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ASIA AND THE INTERNATIONAL SITUATION

An address by the Administrator of the International Economic and Technical Co-operation Division, Department of Trade and Commerce, Mr. Nik Cavell, made to the Ottawa Women's Canadian Club, May 21, 1952.

...Since I accepted the very kind invitation of your President to speak to you today, I have travelled, mostly by air, over 40,000 miles in Southeast Asia and have renewed my acquaintance with countries I once knew well. Vast changes have taken place in those countries since I last saw them. Many of them have been devastated by war and still show the ugly scars, not only physical scars but those more serious ones which show up in a nation in frustration, civil war, disorder, terrible poverty and a population which has lost its sense of security. In some of these countries the war left a political vacuum, and a terrible fight is going on to determine what form of government shall fill it. There are other nations I revisited, which since I saw them last have had a rebirth. India has obtained the freedom for which her leaders fought so hard and so long. The Moslems of India decided that partition was best and founded Pakistan, the newest state in the world, and, in both India and Pakistan, I found a new spirit. I found it not only amongst the political leaders of these countries, but amongst the people in all walks of life, and particularly I found it amongst the young people.

I had several opportunities of talking to groups of young students and I found them to be imbued with a sense of the great importance to their countries of what happens in the next few years. I met many dedicated men and women who in many cases had given up lives of ease and leisure to serve their country and to play a part in shaping its destiny at this crucial time. Many times I was reminded of something said once by Oliver Wendel Holmes:

"A man should share the action and passion of his time at peril of being judged not to have lived." These people of Asia are living.

Nowhere in the world is so much history being made as in Asia today, and we should know much more about its trends than we do because, whatever we might think to the contrary, what happens in Asia in our time will have a profound effect on the lives and happiness of our children.

These new Asian governments have been much concerned about the poverty of their people, and over the whole Colombo Plan area, plans have been made which require capital amounting to about five billion dollars for the next six

years and even that sum only includes projects which had a reasonable chance of being completed in that six year period. Even if all that capital is found and used it will do little more than hold the present deplorably low standards of living at their present levels. This is due to the constant increase in population and other economic factors; but it is reasonable to hope, that, when the far-reaching effects of all that capital investment are fully realized, which they cannot be for a number of years to come, then they would snowball, private capital would be attracted on an increasing scale and a real improvement in living standards could be expected.

Now the next question is: where is that huge amount of capital coming from.

The poverty of the area is such that it was quite impossible for the Asian countries to find such a huge amount, and aid had to be sought outside. It came from the United States Government; the United Nations; the International Bank and the Colombo Plan.

The United States has contributed at least \$500 million by various means to countries in the Southeast Asian area since the middle of 1950.

The United Nations specialized agencies have given very considerable and valuable assistance in the field of technical assistance, but it is the aid given by the Colombo Plan, in which Canada is assisting, about which I want to talk principally today.

For the benefit of any of you who might not remember the background of the Colombo Plan, I will go over it very briefly. It is a Commonwealth Plan, it was given birth at a meeting of Commonwealth foreign ministers held at Colombo, Ceylon (that is how it got its name) in January 1950. At that meeting the ministers - one of whom was our own Mr. Pearson - considered the vital needs of the countries of South and Southeast Asia. A decision was taken to set up a Consultative Committee which would meet from time to time and survey the needs of the area and the progress being made to meet them. This Committee has had several meetings: in Australia in 1950; in London in 1951, and the one from which I have just returned in Pakistan in 1952. The next meeting will be held in India early in 1953.

The objective is to raise the standards of living of the people by pushing forward with the greatest possible speed the economic development of the area. This is done on a co-operative basis, each country contributing whatever it can. The special and urgent problem is the growing of more food for the empty stomachs to be found in their millions and it is to the solving of that problem that most energy is being devoted.

I want to emphasize here that what we are doing under this Plan is to try to give effect to schemes devised, and in many cases started, by the Governments of India, Pakistan and Ceylon particularly. I do not want you to think that our Commonwealth partners in Asia are sitting back helplessly and waiting for aid from us; they are working like beavers to try and solve their problems. Our role as one of the rich and fortunate countries is to assist them in the way which they think will be most helpful.

To provide this assistance, Great Britain, Australia, New Zealand and Canada have supplied funds in these amounts: Great Britain, during the War became in debt to Ceylon, Pakistan and India, debts which have helped to keep her poor since the War. These debts form what is known as the "blocked sterling balances" and Britain has agreed that over the six years of the Colombo Plan she will arrange for India, Pakistan and Ceylon to draw on these balances pounds sterling amounting in our money to something in the neighbourhood of \$700 million, an amount which in her present difficulties will not be easy. Australia has agreed to contribute Australian pounds over the 6-year period amounting to roughly \$90 million. New Zealand agreed to contribute one million pounds for three years, about \$2,750,000 in our money and Canada gave \$25 million in the fiscal year 1951-52 and another \$25 million in the present year 1952-53.

Now let us see what we did with our Canadian contribution in 1951-52. We divided it--\$15 million to India and \$10 million to Pakistan.

The Indian Government requested wheat to help her over a bad famine period. It was intended that the Colombo Plan should provide only assistance which would lead to permanent betterment of a capital nature and so, as the wheat was distributed in India, the Indian Government paid the equivalent of its Canadian value into a counterpart fund and from that rupee fund it was proposed by India and agreed by us, that aid be given to the Mayurakshi Irrigation and Hydro-electric Project and I saw that aid being used when I was there. The work had been stopped owing to lack of money and our aid got it going again. I wish you could all have seen it, the great concrete dam going up. Hundreds of women carrying the earth out of the dam site in baskets on their heads; busy supervisors directing operations; clever engineers moving about from their piles of blueprints to the actual work coming into being. Overall a quiet, very efficient organizer, Mr. Ganguli, and a very efficient British-trained chief engineer, Mr. Mondol.

The most pressing problem in India today is shortage of food. She grows, in an average year, about 40 million tons of food grains, and that is at least five million tons less than her minimum needs. Large irrigation works are designed and being designed to make up that shortage. There are many of them spread about the country.

The Mayurakshi River - the word means "peacock's eye", so called because the water is, as they say, "as clear as a peacock's eye" - has been coming down in flood every few years and washing out the poor peasants, drowning their families and destroying their villages. This project will control the river, it will irrigate 600,000 acres of land which will increase the food yield by 300,000 tons of rice and 50,000 tons of wheat, potato and other grains. Eventually some 4,000 kilowatts of hydro-electric power will be generated which will provide the peasants with light, power for their grain mills and for the establishment of some much needed cottage industry to give employment in Bihar and West Bengal. Canadians should feel very gratified that their gift to India of \$10 million worth of wheat not only fed starving people in the first place, but, through the second use of the rupees obtained for the wheat, will help to raise the standards of living in the Mayurakshi basin and revolutionize the lives of the poor people who live there.

Although the work is not finished yet, the main barrage gates have been built across the river, which in 1951 enabled water to be controlled and distributed and about 100,000 acres actually got water.

Another project which I saw is the Hirakud Dam Project in the state of Orissa. This province has a population about the same as Canada's - 14 million people; but whereas Canada has 3,845,144 square miles, Orissa has less than 60,000.

This Hirakud Project is in the valley of the Mahanadi River. The valley has deposits of coal, iron, bauxite, manganese, graphite, chromite, mica and other minerals, but they are unexplored and very little exploited. To enable that work to be done and industries to be built up to use these resources, this Hirakud Project will be built to provide both irrigation for more food and power for new industry.

The Mahandi River carries much more water than the Tennessee in the United States but it all runs to waste, causing damage and destruction by its terrible floods. Less than 5 per cent of this water is put to any fruitful use. There are practically no industries in Orissa, little employment, much famine and suffering from chronic and low-income diseases. When this Hirakud Project is completed, all this will change. The river will be controlled, just over one million acres of land will be irrigated, electric power will be developed and the rising living standards of the people will eliminate the ravages of disease from which they now suffer.

I have mentioned only two of the many projects by means of which India hopes to grow the five million tons of food a year which she must now import to feed her people. Canada is helping with Mayurakshi and when that is finished, as we hope it will be soon, we will assist one of the others, probably Hirakud.

In the state of Bombay, we Canadians are helping India with another problem. In a highly populated state, it is just as important to be able to distribute food as it is to have it and the transport problem of Bombay State is in urgent need of overhaul. A transport commission has been set up, but it is very short of capital and to help it to get on its feet we are now working out the details of the supply of trucks and buses to the value of about five million dollars. This will complete our \$15 million aid programme to India for the fiscal year 1951-52. We are now examining her urgent needs for 1952-53 for which fiscal year our Parliament has again voted aid to the value of \$25 million, which will be divided up this year to include Ceylon as well as India and Pakistan.

Now let us look at Pakistan. It is the newest state in the world, being just over four years old. It started from scratch and in four years has accomplished marvelous things. When partition happened and the Moslems of India under Mr. Ali Jinnah set up Pakistan, some seven million Moslems moved north out of India to become refugees in Pakistan. That is a huge number of refugees to look after and it constitutes one of the major problems of this new Moslem state.

As one of our Commonwealth partners, her problems must be of concern to us, and I am happy to be able to tell you that out of the \$10 million which we allocated to Pakistan last year five million of it will be spent on a cement mill to be erected in the Thal area of the Punjab, where it is proposed to settle a large number of these refugees.

I travelled through this Thal area. It has been handed over for development to a body called "the Thal Development Authority", and that body has as its chairman Mr. Zafar-ul-Ahsan, one of the most dynamic organizers I have met for many a long day. Under his able direction the Thal is coming alive. He is surrounded by a band of able men who, each in his own sphere of road building, town planning, irrigation, power development, animal husbandry, etc., is directing operations, the sum total of which will make a magnificent contribution to the refugee problem and to the overall wealth of Pakistan.

It was a peculiar sensation, but nevertheless, an exciting one, which I experienced away up in that almost desert area, as I sat by the roadside one night whilst the chief engineer's car was being repaired. We sat on a modern road and pored over plans showing all this new development along very modern lines, and just off the road camel caravans wended their way along towards the Northwest Frontier, as they have for centuries and the nomad tribesmen in charge of them called out their age old greeting as they passed: "Assalam-o-Alaikam" - "Peace be unto you".

Here the modern techniques of the West were meeting, and for good or ill, and let us all hope for good inevitably changing the age old traditions and way of life of that historical frontier.

The Thal irrigation project covers a development area of two million acres and $1\frac{1}{2}$ million of those acres will be brought under irrigation.

Small towns are coming into existence. At Mianwali in the area, hydro-electric power will be generated and industries developed to provide employment as part of the basis for this colonization project.

Owing to the nature of the desert soil, all irrigation canals will have to be lined with cement: the new town development and the provision of housing will also require large quantities of cement. Fortunately, at Daud Khel in the Thal area there is an almost unlimited supply of all the raw materials required for cement making, so we have agreed to give a cement mill which will cost approximately \$5 million of the Canadian allocation of \$10 million for the fiscal year 1951-52.

We are also arranging for an aerial survey of the large areas of Pakistan in which it is expected to find minerals. This scientific survey will be invaluable to mineral and oil discovery and we hope will save 20 or 30 years over ordinary surface methods of hunting for minerals with a pick and shovel. We shall also survey for them, many agricultural areas with a view to helping to solve some pressing agricultural problems such for instance as water-logging. In all, this survey will cost \$2 million and that leaves (out of the \$10 million) \$3 million which will

be spent on some agricultural machinery for an experimental livestock farm in the Thal which we are helping with in co-operation with Australia and New Zealand and from which eventually newly settled refugees will be able to obtain suitably bred livestock with which to stock their farms.

Also coming out of the \$3 million and in fact the bulk of it, will be wooden railway ties for the rehabilitation of the tracks of the Pakistan railways, which badly need repair. It is too early yet to say definitely how we will use the \$25 million which Parliament has allocated for the present year 1952-53.

One additional country at least - Ceylon - will probably get some aid for its fisheries development and for a very fine project which will rehabilitate its villages. I brought back with me from India and Pakistan all kinds of suggestions for the use of Canadian aid and now we have to see what is available and how we can best help these development schemes so urgently needed by our Asian Commonwealth partners.

One way in which we are helping is through technical assistance, which is the sending of Canadian experts to these countries and bringing here Ceylonese, Pakistani, and Indians for training in this country. This is vital. If we are to supply complicated machinery, chemical processes and so on, then we must train up the necessary technical staffs to run them. It is useless, for instance, to spend \$2 million on aerial geological work in Pakistan unless out of it there arises a department which can carry it on in the future.

There are in all these countries very serious agricultural problems, such for instance as the waterlogging problem and the thousands and thousands of acres ruined by salt. To solve these problems, it will be necessary to set up research institutes and to staff them with scientific experts. -

In areas where it is possible to use tractors - and these are not as numerous as many people think - it will be necessary to set up tractor schools where men can be trained not only to use the tractors but to keep them in repair. To aid in this technical assistance work and to supplement the much larger programme of the United Nations and the Truman Point Four technical assistance, Canada gave \$400 thousand under the Colombo Plan in 1951-52 and \$850 thousand in the same period to the United Nations for the same purpose, and these amounts have been repeated in the fiscal year 1952-53.

We have had many individuals and some special missions studying in this country and at the present moment we have 12 keen young men from Pakistan who are studying the details of democratic government in all its branches. We also have a health mission composed of doctors from India, Pakistan and Ceylon who are studying our methods of maintaining public health. Not only has technical assistance helped to train people but we hope it will also result in making many individual friendships and so increase understanding between our Commonwealth partners and ourselves and thus lead to better understanding.

I now want to look for a moment at the background against which we must put our efforts in Asia. What are we

trying to do? Well, first of all, we are trying to help Asian countries, and particularly our Commonwealth partners there, to relieve some of the terrible poverty which has bedevilled their lives for so long. Then we are trying to help them to remain free people, to develop along democratic lines and to remain with us in the free world, but terrible poverty, disease, lack of proper housing and general low standards of life make large numbers of their people ready to follow any banner which offers higher standards, whether the people who wave that banner can really do anything for them or not.

We want to enable their present free governments really to be in opposition to remedy the ills from which they now suffer and to give them confidence in their government and thus offer them an attractive alternative to following China behind the Iron Curtain and into the slavery of the Communist state. If we look back at Europe, we shall find there that after the chaos of World War II, totalitarian force, following the old Russian Imperial pattern, took over and dominated country after country until now the world faces a land block of totalitarian satellites which has swollen the power of the Russian land mass by the addition of: Poland, Hungary, Rumania, Czechoslovakia, Bulgaria, Albania and East Germany.

I am convinced that it was only the Marshall Plan, and Marshall Plan aid, which rocked Communism back on its heels in 1948, and saved most of Europe from following these countries behind the Iron Curtain. Now substantially, we are working out a similar plan for Asia.

Our Colombo Plan is only one part. And I have already told you how it is working, what it is doing, and the part we Canadians are playing in it, but all the time we must remember that our success in Europe has only made the totalitarian forces more determined than ever to win Asia, and therefore we face an urgent problem. We have to make up our minds that it is extremely unlikely that the Communists anywhere will help us to bring about the free world we want but which they do not want at all.

It should be obvious now to anyone who will look facts in the face that they are not working for a peaceful world except under their complete domination. They are attacking us in Korea, causing us considerable trouble in Malaya, in Viet Nam and in Burma: they are working hard to disrupt orderly government in all the countries of Southeast Asia. The vast manpower of Chins is being used against us and we are beginning to see what a serious threat to the free world was brought about by our loss of that country.

I do not believe that men, whether European or Asian, lightly throw overboard everything they have known, to embrace a new creed and a new way of life, so long as there is real hope that their existing manner of living can be made tolerable, and I think the recent elections held in India which, by the way, were magnificently organized and run, prove that point.

In areas where peasants owned even a very small amount of land or where there was some hope that they might soon do so, they did not vote Communist; where they did vote Communist was in areas where they are hungry and it seemed to them that they had no hope at all.

The countries of Asia are today sovereign powers making their own decisions and running their own affairs. Our contacts with them are through the United Nations and the Commonwealth and it is surely obvious that we must do all we possibly can to use these two organizations to assist these Asian governments in attaining stability and in building up the standards of living of their people, which is the only way they can hope to remain free nations. Through these two organizations and particularly through the United Nations, we can assist in settling such thorny problems as that of Kashmir, which is today preventing the amicable relations which should exist between India and Pakistan. We can assist in settling the equally difficult problem of Japan. Many countries in Asia fear a revived Japan might lead again to that Japanese aggression under which they suffered so terribly through the period of the Second World War. On the other side of the medal there are over 82 million people on the tiny Japanese Islands and unless they can export their manufactured goods and so buy food they cannot live today any more than they could before the Second World War - another example of the fact that war does not solve problems but only creates more of them. It is surely obvious that this is a world problem and that only by the granting of concessions in the world trading picture can the Japanese be enabled to live.

What I particularly want to point up today is that there are practically no problems in Asia which are theirs alone. For instance, if the countries of Southeast Asia should be taken behind the Iron Curtain as China was, not only shall we lose all our contacts with them but the free world would lose, and the totalitarian world would gain, the vast resources which are so vital to our own economy. We often hear that the ever-increasing population of Asia will eventually put the whole world into great food difficulties but it is a fact that the American population is growing at a far greater rate than that of India! Already the population of the world is estimated to be 2,350,000,000 and every year it grows by 25 million. As Dr. Dudley Stamp points out in a recent book, every time we sit down to breakfast, there are 70,000 more mouths to be fed than there were on the previous morning.

Obviously again, this is not an Asian problem but a world problem, and we must all pitch in and determine how we are going to increase the world's food supply in order to cope with it.

But I still maintain that by far the most important problem which faces us is how we are going to keep human freedom alive in the world. Certainly we cannot do it by allowing totalitarian power to become stronger and stronger. The struggle between freedom and totalitarian force becomes more bitter day by day.

It is costing the world vast sums of money in armament but under present conditions we have no alternative. It is the same curse which has bedevilled real human progress since the beginning of the human race - the urge for power, the urge for domination. The lack of tolerance which will not permit differences, the terrible urge to absolute conformity by force if it cannot be brought about by any other means. Perhaps the greatest need of the world today is tolerance.

I am convinced that human freedom can win this latest fight. I even believe that it can be done without another

world war if we can bring about a real co-operation between the nations which are still free and still have a choice. But that includes the remaining free nations of Asia and calls for a far greater, a much stronger and a far more understanding bond with them than we have at present.

It means also that the people of democratic nations must have a far, far better understanding of the nature of the world in which they live than they have at present. We are too prone to remember the differences between nations and peoples and to forget their many similarities. All men need food, housing and clothing. When we begin to think and to build on the idea that human beings no matter where born have similar needs, similar longings for peace and security, the same desires to see their children fed, housed and educated - when we begin to think in terms of common similarities - then we shall be on the way to a constructive approach to the problems of the human race which wherever they are to be found are all our problems equally...

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