

17. Every effort should be made, by such means as fiscal and credit policy and the direct control of investment, to direct private enterprise towards the industries the development of which will be most advantageous from the long-run economic point of view having due regard to the country's legitimate requirements for national defence.

18. Effective measures should be taken to secure high standards of productive efficiency in existing industries, more particularly with regard to:—

- (a) Output per unit of labour, of capital, of fuel, and of raw material ;
- (b) Efficiency in the organization of the industry, especially in respect of its size, financial position, and structural balance ;
- (c) Efficiency in marketing and distribution ; and
- (d) Efficiency in labour management co-operation.

19. Governments should ensure the maintenance of reasonable standards of industrial efficiency and should take prompt steps to facilitate the reorganization of an industry on a more efficient basis whenever changes in the conditions of demand and supply beyond the control of that industry make such reorganization necessary.

20. In order to ensure that the fruits of industrial development are passed on to the mass of the population, measures should be taken to prevent the over-concentration of economic power and to restrict the growth in inequality of distribution of income and wealth.

21. In order that handicraft or cottage industry may play a more effective part in providing supplementary employment and income for the rural population in Asian countries, the development of large-scale industries should be supplemented by a parallel programme for the modernization and reorganization of traditional handicraft or cottage industries and the development of new simple industries with small capital investment in rural districts ; in framing such a programme, special attention should be given to—

- (a) The desirability of developing industrial co-operatives as a method of organizing small-scale industries ;
- (b) The need for co-ordinating the development of large-scale and small-scale industries in such a manner as to make them complementary to each other ; and
- (c) The importance of the part which can be played by Governments in preparing, initiating, and promoting such a programme of industrial development, particularly with respect to—
 - (i) The financing of individual projects ;
 - (ii) The training of a sufficient number of technical personnel ; and
 - (iii) The provision of capital equipment specially designed to meet the needs of small-scale industries.

22. In the early stages of industrial development special attention should be devoted to the improvement of communications, and the development of electric and hydraulic power.

23. Development works should be undertaken by the Governments with the object of creating productive employment for unemployed persons in cities as well as for the excess population in rural districts.

VIII. Miscellaneous

24. Measures to improve the health and education of the producing population should be regarded as an essential feature of all policies for the improvement of economic productivity by the development of natural resources, and Governments should take the necessary steps to ensure the provision of adequate medical and educational facilities in connection with all major development projects.