

increasing productivity. Too great an increase in investment without a corresponding increase in consumption tends to create strains and stresses which threaten financial stability, particularly in view of the continuing increase in the population of the region. On the other hand, a point can be reached when too great a consumption increase threatens to curtail investment and the future rate of growth. This problem of devising appropriate fiscal and other measures to permit a reasonable increase in both consumption and investment constitutes one of the most difficult tasks for the Governments of the countries of the region.

12. There is no simple solution for resolving the problem posed by the respective roles of consumption and investment. Many countries, as part of the initial phase of development, have encouraged investments which, in one way or another, in agriculture or industry, result in the availability of more consumer goods in the short term. With a relatively sound base they have undertaken expenditure on larger, slower-yielding investment projects with a view to promoting a faster pace of development in the future. This emphasis, however, is not adequate in itself and has to be supplemented by corresponding fiscal and other measures. Such measures have an important bearing on the mobilisation and allocation of resources in a developing country.

13. The task of mobilising resources is a continuing one. Past experience in the area indicates that early emphasis is on mobilising resources for those projects which the government plans and directs, such as roads and other basic facilities. At the same time, it becomes necessary and desirable to maximise the efforts and productivity of all parts of the economy. It is essential, therefore, to bring forth, through training,

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