

since the Second World War. Although 1961-62 was characterized by slower rates of growth in the more industrialized countries, economic activity remained at a high level, especially in Western Europe. Trends in the world economy have not, however, been altogether favourable for countries of the Colombo Plan region. The continued weakness of primary-commodity prices remained a severe problem in 1961-62 for the developing countries. Import restrictions in advanced countries on manufactured goods which the developing countries could make added to their difficulties, while foreign-exchange stringency is perhaps the most pervasive problem for governments of the region at present.

In the Committee's discussion of the future tasks of the Colombo Plan, emphasis was laid on the importance of opportunities for increasing overseas markets for the products of developing countries and the expansion of trade between developing countries themselves. Emphasis was laid also on the difficult problem of the worsening terms of trade for primary producers, a problem that had to be tackled through appropriate adjustments in the demand and supply for primary products.

Importance of Trade

Two of the many problems of the use of external assistance in helping finance development plans were considered to be the tying of credits to specific projects and the growing weight of foreign debt owed by developing countries. It was considered important, therefore, that world trade should flourish, so that balance-of-payment difficulties should not stand in the way of proper servicing of debt, since the cost of servicing debt could well become so large as to limit greatly the scope for further borrowing on conventional terms.

The Committee noted that, despite the importance of the physical equipment for production and its expansion, the best resources of a country lay in an intelligent, educated and trained work force. So far, \$300 million had been spent on technical assistance since the Colombo Plan's inception. The facilities provided for training within the South and Southeast Asian region itself had noticeably increased during the past year. The Committee has been paying particular attention during the last few years to investigating the facilities available within the region for use on a multilateral basis in expanding the training of middle-level manpower, a very important factor in development. Therefore, the Committee has asked the Council of Technical Co-operation, after inviting and considering proposals from member governments, for advice on the steps which can be taken to secure such action at next year's Consultative Committee meeting. The Committee agreed that, beginning next year, member countries would be requested to submit data on their respective technical-assistance needs, on a pattern to be indicated by the Colombo Plan Bureau.

Mobilizing Savings

One feature of the meeting was the treatment of a selected topic of particular interest to governments of the region, in this case "The Techniques and Institutions