

The problems of the whole area have been in the forefront of discussions in the United Nations and its Specialized Agencies, and valuable expert investigations have been made, particularly by the Economic and Social Council and the Economic Commission for Asia and the Far East.

Now, for the first time, it is possible, as is shown by such detailed programmes as have been submitted, to proceed with the comprehensive attack on the problem which the situation demands.

8. EMPHASIS IS NECESSARILY ON PUBLIC INVESTMENT, BUT ONLY IN THIS PHASE

All the countries need to undertake basic economic development on a large scale - irrigation, power, communications, railways, roads, ports and harbour installations. Most of this work is normally the responsibility of governments, and the programmes presented are those of public authorities and are to be financed almost entirely by public authorities, directly or indirectly. This development is not of a character likely to appeal to the private investor. Moreover, the scale of investment required is far beyond the scope of the domestic capital market in an under-developed country.

The fact that the work of basic development is for the most part undertaken by public authorities in no way lessens the importance which is attached to private investment. In general, public investment in these countries is confined to basic services and to industries of strategic importance. In the general field of industry and commerce, however, the dominant role in all the countries is played by private enterprise.

As the development programmes proceed and the national incomes and savings of the countries grow, the scope for private investment will increase. Throughout those countries public development paves the way for private investment.

9. SIX-YEAR DEVELOPMENT PROGRAMMES HAVE NOW BEEN PREPARED BY INDIA, PAKISTAN, CEYLON, THE FEDERATION OF MALAYA, SINGAPORE, NORTH BORNEO AND SARAWAK, ALL BASED ON REALISTIC ASSESSMENTS OF THE POSSIBILITIES.*

In framing these programmes, the governments have been guided by their experience of development work so far. They have included only as much as they could be reasonably confident of completing within the period, given a supply of capital and trained men from overseas on the scale indicated. Previous plans have been ruthlessly curtailed in order to arrive at programmes which are both feasible and balanced within themselves.

Post-war experience in most countries, not only in South and South-East Asia, has shown the danger of starting on an over-ambitious investment programme, and consequently of failing to carry it out.

* Details of each program are given in the Report, and briefly summarized here in the Appendices.