

Legislation providing for U.S. membership in the Bank was submitted to the Congress in early 1966. Congressional support was bipartisan and prompt. On March 16, 1966, the President signed Public Law 89-369, authorizing U.S. membership in the Bank with a subscription of \$200 million. The first installment of subscriptions to the Bank was paid in September 1966. In November 1966, the Bank Governors held their inaugural meeting in Tokyo, at which Takeshi Watanabe, of Japan was elected the Bank's first President. The Bank's first Board of Directors was also elected at this meeting. In December 1966, the Directors held their first formal meeting and declared the Bank open for business. Since that time the Management has been actively engaged in assembling a staff of high caliber, in making the necessary arrangements for the effective conduct of the Bank's operations and in formulating operational policies that will guide the Bank. It is estimated that the Bank's first loans will be made late this year.

B. SUBSCRIPTIONS TO THE BANK

Half of each member country's subscription to the Bank's capital stock consists of paid-in shares and half consists of shares that are callable only if necessary to make good on borrowings by the Bank. Payment of the paid-in capital stock is in five equal annual installments of 20 percent each and half of each installment may be paid in noninterest bearing notes or similar obligations instead of in cash. Of the U.S. subscription of \$200 million, therefore, \$100 million represents paid-in capital and \$100 million represents callable capital. The first and second of our five \$20 million installments of paid-in capital have been paid, and three further \$20 million installments will be paid in August of 1968 and the 2 succeeding years. Each of these payments consists of \$10 million in cash and \$10 million in a letter of credit which bears no interest and will be drawn only in future years when the Bank's disbursement operations require. The \$100 million of U.S. callable capital was fully subscribed—no cash payment was required—concurrent with the first payment on paid-in capital.

The U.S. subscription to the Bank is exactly matched by the \$200 million subscription of Japan. In addition, other nonregional countries are providing subscriptions totaling \$150 million. Australia and New Zealand, within the region, are subscribing \$85 million and \$22.6 million respectively. Thus the total subscriptions by economically advanced countries, including the United States, is \$657.6 million. The subscriptions of the developing country members of the Bank total \$307.4 million. The paid-in subscriptions of the economically advanced countries are payable entirely in hard currencies, whereas the paid-in subscriptions of the developing members are payable one-half in hard currencies and one-half in their own currencies. When payments have been completed, hard currency availabilities of the Bank will total \$367.21 million. The U.S. paid-in subscription represents 30.4 percent of the paid-in subscriptions of the advanced countries, 24.7 percent of the hard currencies available to the Bank, and 20.7 percent of total paid-in subscriptions of all countries including those of the developing member countries.

Table 1 shows the subscriptions of member countries as of June 30, 1967.