

In these and other directions, the recent months have seen a steady development of thinking in terms of promoting mutual cooperation, on a regional or subregional basis, among the different countries that are members of this Bank. The emphasis which President Johnson, in his various pronouncements, has rightly placed on regional economic activity as one of the chief methods of improving conditions in this continent has been quite clearly a major factor in the promotion of a regional approach to economic growth. Further encouragement has been derived from the specific announcement, in his State of the Union Message last January, of his intention to seek legislation that would authorize a U.S. contribution of \$200 million for the support of regional programs. We in the Bank have been particularly interested, of course, in his suggestion that these resources take the form of special funds assigned to the Asian Development Bank. Such funds provided by contributing countries would be significant recognition of our need, and our capacity, to respond to requests from our members to support economic development in the region.

We greatly appreciate the understanding and support of the needs of this area as revealed in these pronouncements of President Johnson. We are greatly heartened by the efforts that are being made and no doubt will continue to be made by Secretary Fowler and yourself to further the program indicated by President Johnson. I am confident that other parts of the developed world would show, even as they have done in their membership in this Bank, that their support can also be counted upon in this regard.

I think you know how much we all value your personal interest and encouragement in our work in this new venture. I look forward with great pleasure to seeing you again shortly.

Sincerely,

TAKESHI WATANABE.