

Colombo Plan; Canadian contribution 1955-56

49. The Secretary of State for External Affairs, referring to discussion at the meeting of October 6th, 1954, said that he, and the Minister of Finance, had considered further the question of what the size of the contribution to the Colombo Plan might be for the next fiscal year. He now wished to recommend that there be no change in the amount for capital aid but that an additional \$1 million be provided for technical assistance. At the next meeting of the Consultative Committee the future of the Plan would be reviewed. Meanwhile, Canadian authorities should consider their attitude towards it and what the programme after the first 6-year period should be. The countries recently admitted to the Plan would not be in a position to spend capital that might be made available to them in the forthcoming year, but the full \$25 million for 1955-56 could usefully be spent in India, Pakistan and Ceylon. Countries newly associated with the Plan would, however, be able to take advantage of technical assistance and advice which they needed urgently.

50. In the course of discussion, it was pointed out that unemployment was causing anxiety in certain Canadian centres, but even so, it was doubtful if any exception would be taken to additional provision for technical assistance. The money already spent under the Plan had not only helped the receiving countries but had been of direct benefit to communities in Canada where goods had been purchased to implement the Plan.

51. The Cabinet noted the report of the Secretary of State for External Affairs on the Colombo Plan and agreed that the total Canadian contribution for the fiscal year 1955-56 be increased by \$1 million to provide for further technical assistance.

Colombo Plan; aid for Pakistan

52. The Secretary of State for External Affairs said approval had been given for the allocation of \$5.5 million from appropriations in previous fiscal years towards the external costs of the Daudkhel Cement Plant. Difficulties had arisen regarding this project and there had been some delay in its construction, largely due to faulty concrete work. Canadian officials had recently visited the site and had held discussions with Pakistani authorities about the project. It was now believed that construction was proceeding as satisfactorily as could be expected and that the Pakistan government was endeavouring to carry out the responsibilities it undertook for this project. In the light of these events and as a result of further investigations, the original estimates of cost had been revised and it was now thought that an additional \$1,250,000 would be required to finance the external cost of the project.

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