

THE COLOMBO PLAN: A SHORT ACCOUNT



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THE COLOMBO PLAN: A SHORT ACCOUNT

THIS paper is based on a lecture given by Mr. G. M. Wilson of H.M. Treasury, in Rome in June 1957, at the invitation of the Società Italiana per l'Organizzazione Internazionale. It has been brought up to date where necessary by the inclusion of more recent information.

THE NEED FOR ECONOMIC CO-OPERATION IN SOUTH AND SOUTH-EAST ASIA

The Colombo Plan—or, to give it its full official title, The Colombo Plan for Co-operative Economic Development in South and South-East Asia—had its origin in two main series of events in the post-war world, one in Asia and the other in Europe.

In Asia, the year 1947 had seen the creation of four new independent states—India, Pakistan, Ceylon and Burma. Indonesia became independent soon afterwards. A new era thus opened in the political development of South Asia. For many years, the struggle for independence had in varying degrees dominated the political life of these countries. Their people tended to believe that their poverty and backwardness were due to imperial exploitation, and it was widely believed that, with political independence, their economic problems would also be on the way to solution.

But independence of itself solved none of these economic problems, and, indeed, by 1950 it was beginning to be realised that, so far from getting better, standards of living, particularly in the towns, were lower than they had been before the war and were still falling. In part, this was due to the dislocation in output and distribution resulting from the war. But a more important cause was the great increase in population. Unless drastic and positive measures to promote economic development were taken, the situation would deteriorate even more rapidly and it would be impossible to sustain the growing populations even at the very low levels to which they were accustomed.

In Europe, the series of events was the post-war reconstruction resulting from the Marshall Plan and the activities of the Organisation for European Economic Co-operation. With the added stimulus of American advice and American generosity, the countries of Western Europe had come together to organise their joint economic recovery and the programme was proving highly successful. There was a growing belief that it should be possible to adapt to the needs of Asia, different though they were and in some ways even more formidable, a technique which was helping Europe to recover from the war.

ORIGIN OF THE PLAN: THE CONSULTATIVE COMMITTEE

It was against this economic background that the Foreign Ministers of the Commonwealth countries met in Colombo in January 1950. The countries represented were India, Pakistan and Ceylon from within the region—Burma had left the Commonwealth on becoming independent—and the United King-

dom, Canada, Australia and New Zealand from outside the area. South Africa was not represented and has taken no part in the Colombo Plan. The purpose of the meeting was to exchange views on world problems and particularly on the needs of the countries of South and South-East Asia. At this meeting the idea of the Colombo Plan was born. A Consultative Committee was set up 'to survey the needs, to assess the resources available and required, to focus world attention on the development problems of the area, and to provide a framework within which an international co-operative effort could be promoted to assist the countries of the area to raise their living standards'. These terms of reference constitute the sole mandate of the Consultative Committee. Apart from the Council for Technical Co-operation and the Colombo Plan Bureau (see pp. 7 and 8) the committee is the only piece of international machinery in the Colombo Plan. It was, and has throughout remained, a consultative, not an executive body.

The Consultative Committee, to which were added representatives from Malaya and British Borneo, held its first meeting at Sydney in May 1950. It was then agreed that the Commonwealth countries in the area should draw up development programmes covering a six-year period from 1st July, 1951, and that the other countries in the area should be invited to take similar action. Agreement was also reached at this meeting on the setting up of a Technical Co-operation Scheme.

The First Development Plans

The Consultative Committee met again in London four months later, in September and October, by which time India, Pakistan, Ceylon and the United Kingdom dependencies had drawn up their plans. These were based on fairly detailed plans which already existed and in accordance with which a start had already been made on many long-term projects. Indeed, in some countries, there were in existence too many plans, and the task was rather to reduce them to a programme which had some prospect of being fulfilled. The document which emerged from this meeting was the first published formulation of the Colombo Plan.

The report opened by calling attention to the significance of South and South-East Asia. The countries with which it dealt had a total population of 570 million people, or one-quarter of the population of the world. Over most of the area there was a democratic form of government, but whether it would continue or not depended to a considerable extent on how quickly the great natural wealth of the area could be increased to match the growth in population.

The area is predominantly agricultural, and agricultural products are the main source of its foreign exchange earnings. It provides almost all the world's exports of jute and rubber, more than three-quarters of the tea, more than half the tin and a large proportion of the oils and fats. These key products have for generations flowed into the great trade routes of the world. Europe and the Western Hemisphere depend on them to a very large degree, but the violent fluctuations in demand and price to which they are subject in world markets are disturbing factors to the countries of the area. South and South-East Asia can become one of the great investment and market outlets for the rest of the world, provided conditions of economic and political stability are allowed to prevail. The effects of the war on the area were then considered. Transport and industry had been run down and economic dislocation and inflation in many parts of the area were added to the physical ravages of war. The United Nations Economic Commission for Asia and the Far East calculated that the output of food in the region was still below its pre-war level, while the population had increased by some 10 per cent. Consumption per head was therefore lower than it had been ten years earlier. A good deal of headway had been made with rehabilitation, but the Consultative Committee concluded that 'a stage has now been

reached at which it is possible to plan ahead and to move from policies based upon the need to deal with the immediate emergency to the execution of sound and realistic long-term plans for economic development'.

One of the greatest immediate difficulties was the very rapid rate of population increase. This varied from the rate of about 1.5 per cent per annum in India to 2.4 per cent in Malaya. It was estimated that if these rates were maintained, the then population of some 570 million would within 20 years have grown by about 150 million, an increase roughly equivalent to the total population of the United States. This rapid increase in population put a tremendous strain on resources, and the problem was to increase the capital equipment of the countries in order not only to keep pace with the growth of population, but also, through increased production per head, to permit some rise in the level of consumption.

The development programmes of India, Pakistan, Ceylon and the United Kingdom dependencies were set out in some detail, showing the opportunities which existed for raising the standards of living through development. They also showed that the countries' resources of capital and of trained men were insufficient to make full use of these opportunities. The programmes concentrated on basic economic development; and agriculture, transport and communications, and electric power accounted for 70 per cent of the estimated cost as against only 10 per cent for industry. There must have been a great temptation to indulge in easy optimism and to put forward programmes that were quite unrealistic. This temptation was resisted, and the realism of the programmes is shown by the fact that no spectacular results and no general increase in the standard of living were expected by 1957. The danger at the time was that the standards of living would continue to fall, and the programmes aimed at little more than holding the existing levels. Their primary purpose was to lay sound foundations for further development and their implementation would make it plain to everyone in South and South-East Asia that progress was being made.

The report concluded with a discussion of the two major limitations upon the size of the programmes—the shortage of trained men and the shortage of capital, more particularly foreign capital. The figures were, of course, extremely rough, but it was estimated that external finance of about £1,100 million would be needed over the six-year period. Of this it was estimated that £250 million would be met by the drawing down of sterling balances held in London. For the rest 'it seems certain that a substantial element of government-to-government finance will be required, particularly in the early stages of the development programmes'.

The possibility of large-scale United States assistance for the Colombo Plan as such was, of course, very much in mind, particularly in view of the great and continuing success of the Marshall Plan in Europe. But the circumstances of South Asia were very different and it soon became apparent that American assistance to the area was likely to take a different form.

Initial Contributions to the Plan

The Consultative Committee next met in Ceylon in February 1951. The progress since the publication of the London report was reviewed, and agreement was reached about future meetings of the committee and about the publication of an annual report. In addition, the Commonwealth countries outside the area announced the financial contributions they would make towards the cost of carrying out the programmes. Canada promised to provide \$25 million a year for six years. Australia promised £5 million a year, and New Zealand £1 million. The United Kingdom gave an undertaking to allow Ceylon, India and Pakistan to draw down their sterling balances by an agreed amount each year during the period. These balances were, of course, the property of the Asian

governments concerned but their use or them had been restricted since the war in view of the United Kingdom's balance of payments difficulties, and the undertaking to release them represented a considerable strain on her resources. The United Kingdom contribution included also the money to be committed annually, as in the past, to Malaya, Singapore and the territories in North Borneo under the Colonial Development and Welfare Acts, and by the Colonial Development Corporation.

Increase in Membership

The Colombo Plan was started by Commonwealth countries, and this fact to a large extent determined the form which it subsequently took. But it was contemplated from the beginning that all countries in the area should be invited to participate on equal terms. There were no formal conditions of membership; each participating country was expected, however, to submit its development programme for scrutiny by the others, to make an annual progress report and to participate fully in the annual meetings of the Consultative Committee.

At the London meeting in 1950, Burma, Cambodia, Laos, Vietnam, Indonesia and Thailand were represented by observers. Cambodia, Laos, Vietnam and the United States became members the following year. Burma and Nepal became members in 1952, Indonesia in 1953, and Thailand, the Philippine Republic and Japan became members in 1954. Most of these countries had been represented by observers at meetings of the Consultative Committee before they became full members. Since 1954, therefore, the membership has included all Asian countries eastwards from Pakistan, with the exception of China. The Federation of Malaya and Singapore became full members of the Consultative Committee in 1957 and 1959 respectively, following the attainment of independence by the Federation of Malaya and constitutional changes in Singapore's relations with the United Kingdom. The International Bank for Reconstruction and Development (IBRD), the Economic Commission for Asia and the Far East, and the United Nations Technical Assistance Board have maintained close liaison with the committee in its work and have been represented by observers at its meetings.

Continuation of the Plan

By June 1956, it was estimated that about £850 million of capital aid had been provided since the beginning of the Plan. At the meeting of the Consultative Committee in October 1955 the economic situation in the region was reviewed. It was evident that considerable progress had been made, but, as was stated in the fourth annual report published in November 1955, when the progress achieved so far was compared with the fundamental problem of raising the living standards of a rapidly increasing population, it was clear that much more remained to be done. It was therefore decided that the Plan should continue until 1961, its future after that date to be considered in 1959. At this second review, at the Consultative Committee's meeting in Jogjakarta, Indonesia, in November 1959, essentially the same problem remained of the need to continue the co-operative effort of the Plan in face of the very difficult economic problems of the countries in the region. The Plan was extended for another five years from 1961, a further review to be made at the 1964 meeting of the Consultative Committee.

Finance for Development: External Assistance

The major part of the money required for the development programmes has, of course, been raised by the countries themselves. But external economic assistance has played an important part. It has been used in a number of different ways to meet the needs which arise as development proceeds. The main need

is for foreign exchange for the purchase of capital equipment, consumer goods and other commodities.

The assistance takes a wide variety of forms, covering outright grants for technical assistance and capital development, government-to-government loans with repayment in local currency or foreign exchange, and loans from public lending institutions. Owing to the numerous ways in which external aid has been made available and in the absence of adequate information on the flow of non-governmental funds, it is not possible to estimate the *total* flow of external resources to the area since 1951. But over the whole period of the Colombo Plan to mid-1959, external aid from governments amounted to over £2,100 million, and, in the same period, the IBRD has lent about £330 million to countries in the area. By far the larger part of the external aid has come from the United States—some £1,400 million by June 1958. The United Kingdom provided nearly £150 million by June 1959, apart from releases of sterling balances. Other contributions include those of Australia, £A30 million by June 1959; Canada, £125 million by September 1959; New Zealand, £8.3 million by March 1959; and Japan, over £65 million (mainly in loans) by March 1958. India has committed a total of over £10 million for economic aid to Nepal up to March 1961, and has made a long-term loan of £15 million to Burma. Total investment and re-investment by private enterprise cannot be calculated, but some indication of its scale is shown by an estimate by the Reserve Bank of India that United Kingdom non-banking investment in India between mid-1948 and 1957 amounted to more than £155 million.

HOW THE PLAN WORKS

The Colombo Plan is less a plan in the generally accepted sense of the word than a series of separate plans drawn up and administered by each country in the region. These separate plans are discussed and commented on by all the members of the organisation. Progress is noted, difficulties are considered and suggestions may be made. But each individual country retains full responsibility for both the formulation and execution of its own programme. There is no master plan to which the separate parts are expected to conform. So far as India, for instance, is concerned, the Colombo Plan is India's own Five-Year Plan, plus whatever 'Colombo Plan' assistance India may get from outside; and, under the Colombo Plan, India is contributing to the development programmes of other countries in the region.

The significance of the Colombo Plan is first, that, for the countries within the region, the development of planning and administrative skills is greatly stimulated by the yearly meetings of ministers and officials to present and defend their own plans, and to discuss and comment on the plans of other governments. By considering common difficulties and looking into the future, the countries of South Asia have given to economic development a momentum which many of them might not have secured in any other way. The Plan has greatly reinforced their sense of solidarity and of achievement, and they welcome these annual meetings of what is predominantly an Asian association. The looseness and flexibility of the organisation makes no demands on them apart from what is in any case involved in revising their annual plans. They know from experience that no strings are attached and that they will not be subjected to pressures which they would regard as improper.

Indeed, the pattern or organisation was set by Commonwealth countries which were accustomed to working together within the framework of the Commonwealth—that is to say, no formal constitution, frequent meetings and full interchange of ideas and information so that each part may act in full knowledge of what the other parts are doing and thinking, and with such help as it may be possible to give. Not the least of the achievements of the Colombo Plan is that

this informal method of organisation has proved capable of meeting the needs of countries with such a rich variety of differing backgrounds and traditions.

Further, the system of regular reporting, with the publicity it is given, is focusing Western attention on the problems of South Asia as a whole. In the past, people in the West have tended to view this vast area through the eyes of their traders, administrators and missionaries. Reports on these national programmes are bringing about a greater understanding of the economic problems of the region.

The concept of separate plans, for the formulation and execution of which each country retains full responsibility, is cardinal to the whole scheme and has largely determined the form of organisation and operations under the Plan. At the time of the London meeting in 1950, it was still not decided whether the scheme would operate on a bilateral or on a multilateral basis. The divergence of views was reflected in the report. 'It may be the wish both of countries providing external finance and of those receiving it that it should be made available on a bilateral basis. It may be, however, that there would also be need for an organisation of participating governments which could review progress, which could draw up periodic reports, and which could serve as a forum for a discussion of development problems in South and South-East Asia. The form of such an organisation cannot be determined until it is clear what the sources of external finance will be.'

It soon appeared that most of the external finance would be provided on a bilateral basis, and when the suggestion was made that it might, nevertheless, be useful to have a small central secretariat to prepare reports and maintain continuity, it was the Asian countries who took the lead in opposing the idea. They wanted the freest possible access to the sources from which aid might be expected to come, and argued that a central secretariat, however limited its functions might be, would almost inevitably interpose itself to some extent between the recipient and the provider of aid. This argument prevailed, and the Plan has therefore operated throughout on a wholly bilateral basis.

The consequence has been that, apart from the Technical Co-operation Scheme and the Colombo Plan Bureau, the Colombo Plan and the Consultative Committee have at no time had any budget or employed any officials, either paid or unpaid. At each annual meeting, the Consultative Committee decides in which country its next meeting will be held—they normally alternate between a member country within the region and one outside—and from that moment the government of that country undertakes full administrative and financial responsibility for arranging the meeting. The Colombo Plan thus forgoes the advantages and avoids the disadvantages of being served by officials who are divorced from national administrations.

Capital Assistance

There are, broadly, three types of capital assistance available to the countries of the area. First, there is governmental capital assistance made available by Colombo Plan countries to other members of the Plan, but not described as Colombo Plan aid because it is channelled through some other institution. Examples of this kind of aid are loans from the IBRD, from the Export-Import Banks of the United States and Japan and from the United States Development Loan Fund, grants made by the United Kingdom under the Colonial Development and Welfare Acts, and United Kingdom Commonwealth Assistance Loans. This capital is used for economic development in accordance with programmes drawn up under the Colombo Plan, and is included in the account of financial assistance given to Colombo Plan countries in the annual reports of the Consultative Committee.

Secondly, capital assistance provided by Australia, Canada, India and New Zealand, and some of that provided by the United Kingdom, is specifically

'Colombo Plan' aid, and is available only for projects agreed with the governments of those countries. The normal procedure is for the government of the country requiring aid to suggest to the donor government a number of projects which it might help to finance. The donor government, after examining the projects, makes its choice among them. In this way, both parties retain their right to make independent decisions.

Finally, the sterling balances of India, Pakistan and Ceylon, built up largely during the second world war in return for services which those countries provided on credit, have been used extensively for economic development. For example, between 1956 and 1958, India used £400 million for financing its second Five-Year Plan. This was a call on capital resources which the United Kingdom's economic policy had to be prepared to meet.

Technical Assistance

The 1950 Plan recognised that the shortage of trained men was almost as great an obstacle to rapid development as the shortage of capital. With the help of administrators, scientists and technicians from overseas, and increasingly from their own peoples, the countries of Asia have been equipping themselves to use the recent advances in science and technology. An essential part of the economic development of the region was the provision of trained men, whether experts or craftsmen, to carry out the projects already in hand, to initiate other schemes in the programmes, and to raise the level of technical skill among agricultural and industrial workers. It was for this reason that, in addition to directly productive projects, provision was made in the programmes for training institutes, technical schools, research laboratories, field stations, experimental farms and other agencies through which knowledge and skill could be increased and disseminated. Many of the schemes were small in terms of capital cost, but they were indispensable to the success of the programmes as a whole.

The Technical Co-operation Scheme

In order to assist in meeting these needs the Technical Co-operation Scheme of the Colombo Plan was brought into existence at the meeting of the Consultative Committee held in Sydney in May 1950. Since January 1959, when the United States joined the scheme (its programmes of technical assistance having previously been kept separate for administrative reasons), its membership has been the same as that of the Consultative Committee.

The governing authority for the Technical Co-operation Scheme is the Council for Technical Co-operation, whose meetings are normally attended by members of the diplomatic staffs of member countries stationed in Colombo and, when important matters of policy are discussed, by special representatives from capitals. Observers from the United Nations Technical Assistance Board and, until January 1959, the United States (when it became a full member; see above), have also attended the council's meetings.

Assistance Under the Scheme

The assistance provided under the Technical Co-operation Scheme takes three main forms: the supply of experts to assist in training, research or development in the requesting country; the provision of training places in universities, technical institutions and private industrial firms in supplying countries, where students from the area can acquire up-to-date knowledge and skill to assist development in their own countries; and the provision of equipment for training and research purposes.

The total amount spent or committed under the scheme by the end of June 1959 was £17.7 million. To this must be added the very large sum spent on technical assistance in the region by the United States, amounting, between 1951 and 1959, to £84 million. Nearly 10,000 experts and over 18,000 training

places have been provided, 33 of the experts and 1,257 of the training places having been provided by countries within the region.

All negotiations for the provision of experts, training facilities and equipment are the sole responsibility of, and are conducted bilaterally by, the governments immediately concerned. When a firm agreement has been reached for country A to provide assistance to country B, country A debits the cost against the funds which it has earmarked for the provision of assistance under the scheme. This bilateral system has enabled the Technical Co-operation Scheme to be both flexible and speedily effective in assisting development in the countries of the region.

Mutual Aid

A basic concept of the Colombo Plan has been one of co-operation, each member country doing what it can to assist in the development of the area as a whole. A notable feature has been the increasing amount of assistance given by countries within the area. By June 1959, £800,000 had been spent or committed under the Technical Co-operation Scheme by Burma, Ceylon, India, the Federation of Malaya, Pakistan and Singapore. In addition, Indonesia, the Philippine Republic and Thailand have provided training places. This assistance is of particular value: the development projects in operation in any one country of the region are likely to be repeated elsewhere in a modified form, and planners, managers, engineers and trainees can often learn more from studying a project which is actually being carried out in the area than from a study of a completed project in an already developed country where conditions differ from those of the region, and where much more emphasis has to be put on replacing men by machines.

Continuation of Technical Assistance

It was originally intended that the Technical Co-operation Scheme should operate only until the middle of 1953. It became clear, however, that the funds available would not be exhausted by that time and it was accordingly decided in April 1952 that the scheme should be co-terminous with the Colombo Plan, and additional funds have since been made available to it. This extension of the life of the scheme was a great source of strength. Governments were able to make requests for equipment, training facilities or experts whenever the need arose and the requests did not have to be fitted into an annual programme or budget.

The Colombo Plan Bureau

The day-to-day work of the Technical Co-operation Scheme is carried out by a small permanent bureau in Colombo with a total staff of about 24. The director has hitherto been appointed from a country outside the area. The bureau assists the Council for Technical Co-operation in keeping a general watch over the working of the scheme; it records the technical assistance requested and given; and, on the basis of information supplied voluntarily by governments, it maintains a record of capital aid projects. An information unit, established in 1953, was integrated with the bureau in 1957. There is an information officer and an assistant information officer, who help to promote knowledge of the Colombo Plan. Information is collected from member governments, and distributed in publications and other suitable forms. The bureau's expenses amount to about £40,000 a year, to which member governments make equal contributions.

Colombo Plan and United Nations Technical Assistance

Assistance under the Technical Co-operation Scheme is supplementary to what can be obtained from other sources, and a major contribution is made by the

United Nations Bureau of Technical Assistance Operations and the specialised agencies with whom close working relations are maintained.

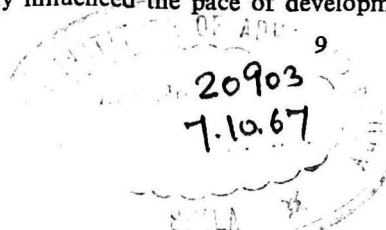
The problems and difficulties encountered in the course of operating the scheme—and they are many—are very similar to those encountered by the United Nations and the specialised agencies. The main differences are:

- (a) Under the Technical Co-operation Scheme the recruitment of experts and the provision of training facilities is limited to the member countries, whereas under the United Nations scheme these facilities are available on a world-wide basis.
- (b) The provision of a substantial sum of money, available until it has all been used up without any annual programming or budgeting, relieves the Technical Co-operation Scheme of many of the administrative and financial worries that still perplex the United Nations and specialised agencies.
- (c) There is a good deal more flexibility under the scheme for the provision of equipment required for training or for use by technical experts. This is of particular importance since such workers as the medium and lower grade technicians, the agricultural extension workers and the teachers, can only be trained in their own countries, and one of the most valuable forms of technical assistance is to increase facilities for this purpose. These workers are needed in hundreds of thousands as the Plan develops, and therefore cannot be provided from overseas. The importance of providing local training for them is illustrated by the need for the maintenance of tractors and heavy earth-moving equipment. Millions of pounds' worth of this equipment have gone to South Asia in recent years, and the success of a project often depends on the skill with which it is operated and maintained. In the absence of such skill, the equipment will lie idle. Local training is therefore essential for the success of these programmes.

ACHIEVEMENTS OF THE PLAN

In considering the achievements of the Plan it is important to stress that by far the greater part of the effort that goes into its execution is provided by the countries of South and South-East Asia. As is known from experience of the Marshall Plan, it is a fallacy to suppose that all development is on a donor-recipient basis. The driving force behind the Plan is provided by all the member countries, and the loans and grants, the equipment, the experts and the training facilities that are provided from outside the area help to make the execution of the plans less difficult than it otherwise would be. But the hard work, hard thinking, and sacrifice that are needed to turn paper plans into irrigation schemes and factories, roads and railways are provided almost entirely by the peoples of the region. So much is heard these days of international assistance in one form and another and of the demand that its scale should be increased, that it is tempting to believe that, without it, nothing at all would happen. Nothing could be farther from the truth. International assistance can and does fulfil a vitally important role, but fine examples of this hard work and sacrifice are now to be seen in South Asia, and, in every instance, they are inspired, mobilised, and aimed towards a common end by the impulse to bring a nation into existence or to make it great once it has been born.

The progress of economic development in South and South-East Asia has been described fully in the eight annual reports published by the Consultative Committee. The development programmes have been adjusted, revised and extended in the light of achievement and world economic conditions. Changes in the international commodity markets for many of the exports of the area have greatly influenced the pace of development, affecting the levels of export



earnings and of the foreign exchange resources necessary for the purchase of capital goods and raw materials from overseas. The eighth report of the Consultative Committee (for 1958-59) notes an improvement late in 1958 in both the volume and the unit price of exports together with a reduction in the volume of imports and more favourable terms of trade after the very difficult trade conditions of 1957 and the first part of 1958. Agricultural production, varying from year to year with weather conditions (which, also, were adverse in 1957-58 but improved greatly in 1958-59), has increased very considerably in many countries over the period since 1950, with the help of improved methods, the greatly increased use of fertilisers and the cultivation of more land. Extensive programmes of industrial development are helping to diversify the economies of the countries and to reduce their dependence on a few primary commodities. Considerable progress has been made in the improvement of basic services such as transport and communications and power production, in the establishment and strengthening of institutions for providing capital, and in the extension of social services. National incomes have increased strikingly over the period, but advances in real income have not kept pace, partly because of inflation, and partly because of population growth (the total population of countries in the area is now over 665 million). The rise in population is itself, of course, to some extent a consequence of improved standards of health. In its eighth report the Consultative Committee suggests, however, that it is one of the most pressing problems in most countries of the area and is becoming more acute from year to year.

It can be seen, therefore, that whilst achievement in face of great difficulties has been remarkable, great difficulties remain. In co-operating to help themselves and each other, the countries of South and South-East Asia are pooling their resources and experience, and with the understanding and assistance of countries outside the area, can look forward to the achievement of higher standards of living in an atmosphere of peace and freedom.

In concluding his lecture, Mr. Wilson gave two quotations. The first is taken from the original Colombo Plan report:

'These countries are rich. They are rich in the dignity of peasants tilling the soil, and in the wisdom of teachers and scholars. They also possess incalculable capital in the form of the traditions of civilisations which are older than history itself—traditions which have produced treasures of art and learning and which still mould the minds and spirits of their peoples. The worst effect of poverty has been to cloud and circumscribe these human aspects. They must be liberated so that they can contribute towards the self-realisation of individuals, towards the fulfilment of national aspirations, and towards the enhancement of the lives of other peoples throughout the world. The progress of science and technology has suggested ways in which this may be done; and in an age when other countries are increasingly reaping the advantages of scientific and industrial advance, the hastening of a similar process in Asia cannot safely be delayed.'

The second quotation is from the 1956 report of the Council for Technical Co-operation, when the Plan had been in operation for nearly seven years:

'The Colombo Plan is not entirely a matter of business, and cannot be entirely embraced in any verbal formula or statistical combination. Like some other institution that has made a mark on the world by the moral force rather than by material strength alone, by unspoken understandings rather than by defined powers, the Colombo Plan has surate with any formal constitution that It has become one of the sturdiest symbol: tion and hope.'

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