

(e) The question of financing the costs of such a survey, which you have yourself referred to, would have to be closely studied; it is encouraging that the representatives of the United States and Japan at the Conference indicated the measure of help that would be forthcoming from their governments; consultation with, and association of, other potential sources of external finance may bring further such possibilities into focus.

In these circumstances, the Board of Directors has accepted my recommendation that:

(a) The next concrete step in response to your Note should be for the ADB to formulate a framework, both operational and financial, for the proposed survey;

(b) In the evolution of this framework, your Coordinating Committee be closely consulted as also other interested organizations; and

(c) This framework be submitted to the Board of Directors for their final decision as early as possible.

Of course, in evolving this framework, we will, side by side therewith, try to locate the expertise needed to conduct the survey.

I trust, Mr. Minister, that these proposed steps will be regarded by you as indicating the practical interest that the Board of Directors of this Bank and I feel in the possibilities opened up by your Note.

Permit me, Mr. Minister, to avail myself of this opportunity to renew to you the assurance of my highest consideration.

Yours sincerely,

TAKESHI WATANABE, *President.*

DEPARTMENT OF STATE
August 19, 1967.

Hon. PAUL MARTIN,
*Foreign Minister,
Government of Canada.*

DEAR PAUL: I am writing in connection with the plans of the Asian Development Bank to establish special funds on concessional terms for high priority needs in Asia's development. Our two governments joined with others at the Bank's Inaugural meeting in Tokyo last November in indicating that we agreed with Asian members that such funds were needed and that we favored their establishment. President Watanabe as well as ECAFE issued an appeal for contributions to such special funds. A proposal for a special agricultural fund initiated by Foreign Minister Miki of Japan is the farthest advanced of proposals for these funds.

President Watanabe has visited most of the capitals of member countries of the Asian Development Bank and among other topics has discussed a special agricultural fund. A top flight international team of agricultural experts is presently assisting the Bank in developing firm plans. Current efforts under the leadership of Tun Razak, Deputy Prime Minister of Malaysia, to develop regional proposals in the field of transportation and communication are likely to result in firm proposals for an ADB special fund. Mekong Committee staff have also initiated consultations with ADB concerning management of a special fund on Mekong development to be managed by the Bank. This proposal may be delayed until arrangements are completed for going ahead with the Prek Thnot project in Cambodia.

I was pleased to learn that during the visit of Mr. Peter Towe of your Ministry to Washington during the week of July 10-14, there were extensive discussions and exchanges of views on a full range of new regional programs now evolving in East Asia. These discussions have proved to be very useful and it would appear desirable for our two countries to continue to cooperate closely and on a regular basis with respect to those regional development matters in Southeast Asia which are of concern to both our governments.

Sincerely,

DEAN RUSK.

THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA,
September 1, 1967.

Mr. DEAN RUSK,
*Secretary of State,
Washington, D.C., United States of America.*

DEAN RUSK: I was happy to learn from your letter of August 19, 1967 that your officials found useful the recent informal discussions with our officials on