$30 million in the most detailed study of the area.
- invested \$70 million in three major projects which set the stage for full development of the region.
- identified 34 potential tributary dam sites and completed detailed studies on 11 of them.
- conducted feasibility studies on 3 of the 12 potential mainstream dam sites.

These are examples of the sound ideas and projects which will be financed by the Special Funds I propose today. They are the Asian equivalents of the Erie Canal, the Transcontinental Railroad, and the land-grant college system which transformed our own society.

These are the productive works which build nations. They carry with them social progress as well as economic growth. Our decision to support them is a test of faith in our own vision. Meeting that test is as important to us as it is to Asia.

More than two years ago, when I first announced our willingness to respond to Asian initiatives, I said:

"I would hope that all other industrialized countries, including the Soviet Union, will join in this effort to replace despair with hope, and terror with progress."