

AUGUST 14, 1974

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed S. 2665 which authorizes total appropriations of \$1.5 billion for the U.S. contribution to the Fourth Replenishment of the Resources of the International Development Association; permits U.S. citizens to hold and deal with gold; and directs the U.S. Governor to the Association to vote against proposed assistance to any country which develops a nuclear explosive device unless that country becomes a party to the Treaty on the Non-Proliferation of Nuclear Weapons.

The International Development Association (IDA), a World Bank affiliate, is the world's largest single source of multilateral development finance for lending on concessionary or easy payment terms. The Association's resources, derived from contributions of member countries and transfers from the World Bank, are used to provide credit to the poorest developing countries to finance high priority development projects and programs.

The bill authorizes, without fiscal year limitation, total appropriations of \$1.5 billion for the U.S. contribution to the Fourth Replenishment of the Resources of the Association. Under the bill, however, funds are authorized for appropriation, not in a lump sum as requested, but in four annual installments of \$375 million each. Because other nations, Germany and Japan in particular, have substantially increased over previous amounts their contributions to this Fourth Replenishment of IDA's resources, the U.S. share has been reduced from its traditional 40% to 33 1/3% of the total replenishment.

The bill also amends the Par Value Modification Act (P. L. 93-110) to permit U.S. citizens to hold, sell, purchase or otherwise deal with gold as of December 31, 1974, or "at any time, prior to such date that the President finds and reports to Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States' international monetary position." That Act currently

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prohibits U.S. citizens from owning and dealing with gold unless the President makes the kind of determination described above. It does not prescribe a specific date when private ownership of gold shall be legalized in the absence of a Presidential determination as this bill does.

With regard to the provisions on gold, S. 2665 further provides that no law in effect on the date of enactment of the Par Value Modification Act and no rule, regulation, or order in effect on the date that private ownership of gold is legalized may be construed to prohibit any person from purchasing, holding, selling or otherwise dealing with gold in the United States or abroad.

Section 3 of the bill requires the United States Governor to the Association to vote against assistance proposed for any country which develops a nuclear explosive device and does not become a party to the Treaty on Non-Proliferation of Nuclear Weapons.

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