

was estimated at 13 per cent over the previous year. Other aspects also showed marked improvement. For example, cement production increased by 17 per cent and the output of steel by 12 per cent and the manufacture of jute, a staple for some of the countries of the area, by 6 per cent.

During 1954-55, the countries of the area were able to devote over \$2,100,000,000 to development expenditures in the public sector as compared with expenditures of \$1,417,000,000 in 1953-54. More than two-fifths of the expenditure was directed to agriculture, one-quarter to transport and one-quarter to social welfare. Most of the countries are hopeful that they will be able to achieve an even higher expenditure in 1955-56.

The Committee recognized that the substantial amounts of capital made available over the past five years by the contributing governments, the International Bank for Reconstruction and Development and by other institutions has assisted the countries of South and Southeast Asia in furthering their development programmes.

The Task Ahead

While it was recognized that the Colombo Plan has made a significant and lasting contribution to the economic welfare of South and Southeast Asia, the Committee emphasized the problems which remain. The Colombo Plan, of course, is not in itself a blueprint and has no centralized control over development programmes. However, each year by discussing their mutual problems and by reviewing personal contacts, the ministers and officials from member countries are in a position to appraise the needs of the area and determine the adequacy of available resources. It is to help meet these needs that external aid is made available by the more developed member governments to their Asian partners.

The general views which emerged from the review of the situation at the recent meeting may be summarized as follows:

- (a) Recent experience, in a period when not all countries of the area benefited from world economic conditions which were generally favourable to the economic expansion of the area as a whole, has brought out once again the wide differences that exist in the economic situations of the different countries.
- (b) Considerable progress has been made and some of the earlier plans are now bearing fruit, but much more still has to be done and some of the tasks ahead will be even harder.
- (c) While the need for capital from outside the area remains, the close-linked problem of mobilizing domestic resources is of paramount importance. This is true both for public and private capital, and for development in the public as well as the private sector.
- (d) The many common economic problems calling for the co-operation of all countries in the region, possibly in new ways, have been thrown into sharper focus.

One of the most complex problems still facing the countries of the area is the difficulty of maintaining adequate levels of food production in the face of