

Out of those "ordinary capital resources", the Charter permits the segregation of 10 per cent of the paid-in capital for special funds; i.e., loans provided under more liberal credit terms. And even that relatively small amount is dependent upon authorization by the Board of Governors, an authorization as yet not given to the Bank.

We are, therefore, especially grateful for the indications of special funds contributions currently pending, and will continue to actively seek such contributions in the future.

However, this concern with special funds does not forecast any departure from the role of the Bank as envisioned by its founders. Neither does it herald an amendment of my own determination to adhere to that role.

In my first speech as President of the Bank, I stated that "conventional or hard loans are the material of which any bank's foundation must be constructed". That statement has no less significance now than it did then. In fact, in order to attract the vital incremental sources of capital, it remains essential that we concentrate on acquiring, and managing successfully, a portfolio of conventional loans, consistent with the precedent set by other international financial institutions.

Furthermore, even though our present paid-in capital position limits the amount of each loan to several million dollars, I continue to be of the firm belief that the Bank can and will make a valid and significant contribution to the economic development of the region through its "ordinary capital resources".

This conviction was sustained by my recent series of trips to the regional member countries. In addition to aiding measurably in our efforts to recruit competent staff, those visits shed valuable light on the economic climate in the region, and afforded leaders of those nations an excellent opportunity to voice their own development objectives and priorities.

Through those discussions, as well as visits to a selected number of development schemes, the spotlight was focused on the very real need for agricultural and basic infrastructural financing. While it is unquestionably true that the bulk of this phase of development demands the extended terms and low interest rates characteristic of soft loans, there is still ample scope for the application of the Bank's conventional loan resources.

It is, moreover, vitally important that all available resources be brought to bear on the problem of increasing the food production of this region at a rate at least matching, if not exceeding, the