



PRESS RELEASE

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The Department of External Affairs announced today that the governments of Canada and Pakistan had agreed on a statement of principles for the cooperative economic development of Pakistan under the Colombo Plan.

The principles were confirmed by an exchange of diplomatic notes in Karachi today (September 10).

The principles provide that Canadian aid to Pakistan may be provided on either a grant or loan basis, depending on the nature of the projects to be financed. Projects of an essentially commercial nature would be eligible for loans; others of a basic public utility or developmental character would be eligible for grants.

In addition, the governments have tentatively agreed on the projects to be undertaken in Pakistan with Canadian assistance during the first year of the Colombo Plan. These projects, amounting in all to some \$10 million, include capital works and equipment (dump trucks, motors, pumps, etc) in connection with a large settlement scheme in the Thal Area, experimental and demonstration work in the field of live stock, and some electrical and transport equipment.

If, for any reason, any of these projects prove impracticable others will be substituted in the programme.

The text of the Statement of Principles follows:

COLOMBO PLAN

STATEMENTS OF PRINCIPLES agreed between the Government of Canada and the Government of Pakistan for Cooperative Economic Development of Pakistan

The Governments of Canada and Pakistan, together with other governments, took part in London in 1950 in drawing up the Colombo Plan for Co-operative Economic Development in South and South-East Asia. The Governments of Canada and Pakistan now desire to co-operate for their mutual benefit, and in particular for the achievement of the purposes of the Colombo Plan, by promoting the economic development of Pakistan. Therefore the Governments of Canada and Pakistan now wish to establish agreed principles under which economic aid from Canada will be provided to Pakistan for the purposes of the Colombo Plan, and according to which supplementary agreements may be made to cover specific programmes.

The Governments of Canada and Pakistan agree to the establishment of the following principles:

1. All economic aid supplied by the Government of Canada to the Government of Pakistan under the Colombo Plan

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