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CANADA'S POST-WAR FINANCIAL
ASSISTANCE ABROAD

From the end of the Second World War through the fiscal year 1956-57, Canada will have provided more than \$4 billion of assistance to other countries. Included in the Canadian programme are post-war reconstruction loans (made between 1945 and 1947), relief credits, contributions and subscriptions to United Nations programmes and other international financial contributions and military aid to NATO allies. Funds on an increasing scale have also been made available for capital and technical assistance to under-developed countries and relief to distressed areas.

Canadian military aid to NATO countries, including the amounts which Parliament has approved for 1956-57, totals more than \$1.4 billion. The bulk of this aid has taken the form of air crew training and equipment.

Canada has provided increasing amounts of capital and technical assistance to under-developed areas through the Colombo Plan and the United Nations and its various agencies. Since the inception of the Colombo Plan in 1950, Canada has contributed more than \$128 million. For 1956-57, the amount which Parliament has approved for the Colombo Plan has been increased by \$8 million to \$34.4 million. Some projects assisted by Canadian funds are:

- (a) An atomic reactor in India which also will be available for use by other Colombo Plan countries;
- (b) 120 steam locomotives for India to help re-equip the transportation systems;
- (c) The Canada Dam in West Bengal to provide flood control to the Mayurakshi River, generate hydro-electric power, and irrigate some 600,000 acres of land;
- (d) The modernization of the Bombay Transport System;
- (e) A cement plant in the Thal development in Pakistan;
- (f) Electrical equipment and engineering services for the Warsak Project near the Khyber Pass in Pakistan which will provide 160,000 k.w. of installed electric power capacity for use in West Pakistan;
- (g) Aerial surveys of the resources of Pakistan, India, and Ceylon;

- (h) A fisheries research and development scheme in Ceylon which will materially assist the development of the fishing industry and thereby provide a more balanced diet for the population.
- (i) A hydro-electric project on the Kundah River in the State of Madras, India, to improve conditions for more than 30,000,000 people.

To help under-developed countries train their citizens to make the most effective use of all forms of capital aid and their own resources, Canada has contributed more than \$8.9 million to the United Nations Technical Assistance Programme. Canadian contributions to this programme have doubled since 1953. The contribution which Parliament approved for 1956 totals \$1.8 million.

Canada strongly supports the use of the International Bank for Reconstruction and Development to augment the supply of funds for investment in the under-developed areas. To this end, Canada has made its entire 20 per cent capital subscription (\$65 million) available for lending and has authorized the Bank to obtain additional capital by the sale of bonds in Canada.

To encourage the investment of private funds in under-developed areas, Canada supported the formation of the International Finance Corporation and purchased 3,600 shares of stock at a cost of \$3.6 million. Furthermore, there are no restrictions on the access of foreign borrowers to Canadian capital markets, and Canadian tax laws do not impede investment abroad. Canadian investors receive credits against their Canadian tax for income tax paid to foreign governments and Canadian corporations are exempt from tax on dividends they receive from foreign investments in which they own 25 per cent or more of the voting stock.

Canada's financial contribution is reinforced by the provision of training facilities in Canada for United Nations fellows and by the sending abroad of Canadian experts. From 1950 to March 31, 1956 Canada provided training for 340 United Nations trainees, while at least 77 Canadians served overseas as United Nations experts. In addition to these United Nations fellows and experts, training was also provided for 410 students under the Colombo Plan from 1950 to March 31, 1956. During the same period 69 Canadian Colombo Plan experts served abroad.

CANADA'S POST-WAR FINANCIAL ASSISTANCE ABROAD, 1945-57

(Millions of Canadian Dollars)

Expenditures and Allotments, March 31, 1945 to March 31, 1957

Reconstruction Loans:

| | |
|--------------------------|---------|
| Belgium | 68.8 |
| China | 65.0 |
| Czechoslovakia | 16.7 |
| France | 253.4 |
| Netherlands | 123.9 |
| Indonesia | 15.5 |
| Norway | 23.7 |
| United Kingdom | 1,185.0 |
| U.S.S.R. | 15.2 |

TOTAL 1,767.2

Military Relief:

| | |
|---|-------|
| Balkans, Belgium, Denmark, France, Italy, Luxembourg, Netherlands, Norway. . . . | 105.2 |
|---|-------|

Grants:

a) To UN Agencies and Programmes -

| | |
|---|-------|
| UNRRA | 154.0 |
| Post-UNRRA Relief | 12.1 |
| Intergovernmental Committee on Refugees | .2 |
| IRO | 18.8 |
| ICEM | .10 |
| UNHCR | .41 |
| UNICEF | 10.05 |
| UNKRA | 7.75 |
| Palestine Arab Refugees | 4.54 |
| UNETAP | 7.2 |

TOTAL 215.15

b) Colombo Plan -

| | |
|--|-------|
| Capital and Technical Assistance | 162.3 |
|--|-------|

c) Special Relief -

| | |
|--|------|
| Greece (wheat) | .85 |
| Korea (fish) | .75 |
| Pakistan (wheat) | 5.05 |
| Greece (earthquake relief) | .50 |
| India, Pakistan, Nepal (floods) | .23 |
| Haiti (fish) | .03 |
| Japan (flood relief) | .04 |
| Yugoslavia (fish) | .05 |
| British West Indies (hurricane relief) | .05 |
| European Flood Relief (1952) | 1.00 |
| India (flood relief) | .20 |

TOTAL 8.6

d) NATO -

| | |
|---|---------|
| Mutual Aid (transfers from Canadian stocks, new production items, NATO aircrew training, etc.) and infrastructure | 1,417.9 |
|---|---------|

Other International Organizations:

| | |
|----------------|-------|
| IBRD | 70.9 |
| IMF | 300.0 |
| IFC | 3.6 |

GRAND TOTAL 4,050.8

The following are the full names for some of the abbreviations used on this table:

- UNRRA - United Nations Relief and Rehabilitation Administration.
- IRO - International Refugee Organization
- ICEM - Intergovernmental Committee for European Migration.
- UNHCR - United Nations High Commissioner for Refugees.
- UNICEF - United Nations Children's Fund.
- UNKRA - United Nations Korean Reconstruction Agency.
- UNETAP - United Nations Expanded Technical Assistance Programme.

