

The Colombo Plan

For the benefit of anyone who does not know what the Colombo Plan is and how it originated, I will give a brief account of its history.

It was conceived at a meeting of Commonwealth foreign ministers, held in Colombo, Ceylon, in January 1950. The objective of the meeting was to review the broad economic aspects of the international situation with special regard to South and Southeast Asia. It was pointed out that the area comprised 570,000,000 people, which was one quarter of the population of the world, and that those people had long felt the pressure of poverty and hunger. It was felt that the realization of self-government in the area made possible a new approach to that problem, and that the new sovereign governments, through a vigorous development of all their resources, could obtain a fuller life for their people.

The various governments of the area, and particularly India, Pakistan and Ceylon, had prepared development plans which formed a basis for action.

At the initial Colombo meeting a process of Commonwealth consultation was started and a Commonwealth Consultative Committee was brought into being which meets once a year. It met last year in Karachi and will meet again shortly in Delhi.

It was recognized from the outset that the funds which were required for the effective development of the area were considerably more than could come from the area itself and from Commonwealth countries outside the area. Plans were drawn up for development over a six-year period from the middle of 1951. These plans were for capital development in the area and for a technical assistance scheme.

This Colombo meeting had considerable significance. It was the first time that all the foreign ministers of the Commonwealth had met in Asia, and it was the first time that India, Pakistan, and Ceylon attended such a meeting on a basis of complete equality and from a background of absolute sovereignty and self determination.

The Colombo Plan, as envisaged, calls for \$5 billion of capital over the six-year period for the Commonwealth countries in the area. At least \$3 billion of this must come from outside the area.

Commonwealth contributions towards this \$3 billion have been as follows:-

Over the six-year period the United Kingdom will assist by the release of blocked sterling balances held by the receiving countries, it is estimated that these releases will amount to roughly \$900 million.

Australia will contribute at least \$75 million over the six-year period.

New Zealand promised the equivalent of \$9 million over the first three years.