

In view of the serious food shortage in Pakistan, the Canadian Government agreed that a total of \$10 million of Colombo Plan funds should be used for the provision of wheat with the understanding that an equivalent amount of counterpart funds would be set aside by the Pakistan Government for development purposes. For half of this amount, Colombo Plan funds were used initially as a means of temporary financing and it is the intention of the Canadian Government to ask Parliament at the next session to replace these funds for additional Colombo Plan expenditures.

So far Canada has earmarked \$3.4 million for the purpose of hydro-electric and related equipment for the Warsak Dam. Canada may also provide consulting engineering services and certain light construction equipment for this project. Moreover, some portion of the counterpart funds generated from the supply of wheat may be used to meet local costs.

Although several projects are being examined, agreement has not yet been reached on the projects to be assisted from Colombo Plan funds voted in 1953-54.

Ceylon

The 1952-53 programme included \$1 million made available for a fisheries research and development project, and \$600,000 for the electricity transmission system in the Gal Oya area.

With respect to funds voted in 1953-54, agreement has been reached on certain specific projects, totalling \$1,785 million, including two diesel locomotives, equipment for 15 agricultural maintenance workshops, a number of pumping sets, a well-boring machine for drainage and irrigation purposes, a rural road building programme and the constructing and equipment of a polytechnic institute. The local costs involved in rural road construction and in the building of the polytechnic institute will be met from counterpart funds arising from the sale of flour supplied by Canada. The transfer of the diesel locomotives will also create counterpart funds. In addition to these specific items, the Canadian Government has agreed in principle to the provision of further assistance for the fisheries pilot project and for pest control.

Technical Co-operation

There has been an intimate relationship between Canadian technical and capital assistance. In many cases, technical assistance supplied by Canada has given rise to capital projects while in other cases, capital projects which Canada was assisting have entailed the provision of technical advice and training from Canada. Thus aid so far given to the fisheries project in Ceylon was in part based upon advice and recommendations made to the Government of Ceylon by a Canadian fisheries expert. In connection with this project and other capital assistance projects such as the cement plant, the aerial resources survey and the Thal Development Farm in Pakistan, training is being arranged for personnel from the area. Although some distinction is maintained between capital and technical assistance activities, the funds made available by the Canadian Parliament for the two purposes are now covered by a single vote.

In view of the importance of an increase in training facilities in the area for farmers, foremen and other skilled or semi-skilled workers, several proposals for the provision of training equipment from Canadian Colombo Plan funds are under study. In addition to the decision to provide a polytechnic institute for Ceylon as part of the capital assistance programme, agreement has also been reached on the supply of some \$15,000 worth of equipment for the Agricultural Faculty of the University of Ceylon. The Government of Canada has also agreed to provide funds for the construction, equipment and maintenance of

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