

AID TO UNDER-DEVELOPED COUNTRIES

In the past year there has been increasing evidence of a growing recognition that a more rapid and a more evenly-balanced development of the world economy is one of the most urgent tasks facing the economically-advanced nations. This widespread concern with the problems of economic growth throughout the world was illustrated in several significant new developments that occurred in the field of aid to less-developed countries in 1960. Canada participated in these new developments and continued to play its part in assisting the under-developed countries. Recognizing that Canada's security and prosperity depend on world order and economic progress, the Government maintained Canadian contributions to existing programmes and entered into certain additional commitments.

In January 1960, as part of a new initiative in economic co-operation among the nations of the North Atlantic area, eight capital-exporting countries including Canada, with the Commission of the European Economic Community, formed an informal organization called the Development Assistance Group. Subsequently Japan also became a member. The objectives of the DAG are to encourage a greater flow of long-term development assistance from those countries in a position to provide aid and to discuss methods of improving the effectiveness of development assistance. The Group held three meetings in the course of 1960 and it appears to be performing a useful role in improving and increasing the amount of development assistance flowing to the under-developed countries. At a ministerial meeting in Paris in June 1960, it was decided in principle that the DAG should, in due course, become the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD), which will succeed the Organization for European Economic Co-operation (OEEC).

With the \$50 million appropriated by Parliament for Canada's contribution to the Colombo Plan in the fiscal year 1959-60 and a similar appropriation for 1960-61, Canadian aid to the countries of South and Southeast Asia continued to make a significant contribution to economic development in that part of the world. Several major Colombo Plan projects were completed with Canadian assistance in the course of 1960. They included the Warsak and Shadiwal hydro-electric projects in Pakistan and the Canada-India Atomic Reactor and the second stage of the Kundah hydro-electric project in India. The aerial survey of the Mekong River basin, which Canada undertook as part of the Mekong project, was also completed and the mapping, which is expected to be finished in 1961, is under way in Canada. At the annual meeting of the Consultative Committee of the Colombo Plan held in Tokyo in November 1960, most countries of South and Southeast Asia were able to report heartening progress in their economic development and encouraging increases in production. Nevertheless, many serious problems continue to exist in the area and the economic development effort is essentially a long-term one.