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THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON THE SIGNING OF THE
INTER-AMERICAN BANK BILL
THE EAST ROOM

(AT 1:10 PM EDT)

President Trejos, Members of the Diplomatic Corps, Secretary General Plaza, Dr. Herrera, Dr. Sanz, Members of Congress, Distinguished Secretary of State and Secretary of the Treasury, My Friends:

We are quite honored this morning to have with us a valued friend and partner from Costa Rica. By happy coincidence, we were able to greet President Trejos with new evidence of our commitment to the Alliance for Progress.

The Congress has now passed a bill that authorizes us, the United States, to support a \$1 billion increase in the capital of the Inter-American Development Bank. The subscription share of the United States in this increase is almost \$412 million. With the new authority, the bank can now enter the private capital markets of the world for new investment in the development of this great Hemisphere of ours.

So this morning I asked you to come here to the East Room so that I could take this opportunity to pay tribute to the Inter-American Bank, its distinguished President and Board of Directors, and staff, for their achievement in building an institution that is so responsive to present needs and with such vision of future challenges and opportunities. President Trejos and I spent most of our time this morning talking about what good had resulted from this development.

The past five years have been years of unparalleled growth, as you can see in the charts that we have put here in the room this morning.

- The bank will have tripled its capital resources with this new authorization.
- Its loan portfolio has increased 175 percent, to almost \$2-1/2 billion.
- These loans, in turn, have generated an additional \$4 billion of investment.

The Inter-American Bank was established in 1959 during the Administration of President Dwight David Eisenhower, and was established with the bipartisan support of the United States Congress. It was my great privilege to be the Majority Leader of the Senate at that time, and to introduce the bill that authorized the United States participation in the bank.

When I became President, the bank had \$1 billion 400 million to draw on, of which the United States had contributed almost \$850 million of that \$1 billion 400 million.

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I am very proud that during my Presidency the bank's resources have now climbed to \$6 billion, from \$1 billion 400 million, with the United States adding \$2.7 billion of that as the United States share.

I am equally proud that in this period the Latin American members have greatly increased the ratio of their contribution for the bank's special operations. In 1964 it stood at 11 to 1; today it stands at 3 to 1. This vitality has won the respect and the support of the countries outside our regional system. Six countries in Europe, Canada, Israel and Japan are investing over \$200 million in the development of the Hemisphere through the Inter-American Bank.

I had the pleasure of discussing the possibility of Australia's interest in this only last week with the Prime Minister of that great country.

So we know from experience that capital investment, to be truly productive, must be joined by investment in the health and education and the well being of the people. The bank's portfolio reflects this balance of investment between man and machine:

- Agricultural loans are bringing almost 6 million acres of farmland into production, and they are helping more than 500,000 farmers with individual credits.
- Industrial loans are at work in 49 large plants and 2,700 smaller businesses.
- Road loans have built or improved more than 2,000 miles of main highways and nearly 10,000 miles of farm-to-market roads.
- Water and sewage loans have built 3,000 city and rural water systems and 270 sewage systems benefiting almost 40 million people.
- Housing loans have built over 300,000 units for low-income families totaling 2 million people.
- Education loans have modernized 120 centers of higher learning.

While the bank wrestles with the needs of the present, its planners are now at work on the requirements of the future. With great vision, the bank has assumed leadership, together with the Inter-American Committee on the Alliance for Progress, in encouraging the physical integration of Latin America.

During 1961, 1962 and 1963, an average of \$203 million per year was appropriated. If this session of the Congress appropriates the amount authorized as we have asked, we will have more than doubled the yearly United States appropriations during the last five years; since 1963 we will have appropriated an average of \$430 million per year.

Dr. Herrera, the bill I am about to sign carries the pledge of the United States support to the bank, to the Alliance for Progress and to the Inter-American system.

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If you want to see what we are accomplishing by this cooperation of the Inter-American Bank, the Alliance for Progress, the World Bank and our other programs, you only have to look at the very fine record of the people of Costa Rica.

I observed a few minutes ago, in welcoming their great and distinguished President, the high priority that they gave to education in Costa Rica, the six percent increase in farm production last year, the large industrial growth of 11 percent, and a 400 percent increase in Central American trade.

So there we have people who are concentrating on education. They are concentrating on farm production, concentrating on industrial growth, concentrating on regional trade. That is making better lives for all of the people of that country. That is setting an example that the rest of the Hemisphere I think is very proud of, and can profit by.

I believe what the Alliance for Progress and the Inter-American system have done is a major contribution to social justice and economic development and freedom in this Hemisphere.

There are now before the Congress other items that are essential to the achievement of this goal, such as our second installment of the Inter-American Bank's Fund for Special Operations, the replenishment of the International Development Association. All of these are vital to maintaining the momentum of development that has been achieved during the past five years.

Some day I hope that I will be able to come and see what you have done with this bank and with the Alliance For Progress in this Hemisphere, working together. I want to see first hand what this great institution, the Inter-American Bank, is doing to touch the lives of these millions of people that we have mentioned this morning.

I want to see what you are doing to unite the Hemisphere with strong ties of industry and communication. I want to see what you are doing in cooperation with the Alliance for Progress and the other programs we are having to conquer these ancient enemies of all of us -- the enemies of disease, ignorance, and poverty.

We want to pay special tribute to you, Dr. Herrera, today for your leadership and for the success that this bank has had. We particularly want to thank President Trejos for being here on this occasion so we could honor not only him, but his people who have helped us to make a success in all of these adventures.

Thank you very much.

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(AT 1:20 P.M. EDT)