

higher quality products, rather than endeavor to erect trade barriers, designed solely to discourage any new competition.

Industrialization, therefore, depends upon two factors: at the outset, the developing country must exercise care to develop its industry, not at the expense of, but closely in conjunction with its agriculture. Secondly, the developed countries must exhibit a broad-minded "laissez-faire" posture in their acceptance of the developing nation's products, even though they may present a challenge to that country's own export commodities. Moreover, the developed nations may find that, although a specific product might be forced off the market by the competition from developing countries, its overall national income may be increased by the resulting market to supply the means of production to the developing country.

Industrialization, on this basis, has already demonstrated its feasibility and merit in some countries in this region. I am anxious to lend the full support of the ADB to the furtherance of this type of integrated development.

One practicable application of the Bank's conventional resources, which emphasizes the close connection between the two sectors, is the development of the agricultural output—processing industry. An already-tested and successful example of this phase of industrial development is the canning industry, and there are certainly innumerable others.

I have dwelt, thus far, on what I believe is a logical and realistic approach to the economic development of this region, and have tried to outline the specific areas on which the ADB is not only well-advised, but disposed to concentrate, especially during its formative years. I would like to occupy the time remaining in discussing another activity which we are rapidly equipping ourselves to undertake; namely, technical assistance.

During the course of my regional visits, I was made aware of the fact that wisdom is sometimes worth more than money to a developing country. If nations of this region are ever to achieve a fully integrated economy, it is essential that sufficient emphasis be placed on the so-called strategy of economic development. This strategy includes an accurate appraisal of the country's present stage of development, to determine the degree of existing infrastructural groundwork, from which agricultural and industrial projects can be conceived.

Having arrived at an overall plan, based upon a realistic evaluation of the needs, it then befalls the developing country to identify specific projects, which can qualify for development finan-