balanced and consistent set of output and investment requirements, and on a realistic appraisal of the requirements for increased exports and how to achieve them. At best development plans are guidelines which must be modified continuously in the light of changing circumstances. Moreover, they do not provide a basis for economic assistance until plans are translated into carefully formulated projects for the various sectors of the economy, either by public agencies in the case of the public sector, or by private firms in the private sector. Development planning and its implementation are an integral part of the day-to-day operations of governments at various levels and of private enterprise within a country.

The administration's "Summary Presentation" of the AID program does not take a doctrinaire attitude toward planning and planning techniques. At present only a few developing countries have reasonably adequate development plans or, in fact, are capable of formulating them within the near future. In most of the new countries in Africa, for example, basic resource studies have not been undertaken, while in many of the countries of Latin America and Asia adequate surveys of such important sectors of the economy as power and transportation and the need for these services over the next decade have not been made. Thus before reasonably adequate development plans can be formulated, a substantial amount of so-called preinvestment projects must be undertaken, such as, for example, the transportation study in Argentina which is being financed by the United Nations Special Fund under the direction of the World Bank.

At the other end of the spectrum there are a few developing countries such as Mexico, where development is progressing satisfactorily and where formal 3- or 5-year overall plans which employ elaborate statistical techniques may not be appropriate. This does not mean that planning for certain sectors of the economy is not necessary in all countries, even in the United States, but there are countries where government and private firms and financing agencies have achieved a relatively high degree of sophistication in determining investment priorities on the basis of the operation of the price system and free market forces. For such countries formal overall planning of the type represented by the Indian 5-year plans are not only unnecessary for successful growth, but might introduce elements of inflexibility into the system which would actually inhibit growth.

It should be made clear that development planning is in no sense antithetical to the free enterprise system. In most developing countries, the government plays a somewhat larger role, particularly in the fields of transportation and public utilities and often in heavy industry, than in developed countries. On the other hand, the publication of a development plan which indicates the expected pattern of growth and the requirements to be supplied by industries in various sectors of the economy over a period of years, should provide a valuable guideline to private investors and also to private or governmental banks making loans to the private sector of the economy.

Although development planning and the implementation of plans must be the basic responsibility of the governments of the developing countries, external assistance agencies should play an important role in influencing the character of planning. This is particularly impor-