

"During the past five years political events have moved fast in South and South-East Asia. Changes have taken place on a scale hardly preceded in world history. Independent Governments have come into being, supported by democratic institutions and imbued with enthusiasm for the future welfare of their countries. The horizon of thought and action in the economic as well as the political field has been greatly extended, and Governments are grappling with the problem of promoting the economic improvement which is indispensable to social stability, and necessary to strengthen their free institutions. It is of the greatest importance that the countries of South and South-East Asia should succeed in this undertaking. The political stability of the area, and indeed of the world, depends upon it, and nothing could do more to strengthen the cause of freedom."

As evidence of its sympathy with and understanding of the aspirations of the newly independent states of South and South-East Asia, Canada has welcomed the inauguration of the Colombo Plan, which provides for economic aid and technical assistance to the countries of that area.

The Colombo Plan comprises two programmes, one a capital development programme, which will provide capital and necessary equipment for certain specific projects in the countries of the area, and the other a technical assistance programme.

The capital development programme has been drawn up to cover a six year period and to achieve its purposes will need capital amounting to over five billion dollars. It is expected that two billion dollars will be raised amongst the countries of the area. For the first year of the capital development programme Canada has appropriated 25 million dollars and this amount has been allocated between India and Pakistan, \$15 million going to India and \$10 million to Pakistan.

Agreement has been reached with Pakistan on a number of projects which are eligible for Canadian assistance during the first year of the Colombo Plan. They include such items as mechanical equipment for a large-scale colonization project in the Thal area for the resettlement of refugees; an experimental livestock farm; equipment for an irrigation project in East Bengal; harbour equipment and railway and marine workshop equipment, etc.

As for India, discussions are still continuing between officials of the two countries regarding certain projects, but it has been agreed that, of the fifteen million dollars allocated to that country, ten million dollars will be used for Canadian wheat to alleviate hunger in those areas threatened by famine. The proceeds of the sale of this wheat by the Indian Government to private distributors will be used for the internal financing of specific capital development projects, to be agreed upon by both governments.

COLOMBO PROGRAMME FOR TECHNICAL CO-OPERATION IN SOUTH AND SOUTH-EAST ASIA

As its first meeting at Sydney, Australia, in May 1950, the Commonwealth Consultative Committee, composed of