

prices of jute, cotton, rubber and other key exports. In any event these countries, despite their best efforts, will need a substantial amount of foreign capital if they are to reach the modest goals set in their national development plans. Private capital is, of course, one source of financial support and another, the International Bank for Reconstruction and Development, is already financing some of the larger projects. Up to date, the contributing countries in the Colombo Plan have pledged themselves to support the programme as follows: Australia has undertaken to provide aid over the six-year period to a total value of 31.25 million Australian pounds, or approximately \$70 million; New Zealand is contributing the equivalent of 3 million New Zealand pounds, or \$8.3 million for the first three years at the rate of £1 million a year; the United Kingdom over the six-year period is prepared to assist to a total of approximately \$900 million chiefly by releasing war-time sterling balances held in London by the receiving countries. Canada provides its contribution to economic development under the Colombo Plan on an annual basis by means of a parliamentary vote. For each of the first two years of operations under the Colombo Plan, Parliament approved a sum of \$25 million for capital assistance. Again this year parliamentary approval is being sought for a third contribution in the same amount. If approved, this vote will therefore bring the total Canadian contribution for the first three years of the Colombo Plan to \$75 million. The United States, through its own programmes of economic aid in the general area of the Colombo Plan, has contributed or pledged a total of approximately \$200 million in the first two years. Like Canada, the United States operates on the basis of annual appropriations approved by the Legislature and the extent of United States aid to South and Southeast Asia during the coming fiscal year will be determined by Congress.

Bilateral Basis

The actual carrying out of Colombo Plan aid, both capital and technical, is arranged on a bilateral basis between the receiving and the giving countries. Every

effort is made to co-ordinate such bilateral programmes not only with other members of the Colombo Plan but also with other organizations engaged in economic development programmes in the region, particularly the International Bank, the United Nations and its Specialized Agencies. If the limited resources available are to produce the greatest benefits for the under-developed countries, it is essential not only to avoid overlapping and wasteful duplication but also, where feasible, to complement each other's programmes and thus help towards the completion of well-integrated projects which fit into the national development programme of the countries concerned.

Canada and the Colombo Plan

On September 10, 1951, an Exchange of Notes was signed in New Delhi formally recording the mutual acceptance of the Canadian and Indian Governments of a Statement of Principles to govern the provision of economic aid from Canada to India under the Colombo Plan. Identical Notes were exchanged on the same day in Karachi between representatives of the Canadian and Pakistan Governments and on July 11, 1952, in Colombo between representatives of the Canadian and Ceylon Governments. The Statement of Principles provides that all economic aid supplied by the Government of Canada to the Government of India or Pakistan or Ceylon shall consist of goods and services in accordance with specific programmes agreed upon from time to time between the Canadian Government and the government of the receiving country concerned. Provision is made for Canadian financial assistance to be given either on a grant or a loan basis, depending on the nature of the particular project and the uses to which the goods and services are put. The particular terms of each specific programme are a matter for agreement between the Canadian and the other government concerned, subject to the following general provisions covering grant aid and loan aid. If goods financed by grants from the Canadian Government should be sold or otherwise distributed to the public by the receiving government, "counterpart funds" are nor-