

5. Aid to Under-Developed Countries

Colombo Plan

The Department of External Affairs has general responsibility for Canadian participation in programmes of assistance to under-developed countries. The Department of Trade and Commerce makes the administrative arrangements for Canadian aid.

The appropriation for Canadian assistance to countries in South and Southeast Asia under the Colombo Plan was increased from \$35 million in 1958 to \$50 million in 1959, in accordance with an undertaking given at the Commonwealth Trade and Economic Conference at Montreal in September 1958. This brought the total appropriations by Canada for Colombo Plan assistance, since the inception of the Plan in 1950, to \$281.7 million.

As in previous years, the major part of the Canadian Colombo Plan contribution was allocated to India, Pakistan and Ceylon. India, by far the largest country in the area, received an allocation of \$25 million. Work continued on the Warsak project in Pakistan, the Canada-India atomic reactor and the Kundah power project in India, and the Cal Oya irrigation and power project and the aerial survey in Ceylon. As some of these projects were expected to be finished in 1960, discussions were begun during 1959 with countries planning other major projects to which Canadian assistance might be allocated in the future. At the request of the countries concerned, part of Canada's Colombo Plan aid was made available in the form of wheat and flour. Industrial raw materials and fertilizers were also included in the Indian and Pakistani programmes at the request of the Governments of these countries.

A sum of \$1.8 million was allocated to Malaya for Colombo Plan assistance in 1959 and discussions are nearing completion on a programme of Canadian capital assistance to that country. Three "Otter" aircraft were given to Indonesia to assist in the development of transportation and communications among the scattered Indonesian islands. Following completion of a highway survey undertaken by Canadian engineers in Burma in 1958, Canadian assistance was offered to Burma in connection with a highway bridge at Rangoon.

Canada participated in a unique project of benefit to the four South-east Asian states of Thailand, Cambodia, Laos and Vietnam, which are all members of the Colombo Plan. These states have embarked, with assistance from the United Nations in co-operation with certain other countries, on a plan for the co-ordinated development of the resources of the Mekong River, which flows through each of the four countries. The Canadian Government agreed to undertake an aerial survey and mapping of the Mekong and some of its tributaries at a cost of \$1.3 million, as part of the Canadian Colombo Plan programme in 1959 and 1960. This project was well under way by the end of the year. It is the fifth aerial survey undertaken by Canada under the Colombo Plan, similar projects having been carried out in Ceylon, India, Pakistan and Malaya.

Another important project in the Colombo Plan area is the proposed Indus Basin Development Fund. This Fund is part of a proposal advanced by the International Bank for Reconstruction and Development for settling the dispute between India and Pakistan over the use of the waters of the Indus River and its tributaries. The Canadian Government informed the International Bank in 1959 of its willingness to make a contribution to