

that they will use any methods to attain it: lying propaganda, the confusion of men's minds, the exploitation of every trouble spot in the world. They exploit poverty and human misery for their own ends, and always behind their activities is the threat of force which has erupted into war in Korea and Malaya; internal chaos in Iran, Egypt, and numerous other places. This constant background of the threat of force has plunged the world into the greatest armament race of all time. The free world must be prepared with a defence against this threat of armed aggression.

But at the same time it must put its own house in order. No longer can the plight of the great mass of the populations of Asia be ignored. No longer are they prepared to accept the deplorably low standard of living, which has been their lot for far too long; they are going forward, using such capital as they have, training their young men to positions of great responsibility and working towards a new future.

At the beginning of this year, I visited Burma, India, Ceylon and Pakistan, and what struck me most about all these countries, and particularly about India and Pakistan, was the new spirit I found there. They are now on their own. They have attained complete freedom and they realize that their destiny is in their own hands. They are determined that their future shall be considerably better than their past has been. They are working — and working with great industry and intelligence — towards a better economic future within the framework of their own philosophy. They are determined to remain free and not to fall again under the domination of any world power, and in this we must sympathize with them and help them, if we want to keep them in the free world we are trying to build.

It is an opportunity which can easily be lost unless we go about our approach to them in a way which they find acceptable. The first thing they ask of us, is that we shall treat them on a basis of equality. Their cry is: "We are people, even as you are people". Their second plea is that we shall recognize and respect their philosophies, religions and ways of life, and not try to make them copies of ourselves — which, firstly, they do not want to be and, secondly, could never be even if they did.

The Colombo Plan So Far — Capital Co-operation

Now let us see what the Colombo Plan has actually accomplished since it started in the middle of 1951.

Australia gave 8.7 million Australian pounds, divided between India, Pakistan and Ceylon. As far as possible, this aid was in the form of Australian commodities. Sixty thousand tons of wheat and 27,000 tons of flour went to India. Five thousand three hundred tons of flour went to Ceylon. To Pakis-

tan, Australia sent agricultural equipment, mining equipment and items required for a general public works project.

New Zealand made grants of £250,000 each to India, Pakistan and Ceylon. They stipulated that these were to be spent on projects which would be of lasting value to the recipient countries. An all-Indian medical institute is arising as only one part of these New Zealand grants.

Under the agreement for the release of sterling balances, the United Kingdom supplied such things as railway locomotives, agricultural tractors, commercial vehicles, machinery and other iron and steel products.

And now I come to what we in Canada did with our \$25 million for the fiscal year 1951-52. We allocated this money: \$15 million to India and \$10 million to Pakistan. Let us look at the Indian programme first:

Indian Programme

The basic problem of the Indian economy is food — it would be more accurate to say, is the lack of food. In a good year, India grows roughly 45 million tons of food, and this is always at least 5 million tons short of her normal requirements. Also, we must remember that she has very few good years. Last year, for instance, she was faced with a very severe famine in Madras and also in Bengal. It is obvious that in a famine year, the 5 million tons of normal shortage can easily amount to as much as 6, 7 or 10 million tons of food grains, depending on the severity of the famine. To make up this shortage, India must dig into her slender resources of foreign currency and buy food abroad. A large proportion of the aid programme for India is devoted to the solving of this food shortage.

The Indian Government asked us for 10 million dollars worth of wheat to help her famine condition. It was never contemplated that the Colombo Plan should be a food relief measure, but, nevertheless, how could we refuse our Commonwealth partners, suffering from a severe famine? And so we resorted to the device of the counterpart fund. We sent the wheat and India created a counterpart fund of approximately its equivalent value in rupees, some at least of which she will obtain by the sale of the wheat to her Indian distributors.

From the counterpart rupee fund thus created, with our consent and co-operation, she devoted those rupees to the further development of the Mayurakshi dam project in West Bengal. This project will irrigate 600,000 acres of land. It will hold the Mayurakshi river in control, and this river will not again rush down in flood, drowning the peasants and washing away their homes, as it has done periodically for hundreds of years. When the whole area is settled and the irrigation is completed, at least 400,000 tons of food will be produced, which, as you