

In the colonial territories in the area the United Kingdom Government have also sanctioned assistance to a total of £95 million in the form of grants in aid of administration, loans and grants for war damage and development purposes, and security expenditure. Of this amount £47 million will have been spent by March 31, 1951.

The direct burden of rehabilitating the Commonwealth countries in South and South-East Asia has thus been borne to a large extent within the Commonwealth, apart from drawings by India on the International Monetary Fund and on loans from the International Bank.

Less progress has been made with rehabilitation in most of the non-Commonwealth countries of South-East Asia. ...the assistance given by the Commonwealth to the non-Commonwealth countries, as also the substantial aid provided by the United States and other countries, has done no more than meet a part of their needs.

6. EMERGENCY PLANNING MUST BE REPLACED BY REALISTIC LONG-TERM PLANS FOR ECONOMIC DEVELOPMENT.

A very substantial programme of development is needed to secure any improvement. The present state of development in South and South-East Asia is probably as low as anywhere in the world. From such information as is available, it appears that average national income per head in most of South and South-East Asia ranged around £20, whereas in the United Kingdom it is over ten times as large, and in the United States it approaches £400.

By far the largest element of national income in South and South-East Asia is derived from agriculture, which in all the countries provided the livelihood for more than half, and in some for as much as 80 per cent, of the population. The heart of the problem is the under-employment which results from the pressure of population on the land.

In India there are 73 million agricultural workers of all kinds, while in the United States only 8 million are actively occupied on the land. In spite of the much more intense application of manpower, agricultural yields per acre are far below those in the United States; for instance, the yield of wheat is less than 600 lb. compared with over 1,000 lb., and the yield of cotton is only 66 lb. compared with 313 lb.

This disparity cannot be explained simply by natural differences of soil fertility; it is the application of capital which enables the farm worker in the United States to produce so much more than the peasant of South and South-East Asia.

For example, in the United States there are over 2,400,000 tractors, whereas in India there are only 10,000. Again, the United States uses, on an area only one-sixth greater, over 13 million tons of fertilizer a year against some 200,000 tons used by India.