



STATEMENTS AND SPEECHES

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No. 52/52

THE COLOMBO PLAN

An address by the Administrator of the Canadian participation in the Colombo Plan, Mr. Nik Cavell, of the International Economic and Technical Co-operation Division, Department of Trade and Commerce, delivered at the Empire Club, Toronto, December 4, 1952.

...World War II left the whole of Asia in chaos. An area which, in modern times, had not been prosperous and in which the worst poverty in the world is to be found, naturally suffered very heavily from the impact of war. It is an agricultural area easily susceptible to disruption. Large areas came out of the war without any established government at all, and with various factions fighting to fill the vacuum which existed. The flow of capital from Western Europe, the United Kingdom and the United States into the area had ceased, and whilst that flow had never been large enough to create much social and economic progress, nevertheless it had provided the basis for much of the industrial and agricultural development which had taken place in the last hundred years.

The disturbances consequent on the war had produced a natural reluctance on the part of private investors to risk their savings in the area, and yet if that area was to recover even a part of its former stability and be restored to its key position in world trade, then capital had to be made to flow in again, and these countries had to be brought back into the orbit of world trade before a stable world system could be established.

It had also become more and more obvious that if the free world were to be kept in existence, it would have to be expanded and strengthened, and that could not possibly be done if more of the Asian countries disappeared behind the Iron Curtain, as China had done.

Because of the fact that three-quarters of the people of South and Southeast Asia are members of the Commonwealth, the area is obviously one in which the Commonwealth is vitally interested. With such thoughts in mind the foreign ministers of all the Commonwealth countries met at Colombo in January 1950, to consider what could be done about the 570 million people in that area, who make up one-quarter of the population of the world and whose average diet, at that time, amounted to roughly twelve ounces of food grains a day.

This was a very significant and important meeting. It was the first time, for instance, that all the foreign ministers of the Commonwealth had ever met together in