EXTENSIONS OF REMARKS

A RENAISSANCE MAN OF VISION, HUMANITY, AND TECHNICAL EXPERTISE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 17, 1995

Mr. LANTOS. Mr. Speaker, I rise to pay tribute to the leadership James D. Wolfensohn is displaying in his new role as the President of the World Bank. At the Bank's annual meeting this past week in Washington, Mr. Wolfensohn unveiled his ambitious blueprint for the global development agency's role in a changing world. He is fully cognizant of the difficulties facing the organization, but emphasizes the new opportunities for the Bank, the donor countries, and the recipient nations to forge a more effective partnership.

Of course, Mr. Wolfensohn has been forging productive partnerships in the business, academic, and philanthropic communities throughout his long and distinguished career. Prior to joining the Bank, Mr. Wolfensohn was an international banker who played a prominent role in the performing arts.

Before assuming the presidency of the World Bank on June 1, 1995, Mr. Wolfensohn was the chairman of the board of trustees of the John F. Kennedy Center for the Performing Arts. From 1980 to 1991, as chairman of New York's Carnegie Hall, he oversaw the much hailed renovation of this treasured national cultural landmark.

Mr. Wolfensohn also held several key positions in the international community in addition to leading the World Bank. He is chairman of the Institute for Advanced Study at Princeton University as well as the finance chairman of the Howard Hughes Medical Institute. In addition, he is an honorary trustee of the Brookings Institution and member of the Council on Foreign Relations.

Mr. Speaker, I would like to include in the RECORD some highlights from Mr. Wolfensohn's address to the Board of Governors of the World Bank Group at their joint annual discussion on October 10. I think he offers sound advice on the future of multilateral development assistance that all of us would do well to consider:

EXCERPTS OF JAMES D. WOLFENSOHN'S ADDRESS TO THE BOARD OF GOVERNORS OF THE WORLD BANK, OCTOBER 10, 1995

''We have made good progress on poverty reduction in several areas—in East Asia and some parts of Latin America. But there are still 1.3 billion people living on a dollar a day or less. Adequate sanitation and electricity are still beyond the reach of two-fifths of the world's people.

''This shocking poverty is fueled by continuing rapid population growth—increasing by more than 80 million people a year, 95 percent of them in the developing countries. And it is compounded developing world. . . .

''It strikes me as bitterly ironic that just as we are reaching a consensus on how to address these challenges in our changing world, the threat to development assistance has never been greater. I refer here specifically to the funding crisis facing our concessional affiliate, the International Development Association—IDA. . . .

''. . . IDA is the backbone of the international effort to help the poorest nations help themselves. And yet, despite the record, there is a serious question about the fulfillment of some donor commitments under IDA–10 (covering the years 1993–1996). Budget cutting by the U.S. Congress has led to delays, and probably large reductions in the size of the contribution by IDA's leading donor. And for every dollar cut by the United States, IDA could a total of $% as other nations reduce their contributions proportionally.

''This means that if congressional estimates of a U.S. cut of approximately 50 percent materialize, overall donor contributions to IDA this coming 12 months could be reduced from $6 billion to under $3 billion. Achieving an adequate IDA–11 (covering the years 1996–1999) for the next three years will be extraordinarily difficult if IDA–10 is reduced so drastically. This is not only a threat to IDA, it is a threat to the long-term viability of multilateral financing for development.

''As Michael Camdessus (Managing Director of the International Monetary Fund) has pointed out, if there is a seriously underfunded IDA, we will be faced with a world of increasingly unstable nations. . . .

''The donor community needs to understand the cons of an underfunded IDA. We must explain that world citizenship has a price and that IDA is central to the whole development process. National budget cutting exercises in the developed countries must give due weight to international considerations. Money saved now for domestic purposes will lead to huge costs later. It is the donors' own self-interest to maintain an adequate level of support.

''Obviously, IDA and its partners in government and civil society must be accountable—and must be seen to spend scarce resources wisely and well. There must be a 'compact': that in return for the donor community ensuring IDA has adequate resources, recipient countries and the bank must ensure that those resources are used more effectively. Projects must be well managed and corruption eliminated. In addition, we need to provide better information about the benefits of this important work to donor governments—and to their voters. . . .

''From my experience in the private sector I know the power of partnership. This was reaffirmed during my recent travels (to China, Mexico, and the West Bank and Gaza). . . .

''We must deepen our cooperation—as we have begun to do—with the UN system, the IMF and the WTO. We can expand our cooperation with the private sector—which plays such an increasingly important role in development. And we can do much more to reach out to NGOs and civil society. Let me also pay tribute to the regional development banks with whom we work, and to their leaders who have given me so much advice and help. . . .

''Of all our partnerships, we must remember that the most important is that with the governments to which we lend—and the people that they serve. It is a point worth repeating: we must get closer to our clients. This will mean continuing to strengthen our field presence, while maintaining a very strong base at the center. At the same time, we must be mindful that the projects we finance are not World Bank projects—they are Chinese, or Haitian, or Malawian projects. But it is for the countries to own them and be responsible for them.''

BEYOND THE GREAT SATAN

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 17, 1995

Mrs. MALONEY. Mr. Speaker, the recent incidents involving China's proposed nuclear reactor deal with Iran have focused attention once again on Iran and its troubled place in the community of nations.

I commend to your attention a thoughtful piece which appeared in the Washington Post, written by Hushang Ansary, a former Iranian Ambassador to the United States and Minister of Finance in the Iranian Government before the ouster of the Shah in 1979. While I do not necessarily agree with or endorse all of Ambassador Ansary's proposals, I believe that he lays out an interesting road map for setting relations between the United States and Iran on a new course.

[From the Washington Post, July 9, 1995]

BEYOND THE GREAT SATAN

(By Hushang Ansary)

THE CLINTON administration has taken a series of steps to further isolate Iran and tighten the economic sanctions that could throttle its economy. If successful, these new U.S. initiatives against the Islamic Republic are likely to have a farreaching impact on the course of events in a region that supplies much of the West's oil needs.

At the same time, U.S. failure to win strong international backing for its containment policy would allow Iran to continue its pursuit of a nuclear development program, one that continues to raise questions.

President Ali Akbar Hashemi Rafsanjani has retorted that the United States will be the ultimate loser. And so far, America's European allies and Japan have not been supportive.

The latest move to raise the stakes in a decade and a half of hostility between the United States and Iran is no surprise. Secretary of State Warren Christopher has called Iran an outlaw state. President Clinton has used his executive authority to nullify an agreement between Iran and Conoco. A more alarming hint was dropped in February by Gen. Binford Peay, commander of the U.S. Forces in the Middle East, that the two countries might even become involved in military conflict.

By the time the last of the American hostages returned home from Tehran just over 15 years ago, even the most optimistic knew that the historic friendship between the United States and Iran has suffered a terrible setback. Successive U.S. administrations have pursued policies of accommodation, military pressure and sanctions against Iran. Some of these policies have backfired,