

Immediately after the war there were 15 million acres of abandoned rice fields in South-East Asia and exports from the sources mentioned above were reduced to under 1,000,000 tons in 1946; these were wholly absorbed by the importing countries of the area.

In 1950 exports are not expected to exceed 2,500,000 tons. So radical an interruption in the supply of rice naturally held grave dangers for the inhabitants of all rice-importing countries of the area.

To meet this situation, and to prevent recurrence of famine was one of the first and most urgent tasks of the post-war years.

The International Emergency Food Council was created in 1946 to allocate scarce foodstuffs on the basis of need and to prevent ruinous competition in world markets. It continued in operation until 1949. This was an act of international co-operation of major significance to South and South-East Asia.

The meagre rice allocations were also supplemented by large shipments of wheat from the United States, Australia and Canada. In addition, the importing countries themselves took measures to increase still further their own output of food by speeding up irrigation projects and by providing special assistance to farmers.

It must be acknowledged, however, that over the greater part of the area little progress has been made towards raising food consumption. The output of food in South and South-East Asia is still below its pre-war level, while the population has increased by some 10 per cent.

Related to the problem of food is that of transport. In South-East Asia it was found at the end of the war that more than a third of the pre-war track had been torn up or rendered useless. Road and water transport had also suffered heavily.

In view of these difficulties, it is hardly surprising that there is still a major task of reconstruction in South and South-East Asia. The outstanding fact is the amount of work which has already been done and the levels of production which are being achieved.

Although production has in general been restored, exports have revived unevenly and exports of foodstuffs are still much lower than pre-war.

5. EMERGENCY IMPORTS AND REHABILITATION WITHIN THE COMMONWEALTH COUNTRIES OF THE AREA HAVE BEEN FINANCED LARGELY WITHIN THE COMMONWEALTH.

India, Pakistan and Ceylon drew upon their sterling balances in the years 1946-49 to the extent of about £340 million to finance their deficits on current account and thus to pay for vitally needed imports of grain, textiles, machinery and constructional materials.

This external finance could scarcely be regarded as adequate considering the extent of the losses incurred during the war and the post-war needs of the countries. It was nevertheless equal to more than one-fifth of their combined imports from the rest of the world during the period.

To this extent the United Kingdom bore the immediate burden of rehabilitation in India, Pakistan and Ceylon, and it was in fact enabled to do this by generous support from the United States, Canada, Australia and New Zealand in the form of gifts and loans (including Marshall Aid) and by the accumulation of sterling balances by various countries.