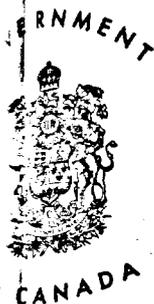


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TECHNICAL ASSISTANCE AND THE COLOMBO PLAN

Partial text of an address by Mr. R.G. Nik Cavell, Administrator, International Economic and Technical Co-operation Division, Department of Trade and Commerce, delivered at a joint meeting of the Canadian Importers and Traders Association, Canadian Exporters Association and Canadian Institute of International Affairs, in Toronto, October 5, 1951.

It was very kind of you to invite me here today and to give me this wonderful opportunity to put before you the objectives of the Colombo Plan as a whole and explain to you, - so far as I am able after only a very short period in charge of it - what Canada's contribution is and what steps have been, and are being, taken by this country to make her contribution in aid to Asia not only liberal, which I think it is, but also as effective as careful planning can make it.

... The realization of self-government for the peoples of South-East Asia particularly, has at long last enabled them to make an entirely new approach to their terrible poverty and continual hunger. There are 570 million people in this area and the majority of them are members of the Commonwealth which should give us a special concern for them.

It was this consideration which led to the formation of the Colombo Plan.

The Commonwealth Foreign Ministers met at Colombo, Ceylon, in January 1950. The meeting was unique in several ways. The Ministers assembled for the purpose of reviewing "the international situation, including the world economic aspects". It was a first Conference of all Commonwealth Foreign Ministers, and the first occasion on which the Ministers of the new Asian dominions - India, Pakistan and Ceylon were taken into the inner councils of Commonwealth co-operation and afforded an opportunity of expressing their views on their own problems. It was the first full Commonwealth Ministers' conference ever convened in Asia.

The Conference decided to set up a Consultative Committee, its membership was drawn from 7 countries - United Kingdom, Australia, New Zealand, India, Pakistan, Ceylon and Canada. The Committee voted unanimously to invite the United States to join and the United States accepted. The Committee was charged with the economic problems of South-East Asia and preparing recommendations. Its first meeting took place in Sydney, Australia, in May 1950. Its next meeting was in London in September 1950. It met again in Colombo in February this year and it will meet again in January but where is not yet certain.

The Colombo meeting was attended by Burma, Cambodia, Vietnam, Indonesia, the Philippines and Thailand. As Mr. Pearson stated in the House in February last:

"The Colombo Plan calls for a capital development programme in Commonwealth countries of South-East Asia totalling about \$5 billion over a 6-year period - about \$2 billion will be raised internally and about \$3 billion will come from external sources. Private capital is one such source but with the present international situation it cannot be as important as it should be. The International Bank might well finance some of the larger projects, and has already made loans to India and Thailand".

The United Kingdom has said it will contribute through the medium of sterling balance releases as it has been doing to a very considerable extent. Australia is contributing 7 million pounds sterling, which is 21 million dollars, in the first year and over the 6-year period she will contribute the equivalent of 75 million dollars. As you all know, Canada has contributed 25 million dollars this year.

It is with the proper and careful spending of this 25 million dollars of the taxpayers money that my new Division is particularly concerned - or will be when I get it set up.

The Colombo Plan itself breaks down into two sections and the organization in Canada will likewise have two sections. One devoted to the training of personnel of many kinds, the other to the provision of capital goods.

I will talk first about the Technical Assistance end. Canada put up the sum of \$400,000 this year to cover the training in this country of technical personnel from South-East Asia. In addition we contributed \$850,000 as a grant to the United Nations to aid its technical assistance programme for 18 months. In all therefore we contributed 1 1/2 million dollars. This training of technical personnel from Asia is vital. It is difficult in a highly developed industrial society such as ours to realize how different the situation is in Asia. Practically all our young boys grow up with a complete familiarity with electrical apparatus, machinery of all kinds, radios, automobiles, etc. etc. The boys in Asia, for the most part, come into contact with none of these things.

We cannot hope to raise the standards of living of these peoples except by using the methods by which we ourselves have become wealthy, we must aid the man by the machine; but first the man must know how to use the machine and how to take care of it. So that more food can be grown and the terrible famines averted, the whole field of Asian agriculture must be given a face lifting - that means trained experts, thousands of them! If hydro, and other forms of electrical generation are to be developed, as indeed they must, literally thousands of electrical engineers must be trained, and so I could go on, but you are practical men, you can see the problem in all fields.

So far this year we have accepted about 80 students and trainees, about 50 of whom have arrived. They comprise whole Missions, such as an Agricultural Mission which travelled around, visiting Agricultural Colleges, Experimental Farms, etc. A Hydro Mission which is now visiting various

hydro-electric installations in this country, and some of our electrical manufacturers. A Highway and Bridges Mission which has travelled extensively here studying our methods of road building and bridge construction, traffic control, and so on.

Some of those who have come to us are scholars accepted for post graduate study. Others again are Fellows, coming here for special fellowship courses.

We also, in our Technical Assistance Branch arrange courses, travel, etc. for trainees sent into Canada by the United Nations for study here.

Taking these visitors as a whole, they study a very wide range of subjects, from nutrition and child care to railway administration. They are avid for information, work hard, read everything they can lay their hands on and go back, we hope, as friends of Canada for all time.

It is not easy to arrange courses and tours for these people and I want here to ask for your co-operation in making it easier. I can think of no greater ultimate benefit to this country than that we should have this great opportunity to get to know these people, to teach them to know and use our machinery and Canadian products, to make friends with them to show them something of the great kindly heart of this Canada of ours, to play each of us his individual part in helping to build a bridge of friendship between Canada and our Asian Commonwealth partners, India, Pakistan and Ceylon.....We have an opportunity to study these Oriental countries, to make friends with their people. Not only are they coming to us, but a further aspect of our technical assistance to them is the sending out of experts from this country to teach in Asia. We found for instance an expert statistician for Burma, a fisheries expert for Ceylon and now on his way, a refrigeration expert for Ceylon. For the Food and Agricultural Organization we found an expert to go to Chile. Coming now to the Capital Assistance Programme we have, as I said earlier, \$25 million which this year will be used to start off projects which are now in the discussion stage. Obviously today, I have not the time to go into detail, but I will mention two projects which have appealed to us as the type of co-operation we would like to have with these Asian Commonwealth partners of ours. One is a scheme for village rehabilitation in which impoverished villages are divided into convenient economic areas. Then a study is made of each area to see how it can be made more productive. How can the poor villager be equipped so that he can better fight off the ever encroaching jungle, the fast growing tropical weed. How can the poor cultivator get more and better food and thereby more physical strength for his work. Possibly in some of the areas in a short time, tractors and other agricultural machinery could be used. The scheme calls for machinery for the digging of deep wells for the provision of a better and continuous water supply. A power mill of some kind will be erected in each area for grading grain. More hand tools, axes, hoes, etc., will be provided. This is a direct grass roots approach to the problem of village poverty, couple it, as we are trying to do, with a good agricultural college and you can see that through such schemes, at least some inroads can be made on Asia's dreadful poverty, particularly when you remember that between 70 and 80 per cent of the population in these countries are engaged in agriculture, very largely at the mere subsistence level.

The other scheme which we are now examining is from another Asian Commonwealth partner. When the partition took place between India and Pakistan, millions of Hindus moved south; millions of Moslems moved north. This created a colossal refugee problem with 7 millions of such people in one country alone living anyhow they can in cities, in camps, etc.

Obviously this is a most pressing problem with dangerous potentialities, and a scheme has been evolved for putting these people in an agricultural settlement with housing, irrigated land with diesel engined pumps, and all the other machinery necessary for such a project.

We are working on a scheme jointly with Australia and New Zealand under which those countries will initially supply the livestock and we the agricultural machinery for an experimental stock farm, once started such experimental farms will need livestock from Canadian herds, more and more machinery. Absolutely all purchasing under the Colombo Plan will be done by the Government purchasing agent, the Canadian Commercial Corporation.

...Naturally from countries with famine problems we receive requests for large quantities of grain. It is extremely difficult to turn these down, although the Colombo Plan was not designed for that kind of relief. The intentions of the Plan were to provide capital equipment of a permanent nature which could raise the standards of living. But as our Oriental friends point out to us, and their argument is unanswerable, it is useless to give us beautiful equipment for use in two or three years time if in the meantime we have all died of famine! And so we have evolved a scheme whereby when we do send food grains the recipient country will set up what we call counterpart funds, that is, they will pay into a bank in their own currency the equivalent of the value of food grains we send. From these counterpart funds they will pay for that part of capital assistance which must in any case be built in their countries. Such, for instance, as dams, buildings to house equipment, etc., &c.

It only remains for me now gentlemen to say this, that the Colombo Plan is in my opinion and in the opinion of many others, a progressive step towards the peace and prosperity of the world. If imaginatively used it can build that bridge between East and West which is so vitally necessary. It can only succeed if it receives the full support of Commonwealth countries and that means the full support of every Canadian, no matter what his walk in life and particularly of every business man. I do not believe that the Colombo Plan or any other Plan can rehabilitate the Great Far East and fill the stomachs of these starving people but I do believe that in this extremely complicated and difficult world the Colombo Plan, the United Nations Plan, Mr. Truman's Point 4 Programme, can at least begin to survey the problem and can make a start and from that start I would hope that the capital resources of the free world, plus its manufacturers and merchants, would find it possible to march across the bridge which we hope to build through such Plans, and to let the productive capacity of Finance and Industry bring these long neglected people into the orbit of our prosperity.

...Unless you are all prepared to give us your full support the Colombo Plan cannot succeed and it is for that support that I plead with you today. The argument for the Colombo Plan is unanswerable from a humanitarian point of view, it is also Canadian bread cast upon the waters.

The Commonwealth today is one international body which has succeeded in holding together perhaps better than any other. But it cannot be successful with the great extremes in its living standards which exists amongst its members. We must as quickly as possible try to even things up, and that is the main objective of this Colombo Plan. Once more gentlemen I plead with you to make it a success.

s/c