As of December 31, 1967, the total assets of the Bank were $196.4 million. Of this total, $103.8 million, derived from cash subscriptions and accrued interest, were invested in time deposits and government or government-guaranteed securities in various capital markets. These funds are immediately available for disbursements under Bank loans. More than half of the Bank's investments are in U.S. dollars (in the form of time deposits or certificates of deposit, U.S. Treasury bills, notes and bonds, and U.S. Government agency securities). In addition, promissory notes can be called upon in the amount of $86.6 million, of which $56.6 million are in convertible currencies. In accordance with the Agreement, demands by the Bank upon the promissory notes of member countries payable in convertible currencies shall, over reasonable periods of time, be uniform in percentage on all such notes or obligations. The remainder of the Bank's assets consists of cash in banks and various other assets.

MEMBERSHIP AND SUBSCRIPTION OF THE UNITED STATES OF AMERICA

The United States of America became a member of the Bank pursuant to the Asian Development Bank Act of March 16, 1966 (Public Law 89-369, the text of which appears as Appendix 1). The United States has subscribed to 20,000 shares of the capital stock of the Bank, thereby becoming, together with Japan, one of the two largest stockholders. The Asian Development Bank Act authorizes the appropriation of the entire $200 million United States subscription and Congress has appropriated, without fiscal year limitations, the $100 million callable portion of the United States subscription. No further appropriation is necessary to enable the Secretary of the Treasury to pay this $100 million, if any part of it should ever be needed to meet obligations of the Bank.

The U.S. Governor for the Bank is Henry H. Fowler, Secretary of the Treasury; the Alternate Governor is William S. Gaud, Administrator, Agency for International Development; and the U.S. Executive Director on the Bank's Board of Directors is Bernard Zagorin. The Federal Reserve Bank of New York has been designated as a depository for the Bank's holdings.

Under the Asian Development Bank Act, the Bank's obligations are granted the same exemptions from the Federal securities laws as have been granted to World Bank and Inter-American Development Bank obligations under previous legislation. The Act also authorizes the Bank's bonds for investment by national banks to the same extent as World Bank and Inter-American Development Bank obligations.

BORROWING BY THE BANK

Provisions of the Agreement

In addition to the paid-in ordinary capital which is available for loan operations by the Bank, the Bank is authorized by Article 21(i) of its Agreement to raise funds for its operations through public bond issues and other borrowings in the world's capital markets. Before determining the sale of the Bank's obligations in a particular country, the Bank will consider the amount of previous borrowing, if any, in that country as well as the amount of previous borrowing in other countries and the availability of funds in such other countries. The Bank will attempt to diversify its borrowings to the greatest extent possible as to country of borrowing. It will, in this connection, bear in mind the general situation in the various capital markets, the balance of payments position of the countries concerned, and the terms for borrowing in the various markets.

Prior Approval by Member Country

Under the Agreement, the Bank must obtain the approval of the government of the country in which the Bank's obligations are to be issued, as well as of the country in whose currency such bonds are to be issued. As in the case of the World Bank and the Inter-American Develop-