

In addition to assisting in the construction of the Mayurakshi irrigation and hydro-electric project through the use of counterpart funds, we have also been asked to supply a small amount of equipment not locally obtainable. Inquiries will be made to determine whether the required items are available in Canada and, if so, they will be provided.

Preliminary consideration is being given to the practicability of supplying a quantity of chassis to India for use of the Bombay State Transport Commission, but this project is still in the discussion stage.

The main project in the Canadian programme of economic assistance for Pakistan under the Colombo Plan is a cement plant to be erected in the Thal area of the Punjab where the Pakistan Government is carrying on a large-scale colonization scheme for settlement and rehabilitation of millions of people who have moved from their homes as a result of partition.

The Governments of Australia, Canada and New Zealand have jointly agreed to establish and equip an experimental livestock farm also in the Thal area. The Canadian contribution to this joint project will take the form of agricultural machinery and related equipment. In addition it is expected that a Canadian expert will be provided to instruct local Pakistani personnel in the care and maintenance of all the farm machinery.

Another item in the Canadian programme for Pakistan which has been mutually agreed upon is the provision of a substantial quantity of wooden railway ties which are urgently needed for the rehabilitation and development of the Pakistan railway system.

A tentative agreement has been reached on a photographic and geological survey of Pakistan to be undertaken by Canada. Very little is known of the geological and geophysical make-up of Pakistan, and a survey of the kind contemplated would provide basic data of immediate and long-term value to Pakistan in carrying out its economic development.

The Colombo Plan is a novel experiment in international economic co-operation. It is inevitable that in translating the plan into action all kinds of organizational, administrative and consultative problems will arise which will require time to solve. There is also a good deal of preliminary study and fact finding to be undertaken if our economic aid programmes are to rest upon a sound foundation.

As a result, delays in the first stages are unavoidable. Nevertheless it was possible in the past few months to make real progress. Moreover governmental machinery which has been set up to co-ordinate our international economic and technical co-operation, and the experience which has been gained in the first year of the Colombo Plan, will greatly help our activities in the future.

As the Secretary of State for External Affairs said last night at a press conference:

"We have been criticized for giving only \$25 million to the Colombo Plan this year. During the past year we have had a very difficult time working out with India and Pakistan a practical programme by which the money could be spent."