

on the prevention of decline of living standards, and on war damages in Libya.

An important resolution calling for contributions to the Relief and Works Agency for Palestine refugees was also approved by the Assembly. A long and useful debate was held on the general problem of economic development of the under-developed countries. I will deal with that question very fully, since I intend at this point to speak in some detail on technical assistance and capital development in under-developed countries.

Last year Parliament approved Canadian participation in the Colombo Plan and authorized an appropriation of \$25 million for the fiscal year 1951-52 for economic assistance to governments in countries in South and Southeast Asia. It was later decided that, for the first year of the Colombo Plan, the Canadian contribution should be used to assist in the economic development of India and Pakistan. In order to establish a basic working relationship with the Indian and Pakistan Governments, and to make sure that our activities under the Colombo Plan would be founded on knowledge and mutual understanding, arrangements were made for consultations to take place here in Ottawa with officials from India and Pakistan.

These discussions were held last summer, and agreement was reached on the general principles which should guide and govern the provision of economic aid by Canada to India and Pakistan under the Colombo Plan. Subsequently, on September 10, 1951, an agreement, in the form of a statement of principles, was signed in New Delhi by representatives of the Canadian and Indian Governments, and in Karachi by representatives of the Canadian and Pakistan Governments.

Since then continuing discussions have been carried on with a view to selecting specific projects suitable for economic assistance out of the 1951-52 Canadian appropriation for the Colombo Plan.

...At the request of the Government of India the Canadian Government agreed to allot \$10 million for the provision of wheat to India under the Colombo Plan. This wheat was urgently needed to help prevent starvation in certain districts in India. Except for a negligible amount, all the wheat has now been shipped from Canadian West Coast ports.

In order that the grant of wheat might be directly related to the economic development objectives of the Colombo Plan, the Indian Government agreed to establish a special counterpart fund equal in rupees to the \$10 million paid for the wheat by the Canadian Government.

The Government of India proposed that the funds be used to finance a large-scale irrigation and hydro-electric project at Mayurakshi in West Bengal. From all reports this project appears to be economically sound, and we have accepted the Indian proposal that the counterpart funds be devoted to its construction. It is estimated that the Mayurakshi project will, through irrigation, increase the annual food production of the district by about 350 thousand tons of rice and other crops. It will produce some 4,000 kilowatts of electric energy.