

THE NEED FOR SUPPORT TO MULTILATERAL DEVELOPMENT INSTITUTION

I am also deeply concerned about two items of unfinished business in the field of multilateral development finance. Both—the replenishment of the International Development Association and the provision of special funds for the Asian Bank—involve institutions that I have been intimately involved with over the years. What we in the United States do in regard to these two institutions can have a profound effect on the well-being and the very lives of millions among the two-thirds of the world's population that has little to possess and still less to hope for.

As a freshman Congressman, I helped write the legislation for our participation in IDA. I have seen it in action in the field, in Asia in 1963 and in Africa in 1967. I know it is capably guided by the World Bank under Robert McNamara's sure hand.

IDA is, most importantly, serving in a growing way the primary function we had in mind in the late 1950's—it is mobilizing a greater share of development resources from the other advanced countries. It is putting these resources to work in an efficient and effective manner. Eighteen other countries put up a total substantially greater than our own. Our share in the effort has been reduced from 43 percent at the outset to 40 percent currently, meaning a cumulative transfer of the burden of about \$150 million.

The contribution proposed for the United States—\$160 million in each of three years—will have no adverse effect on the U.S. balance of payments, because we have obtained internationally agreed safeguards to ensure this.

But the entire IDA replenishment package cannot become effective unless the U.S. makes its contribution. I consider it of the highest urgency for the Congress to demonstrate again its consistent attitude of bipartisanship toward IDA by acting on the legislation that has been re-introduced in recent days.

While IDA's operations are world wide, those of the Asian Bank are concentrated in the area of the world that has been torn by intense conflict and wracked by human misery for all too many years. In December 1965, I was privileged, along with Eugene Black, to sign the agreement establishing the Asian Development Bank, thus placing us firmly on the path of constructive multilateral development in Asia. Many members of the Congress and Congressional staff members participated actively in the events leading up to the creation of the Asian Bank. It is now in being, with a distinguished staff and with an effective loan and technical assistance program moving forward.

However, the Bank needs additional resources—beyond its regular funds for conventional lending—for special lending programs on favorable terms in fields such as agriculture and transportation. The new budget proposes a \$25 million U.S. contribution to Asian Bank special funds in 1969 and 1970, and I consider this action, already long delayed, as crucial to Asia and our total interests there.

These funds will help to encourage regional cooperation and peaceful development in southeast Asia. Like our IDA contribution, we would be putting up only a minority share; Japan and other advanced countries will bear the major burden. And this contribution, too, will have no adverse balance of payments effect since it will finance U.S. goods and services.

I sincerely hope that both these vital programs will promptly receive the Congressional support they deserve.

I am submitting with my statement for the record a set of charts with the heading "The Fiscal Program for 1970 in Perspective." These charts set forth the economic rationale for the financial plan which President Johnson recommends to the 91st Congress, and I would like at this time to review them with you.

(The material referred to follows:)