

Southeast Asia. It was the first time that India, Pakistan and Ceylon were attending a meeting of Commonwealth ministers on a basis of absolute equality and from the background of new and absolute sovereignty and self-determination.

It was from this first meeting that the Colombo Plan took its name, and that name has no other significance than the fact that the meeting took place in Colombo, the capital of Ceylon.

Arising out of that meeting, what is known as the Commonwealth Consultative Committee came into being. This Committee might be called the custodian of the Colombo Plan. It meets once every year to consider the progress of the Plan, to consult with the countries of Southeast Asia as to the progress of their various projects for economic development, and to produce a written report of its activities and those of the member nations working out the Plan.

The governments of the Commonwealth, through the medium of this Commonwealth Consultative Committee, have drawn up a practical plan of development for a six year period from the middle of 1951. The Consultative Committee has met, so far, in Sydney, London, Colombo, Karachi last year, and meets again next year in Delhi.

#### The Capital Background Of The Plan

Although the Commonwealth Governments initiated this Colombo Plan, they did so in no exclusive spirit. It was contemplated from the very beginning that all the countries in the area, whether members of the Commonwealth or not, would eventually be invited to participate on equal terms in whatever plan could be devised. It was also recognized that the capital required for the development of South and Southeast Asia was vastly greater than could possibly come from the Commonwealth alone.

It was always recognized that the Plan should develop in harmony with the work being done in Southeast Asia by the United Nations and its Specialized Agencies, and it was hoped that the United States would become more interested and would, through the medium of its own organizations, such for instance as the Point Four Programme, put more capital into the area - and this has actually proved to be the case.

The programmes of development in the area called for a total investment of roughly 5 billion dollars. It was anticipated that over the period of the Plan, the utmost that the countries of the area could provide by themselves would be £784 million (roughly \$2,252 million); £250 million (roughly \$750 million) could be obtained by drawing down their reserves of blocked sterling balances, and £834 million (roughly \$2,502 million), or some 45 per cent of the total, would have to be provided from other sources as outside aid.

As you all know, Ceylon, India and Pakistan hold large sterling balances accumulated during the war years. By specific agreements with the United Kingdom, these countries anticipate that they will utilize roughly the equivalent of \$700 million of these reserves in their