

will be calling for the assistance of between 500 and 760 highly qualified experts from abroad. (Tables in the Report give details of agricultural, engineering, medical and other specialists required in large numbers from overseas.)

12. THE COMMONWEALTH HAS SET UP A SPECIAL SCHEME FOR TECHNICAL CO-OPERATION.

Since the assistance available or at present planned through national and international sources cannot meet all the known needs, the Commonwealth Consultative Committee at its meeting at Sydney in May, 1950, decided to set up a technical assistance scheme to which Commonwealth governments have agreed to contribute an amount up to a maximum of £8,000,000 over three years. The scheme is based on the maximum mutual help among the countries in the area and the other participating countries.

The Council will not compete with existing organizations. On the contrary, it is intended that there shall be the fullest co-operation with the United Nations and other agencies providing technical assistance in the area. This is all the more important in view of the expansion of the technical aid programme of the United Nations and its Specialized Agencies and of United States activities in this field through the 'Point Four' programme.

The organization initiated by Commonwealth governments may usefully act as a channel for making information available to governments about sources from which trained men and training facilities may be sought and, where necessary as a clearing house for requests for technical assistance.

The Council for Technical Co-operation is to be composed of representatives from each of the participating governments, assisted by a bureau with headquarters in Colombo. The constitution of the Council is a flexible one, calculated to promote to the maximum practicable extent the provision of trained men and training facilities to meet the varying needs for technical assistance.

It is hoped that all countries in the area will come into the scheme on equal terms with the Commonwealth countries to avail themselves of the facilities offered and to make their contribution in the spirit of co-operation in which it is devised.

13. THE AREA ITSELF CANNOT PROVIDE THE WHOLE OF THE CAPITAL NEEDED FOR THE DEVELOPMENT PROGRAMMES.

The shortage of capital is the main limitation on the execution of the development programmes described in this Report.

This arises simply from the poverty of the area. Its productivity and national income per head are so low that the tax structure is inevitably narrow and the taxable capacity inadequate; the flow of savings is insufficient, for the great mass of the people have no margin above subsistence level.

The present situation is in the nature of a vicious circle. Economic development cannot proceed because the rate of saving is inadequate; saving does not take place because there is insufficient development.

The problem in South and South-East Asia is to find means of remedying this shortage of capital. Development will by its own momentum ultimately bring about a solution, for as productive power and national