would not be excluded. The funds could, in addition, finance technical assistance that would support the overall purposes for which special funds are established.

Existing programs of financial assistance to the countries of Asia, both bilateral and multilateral, are not explicitly aimed at furthering the process of regional economic cooperation. Asian Bank special funds on the other hand, would be so designed, consistent with a fundamental purpose of the charter of the Asian Bank itself. The limited proportion of the Bank's own capital available for lending on terms appropriate for special funds is inadequate in relation to the needs for financing of this type. Early establishment of special funds in the Asian Bank is intended to equip that Bank with the full range of financial facilities necessary to meet the request for financing the Bank will receive over the years ahead. The Congress has already recognized the importance of such a facility in association with hard lending development institutions by its agreement to U.S. participation in the International Development Association and the Fund for Special Operations of the Inter-American Development Bank.

B. SHARING OF CONTRIBUTIONS

It is inherent in the nature of special funds that the particular projects and programs financed will be of different degrees of interest to different advanced countries which are contributing to special funds. This will be particularly true of the smaller of the economically advanced countries, whose programs of development assistance may be directed to a particular sector. For a particular program or project, the exact list of contributor countries and the specific amounts they are prepared to put up cannot be known until international negotiations have taken place and a satisfactory financial plan is approved by the Board of Directors of the Asian Development Bank.

In the circumstances of the newly established Asian Development Bank, it appears to the National Advisory Council that the practical approach would be the establishment of an overall limit on the share the United States should take of financial contributions to special funds as a whole. In the normal case, our concern is that the aggregate of the contributions of the other developed countries should represent a reasonable sharing of burdens, and not that there be a particular distribution of the contributions among the other contributors. The Council recognizes that in past proposals for U.S. participation in financial institutions, a fully negotiated agreement, indicating specific countries and the amount each would provide, was available at the time of the approach to Congress by the Administration. Although such an approach is preferable when feasible, U.S. goals and objectives would be benefited by our being in a position, through the proposal as now structured, to respond in a timely manner to Asian initiatives.

In the present situation in Asia, planning has already gone forward in different forums for the initial objects of special funds financing. Somewhat different clusters of advanced countries have indicated their interest in the different programs. Because of their differing histories, these programs are likely to come to the point of financing at different times. In these circumstances, the Council endorses the concept that an appropriate burden sharing should be achieved by