



REFERENCE PAPERS

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

19423
No. 86

CANADIAN EXTERNAL AID

With the inauguration of the Colombo Plan in 1950, Canada embarked on a large-scale programme of economic assistance to under-developed countries; and since 1959 its contribution to the Colombo Plan and to other programmes of economic aid has been increased substantially. By the end of 1961, total Canadian expenditures on economic-aid programmes and contributions to certain special aid programmes, including estimates for 1961-62, amounted to \$519.36 million, of which \$212.37 million had been provided since 1959. Canada has contributed a further sum of \$65.18 million to international development agencies in the form of loans and advances.

The Colombo Plan

The greater part of Canada's economic aid is at present provided through bilateral assistance programmes, the largest of which is the Colombo Plan for Co-operative Economic Development in South and Southeast Asia. Canada's appropriation for the Plan in 1960-61 and 1961-62 was \$50 million annually, bringing the total contribution since 1950 to \$381.61 million. Aid to the countries of the Colombo Plan area (Brunei, Burma, Cambodia, Ceylon, India, Indonesia, Japan, Laos, Malaya, Nepal, North Borneo, Pakistan, the Philippines, Sarawak, Singapore, South Vietnam and Thailand) has been primarily in the form of capital aid, commodity aid, grants of foodstuffs and technical assistance.

Canadian-aided capital projects designed to provide some of the basic requirements for industrial growth are as follows:

(1) In India, both the Canada/India Nuclear Reactor and the Kundah hydro-electric power development project were inaugurated in 1961. Two other hydro-electric projects were assisted in earlier years, and stage three of the Kundah project will be undertaken in 1961. Various types of equipment have been provided for agricultural purposes and for hospitals, as well as in the field of transportation, education and co-operatives. These include "Beaver" aircraft for crop-spraying, Cobalt Beam Therapy units for nine hospitals, diesel locomotives, boilers and railway ties and audio-visual aids. Aerial surveys, of West Rajasthan and the Gangetic basin, have also been undertaken. Commodities and foodstuffs, such as metals, fertilizers, asbestos and wheat, have formed a large part of Canada's aid to India.

(2) In Pakistan, the Warsak and Shadiwal hydro-electric power projects (West Pakistan) were inaugurated in 1961. Other projects include the Goalpara Power Station and the Ganges Kobadak Thermal Plant in East Pakistan, and a new thermal plant at Sukkur to commence in 1961. Electricity transmission lines and towers have been provided in East Pakistan. The construction of a cement plant was carried out in West Pakistan. In addition to an

aerial resources survey, aid to Pakistan has included the provision of equipment in different fields, mainly for agricultural purposes, and of commodities and foodstuffs such as industrial metals, wood-pulp, fertilizers and wheat.

(3) In Ceylon, a large fisheries development project was assisted by Canada through the supply of fishing boats, a trawler and fishing gear; technical services were provided over a number of years to this project, which also included the construction and equipping of a refrigeration plant. Electricity transmission lines and airport equipment were provided, together with diesel locomotives and railway ties. An aerial resources survey has been carried out and numerous items of equipment for agricultural, educational, hospital and other purposes have been supplied, as well as a large quantity of flour.

(4) Other countries receiving capital aid from Canada included Burma, which received several types of equipment for schools, hospitals and various technical workshops, as well as equipment for surveying, mining and fisheries development. The largest project, involving the construction of a bridge connecting Rangoon with the satellite town of Thaketa, will be commenced in 1961. Indonesia has received Canadian aircraft for inter-island communication, books and scientific literature, as well as shipments of flour. An aerial survey was carried out for Malaya in 1958, and other projects in that country include road surveys, and the provision of numerous items of equipment for education and scientific and technical purposes. Foodstuffs and educational equipment have been provided to Cambodia, Nepal, North Borneo, Singapore and South Vietnam. In addition, Canada is engaged on an aerial survey of the Lower Mekong basin, which lies partly in Cambodia, Laos, Thailand and Vietnam. The survey will provide a basis on which to work out a development plan for the river basin so that the benefits of water-power, irrigation and navigation can be made available to all four riparian countries.

Technical assistance programmes under the Colombo Plan are aimed at providing training in technical, scientific, administrative and managerial skills. From 1950 to the end of June 1961, a total of 1,622 persons arrived in Canada from 17 countries of the Colombo Plan area, for whom programmes were arranged in such fields as agriculture, fisheries, forestry, engineering, mining, geology and other sciences, education, health services, housing, co-operatives and marketing, accountancy, broadcasting, statistics and public administration, to name only a few. Both practical and academic courses have been given, and undergraduate training has been extended in such fields as engineering, the sciences, public administration and health to Asians from those countries lacking adequate academic facilities. Special group programmes have been arranged in a number of fields, the most recent being in public administration, seed improvement and town planning. During the same period, 186 Canadians were sent abroad on technical assistance assignments, to act as advisers to the governments of 13 Colombo Plan countries in such fields as engineering, geology, mine prospecting, cost accounting, public administration, agriculture and co-operatives, transportation, education and health, and many others.

Canada-West Indies Aid Programme

Under the Canada-West Indies Aid Programme, Canada has undertaken to provide assistance to the value of \$10 million over a five year period beginning in 1958. Of this sum approximately \$6 million has been used to build two passenger-cargo vessels, each with a

displacement of 1,500 tons, for the inter-island shipping service. Both the "Federal Maple" and "Federal Palm" were commissioned in July 1961. Work is beginning on the construction of a dock on the island of St. Vincent at a cost of \$1 million and other projects include provision of equipment for other ports in The West Indies, aid for the University College and a natural resources survey. Contributions already made under the scheme include laboratory equipment for a vocational school in St. Kitts and a documentary film.

A total of 81 West Indians arrived in Canada between the inception of the programme and June 30, 1961, for training, public administration, forestry and housing-being the main fields of interest. Canadian advisers sent to The West Indies during the same period numbered 28. Among them were Canadian educationists who served at the University College of The West Indies and as advisers to the Ministry of Education in Jamaica. Science and technical teachers have worked in St. Vincent, St. Lucia and St. Kitts, and a team of soil surveyors visited the faculty of agriculture of the University College.

Commonwealth Technical Assistance Programme

Canada has also contributed to a programme of technical assistance, set up at the end of 1958, to Commonwealth countries not eligible for assistance under the Colombo Plan or the Canada-West Indies Aid Programme. A total of \$750,000 had been provided under the scheme by the end of 1961. Expenditure increased substantially during 1960-61, Ghana and Nigeria receiving the largest amounts of aid. At the end of June 1961, 58 trainees were in Canada engaged in such fields of study as agriculture, co-operatives, mining, engineering, public administration, health and social welfare. During 1960, 18 Canadian advisers went abroad under the programme, 12 to Ghana, four to Nigeria, one to Uganda and one to British Honduras. With the establishment of SCAAP, the Commonwealth Technical Assistance Programme will be confined in future to Commonwealth countries outside the area covered by the Colombo Plan, the Canada-West Indies Aid Programme and SCAAP, for example, British Guiana, British Honduras and Hong Kong.

Special Commonwealth African Aid Programme:

A contribution of \$10.5 million, to be spread over a three-year period, has been promised to the Special Commonwealth African Aid Programme (SCAAP), which was established in September 1960 after a ministerial meeting of the Commonwealth Economic Consultative Committee. Canada has contributed \$3.5 million for the financial year 1961-62, the first year of operations. This programme includes technical assistance and educational aid, as well as some capital-aid projects. An aerial resources survey is being undertaken for Nigeria, and other projects are now under consideration. Several Africans are arriving in Canada to study various subjects, and so far over 40 advisers have gone to Nigeria, Tanganyika, Ghana, Gambia, Kenya, and Sierra Leone under this programme to assist in the development of education, medicine and medical research, the establishment and organization of a television industry and a national film unit, and to advise on various aspects of finance.

Educational Assistance to French-speaking African States

Canada agreed to provide \$300,000 a year for educational assistance to the newly-independent French-speaking states of Africa, which were former colonial possessions of Belgium and France. For the academic year 1961-62, it is hoped that, with the co-operation

of the Province of Quebec, 12 to 14 teachers of vocational subjects at the secondary level can be recruited for service in these countries. Other educational projects are being considered under this programme.

Commonwealth Scholarship and Fellowship Programme

Canada also participates in the Commonwealth scholarship and fellowship plan initiated at the Montreal Commonwealth Trade and Economic Conference in 1958. This scheme differs from programmes referred to in the preceding paragraphs in that it is a multilateral cultural exchange between Commonwealth countries, rather than a bilateral aid scheme. For its first year of operations (1960-61), \$500,000 was made available by Canada for 101 scholars from 26 countries or territories of the Commonwealth to begin their first year of study in Canada. Provision has been made for 80 of these to remain in Canada for another year along with an additional 103 who arrived in 1961 to begin their studies in the academic year 1961-62. For this purpose an allocation of \$1 million has been made available for the second year of operation. The majority of Commonwealth scholars who study at Canadian universities under this plan will eventually return to their home countries to teach, chiefly in universities.

United Nations Agencies

By 1962 Canada will have contributed \$30.41 million to multilateral aid programmes. These include the United Nations Expanded Programme for Technical Assistance, to which Canada is the third largest contributor. Canada's contribution to the UN Expanded Programme for Technical Assistance is reinforced by the provision of training facilities in Canada for United Nations fellows and scholars and by the recruiting of Canadians for service under UN auspices in under-developed countries. From 1950 to June 1961, the number of training programmes arranged for UN trainees and those coming to Canada under the United States International Co-operation Administration Programme and the programmes of other international aid agencies, totalled 1454. Other multilateral aid programmes in which Canada participates are: the United Nations Special Fund (fifth largest contributor), UNICEF (fourth largest) and the operational programme of the International Atomic Energy Agency. The Special Fund is engaged on relatively large-scale projects of technical assistance which are beyond the scope of the Expanded Programme for Technical Assistance, while UNICEF concentrates on assisting governments, chiefly of under-developed countries, to develop permanent health and welfare services for children and on combating diseases to which children are particularly susceptible. Special contributions have also been made to the malaria-eradication programme of the World Health Organization, to the Freedom-from-Hunger Campaign of the Food and Agriculture Organization and to the United Nations Technical Assistance Centre set up in 1959 in the University of British Columbia. In addition, Canada has, since 1950, contributed a total of \$93.80 million to a number of special aid programmes designed to deal with such problems as the care and settlement of refugees. In World Refugee Year it implemented a scheme to bring to Canada 211 refugees suffering from tuberculosis, together with their families.

International Development Organizations

In addition to membership of the International Bank for Reconstruction and Development and the International Finance Corporation, Canada joined in 1960 the newly-established International Development Association. By March 1962, Canada will have made loans and advances to these bodies amounting to \$29.21 million.

CANADA'S (EXTERNAL AID) 1950-1962 (1)
(Million Dollars Canadian)

	EXPENDITURES		APPROPRIATIONS		TOTAL To March 31/61 \$ Million
	To March 31/59 \$ Million	Fiscal Year 1959-60 \$ Million	Fiscal Year 1960-61 (2) \$ Million	Fiscal Year 1961-62 (3) \$ Million	
1. ECONOMIC AID PROGRAMMES					
(a) <i>Bilateral</i>					
Colombo Plan	231.68	50.00	50.00	50.00	381.68
Canada-West Indies Aid Programme	.09	.17	5.26	1.69	7.41
Commonwealth Technical Assistant Plan	.03	.10	.50	.12	.75
Commonwealth Scholarship & Fellowship Plan	---	.01	.50	1.00	1.51
Commonwealth Special African Aid Programme	---	---	---	3.50	3.50
French Speaking African Education Programme	---	---	---	.30	.30
TOTAL	231.80	50.28	56.26	56.81	395.15
(b) <i>Multilateral</i>					
UN Technical Assistant (EPTA)	10.99	1.92	1.90	2.10	16.91
UN Children's Fund (UNICEF)	5.05	.65	.65	.65	7.00
UN Special Fund	---	1.92	1.90	2.30	6.12
Miscellaneous Grants (4)	.07	.07	.18	.06	.38
TOTAL	16.11	4.56	4.63	5.11	30.41
2. CONTRIBUTIONS TO SPECIAL AID PROGRAMMES					
(a) <i>Refugees</i>					
Hungarian Refugees	16.20	.02	---	---	16.22
IRO, UNREF, and UNHCR	2.87	.29	.29	.29	3.74
Palestine Refugees (UNRWA)	6.85	2.00	3.00	2.00	13.35
Far Eastern Refugees (GCEM)	.21	---	.06	.06	.33
Tubercular Refugee Programme (WRY)	---	.11	.49	.11	.71
TOTAL	25.63	2.42	3.84	2.46	34.35
(b) <i>Other</i>					
UN Korean Reconstruction Agency	7.75	---	---	---	7.75
Wheat/Flour to India, Pakistan, Ceylon	21.46	13.50	---	---	34.96
Miscellaneous Relief (in kind) (5)	4.24	4.74	6.75	.02	15.75
UN Fund for the Congo	---	---	.99	---	.99
TOTAL	33.45	18.24	7.74	.02	59.45
3. LOANS AND ADVANCES					
Colombo Plan countries for purchase of Canadian wheat and flour	34.48	.49	---	---	34.97
UN for Suez Canal Clearance (Special Aid)	1.00	---	---	---	1.00
International Finance Corporation (Economic Aid)	3.52	---	---	---	3.52
International Bank (Economic Aid)	.17	---	9.82	---	9.99
International Development Ass'n (Economic Aid)	---	---	8.51	7.19	15.70
TOTAL	39.17	.49	18.33	7.19	65.18
TOTAL AID	346.16	75.99	90.80	71.59	584.54

(1) This table excludes NATO MUTUAL AID; advances to the International Monetary Fund; Canada's assessed share of costs of international programs, operations and budgets.

(2) Appropriated.

(3) Parliamentary estimates as of July 1, 1961. Figures for 1962 do not include export credit loans.

(4) Of which (in rounded figures): Operative program of the International Atomic Agency (IAEA), \$117,000 (1959-62); gift of uranium to IAEA; \$62,000 (1959); Malaria Eradication Program of WHO: \$100,000 (1960); U.N. Technical Assistance Training Centre in B.C.; \$30,000 (1959-61); and Freedom from Hunger Campaign of FAO: \$23,000 (1960).

(5) Mostly dry skimmed milk; canned pork; wheat and flour.



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Errata:

Page 1, Paragraph 2, Line 5 - for "\$60 million" read "\$50 million".

Page 2, Paragraph 3, Line 3 - for "1960" read "1950".

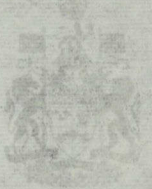
Paragraph 4, Line 3 - for "\$6.5 million" read "approximately \$6 million".

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R E F E R E N C E P A P E R S



CANADA

INFORMATION DIVISION
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OTTAWA - CANADA

CANADIAN EXTERNAL AID

No. 60

Excerpt

Para 1, Paragraph 2, Line 2 - for "500 million" read
"550 million".
Para 2, Paragraph 2, Line 3 - for "1960" read "1950".
Paragraph 4, Line 2 - for "50.5 million"
read "approximately 50 million".

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