the future despite the private sector led problems in Asia. Lenders and investors have come to realize that a well structured, viable project in the private sector is a better bet than a white elephant project with a government guarantee, the hall mark of many projects in the 70's and early 80's. "Well structured" in recent weeks has come to mean in particular "devaluation proof", given many in Asia did not have protection for this.

Sometimes private capital needs a little encouragement, however. US Eximbank's outgoing President summarized it well when he described Eximbank's role in fostering US exports through its guarantee programs, as to "get the banks in and then get out of their way". In Canada, EDC has also proved how well this works with their Documentary Credits Insurance Program. This is an insurance product introduced 9 years ago, initially used avidly by banks to cover risks on **foreign** banks with whose letters of credit they did not feel comfortable. There has never been a claim under it and until a few weeks ago it was largely defunct, because the banks feel emboldened to take the risks uninsured. In times of crisis, its usage goes up markedly but it has served to prime the credit pump for Canadian exports to perceived high risk areas. The CDC has played an significant role also as a pump primer for capital flows into sound projects including in some high risk economies not in the Commonwealth, such as Cuba. Two of the World Bank agencies focusing on the private sector, play a pivotal role, sister agencies to those involved in financing projects in the public sector. These are MIGA, which insures equity investments and loans, which we have used for example, for hotel financing in Central America, and the IFC, the International Finance Corp. IFC, as I'm sure, most of you know is the World Bank agency that makes equity and loans available for **private** sector projects but more importantly invites private sector lenders to participate, and with much longer terms and lower pricing than they would normally provide. Lenders are willing to do so because they are part of a default proof World Bank package, with what IFC describe as the World Bank's "magic dust" sprinkled on it. For example, we participated in about 6 such deals with IFC over the last year or so, notably a large one to our customer, Caribbean Ispat in Trinidad enabling a large expansion of this steel facility, an example incidentally of a loss making company in Government hands which has expanded and prosperous when bought by a private group. IFC has a monumental task ahead of it as the private sector takes over industrial activity, and incidentally its success in bringing in commercial co-lenders to date is being copied by other agencies such as the Inter-American Development Bank and the Asian Development Bank. IFC is also focusing more on smaller business and smaller countries, and I am pleased to say we have recently concluded a Caribbean Loan Facility with them, whereunder we will co-lend with IFC to customers of our 200 Caribbean branches, on a joint basis. These are medium loans from 3 — 10 years, in foreign currency to customers to whom we would not normally feel comfortable lending foreign currency at that term.