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THE COLOMBO PLAN

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The Colombo Plan

THE Colombo Plan is known throughout the world as the Commonwealth's response to the need for economic development in South and South-East Asia. This idea is essentially correct but in certain respects it is an over simplification. The present may be a suitable time at which to recall the way in which the Plan began and developed and the way in which it works.

On October 4 some seventy delegates from the 14 Colombo Plan countries will assemble in Ottawa for the 1954 meeting of the Consultative Committee on Co-operative Economic Development in South and South-East Asia—to give the Consultative Committee its full title. This meeting will be preceded by a two-week meeting of officials from Colombo Plan countries commencing September 20. The officials will do the preparatory work for the Consultative Committee meeting and prepare a draft report for consideration by the Committee. The officials will also participate in the meeting of the Committee as advisors to the leaders of their delegations.

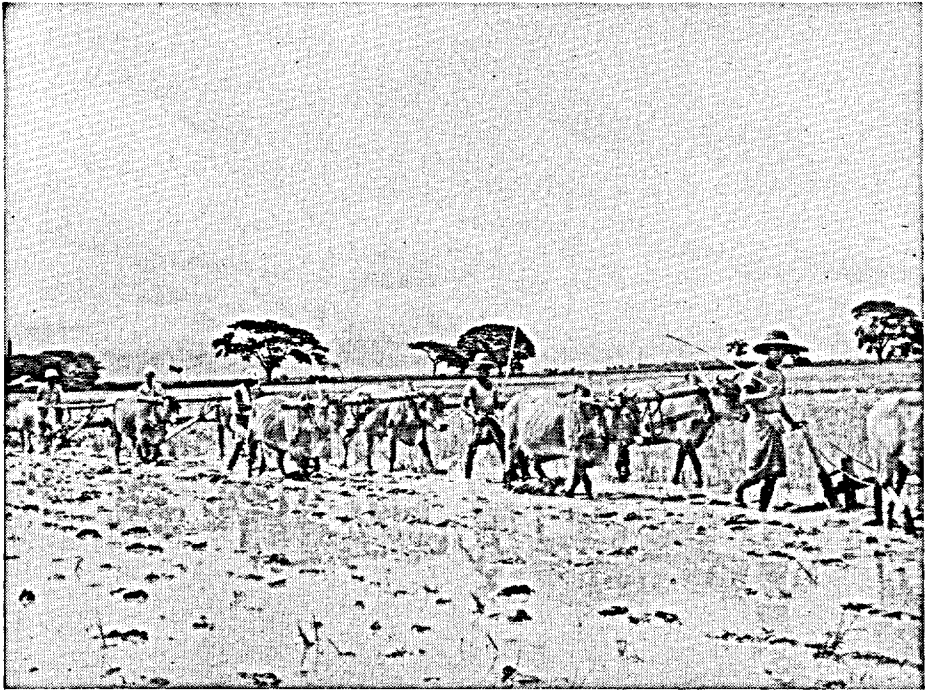
First Meeting in North America

The October meeting will be the first meeting of the Consultative Committee to take place in North America. Canadians will have an unusual opportunity to extend a friendly welcome to distinguished visitors from most of the Commonwealth countries, most of the countries of South and South-East Asia, and the United States. At the same time they will have an equally good opportunity to learn more about the policies and problems, the ways of life and cultures of the less familiar of these countries.

The Consultative Committee will be concerned with urgent down-to-earth questions of an economic and humanitarian kind. At the same time, there will be drama, even a little glamour, in its meetings. It is not every day that Canadians are able to meet representatives from such different and distant lands as Australia, Burma, Cambodia, Ceylon, India, Indonesia, Laos, Nepal, New Zealand, Pakistan, the United Kingdom (and its dependent territories Brunei, North Borneo, Sarawak, Singapore and the Federation of Malaya), the United States and Viet-Nam. Most of these countries will be represented by Cabinet Ministers, for the Consultative Committee is a committee at the Ministerial level.

Several of these Ministers will be Ministers of Finance or Ministers with similar portfolios who are concerned with economic development; others will be Ministers of External Affairs or Ministers whose responsibilities lie in this field; two or three countries will be represented by their diplomatic representatives in Washington or in Ottawa; and one or two will send senior officials responsible for economic development. The United Kingdom territories will be represented by two Ministers, one from the Federation of Malaya and the other from Singapore. Thailand, and possibly the Philippines, will be represented by observers.

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Burmese peasants in rice fields.

There will also be observers representing the International Bank for Reconstruction and Development and the Economic Commission for Asia and the Far East, two agencies of the United Nations which have for many years done important work in the economic development field in South and South-East Asia, and whose representatives regularly attend the meetings of the Consultative Committee. The Director of the Colombo Plan Council for Technical Cooperation and the Colombo Plan Information Officer will attend from Colombo.

What has happened during the past few years to bring all these people to Ottawa in this month of October 1954? What is their purpose in meeting here? What business do they conduct both at their annual meetings and during the interval between meetings? What is the Consultative Committee and what is the real nature of the Colombo Plan? The purpose of this article is to provide reasonably comprehensive answers to these questions for those who are interested in the meetings and in the work of the Plan. Information regarding what has been accomplished under the Plan must, in the main, be sought elsewhere.*

* An article on "Canada and the Colombo Plan" by Nick Cavell will appear in the autumn issue of the *Queen's Quarterly* and may be obtained in reprint from the Department of External Affairs. (The *Queen's Quarterly* will also contain two valuable analytical articles on the Colombo Plan.) Less up-to-date but otherwise comprehensive information on Canada's part in the Plan was published in the April and May 1953 issues of *External Affairs Bulletin*. The most comprehensive summary of progress under the Plan, including information about what is being done by all the member countries, is contained in the Annual Report of the Consultative Committee published last October following the 1953 meeting at New Delhi. The 1954 report will be published shortly after the Ottawa meetings and will be obtainable from the Department of External Affairs. The Department of External Affairs has prepared an extensive bibliography of information material on the Colombo Plan obtainable both from Canadian sources and from sources in other Colombo Plan countries. The Ottawa Information Offices of some of these countries can provide some material of this kind.

How the Colombo Plan Began

The Colombo Plan owes its name to the fact that it was initiated in Colombo, the capital of Ceylon. In January 1950, the Foreign Ministers of Australia, Canada, Ceylon, India, New Zealand, Pakistan and the United Kingdom met in that city to discuss a number of political and economic matters of common interest. The Ministers, framing in the context of public affairs a proposition which is of great human significance, agreed that economic development of South and South-East Asia is vitally important to the maintenance of political stability in the countries in that area, and to the growth of an expanding world economy based on multilateral trade.

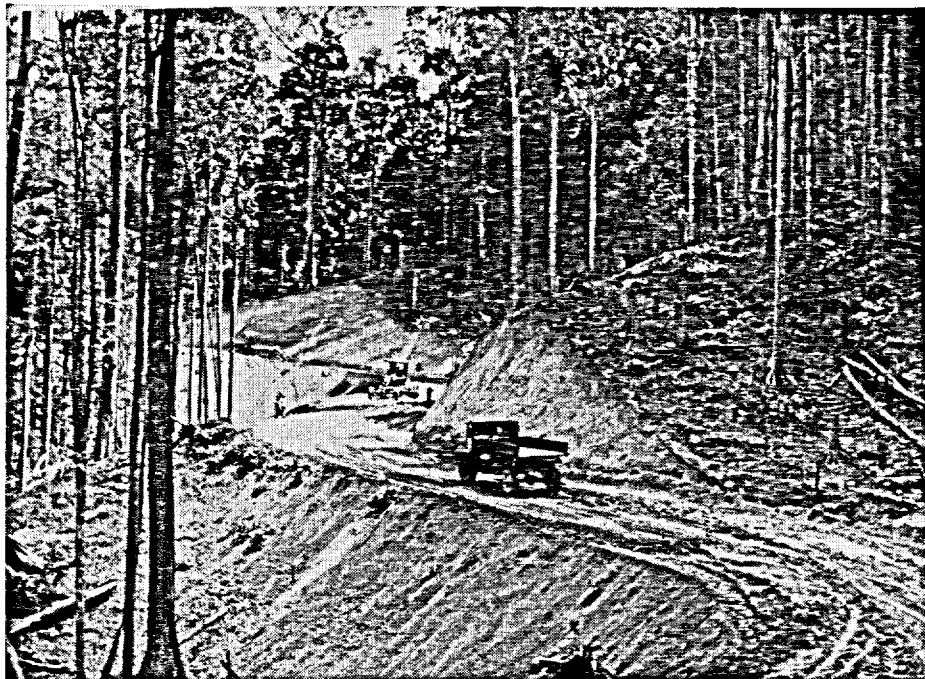
This was by no means a new idea. Its importance with respect to all the under-developed areas of the world had already been recognized in the aims of the United Nations, in the activities of its Specialized Agencies and of other United Nations organizations such as the International Bank for Reconstruction and Development and, in the assistance programmes of national governments such as that of the United States with its Point IV programme. But up to this time the main effort had been directed toward restoring the shattered economies of European countries and other areas afflicted by the war. This in itself had channelled some aid to under-developed areas, but their need was still very great and the achievements in these areas had been relatively small.

Conditions Which the Plan was Designed to Meet

Perhaps three-quarters of the world's 2,400,000,000 people live in what we have come to call under-developed areas. It is impossible to generalize over such a wide and varied region, but some idea of the standard of living in such areas may be gained from the fact that in South Asia the average weekly food ration is about 12 ounces of grain per person, the per capita national income is well below \$100 a year and life expectancy is about half what it is in North America. Under-developed areas exist in almost every continent but most glaringly in Asia, Africa and South America. The Commonwealth Foreign Ministers concentrated on Asia—specifically that part of it commonly described as South and South-East Asia. Three-quarters of the people in this area live in Commonwealth Countries or in territories still controlled by the United Kingdom, and the whole area has long had economic relations of the first importance both with the United Kingdom and Western Europe and with North America.

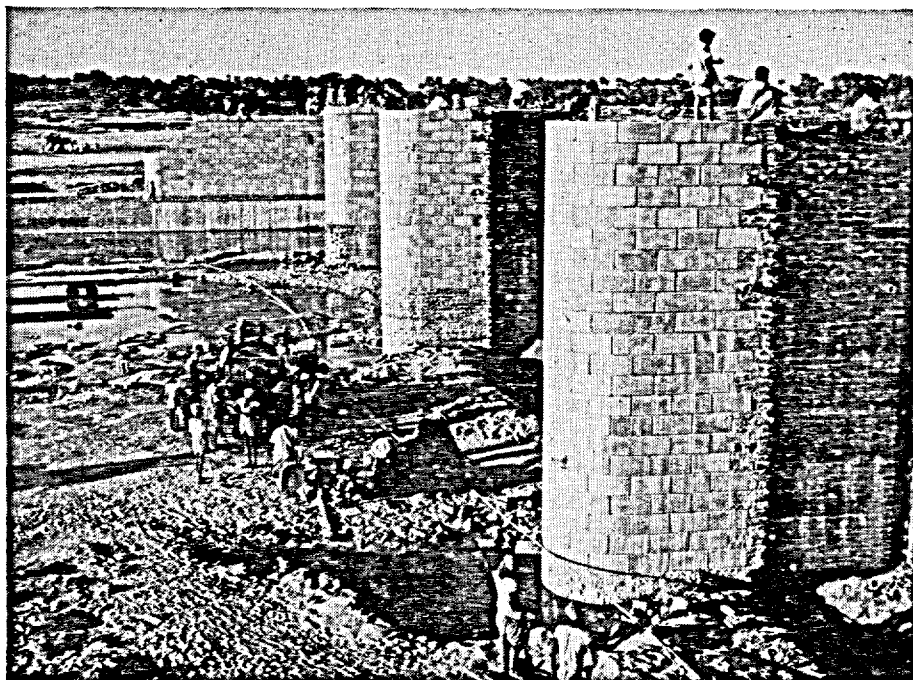
South and South-East Asia is vast enough in itself. It contains some 600,000,000 people—almost a quarter of the world's population. During the war and the years immediately following it, vast changes affecting the lives of these people took place. The first was the physical impact of the war itself. In many parts of South-East Asia, east of the Assam hills where the skeletons of tanks once readied for the Burma road may still be found rusting, the war left physical devastation and a legacy of personal misery.

The second change was psychological. There had already arisen among the peoples of this region, urgently among their leaders and dimly but persistently among the masses, an upsurge of national feeling. Peoples with ancient cultures and traditions but relatively little experience of modern self-govern-



ROAD BUILDING IN SARAWAK

Part of a thirty-mile stretch of road built to serve two oil wells in Sarawak, British North Borneo.



The Tilpara Barrage, (Mayurakshi Project).

ment had begun reaching toward national self-realization. The war and its aftermath quickened this aspiration.

This led to the third change, which was political. There are still parts of South and South-East Asia which are not self-governing—Malaya and New Guinea, for example; but enlightened efforts are being made, often in the face of enormous difficulties, to lead the peoples of these areas toward self-government. A few small states in South and South-East Asia, which never came directly under colonial rule, retain their own traditional forms of independent government, in some cases modified by the introduction of democratic processes. Thailand and Nepal, of the countries associated with the Colombo Plan, fall in this category. The Associated States of Viet-Nam, Laos and Cambodia, which we commonly cover with the name Indo-China, are emerging out of the crucible of war into a condition of independence as yet difficult to define. The Philippines, on the eastern fringe of South-East Asia, has been self-governing for several years. Perhaps the most striking political change in this area in recent years has been the emergence of five new independent countries—India, Pakistan, Ceylon, Burma and Indonesia. The governments of these countries, which contain the bulk of the people of the area, are all trying, in their own ways and according to their own lights, to build up stable, democratic societies and to throw off the shackles of feudalism and outmoded caste structures.

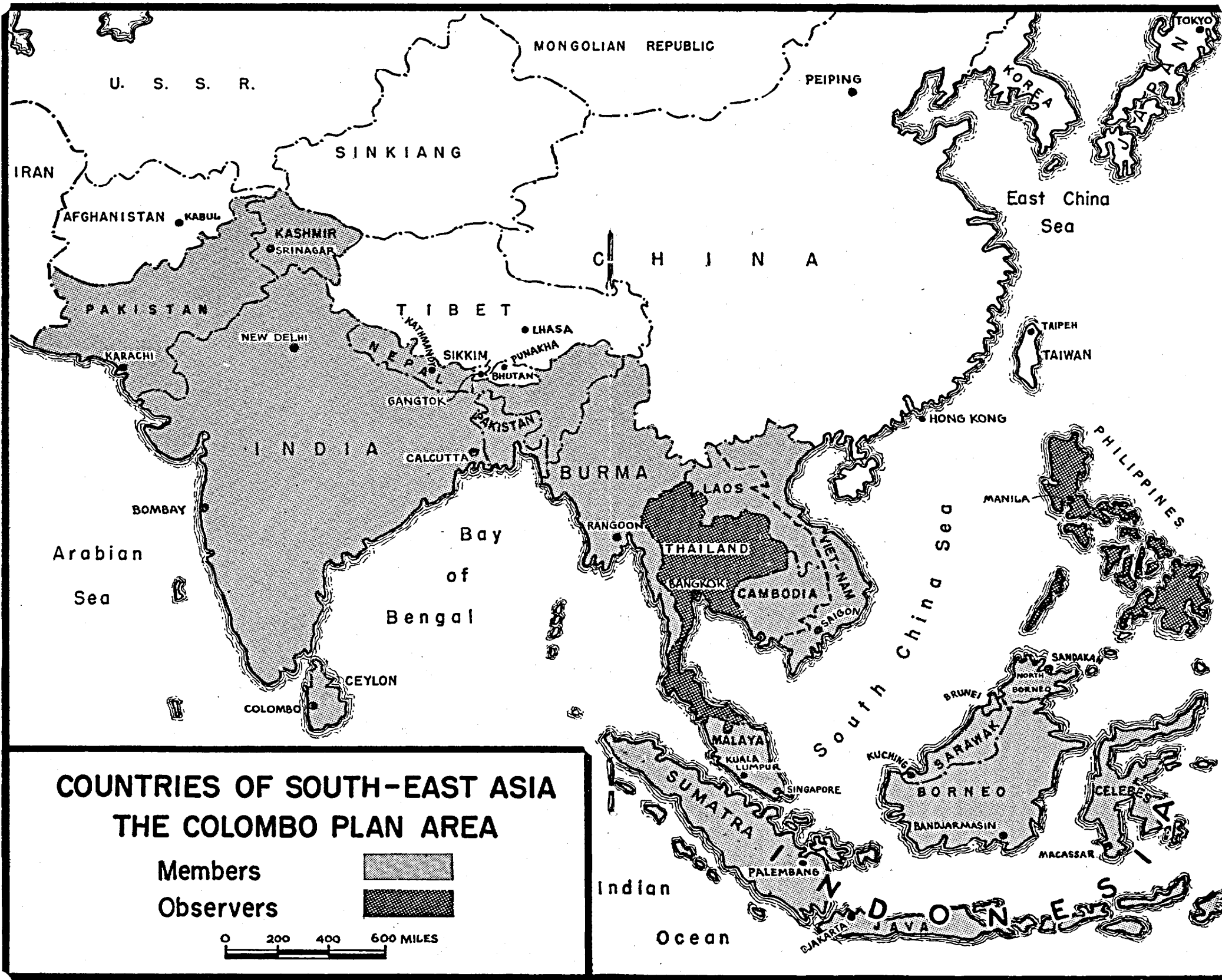
The fourth change was economic. While populations increased faster than ever, overall production of food grains failed to keep pace—partly as a result of natural calamities and because of disruptive civil wars in the main rice-producing areas, but mainly because there had been insufficient advance in agricultural methods and in systems of irrigating dry land and controlling floods to keep pace with increasing populations. At the same time the dollar surplus which the area had enjoyed before the war was replaced by a chronic dollar shortage, only intermittently relieved by demand for the area's raw materials. Also, the steady flow of capital into the area, which marked the pre-war period, dwindled, either as a result of disturbances caused by the war or because private investors became afraid to risk their savings in the face of new uncertainties.

Drawing up the Plan

These changes launched South and South-East Asia into a new era of its history. It was to the problems attendant on these changes that the Commonwealth Foreign Ministers addressed themselves in January 1950. Having agreed on the urgent need to quicken the pace of economic development, the Foreign Ministers set up a committee to consider in greater detail what might be done. This committee was and is known as the Consultative Committee on Co-operative Economic Development in South and South-East Asia, and it held its first meeting in Sydney, Australia, in May 1950.

It was decided that a comprehensive plan should be prepared, and at its next meeting in London in October 1950, the Consultative Committee drew up the Colombo Plan.* The Plan consists of a review of the conditions it is designed to meet, an outline of the development programmes of the Commonwealth countries and territories of South and South-East Asia, and an estimate

* The Plan, entitled the Colombo Plan for Co-operative Economic Development in South and South-East Asia, was printed by H.M. Stationery Office, London.



of the resources, both internal and external, needed to achieve the goals set by the Plan. This estimate could not, of course take account of subsequent changes affecting the scope and cost of individual programmes nor could it take account of the needs of countries not yet members of the Plan.

Economic development can proceed intelligently in an area as vast and complex as South and South-East Asia only if the needs and conditions are carefully studied and sensible priorities are established. The Commonwealth authors of the Plan sought from the start to draw up realistic assessments of the needs of the countries of the area and of the resources available to meet those needs. An important and integral part of this assessment was the development programmes which countries in the area were themselves drawing up or were likely to draw up if encouraged to do so.

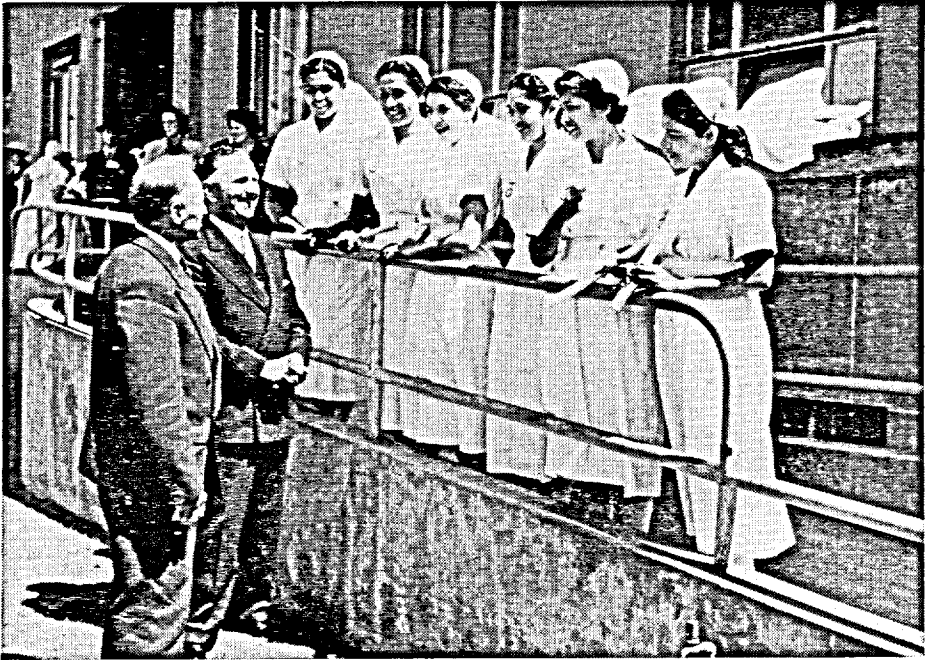
The Governments of India, Pakistan and Ceylon, which had already made progress with development projects of their own, contributed such programmes when the Plan was first drawn up in October 1950, as did the Governments of the United Kingdom territories in the area, which also had development schemes under way. India subsequently produced a revised plan, drawn up after exhaustive consultation with state governments and interested public bodies, which is a most impressive document occupying two large volumes each the size of a Montreal telephone directory. Other governments, sometimes with the assistance of agencies such as the International Bank, are constantly striving to improve their programmes. A few, in which political conditions are unsettled, are faced with special problems and have therefore made less progress in their national planning than the others. But all are devoting increasing attention to this work.

Nature of Development Plans

The main emphasis in the development programmes of the countries of South and South-East Asia is on projects designed to increase agricultural production. These include large multi-purpose dams, small irrigation projects such as barrages, wells and pumps, community development schemes for villages, agricultural extension work, and schemes to provide farmers with seed, fertilizer, tools and so on. These are supplemented, in certain countries, by land reform measures designed to give farmers better landholding terms and better credit and marketing facilities while, it is hoped, at the same time reducing the small holdings which have plagued agriculture and introducing a measure of co-operative farming. Other development projects to which constant attention is being given include: improvement of transport and communications, increasing or initiating production of essential industrial products such as steel, cement, fertilizer, machine tools and locomotives, resettlement of homeless refugees, the provision of more widespread educational and medical facilities, and the broadening of community life in rural areas. Taken together, these objectives add up to an enlightened effort to give individuals a fuller life and to make national economies more diverse and productive.

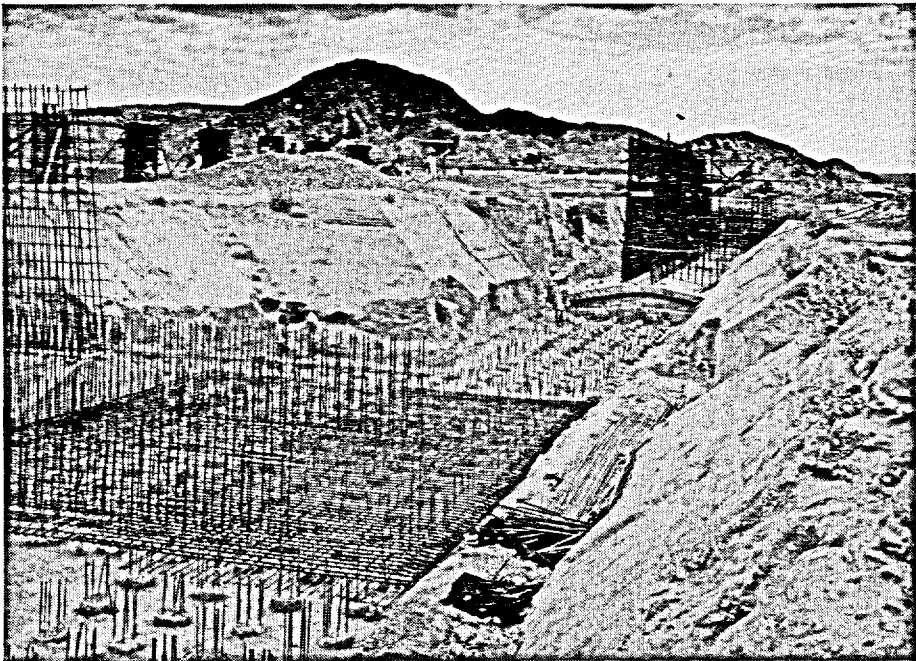
Participation by Other Governments and Agencies

When the Commonwealth Foreign Ministers launched the Plan in 1950 they hoped that it would focus world attention on the needs of South and South-East Asia and thus encourage increasing co-operative economic devel-



DENTAL NURSES GRADUATE

The Prime Minister of New Zealand, Mr. S. G. Holland, right, and the Minister of External Affairs, Mr. T. C. Webb, with six graduate dental nurses from Ceylon outside the Dominion Training School, Wellington, after the graduation ceremony.



DANDKAL CEMENT PROJECT, PAKISTAN

opment of the area. The Commonwealth countries were themselves embarking on a great co-operative venture but it was recognized from the start that the needs of the area are far greater than the Commonwealth alone can meet, and that Commonwealth efforts would have to be co-ordinated with the efforts of other countries and agencies already at work or likely to be at work in the area.

This wider co-operation has, up to a point, been accomplished. The United States, which since 1950 has itself operated economic assistance programmes in South and South-East Asia, has been a full member of the Consultative Committee since 1951. As was stated above, both the International Bank and the Economic Commission for Asia and the Far East (which has done valuable statistical work on South and South-East Asia and assisted in other ways) have been regularly represented at its meetings.

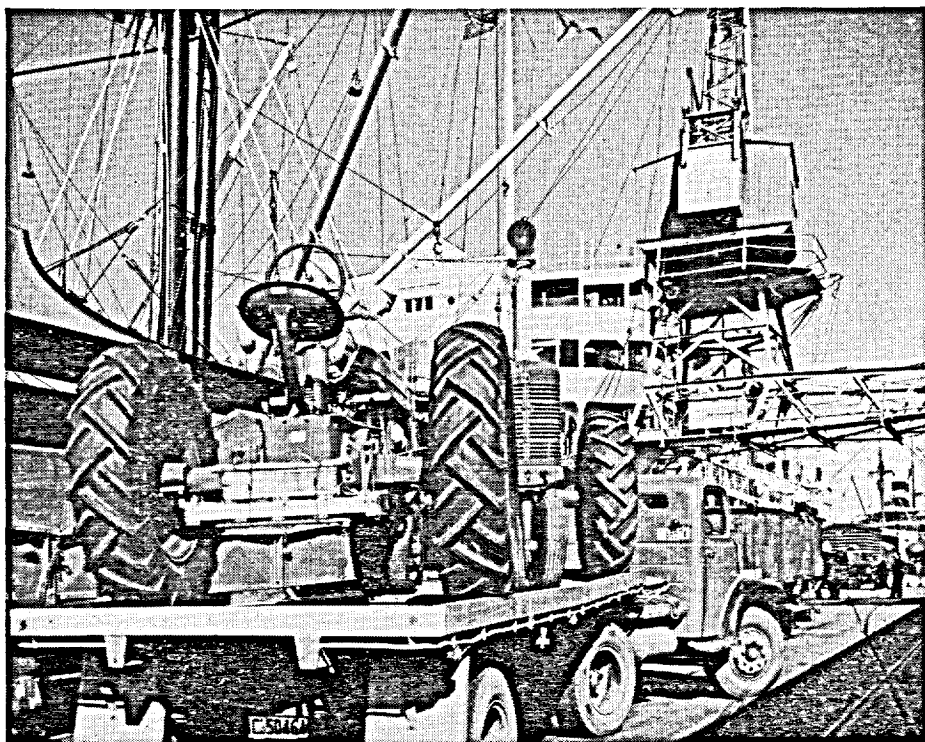
In taking their joint initiative in Colombo, the Commonwealth countries also contemplated that all countries in South and South-East Asia should be invited to participate on equal terms in whatever plan was devised. Burma, Cambodia, Laos, Indonesia and Thailand were represented by observers at the London meetings. By 1952, Burma, Cambodia, Laos, Nepal and Viet-Nam had become full members and Indonesia participated as a full member at the 1953 meetings in New Delhi. Thailand had sent observers to three meetings by 1953 and the Philippines had been represented in this way at two meetings.

The Nature of the Plan Itself

The Colombo Plan is not only or even primarily an aid programme. It is the sum of the development programmes of the Asian countries which are members of the Plan, and of the aid programmes of the other member countries; in short, it is, as its full title states, a co-operative plan. Furthermore, the major burden of economic development is borne by the Asian countries themselves. They have themselves embarked on programmes of economic development and are working very hard to improve their own conditions; this is the essential basis on which the Plan rests.

At the same time they know, as do we, that they cannot achieve their objective without help from their friends — help that is urgently needed now which will be needed for the next few years at least. The pump needs to be primed. Certain economic goals such as higher national production, greater capital availability, an increased flow of foreign investment and freer trade, which it is hoped will be a secondary result of the first years' efforts to raise the living standards of the people of South and South-East Asia, will have to be realized before the countries of the area can consider themselves economically self-reliant.

The Colombo Plan, considered in both its capital assistance and technical co-operation aspects, has no permanent machinery or secretariat and no central headquarters. Special machinery exists for the handling of technical co-operation but co-ordination and orderly development in the capital field is achieved through bilateral negotiations, supplemented by consultation with others where necessary, and through the annual meetings of the Consultative Committee. There has thus grown up a flexible, pragmatic procedure which spreads among a great many governments and agencies on a continuing basis — and, once each year, on the host government and on the delegates to the Consultative Com-



—Australian Official

AUSTRALIAN TRACTORS AND TRUCKS FOR CEYLON

Tractors and motor-trucks being loaded at Melbourne for Ceylon under the Colombo Plan Technical Co-operation Scheme.

mittee meeting. This system, by placing the emphasis on direct contacts, keeps overhead costs to a minimum and makes for a high degree of efficiency in the day-to-day operations of Colombo Plan assistance programmes.

How Capital is Provided

How does a "donor" country, for example Canada, provide capital assistance under the Plan? First the Asian government concerned suggests to us certain projects with which it thinks we can help and we look into the matter with them and decide what we can most usefully do. In this process the authorities concerned with economic development both in the Asian country and in Canada, as well as the diplomatic missions in each country, all play a part. We have now worked out in practice a variety of methods which are flexible enough to provide for differing needs and at the same time based on mutually accepted administrative and financial principles. The Departments of External Affairs, Trade and Commerce, Finance, Agriculture, National Health and Welfare and Labour, as well as such agencies as the Bank of Canada, all play a part in this work.*

* The Department of External Affairs has prepared a paper outlining the main principles which govern the provision of Canadian aid, and which also contains a summary statement of Canadian capital assistance under the plan up to the present time.

The Work of the Consultative Committee

The Consultative Committee meets once a year to review progress and future prospects and to prepare an annual report. It is, as its name implies, a "consultative" body: no collective policy decisions binding member governments are taken. The Plan was framed to cover the six-year period June 1951 to June 1957. After the meeting in London in 1950, when the Plan was drawn up, there was a meeting in Colombo in 1951. This meeting was mainly concerned with setting up the Council for Technical Co-operation. In 1952, when the Plan had been operating for about a year, it was time to have a meeting to review progress. This meeting was held in Karachi. Another meeting to review progress after two years' operations was held in New Delhi in October 1953. This year's meeting will review the situation after three years' operations.

In Ottawa, as in Karachi and New Delhi, the Ministers will review progress and future prospects, agree upon the annual report and discuss common problems. These meetings will consider both technical co-operation and capital assistance, with the main emphasis on the latter since the former is primarily in the hands of the Council for Technical Co-operation, which has already met in Colombo and will not be meeting in Ottawa.

Technical Co-operation

Colombo Plan technical aid, like capital assistance, is given bilaterally on a country-to-country basis. But the Bureau for Technical Co-operation at Colombo processes requests for such aid and endeavours to find the required assistance in other Colombo Plan countries. The members of the Council for Technical Co-operation to which the Bureau is responsible, are drawn from the permanent representatives of Colombo Plan countries in Ceylon. The Director of the Bureau is an official specially seconded to the post from one of the Colombo Plan countries. The present Director is an Australian. The Colombo Plan technical assistance programme is regarded as supplementary to the work being done by the United Nations Technical Assistance Administration and by Specialized Agencies of the United Nations, such as the WHO and FAO.

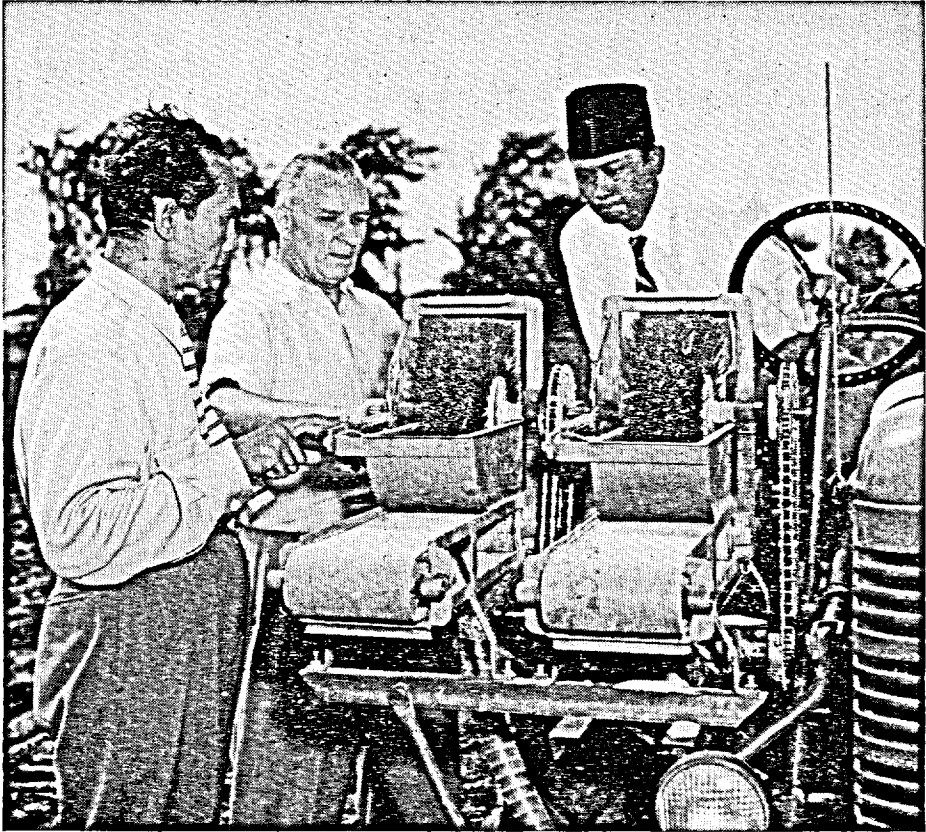
The Information Unit

The Colombo Plan now has an Information Unit in Colombo. The Information Officer, like the Director of the Bureau for Technical Co-operation, is an official specially seconded from one of the Colombo Plan countries. The present Information Officer is an Indian. The Unit assists member governments to publicize what is being done under the Colombo Plan, and is beginning to supplement their work with information material of its own.

A Meeting Ground for Asia and the West

The Colombo Plan has brought an increasingly large number of westerners and Asians together and enabled them to learn more of each others' ways of thinking and working. The annual meetings of the Consultative Committee are one example of this. The various technical co-operation schemes also bring about this desirable result. We give Asians material assistance and technical know-how, but, in doing so, we always try to remember that Asians

have their own ways, some long established, some as modern as our own, of tackling their own problems and that we on our part have a great deal to learn from them. Essentially the Colombo Plan is an expression of friendship, of co-operation between peoples in two widely separated parts of a shrinking world who are coming increasingly to realize that their welfare is interdependent.



CANADIAN TECHNICAL ASSISTANCE

—Capital Press

Mr. Purbadwijajo, left, and Mr. Siswadi, of Indonesia, watch a demonstration at the Central Experimental Farm, Ottawa, of a fertilizer metering attachment for use on tobacco. In the centre is Mr. L.E. Gilmore of the Tobacco Division, Experimental Farms Service.

Ottawa, Edmond Cloutier, C.M.G., O.A., D.S.P., Printer to the Queen's
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