

The Asian Development Bank has in its till, at this moment, somewhere in the neighborhood of 70 million dollars available for making loans. In August of the current year, this figure will double, as the second of five annual installments comes due from the member countries. How quickly we can anticipate tapping this reservoir depends upon the progress of the organization and staff of the Bank, as well as upon the availability of well-conceived loan applications.

It goes without saying that, when making a decision on any loan, we should ensure that the new funds will inject health and vitality into the economic bloodstream of the recipient country. In other words, it is not enough that the new funds, in and of themselves, add resources to the economy. They should also serve to stimulate the flow of national savings into useful investments. Money which might otherwise have been dissipated in non-productive consumption, can thus be channeled into productive enterprises. It is my hope that the far-sighted businessmen in this region will peer through the deceiving mist of today's relatively simple satisfactions, and perceive the long-lasting benefits that true economic well-being can bring to a society.

The stimulus of ADB loans should not be limited solely to encouraging the flow of domestic capital. They should, as well, instigate a greater influx of international funds, from both the public and the private sectors.

In the public sector, the Asian Development Bank is prepared to operate in concert with other international organizations and with governments. It is anticipated that our Bank, as a regional institution, will be able first to pinpoint appropriate projects, and then to take the initiative in enlisting other organizations or governments to participate in that particular financial venture.

Private investment, at the international level, is also a useful tool for increasing the capital resources of the region. However, as you well know, this particular endeavor has its drawbacks, both for the investor and for the recipient.

From the investor's point of view, the risks are frequently more substantial than those incurred in domestic investment. In that regard, it may provide the necessary assurance for foreign investors if the ADB were to assume the role of a joint investor. Technically, the Bank can tender a joint equity investment or even offer to guarantee a loan to the private sector. However, although these operations are within the scope of our versatile functions, I hesitate to embark on such a course at this stage of our existence.