

CANADIAN FOREIGN AID, 1950 - 1960:
PARLIAMENTARY POLICY; ADMINISTRATION; CONTENT

by

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ABSTRACT

ABSTRACT

In the Introduction, the problems of reconstruction and development of the under-developed countries were noted. The motives behind Canadian foreign aid were then analyzed and two dominating motives appeared evident - humanitarian, and enlightened 'self-interest'.

Chapter one, an analysis of the evolution of parliamentary policy of the three major Canadian political parties, revealed that there were no basic differences among the parties regarding the acceptance and support of foreign aid programmes. Such differences as did exist were rather those of degree.

Chapter two, an analysis of the administration of foreign aid, revealed that until 1960, the administrative machinery was not adequate to cope with the increasing scope of foreign aid, largely because of a divided responsibility. It is expected that with the creation of the External Aid Office which centralized the administration, the administrative machinery will be greatly improved.

Chapter three, an analysis of Canada's economic aid programmes, revealed that they have increased steadily since 1950 to cover South and South-East Asia, Africa, and the West Indies by 1961. The Colombo Plan, being the largest single programme, was examined in greater detail.

The conclusion consists of a brief assessment of the three major parts of the thesis.

INTRODUCTION

The Problem of Under-developed Countries.

In post-war years under-developed countries, particularly in Asia, have presented a grave problem to the whole world. In many parts of the world economic and political chaos followed withdrawal of the former Colonial powers. Many of the newly-freed countries were so disorganized and weakened that they are only now beginning to tackle the problems of hunger and sickness of their poverty-stricken millions, and the reconstruction and development of their countries.

The task is enormous, for in this area which contains more than one-quarter of the world's population or approximately 570 million people,¹ production is at a very low level. The average annual per capita income over large parts of the area is less than \$100 a year.² Because incomes are so low, savings are generally not available to invest in improvements in production and the cycle of economic activity remains at little more than subsistence level for most of the people.

The central problem has been and still is, the supply of food. It is here that the impact of war and of post-war unrest has been most serious. Rice is the staple food of the hundreds of millions living in the area. In 1938/^{over}five and a half

¹ Report by the Commonwealth Consultative Committee September - October 1950, on the Colombo Plan for Co-operative Economic Development in South and South-East Asia. p.9. [Note: all population statistics are approximate.]

² A. McGill, The Origins of the Colombo Plan, June 23, 1961. Pamph. External Aid Office, Department of External Affairs, Ottawa. Subsequently published as Canada and the Colombo Plan 1951-1961. Cat. No. E92-261. Queen's Printer, Ottawa, 1961.

million tons of rice were exported from Burma, Thailand and Indo-China, while imports into India, Ceylon, Malaya and Indonesia were three and one-third million tons. Immediately after the war there were fifteen million acres of abandoned rice fields in the area and exports from the sources mentioned above were reduced to under one million tons in 1946. In 1950 exports were not expected to exceed two and a half million tons¹. So radical an interruption in the supply of rice naturally held grave dangers for the inhabitants of all the rice importing countries in South and South-East Asia.

Following the war a sufficient flow of essential foodstuffs was maintained to avert widespread starvation due to the measures taken by the International Emergency Food Council, direct shipments of wheat from the United States, Australia and Canada, and the gradual recovery of rice production in the area.

Today the ordinary Asian exists on a small bowl of rice each day. This meagre diet which does not supply the amount of proteins and fats necessary to proper nutrition, is below 2,000 calories in contrast to the average daily diet of 3,000 calories per person in the United Kingdom².

¹Colombo Plan Consultative Committee Report, 1950, p.4.

²Ibid, p.8.

Related to the problem of food is the problem of the increasing population in this densely populated area of the world. The annual rate of population growth in South and South-East Asia and in the world as a whole during the period 1920-1950 remained fairly constant at about one per cent per annum. During the years 1950-1956 the population of the region increased by an average of approximately one and half per cent per year. Subsequently even this rate was exceeded, and in some countries in the area it is now substantially over two per cent per annum¹.

If these rates of increase are maintained, it has been predicted that the present population of some 570 million will before 1970, have grown to 720 million, an increase in less than twenty years roughly equivalent to the total population of the United States².

In spite of the fact that the productivity of arable land has increased in those countries that do not have a high density, little progress has been made over the total area towards raising food consumption.

Related also to the problem of food is that of transport. Serious deterioration took place in the railroad systems during the war so that by 1945 more than one-third of the

¹Colombo Plan Consultative Committee Ninth Annual Report November, 1960, p.10.

²Colombo Plan Consultative Committee Report 1950, p.4.

pre-war track had been rendered useless. Road and water transport had also suffered heavily. This had serious effects on the production and movement of crops. Since the war some of the deficiencies in transport equipment have been made good but not all the railroads of South and South-East Asia have yet been rebuilt.

In pre-war times the countries of the region played an important part in world development. The area provided a major source of the food and raw materials consumed throughout the industrialised world. It provided almost all the world's exports of jute and rubber, more than three-quarters of the tea, almost two-thirds of the tin and one-third of the oils and fats¹. These key products have for generations flowed into the great trade routes of the world. In return the industrial products of the West - textiles, machinery, iron and steel, flowed back into the area.

The Colombo Plan Consultative Committee Report of 1950 stated that much development of the region/^{also} came from a steady flow of capital from the countries of West Europe and more especially from the United Kingdom. Since the end of the war, dollar surpluses earned by the area's exports have been replaced by dollar deficits; and the flow of new capital into the area has dwindled away as a result of the disturbance caused by the war

¹ Ibid, p.4.

and the reluctance of private investors to risk their savings in the face of new uncertainties.

"In these circumstances it is clear that the vital interests of the countries of South and South-East Asia require the strengthening of their economies through the resumption of a large-scale flow of capital. Such capital is essential to any permanent increase in productivity and living standards. At the same time it is a condition of the higher level of trade on which a stable world system could be based".¹

In view of these difficulties it is hardly surprising that there is a major task of reconstruction in South and South-East Asia. The solution calls for two types of approach: rehabilitation and the restoration of economic activities mentioned above; and the original development of potential resources.

The potentialities of the area's under-developed natural resources are great. In 1950 it was estimated that in India, for example, improvements in agricultural practices and techniques alone could in seven years gain an increase over the current estimated levels of production of eight per cent (three million tons) in foodgrains, thirty per cent (195,000 tons) in cotton, fifty per cent (375,000 tons) in jute and thirty per cent (1.5 million tons) in oil-seeds². In Ceylon it was estimated that three million acres of land would be brought under cultivation, thus doubling the cultivated area of the country. This work, much of which is being

¹Ibid, p.4.

²Ibid, p.11.

accompanied by the development of hydro-electric power, is the first step towards productivity.

From the Colombo Plan Consultative Committee's Ninth Annual Report, November, 1960, the following brief account of the post-war progress is taken.

"During the past ten years 1950-1960, extensive efforts have been made by the countries in South and South-East Asia to accelerate their economic development. The progress achieved has been considerable. Impressive capital investments have been made in many fields. New industries have been established. Large numbers of people have been trained. Modern techniques have been adopted to improve agricultural processes and to re-vitalise the handicrafts of these ancient countries. Irrigation projects have brought water to parched fields. Additional power has been generated to facilitate industrialisation. Illiteracy is being reduced and malaria is being eradicated. [...]"

While all countries in the area have achieved increases in investment and production, income levels and per capita income remain low. The trade of many countries of the area has lagged behind the growth of world trade and some of them have experienced a continuing pressure on their balance of payments. The problems of inefficient techniques, inadequate numbers of trained people in administration, management and production, and the shortage of food still remain. The need to stimulate investment capital, increase exports and mobilise domestic resources are as real today as they were ten years ago." ¹

Today Asians and peoples from the other under-developed countries of Africa and Latin America have become aware that the cycle of poverty, unemployment, hunger and disease can be broken and that a developing, expanding economy can be substituted. They have been

¹The Colombo Plan for Co-operative Economic Development in South and South-East Asia. Ninth Annual Report of the Consultative Committee, November, 1960. Cmnd 1251, H.M. Stationery Office, London, 1961, p.22.

stirred to a realisation that a better life exists and is possible for them. The great surge of rising literacy, modern methods of communication, and evidences of Western standards of living have brought this message to the most remote village. They know at last that malnutrition and disease are not inevitable and that it is possible to create conditions in which they themselves or at least their children can have a better life, and they intend to have it one way or another. The under-developed countries today are in revolt against the continued acceptance of poverty, ignorance and ill-health.

This great awakening and determination has profoundly altered the world situation. Its potentialities for progress or disaster are far-reaching. For the people of the richer nations, the yearnings of these millions of people if ignored, can make a very dangerous world. Thus the urgency of the attack on conditions in under-developed countries should be readily apparent.

An Examination of the Motives behind Canadian Foreign Aid.

Two major motives for Canadian Foreign Aid can be found-humanitarian, and enlightened 'self-interest'. The humanitarian, idealistic motive presents the picture of the common brotherhood of man, each man living in

peace and harmony with the world about him, and each man having a moral obligation to help his neighbour.

The other dominating motive, enlightened 'self-interest', has two main forms. It is often heralded as a desire to extend the Democratic ideal and way of life. In effect it means simply protection of the Western pattern of life and as such helps to promote defence measures for protection against Communism. This ideological front is perhaps the most widely used rationale for foreign aid to under-developed countries.

Sometimes the 'enlightened self-interest' motive is used to promote the Canadian economy. It is often claimed that foreign aid will build up potential markets. Other times it is claimed that foreign aid is a useful way of disposing of surplus goods and thus will bring immediate benefit to the country.

Whatever the argument for foreign aid, it can be reduced by and large, to some aspect of the two motives outlined above. The study of the evolution of Canadian Parliamentary opinion to foreign aid, which follows the more detailed examination of the motives, will reveal that politicians were capable of using the two motives separately, of mixing the two motives together, or even of using one when they really intended to use the other, sometimes with complete unawareness.

The 'Humanitarian' Motive. The humanitarian motive was summed up by Prime Minister J.G. Diefenbaker in 1958 when he said, "The good citizens and the good nation must recognize his (sic) obligations to the broad community of men".¹ To express more fully the meaning of this humanitarian motive, the following excerpts from speeches made by prominent Canadian outside the Parliamentary group have been selected.

i Mr. Marvin Gelber, National President of the United Nations Association of Canada, at the Conference on Canada and the International Development Programme, Toronto, June 1-2, 1956.

"Let us look for a moment at the disparities between us and the world we wish to help. [...] Our Western society is only a fringe of all human society. Ours is a privileged world. We enjoy a material bounty in excess of any, including other privileged societies which have preceded us. [...]"

On the other hand, much of the human race is destitute and diseased. Representing one-quarter of the world's population, six countries of free Asia have a national per capita income of \$53 or less. This is a measure of poverty, disease, illiteracy and despair. [...]"

Those of us who carry a lighter burden must help to share the load. [...] It is for us to help whence we can. [...] We must provide some of our (resources) to hasten and to care the birth of a new and better world

.....

If we are to live in a world of material abundance, a congenial world, a world where the human genius can flourish and men are moved to thoughts of kindness and nobility, we must build,

¹"A Formula for Peace", Address to the Fifth Baptist Youth Conference, Toronto, June 29, 1958. Department of External Affairs Information Division Publication No. 58/29.

²M. Gelber, Address to the Conference on Canada and the International Development Programme, Toronto, June 1-2, 1956. UN Association in Canada 1956.

everywhere, temples of brotherhood and fly in them the flags of all nations and of all mankind."

- ii Mr. R.G. (Nik) Cavell, Administrator, International Technical Co-operative Division of the Department of Trade and Commerce, to the Toronto Rotary Club, May 24, 1957:1

"Confucius once said: "An empty stomach does not dwell on high principles", and the first task facing the Governments of South-East Asia is to feed, house and clothe their poor people. As civilized and compassionate human beings, we can only be appalled at the poverty, economic uncertainty and disease from which so many of them suffer today. [..] We cannot rehabilitate these people, we can only give assistance to their governments in doing the job".

- iii The most reasoned appeal came from Mr. Mitchell Sharp, Vice-President of Brazilian Traction, Light and Power Co. Ltd., who sharply attacked the arguments in favour of 'self-interest' in his address to the UNESCO meeting in Toronto, February 24, 1961:

"There is one good and sufficient reason for international aid and that is that there are less fortunate people in the world who need help. If they are grateful for our help, so much the better. If by reason of the aid they receive, they become bigger customers for Canadian goods and services, better still. If our aid helps them to achieve what Professor Rostow calls "take-off", to set their feet firmly on the road to higher standards of living without resort to Communist dictatorship, the benefits to us are beyond measure.

But the inspiration must be essentially humanitarian and unselfish. If it is not, if the primary purpose of our aid is not so much to help the less fortunate as to help ourselves, we shall probably receive in returns what we deserve and less than we expect.

Many of the troubles with which international aid is beset today may be laid to the fact that we of the free world are losing this humanitarian inspiration. We have got

1 "Southeast Asia and the Colombo Plan" Statement to the Toronto Rotary Club, May 24, 1957. Department of External Affairs Information Division Publication No. 57/29.

2 "Notes for Remarks", Statement to UNESCO Meeting, Toronto, February 24, 1961.
(Typed Copy).

ourselves into the international rat-race using aid in an effort to win friends and influence customers and to outbid the Communists. Small wonder that some recipient countries seem to be taking us at our face value by playing off one side against the other.

.

Some of my friends disagree with this approach. They say that people must be frightened into giving aid by fear of Communist encroachment in under-developed countries. They say that people will support more international aid if they see this aid as a means of building up the economies of under-developed countries so that they become better customers for Canadian products and indirectly raise the standards of living of Canadians. [. . .] I believe on the other hand, that men are moved more effectively by appeals to their sense of fairness and injustice and by the satisfaction that is to be derived from participation in a great humanitarian endeavour".

iv The Honorable L.B. Pearson represented the general political feeling at the time that was so often handed out to the public when he spoke at the Conference on Canadian Aid to Under-developed Countries, Ottawa, May 27-28, 1955:¹

"The lure of the alleged successes of Communism and the threat which Communist states present to the security of other countries and our own add, of course, to the urgency of the task. To my mind, however, there are other and even more substantial reasons for providing assistance to the under-developed countries for co-operating effectively with them.

The genuine desire of Canadians to help others who are less fortunate, the recognition that the more quickly other people's standards of living rise the better off we shall be, the conviction that economic and social progress are essential to a durable peace, the judgment that the resources of most of these countries are capable of supporting a

¹ L.B. Pearson, Address to the Conference on Canadian Aid to Under-developed Countries, Ottawa, May 27-28, 1955. U.N. Association in Canada, 1955.

fuller and richer life, the evident effort which the people of these countries are themselves making to improve their conditions, and the sympathy which we as citizens of a relatively young country feel with those who are trying to establish their own nations on a new and durable basis - all of these seem to me to be more solid and more fundamentally significant reasons for providing assistance."

It is not hard to see that aid given on the basis of the humanitarian motive could have been and was, labelled as 'charity'. However nobly the humanitarian sentiment may have been expressed by Canadian organizational, business and political leaders, the under-developed countries proved to be sensitive to such aid. Moreover this type of motive has seldom persuaded a donor government's people of the aid's usefulness except in times of obvious crises such as floods or famine conditions. Thus international aid has seldom been justified on these grounds alone.

The 'Enlightened Self-Interest' Motive.

The lessening of world tension. A direct relationship is established between foreign aid and the improvement of world political conditions. Differences of wealth are seen as a cause of great tension in international politics. Thus Canadians often stress the fact that Canada must give to the lesser countries in order to lessen tension and help maintain international stability. This attitude could be seen as a 'self-interest' motive to protect her own high standard of living.

The following extract from an article by
Mr. E. Smith stresses this motive clearly:

"It is taken for granted by the majority of Canadians that their purpose as a nation is to live in peace and prosperity. This manifest desire is not to be fulfilled simply by the asking, however, since it becomes increasingly obvious that in the shrinking modern world peace and prosperity are more than ever indivisible, and can only be earned by tireless effort and vigilance. Poverty and war are two sides of the same coin - this is a fact of life that Canadians recognize, and it explains why this country is exerting itself to lower international political tension and simultaneously helping to lay the foundation of prosperity in regions where poverty has become a standing obstacle to progress and stability. This is not pie-in-the-sky idealism or woolly philanthropy; it is enlightened self-interest and plain common sense. As the struggle goes on, talk and negotiations continue to play a vital part in the solution of political problems; they are not enough though, to solve the problem of poverty, which is essentially economic in nature, and which Canada has accordingly chosen to fight with economic weapons, not with propaganda, but with people and materials resources carefully directed into sound beneficial undertakings."¹

The prospect of increased trade for Canada. Through foreign aid amongst other factors, the under-developed countries will move to an economic level permitting them to buy an ever-increasing volume of goods and services offered by the developed countries. This motive has been expressed, at times, by the practical Canadian politician. The following extracts from a speech of Prime Minister Diefenbaker's to the annual general meeting of the Corporation

1

E. Smith, Canada and the Colombo Plan, Economic and Technical Assistance Branch, Department of Trade and Commerce, 1960. Pamph. pp. 6-7.

of Professional Engineers of Quebec, Montreal, April 8, 1961, is one of the few times this motive has been clearly brought to light.

"Canada has recognized that its security and prosperity and that of other nations of the free world depend in a large measure on the ability of the under-developed countries to make satisfactory progress. Canada has therefore made most substantial contributions to various economic and technical assistance programmes. [...]"

.

The direct and indirect benefits of Canada's aid programmes to Canadian industry are not always as well known as they should be, and I would like to take this opportunity to emphasize that our economic assistance programmes are not simply a charitable undertaking. Canada does not just make cash gifts to under-developed countries in the Colombo Plan. It provides them with Canadian goods, equipment and services carefully selected to make a basic contribution to economic development. Practically the whole amount of \$50 million that Canada is currently contributing annually to the Colombo Plan is, therefore, paid out to Canadian firms and individuals and represents a substantial amount of business.

The objective of all programmes of economic assistance is . . . a more rapid expansion of the world economy. Canada as a trading nation has a vital stake in the growth of markets overseas and therefore it is in our own immediate interest to assist, to the best of our ability, the process of development throughout the world. The more quickly the less developed countries can become self-supporting, active participants in a greatly expanded world trading community, the greater will be the opportunities for Canadian experts."¹

¹Speech by Prime Minister Diefenbaker to the annual meeting of the Corporation of Professional Engineers of Quebec, Montreal, April 8, 1961. (Mimeograph copy).

The defence of the free world against Communist aggression. This is perhaps the most loudly proclaimed reason for giving aid to under-developed countries. By and large most Canadians who have spoken on foreign aid have dwelt at length on the evils and dangers of Communist aggression. The kind of writing seen in the following extracts from speeches strongly emphasize that foreign aid above all other uses, must be employed to fight an all-out economic war against Communism.

Mr. Marvin Gelber, National President of the U.N. Association of Canada, to the Conference on Canadian aid to Under-developed countries, Ottawa, May 27-28, 1955:¹

"To many of us, political considerations play a dominant part. If Indonesia, rich in resources, and teeming with 80 million people were to go Communist tomorrow, we would ask ourselves what could we have done to stop this calamity. Can we mobilize sufficient resources and ensure that they are translated into benefits which would destroy the chances of Communist success?

.....

We are spending necessary billions on defence. But our policy of foreign aid is an offensive weapon and one of the strongest we have. It can be used most effectively against subversion which is daily working to undermine the free world. Have we Canadians struck a proper balance between these two aspects of our foreign policy?".

Mr. Cavell, Colombo Plan Administrator in Canada, to the Toronto Rotary Club, May 24, 1957:

"I believe that human freedom is menaced today just as much as it has been through the ages but the menace today is more complicated, more difficult to comprehend and therefore less felt and realized than it has been in the past. [...]

¹M. Gelber, op cit.

²N. Cavell, op cit.

The great question confronting us is: Are we going to be able to hand over to our children a world in which human freedom has been strengthened and in which it can continue to grow until all doubt of its ultimate survival has been wiped out? Or, are we, through inertia and lack of understanding, going to make it necessary for our children's children to pass through the hell of the dictator's torture chambers and endless wars to enable them to stay free as we are free today? The success of the free, democratic state rests in the end on the knowledge, understanding and common sense of its people.

One of the facts we must face is that we, the white race, are a minority on this earth. The majority is made up of Africans and Asians and although these people are not powerful today in international politics, they are on the march and the direction of that march is as much our concern as it is theirs.

.....

Two great experiments are going on: in China, roughly 600 million people are trying to raise their living standard by following the ways of Russia; in India, roughly 400 million people are trying to do the same by parliamentary democracy. The whole of Asia is watching these two countries to see which will do the most for its people in the shortest time. We dare not let democracy fail. We cannot build a strong free world unless we can make it habitable for the millions of Asia who have not yet made a final choice."

The enlightened self-interest motive can be seen as a purely selfish and natural concern for the perpetuation of Canadian well-being and high standard of living. However, neither the enlightened self-interest motive nor the humanitarian motive as outlined

will justify foreign aid programmes unless both the donor and the recipient countries are satisfied with the practical results.

The Challenge.

Canadian aid is essentially directed at the core of the economic problem in each of the under-developed countries that it benefits. The following are the targets which must be accomplished: the growth of agriculture and industry and the exploitation of natural wealth; the opening of opportunities for large scale employment; the stimulation of foreign exchange earning capacity; the training of professional and technical personnel needed to utilize capital investment.

There are no short-cuts to be found in the task of raising the standard of living in the under-developed countries. Capital and technological skills from the West are urgently needed, and Canada has her part to play. It can no longer be supposed that sporadic gifts and loans will be sufficient, for it has become increasingly evident in recent years that Canada's contributions must be based on long-term and clearly organized planning in order to accomplish the targets mentioned above. Furthermore the amount of Canadian aid must be increased. Canadian contributions have been severely criticized both inside and outside the House of Commons. Canada can and must give more aid in order to help meet the pressing needs of Asia and Africa.

However, it would be unfortunate for Canadians to become concerned with the amount to a point where Canadians lose sight of the question of quality. "We should ask ourselves not only how much Canada should be doing but how are we doing it, and why?"¹.

If provided in the wrong way i.e. indiscriminantly, extravagantly, or without proper regard for practical purposes, the most massive amounts of money and numbers of technicians might accomplish very little and in effect might jeopardize a wholesome relationship between the under-developed countries and the West. Canadians should realize that there is still much waste of foreign aid in the under-developed countries. The people of these countries, being sensitive of their national sovereignty as was pointed out earlier, often ask the West for help in spite of their lack of knowledge and administration. Thus it has happened that goods and services have been sent to countries where the local people had little or no training to use this assistance, and the central government was unwilling or failed to receive the necessary supervision. Giving more aid will not reduce problems of this sort, but will in all probability increase them.

Both Canada and the recipient countries must use methods of finding aid which draw on resources and personnel in most efficient ways. Actual Canadian success

¹L.B. Pearson, speaking to the Conference on Canadian Aid to Under-developed Countries, Ottawa, May 27-28, 1955. U.N. Association in Canada, 1955.

will be based on good administrative machinery rather than on worthwhile motives and increased contributions. With the creation of the External Aid Office in 1960, it is hoped that Canada has been provided with the necessary administrative machinery.

1

EVOLUTION OF PARLIAMENTARY OPINION TO
FOREIGN AID TO UNDERDEVELOPED COUNTRIES

The Liberal Parliamentary Party 1950 - 1960

In 1950 the question of foreign aid to the under-developed countries of South and South-East Asia was not widely recognized by the Canadian public as a major factor in world politics. Nor did it form a major plank of the parliamentary parties. In that year, however, the Colombo Plan was inaugurated by the Commonwealth Governments. The Liberal party, as it formed His Majesty's Government, is to be credited for initial Canadian acceptance and promotion of foreign aid to the underdeveloped countries of the world.

Mr. L. B. Pearson, as Secretary of State for External Affairs, became the chief government spokesman for foreign aid. It is generally accepted that the government's increase in appropriation for foreign aid from \$400,000.00 to \$25 million in 1952 was largely due to his efforts.¹ It is also generally held that although this figure of \$25 million annually remained constant until the end of the Liberal government in 1957, Mr. Pearson had tried unsuccessfully to increase the amount substantially.² The obvious reason for the government's failure to increase the figure was necessary political consideration of public opinion which was only slowly catching up to government policy.

¹Conversations held with former members of Mr. Pearson's secretariat.

²Ibid.

In 1953, an election year, the Liberal party's 'Speaker's Handbook', which at that time set forth party policy, had nothing to say regarding foreign aid as such, except the following very general statement on support of the United Nations Organization and an economic and cultural co-operation with other countries in connection with the North Atlantic Treaty Organization.

"The Liberal party believes in co-operation between nations as between individuals, to be achieved under a system of collective security. The Liberal party believes that Canada should continue to work for the development of the United Nations as an agency for the maintenance of peace and security and the promotion of human welfare.

.....

Although regarding military preparedness as essential in the present (1953) state of the world, the Liberal government has insisted that the North Atlantic Treaty Organization should be more than a military alliance, should bring the peoples of the countries participating closer together economically, socially and culturally. To this end it advocated and supported the inclusion of Article Two in the NATO Treaty which calls for economic and cultural co-operation and has sought to bring such co-operation to a greater degree of effectiveness.¹"

In 1957 the 'Speaker's Handbook' devoted more space to the achievements of the Liberal government regarding foreign aid. The following extract was the Handbook's assessment of the government's record:

"Whether, then, in schemes of technical assistance to under-developed countries, in the conduct of negotiations in the United Nations Assembly and in the Specialized Agencies, or again in technical conferences on a wide variety of matters, or in providing whole-hearted support, whether materially or morally, to the objectives of the United Nations or NATO, Canada's influence over the last few years (1957) has undoubtedly increased.

.....

Throughout the past four years, Canada has continued to make

¹Liberal Speaker's Handbook, 1953, National Liberal Federation of Canada, Ottawa, 1953, Section III, pp. 23-24. The Liberal party's 'Speaker's Handbook' appears to be the closest thing to a publication of an official party platform. The party did not inaugurate annual conventions for party platforms until recently.

an important contribution to the Colombo Plan - this far-sighted program for technical assistance of South and South-East Asian countries. With its commitment for the present fiscal year, Canada will have contributed, since the inauguration of the plan, a total of \$198.8 million. This assistance has been spent on economic development projects in India, Pakistan and Ceylon. [7.7]¹ "

By the 1958 federal elections, the Liberal policy regarding foreign aid had reached important enough proportions to warrant the following plank being included in the official party platform:

"It is an object of the Liberal party to aid the economically less-developed or resources-poor areas of the world by facilitating the movement of private capital, and by technical and capital assistance to be given directly by Canada or through the United Nations or the Colombo Plan. The Liberal party will seek all practical means to use agricultural surpluses to relieve hunger and to promote economic development.² "

With the change of government after the 1957 and 1958 federal elections, the Liberal party found itself severely weakened and disorganized. In addition it had to face a Progressive Conservative government that quickly took the lead in support of foreign aid. The new government increased the government appropriation for foreign aid by \$10. million in the first year of its office. In the years 1958-1960, the Liberal party has had to contend with major problems of reorganization and reconstruction, and to all intents and purposes, the question of foreign aid has been left to Mr. Paul Martin, Member of Parliament for Essex, who was the spokesman on foreign affairs in the Liberal shadow cabinet. Mr. Martin's role has largely consisted of advocating the two following themes: the criticism of the government, ironically enough, for its inadequate contributions to foreign aid, and the concern that

¹Liberal Action For a Greater Canada. Speaker's Handbook, 1957. National Liberal Federation of Canada, Ottawa, 1957, pp. 82, 86.

²New Statements of Liberal Policy, 1958. National Liberal Federation of Canada, Ottawa, 1958, p. 11. Pamphlet.

the Colombo Plan should be operated according to its original principles based on self-help for the Asians and that the Colombo Plan should not be a surplus disposal project for Canadian wheat.

At the Liberal-sponsored Study Conference on National Problems held at Kingston, September, 1960, the problem of foreign aid was treated slightly. Although this conference in no way drafted an official party platform, it is significant that the Liberals at the conference did not seem aware of the growing magnitude of the foreign aid problem. Later in the year the American presidential campaign put a dramatic spotlight on the whole question of foreign aid, as both Mr. Kennedy and Mr. Nixon declared their intention to press Congress strongly for increased foreign aid appropriations. After his election, President Kennedy continued to make the North American public aware of the necessity of foreign aid to under-developed countries.

The Liberal party has since tried, like all the other major Canadian parties, to capitalize on the ever increasing awareness of the public to the problem of under-developed countries in the world. It may be too late for the party to acquire the initiative in Canadian politics on this topic, given the already clear action of the Progressive Conservative government in response to public opinion. However, it is to be expected in the future that official Liberal party policy will take into consideration with greater enthusiasm the subject of foreign

aid.¹

The evolution of the Liberal party policy towards foreign aid has been examined below for each Parliamentary session during the years 1950 - 1960. For each session until 1958, when the Liberal party ceased to form the government, an excerpt relating to foreign aid, or what can be taken to include foreign aid, has been selected from the Speech from the Throne. In this way official government policy as formulated by the Liberal party has been presented. Excerpts from speeches and commentaries on these speeches made by Liberal members of Parliament follow the selected passage from the Speech from the Throne. For the sessions 1958 - 1960, when the Liberals formed the major opposition party of the House of Commons, only excerpts from speeches and commentaries have been included. The appropriate excerpt relating to foreign aid from the Speech from the Throne will be found under the history of the Progressive Conservative party's views after it formed the federal government.

¹The 1961 National Liberal Rally included the following plank as one of its formal resolutions:

Canada should also accept and fully discharge obligations of assistance to materially under-developed countries both within and outside the Commonwealth. Whenever possible, such aid should be planned and administered through the United Nations, though special arrangements, such as the Colombo Plan, which are in the spirit of the U.N. Charter, have demonstrated their value and should be continued.

Recognizing also that poverty and economic distress lie at the root of most national excesses and international distress, a Liberal government would increase and enlarge the scope of international aid to under-developed countries of the world. A Liberal government would favour the establishment of a Canadian International Development Agency to centralize the administration of foreign aid, to recruit and train Canadians from all walks of life and in all occupations for service abroad.

Policy Statements of the National Liberal Rally, January 9-11, 1961. National Liberal Office, Ottawa, (Mimeograph copy).

1950

Excerpt relating to foreign aid selected from the Speech from the Throne delivered to Parliament, February 16, 1950:

" The recent conference in Ceylon of the foreign ministers of the nations of the Commonwealth demonstrated that there is a continuing and substantial community of outlook among the nations of the Commonwealth both in the east and the west in their approach to current problems of foreign affairs.¹"

The above excerpt from the Speech from the Throne was the first major announcement by the Government that the Commonwealth nations were considering new cooperative ventures, either economically or militarily. In actual fact the Colombo Plan was to take shape soon after the conference in Ceylon referred to in the Speech, and the entire conference at Ceylon represented a major step forward for Canada regarding foreign aid.

The government speeches relating to foreign aid made to the House of Commons during 1950 were concerned mainly with the necessity of aid to South and South-East Asia, and the establishment of the Colombo Plan. From the official reports made in 1950 to the House on the Colombo, London and Sydney conferences of the Commonwealth Prime Ministers and the Commonwealth Consultative Committee, it seems evident that the Liberal Government appealed very largely to the threat of Communist economic aggression as the main motive for aid. In outlining the serious consequences that might befall the West if it did not take steps to help South and South-East Asia, the Liberal politicians threw ~~their~~ weight into the ideological struggle against the march of Communism. They emphasized strongly the threat to the western world and the democratic way of life

¹Canada, House of Commons Debates, February 16, 1950, p. 1.

if the West failed to assist the under-developed countries. Little of the true humanitarian motive for foreign aid can be seen in these speeches, but there were times when it was not completely overshadowed. Notable among the Liberal speeches for the session were those of the Secretary of State for External Affairs, Mr. L. B. Pearson, and the Minister of Fisheries, Mr. R. W. Mayhew, as they defended government action taken at the Commonwealth Prime Ministers' meetings at Colombo, London and Sydney during the year.

i. Mr. Pearson, Member of Parliament for Algoma East, speaking during the 'Throne' debate, gave an official report and his own views on the background and the objectives of the Commonwealth Prime Ministers' Conference held at Colombo, Ceylon in January, 1950, in which he had been a participant. He stated that the fact that the meeting was held in Ceylon was a recognition of the importance of Asian problems today and of the necessity of looking at world problems from an Asian point of view as well as that from a European and North Atlantic. He was careful to say that no single policy was laid down or was attempted at the conference, no doubt to reassure the United States that no great action was yet being undertaken in the area without its approval and support.¹

" At the present time the countries of South and South-East Asia are making impressive efforts towards the establishment of strong modern nation states, and we of the western world should do what we can to encourage and assist these efforts. This surge of nationalism in Asia has resulted in political independence for twelve Asian States in less than twenty-five years. The political danger from this is that, exploiting this movement, communist expansionism may now spill over into South-East Asia as well as in the Middle East. In my opinion there is no more important question before the world than this possibility.

The social and economic damper arises out of the fact that the people out there are learning that independence is not enough.

¹Ibid., February 22, 1950, pp. 129-131.

The agitation for freedom has stirred up in them other desires; for improvements in their conditions of life; for a change from distress, privation and even starvation; for a change from a life expectancy of twenty years and an average income of less than fifty dollars a year. These new democratic governments are attempting to meet these new hungers. There is a danger not only to their own countries, but to the rest of the world, if they do not succeed in that attempt. [...]

Communism, however, in Asia or elsewhere, is irresponsibly trying to capitalize on misery and distress and the understandable impatience for change, by promising not only immediate freedom where colonial status remains, but, where freedom has been achieved, a better life at once if only people will rise in their might and create the chaos out of which communistic rule may emerge in India, China and Burma, the appeal is to a fuller and better life at once; in Malaya and Indo China it is to political freedom. Both appeals are strong, for millions of Asian peoples do not know that from communism both appeals are false.

It was in the light of these conditions that we discussed the situation in various Asian countries at our conference at Ceylon.

[...] In the first place we agreed at Colombo that the forces of totalitarian expansion could not be stopped in South Asia and South-East Asia by military force alone . . . If South-East and South Asia are not to be conquered by communism, we of the free democratic world, including the Asian States themselves which are free, must demonstrate that it is we and not the Russians who stand for national liberation and economic and social progress.

The problem then for these states is to demonstrate that they can improve by democratic methods, the standard of living of the masses of their people. That is their problem - one of self-help. But there is also our problem, that of mutual aid."

Mr. Pearson continued with a description of the newly-formed Commonwealth Consultative Committee established at Colombo, to help with the formidable problem of agricultural and industrial development, and the administration of the Colombo Plan. It is interesting to note that even at this date, the help and aid of the United States was felt to be a necessity for the success of the plan.

"It is hoped that before long the Committee will be able to relate the needs of these countries to the possibilities of financial and technical help. . . The establishment of this Committee represents only a small beginning, although a small beginning can lead to great results. I do not conceal my own belief, however, that any such committee must have a broader basis than the Commonwealth; that unless the co-operation of the

United States can be enlisted in its work, its accomplishments may prove to be meagre."

ii. Mr. Pearson in reply to Opposition proposals that the Commonwealth Consultative meetings be turned into something grander had the following to say:¹

"But what we want now they (the Opposition) go on to say, is a full-dress, large-scale Commonwealth economic conference of the 1932 variety, with everybody there to discuss everything. . . In short bigger and better conferences, where decisions will be taken on the spot, possibly by a sort of imperial super-cabinet conference. Well, I suggest that our way is better, where, after full discussion in cabinet, where policy is agreed on, meet, whenever occasion requires it, their opposite numbers in London or elsewhere to try to solve particular problems by arrangements which are then ratified by the respective governments."

iii. Mr. Mayhew, Member of Parliament for Victoria, B. C., speaking on the International Labour Convention held at India to which he was a delegate, spoke about the problems in Asia.²

"This meeting in India achieved the useful purpose of focussing attention on the many and difficult labour and social problems in Asia. It brought to light the urgent need of these countries for financial and chiefly technological assistance. It also revealed the serious consequences which might result if such aid were not forthcoming. . . Social and economic improvement and higher standards of living can not be obtained for one half of the world while the other one half is left to struggle."

iv. Mr. Mayhew, in reporting on the meeting of the Commonwealth Consultative Committee Conference held at Sydney, Australia in May, 1950, revealed the blueprint of what was to become the Colombo Plan:³

"Recently the orbit of our family of nations has been enlarged and its duties and responsibilities have been increased. At Sydney the Commonwealth accepted these new duties and responsibilities and

¹House of Commons Debates, March 3, 1950, p. 425. Mr. Pearson was replying to a speech made in the Commons by Mr. H. C. Green (Member of Parliament for Vancouver Quadra) March 2, 1950.

²Ibid., March 13, p. 684.

³Ibid., June 29, pp. 4370-4373.

reaffirmed its faith in co-operative action. . . . It was clearly shown that the Commonwealth is not an exclusive club. . . . The program of assistance formulated at Sydney recognizes the needs and aspirations of all countries in South and South-East Asia.

There were two very good reasons why Canada was represented at the Conference. First, Canada is a senior member of the Commonwealth and is anxious to assure its full share of the responsibilities of the membership. Second, as Canada is a Pacific power as well as an Atlantic power - we must look both east and west. /.../

I say that the problems of this part of Asia are of vital concern to all Canadians /.../

The final set of resolutions of the Conference included the following recommendations: a) It was recommended that a report should be prepared setting the need for development, the development programs of the countries of the area which might be expected to be completed over a period of six years ending the 30th June, 1957, and the need for external assistance in order to carry out these programs. b) It was also recommended that a Commonwealth program of technical assistance should be established immediately to supplement the U.N. program.

I perhaps need to point out why this program represents a distinct advance. What has not yet been produced is a single plan of co-ordinated development. This consolidated plan will define the needs of the area and also define a program of economic development designed to meet them.

It was agreed that all the countries in the area should be invited to prepare . . . a plan of economic development. These various plans . . . would then be consolidated at the next meeting of the Consultative Committee. . . . And there must be a clear program of economic development if these countries are to have any hope of bettering their standard of living and of attracting assistance from outside the area to that end. /.../

For there can be no question that the chief responsibility for fostering the economic development must continue to rest within the countries concerned.

.
I made it clear several times during the Conference that Canada's ability to be of help would be severely restricted by its other international commitments. These responsibilities must be a first charge on whatever resources we might be able to devote to assistance abroad. /.../ On the other hand . . . (this) did not mean that we intended to overlook our responsibilities in other quarters of the globe.

.

v. Mr. Pearson, in rebuttal of criticism from the Opposition, pointed out that Canada's reextending economic and social aid record to other countries through the U.N. had not been bad. He also urged the Asian countries to do all they can to raise their own standards of

living.¹

"... It has been stated ... we had done little in the U.N. in that regard (extending economic and social action to other countries). I think the honourable members will be agreed that our record has not been a bad one; nor have we defaulted in our social and economic obligation in the world assembly.

.....
I would point out that while we should, and no doubt will, play our proper part in aid to South and South-East Asia and to other materially under-developed countries, those countries themselves should do everything in their power to raise the standard of living of their own people. . . It is sometimes a bit discouraging at times to look around and see in some of these Asian countries what a high proportion of their budgets are directed not to social and economic progress, but to defence itself."

1951

Excerpt relating to foreign aid selected from the Speech

from the Throne delivered to Parliament, January 30, 1951.

"It is equally important that the free nations should make it abundantly clear that they have no aggressive designs and that they are resolved to aid in constructive endeavours to improve the standards of welfare in the under-developed countries.

.....
Your approval will be sought for an appropriate Canadian participation in the Colombo Plan and in technical assistance to under-developed areas.²"

The Throne Speech of 1951 marked a definite progress from the year before regarding foreign aid in that for the first time concrete support for the Colombo Plan was set forth.

The Government speeches during the year were mainly concerned with answering charges of the Opposition that the Government must increase aid, and furthering the arguments used against the threat of communism in Asia. The subject of foreign aid had become more recognized by this session. This was clearly reflected in the increase of

¹Ibid., September 4, 1950, p. 226. Second session.

²Canada, House of Commons Debates, January 30, 1951, pp. 1-2.

references to foreign aid made during the 'Throne Debate' in speeches given by 'back-benchers'. This trend was to last with greater popularity to the present date. Back-benchers let their imaginations create vivid pictures of the poor and diseased in Asia but their pictures were in essence no more dramatic than those presented by their leaders. In connection with these dramatic pictures of Asian life, the humanitarian motive for aid became more prominent.

For the first time some mention was made by the Government members as well as the Opposition of using Canadian surplus goods, especially wheat, in the aid programme although the official Government policy was to discourage this idea except in severe crises.

The first notice of what was to become an occasional 'red herring' to the Government to the present day, began to appear in this session. The complaint by Liberal members, as well as Opposition members, that 'Charity begins at home', and that Canadians, themselves, needed looking after first before the Asians, was occasionally raised.

i. Mr. W. H. McMillan, Member of Parliament for Welland, gave a good example of a 'back-bencher's' humanitarian plea for aid during the Throne Debate:¹

"They (the Prime Minister and the Secretary of State for External Affairs) stated that peace and prosperity of the free world cannot be assumed while millions lie in poverty. Contributions on our part towards the Colombo Plan is a practical evidence of our Government's effort to remove one of the causes of war . . . In parts of Europe, Asia and Africa people (in this past year) died of starvation and millions barely eked out an existence. Here, to my mind, is the real threat to our security; for poverty, disease and want breed wars."

ii. Mr. Pearson, in the Throne Debate, gave both humanitarian and

¹Canada, House of Commons Debates, January 31, 1951, p. 11.

defence motives as reasons for aid to Asia:¹

"We must do all we can to improve the economic conditions and human welfare in Asia. We must try to work with rather than against forces struggling for a better life in that part of the world. Such co-operation may in the long run become as important for the defence of Canada as sending an army to Europe in the present immediate emergency. Economic and technical assistance is one form of such co-operation. Many members in the house will have read the Colombo Plan for co-operative economic development in South and South-East Asia. This imaginative report . . . points the way to the kind of effective assistance which we in the West can offer to the free people of Asia. They stand in very great need of capital for economic development, and of technical assistance. For Canada to supply either the capital or the technical assistance in any substantial volume would mean considerable sacrifice, now that the demands of our defence program are imposing new strains on our economy."

iii. Mr. F. H. Larson, Member of Parliament for Kindersley, produced the first Liberal proposal in the Throne Debate that Canadian aid could take the form of surplus Canadian foodstuffs.²

I feel that Russia is using a weapon against us (in Asia) which is as old as humanity itself. It is a weapon of which we do not realize the full impact. . . The reason we do not understand it is that as a nation on this continent we have never been hungry. . . . To the average Asian, the cost of living is probably beyond his earning capacity. . . I do not propose to go into the merits or demerits of the Colombo Plan at a time like this. . . The only comment I would make is that the purpose is to give technical assistance so as to increase food production in Asia. Possibly the plan should be extended to provide actual foodstuffs when there are surpluses on this hemisphere. [7.7]

From a business standpoint, even if we wanted to ignore the fact that possibly we are our brother's keeper, we could say that it would be cheaper to feed them than to fight them. . . I doubt if there will ever be peace until the threat of famine has been wiped off the face of the earth.

We should not rest in our endeavours as a highly developed civilization until we see the world completely inhabited by well-fed people."

iv. Mr. T. J. Kickham, Member of Parliament for Kings, P.E.I., referred to conditions in the Maritimes at a time when many Liberal

¹Ibid., February 1, 1951, p. 53.

²Ibid., February 6, 1951, pp. 149-150.

members had expressed an obligation to help the Asian countries:¹

"I notice a trend of thought permeating some members' speeches to the effect that Canada has an obligation to assist east Asian countries, technically and economically. While this may be without question a worthy objective during a time when the G.N.P. has climbed to over \$17 billion in 1950 indicating a boom condition in most of Canada, no such economic condition exists in the Maritimes. . . In this respect we should remind ourselves of the old adage that charity begins at home. This provokes the thought that the Maritime provinces could avail themselves of surplus federal capital to great advantage in many fields."

v. Mr. J. F. Pouliot, Member of Parliament for Témiscouata, like Mr. Kickham, criticized Government foreign aid spending when living standards in Canada also needed improvement when he spoke during a debate on social security.²

"No one would refuse to help these people. (Asians). At Ceylon it was decided that Canada should subscribe \$25 million to improve the living standards of Asia. We may think a lot about China, but the U.S. is spending more in a month bombarding Korea, destroying lives, than this government has undertaken to spend in a year. I am not for the destruction of life; I am for the improvement of health conditions throughout Canada. . . If this country is rich enough to give away \$25 million and more to help improve the conditions of Asia, I believe we should look after our own conditions first. We should be ashamed of ourselves if we did not pay attention to the poor, the humble, and the sick in this country."

vi. Mr. Pearson, in presenting to the House an official government statement on Canada's contribution to the Colombo Plan, stressed that the Government had the support of Canadian public opinion and the support of the Opposition in the House of Commons, and hence the Government intended to ask Parliament for an appropriation of \$25 million as Canada's contribution to the first year of the plan:³

¹Ibid., February 13, 1951, p. 340.

²Ibid., March 7, 1951, p. 1012.

³Ibid., February 21, 1951, pp. 537-538.

" . . . We have been conscious that Canadians, as individuals - and this has been clearly reflected in the press from one end of the country to the other - wish to contribute to the success of this plan. This desire of the people of Canada to extend assistance has also clearly been shown in the debate on the speech from the Throne. "

vii. Mr. R. Maybank, Member of Parliament for Winnipeg South Centre, gave an eloquent speech to the House in support of the Colombo Plan. This speech presented the most vivid pictures of life in Asia for the year given by the Liberals, and his enthusiasm for the Plan revealed clearly a good measure of pure humanitarianism that many members of the House no doubt felt in addition to the usual threat presented by Communism:¹

"With the advent of the Colombo Plan, we in Canada, along with other nations, are proceeding to act upon the true interdependence idea. We are making the idea dynamic. We are seeking to uplift our neighbours.

.
When one thinks of the vast number of people in Asia, he will think of malnutrition and disease; of rickets and tuberculosis; of vermin, filth and squalor . . . of blindness and maimed bodies . . . of hunger and thirst to the point of torture. Everywhere there is helplessness and hopelessness to the point of despair. [..]

.
However we view it, the picture of the plight of these people is enough to break one's heart. . . But if the horror of it all will not break a man's heart, it ought to frighten him in his mind. Anyone who looks at this sort of condition with complacency is a fool. Widespread misery is bound to have its effect on others. As inexorable as the flow of the tides of the sea is the certainty that misery of this sort will destroy the well-being of people like ourselves. The island of luxury will be engulfed by the stinking flood of poverty around it.

.
Russian imperialism we can down, but to put down the idea which gives strength to that imperialism we have to remove the conditions which nourish it. We must remember that while we see tyranny as we look at Russia and her system, millions of outcasts see liberation from rapacity of overlords. They see a plan. They will believe that the plan may end their misery. Tyranny does not frighten them, that is all they have ever known.

. it

¹Ibid., April 18, 1951, pp. 2146-2147.

1952

Excerpt relating to foreign aid from the Speech from the Throne delivered to Parliament, February 28, 1952.

"Your approval will also be sought for a further Canadian contribution to the Colombo Plan and for technical assistance to under-developed areas.¹"

The Government speeches during the session dealt mainly with accounts of the progress of the Colombo Plan and with answering the charges against the Government for opposing a resolution for more aid to under-developed countries brought before the sixth General Assembly of the U.N. at Paris.

i. Mr. J. Lesage, Parliamentary Assistant to the Secretary of State for External Affairs, outlined Government policy while speaking to the Commons during a debate on External Affairs expenditures. He answered criticisms of the delay in Canadian economic aid programmes and he described Canada's participation in the U.N. programme for technical assistance to under-developed countries.²

He stressed that the Colombo Plan did not overlap with the U.N. programmes and that Canada had contributed \$850,000. to the first eighteen months operation of the U.N. plan for technical assistance; and Canada had offered to contribute a maximum of \$850,000. towards an objective of \$20 million for the present twelve months period and at least \$750,000. (of this) on a matching basis.

This plan (The U.N. program for technical assistance) is vast and concrete. [...]. The plan is intended to be one of the essential factors in the economic and social co-operation described as a fundamental task of the U.N. by the charter itself and

¹Canada, House of Commons Debates, February 28, 1952, p. 2.

²Ibid., March 25, 1952, pp. 760-764.

particularly by article 55 [..] The contributions of the U.S. and Canada are offered in this way in order to encourage other contributing countries and especially the receiving countries. [..] The U.S. and Canada have pledged a little over \$2.xx for each dollar which will be contributed by all the other countries in the world. I do not believe Canada could be accused of lack of generosity."

.....

Mr. Lesage concluded with an appeal now becoming somewhat standard, to help the peoples of Asia and Africa learn the benefits of democracy by way of achieving the conditions of economic stability and social well-being.

ii. Mr. M. Bourget, Member of Parliament for Levis, presented to the Commons during a debate on External Affairs, his reason for Canada's opposition to a resolution for economic aid to under-developed countries brought forward in the Committee on economic and financial questions to which he had been a delegate, at the sixth General Assembly of the U.N. at Paris. In addition he took to task an editorial in the Winnipeg Free Press of March 6, 1952, which severely criticized Canada's stand against this U.N. resolution:¹

"The arguments brought forward (by the Opposition) . . . show how difficult it is for a government to follow a definite policy in view of the extremist views expressed on all sides. The Liberal party has once more chosen the best way to satisfy all those views when it decided on a middle of the road policy, the policy followed by the Secretary of State for External Affairs [..]

.....

Our main objection . . . was based on the fact that our rearmament program for our own defence absorbed nearly fifty per cent of our budget. (If some disaster happened . . . the Opposition) would be the first . . . to blame the Government for having failed to take the necessary steps for ensuring our defence.

.....

Canada can not do more than what it is doing as far as help to the underdeveloped countries is concerned. [..]

We must go about things logically. We must first ensure our own protection, improve our own economy, and then favour economic and

¹Ibid., March 25, 1952, pp. 796-799.

social progress throughout the world."

Mr. Bourget quoted the Winnipeg Free Press editorial of March 6, 1952, which commented on the action taken by the Canadian delegation to the U.N. in Paris:¹

"It has virtually passed unnoticed in Canada that our delegation to the recent session of the General Assembly of the U.N. in Paris defined Canada's policy on the subject of economic aid to underdeveloped areas and land reform in the Middle East and the Far East.

This policy . . . is marked by prudence. It certainly does not err on the side of liberality. But this prudence, in part, was prompted and made necessary by the excessive requests for aid that were advanced by various countries.

Mr. Bourget: What I am saying, and the Canadian delegation wishes to be perfectly frank in this matter, is that the present strains on the economy are such as to make it impossible for us to implement any new and large-scale commitments for assisting the development of the underdeveloped areas for the time being. [. . .]"

1952 - 1953

Excerpt relating slightly to foreign aid from the Speech

from the Throne delivered to Parliament, November 20, 1952.

" You will be asked to make provision for all the essential services, and for national defence and the meeting of our obligations under the U.N. Charter and the North Atlantic Treaty during the next fiscal year.² "

The Government speeches during the session were not notable, except perhaps for Mr. Pearson's speech of February 17, 1953 in which he gave an interesting defence of government policy against opposition criticism. There was an increase in private members' proposals for the use of Canadian surplus products to be used in the Government's aid plan.

i. Mr. M. Boivin, Member of Parliament for Shefford, suggested

¹Winnipeg Free Press, March 6, 1952.

²Canada, House of Commons Debates, November 20, 1952, p. 3.

during the 'Throne' Debate that Government should use surplus meat in Canada to feed the poor of the world in order to save them from Communism.¹

ii. Mr. Pearson, speaking in rebuttal of C.C.F. criticism that Canada was not giving enough foreign aid, said that Canada's record compared favourably to that of the U.S., and that Canada's first priority was to provide for her own defence:²

"Despite the developing needs of our own economy, our contributions to other countries have, I think compared favourably to those of the U.S., and I do not think we need to blush in making comparisons.

[...]

I think it is also important that we should carefully examine priorities between various competing claims. The first priority is to provide for our own defence security, and the second is the development of our national resources. The countries which we are attempting to assist - themselves accept that priority. In some of those countries where the standards of living are so low and where the need for assistance is so great, they use up to fifty and sixty per cent of their budget on their own military defence. [...] I therefore doubt whether we are open to criticism if we have to give our own military defence first priority."

iii. Mr. C. W. Carter, Member of Parliament for Burin-Burgeo, during the Budget debate, pointed to Canada's responsibility in the world as a 'richly blessed' nation and he suggested that Canada use her grain surplus to help other less fortunate countries purely on humanitarian grounds. However, it seems that he recognized some threat from Russia.³

1953 - 1954

Excerpt relating to foreign aid from the Speech from the

Throne delivered to Parliament, November 12, 1953:

Canada has continued to contribute to those international projects

¹Ibid., December 17, 1952, p. 872.

²Ibid., February 17, 1953, pp. 2008-2009.

³Ibid., March 10, 1953, p. 2822.

which will promote human welfare and thereby remove some of the causes of unrest and dislocation. You will be asked to approve further assistance for relief and rehabilitation, for technical assistance and for continued participation in the Colombo Plan.¹

The Government speeches during the session 1953 - 1954 were mainly concerned with clarifying the types of foreign aid and meeting the usual Opposition charges that the Government was not doing enough. Many more Liberal private members or 'back-benchers' gave recognition during the 'Throne' debate to the question of foreign aid as they expressed their concern about conditions in Asia. As in the past, it became increasingly evident that the reasons or motives for giving aid were considerably jumbled together.

i. Mr. Lionel Bertrand, Member of Parliament for Terrebonne, speaking during the 'Throne' debate, talked at length of the dangers of Communism. He felt that there should be no criticism of the money Canada gave to the U.N. programme for under-developed countries because 'to abolish misery is to do away with Communism', and he pointed out that Communism does not exist in 'well-to-do' countries.²

ii. Mr. Pearson, speaking after a resolution for more Canadian contributions to foreign aid proposed by Mr. MacInnes of the C.C.F., member of Parliament for Vancouver East, agreed with the importance attached to the problems and possibilities presented to the West. Mr. Pearson clarified the distinction among various kinds of foreign aid, and pointed to Canada's respectable role in the fields of relief, economic development, i.e. loans and credits, and technical assistance.

He dealt with the two major types of criticism levelled at the

¹Canada, House of Commons Debates, November 12, 1953, p. 5.

²Ibid., November 24, 1953, p. 476.

Government and pointed out that both types were too extreme. There were those who were cynical, unco-operative, and did not believe in throwing money around in foreign countries for what they call international charity; and there were those who have too much sentimentality and a shortage of practicality and who wish to pour funds into projects which would do no good and might even do harm under certain circumstances.

As regards the Canadian contribution, he said that it was small in terms of need and necessity of these people (Asians) but that it was not quite so small in terms of the practical results which can be established in the early stages of this new international work. He noted that he had pledged Canada's support for \$1.5 million to the U.N. technical assistance fund, an increase of \$700,000 from the previous year, and that the Canadian contribution had been exceeded only by the U.K., the U.S. and by France in the past.¹

iii. Mr. Pearson, in answering his critics' complaints that Canada should give away food surpluses under the Colombo Plan, said that this was not the purpose for which the Colombo Plan was started:²

"I think we ought to view with hesitation the giving of wheat and consumer products . . . to these countries, except in cases of need, starvation and famine. It might be of far greater importance to them and certainly it would cause less interference in the normal conduct of international trade, if when we were giving assistance of that kind we were to give it . . . in the form of financial assistance, and let them spend it where they desire.

The Colombo Plan is a form of capital and technical assistance and that was understood at the beginning and still is. Only in exceptional circumstances will other forms of assistance be given under that plan."

A few minutes later, in answer to Mr. Diefenbaker's specific

¹Ibid., February 10, 1954, pp. 1960-1964.

²Ibid., May 28, 1954, p. 5232.

proposal that agricultural surpluses be handled under the Colombo Plan, Mr. Pearson reiterated that the Colombo Plan provided for capital and technical assistance and not consumer assistance, and that the articles of the plan would have to be changed to take care of the question raised. This is an interesting exchange in the light of present day circumstances where the Progressive Conservative Government has proposed a world food bank and the Liberal Opposition still claim that for the Colombo Plan to handle agricultural surpluses would be a violation of its original principles.

1955

Excerpt relating to foreign aid from the Speech from the

Throne delivered to Parliament, January 7, 1955:

"You will be asked to approve Canada's continued participation in the Colombo Plan as well as in the United Nations Technical Assistance program.¹"

During the 'Throne' debate an increasing number of Liberal back-benchers emphasized the necessity of foreign aid to under-developed countries. As the 'Throne' debate speeches of 'back-benching' are often recognized as being for the benefit of their constituents, it is interesting to note that those 'back-benchers', and in fact back-benchers of all the parties, were either paying tribute to increasing public opinion or seeking to promote the cause of recognized Government policy. More notable was Mr. Pearson's speech of March 24, which revealed a good mixture of motives for giving aid.

i. Mr. R. F. L. Hanna, Member of Parliament for Edmonton, gave a typical 'back-bencher's' support for the Government's foreign aid programs

¹Canada, House of Commons Debates, January 7, 1955, p. 3.

during the 'Throne' debate. He found the Government's proposal for increased aid to be on humanitarian lines, and he felt that Canadians everywhere were full of enthusiasm for this splendid program. He also felt that to lend a helping hand to those in need was always worthwhile.¹

ii. Mr. Pearson, speaking during a debate over a motion to send the estimates of the Department of External Affairs to a Standing Committee, pointed to the fact that there is a danger for Canadians to oversimplify the Asian problem and he tried to explain why the Asian mind did not see as clearly as the West the differences between Democracy and Communism. The Asian problems, he implied, can only be helped by a real partnership between Asia and the West, and for this partnership to work, the Asians, themselves, must provide strong and organized government with which to combat Communism.²

"The social and economic sources of Communism is . . . an important aspect of the problem. [.] No one would deny that hunger entices men to Communism.

But I suggest that we should not forget that these social and economic aspects are only one aspect of this complex problem. I think there is a danger of over simplifying the issues in Asia in these terms. Confronted by the appalling defence and political problems involved in the emergence of a free Asia, it is easy to lapse into the comfortable belief that we can save Asia - with economic aid alone; that we can buy off Communism and purchase peace for ourselves merely by stepping up our economic assistance.

That, as I see it, is unhappily nothing but a comforting illusion, and in saying that I do not minimize the importance of such economic assistance. What we are seeking to do, of course, in the western world is help the Asian people to help themselves. That continent . . . will not be saved or even . . . helped by aimless assistance or by making political support a condition for such assistance or by westerners attempting to assume the direction of political and economic forces in those Asian States. The danger to Asia comes from weaknesses which will not be removed merely by dumping millions and millions of dollars and sterling aid for projects not carefully enough planned."

¹Ibid., January 14, 1955, p. 223.

²Ibid., March 24, 1955, p. 2338.

"The West can help in this way, of course, but the West can help even more by co-operating in a partnership of mutual understanding, respect and support with genuine leaders of the Asian peoples. [...] The main problem is to organize governments and administrations strong enough, free enough and incorruptible enough to make use of Western assistance and support in helping to establish the conditions of law and order, freedom and prosperity which alone can counter the appeal of Communism."

iii. Mr. Pearson, a few days later during the same debate, took the occasion once again to meet Opposition charges that Canada had not played an honourable part in the field of foreign aid. He admitted that the Government could have done more but the project must be kept in perspective. He quoted Canada's total contribution of \$128 million during four years to foreign aid projects, and he said he felt justified with Canada's high defence expenditure because some of the countries receiving aid were spending more than one half of their inadequate budget on defence, and many of these countries were the first to claim that they had no fear of Communist attack. He quoted an article in 'The Economist' of December 25, 1954 that commended Canada and Australia for their participation in aid programs and said that the Colombo Plan must be measured not in years but in decades. He closed with the reminder again that Canadians need not be satisfied with what they have done, but that Canadians can look forward to the continuation of the Colombo Plan and the prospect that the Plan will be more useful than it ever had been in the past.¹

1956

Excerpt relating to foreign aid from the Speech from the

Throne delivered to Parliament, January 10, 1956:

¹Ibid., April 21, 1955, p. 3058.

"The annual meeting of the Consultative Committee of the Colombo Plan agreed that constructive work should be continued for a further period and you will be asked to authorize Canada's continued participation in the plan, as well as in the United Nations technical assistance program.¹"

The private members' references to increased foreign aid during the 'Throne' debate steadily increased and at this stage could be taken as a permanent feature, both in their 'Throne' debate speeches and in their 'Budget' debate speeches. Most notable of the speeches to the Commons were: that of Prime Minister St. Laurent, April 17, reassuring the people of Quebec that the Government was not giving anything to other countries; and that of Mr. Pearson, August 2, advocating that Canada give more bilateral aid and rebutting the arguments of the U.C.F. for more disposal of Canadian wheat.

i. On January 31, Mr. Pearson, speaking to the House as a Committee of Ways and Means, commented on his recent trip to Singapore to attend a Colombo Plan Conference.² He was convinced even more of the value of the Colombo Plan as it was based on friendly co-operation without political pressure. He hoped that Parliament would vote the proposed increase of almost thirty-three per cent for the plan. This was not as much as Mr. Diefenbaker of the Opposition had advocated, but it was at least a substantial increase. This and other similar speeches showed that Mr. Pearson was active in trying to raise the Government's allocation to foreign aid, but as events showed, no substantial increase was made from 1951 to 1957 when the Progressive Conservative Party formed a new government.

¹Canada, House of Commons Debates, January 10, 1956, p. 2.

²Ibid., January 31, 1956, p. 709.

ii. Prime Minister St. Laurent, Member of Parliament for Temiscouata, in defending the Government's foreign aid to under-developed nations, answered charges from Quebecers that the Government was simply giving income tax money away, and he raised the question that such charges are really endeavouring to weaken the cause of the free workers in their struggle against Communism:¹

"The people of my province have been asked about gifts to other countries. There have been no gifts to any countries apart from the Colombo Plan and the U.N. technical assistance, and a few very small amounts for relief of disasters in friendly countries, some of which helped us when we had disasters. /.../

It is said, 'Why do we give one-half a billion dollars of our income tax to the Colombo Plan?', and it is even said that nearly one-half a billion dollars has been thrown away on the countries of South-East Asia."

He clarified the fact that the amount of Canada's contribution to foreign aid 1951-1956, was only \$127. million. He stated that it was generally agreed that Canada must help with the free world in combatting the conditions for Communism in Asia with its strategic supplies, and he proceeded to compare the economic fight in South-East Asia to a crusade in a great humanitarian effort.

"No true Canadian will forget or forgive the way the Communists in Canada tried to sabotage the Canadian war effort in the days before Russia was attacked. Well, attempts to weaken the efforts of the free nations are just as truly attempts to sabotage a great economic and social crusade against Communism."

iii. Mr. Pearson, speaking during a 'Supply' debate, advocated more bilateral aid through the Colombo Plan. In spite of the fact that he cautioned against Canadians expecting to receive more credit in this matter, the tenor of the speech seemed to be a bid for increased Canadian credit. He also reiterated the point for the C.C.F. members

¹Ibid., April 17, 1956, pp. 3023-3024.

that the Colombo Plan was not a surplus wheat disposal project.¹

In meeting the argument that the U.S. was getting a great deal of credit for its foreign aid programme, Mr. Pearson acknowledged that the Canadian role was inadequate in this regard, and he related that he had seen Communist propaganda literature selling very cheaply, for a penny or two, in Asia. It was very hard for the Asians to find any literature expressing the Western way of life. However, Mr. Pearson did not suggest that the Canadian Government do anything about this as he merely expressed the hope that a private or international organization would devote itself to distribution of such literature.

As regards the United States plan to sell India wheat Mr. Pearson had the following to say:

"We have discussed the question on occasions with India, Pakistan and Ceylon, and it was agreed that the Colombo Plan was not to be used except in the case of emergency. When we did provide India and Pakistan with wheat in 1952 and 1953, it was a famine condition. [...] They have made it quite clear to us that normally they would prefer to receive our help under the plan in the form of capital and technical assistance. [...]"

When Mr. Argue, Member of Parliament for Assiniboia, asked Mr. Pearson if he meant that India had no need of Canada's wheat, Mr. Pearson turned the question aside with the reply that he had not said that, and Mr. Argue could no doubt obtain his information when the estimates of the Department of Trade and Commerce were under discussion.

1957

The Speech from the Throne, January 8, 1957, for the 1957 session until the prorogation of Parliament of that year, gave no specific mention of approval for aid to the countries of South and South-East

¹Ibid., August 2, 1956, pp. 6872-6874.

Asia. The approval for aid that was mentioned was aid for the Hungarian refugees. The only clause of the Throne Speech that could be construed to include aid to the under-developed countries is the following excerpt relating to the North Atlantic Treaty Organization.

"An encouraging advance is being made, as evidenced by the latest ministerial meeting of the council, in the development of the North Atlantic Treaty Organization in the non-military as well as the military field. My ministers remain strongly convinced of the need to maintain the North Atlantic Treaty as the keystone of defence of the Western nations.¹"

The most notable speeches during the session were: that of Mr. P. Martin, Member of Parliament for Essex East, who commented on government policy after his trip to South-East Asia; that of Mr. R. Thatcher, Member of Parliament for Moose Jaw - Lake Centre, who presented interesting arguments against using wheat surpluses, and that of Mr. D. F. Brown, Member of Parliament for Essex West, who saw the real problem in Asia as being that of literacy.

i. Mr. P. Martin, in commenting during the 'Throne' debate on his tour to South and South-East Asia, talked at length on friendship ties between Canada and the Asian countries, the similarity of Parliamentary institutions and the value of the Commonwealth to the countries concerned. He described how the Colombo Plan was a useful example of an important contribution to world peace and he pointed out that such Canadian assistance was of a non-political nature.

"I clearly indicated to them (the Asians) . . . that our assistance as a Colombo Plan power was made without any strings attached. It was not made for the purpose of effecting political alliances or of having them move from positions of neutrality to positions of prota-gonistic support. [. . .] I indicated that . . . our assistance was based upon a sincere appreciation that in this interdependent world our humanitarian obligations demanded of us to render some

¹Canada, House of Commons Debates, January 8, 1957, p. 1.

assistance to these nations and to these peoples.¹"

ii. Mr. R. Thatcher, speaking during debate concerning the Canadian Wheat Board Act, claimed that there was no easy solution or magic answer to the problem of wheat surpluses. He proceeded to label the proposals made by the C.C.F. over the past four to five years as just economic nonsense.²

"The first suggestion they (the C.C.F.) propose is to give away wheat surpluses. If the Government followed this from the time it was first proposed, the taxpayers today would be several billion dollars poorer. I am constantly amazed at the willingness of my former socialist colleagues to give away money which belongs to someone else, or give away assets which belong to others. They are never so generous with their own possessions. [...] Frankly I feel Canada should not hesitate to make gifts of wheat to the starving, but to suggest sincerely that we take several billions of dollars, put it into wheat and give the wheat away, I do not think is practical.

.....
The Socialists also suggest that the Government Wheat Board take sterling in return for wheat. [...] This also is not practical because Britain would not take any more Canadian wheat anyway.

.....
Barter (as the Socialists suggest) would have the same effect as a pail of water taken from the Saskatchewan river would have in lowering its level."

iii. Mr. D. F. Brown presented a novel point of view concerning foreign aid during the 'Budget' debate. He pointed to the fact that bestowing material gain on the under-developed countries had not lessened international tension, and that there is a serious need for an educated public opinion in these countries to support the rule of law. He felt that the U.N. effort should be directed to this great problem of literacy, and that beyond the capital and technical aid of the Colombo Plan lay the fundamental responsibility to provide leadership for an informed and

¹Ibid., January 14, 1957, pp. 187-188.

²Ibid., February 1, 1957, p. 916.

thoughtful public opinion in support of the U.N.¹

"People who are illiterate . . . are virtual slaves in one way or another. Such conditions breed suspicion, treachery . . . and dishonesty. They breed a trust in material things as all important. [...] Such plans as Colombo Plans do much to help the people of these eastern countries help themselves. [...] Yet the people are still illiterate and in slavery. The native has been told not only by the Communists but by the democrats that he has a right to drive a Cadillac someday. Technical training is certainly essential and scholastic training is indispensable, but there must be something more than book knowledge."

The Liberal Party as an Opposition Party

1957

In the short session in the latter part of 1957, during which the Progressive Conservative party formed H. M. Government and the Liberal party formed the largest bloc of H. M. Opposition, there were only a few inquiries by the Liberals as to the increase in contributions to the Colombo Plan (\$10 million) as proposed by the Progressive Conservatives.

The Liberal party was really too disorganized to pay much attention to foreign aid, but it is interesting to note that during this and the subsequent sessions until the present the former roles in support of foreign aid seemed to be completely reversed. Now, the Progressive Conservatives became the champions of the Colombo Plan and related aid projects, while the Liberals advocated increased contributions! The only other clear Liberal policy was a concern that the Colombo Plan might be turned into a surplus disposal project by the Progressive Conservatives, and hence that the original aim of the Colombo Plan - to provide capital and technical assistance - would be destroyed. During this session only

¹Ibid., March 27, 1957, pp. 2759-2761.

a few questions asked by Mr. Martin and Mr. Pearson appeared on the Standing Orders of the Day concerning the amount of the increase in Colombo Plan contributions and the verification that a gift of wheat to be made to India, presumably under the Colombo Plan, had been reported.¹

1958

During the 1958 session there appeared an interesting attempt by Liberal members from Quebec to defend the Liberal party from alleged charges against the Liberals raised by the Progressive Conservatives in the past election in Quebec. There were few other speeches of note except for approval given to Colombo Plan estimates and the recognition that Canada must play an ever-widening role in the form of assistance to other countries, given by Mr. Martin and Mr. Pearson.

i. Mr. J. P. Deschatelets, Member of Parliament for Maisonneuve - Rosemount, attacked the Progressive Conservatives for using campaign slogans against the Liberals in the last election:²

"Since 1953 no one or group had opposed foreign aid, yet in the last election the Conservatives contrived a most pernicious slogan: 'Duplessis gives to his province and the Liberals give to foreigners.'"

[...]

And now that the Conservative party has considerably increased Canada's assistance to underdeveloped countries, I believe we are entitled to know . . . whether . . . our Conservative members . . . pay their allegiance to the Prime Minister of Canada or the Premier of the Province of Quebec."

ii. Mr. G. McIlraith, Member of Parliament for Ottawa West, raised the following question for the Standing Orders of the Day, presumably to see how alert the government kept on the question of foreign aid:³

¹The first question was made by Mr. Martin, House of Commons Debates, October 18, 1957, and the second by Mr. Pearson, Ibid., October 18, 1957.

²Canada, House of Commons Debates, May 20, 1958, pp. 424-425.

³Ibid., August 23, 1958, p. 4039.

"Have any projects from non-Commonwealth countries in the Colombo Plan been appointed by the Canadian Government in the last twelve months? If so, how many and with what countries?"

Answer was given by Mr. S. Smith, Secretary of State for External Affairs, Member of Parliament for Hastings-Frontenac,

Capital Assistance - Burma	\$ 42,500.00
Indonesia	2,000.00
Nepal	60,000.00
Viet Nam	5,000.00
Technical Assistance-Burma	189,513.00
Cambodia	25,941.00
Indonesia	163,606.00
Laos	38,292.00
Thailand	15,616.00
Viet Nam	37,347.00

1959

During the 1959 session the Liberals did not speak much on foreign aid except to comment favourably on increased government expenditures or to keep the attention of the House on the main principles of the Colombo Plan. The party began to use the Question Period as a more satisfactory way of obtaining information and of keeping the Government alert on a subject that supposedly it did not know too much about. However, the answer as supplied by the Government in the excerpt below shows that the Liberals did not have too much success with this technique in exposing the Government.

i. Mr. Martin questioned the Government whether the Indian Government had requested a Canadian expert to produce visual aids needed for Colombo Plan projects in Indian villages, and if so, when was the request made and had it been met. He was told in reply by Mr. Churchill, Minister of Trade and Commerce, that India had requested such a technical expert for the production of co-operative training films. The request had been made at the end of August, 1958 and had been received in Ottawa mid-

September, 1958. The qualifications of experts were still under consideration.¹

1960

During the 1960 session, the Liberals used the Question Period to an even greater extent. However, it appears that they did not seem as eager as the U.C.F. to draw out information on foreign aid. The only speech of note was by Mr. Martin on June 20, 1960, in which he reassured the House that the Colombo Plan was well administered compared to U.S. foreign aid.

i. Mr. P. Martin, in answer to an official Government statement of January 19, 1960, which announced increased aid to Colombo Plan countries, welcomed any measure of support for the under-developed countries of Asia, and questioned whether this request for wheat actually came from India itself:²

"However, we would want to be sure that the initiative for instance, in respect to wheat, came from India itself, and that it was not as a result of a policy created by the government for the purpose not so much of carrying out the main objects of the Colombo Plan but of relieving the government from some of its own domestic embarrassments. It would therefore be interesting to know whether or not the initiative for wheat came from the government of India."

ii. Mr. G. McIlraith asked the following question concerning the recent announcement of the contribution of Canadian wheat to India:³

"Does the contribution of wheat with seven million dollars, involve the setting up of counterpart funds by India to be used by her to develop her economy or is it meant as a direct gift?"

¹Canada, House of Commons Debates, June 22, 1959, p. 5033.

²Ibid., January 19, 1960, p. 78.

³Ibid., January 19, 1960, p. 79.

Mr. H. Green, Secretary of State for External Affairs, made the following answer the next day:¹

"The allocation will involve the establishment of counterpart funds equivalent to the amount of the Canadian grant. The funds will be used to cover the local costs of economic development projects agreed upon by the two governments."

iii. Mr. Pearson asked the Secretary of State for External Affairs for a comment on a newspaper report from Rangoon that Canada had informed the Burmese government that Burma can expect nothing new under the Colombo Plan except surplus food supplies, and that technical aid to that country had been stopped. Mr. Green replied that Canada's relations with Burma were exceedingly good; since 1957 Canada had agreed to supply capital and technical equipment worth over \$578,000. to that country in addition to Canadian foodstuffs; the current aid programme for Burma included technical and capital assistance in addition to foodstuffs but it was still under negotiation; and that Canada never made any such statement as was reported.²

iv. Mr. Martin, speaking during a debate while the House was in a Committee of the Whole to consider Bill No. C-70 respecting the International Development Association (I.D.A.), called for evidence of careful administration in the dispensation of funds which go from the Canadian taxpayer to assist people in other countries. He compared the possibility of getting reports on the I.D.A. with the way in which the Colombo Plan is administered, and he compared Colombo Plan administration to that of U.S. foreign aid:³

¹Ibid., January 20, 1960, p. 134.

²Canada, House of Commons Debates, January 20, 1960, p. 211.

³Ibid., June 20, 1960, pp. 5120-5121.

"Concerning the Colombo Plan, it should be remembered that control on the part of the donor country is much greater, at least in principle, than the I.D.A. because the Colombo Plan does not operate institutionally. It may be an international association in terms of general policy, but whatever monies are expended by an individual country are expended by that country as a result of a bilateral arrangement made with the receiving country . . . in that narrower relationship there is a greater opportunity of checking up the expenditure than there would be in the case of institutional assistance.

.....
We know of instances concerning U.S. assistance . . . where there has been squandering and corruption. That situation naturally causes doubt and suspicion. In case of any assistance given by Canada I am sure there would be no justification for any suspicion of that kind because the administration of the Colombo Plan is carefully scrutinized and I know the Minister of Finance, as his predecessors did, exercises very great care in that regard."

The Progressive Conservative Party 1950 - 1960

in the early part of the decade 1950 - 1960 the official opposition party did little but echo the sentiments of the Government as far as foreign aid was concerned. Foreign aid was such a new and worthwhile cause with which to fight Communism that practically no opposition member could speak out against it with any great force. Hence, the Progressive Conservatives, like the U.C.P., could only really attack the Government for its inadequate contribution to foreign aid; and many Progressive Conservative speeches rivalled those of the government members for their rhetoric and noble-sounding humanitarian interest. Before 1958, being in opposition lifted the responsibility from Progressive Conservative shoulders of actually implementing a foreign aid programme and of finding that aid projects undertaken in Asia could take a very long time to get started due mainly to local conditions.

In the first major year that the party did take office, 1958, there was nothing in the 'Throne' speech to indicate much concern over foreign aid. However, very quickly after assuming office, the party realized that the whole field of foreign aid to under-developed countries was rapidly expanding. One of the first steps the Government did take, subsequent to the 1958 'Throne' speech, was to declare an immediate increase in foreign aid appropriation by ten million dollars for the purchase of wheat to the Colombo Plan countries. Increased annual allocation to the Colombo Plan, the inauguration of new plans like the Commonwealth Scholarship Programme, the West Indies Technical Assistance

Programme and the New African aid scheme, were definite indications of Progressive Conservative leadership in the foreign aid field. The establishment of the External Aid Office in 1960 to co-ordinate and administer all Canadian Government foreign aid has been hailed as a great step forward in the recognition that foreign aid had at last come into its own as an important feature of government policy.

A survey was made of official party literature during the years 1950 - 1960 to show the development of official party policy towards foreign aid. However, it was not until 1959 that a general resolution in support of foreign aid appeared at the general meeting of the Progressive Conservative Association of Canada, held at Ottawa, November 30 - December 2. A similar resolution appeared at the 1960 general meeting. On the whole, party literature is exceedingly scanty on foreign aid until 1959, possibly because annual meetings of the party were only inaugurated in that year. The leadership convention in 1956 appeared to yield very little if anything on the subject of foreign aid.

1) 1959 - Report of the Resolution Committee at the Annual Progressive Conservative Association Meeting, Ottawa, November 30 - December 2, 1959.

Resolution 1(a): We declare our support for the Colombo Plan and recognize our duty to make every reasonable effort to improve conditions of life in countries less fortunate than ours.

.....
Commonwealth: Whereas this Association commends our Prime Minister for his recent Commonwealth and World Tour and his effective contribution to international good will. Be it resolved therefore, that the Canadian Government continue to increase its aid in money, goods and trained personnel to the underdeveloped Commonwealth countries.

2) 1960 - Report of the Resolutions Committee at the Annual Progressive Conservative Association Meeting, Ottawa, March, 1960.

Resolution 2: We declare our support for the Commonwealth, the United Nations and Secretary-General Hammerskjold, External Affairs Minister Green and his work for disarmament, NATO, NORAD and the Colombo Plan.

1950

During the 1950 session of Parliament the Progressive Conservative party appeared to be equally alive to the dangers of Communism as the other parties. Most of the early Progressive Conservative speeches presented the evils of Communism as sufficient motives for providing aid to Asia, but there was plenty of room to give scope to the usual opposition role of criticizing the government for its obscurity and its inadequate contributions to foreign aid. It appears very evident that the basic government attitude to the Colombo Plan was accepted by the opposition from the beginning.

i. Mr. H. C. Green, Member of Parliament for Vancouver-Quadra, commented on Mr. Pearson's report on the Colombo Conference:¹

"I was disturbed by the attitude displayed by the Secretary of State for External Affairs in his address the other day. [...] in reporting on the conference so recently held at Colombo he seemed to take the attitude that Canada was just sitting in. For example, he used this expression, 'Canada was a dollar country at a sterling party'. Again he said, 'Canada was a persistent dollar gadfly'. Then with respect to the Commonwealth Consultative Committee . . . he made no statement as to whether or not Canada would join; in fact he said it would be of meagre value unless the U.S. joined also. I was reminded of the attitude taken a year or two ago when we had to have our ambassador at Washington assure the State Department there that at a conference held at Canberra nothing would be decided."

ii. Mr. J. Diefenbaker, Member of Parliament for Lake Centre, expressed his concern that Canada expand her agricultural production and give assistance to South-East Asia, in a debate on the Prairie Farm

¹Canada, House of Commons Debates, March 3, 1950, pp. 400-401.

Assistance Act:¹

"After listening to the revelations made by the Acting Secretary of State for External Affairs . . . wherein he stated that Canada intends, with the other nations of the Atlantic community, to co-ordinate our economic development, I believe one course Canada must take in order to meet the situation in South-East Asia . . . is to expand our agricultural production and give assistance to the people in South-East Asia, and particularly India, Pakistan and Ceylon. This would enable those areas, under the development of the plans of the North Atlantic pact, or if necessary a Pacific pact, to provide for the containment of communism where it now is. [...]

We in this country have a responsibility in connection with our agricultural production . . . if we are to meet the commitments we accepted in London yesterday as a member of the community of North Atlantic countries. "

iii. Mr. G. Graydon, Member of Parliament for Peel, warned the house that by joining the North Atlantic Organization, Canada does not neglect other parts of the world that are vulnerable to communism.²

"One of the things we have to watch for now . . . is that in this North Atlantic community arrangement . . . we are not violating our North Atlantic community and are not failing to lay sufficient emphasis on other parts of the world scene, which parts might easily prove to be the soft underbelly of our whole defence structure, whereby Soviet imperialism might readily avoid striking the strong Maginot line of North Atlantic defence, swing around and outflank us in South-East Asia and other vulnerable areas. We must see to it that the back door to Asia is not left open.

.
It has been pointed out by many statesmen of the world that you cannot separate peace from prosperity; they are indivisible. For that reason there is an economic part of the North Atlantic pact which is indivisible in respect to this country."

1951

Most of the notable Progressive Conservative speeches in this session dealt with Canada's opportunity to help Asia. Criticism of the government centered around government tardiness concerning aid programmes, and some criticism pointed to the failure of the government

¹Ibid., May 19, 1950, p. 2658.

²Ibid., June 5, 1950, pp. 3193-3195.

to make Canadians aware of the problems in South-East Asia.

i. Mr. A. E. Gatherwood, Member of Parliament for Haldimand, commented in the 'Throne' debate that Canada had a great opportunity to demonstrate her desire to aid the Asian peoples:¹

"The speech from the Throne also states that we are resolved to aid in constructive endeavours to improve the standards of human welfare in underprivileged countries. This, I believe, represents an opportunity for Canada to demonstrate to the Asiatic countries not under the Soviet heel, the sincerity of our desire to aid them, by providing quantities of food and other materials. If we could only see our way clear to send shipments of wheat and flour to India, Burma and other countries which would alleviate to even a small degree the hunger that prevails in those lands, I am sure we would be well repaid in the good that would be established. [...] We cannot ignore the fact which has been brought home to us so forcibly, that the most fertile ground for communism is in the hearts of starved and hungry peoples."

ii. Mr. J. Diefenbaker, commenting on the recent Commonwealth conferences held in Australia in connection with the Colombo Plan, expressed his disappointment in the government's contribution of \$25 million and its failure to send good wheat to Asia.²

"Those who live in the Pacific area believe that the great danger spots of communist aggression are in Asia. [...]"

The yearnings of peoples suffering from hunger cannot be met by the promise of parliamentary government and democracy alone. The H-bomb of communism is hunger. [...] I am disappointed that Canada, having agreed to advance \$25 million under the Colombo pact - a mere drop in the bucket compared to our defence program - did not agree to send India, at a time when forty million people are facing starvation, the best wheat available in the country, rather than wheat that cannot be milled. [...]"

1952

During the spring session of 1952, Mr. Graydon and Mr. Diefenbaker took the Progressive Conservative leadership in debates on foreign

¹Canada, House of Commons Debates, February 12, 1951, p. 282.

²Ibid., April 20, 1951, p. 2226.

aid. Mr. Graydon called attention to the fact that Asia may be the keystone of the Commonwealth and he expressed his overriding concern to salvage and help India in the light of recent Indian elections where two provinces polled a heavy communist vote. Mr. Diefenbaker commented on a C.C.F. amendment which deplored the fact that the Government had failed to help implement Article 2 of the North Atlantic Treaty.

i. Mr. Graydon expressed his concern that Commonwealth members help each other to save democracy, in a debate on External Affairs:¹

"In my opinion part of the keystone in the arch in our efforts to save democracy in the generations to come is that link provided by the Commonwealth, the United Kingdom, India, Pakistan and Ceylon. [...]"

One lesson that should be taken from those Indian elections is that we in this country . . . must see to it that we use every means at our command to see that the free democratic parties of India, Pakistan and Ceylon are given every help possible so that Communism will not have a chance to take control. [...]"

ii. Mr. Diefenbaker in remarking on the C.C.F. amendment concerning Article 2 of N.A.T.O., said that he believed in economic aid and that the government could contribute more. However he didn't appear to support the amendment directly.²

"The hon. member for Helfort asked me whether I did not believe that the implementation of Article 2 would be beneficial. Certainly I believe it would be beneficial. [...] I came out in support of the Colombo Plan to the limit of our resources. [...] I believe that \$25.3 million, the amount spent so far on the Colombo Plan, is not, having regard to the total expenditure we make on defence, a sufficient one for the Dominion of Canada."

1952 - 1953

There were few noteworthy speeches in the 1952-1953 session on foreign aid made by Progressive Conservative members. Mr. E. Catherwood

¹Canada, House of Commons Debates, March 21, 1952, pp. 676-677.

²Ibid., April 2, 1952, pp. 1058-1061.

called for some sort of planned food distribution since there was such an urgent need for food in the under-developed countries. However, it appeared evident that his speech was aimed more at Canadian farm consumption than anything else.

i. Mr. E. Catherwood set forth his proposal for a food organization scheme in the 'Throne' debate.¹

" There is something radically wrong with our system of food distribution throughout this and other lands. [...]

To many people the setting up of that organization (F.A.O.) was one thing in which we felt there would be a great advance, something to help solve the world's greatest problem next to that of war. In many places throughout the Asiatic world people are starving due to the fact that we have not yet established that necessary form of distribution. What hope is there for a free world as long as that situation continues?"

1953 - 1954

One of the few criticisms of foreign aid during this session was raised against the government in the form of an Inquiry to the Ministry. The only other speech of note was that of Mr. Diefenbaker on May 28, 1954, when he called for a contribution of agricultural products, to the Colombo Plan and gave the impression for the moment at any rate, that he appeared close to C.C.F. policy.

i. Inquiries of the Ministry:²

External Affairs Aid to Underdeveloped Nations

" Mr. A. O. White, Member of Parliament for Middlesex East: Is the Government aware of the failure of the Galt Knitting Company after seventy-four years of continuous operation? Will the Government assure Canadian labour and industry continuous prosperity so as to enable the Government to maintain aid, through taxation, to the less favoured nations of the world?"

Mr. L. St. Laurent: It is not possible to answer this as it would take more time than a question gets."

¹Canada, House of Commons Debates, November 25, 1952, p. 99.

²Canada, House of Commons Debates, March 25, 1954, p. 3322.

ii. Mr. Diefenbaker, in reply to Mr. Pearson in a debate on External Affairs, claimed that Mr. Pearson had referred to the Colombo Plan with satisfaction in the degree to which Canada was contributing to the raising of the standard of people in the under-developed areas of the world. Mr. Diefenbaker said that Canada must extend the amount of that assistance. He then proceeded to suggest that some of the Colombo Plan contributions should be made in the form of agricultural products which could then be sold by the recipient countries for purchase of the technical requirements needed, and he asked Mr. Pearson to comment. In reply, Mr. Pearson said that the Colombo Plan provided for capital and technical assistance, not for consumer assistance, and that the articles of the Colombo Plan would have to be changed in order to take care of the question.

1955

The only interesting Progressive Conservative speech of the 1955 session was by Mr. Diefenbaker.

i. Mr. Diefenbaker commented on Mr. Pearson's alleged solicitude for the hungry Asians and the fact that Mr. Pearson only proposed to raise Canada's contribution by fifteen cents per person in Canada. On the other hand he criticized the C.C.F. party for promising too much aid:¹

"I ask the Minister whether the precepts he has declared have been carried out in the recommendations of the government which he represents. What of the Colombo Plan . . . (whose purpose is) to assist mankind in raising living standards in various parts of the world?

But . . . graceful speeches do not feed hungry nations. [...]
What are we doing? We are making pious declarations but are not

¹Canada, House of Commons Debates, March 24, 1955, p. 2348.

coupling those declarations with effective action. [...]

I do not believe in extravagant promises. My hon. friends to the left speak of a billion dollars. Personally I think such a figure is unrealistic as the present contribution is out of keeping with Canada's responsibilities."

1956 - 1957

During the 1956 session both Mr. J. Diefenbaker and Mr. D. M. Fleming, Member of Parliament for Eglinton, commented on the omission of mention of the Colombo Plan in Mr. L. Pearson's opening speech in a debate on External Affairs. This is fairly indicative that the subject of foreign aid was becoming an expected topic for debate. By 1956, the Progressive Conservatives were beginning to use the Question Period to much greater extent to obtain information on foreign aid. One of the few negative speeches in opposition to foreign aid was made in this session by Mr. J. C. Van Horne, Member of Parliament for Restigouche-Madawaska, when he declared that foreign aid was out of proportion compared to aid given to municipal relief.

i. Mr. J. Diefenbaker regretted that Mr. Pearson omitted any mention of the concept of expansion of economic assistance to the underdeveloped countries within the broader concept of defence, when he spoke after Mr. Pearson opened a debate on External Affairs.¹

"As the President of the United States has said, every dollar we put into this kind of thing (foreign aid), if it is intelligently spent, is to my mind in the long run worth every five dollars we are putting into shared defence, because, in the long run, it is a constructive thing. What consideration is being given of a reassessment of the question of the amount that should be spent on tanks, guns and ships and the amount that should be made available for underdeveloped countries? "

ii. Mr. J. C. Van Horne, in a debate concerning proposed tax relief

¹Canada, House of Commons Debates, August 1, 1956, p. 6797.

for municipalities, felt that foreign aid was out of proportion to aid given to municipal relief, and he expressed his concern that the Federal Government was letting the Maritimes become the economic poorhouse of Canada:¹

"Municipal functions . . . are the fundamental needs which must be fulfilled and met first, and . . . to an ever-increasing degree the Federal Government is denying them in its denial of assisting the municipal bodies. [..]"

.....
This (amount of foreign aid during the past few years totalling \$4.04 billion) at a time when Canada's government refused a loan of \$46 million to develop hydro-electric power at Beechwood, New Brunswick, a loan which my province would have fully repaid. [..]"

Most of this money (foreign aid) was in outright gifts. In the face of these facts, can there be a legitimate excuse by this government for its de facto policy of no help and no assistance to our municipal bodies?"

iii. Mr. Diefenbaker disagreed with Mr. Argue (C.C.F.) that we should follow the United States surplus disposal policy because that programme is simply part of the U.S. 'fire sale' assistance agricultural policy. Mr. Diefenbaker felt that the U.S. policy was destroying markets for farm commodities all over the world and such a policy was disturbing Canada's market for agricultural products in various parts of the world. He advocated the condemnation of the U.S. policy by the Government as it was detrimental to a free economy among the free nations. He felt most strongly that Canada should not imitate this U.S. policy.²

1957 - 1958

Excerpt relating to foreign aid to under-developed countries from the Speech to the Throne delivered to Parliament October 14, 1957.

"The continuing admission of nations newly guided to self-

¹Ibid., May 1, 1956, p. 3439.

²Ibid., August 2, 1956, p. 6876.

government both broadens and strengthens our diversified Commonwealth as more of us come to share the great inheritance of those institutions and ideals which make our association a quiet but pervasive force for good in an unquiet world. This was manifest in the Commonwealth Prime Ministers' meetings in June (London) and the Finance Ministers' Conference at Mont Tremblant.

A similar spirit has been evident in the Colombo Plan, which is a part of a high venture of the peoples of South and South-East as they move along the path of national development and which this government will continue to support.¹

Such a strong acknowledgment for the need for foreign aid revealed that the new Progressive Conservative government was very alert to the changing times in spite of a rather poor record as an Opposition Party, and it had made an attempt to put the times to the public perhaps more forcefully than the Liberals had ever done in a Throne Address.

More of the government's policy and news concerning foreign aid began to appear in short concise official statements to the House of Commons, and verbal exchanges centered around the Question Period rather than in long debates on foreign affairs.

It soon became evident that the Progressive Conservatives had stepped neatly into the former Liberal Government's role of defending appropriations to foreign aid against opposition criticism.

This first session of Progressive Conservative leadership did not deal with the administration of foreign aid and apart from inquiries of the Ministry, government material was sketchy.

i. Inquiries of the Ministry:²

Wheat - Request for Statement on Sale to India

"Mr. Gardiner: I note an announcement made by the Prime Minister to the press on Saturday that some arrangement has been made between Canada and India with regard to the shipment of \$7 million worth of

¹Canada, House of Commons Debates, October 14, 1957, p. 5.

²Ibid., November 4, 1957, p. 701.

Canadian wheat under the Colombo Plan.

Would the Prime Minister be able to give us any further details with regard to that arrangement and what the adjustment is in connection with the Colombo Plan.

Answer given a few days later¹

Mr. Diefenbaker: [..] This wheat in effect is being provided free alongside ship (sic) and, as in the past, the costs of shipping the wheat are to be borne by India. . . . the \$7 million made available will provide between 4.2 million bushels and 4.4 million bushels. The Canadian wheat board, of course, is receiving the going price for such wheat out of existing Colombo Plan funds."

1958

The 1958 Speech from the Throne did not contain any specific reference to foreign aid. However, during the year, the Progressive Conservative Government did expand foreign aid considerably with increased Colombo Plan contributions and the inauguration in principle of the Commonwealth Scholarship Programme. During the session, debate again centered around short official government statements, and the Progressive Conservative defence of government policy.

i. Mr. Diefenbaker answered Liberal party charges that the government was not contributing enough to foreign aid, in the debate on the 'Throne' Speech. He outlined how Canada had made available on request up to \$35 millions to Colombo Plan countries for the purchase of wheat on the basis of long term credit with a nominal interest rate.²

"I ask my hon. friend (Mr. P. Martin, Liberal) when he says we are doing nothing, why did his party not act in the period when wheat was piling up in this country? His party was speaking of the greatness of the Colombo Plan, but why was there no major assistance to these countries in the manner I have indicated. [..]"

About fifteen million bushels of wheat have now been shipped or will be shipped to India and we have made available fifteen million dollars to provide wheat and flour to Colombo Plan countries as a gift. [..] These actions have served a useful purpose in

¹Ibid., November 7, 1957, p. 846.

²Canada, House of Commons Debates, May 12, 1958, p. 44.

our wheat program and at the same time have enabled Canada to show a practical interest in the problem of our hard pressed neighbours within the Commonwealth."

ii. Mr. G. Churchill, Minister of Trade and Commerce, gave the following short statement on the government's foreign aid contribution. This statement may be considered as fairly typical of the increasing short statements on foreign aid:¹

"In addition to the Colombo Plan, the Government made available \$15 million to finance gifts of wheat to India, Pakistan and Ceylon. In the Colombo Plan, the following funds were made available for the purchase of Canadian wheat - India \$7 million; Pakistan, \$2 million; and Ceylon, \$1 million."

iii. Mr. Sidney Smith, Secretary of State for External Affairs, in a debate on External Affairs, reaffirmed Canada's continued support of the Colombo Plan and the U.N. technical assistance and relief programmes, and expressed concern for aid to Ghana and the British West Indies though they were not yet in the Colombo Plan.

As regards working against Russia, he said the following:²

"I do not think we should endeavour to counter every Soviet gesture. We should work steadily, in co-operation with the people of those (underdeveloped) countries, within their plans and priorities in our earnest desire to help them. In this way we can best counter the Russian activities."

1959

Excerpt relating to foreign aid from the Speech from the Throne delivered to Parliament, January 15, 1959:

"My ministers continue to recognize the necessity of providing economic assistance to underdeveloped nations. Approval will be sought for the appropriations needed for this purpose, so that Canada may play its full part in helping the emerging states of Asia and Africa, particularly those in the Commonwealth."³

¹Ibid., July 17, 1958, p. 2326.

²Ibid., July 25, 1958, pp. 2664-2665.

³Canada, House of Commons Debates, January 15, 1959, p. 2.

During this session an important announcement was made by the Secretary of State for External Affairs to increase the foreign aid appropriations to \$50 million a year over a period of three years. This announcement had the important effect of recognizing foreign aid as a long term policy. It did however, bring some concern from the Opposition as to whether Canada could really afford this amount and if Canada could not make the proposed increase in surplus disposal goods. Perhaps more noticeably it brought from the Liberals the apprehension that the purpose of the Colombo Plan, i.e. a capital and technical assistance programme, was being changed. By and large, the Opposition supported the announcement as they did the announcement of the West Indian and Ghanaian technical assistance programmes.

i. Mr. Sidney Smith, Secretary of State for External Affairs, introduced the following official government statement outlining Canada's aid under the Colombo Plan to India:¹

Colombo Plan - Statement on Aid to India.

"The most helpful thing Canada can do is to continue to provide India with the Canadian goods she requires in her development program. [...] As a result of discussions with India, \$17 million will be made available to India under 1958 - 1959 appropriations for purchase in Canada of essential commodities and equipment."

Mr. Smith followed with a breakdown of the \$17 million:

\$1 million for the Canada-India reactor;
\$10.55 million for the provision of industrial raw materials;
\$2.5 million for railroad ties;
\$2.5 million for fertilizers;
\$120,000 for three cobalt beam therapy units.

In all the above cases, he stated that India will establish local equivalent counterpart funds. He also stated that over the past

¹Ibid., January 19, 1959, p. 25.

fifteen months Canada had assisted India in food grain totalling 348 million in the form of grants and loans.

ii. Mr. Sidney Smith, Secretary of State for External Affairs, announced the Government's intention to increase aid to under-developed countries:¹

"The Government has undertaken . . . to increase our contribution from \$35 million to \$50 million a year for a period of three years beginning the next fiscal year. We have also recognized the needs of emergent nations . . . in the Commonwealth which are not eligible for assistance under the Colombo Plan. I am thinking particularly of the African area. We are proposing to extend the benefits of our technical assistance program to Commonwealth areas in that region.

We have embarked on a five-year program of aid to the West Indies. This does not come under the Colombo Plan but a major part of the contribution of \$10 million will be used in the building of two steamships in Canada for inter-island service. These ships should represent to the West Indies what the building of the railway meant to Canada in helping our nation to become more united. [..]

1960

Excerpt relating to foreign aid from the speech from the Throne delivered to Parliament, January 14, 1960:²

"Economic and technical assistance to the less developed nations of the world continues to be needed both on the humanitarian grounds and to provide the economic basis for peaceful and orderly progress in those nations. You will therefore be asked to continue programs of aid to other, less developed nations particularly those in the Commonwealth. You will also be asked to vote support for the program of scholarships and fellowships to be exchanged within the Commonwealth adopted at the suggestion of Canada."

By 1960 the reference to foreign aid in the 'Throne' speech indicated that the subject had reached prominence in government policy and that the Progressive Conservatives took full cognizance of the fact. Perhaps the Government was merely echoing general North American concern

¹Ibid., February 26, 1959, p. 1405.

²Canada, House of Commons Debates, January 14, 1960, p. 2.

for the under-developed countries, for the political upheavals in Cuba had served to bring the problems of under-developed countries to the North American doorstep. During the 1960 session, Progressive Conservative speeches on foreign aid still centered mainly around official government notices of aid programmes.

i. Mr. R. C. Green, Secretary of State for External Affairs, gave the following official statement on aid to India:¹

Colombo Plan - Statement on Aid to India.

"Under the 1959 - 1960 Colombo Plan program, Canada has agreed to make available to India \$25 million, which will be used to provide Canadian commodities and equipment requested by the Indian Government to help carry forward its second five-year plan."

Mr. Green followed with a breakdown of the \$25 million:

\$11.5 million for the provision of industrial metals (aluminum, copper, nickel) needed in the current five-year plan;
\$7 million for wheat;
\$2.5 million for fertilizers;
\$2 million for diesel locomotives;
\$130,000 for three cobalt therapy units;
\$700,000 for further work on the Canada-India reactor;
\$250,000 for radio teletype equipment;
\$120,000 for raw asbestos needed in factories and industrial housing;
\$750,000 for studies on hydro-electric projects.

In addition to the above capital assistance, Mr. Green assured the House that Canada was continuing its programme of technical co-operation in India.

ii. Mr. J. M. Macdonnell, Member of Parliament for Greenwood, defended government policy in the 'Throne' debate against attacks by the Opposition concerning the possible danger foreign aid would cause to Canadian foreign trade. He quoted a recent speech of President Rhys Sale of Chrysler Corporation who spoke of the serious maladjustment of economic

¹Canada, House of Commons Debates, January 19, 1960, p. 78.

revenues among countries of the world and that the benefits of economic growth must be fairly distributed 'between those who buy the products of industry, those who make them, and those who simply supply the risk capital'. He also quoted Mr. Paul Hoffman, head of the Special U.N. Fund for Economic Development, who put a recent argument for aid to under-developed countries not only on humanitarian grounds but on grounds of self-interest. Mr. Hoffman claimed that if the West does not help the under-developed countries, it will be worse for the West in the development of new markets. Mr. Macdonnell then proceeded to draw attention to the special significance of India because of its size and key position in Asia.¹

iii. Mr. F. C. Stinson, Member of Parliament for York Centre, defended Canada's economic aid programme against Opposition attacks, mainly those of Mr. Argue of the C.C.F. Mr. Stinson claimed that Canada has a great opportunity and obligation to increase its assistance in foreign aid, even if it meant greater sacrifices on the part of the Canadian people imposed by taxation. He felt that Canada could do more than its present contribution and it was most important to get to work on these things immediately to show the people in Africa and Asia that we sincerely care for them. He quoted Mr. Paul Hoffman who had advocated that over the next ten years the Western economic aid contributions could be raised from one per cent to two per cent of each countries' Gross National Product for the International Development Association.

Mr. Stinson also advocated that the Government should send out

¹Ibid., February 2, 1960, pp. 643-644.

a team of 100 student volunteers to the Canadian Colombo Plan projects, and in this way both Canada and the countries concerned would benefit in experience.¹

iv. Mr. H. Green, Secretary of State for External Affairs, in answer to Mr. Argue's expression of disappointment that the United States should have the lead over Canada in lending money to the under-developed countries for the purchase of wheat, reminded the House that the Western nations were very far ahead of the Eastern nations in their aid policies. He claimed that the Soviet Union has been following a policy of making loans, but that when it came to gifts of this kind covered by the Colombo Plan, the Western nations had a much better record.²

¹Ibid., July 15, 1960, pp. 6353-6357.

²Ibid., July 15, 1960, p. 6379.

The Co-operative Commonwealth Federation 1950 - 1960

The Co-operative Commonwealth Federation (C.C.F.) has always shown its interest in the conditions of less privileged peoples. When the problems of the under-developed countries began to be recognized in the West after World War II, the C.C.F. party was not long in declaring its intention to help these countries to sweep hunger, disease and poverty from them. From 1950 to 1960, the C.C.F. party members have been the most vociferous and eloquent in the House of Commons in their demands for aid to under-developed countries. Interestingly enough, their enthusiasm seems to have been just as strong in 1950 as it was in 1960.

The members of the party during these years gave the impression that they were inspired more by pure humanitarian motives than anything else and at times they appeared to be idealistic and romantic over the economic problems of the under-developed countries and their demands for aid as the cure. True as this might seem, it must be remembered that the party was an opposition party during these years and thus it did not have to grapple with the more fundamental problems of administration.

Some prominent lines of policy early became dominant among the demands of the party as a solution for the problems of the under-developed countries. A major demand was for world economic planning for post-war reconstruction. Time and again the C.C.F. members rose to emphasize the necessity of this proposal. Another prominent demand stressed by

the members was the distribution of Canadian surplus goods, especially wheat, to the needy countries of the world. There seems to have been an obvious two-fold objective in this demand. One objective appears to have been to help the needy and starving abroad, and the other was to help the Canadian wheat farmer. This demand often helped to raise the question of the true objective of the Colombo Plan, i.e. whether it should maintain its original aim and only provide Asians with technical and capital assistance, as the Liberal Government strongly maintained, or whether it should be flexible and help absorb Canadian surplus goods. A third demand consisted of the reduction of defence expenditures and the allocation of the money so saved to world reconstruction. In addition to these three dominant lines of policy a fourth demand can be perceived in many of the speeches made by prominent C.C.F. members. They often insisted that the West had a moral obligation to the Asian, and later African, countries for 100 years of Western colonialism, and in so doing they displayed a deep sense of guilt.

The party always presented a well-organized attack on the Government, whether Liberal or Progressive Conservative, for the Government's inadequate contribution to foreign aid, and the party most certainly deserves much credit for subsequent government increases. Above all, the party must be commended for its steadfast enthusiasm in its efforts to promote Canadian foreign aid.

To show the evolution of the C.C.F.'s official platform during the years 1950-1960, the following resolutions have been included for the years 1952 and 1960. They all reveal the party's deep interest in the under-privileged of the world and its concern in presenting a solution:

1) 1952 - Resolution on International Affairs adopted at the
12th National Convention of the C.C.F. in August, 1952.¹

WAR ON POVERTY

The CCF reaffirms its belief that mankind's hope for lasting peace can in the long run be realized only through a comprehensive and spectacular program of economic and social advance in every part of the world. Military preparedness, necessary though it is in the present international situation, cannot take the place of positive action to end poverty and exploitation.

With each year since the end of the last war the emphasis has increasingly shifted from the economic to the military. The important economic and social agencies of the UN are starved; the economic objectives of I.A.T.O. are ignored; assistance to under-developed areas is infinitesimal compared with their needs; raw materials are allowed to follow the dollar and are not distributed in accordance with any plan of world needs.

In short, the high objectives of the UN Charter and the hopes raised by the defeat of Nazism and Fascism are in danger of being destroyed by the ruthless attacks of world communism and the blind greed of world capitalism.

The CCF calls for a return to the policies and objectives which humanity everywhere welcomed at the end of the Second World War. We demand the institution, before it is too late, of a world economic program to:

- (a) allocate available raw materials in accordance with need;
- (b) plan the development of world resources to the highest possible degree;
- (c) provide technical and capital assistance to under-developed areas on a scale many times greater than the shameful pittance now available for these purposes;
- (d) take international action to achieve maximum production of food and provide for its equitable distribution;
- (e) establish International Developmental Corporations for these various purposes which would be free from control by private capitalism or by any one country;
- (f) increase the scope and resources of the Colombo plan;

¹Resolutions Adopted at the 12th National Convention of the C.C.F., Toronto, August, 1952. C.C.F. National Office, 1952.

(g) plan an expansion of world trade based on consideration of world needs; and

(h) achieve greater equality on a high level of living standards everywhere.

Much of the machinery needed for such a program now exists. With a real will for peace and justice, it would be possible to find the necessary resources. The CCF calls on Canada to play its full part in promoting and developing a world program of economic and social advance and to allocate a larger share of Canada's federal budget to such a program. Only such a program has a chance of guaranteeing peace and of defeating totalitarian threats to freedom and decency in human relations.

2) 1958 - From 'Let's Go Forward', The National C.C.F. program drawn up by the C.C.F. National Council in January 1958, on the basis of resolutions at C.C.F. National Conventions.¹

'VII. A Policy For Peace, b. Economic Problems:

As one of the world's most favoured nations, Canada should set an example by vastly increasing her present picayune contributions to the international plans for assisting underdeveloped nations. Specifically, the C.C.F. proposes:

- Full and unqualified support for the Special U.N. Fund for Economic Development (SUNFED);

- Greatly increased support for the United Nations Technical Assistance and for the Colombo Plan and in particular Canadian assistance to the new West Indies Federation;

- Canadian leadership in instituting a vast world economic program through the United Nations to:

1. Allocate raw materials in accordance with needs;
2. Provide greatly expanded technical and capital assistance to underdeveloped areas on a scale of at least one per cent of the national incomes of the free nations;
3. Establish International Development Corporations for those purposes;
4. Achieve maximum production of food and provide, through a World Food Pool, for its equitable distribution.'

¹Let's Go Forward 'The National C.C.F. Program', C.C.F. National Office, Ottawa, 1958.

1950

During the 1950 session, the U.C.F. party sustained a far more fierce attack on the problems of Asia and their solution than all the other parties put together. By and large this leadership was to continue for many years. In the first few speeches of Mr. Coldwell, quoted below, the tone for most of the U.C.F. speeches was set for the next ten years. Under the inspired leadership of Mr. Coldwell, Member of Parliament for Rosetown-Bigger, the party took the view that the problem of Asia was a moral one as well as an economic one, and more often than not, the party members stressed simply the need to improve the standards of living in the underdeveloped countries as the solution to their problems. It is interesting to note that occasional criticism of the Government's failure to support a food bank is to be found even in 1950.

i. Mr. Coldwell, speaking about the recognition of Red China during the 'Throne' debate, emphasized the need for economic assistance as the one effective means to defeat Communism:¹

"But surely we should understand by now that communism like fascism, feeds on poverty, hunger, misery and insecurity. The best and indeed, the only way eventually to defeat communism or any of these totalitarian cults is to offer and establish conditions so that people are well fed, healthy, properly clothed and housed and - I add one more - free.

So we say we believe that unless economic assistance is forthcoming . . . and soon, we shall have lost the cold war in that part of the world.

. . . As long as we have farm surpluses, as long as we have unemployment, we have the means, if we will use them, of making a still greater contribution to the winning of the cold war. [...]
I am not implying, nor have I implied, that we can do this alone, but we should be pressing and urging on every occasion for the acceptance of an international economic plan for meeting the needs of the underdeveloped, war-devastated and impoverished countries

¹Canada, House of Commons Debates, February 20, 1950, pp. 66-67.

of the world."

ii. Mr. H. W. Herridge, Member of Parliament for Kootenay West, proposed a Canadian surplus disposal project in the 'Throne' debate:¹

"I am sure if we are going to play our part in the restoration of the world economy we will find that in some cases it will be necessary to make gifts to certain countries. I should like to see agricultural surpluses disposed of in this way, and paid for out of taxation rather than see large sums being spent on unemployment relief. By being able to produce we will maintain morale and do something effective towards solving economic questions. "

iii. Mr. Coldwell expressed a feeling of guilt for the Western colonial record in the Far East during a debate on the recognition of Red China:²

"When we look back over that last one hundred and ten years or so, since the British obtained possession of Hong Kong and other nations obtained great concessions of the mainland of China, we cannot forget the record that we have. [...] We have to try to obliterate the black spots in that record and do everything we can to help the people of China and the people of other nations of South-East Asia, of India, Pakistan, Indonesia, Indo-China and the other countries of Asia, to build up their economies, to improve their standards of living and to aid them in every way we possibly can, giving them, as far as we are able assistance in the way of food and other supplies that they need for their economic life. If we can do that we shall have done far more to defend ourselves from aggression, to defend the world from totalitarian régimes, than we can do by building up armies, navies and air forces to defend our territorial integrity."

iv. Mr. Coldwell, speaking in the debate on Korea in the Special Fall Session, called for more help to the Asian countries, and then proceeded to introduce a sub-amendment to a Progressive Conservative amendment to the Throne speech:³

¹Ibid., March 1, 1950, p. 369. Another speech by Mr. Herridge along the same lines was that of September 2, 1950, p. 182, Fall Session.

²Ibid., March 7, 1950, p. 528.

³Ibid., September 1, 1950, pp. 121-124. Other notable C.C.F. speeches outlining points of view similar to the selected excerpts above, have been listed below:

1. Mr. R. Knight, September 1, 1950, pp. 148-149.
2. Mr. H. W. Herridge, September 2, 1950, p. 185.
3. Mr. J. W. Roseworthy, September 2, 1950, pp. 167-168.
4. Mr. P. E. Melfort, September 5, 1950, pp. 264-265.
5. Mr. C. Gillis, September 12, 1950, p. 649.

"I deplore the fact that we have failed to place before the Asian peoples the promise - and not only the promise but something in a material way to show that we mean that promise - to improve their position. We . . . believe that the only secure basis for peace in the world can be found in economic planning of the world's resources. That means . . . planning on a regional basis and in a manner that will enable all the people of the world to develop their resources and to enjoy a better standard of living. [...]
The hungry peoples of the world are not interested in democratic ideals . . . or systems but they are interested in food and economic progress. I therefore say that the purpose of our country . . . should provide them with the means to progress.

.
In order to get our view more completely before the House . . . I am going to move a sub-amendment to the amendment made by the leader of the Opposition. The amendment of the leader of the Opposition reads in this way: 'We regret that Your Excellency's advisers have failed to provide adequately for the defence of Canada and have failed to take steps to deal with inflation and the rapidly rising cost of living.'

We wish to add the following words: 'By the imposition of price controls and the provision of necessary subsidies, we regret further Your Excellency's advisers have failed to include in Canada's defence program substantial economic aid for underdeveloped countries, for it is the opinion of this House that the Spread of Communism can not be prevented by military action alone, but only by the provision . . . of all possible assistance to bring about social and economic progress in such countries.'

1951

The 1951 session saw C.C.F. party members suggesting their increasingly familiar proposals for Canadian foreign aid. Notable among these were the following: the support of a world food bank; the allocation of defence spending to foreign aid; the encouragement of training Asians in Canada, and above all, the establishment of spiritual values and dignity to the individuals of the under-developed countries.

i. Mr. P. E. Wright suggested three ways economic aid could be made to South-East Asia, during the 'Throne' debate:¹

"When speaking to the House last year I made two suggestions: 1) to encourage Asian students at Canadian Universities; 2) to make an

¹Canada, House of Commons Debates, February 5, 1951, pp. 84-85.

immediate contribution of food to India in aid of alleviating the famine which is now sweeping the country and to make use of the Canadian wheat surplus. There are three ways it could be done: 1) directly; 2) through the Colombo Plan; and 3) through the U.N. Food and Agricultural Organization. [...]"

Mr. Wright also suggested setting up of food banks or selling the wheat surplus at a favourable price.

ii. Mr. M. J. Coldwell, speaking during a debate on External Affairs, emphasized his belief that real freedom of the world today depended upon economic liberation and he called for the West to recognize this challenge.¹

"[...] What I am trying to say is that an essential part of the democratic world strategy should be the placing of greater emphasis on economic and humanitarian policies. [...] The basic problem is food [...]"

.....
I would like to see Canada give a very definite lead at the pending meetings of the economic and social council (of the U.N.) and at the general assembly, for the immediate enlargement of technical assistance to the underdeveloped countries of the world. I am certain that public support would be forthcoming. This is a field at least where we should not wait for decisions in Washington."

Mr. Coldwell finished his speech with the following even more specific suggestion for the basis of permanent peace:

"1. Let us urge immediate and strenuous efforts on the part of all free nations to use all the organs of the U.N. for the removal of dire poverty, misery, want and exploitation which provide the fertile field for communist and fascist propaganda.

2. Let us ensure Canada's participation and leadership to a greater extent in economic and technical aid to depressed peoples and underdeveloped areas.

3. There should be a reconsideration of Canada's commitments to the U.N. organization for technical aid and . . . to the Colombo Plan.

....."

iii. Mr. C. Gillis, Member of Parliament for Cape Breton South, pressed for greater government control in aid programmes, during a debate

¹Ibid., May 7, 1951, pp. 2762-2767.

on national defence. He also advocated that aid should be distributed in such a way as to bring returns to Canada.¹

iv. Mr. H. Argue, Member of Parliament for Assiniboia, severely criticized government foreign policy for its failure to deal with the backward nations of the world, during a debate on External Affairs.²

1952

During the session the C.C.F. party was concerned with charges from the Liberal party outside the House of Commons that they were in effect Communists. The charges were met particularly by Mr. J. W. Roseworthy. The other notable speeches of the session dealt with the failure of the government to implement Article 2 of the North Atlantic Treaty, and in most succeeding sessions, this criticism was raised in some form or other.

i. Mr. J. W. Roseworthy, Member of Parliament for York South, attempted to clear the party from the smear of Communism allegedly given by Mr. Pearson in a radio talk in March:³

"Before we adjourned on March 15, I stated that there was no disagreement between the C.C.F. and the Liberals regarding democracy's over-all objective in its conflict with Communism.
[...]

¹Ibid., May 9, 1951, p. 2855.

²Ibid., May 14, 1951, pp. 2983-2985. Other notable C.C.F. speeches outlining points of view similar to the selected excerpts above, have been listed below:

1. Mr. M. J. Coldwell, April 17, 1951, p. 2058.
2. Mr. H. Argue, April 17, 1951, pp. 2105-2106.
3. Mr. M. J. Coldwell, October 15, 1951, record session, p. 49.
4. Mr. M. J. Coldwell, October 22, 1951, p. 266.
5. Mr. A. Stewart, October 22, 1951, pp. 289-290.
6. Mr. H. Argue, December 15, 1951, pp. 2045-2046.

³Canada, House of Commons Debates, March 17, 1952, p. 484.

to the method by which our common objective is to be obtained.

Surely it is still possible in this parliament to debate the pros and cons of government policy . . . without being accused of following the Kremlin line. [...]"

ii. Mr. H. Argue, during a debate on foreign policy, supported an amendment moved by Mr. Wright, that expressed regret at the Government's failure to take effective steps to implement Article 2 of the North Atlantic Treaty:¹

"The Minister placed on record some figure which he described as economic aid. The grand total of those figures was some \$2,403. million. [...] Seventy-three per cent are in the form of loans. We in this group are not asking the government to make loans by this means to other countries, we are asking that we make outright gifts as a contribution to the building of peace throughout the world. I do not think it is fair to suggest that the loans we have made in the past are, in effect, economic aid. [...]"

According to the minister, since the signing of the Treaty (N.A.T.O.), Canada has provided \$25.3 million for the Colombo Plan, \$324.8 million for mutual aid, and a gift to Greece of \$830,000. for the purchase of wheat. None of these figures represents economic aid under Article 2 of N.A.T.O. [...]"

1952 - 1953

During the 1952 - 1953 session there were two notable U.C.P. speeches. Mr. P. E. Wright criticized the inadequacy of the government's foreign aid appropriation in view of U.S. foreign grants, Canadian defence appropriations and the comparison of Canadian technical assistance training of the Colombo Plan to the other donor Commonwealth countries.² Mr. M. J. Goldwell criticized the failure of the Colombo Plan to work through the U.N. programmes and, among other things, ^{the} niggardly way in which the Canadian government offered to grant \$10,000. - \$15,000. to U.N. programmes in U.S. dollars when the Canadian dollar stood two per cent

¹Ibid., April 2, 1952, pp. 1062-1063.

²Canada, House of Commons Debates, February 16, 1953, pp. 1969-1972.

above the U.S. dollar. In this speech he stressed the fact that the Colombo Plan was originally designed to supplement assistance in Asia under the U.N. programmes, and hence he felt that it should be integrated more closely with the U.N. programmes for technical assistance to under-developed countries.¹ He urged that the government strive for world economic progress and world peace, and he suggested various methods to follow such as planning and allocation of resources, providing greater assistance, and expanding world trade.

The question period began to be used by the U.C.F. in this session, though not to any great extent, to obtain specific information on foreign aid.²

1953 - 1954

During the 1953 - 1954 session the usual criticisms of the Government's lack of leadership and inadequate contributions to foreign aid were made by various U.C.F. members. It became more noticeable that some members were becoming increasingly sarcastic of government leadership. Again, some of the members stressed a Canadian wheat disposal project and the removal of trade barriers as the beginning of a genuine programme of economic assistance to under-developed countries.

i. Mr. A. MacInnis, Member of Parliament for Vancouver East, introduced a motion advocating an increase in Canada's contribution to the U.N. Technical Assistance Organization Fund, in praising the usefulness of the U.N. technical assistance programme:³

¹Ibid., pp. 4862-4866.

²Ibid., February 26, 1953, Question on the Orders of the Day by Mr. S. Knowles, p. 2415.

³Canada, House of Commons Debates, February 10, 1954, pp. 1951-1953.

"That in the opinion of this house, the government should consider the advisability of introducing legislation at this session to substantially increase Canada's contribution to the U.N. technical assistance organization fund."

Mr. MacInnis proceeded to give a history of the U.N. programme and he praised the efforts of the Canadian delegate at the U.N. who said that Canada was prepared to raise Canada's contribution to the programme.

ii. Mr. A. A. Bryson, Member of Parliament for Humboldt Helfort, spoke in support of Mr. MacInnis' motion in the debate that followed. He pointed to the inroads of Communism all over the world, and to the necessity for food and technical assistance for the poverty-stricken millions if Communism was to be defeated.¹

iii. Mr. A. Stewart, Member of Parliament of Winnipeg North, pointed to the dependency of the country on the farmer, and that if he suffered, the rest of the country would likewise suffer. Hence he proposed giving wheat surpluses to the starving.²

"We have suggested on more than one occasion that 200 million bushels of wheat should be given to those who need food today and cannot get it. From the selfish point of view it would pay us hand over fist; from the humanitarian point of view it would do more to win the cold war than anything else I can think of.

I may be asked where the money is going to come from. The government already has the money. [...] A fund in the Department of National Defence of \$300 million is still unexpended."

iv. Mr. H. Argue, in attacking the budget as a black, depression budget, was critical of inadequate contributions to the Colombo Plan.³

¹Ibid., February 10, 1954, p. 1966.

²Ibid., February 15, 1954, p. 2119.

³Ibid., April 13, 1954, p. 4040.

1955

The 1955 session saw some interesting speeches advocating increased assistance to under-developed countries under Article 2 of N.A.T.O., meeting other party criticisms levelled against 'extravagant' C.C.F. proposals, and using the technique of the Question Period in order to draw out government information and policy. Most of the better speeches were devoted to clever rebuttal of Liberal and Progressive Conservative attacks on the party.

i. Mr. A. Stewart demanded a public declaration of policy on the position of the government regarding Article 2 of N.A.T.O., because he claimed that the government had backtracked from support of Article 2 in 1949 to the point where Article 2 was now worthless:¹

"Six or seven years ago the government saw the necessity for economic co-operation, because fear was in the hearts of the people. The government saw the light, but now that light is spluttering to ignoble extinction. Article 2 has become a lamentable failure."

He proceeded to propose an economic union with N.A.T.O. allies to reduce world tariff barriers by ten per cent each year. In this way, prosperity for all would increase.

ii. Mr. M. J. Coldwell, in a debate on External Affairs, reiterated that Communism is to be defeated by removing the causes of disease, famine and poverty in the world. He attempted to meet Progressive Conservative charges that the C.C.F. promised the sky, i.e. billions of dollars to the under-developed countries:²

¹Canada, House of Commons Debates, January 21, 1955, pp. 406-408.

²Ibid., March 24, 1955, p. 2362-2363.

"I am not talking about a billion dollars from Canada but instead of a paltry \$20 or \$25 million subscribed by all the nations, a billion dollars would be insufficient to meet all the world's needs in the years to come. Indeed the new plan for raising of capital for backward countries envisages \$250 million for development. [...]"

iii. Mr. S. Knowles, Member of Parliament for Winnipeg North Centre, in rebutting Mr. Pearson's criticism of C.C.F. policy, expressed the hope that Mr. Pearson would not make speeches detracting from aid, but that he would advocate greater aid. He quoted Mr. Pearson as saying that it was necessary to deflate the idea that economic aid could play as important a part in easing tension and building up world peace as some of us think it could. Mr. Knowles then said the following:¹

"None of us would claim that economic assistance . . . can itself buy off Communism or save the peace. But what I do not like about the statements . . . is that they seem to be excuses for keeping the program down to the rather low proportion of Canada's participation in this field. [...]"

There is much to be done - assisting, training and educating them. [...]"

I submit that until we have gone all out, until we have increased many times what we are doing now in terms of economic aid, there is no room for saying this will not do the trick."

iv. Mr. A. M. Nicholson, Member of Parliament for Mackenzie, asked for information on foreign loans and mutual aid on a few occasions, and twice complained to Mr. C. D. Howe, Minister of Trade and Commerce, that the government departments gave him the 'run around' when he tried to get information on the Colombo Plan. Mr. Nicholson felt that the Department of External Affairs simply 'passed the buck' to the Department of Trade and Commerce and this Department was short-staffed:²

"They do not pretend to have the staff available to do a worthwhile job in the field of public information and therefore the public cannot tell if a worthwhile job is being done. "

¹Ibid., April 6, 1955, p. 2881.

²Ibid., July 14, 1955, p. 6169.

1956 - 1957

During the 'Throne' debate, the standard C.C.F. criticisms of the government foreign aid programme were laid before the House. Mr. Coldwell painted the usual eloquent picture of starving Asians and the failure of the government to recognize the 'ever widening gulf between the living standards of the privileged and the under-privileged, and the dangers therein'.¹ Later, Mr. Argue pointed out that the budget allocated two billion dollars for defence and yet did not make any allocations for buying surplus grain for the needy peoples of the world, and he proposed that the government donate one billion dollars to establish a fund to help the under-developed countries.²

Interesting was Mr. A. Stewart's criticism of the SUNFED plan of the United Nations, as he preferred to see the contributors to the plan have a greater say in the actual expenditure. Usually the party members simply advocated more action through the U.N. without much regard for scrutiny of the administration.

Another time where lack of co-ordination in the party was evident to a slight degree was Mr. Gillis' claim that he did not believe in giving away the resources of the country to other countries on a relief basis.³ This was somewhat at variance with the usual C.C.F. policy that the West must feed Asia at any price.

i. Mr. M. J. Coldwell gave a lengthy speech on conditions in under-developed countries and the fact that Canada could do much more and

¹Canada, House of Commons Debates, January 12, 1956, p. 55.

²Ibid., January 13, 1956, p. 88.

³Ibid., August 2, 1956, p. 5242.

thereby resist those who would foment revolution and dictatorships. Mr. Coldwell still used the phrase that two out of three persons in the world went to bed hungry each night. He claimed that only 1.74% of the total Canadian budget was given to economic aid. This was approximately \$1.86 per capita, while military expenditure was \$106.54 per capita.¹

"We have every facility for assisting in improving conditions in these countries. [...] I am not saying that we should appropriate a billion dollars. But I am saying we can do many times what we are doing now in order to preserve ourselves, our safety and the future welfare of the land in which we live."

ii. Mr. A. Stewart felt that Asia must be rescued from the worst dangers of industrialization. He advocated increased technical assistance in the form of a Special Canadian School to provide the Asians with a different approach.²

"What we have to remember is that Asia has really no sense of identity with the Western world. [...] All the people of Asia want equality with the west, but there is only one way they can get that equality, and that is by industrialization. [...] The solution is therefore either to Sovietize the economy or the West must give aid, and lend money at the lowest possible rates of interest with no strings attached."

If we do not rescue Asia from this worst menace of industrialization, then Asia will side with the Communist parties. It boils down to this one ineluctable threat - the system which wins Asia wins the world.

.....
We ought to develop an international university and technical training school, perhaps centralized in the prairies, not allow Canadians to go; and invite the students from underdeveloped countries to train them to utilize anything we might send them."

iii. Mr. H. Argue expressed his concern that Canada was doing a dismally small job as far as providing assistance was concerned. He

¹Canada, House of Commons Debates, January 25, 1956, pp. 725-726.

²Ibid., August 1, 1956, p. 6802, 6857-6858.

drew attention to the fact that India had decided to negotiate with the U.S. for the purchase of three million tons of wheat under the U.S. surplus programme which would let India pay rupees and then borrow the money back for economic development. When told by Mr. Pearson that the Colombo Plan is not for giving away wheat surpluses, he said:¹

"Someone in the government is falling down very badly. I am surprised that such a discussion . . . has not taken place. India did not purchase any Canadian wheat during the last year and it purchases ten million bushels from the U.S. and six million from Australia."

1957 - 1958

During the 1957-1958 session the C.C.F. party was reduced in size as a result of the elections of those years. However, with the help of a new arrival, Mr. E. Rogier, Member of Parliament for Burnaby Coquitlam, the party seemed to redouble its efforts to promote the cause of economic aid to Asia and to criticize the government for its inadequate attention to this matter, even though the new Progressive Conservative government did increase the Canadian contribution substantially. Mr. Coldwell, Mr. Argue and Mr. Rogier spearheaded the C.C.F. attack from 1957 until the end of 1960. Inquiries of the Ministry regarding foreign aid once again became more noticeable as the party took a prominent lead in seeking information in this manner.

i. Mr. H. Argue claimed that the recent increase in the Colombo Plan allocation was really inadequate as he spoke during a debate to provide cash advances on farm-stored grain. He suggested that the government advocate an international food bank with its own commodity clearing house, and in doing so, reverse the attitude of the former

¹ibid., August 2, 1956, p. 6875.

administration.¹

ii. Mr. M. J. Coldwell, speaking during a debate on External Affairs, called for Canada to assert its moral leadership among the nations that want to support SUNFED, and he proposed that Canada divert at least one-quarter of her defence appropriations to SUNFED.²

iii. Mr. A. Stewart criticized Prime Minister Diefenbaker's proposal that a world food bank be set up through N.A.T.O.:³

"It is time we realized that although we regard N.A.T.O. as a means for our defence and protection, it is regarded by the rest of the world as a tool of imperialistic powers. We may say that this is not true and disagree completely with the idea but this concept does exist and we cannot kill it. [...] If N.A.T.O. is to administer aid, that aid is going to be suspect. It would be far better if we intend to help the underprivileged countries of the world, as we should do, to do it through the U.N. and through the agencies already there."

iv. Inquiries of the Ministry were raised concerning detailed information on the government's foreign aid policy by various C.C.F. members on the following dates: November 20, 1957; January 7, 1958; January 8, 1958; January 14, 1958; February 1, 1958. The question of January 7, 1958 raised by M. J. Coldwell, has been selected below as a typical example:⁴

Ceylon - Request for Extension of Flood Relief

Mr. Coldwell: Will the government consider making a substantial donation to the relief of those people in addition to that under the Colombo Plan?

Mr. Diefenbaker: The government is considering the question as assistance is of utmost need. Assistance must be determined on the basis of need according to the Government of Ceylon. "

¹Canada, House of Commons Debates, October 24, 1957, p. 359.

²Ibid., November 26, 1957, pp. 1532-1533.

³Ibid., January 3, 1958, p. 2786.

⁴Ibid., p. 2935.

1958

During this session most of the U.C.F. material on foreign aid was found in Inquiries of the Ministry. However, during July, a most interesting debate on the question of the real objective of the Colombo Plan took place. Mr. H. Argue, new leader of the U.C.F. Parliamentary group and the chief exponent of U.C.F. foreign aid policy this session, proposed that food pools be established as part of the Colombo Plan. In answer to his proposal both Mr. Diefenbaker and Mr. Pearson expressed their concern that the Colombo Plan was established for capital and technical assistance and not for food pools.

i. Mr. H. Argue, in proposing that it was time something was done through food pools to help the under-developed countries, suggested that a food pool should be started for the Colombo Plan countries where starvation was always close at hand. He claimed that such a proposal would not be such a great economic strain as was imagined on Canada when the actual cost to the government of storing the grain was \$40 million per annum.

In answer to this, Mr. Pearson argued that while the idea of a food bank was economic and humanitarian, the Colombo Plan was not established as a mechanism for consumer goods assistance. He felt that the alternative proposal, the N.A.T.O. food bank, as made by the Prime Minister, should be followed up instead. This food bank would serve to strengthen the economies of the N.A.T.O. members.

Mr. Diefenbaker, in answer to Mr. Argue, said that the Asians have not expressed the same desire as Mr. Argue to have made available to them wheat and other food products in bulk. Food has been accepted by these countries because of famine conditions, but apart from that,

these nations have not been demanding additional food assistance. Mr. Diefenbaker again reiterated that general assistance should be of technological or machine assistance.

In reply to both Mr. Pearson and Mr. Diefenbaker, Mr. Argue said that he had something much greater in mind - a reserve of food available to countries in time of need. He added that he had not meant to make the Colombo Plan turn into food as he realized that the under-developed nations wanted industrialization.¹

ii. Inquiries of the Ministry

a) Colombo Plan - Alleged Delay in Approval of Projects

Mr. Argue: What action is Canada taking to accelerate the projects and to give assistance?

Mr. Diefenbaker: There has been no delay and some projects are just waiting for approval. There is no justification for criticism of delay because of the increased amount made available to the Colombo Plan.²

b) Colombo Plan - Proposed Increase in Contributions

Mr. Argue: Would the Prime Minister comment on the press report this morning that Canada will propose at the coming Commonwealth conference a fifty per cent increase in our Colombo Plan contribution. If so, can the Prime Minister say if a supplementary estimate will be brought in this session.

Mr. Diefenbaker: The article was purely conjective. [...] there has been no final decision.³

1959

The C.C.F. policy in connection with foreign aid was almost entirely led by Mr. Argue during the 1959 session. He supported the government's announcement of a special contribution to India but he deplored the inadequacy of any increase in contributions to the Colombo

¹Canada, House of Commons Debates, July 19, 1958, pp. 2430-2432.

²Ibid., June 15, 1958, p. 2239.

³Ibid., August 27, 1958, p. 4162.

Plan.

i. Mr. H. Argue, in commenting on a government announcement that India would receive special assistance, said that he recognized that India was a bastion of freedom in Asia, and he was sure that the Canadian people would welcome any assistance to India to help her develop her economy:¹

"We have always said that whenever it became necessary from India's point of view, to use these funds (Colombo Plan funds) in an emergency for the purchase of food, we were quite in agreement that that should be done."

ii. Inquiry of the Ministry.²
Colombo Plan - As to Naming a Co-operative Expert.
Mr. Argue questioned the statement as reported in the papers of Mr. R. Staples, President of the Co-operative Union of Canada, who claimed a twenty-month delay in naming a co-operative expert under the Colombo Plan.

"Mr. Argue: Why was there this delay?"

Mr. Diefenbaker: The matter belongs to the Department of Trade and Commerce.

Mr. Churchill: I will see if the statement is correct.

.....
Mr. Churchill: The newspaper report was not quite accurate. At no stage has there been any reluctance about helping the co-operative movement, nor about their importance. Encouraging progress along co-operative lines is recognized as a reasonable objective of the Colombo Plan program, and considerable assistance in this field has already been extended by Canada as to a number of Colombo Plan countries.

The request referred to concerns an expert to produce a series of films on co-operative activities in India, and also to supply film material valued at \$50,000.³

1960

By 1960 the C.C.F. party had almost completely stopped describing graphically conditions of the under-privileged in Asia as had been so

¹Canada, House of Commons Debates, February 6, 1959, p. 751.

²Ibid., May 22, 1959, p. 3919.

³Ibid., June 12, 1959, p. 4638.

prevalent in the earlier sessions. What material there is to be found in Hansard is much briefer and concise. Some of this noticeable change was probably due in part to the lack of Mr. Goldwell's leadership and in part to the limited size of the party in the House. At any rate the 1960 session was not distinguished by eloquent speeches. It seemed as if the party members were reduced to commenting on the government's official notices regarding aid which were being given with increased frequency, and expressing concern over the details of the management of the Colombo Plan.

i. Mr. H. Argue gave the C.C.F. endorsement of the Government's announcement of increased contribution to the Colombo Plan.¹

"As always we in the C.C.F. group welcome and support any move made by the Government to make moneys available for the operation of the Colombo Plan. We think that economic assistance of the type the minister has outlined for a country like India is a service to democracy and is very much in the interests of the peace of the world. India today faces very grave economic difficulties [...]. For a country like ours, with all the huge surpluses we have of food, this kind of move is one which is not only in the interests of India but is one that we could readily make, and I am hopeful that Canada in the days ahead will be much more generous in this field.

ii. Mr. B. Regier expressed his concern over lack of public information concerning the Colombo Plan when discussing the International Development Association Bill:²

"I would like to know exactly how the members of this house are able to obtain information as to what happens in regard to a matter of detail when an international organization . . . has its meetings. I refer to the meetings of the Colombo Plan. I am particularly interested in what happened in the case of Canadian participation in the reactor which we helped to build under the Colombo Plan. I would like to look at the minutes of a meeting which was held at Bombay on a certain date by officials of the Colombo Plan in which Canada's participation was involved. "

¹Canada, House of Commons Debates, January 19, 1960, p. 78.

²Ibid., June 20, 1960, p. 5120.

iii. Inquiry of the Ministry.¹

Colombo Plan - Reported Delay in Construction of Indian Reactor

"Mr. Regier: Is it a fact that we are two years behind in construction of the atomic research reactor being provided to India under the Colombo Plan?

Mr. Fulton (Acting Secretary of State for External Affairs:

Such reports about delay could only be an estimate and many delays were due to the complex nature of the project. /.../ The project is now very close to construction. /.../ We have been assured by the Indian authorities that they are completely satisfied with the co-operation they have received from Canada."

¹Ibid., May 4, 1960, pp. 3539-3540.

II

ADMINISTRATION OF CANADIAN FOREIGN AID

Administrative Procedure

Parliamentary Procedure for Securing the Necessary Funds.

At the beginning of each fiscal year Parliament is asked to approve new monies to continue Canada's contribution to foreign aid. These funds are voted to the Department of External Affairs which exercises a broad control over their use. They are introduced therefore in a Committee of Supply dealing with the Department of External Affairs estimates. The form of their actual presentation only changed radically after the 1951-1952 estimates vote. In that year the Further Supplementary Estimates contained the following provision for foreign aid: "To provide for and authorize grants or loans to governments of countries in South and South-East Asia to assist in the economic development of such countries and special administrative expenses in connection therewith".

Now the proposed funds are simply introduced in the Estimates as 'Item No.... , Colombo Plan Administration, \$50 million'. or 'Item No..... , Canada-West-Indies Aid Programme, \$6 million'. After these estimates go from the Committee of Supply to the Standing Committee on

External Affairs, they are reported back to the House of Commons, and are subsequently voted upon.

The reasons for the money votes being given in lump sums were explained to Mr. Stinson, Member of Parliament for York Centre, by Mr. H. Moran, Director of the External Aid Office, at the Meeting of the Standing Committee on External Affairs, May 1961.¹

Mr. Stinson: I was interested in Mr. Moran's comment that the beginning of a vote aid project is the voting of money by Parliament. It would seem to me the beginning might be the putting forward of projects which have been agreed upon by the recipient country and Canada. In other words, surely the proposals for which the money is sought are in hand and can be put before Parliament such as happened at the time the Colombo Plan appropriation was sought. I really cannot understand him to say that they go to Parliament and ask for \$50 million and then start looking around for a project on which to spend the money.

Mr. Moran: Partly because it would be presumptuous to announce the spending of money which Parliament had not yet authorized. [...]

Mr. Stinson: When a department of the Government comes to Parliament it can say to Parliament, "this money is required for specific purposes", and the estimates are full of details of services on which monies are to be spent. As to Colombo Plan projects, we find them set out quite differently.

Mr. Moran: There are a number of reasons. At the moment we have under consideration a project for, let us say, Ruritania, which will involve us in an expenditure of several millions of dollars over the next four years.

¹ Evidence,
Minutes of Proceedings and No. 6, page 161-162.

This will require a policy decisions which has not yet been made, and therefore it would be improper to state publicly that such a project is under consideration by the Canadian Government.

I would hope that in future years we would be able to get our programs under way earlier in the fiscal years than has been the case in the past. You will remember that a few months ago I mentioned that two senior Pakistanis will be here on Monday. They are coming not only to talk about this year's program but to finalize last year's also. In present circumstances we are not able to put before Parliament right now the details of how this year's \$50 million will be spent".

Administration of the Funds.

Actual administration of the funds and the various projects that are financed by them were carried out under the direction of the Department of Trade and Commerce until 1960. When asked in the House of Commons by Mr. Catherwood, Member of Parliament for Haldimand, if the Colombo Plan should not be administered by the Department of External Affairs, the Honorable C.D. Howe replied, "I agree, but unfortunately the Department of External Affairs insisted that it should come under the Department of Trade and Commerce, on the theory that we had the personnel who were more familiar with the problems".¹ However, in 1960, with the creation of the External Aid Office, actual administration was responsible

¹ Canada, Parliament, House of Commons, Official Report of Debates, May 15, 1952, p. 2277.

to a Director-General who reported directly to the Secretary of State for External Affairs.¹

Expenditures of the Funds.

Before 1960 expenditure of the funds was reviewed by the Department of Finance, particularly with respect to capital assistance projects. However, the funds on their transfer to the Department of Trade and Commerce from the Department of External Affairs/^{also}became the responsibility of the Comptroller-Secretary of that Department. The Department had been granted certain independence with the funds to the extent that it could spend up to \$25,000.00 on any given project without having to seek approval of the Treasury Board. In actual fact this meant that a fair proportion of technical aid was never scrutinized by the Treasury Board, but most of the capital aid was scrutinized.

The result of having the Administration divided between three different government departments was to have a fairly clear division of control. "Broad policy was in the hands of a large inter-departmental committee. When political factors had to be considered, the dominant voice was that of the Department of External Affairs. Financial control was exercised by the Department of Finance, and a variety of administrative responsibilities were scattered through

¹
See pp.21-22.

a number of governmental agencies" (in the Department of Trade and Commerce).¹

Division of the Allocation of the Funds.

The division of each year's allocations of funds between countries and between capital and technical assistance is determined by the Cabinet. Cabinet consideration and approval is mandatory for proposed capital aid projects as these usually involve substantial expenditures on Canadian equipment and services. Approval is given in the form of an Order-in-Council.

Technical assistance expenditures involve the movement of numerous advisory experts abroad and of trainees to Canada. Such expenditures are normally reviewed at other levels of government.

The Inter-Departmental Committees.

The formal determination of the allocations of funds between the countries and between capital and technical assistance is made by a Cabinet Committee as mentioned above. However, it soon became apparent that this determination was more theoretical than actual, though it is difficult to draw a line of exact demarcation. Two inter-departmental Cabinet sub-committees were createdⁱⁿ 1950-1951

¹Mr. H. Moran, Director of the External Aid Office, to the Standing Committee on External Affairs, 1961. pp.154-155. See pp.16-19 for a description of the actual success of this division of control.

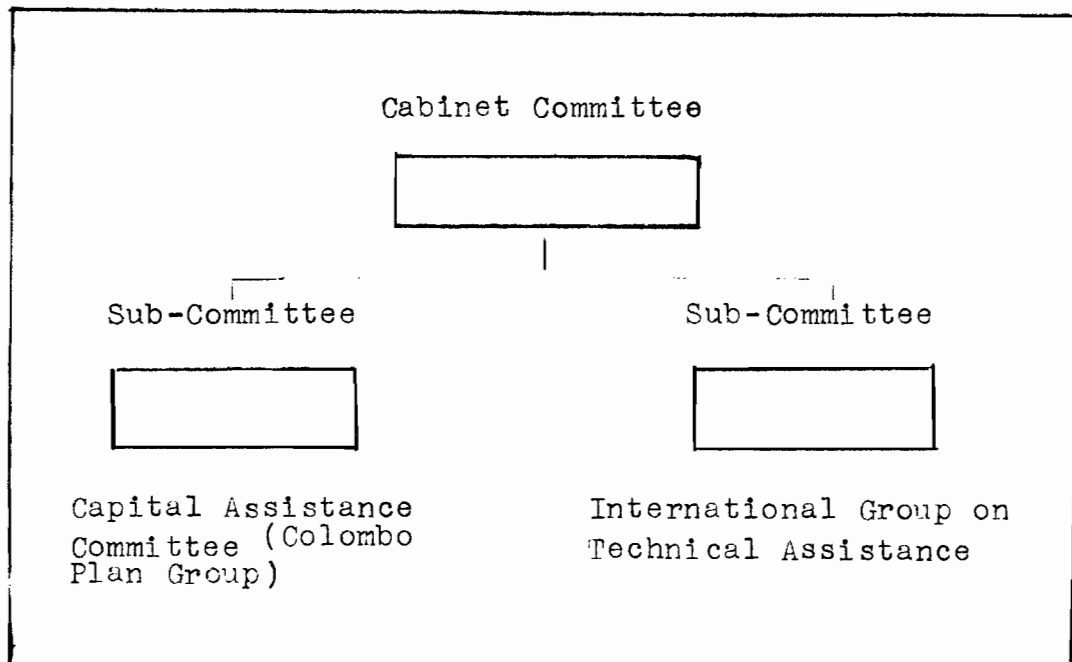
to examine and propose allocations to the Cabinet, one to deal with capital assistance, and the other to deal with technical assistance.

The Capital Assistance Committee or Colombo Plan Group was composed of about twelve members. Members included a chairman and a secretary from the Department of External Affairs, Department Deputy Ministers from Finance, Trade and Commerce, a Deputy Governor of the Bank of Canada (by virtue of being a Director of the International Bank) and the Director of the Colombo Plan. Other departments were represented from time to time, such as Agriculture, and the Committee called in experts from various departments when needed. Gradually, however, the group became smaller for efficiency purposes.

The Inter-departmental Group on Technical Assistance. (I.G.T.A.) was composed of about twenty members. In 1956 its members included a chairman from the Department of External Affairs, the Comptroller-Secretary of the Trade and Commerce Department, and other representatives from the Departments of Agriculture, External Affairs, Health and Welfare, Mines and Technical Surveys; the Unemployment Insurance Commission and the Civil Service Commission; and the Bank of Canada. Often specialists were called in and the Group discussed such topics as Medical Missions, and Biological Stations.

Both Sub-Committees were thus similar in organization. The only real difference was that the Capital Assistance Sub-Committee was composed of more senior persons, for the nature of its business involved the major part of the total voted funds. (See figure 1).

Figure 1. The Inter-relationship of the Cabinet Committees.



By April 1957 an amalgamation of the two groups into the Inter-departmental Colombo Plan Policy Group had taken place. The last recorded meeting of the I.G.T.A. was March 8, 1957, and presumably it is that body which went out of existence and left the other more prominent one dominant.

With the creation of the External Aid Office in 1960, the Colombo Plan Policy Group was simply absorbed into the External Aid Board which carries on the same functions.

The Duties of the two Sub-Committees.

The chief purpose of the Capital Assistance Committee was to allocate the funds and decide the projects for various under-developed countries. In the early 1950's the Committee just discussed projects and plans. Later it began to give some broad directions on Canadian policy to the Cabinet and to the administration. Final decisions lay with the Department of External Affairs. It must be noted that the Chairman of the Committee was always from the Department of External Affairs. However, that department, according to various accounts, did not appear dictatorial.¹ Much of the work discussed - recruitment, salaries, etc. - was not of interest to it. The Department of Trade and Commerce, on the other hand, was more interested in the projects so in many cases decisions came by default. If the Department of Trade and Commerce has examined a question or a project, and had produced a solution, in all likelihood there was no other interested department and so the solution proposed received approval.

The following criteria for decisions had to be observed wherever possible:

- i. Canadian goods were to be used wherever possible and projects were to be chosen in which Canada could best contribute, such as power, transportation, and evaluation of resources;

¹Conversations held with various members of the Committee.

ii. Proposed projects were to be directed to the programs of the recipient countries and not be superimposed on them;

iii. Priorities established by the recipient countries were to receive first consideration;

iv. Canadian aid was to have permanent value and should not fall into the temptation of attractive but short-run projects;

v. Canadian aid was to be given in the form of grants and not loans, to allow greater flexibility in its operation;

vi. The scale of aid was to be determined on the basis of what was both practical and useful and of the relationship to contributions of other donor countries.¹

After decisions had been reached concerning the allocations of funds to certain countries, this information was then transmitted to these countries. For example, India would be informed that she had been allocated \$25 million. Simultaneously these countries were then asked for a list of their most urgent needs.

After investigation of the different countries' proposed projects, the various experts reported to either the Capital Assistance Committee or the I.G.T.A. It often happened that the recipient countries had submitted a great list of projects, many of which were unsuitable for Canadian specialized work and many of which were really unsuitable for the particular country concerned. In this manner, an under-developed

¹Mr. J. Deutsch, Criteria of Canadian Policy, a paper delivered to the Conference on Canadian Aid to Under-developed Countries, Ottawa, May 27-28, 1955.

country's lack of real knowledge as to the kind of project needed to promote industrialization was revealed.

Officers from the two sub-committees reported their recommendations to the Inter-departmental Cabinet Committee after they had investigated the various projects submitted. The Cabinet Committee then approved the submitted recommendations and sent the list to the Cabinet.

After approval by the Cabinet of these recommendations by means of an order-in-council, the administration of the programme was then left to the Administrator, later the Director, of the Colombo Plan.

Thus the scale of aid was determined by a complicated process of weighing needs, resources and capabilities. While the needs of the under-developed countries were virtually without limit, there were limitations to the way in which money could be spent effectively. Furthermore, the mere voting of funds would not necessarily ensure the success of a development programme. Success was to be perhaps more dependent upon the administration headed by the Administrator or Director under the aegis of the Department of Trade and Commerce.

History of the Administration under the Department of Trade and Commerce.

From 1950 to 1960 the administration of the Colombo Plan underwent three formal changes of name, but not until 1960, with the creation of the External Aid Board,

did it change in actual practice.

1950-1951.

For the fiscal year 1950-1951 the sum of \$400,000 was voted by Parliament for foreign aid to be administered by the Technical Assistance Unit of the Department of Trade and Commerce. However, this money was not spent in that year, but was carried over to the next fiscal year by the well-known device of voting \$1.00 in the Supplementary Estimates.

The money was not spent immediately because the Administration felt obliged to scrutinize proposed projects carefully and the proposed projects, even when approved, took considerable time to get started. Mr. M.J. Coldwell, C.C.F. House Leader, questioned Mr. Nik Cavell, Administrator of the Colombo Plan, in 1954, about this time-lag in the commencement of projects.

Mr. Coldwell: "At the outset of the plan you commented that it would be difficult to find a sufficient number of projects to take up the money we voted. Is the appropriation now sufficient to cover the work you have mind?"

Mr. Cavell: "When we started there was no established pattern as to how we could fit into all their projects. That has gradually changed and we now have a satisfactory pattern."¹

1951-1958.

In 1951-1952 the Technical Assistance Unit was amalgamated into the International Economic and Technical Cooperation

¹ External Affairs Standing Committee, 1954.
Minutes and Proceedings No. 8, p.212.

Division¹ with Mr. Nik Cavell as the head.² The organization of the Division was as follows as in 1954, to take a representative year. (See figure 2).

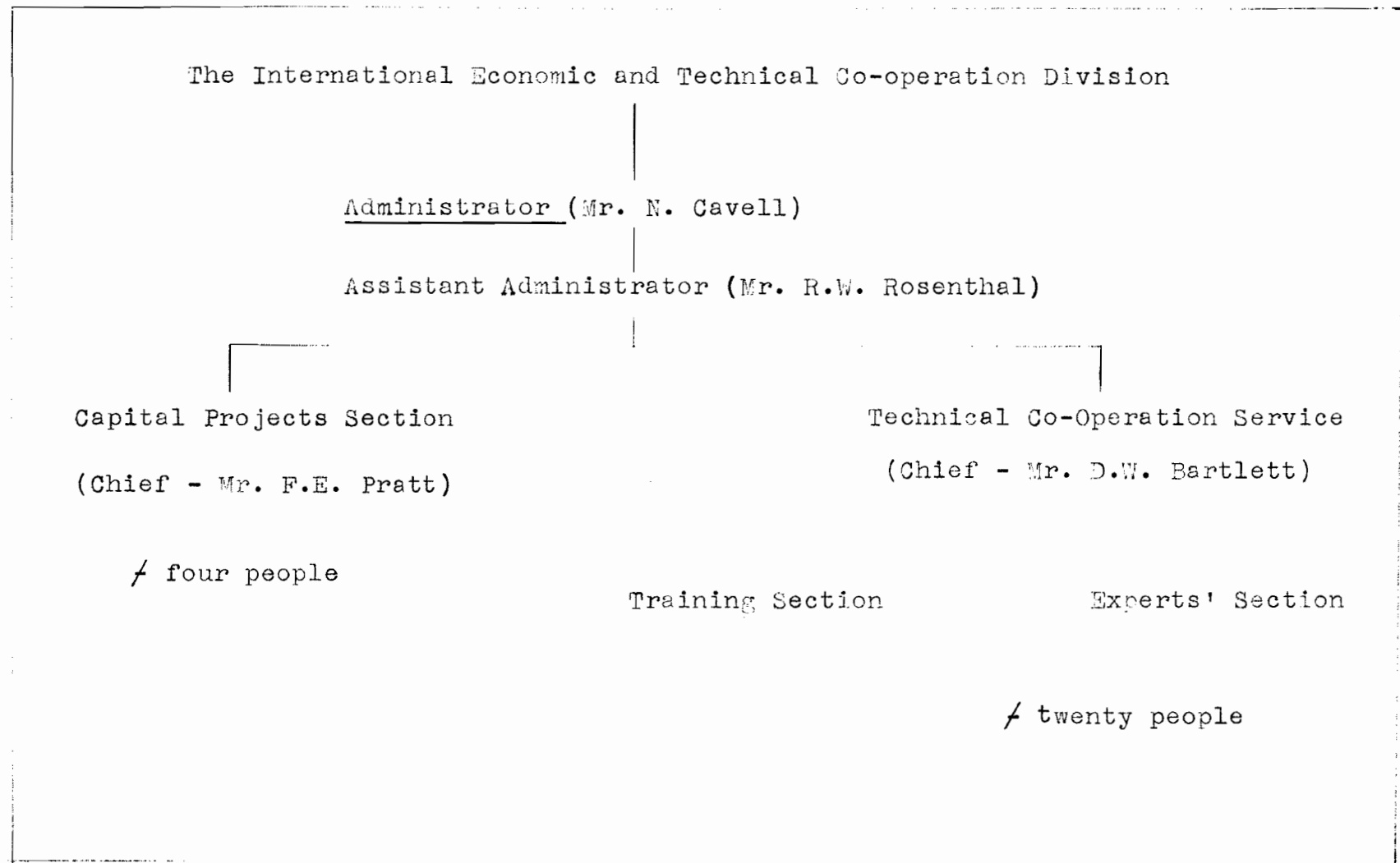
Mr. Cavell as Administrator and Mr. R. Rosenthal as Assistant Administrator served as Chief Co-ordinators between the Capital Projects Section and the Technical Cooperation Service. As Chief Co-ordinators, they were responsible for the administration of policy decisions taken in the Cabinet sub-committees and for expert information and knowledge to be laid before the sub-committees.

The Capital Projects Section handled all the goods and capital projects of the Colombo Plan. Construction and supervision of projects was in large part farmed out to Defence Construction Limited, a Crown Corporation. This Corporation has a Foreign Projects section, and the Capital Projects Section made use of the Corporation's engineers who helped to investigate projects and/or found the right experts in Canada who could do this.

¹ Hereafter known as I.E.T.C.D.

² Various years of the External Affairs Standing Committee presented his official title differently. For example in 1952 Cavell was listed as 'Administrator, I.E.T.C., Department of Trade and Commerce', and in 1954 he was listed as 'Head of the I.E.T.C.D., Department of Trade and Commerce and Administrator of the Canadian Participation in the Colombo Plan'.

Figure 2. The Administration of Foreign Aid, 1954



The Capital Projects Section also made use of the Canadian Commercial Corporation for purchasing commodities and equipment. The Corporation helped to draw up specifications, lists, prices and arrange for transportation of the commodities and equipment.

1958-1960.

In 1958 Mr. Cavell resigned his position as 'Administrator' to become the Canadian High Commissioner in Ceylon, and the Administration was run by Mr. Rosenthal for eight to nine months until a successor to Mr. Cavell was found.

With the consolidation of the new Conservative Government, the Administration acquired a new name and a new director. The I.E.T.C.D. became the Economic and Technical Assistance Branch (E.T.A.B.) and Dr. O.E. Ault former Chairman of the Civil Service Commission, was appointed Director, November, 1958. Thus the status of the Administration of foreign aid was changed or raised from that of a division to that of a branch, and subsequently the title of 'Administrator' was changed to 'Director' to show this different status. Whether or not these changes can be significantly linked to policies of the new Government will remain a debatable question, but it has been suggested that Dr. Ault's appointment was of a political nature.

By 1958 new developments were beginning

to appear in the whole field of foreign aid, and these developments were to necessitate certain changes in the administration in due course. Foreign aid began to stretch farther than South and South-East Asia to Africa and the West Indies. At the Commonwealth Trade and Economic Conference held at Montreal in September 1958, Canada announced that she would initiate bilateral programmes for providing technical aid to less developed Commonwealth countries, mainly in Africa. At the time this announcement was directed mainly to aid for Ghana.¹ Also at this Montreal Conference Canada played a leading role in establishing the Commonwealth Scholarship and Fellowship Plan. Late in 1958 the Prime Minister announced the establishment of the West Indies Aid Programme for capital aid and technical assistance.

These developments meant increasing work for the new E.T.A.B. and it soon became evident that problems arising from divided responsibility were as much if not more of a concern to Dr. Ault as they had been to Mr. Cavell. There seemed to be only two methods of tackling the situation: to work with the existing administrative machinery and to try to patch it up; or to reorganize the whole structure of the machinery. Dr. Ault was not free to pursue the latter course, and so he had to try to improve the existing machinery, though it is reported

¹See Part III for greater detail on the content of Canadian foreign aid programmes.

that he felt it an impossible situation from the beginning¹.

First, he attempted to straighten out the lines of responsibility in the Branch, and secondly, he increased the staff in order to cope with the increasing amount of work and to bring it up to an adequate size. Under/^{Mr.}Cavell, the Administration had been considered notoriously under staffed at any time.

This increase in the size of the staff clearly revealed that the Administration was gradually and inevitably becoming departmentalized. For example, in 1952 when the Colombo Plan first started to get underway, one officer was responsible for the entire selection of personnel for overseas from beginning to end. He evaluated requests from recipient countries, he decided if there were such experts available in Canada and if so, he approached the specialists and the proper persons concerned, and he made all the travel arrangements for the specialists sent abroad.²

By 1955 two officers took charge of this work. However, by 1960, when Dr. Ault left, the volume of work had increased so greatly that the work done in 1952 by one man had been divided into the following four areas of responsibility, each handled by one or two officers:

1. the evaluation of requests.
2. the location of the expert in Canada.
3. the administration and finance, including travel arrangements.
4. the supervision of experts in the field.

¹ Conversations with former members of E.T.A.B.

² Conversations with former members of I.E.T.C.D.

By 1960, the number of Canadian experts abroad had more than doubled since 1950, as was the case for the Asian and African trainees in Canada. Thus it is little wonder that the administration increased steadily, though this increase was more noticeable from 1958 onward. (See figure 3).

It was not, however, too long before the effects of the divided responsibility were seen, and early in Dr. Ault's Directorship, the members of the two Cabinet sub-committees began to disagree amongst themselves. The administration became somewhat demoralized and as a result deteriorated. By 1960 it was clear that the existing administrative machinery simply was not sufficient to handle the growing amount of foreign aid, and the problems resulting from such machinery had been thrown into fairly clear relief.

Analysis of the success of the Administration under Mr. Cavell and Dr. Ault.

A major factor in the success of the Cavell Administration lay in the size of the group. It was small and therefore inclined to be flexible. The various officers were acquainted with each other's work, and it was possible for them to substitute for each other if need be. They all knew enough about the operation of the whole division to make it work in times of stress.

Figure 3

Table showing the Increase in Personnel for the Administration of the
I.E.T.C.D., E.T.A.B., and E.A.O., as presented in the Estimates for
the Government of Canada for the Fiscal Years 1952-53 - 1961-62 by the
Departments of Trade and Commerce, and External Affairs.

		I.E.T.C.D.						E.T.A.B.		E.A.O.	
Fiscal Years		1952- 53	1953- 54	1954- 55	1955- 56	1956- 57	1957- 58	1958- 59	1959- 60	1960- 61	1961- 62
Position	Grade										
Director-General											1
Director Administrator		1	1	1	1	1	1	1	1	1	
Trade and Commerce Officer	6									1	1
Economist	8					1					
Administrative Officer	8										1
	7						1	1	1	1	2
	6	1						3	3	3	3
	5			1	1	1	2			3	2
	4	1			3	3	1	4	4	3	6
	3			1	2	4	4	3	2	11	10
	2	2	1	2	1	1	2	4	5		
	1	1	1	3	5	6	7	6	5		1
Technical Officer	6		1	1							
	5										
	4		1	1	1	1	1	1	1		
	3				1						

		I.E.T.C.D.						E.T.A.B.		E.A.O.	
Fiscal Years		1952- 53	1953- 54	1954- 55	1955- 56	1956- 57	1957- 58	1958- 59	1959- 60	1960- 61	1961- 62
Position	Grade										
Technical Officer	2									1	
	1			1							
Junior Administrative Officer			3								
Control Processing Officer	1 1										
Area Trade Officer	2		1	1							
Tariff Research Officer			1	1							
Librarian	2 1		1	1	1	1					
Engineer	5 2					1 1					
					1	1	1	1	1		
Head Clerk										1	1
Supervising Clerk					1	1			1		
Principal Clerk							1	1		2	1
Clerk	4 3 2						2 1 2	2 2 1	2 2 3	2 4 3	1 7 3
Secretary to Executive			1	1	1	1					
Stenographer	3 1 2 6 1		1 4 2	7	2 7	2 7	1 8	1 8	1 6	1 9	1 10
Typist	2				1	1	4	4	2	1	2
Total		16	20	24	30	34	40	45	47	59	69

The Administration under Dr. Ault became more institutionalized. This was due largely, though not necessarily, to its increased size. However, though its proceedings became more formalized and it became impossible for the officers to substitute easily for each other, this did not mean that the Administration suffered for this reason.

A more important factor lies in the differences between the personalities of the two main directors, Mr. Cavell and Dr. Ault. It is claimed by some of those who worked under Mr. Cavell that the whole structure of the Administration from 1951 to 1958 reflected his personality to a large degree¹. Certainly his personality did have a great effect on the success of the Administration.

Primarily, his dynamism and enthusiasm for the Colombo Plan, which enabled him to sell the idea of foreign aid to the

Government, the Opposition and the whole country, provided his staff with necessary morale. Secondly, Mr. Cavell proved to be an 'organiser'. He could find the right people for the right positions and keep the appropriate people in step. Since the Administration lacked its own men, it had borrowed much of its staff from other departments in order to avoid disruption of existing ministries.

¹ Conversations with former members of I.E.T.C.D. and E.T.A.E.

Mr. Cavell had been able to fuse the polyglot group into an effective, adaptable unit. According to his junior colleagues, he made all his decisions intuitively on people and on projects and did not often make mistakes, though there were times when great errors did occur.¹ Thirdly and perhaps most important, Mr. Cavell possessed the ability to delegate responsibility to the right people. Such a man or director of an organization does not have to be an expert in his field to achieve success, but like the successful Cabinet Minister, must be essentially a manager of men. Having this ability, such a man can then let his experts produce the material.

Dr. Ault lacked the fire and dynamism of Mr. Cavell but it would be unfair to claim this factor as the major reason for the difficulties of the Administration 1958-1960. If the Administration did reflect Mr. Cavell's personality and was in fact built around him, then almost certainly it would flounder until another man of the same dimensions took over, or the administrative machinery was so radically changed that a lesser man could cope adequately. Furthermore it must be noted that Mr. Cavell had the assistance of some very able officers, some of whom left the Administration when he did.

Perhaps the most important reason for the deterioration of the Administration from 1959 to 1960 lay in its divided responsibility. The result was a lack of real support from the Inter-departmental Cabinet Committee or Sub-Committees.

¹ Conversations held with former members of E.T.A.B.

The Administration had no real home in any one Department. Furthermore, by and large, it lacked its own men. /^{Mr.}Cavell, while he was Administrator, had been able to charm his superiors with the result that he got support for the time being, whereas /^{Dr.}Ault ran into difficulties.

Mr. H. Moran, speaking to the Standing Committee on External Affairs, May 26, 1961¹ on this divided control between the Departments of Finance, External Affairs and Trade and Commerce, said, "This system probably worked all right at a time when we had only the Colombo Plan, whose vote was only 50% of the present allocation, and while we were operating bilaterally in only one area of the world. But over the last couple of years, it was becoming increasingly apparent that these arrangements were not, perhaps, entirely adequate".

It was a complex system that led to delays and uncertainties, and on occasions it was not even clear where ministerial responsibility lay.

Thus the basic factors leading to the inadequacy of the Administration by 1960 were: 1) the formalization of the Administration; 2) the difference in the personalities of the two Directors; and 3) the divided responsibility of the Inter-departmental /^{Cabinet}Committee.

¹ Committee on External Affairs May 26, 1961, Minutes of Proceedings and Evidence, p.154.

The Establishment of the External Aid Office.

In 1960 the Government made a decision to create a more centralized agency to handle Canadian foreign aid. On November 1, 1960, the External Aid Office (E.A.O.) was established with Mr. H. Moran as Director-General¹.

"In recent years international economic assistance had taken on a new significance for a large number of countries, both donors and recipients. Also Canadian economic aid had increased substantially in terms of the amount of money expended and areas covered, and in terms of importance as a manifestation of Canadian foreign policy.

So it was decided in an effort to bring about a more expeditious administration of the program and in hope of ensuring more effective use of our funds, to create a centralized agency, the External Aid Office and move under one roof all aspects of Canadian external assistance programs. The Secretary of State for External Affairs was named the responsible minister and we report directly to him".²

¹ According to an Order-in-Council of October 28 (P.C.1960, 1476) the External Aid Office was officially established on November 1, 1960. However, it appears that Mr. H. Moran was appointed Director-General, September 1, 1960, /issued by the Prime Minister's office. It is believed that the Cabinet intended to establish the E.A.O. earlier but due to necessary corrections in the draft form, the order-in-council was delayed.

Yet another date November 15, 1960, was reported as the official establishment of the E.A.O. by Mr. Moran to the Standing Committee on External Affairs, Minutes and Proceedings, P.177. The E.A.O. was unable to clear this confusion.

² Mr. H. Moran, Director-General of The E.A.O. to the Standing Committee on External Affairs, 1961. Minutes of Proceedings and Evidence, p.155.

according to
a press
release of
August 25,
1960,

The following press release, issued August 25, 1960, from the Prime Minister's office, explained to the public the government's recognition of the growing significance of foreign aid and the re-organization of the whole structure of the Canadian foreign aid administration:

The Prime Minister, the Right Honourable John G. Diefenbaker, today issued the following statement:

In recent years the responsibilities for Canada's economic assistance has been divided between the Department of External Affairs and the Department of Trade and Commerce, with co-operation by the Department of Finance.

Recently the idea of economic assistance to underdeveloped countries has acquired a new significance and attraction for a lengthening list of prospective recipients and potential donors.

It has been decided that the administration and operation of aid programmes, in the interests of efficient and expeditious administration and to assure a sound and productive use of the aid programmes, should be placed under one head. An external aid office will be established in charge of an officer to be known as Director General of External Aid Programmes. Under the direction of the Secretary of State for External Affairs, his responsibilities will be as follows:

(a) The operation and administration of Canada's assistance programmes covered by the general aid votes of the Department of External Affairs.

- (b) To keep these programmes under constant review and, as appropriate, to prepare recommendations on them and related matters to Cabinet; to prepare submissions to Treasury Board on financial questions relating to economic assistance;
- (c) To ensure co-ordination in the operations of other Departments and agencies of government concerned with various aspects of economic assistance programmes;
- (d) To consult and co-operate as appropriate with international organizations and agencies;
- (e) To consult and co-operate as appropriate with Canadian voluntary agencies active in underdeveloped countries;
- (f) To co-ordinate Canadian efforts to provide emergency assistance in the case of disasters abroad; for this purpose to achieve the necessary liaison with the Canadian Red Cross Society and other appropriate Canadian organizations;
- (g) To be responsible for the internal administration of the External Aid Office; and
- (h) To perform such other duties as may be required in relation to Canada's external assistance programme.

It has been decided to appoint Mr. H.O. Moran, recently High Commissioner to Pakistan, as Director General in the External Aid Office, with effect from September 1st.

With the establishment of the E.A.O., the original Inter-departmental Committee was maintained under a different name, the External Aid Board, but was reduced to a membership of five.

"The basic policy questions are considered by a small five-man external aid board, consisting of Deputy-Ministers or their alternatives of the Departments of Finance, External Affairs, Trade and Commerce, and

the Bank of Canada, with the head of the External Aid Office acting as chairman".¹

Thus the Administration in its present form has all aspects of its work centralized under a Director-General who reports directly to the Secretary of State for External Affairs and not to three different departments as before. In this way it is hoped that one of the basic weaknesses of the former Administration will be remedied.

Although Mr. Moran claimed that he had nothing to do with the formulation of this plan and that it was worked out before he returned to Canada², it is widely believed that before he accepted the position of Director-General, he laid down the following terms³:

i) Direct contact of the Office to be established with the Department of External Affairs and subsequently support to be had from this Department;

ii) All aspects of the aid programme to be allotted sufficient space under one roof;

iii) Staff to be increased to meet the modern demands of an aid programme.

¹ Mr. H. Moran to the Standing Committee on External Affairs, 1961. Minutes of Proceedings and Evidence, p.155.

² Ibid, p.155.

³ Conversations with former members of I.E.T.C.D. and E.T.A.B.

Although it is still too early to estimate the success of the E.A.O., it is expected that this basic reorganization will be a great improvement over the past.

Present Problems of Administration.

The present problems of administration were discussed by the Standing Committee on External Affairs when Mr. H. Moran, Director-General of the External Aid Office, appeared as witness in May, 1961. These problems have been dealt with below by using the evidence as presented to the Standing Committee.

Recruitment of Staff for the External Aid Office.

Mr. F.C. Stinson, Member of Parliament for York Centre, asked Mr. Moran if the External Aid Office had people who could give a little more thought to orderly and sustained growth of the economies of underdeveloped countries as Mr. J.K. Galbraith, American Ambassador to India, had recently recommended to assisting countries. Mr. Stinson suggested that a co-operative approach might be taken between the recipient countries and the various Colombo Plan donor countries.

Mr. Moran: Well, perhaps the simplest way in which I could answer your question would be to say that at the present moment, in the External Aid Office we do not have the people, period.

As you know, this organization has been in existence for just a few months. We have not yet had an estimate approved for it. We have been trying to carry on with the personnel of the old Economic and Technical Assistance

Branch of the Department of Trade and Commerce plus three seconded officers on loan from the Department of External Affairs. [...] We do have plans to follow along the lines of your suggestions. I think this is the only way that a proper aid program could be put together. In due course, if we can get authorization for the positions, and later recruit the people, I would hope we would one day have ourselves in the same position as the International Bank, with a specialist not necessarily for each country, but at least for each region or area. We were recently considering a proposal that has been put to us from Malaya, but find that we were without anyone who could bring an informed judgment to bear.

Mr. Stinson: "Perhaps I might explain what I mean. I am interested in having attracted to this office as early as possible an establishment of qualified people who could work with the co-operation or perhaps at the request of the donee countries on a long-term plan for economic development. I do not think there is a sufficient sense of urgency about this place with respect to getting an establishment for this office. Everywhere you go you will hear people say: this is one of the urgent problems of the second half of the century, raising the living standards of the less developed peoples. Canada happens to be, probably, the richest of the middle power countries in the world. Yet the Director-General of External Aid comes to us and says that while he has held that position for six months, he says he really does not have the people yet. I say that the Civil Service Commission, or any other authority who may have connection with this thing. . . should immediately get out across the campuses of this country, and into other departments of government and provide the Director-General with competent, enthusiastic, dedicated help. [...] These are terribly urgent things.

.

What does the witness recommend on means by which this staff could immediately be recruited?

Mr. Moran: First, the item under discussion (No. 88) does not relate to the External Aid Office but is related to the estimates of the previous year submitted for the E.T.A.B.

I have put forward an establishment in ranks and numbers of people required over the next year, which is as far ahead as we can see. I shall be quite frank in saying this to the Committee that what I think has been wrong in our programme of recruitment of experts is that we have not had people who were sufficiently experienced and senior in rank. If you are going to seek the services of an engineer about which you have to talk to the Chairman of the Ontario Hydro Commission, or to the head of the B.C. Power Commission, or to the vice-president of the Bell Telephone, you do not send a boy. Yet in the estimate covered by this item there is no rank, apart from one man, above that of Administrative Officer, grade 5. This may in part, explain what has been going wrong with our recruiting programme."¹

In support of his argument, Mr. Moran quoted American President Kennedy's message to Congress of 1961 in which Mr. Kennedy had said that (because of the urgency of foreign aid) he had centralized all aspects of American aid programmes, and what was really needed was a new set of basic concepts and principles. This in effect meant a centralized agency and an effort on the government to find the best 'brains' throughout the country.

Mr. Moran: "But I cannot undertake any such recruitment until I have positions at the appropriate rank; and that is why there would be little purpose in asking me today the question: 'have you people in your office who could do this?', or, 'have you people in your office who are concerning themselves with that?'"²

¹Standing Committee on External Affairs, 1961, Minutes and Proceedings, pp. 176-177.

²Ibid, p.177.

Recruitment of Staff for Overseas.

Mr. Smith, Member of Parliament for Calgary South, in questioning Mr. Moran, asked about the availability of recruitable persons from Canada who are able to give the type of assistance and technical training which the various under-developed countries require.

"It seems to me we should be making a broader survey of the availability of Canadian talent in this field so that we might make a better contribution to these countries in terms of helping them help themselves".

In reply, Mr. Moran stated that he could not support this suggestions more strongly, and he described the extent of his success along these lines.

"We started by trying to carry out a survey among all the government departments. I wrote a letter to each of the Deputy-Ministers asking if he could indicate the field in which he felt his department could either make experts available to go abroad or offer courses of training to people coming to Canada. I was not heartened by the response. [...] Naturally it will take a little time to sort out and assess all the material we now have received.

I am not sure how to tackle private industry. We are not being as successful as I had hoped".¹

Mr. Moran gave the following reasons for his difficulty in recruiting experts from private industry. First, he felt that Canadians, historically, have not been accustomed to going out to Asia and Africa to help in administration as Europeans with colonial territories.

¹Ibid, p.165.

Secondly, it was difficult for a man in private industry to get one year's leave of absence, to have his security and pension rights protected, and to have the assurance of a job when he returned.

"It is not easy to release key staff One of the important social and economic changes which must occur in Canada if our aid programmes are to be successful ... is a willingness on the part of business firms and academic institutions to make possible the assignment from time to time of some of their personnel for service abroad."¹

Mr. Fleming, Member of Parliament from Okanagan.

Revelstoke, proposed that a branch be set up in the External Aid Office to place experts and to clear requests for work abroad so that long discouraging delays might be avoided.

He quoted the case of two agricultural experts who had the kind of experience needed for a certain Colombo Plan project, but when they offered their services, they had been met with interminable delay.

Mr. Moran replied that inquiries of this kind should not be addressed to the Department of External Affairs.

"The only reason I make this suggestion is because of the delay which might occur... I hope we can compile a fairly complete list of suitably qualified persons who are available and willing to serve in Asia and Africa.

¹
Ibid, p.165.

I am not sure how I, as a civil servant, can approach business firms on this problem. This is something on which the members of this Committee can assist, in the speeches they make in their own constituencies and throughout the country. The other half of the problem is to find firms who are willing to accept these people (Africans and Asians) here in Canada for training.¹

The Progress of Training in Canada for Asians and Africans.

Mr. Fleming, Member of Parliament for Okanagan-

Revelstoke, remarked that throughout these reports (reports submitted by the E.A.O. to the Committee for study on the Colombo Plan) the majority of our assistance is at university level education and advanced technical training. He questioned the witness whether Canada had any extensive program for training the skilled craftsmen who must be available in these countries to take advantage of the more advanced skills that are being developed

"At some point advanced training must be translated to effective action throughout the population. What program is taking place to train the carpenters, plumbers, pipefitters, welders, automobile mechanics and so on to work in these centres as advanced training begins to develop, let us say, a more advanced civilization or more advanced society? What has been done to create the skilled workmen to make the whole program work? Has there been any discussion or consideration of the requirement of those underdeveloped countries?

¹Ibid, p.166.

Mr. Moran: There are various ways in which these problems are discussed with the recipient countries. They are discussed directly between the responsible officials of the government of the underdeveloped country and the Canadian diplomatic staff who are stationed there.

Another point of coordination for this is the Colombo plan bureau in Colombo. A third is the various specialized agencies of the United Nations, because there too Canada is making a contribution to the multilateral aid programs which are handled by that organization. I think this year Canada, through the two main U.N. programs, the U.N. special fund and the United Nations technical assistance program, is making a contribution of \$4½ million. The United Nations thus becomes another clearinghouse or assembly point for this type of information. The United Nations specialised agencies may determine that Canada is a good source for a particular type of training, or for what we term an "expert" to go abroad which leads to consultation with us in these multilateral programs.

Under our bilateral programs, the requests can sometimes be dealt with on the spot by our diplomatic staff. Perhaps more frequently they have to be referred back to Ottawa, and here certain criteria are applied. If we find that a course of training can be arranged in Canada and if in our judgment it will assist in the economic development of the country, we draw up an appropriate course of training or try to recruit a suitable Canadian who is prepared to go abroad as an instructor.

Mr. Fleming (Okanagan-Revelstoke): I would like to suggest one specific thing in this general area of discussion that has occurred to me. We read continuously in the reports that are coming out of Africa, in particular, about the lack of medical aid and tremendous health and sanitation problems - the general position of the health of the people, lack of doctors and nurses. It is going to take a long time to train sufficient doctors and it takes considerable time to train the nurses who are required; but has anyone ever thought of assessing the possibility of taking the native population and training them as industrial first-aiders?

Mr. Moran: The starting point, I think, was the Prime Minister's announcement that in the initial stages our assistance to Africa would be primarily a training program in the technical and educational fields. This decision was to some extent, based on our experience in Asia that little purpose is served in giving capital projects to countries before they have people who are competent to operate and maintain them. This, I take it, is what you have been saying. Therefore, our emphasis will be on training, certainly during this next year.

I would like to see us developing in Africa what I call composite projects. If I may say so, I think there has been too great a tendency in the aid programs in North America to bring people out here for training or to send an expert abroad unrelated to some particular activity on the part of the recipient government.

You speak of nurses; we are prepared to bring people to Canada for nursing training or to bring young doctors here. We are now doing this, but I would like to see this linked to something that Nigeria or Ghana is doing themselves before we say too readily "yes, send them to Canada". Instead we must ask "where is your health centre, your medical clinic, your hospital?", and if it appears necessary we will help them in that field too. This is what I refer to as a composite project, and we have an example of this in Malaya. You will remember that Mr. Green announced some six weeks or so ago an arrangement with the university of British Columbia, which will send four of its faculty members to Malaya, to set up a school of business administration in conjunction with the university of Malaya. They will spend five years out there - not necessarily the same four members of the faculty - but U.B.C. will at all times have four professors in Malaya establishing this school, and at the same time Malaysians will be brought to the university of British Columbia to be trained and sent back home to join the staff of this school. It is our hope that at the end of five years Canada will have in Malaya a school of business administration constructed, equipped and staffed by Canada which we will then hand over to the country as a going concern.

Mr. Fleming (Okanagan-Revelstoke): I agree that this makes a great deal of sense, but supposing - and just to take an example - you decided to go into either Asia or Africa to redevelop a community and bring it down to the specific thing they want to do, rebuild housing, provide septic tanks or sewage system, develop the necessary village industries that will be required to maintain a more modern community, maintain sanitation and so on, what is being done to provide carpenters, plumbers, pipefitters, concrete workers, and so on - I mean skilled craftsmen at village or city level - that would be essential in order to make any such concept work? You cannot build these things without skilled craftsmen or tradesmen. These concepts are magnificent, but to be translated into action they must have skilled men among the population.

Mr. Moran: I agreed when you said the same thing before.

Mr. Fleming (Okanagan-Revelstoke): What I am asking you, sir, is are we now-

Mr. Moran: The answer is yes, I agree with you and this is being done under Canadian, United Nations, American and even Russian programs. This was at ["]arsak. This is what technical assistance means.¹

The Selection and Recommendation of Projects by the
External Aid Office.

Mr. Herridge, Member of Parliament for Kootenay West requested Mr. Moran to describe the functions of the E.A.O. in view of the new administration.

"Some years ago when we had the former type of administration, we had a very clear idea of chain responsibility. Now again we have this chain external aid office. /.../ I would ask Mr. Moran if he would tell us who selects or recommends projects, who decides what projects and the amount that will be undertaken, and how staff is recruited and provided?"

¹Ibid, pp. 157-159.

In return Mr. Moran outlined in detail the procedure for the selection of projects mentioned earlier.

Mr. Herridge continued to probe deeper on the Administration of the E.A.O.

"I have just two questions. Would Mr. Moran give us an illustration regarding some sample project as to how there is coordination or cooperation between the departments in Canada and between the agency of our government and the government which is receiving the aid?

Mr. Moran: The cooperation in Canada between departments is done through the external aid board, whose functions I described earlier. Abroad, the liaison with the recipient government is carried out by the Canadian diplomatic representatives in the country concerned. Was there a third group in connection with which you mentioned liaison?

Mr. Herridge: No. This is my last question: Let us say that we have a project which is completed; who reports on the completion of the project, and to whom? Does the person or agency making the report make recommendations based on experience for the improvement of administration of future projects, and is the completed project watched over a period of years after it has gone into operation?

Mr. Moran: What are the circumstances of the report? What are they reporting on?

Mr. Herridge: On the unexpected circumstances that developed in the building of the project, with a view to recommending adjustments or changes in future programs.

Mr. Moran: Yes, that comes from two sources, one of which is the company itself. In the case of Warsak, with which I am perhaps more familiar than with some of the other major projects, the Angus Robertson company, who were the construction firm, have a most complete record of experience of that project from the day that the first man arrived at the site. Not only have they a written

record but, over the years, they have prepared an album of photographs. They now have a movie film of the project as it moved through its various stages to completion.

If you wish, I could let you have some copies of the monthly reports they have submitted on the Warsak project over the past five years. Another report is a quite fully documented record of their experiences.

Mr. Herridge: With recommendations for changes or adjustments in administration?

Mr. Moran: I would not be certain whether recommendations were in it or not. They are probably included in the form of critical observations.

Mr. Herridge: From which recommendations could spring?

Mr. Moran: Yes . . . The main source of information is the Canadian government engineers. We have been using Defence Construction Limited to oversee and guide the technical aspects of these projects, and they have a man in Asia, an engineer by the name of Victor Zachenko who reports regularly to Ottawa and whose reports contain recommendations for the future. We also get reports from our diplomatic staff. For example, in recent years the despatches from our offices in Karachi and New Delhi have contained numerous recommendations. So a third source of recommendations or reports on experience is the High Commissioner himself.

Mr. Herridge: I suppose it is correct to say that recommendations would be on the technical administrative and political level?

Mr. Moran: Yes, that is just what I have been describing; the technical problems being covered in the reports of the Angus Robertson Company and of the government engineers, the administrative problems being described in reports from the Canadian government engineers and from the high commissioner's office, and the political implications being highlighted by the High Commissioner himself.¹

¹ _____
Ibid. pp. 160-161.

Problem of the Use of Counterpart Funds.

Mr. Stinson asked Mr. Moran to explain the apparent fact that about one-third of the money which Canada has spent on the Colombo Plan since its inception is presently unexpended in the form of counterpart funds in Asian banks while, at the same time, the recipient countries usually request more money than Canada might be prepared to give.

. . . It seems to me that the public gets a mistaken or wrong idea when we say we have spent something like \$330. million by way of Colombo Plan aid when in fact one-third of that money has not been spent.

Undoubtedly there are explanations for this and I suggest one is that we have not been able to come to grips with those countries in a way that will get good worthwhile projects initiated which must be paid for from the local currency in counterpart funds.

Mr. Moran: No, Mr. Stinson, that is not entirely correct. When we announce \$330. million as having been spent that is in fact, the sum of money that has been either spent or earmarked for approved projects.

The counterpart funds are over and above any Canadian appropriation for aid purposes. When we supply commodities, say, wheat, copper, aluminum or fertilizers, they are given as a gift to the underdeveloped countries on the understanding that when they are sold to consumers in these countries, the proceeds will be used for purposes of economic development on projects agreed between the two governments. They are local funds, local currencies, that are, in effect, unrelated to the dollar appropriations made by the Canadian Parliament. Those funds do not belong to Canada. They belong to India and Pakistan.

Mr. Stinson: But my point is that they have not been spent on capital projects, or at least a third of them.

Mr. Moran: Yes that is right. I am differing solely with your suggestion that only one-third of the advertised Canadian expenditure has been spent.

Mr. Stinson: I did not make the suggestion.

Mr. Moran: May I say this about counterpart funds. /.../ The total of the counterpart funds when I took office amounted to \$169 million, representing the accumulation since the Colombo Plan began in 1950. Proposals have been made in recent weeks for an expenditure of roughly \$40 million, leaving an unexpended balance of \$129 million. In addition allocations have been approved of another \$65 million so we now have something less than \$24 million in the counterpart funds to try and do something with the next year. In other words, we have now made very substantial inroads into these accumulated funds through the allocations already approved"¹

The Problem of Abuse of Foreign Aid Funds by Recipient Countries.

Mr. McGee, Member of Parliament for York-Scarborough, requested information on the problem of foreign aid actually reaching the people in the countries Canada is assisting. He made mention of President Kennedy's suggestion that a great deal of American aid was being siphoned off before it reached the people of the country concerned. The President had also suggested that there might in future be some strings attached when the question of land reform was mentioned. Mr. McGee wanted to know if such was the position in regard to Canadian aid.

¹Ibid, pp.162-163.

In reply Mr. Moran stated that it is inevitable that if millions of dollars are spent anywhere, including in Canada, there will be some of these dollars which perhaps could have been used in a more effective way. But in so far as the Canadian aid programmes are concerned, he saw no evidence that any of the Canadian funds have been siphoned off, and have not got down to the people for whom the assistance was intended.

" This is not because we are any more efficient than the Americans. I think it is due mainly to the modest size of our programmes, and also because of the areas of the world in which we operate. Our aid, as you know, - our bilateral aid - has been almost exclusively in commonwealth countries; and there you have a form of administration that is less susceptible to this type of activity than in some of the other underdeveloped countries of the world.

There are no strings attached to Canadian aid: This has been made evident in many respects. There was a question in Pakistan during my period there of adding a third kiln to the Maple Leaf cement plant which Canada had previously donated to Pakistan under the Colombo Plan. An inquiry was made of us about the country to which Pakistan might give the contract for this extension, and we were asked whether there was a Canadian preference. The answer given to the Pakistanis was that it was their factory; title had passed at the time the plant was completed and handed over to them. We said: "you now own it, so operate it." Similarly I have heard no suggestion in the recipient countries of any strings being attached to Canadian aid.¹

Long-term planning.

Mr. Stinson, when questioning Mr. Moran on the subject of long-term planning of the E.A.O., remarked that President Kennedy had proposed to Congress that arrangements

¹Ibid, p.156.

be made for longer-term commitments on the part of the legislative branch with respect to foreign aid expenditure. He pointed out that the major Canadian expenditure of \$50 million a year on the Colombo Plan is voted yearly, and he wondered if consideration is being given to working out a policy under which Canadians would know, and recipient countries would know, what to expect during the next five or six years.¹

In reply, Mr. Moran stated that he felt this was a policy question, and made no further comment. Mr. Stinson then went on to say:

"I think a lot of people are concerned about this whole problem of long-term economic assistance on the part of the two countries to the less developed areas [...] I am wondering whether there are any officers in the Office who are now concerned with this question, and whether any projections were made by them on to what Canada might do if we had a longer term programme than we have at the present moment".²

Again in reply the Chairman of the Committee stated that he felt this was a policy decision which will have to be made and because of the recent statements of the President of the United States, the government has not made any concrete decisions. However, Mr. Moran claimed that the government has, for example, in respect to the Special Commonwealth African Aid Programme, said that over the next three years \$10.5 million will be made available subject to Parliamentary approval.³

¹Ibid, pp. 163-164.

²Ibid, p.164.

³Throughout these minutes there were frequent references to developments in American foreign aid administration. However, there is not enough evidence to determine whether or not Canadian developments were based on the American pattern.

CONTENT: THE FIRST DECADE

Multilateral and Bilateral Aid

In the post-war years economic assistance to under-developed countries has flowed in two main directions; multilateral and bilateral. Multilateral aid consists of contributions made by various countries and distributed by a central international agency, such as the United Nations Organization (U.N.O.) and its specialized organizations, e.g., the World Health Organization (WHO), the Food and Agriculture Organization (FAO), and the Special Fund for Economic Development (SUNFED). Many donor countries prefer giving multilateral aid through the U.N.O. for the following reasons:

i) The donor country avoids the charge of political or other interference in a recipient country that is often applied to bilateral aid;

ii) Multilateral agencies have better opportunities than individual governments to suggest sound financial and economic policies to recipient governments; for example, the International Monetary Fund has successfully proposed needed anti-inflationary and other financial measures to member governments before giving assistance;

iii) Equipment and services can often be obtained by a U.N.O. agency from the cheapest sources of supply.

Frequently bilateral programmes must use domestic sources which may not be competitive in price with world markets.

It has been suggested that those countries which favour multilateral aid are inclined to think of themselves as being more internationally-minded than others.¹

While Canada does participate in multilateral aid programs for under-developed nations mainly through the U.N.O., the major portion of her total aid to under-developed nations has been on a bilateral basis. Again it has been suggested that people who favour this type of aid think of themselves as practical people who like the "do-it-yourself" approach.² Certainly bilateral aid schemes possess direct benefits to donor and recipient countries that often make them more attractive than multilateral schemes. The following are some of the reasons frequently given in support of bilateral aid:

i) Under bilateral arrangements donor and recipient countries can develop a close working relationship with one another, and aid can often be used fairly efficiently, as for example, in the Colombo Plan. Under a multilateral program, the donor country has no control over its funds, either as to their direction or the purposes to which they are spent.

ii) The donor country often receives direct and personal recognition by the recipient country. Thus, diplomatic relations are seemingly improved between the two countries and as a consequence donor countries are inclined to feel that their national interests are promoted.

¹John G. Hadwen and Johan Kaufman, How UN Decisions Are Made, Leyden: A. W. Sythoff, 1960, p. 107.

²Ibid., p. 107.

Mr. H. Moran, Director-General of the E.A.O., spoke to the Standing Committee on External Affairs, May, 1961, about this recognition given to a donor country by a recipient country and hence his preference for bilateral aid in certain areas of the world.

"I have been struck by the reaction of visiting Canadians who have come into areas where I have been stationed and who have seen the results of the Canadian program. They have looked at the maple leaf cement plant in Pakistan, or they have seen the Canada dam in India, and have gone away with a certain sense of pride in being Canadian . . . and they become quite ardent supporters of the Canadian aid effort. It was a moving experience travelling with Mr. Churchill to the inauguration ceremonies in India and Pakistan last January and February. As we drove along we were stopped at every village where thousands upon thousands of people were gathered to hang garlands on him, and where arches had been elaborately decorated with flowers, saying "God Bless Canada". Then we would move on to the next village with an arch proclaiming "Long Live Canada". There was certainly an awareness among those people as to where these gifts had come from, and a deep sense of appreciation . . . This is something which would not happen to Canada or Canadians if it were an anonymous project, or a United Nations project.

. . . In the recruitment of personnel I have found there is a greater desire on the part of our people to go out as Canadians, than to go out wearing an international hat; and at the other end, when the Canadian volunteer arrives, under U.N. auspices, the heading in the newspaper is "United Nations expert arrives", but if he has come under a bilateral program, the headline is, "Canadian advisor arrives". I like to see us get national credit, provided it is under an arrangement which does not affect the efficiency of the aid efforts.¹"

iii. Recipient countries who are beneficiaries of important programmes do not want to see this sacrificed to an international

¹Mr. H. O. Moran, Director-General of the E.A.O. to the standing Committee on External Affairs, Minutes of Proceedings and Evidence, May 31, 1961, p. 178.

program under which their share would be uncertain.¹

Of the classified bilateral programmes - the Colombo Plan, The Commonwealth Scholarship Plan, The West Indies Assistance Programme, and the Commonwealth Technical Assistance Programmes, only the latter two are bilateral in the full sense. Both the Colombo Plan and the Commonwealth Scholarship Plan are somewhat anomalous in that they operate bilaterally, but within a multilateral framework.² In the rest of this chapter the nature and activities of the Colombo Plan will be more fully examined than any other bilateral program as the Colombo Plan represents Canada's oldest and financially largest single foreign aid program.

Bilateral Programs.

The Colombo Plan.

Historical Sketch.

The Colombo Plan for Co-operative Economic Development in South

¹In spite of the fact that recipient countries gain direct benefits from bilateral programmes, it must be noted that these countries often prefer multilateral programmes in order to escape possible political 'strings' that might otherwise be attached to the programmes.

Reasons for bilateral aid were further advocated by:

1) J. McGill, The Origins of the Colombo Plan, mimeographed pamphlet, June 23, 1961, p. 6. This pamphlet has been subsequently published by the Department of External Affairs in co-operation with the External Aid Office, Queen's Printer, Ottawa, 1961.

2) Senator David Croll, "Economic Development of Under-developed Countries". Extract from a statement in the Second Committee of the U.N. General Assembly, New York, January 8, 1957. Department of external Affairs Information Bulletin No. 57/5, p. 6.

Reasons for multilateral aid were further advocated by:

1) J. Hadwen and J. Kaufman, Op. Cit., pp. 80-84, 104-107.

²The new Special Commonwealth Aid to Africa Programs (SCAAP) is also a bilateral plan that operates within a multilateral framework.

and South-east Asia was officially born at a meeting of the Foreign Ministers of the Commonwealth at Colombo, the capital of Ceylon, in January, 1950. This meeting was held to permit an exchange of views on world problems and in particular to consider the vital needs of the countries of South and South-east Asia. At this meeting the representatives of the newly-independent India, Pakistan and Ceylon, along with representatives of Australia, Canada, New Zealand and the United Kingdom joined in recommending that steps should be taken 'to raise the standard of living by accelerating the pace and widening the scope of economic development in the countries of South and South-East Asia by a co-operative approach to their problems, with special emphasis on the problem of the production of food'.¹

To pursue these objectives a Commonwealth Consultative Committee, consisting of representatives of the countries mentioned above, was set up in January, 1950. In September, 1950, after its second meeting, in London, it produced a report entitled, 'The Colombo Plan for Co-operative Economic Development in South and South-east Asia'. The report surveyed the economic needs of the countries in the area, the development programs prepared by the various Asian governments, and the extent to which assistance from outside would be needed to carry out these programs. This report was in effect the original 'Colombo Plan', although the term has subsequently come to mean the continuing program of cooperation to promote economic development which followed from the first report. Plans were drawn up for capital

¹The Colombo Plan for Co-operative Economic Development in South and South-East Asia, Progress Report by the Commonwealth Consultative Committee, Karachi, March, 1952, H. M. Stationery Office, London, p. 4.

development and for a technical assistance scheme over a six-year period from the middle of 1951. The Plan as envisaged, called for five billion dollars over this six-year period, and at least three billion dollars was to come from outside the area.

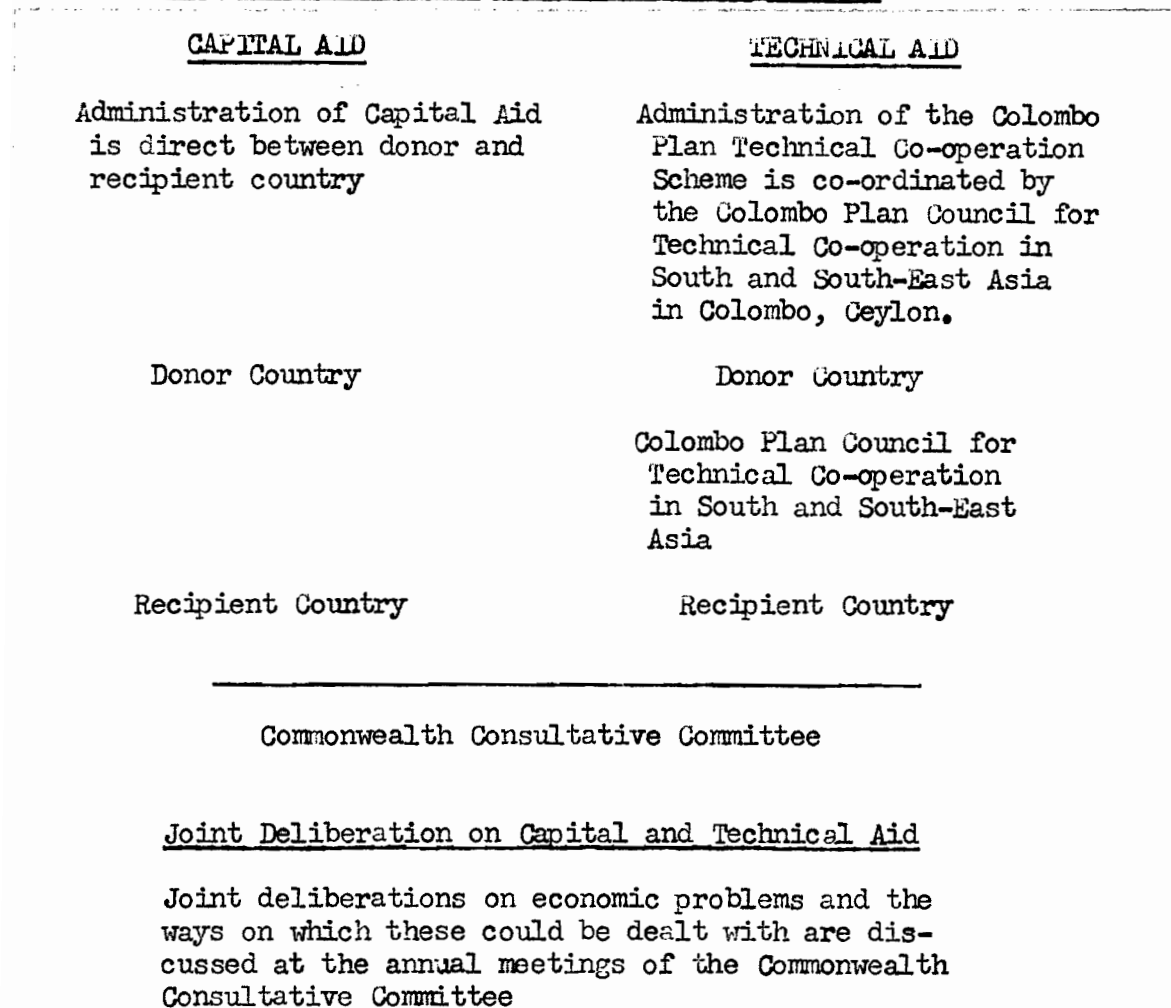
Participating Countries.

The Colombo Plan began on the initiative of Commonwealth members but it was understood from the beginning that non-Commonwealth countries in the area should be invited to participate. It was also agreed at an early stage that non-Commonwealth countries outside the area which had an important contribution to make would be welcome. Hence the United States and Japan became participants early. The following chart (see Figure 1.) lists the present participating countries with the year in which they became members of the Colombo Plan:

Figure 1. The Present Participating Countries of the Colombo Plan with the Year in which they joined.

Australia	1950	Laos	1951	Sarawak	1950
Burma	1952	Malaya	1950	North Borneo	1950
Cambodia	1951	Nepal	1952	Thailand	1954
Canada	1950	New Zealand	1950	United Kingdom	1950
India	1950	Pakistan	1950	United States	1951
Indonesia	1953	Philippines	1954	Viet-Nam	1951
Japan	1954	Singapore	1950		

Figure 2. Administration of the Colombo Plan



Administration of the Colombo Plan from Colombo. (See Figure 2.)

Although the flow of aid within the Colombo Plan area is direct from donor to recipient countries, the Commonwealth Consultative Committee, constituted of representatives from every participating country, meets annually to discuss mutual problems, to settle questions of co-ordination that arise from time to time, and to chart the course of assistance for the following year. This occasion is also an opportunity for the various representatives to get acquainted informally, thus broadening still further their bases of understanding and co-operation.

The Commonwealth Consultative Committee does not, however,

administer any funds or attempt to direct outside assistance to particular countries or projects. This is done by direct negotiation between countries offering assistance and those receiving it. Canada, for example, discusses what she can do to provide economic and technical assistance with each of the Asian participants in the Plan individually. The Colombo Plan thus combines both the element of effective control that is an attractive feature of bilateral aid and the broad international co-operation that is usually associated only with multilateral aid programs. This double advantage has gone far to make the Plan an effective instrument of progress.

The technical assistance part of the Colombo Plan, under which the services of experts, training facilities for students, and special equipment are provided, is called the Colombo Plan Technical Co-operation Scheme. The Scheme is administered by a Council composed of representatives of the member governments.

The only permanent staff associated with the Colombo Plan is a small Bureau with headquarters in Colombo. This Bureau services the Council on Technical Co-operation and provides information material on the entire Plan.

The first report of the Consultative Committee in 1950 projected a program of economic development covering a six-year period from July, 1951 to July, 1957. This period was subsequently extended and in 1959 a further extension was agreed upon. At present the Colombo Plan is to continue to 1966 with the understanding that its future will be

reconsidered in 1964.¹

Administration of The Colombo Plan from Canada.

Allocation of Funds.

This topic has been dealt with in Part II from a procedural viewpoint. Mention shall now be made of the actual amounts of money that the Canadian Parliament has voted to the Colombo Plan.

In the ten years from the beginning of the Colombo Plan to the end of the fiscal year 1959-1960, the Canadian Parliament appropriated a total of \$281.67 million for Canadian assistance to the Asian members of the Plan. The first appropriation was \$400,000 for participation in the Technical Co-operation Scheme made in the fiscal year 1950-1951. The annual contribution rose to \$25.4 million in 1951-1952, to \$34 million in 1956-1957, and to \$50 million in 1959-1960. (See Figure 3.)

Figure 3. Amount of Money Allocated by Parliament
for the Colombo Plan for the fiscal
years 1950-1951 - 1959-1960.

<u>Fiscal Year</u>	<u>Money allocated for Colombo Plan</u>
1950-1951	\$ 400,000.
1951-1952	25,400,000.
1952-1953	25,400,000.
1953-1954	25,400,000.
1954-1955	25,400,000.
1955-1956	25,400,000.
1956-1957	34,000,000.
1957-1958	34,000,000.
1958-1959	34,000,000.
1959-1960	50,000,000.

¹The Colombo Plan for co-operative Economic Development in South and South-East Asia. Report by the Commonwealth Consultative Committee, London, 1950. H. M. Stationery Office, London.

The Colombo Plan. Progress Report by the Consultative Committee. Karachi, March, 1952. Op. Cit.

The Colombo Plan. Annual Reports of the Consultative Committee on Economic Development in South and South-East Asia. 1952 - 1961. H. M. Stationery Office, London.

It is important to understand that only on rare occasions have these funds been used for direct cash grants and then only in relatively small amounts. As a rule, all of Canada's assistance takes the form of goods, equipment or technical services which are available in Canada and which are needed for a specific development program or project in the recipient country. Canada does not normally supply things like building materials which are likely to be available locally in the recipient country.

Forms of Colombo Plan Aid.

Canadian aid to the Colombo Plan countries in South and South-East Asia over the past ten years has been provided in three main forms; capital aid, commodity aid (grants of metals and foodstuffs), and technical assistance.

Capital Aid.

Under the forms of capital aid Canada has helped in the designing, building and equipping of such capital projects as hydro-electric and thermal power developments. This type of project represents an immediate and significant addition to the basic capital facilities now available in those countries, facilities which will serve to stimulate further economic development and provide a basis on which domestic and foreign private investment may be attracted. It is also a field in which Canada is well-qualified to assist.

The following detailed descriptions of capital aid projects undertaken by Canada have been selected in order to show the types of projects undertaken in the various Colombo Plan recipient

countries.¹

India - The Mayurakshi Irrigation and Hydro-electric Project.

Mr. N. Cavell, speaking to the Toronto Rotary Club, May 24, 1957, introduced the subject of power projects as an important part of the Canadian programme.

"Because the development of hydro-electric power involves the building of dams for the storage of the necessary water, this type of project serves two purposes: power is generated and irrigation is provided at the same time. Irrigation is a vital factor in the development of South-East Asia; it provides the means of a reasonable assurance of two, and sometimes three, crops a year against the uncertainty of even one when dependent entirely upon rainfall, which all too frequently fails. Such failures have given rise to terrible famines throughout Asian history and these famines have resulted in literally millions of deaths from starvation. Gradually, these conditions are being overcome and these countries are working towards the day when they will grow enough food to feed their people without the drain of finding foreign funds to purchase food abroad.² "

The Mayurakshi Project was designed to check flooding of the Mayurakshi River in West Bengal and to increase the annual food yield by 300,000 tons of rice and 50,000 tons of wheat through the irrigation of 600,000 acres of land. It was also designed to provide electric power for cottage industries and small factories which will give employment when agricultural work is not possible in the district. \$1.3 million was allocated by Canada for this project which was completed in 1956.

- Steam Locomotives. The Government of India is undertaking a

¹This list and others similar to it which follow have been compiled largely from annual reports submitted to the Standing Committee on External Affairs by E.T.A.B. and E.A.O. for the fiscal years 1959 - 1961.

²N. Cavell, "Southeast Asia and the Colombo Plan", Department of External Affairs, Information Division Publication No. 57/29.

very necessary rehabilitation of its railway system which is fundamental to the economy of the whole country. To assist with this rehabilitation India requested 120 (W.P. Type) steam locomotives. \$21.4 million was allocated for this project which was completed in 1956.

- The Bombay State Transport. The object of this project was to provide much needed transportation to the large and populous Bombay State. The Central Government at Delhi requested this aid both as an assistance to the peasants and poor cultivators to enable them to reach their markets as a measure for facilitating food distribution in the province, and for assistance in clearing wheat and other commodities from the port of Bombay: \$4.3 million was allocated for this project which was completed in 1954.

- The Canada-India Atomic Reactor. The various governments of South and South-East Asia have for a long time been investigating the possibilities of atomic power. The Atomic Energy Establishment at Trombay, near Bombay, which was formally inaugurated in 1956, in the Indian centre for research and development in the field of atomic power.

India's third research reactor was the Canada-India reactor, 'Zerlina', which is a zero energy reactor. This reactor is able to produce the full range of radio-active isotopes and it is based on the design of the NRX reactor at Chalk River, Ontario, Canada. It has substantial modifications to allow for its installation in a tropical country, and its proximity to a large centre of population and for improvements based on Canadian experience. This reactor was the first major atomic energy project to be undertaken in the field of international

assistance.¹ It is interesting to note that an arrangement has been made between Canada and India under which India will train the nationals of other Asian countries in atomic experience and that India has agreed that the reactor and any products resulting from its use will be employed for peaceful purposes only.² Canada had allocated \$81 million for the reactor project by 1959 and it was ready for testing in 1960.

- Pest control. One of the great scourges of Asia through the centuries has been a variety of pests which attack food crops. Two Beaver aircraft with spraying and dusting equipment were supplied by Canada in response to a request for aid. \$160,000 was allocated to this project which was completed in 1956.

Pakistan - Warsak Hydro-Electric and Irrigation Project. The development of hydro-electric power and irrigation at Warsak, which is situated on the Kabul River in Northwest Pakistan near the Khyber Pass, has been the most important contribution made by Canada to Pakistan under the Colombo Plan.

In its efforts to settle the frontier, the Pakistan Government must provide power for industry in a wide territory and supply irrigation where it can be used. The Warsak project envisaged damming the Kabul River for the first time and utilizing its flow to these ends. The total available energy from this hydro-electric project has been estimated at an average of 910 million kilowatt hours each year, which, it is hoped, will materially assist in the growth of developing industrial

¹"Atomic Power For Peaceful Use", The Colombo Plan, Vol. 4, No. 3, April, 1959. The Colombo Plan Bureau, Colombo.

²Articles II, III, of the Agreement on the Canada-India Colombo Plan Atomic Reactor Project.

areas to the south where a power shortage exists, and to which power can be transmitted from Warsak.

\$36.6 million was allocated by Canada and the project was completed in 1960.

Canadian firms designed and constructed the Warsak dam and power house. The generators and electrical equipment were manufactured in Canada. In January 1959 there were 157 Canadians and 10,673 Pakistanis employed on the Warsak project.¹ The Project Manager was a Canadian, and both Pakistani and Canadian engineers and other personnel worked closely together. However, Pakistani authorities were responsible for their own administrative and financial participation in the project.

Irrigation is also an important part of the Warsak project. A three and a half mile concrete-lined tunnel has been cut through the hills on the south side of the river to channel 500 cubic feet of water per second in summer and 350 cubic feet in winter, sufficient to irrigate 100,000 acres of arid flat land in the Peshawar plains. This additional acreage will enable the northwest area to grow sufficient food to support itself, and will allow the settlement on productive farms of the nomadic Mullagori, Afridi and Mohmand hill tribes to whom the land belongs.

Pakistan - Daudkhel Cement Plant. In the Thal area of the Punjab a great experiment in mass settlement is being conducted. At the time of partition Moslem refugees crowded to Pakistani cities. The Government.

¹Dr. O. E. Ault, "Warsak Project in Pakistan", The Colombo Plan, Vol. 4, No. 5, June, 1959, The Colombo Plan Bureau, Colombo. See also: "Three Major Power Projects in Pakistan: Canadian Assistance", The Colombo Plan, Vol. 6, No. 3, 1961. The Colombo Plan Bureau, Colombo.

hopes to alleviate the program by resettling some of these people in the Thalarea. Before this is possible on any sizeable scale, the land must be irrigated and a housing project must be undertaken, and the basic industries must be planned. The first of these basic industries to be undertaken has been a cement plant which will provide cement for building houses and lining irrigation canals. \$6.5 million was allocated by Canada and it was completed in 1957.

- Railway Ties. To meet the demands of an urgently needed rehabilitation of her railways, Pakistan is dieselizing her railroad system. Her loan from the International Bank for Reconstruction and Development was not big enough to pay for the large number of wooden railway ties needed for the rebuilding of many miles of track to take the larger diesels. Canada agreed to supply this deficiency with ties which were obtained on the West coast of Canada. \$2.7 million were allocated for this project. The shipment of ties was completed in 1957.

Ceylon - Fisheries Project. It was decided to assist the Ceylon Government to provide more protein in the food of its people as suggested by the W.H.O. It was suggested that the best way to do this was to put more fish into the diet. Canada was asked to provide a fishing experimental project to determine the fish population potential in coastal waters, and the most efficient methods of harvesting fish. Canada provided two fishing vessels, a trawler, a small refrigeration plant, and a reduction plant for extraction of fish oils. \$1.4 million had been allocated for this project by the end of 1959.

- Gal Oya Transmission Lines. The Ceylon Government is opening up projects in sparsely populated areas of the country and the Gal Oya

project is the largest of these where it is hoped to settle a considerable number of immigrants from the West coast of Ceylon. Canada supplied power distribution lines for this area. \$2.6 million had been allocated by 1959 and at that date the original request had almost been completed.

Commodity Aid

i. Metals. Commodity aid in the form of metals, mostly copper and aluminum, has assisted the Asian countries in keeping their newly-established industries in production and in maintaining employment. Each country which received commodities establishes local counterpart funds equal to the dollar value of the Canadian grants. These funds are then used for economic development purposes as agreed between Canada and the recipient countries. For example, during the fiscal years 1953 - 1954 and 1957 - 1958, \$5 million and \$10.8 million were allocated respectively to India to supplement shortages of aluminum and copper. From the sale of these commodities counterpart funds were created to help finance local costs of other Colombo Plan projects as agreed between Canada and India.

Counterpart funds also help alleviate pressure on scarce foreign exchange reserves.

ii. Foodstuffs. The objectives of the Colombo Plan have always been to endeavour to make South and South-East Asia countries self-sustaining, particularly in regard to food. Nevertheless when there are disastrous food shortages, long-term objectives must give way to measures needed to meet severe famine conditions caused by floods or droughts. Like other commodity aid, aid in the form of foodstuffs, mainly wheat and flour, is used for local counterpart funds. For example, during the fiscal years 1953 - 1954 and 1955 - 1956, \$493,416.00 were allocated to Ceylon for the

purchase of flour. From the sale of this flour counterpart funds were established for the Institute of Practical Technology at Katubedde.

Technical Assistance.

The countries of the Colombo Plan area continue to require scientists, technicians, engineers and people with administrative and managerial skills and aptitudes to assist them in the development of their natural resources, the modernization and mechanization of their agriculture, the expansion of industry, transportation and commerce, and the training of an effective governmental, business and professional community. To emphasize the importance of technical assistance to these countries, the following account of the differences between the Asian society and the North American society has been selected:

Technical Assistance is perhaps the most vital need of the under-developed areas. Probably the first thing a Canadian child falls over when learning to walk is its mother's vacuum sweeper and then, throughout its childhood and its education, it becomes acquainted with automobiles, electrical appliances of all kinds, and through these contacts, our children acquire a surprising amount of technical knowledge and efficiency. They become part of the new mechanical age. By contrast, all the Asian child learns is how to twist a bullock's tail to obtain more speed out of him. The result is that technical development is seriously held up in these areas for the want of technical people of all kinds and before much can be done, this deficiency must be dealt with. Also, the Asian countries are very short of administrative staff, both in the field of business and government.¹

In addition to more direct achievements, the technical assistance program provides opportunities for personal contacts and exchanges which have helped to make Canada better known in South and South-East Asia, to make these countries better known to Canada, and to build the foundations for better mutual understanding. Of the total annual Colombo Plan

¹N. Cavell, Op. Cit.

appropriation of \$50 million, some two percent is spent annually on technical assistance.

Canada's technical assistance to the Colombo Plan countries falls into two categories. On the one hand, Canadian technical 'advisers' are supplied to the area to teach, advise, or perform specific tasks requiring specialized knowledge. On the other hand Asian 'trainees' are brought into Canada for training in commercial and industrial establishments, study, and observation.

Canadian Advisers Abroad

In the period, 1950 - 1960, 173 individual Canadians have served abroad on technical assistance assignments under the Colombo Plan.¹ They have included school and university teachers, flying instructors, fisheries experts, agriculturalists, accountants, statisticians, nurses, doctors, geologists, and a variety of other experts.

Asian 'Trainees' in Canada

The 1,500 'trainees' from sixteen Asian countries who came to Canada under the Colombo Plan in the same period (1950-1960) have covered a much broader list of study fields. The fifty-eight general categories into which their studies can be classified include agriculture, forestry, hydro-electric power development, industrial methods, public administration and finance (civil service procedure, immigration policy, budget planning), community organization, medical nursing, and public health.

In this period the Colombo Plan arrivals to Canada increased by

¹Table 'iv' Report on Canadian External Aid Programmes, May, 1961, submitted to the Standing Committee on External Affairs by the External Aid Office, May, 1961. (Mimeographed).

approximately seventy percent. (See Figure 4.). Fifty percent of all the training was of a practical non-academic nature, and sixty-eight percent of the academic training was post-graduate.

Figure 4. The Increase of Colombo Plan Trainees
in Canada 1951-1960.

<u>Year</u>	<u>Number of Trainees in Canada</u>
1951	59
1955	139
1959	288

The administration of the Technical Co-operation Service program benefited very largely from constructive advice and assistance of Federal and Provincial government department, the Universities, business and industrial concerns, and many private and public agencies and individuals. The following projects are listed as examples of types of training projects that resulted from the combined efforts of the agencies above:¹

i. In 1952 a training program in public administration was given to twelve junior civil servants of Pakistan. Their program was arranged by a collaboration of the Federal government and the provincial governments of Alberta, Saskatchewan, Ontario and Quebec, the Universities of Laval and St. Francis Xavier, and other institutions and industrial firms. In addition, an endeavour was made to give as complete a picture of life and democratic processes in Canada. Later this course was

¹Information on the training projects was taken from the Department of Trade and Commerce Annual Reports 1950 - 1960.

arranged in co-operation with Carleton University. By 1960 there were twenty students enrolled in this course under the sponsorship of not only the Colombo Plan but of the Commonwealth Technical Assistance Program, The Canada - West Indies Aid Program, and the U.N. aid program.

ii. Public health officials from India and Pakistan were in Canada for two months in 1952 to inspect public health and medical facilities. They took a special interest in the lowering of tuberculosis rates and in the development of rural community health services.

iii. In 1955 ten Indonesian candidates were sponsored in courses leading to a Bachelor degree in engineering. Six of these students were established at the Nova Scotia Technical College, and four were established at the University of Saskatchewan.

iv. Training in Co-operatives has formed an important part of technical assistance since the beginning of the Colombo Plan. To increase the effectiveness of Canadian aid in this field and to make the facilities available in Canada more widely known, a group of senior officials from the different Colombo Plan countries were invited to visit co-operative organizations across Canada on a program arranged with the Department of Agriculture and the Co-operative Union of Canada in 1959. Officials from Burma, Malaya, Pakistan, Ghana and the West Indies participated in this program.

As pointed out earlier, one of the most important features of the Technical Co-operation aspect of the Colombo Plan is that, because it involves an exchange of persons, there is a benefit in both directions. Canada has been brought into closer contact with Asia, and Canadians have come to know and understand the countries and peoples of Asia much better in these past ten years.

Co-ordination between Capital and Technical Aid

In the recruitment of technical experts and the arrangement of training facilities under the Colombo Plan, Canada has always placed emphasis where possible on the integration of technical and capital aid projects. This attitude was clearly revealed by Mr. Benjamin Rogers, Canadian Representative on the Second (Economic and Financial) Committee of the United Nations General Assembly, when he spoke to the Committee, November 5, 1957:

"In the operation of this programme (The Colombo Plan) it has been the Canadian experience that it is most important for both technical and capital assistance to be closely related. Many capital assistance programmes could not be undertaken if technical assistance programmes had not prepared the way. Furthermore, it is difficult and, in our experience, undesirable to maintain a rigid distinction between the technical and capital assistance. In many specific examples it is difficult to classify particular projects. For example, is the equipment to be provided in support of a technical assistance expert to be classified as capital assistance or technical assistance? In a real sense it does not matter. What does matter is that the total volume of economic aid available be used in the most efficient possible ways. Therefore, my delegation does not find it possible to separate technical assistance and capital assistance into rigid categories and indeed we feel that only by closely relating them can the best possible results be achieved.¹"

A very concrete example of the co-ordination between capital and technical assistance was the fisheries project in Ceylon mentioned earlier. In this project which was set up on the recommendation of Canadian fisheries experts, a number of Canadian technicians were employed in addition to the provision of two vessels and two plants. This project was the largest single undertaking of Canadian experts.

¹B. Rogers, "Canada's Views on U.N. Technical Assistance Programme." Statement to the Second (Economic and Financial) Committee of the U.N. General Assembly, November 5, 1957. Department of External Affairs, Information Division Publication No. 57/42.

Other Bilateral Aid Programmes

Canada - West Indies Aid Programme

Canada undertook a \$10 million programme of capital and technical assistance to the West Indies over a period of five years from 1958 to 1963. In the first fiscal year 1958 - 1959 the program started with a capital assistance allocation of \$1.25 million and a technical assistance allocation of \$1.47 million.

The capital assistance allocation represented the initial installment towards the supply of two ships by Canada for the West Indies inter-island service. A total of \$6.25 million has been allocated to this project and the ships were ready by July, 1961. Consideration has also been given to the provision of equipment for various ports in the West Indies, aid to the University College in Jamaica, and a soil survey over a five-year period.

Under the technical assistance co-operation programme, thirteen Canadian experts went to the West Indies. These included a team of soil surveyors for the Imperial College of Tropical Agriculture in St. Lucia, a statistical adviser to Jamaica, two vocational instructors to the recently established Vocational Training Institutions at St. Kitts. Seventeen of the twenty-three West Indians who came for training in 1959 took university courses, mostly at the post-graduate level. The greatest number of these undertook studies in education and public administration. Other fields of training included agriculture, co-operatives, and public health.

The Canada - Ghana Assistance Programme

The Canada-Ghana Assistance Program only operated as such for one

year, 1958, and then became incorporated into the Commonwealth Technical Assistance Program. In 1958, however, two Canadian technical advisers were supplied to Ghana, and three Ghanaian undergraduates were given courses in agriculture and medicine in Canada.

The Commonwealth Technical Assistance Programme

The Commonwealth Technical Assistance Programme was first announced at the Commonwealth Trade and Economic Conference in Montreal in September, 1958. It provided for technical assistance to be given to Commonwealth countries which were not eligible for assistance under the Colombo Plan or the Canada - West Indies Aid Programme. It also included some of the United Kingdom dependencies in Africa and elsewhere. Ghana and Nigeria have received the greatest amount of aid as of 1960. Under this programme Canadian technical advisers were sent abroad to investigate some projects similar to Colombo Plan projects. Likewise trainees were brought to Canada and undertook studies in approximately the same fields as Colombo Plan trainees.

The Commonwealth Scholarship and Fellowship Plan

The Commonwealth Scholarship and Fellowship Plan was established in principle at the Montreal Commonwealth Trade and Economic Conference in 1958. Among its aims is the provision of opportunities for Commonwealth students to undertake advanced courses in other Commonwealth countries. At the Conference, the Commonwealth countries recognized 'that their people should be able to share as widely as possible the advantages of education of all kinds and at all levels'.¹ The aims of

¹Report to the Standing Committee of External Affairs, 1960. External Aid Office, 1960. (Mimeographed).

the Canadian Government were further elaborated by Mr. George Drew, Canadian High Commissioner to the United Kingdom, in 1959 when he spoke to the Commonwealth Education Conference at Oxford, England:

"Broadly speaking, the Canadian Government made clear that the plan should supplement the various programmes already operating within and outside the Commonwealth for the purpose of providing technical assistance to less-developed countries. These programmes are designed primarily to advance the knowledge, techniques and skill required for economic advancement and development. But as was stated at the Conference in Montreal (The 1958 Commonwealth Trade and Economic Conference), "development brings with it an ever increasing need for people equipped with general training to serve all the elaborate and varied processes of a complex society". The Conference was thus dedicated to a broad concept of education.

.....

The plan for scholarships and fellowships should not be regarded as one designed simply for the purpose of opening new opportunities to scholars of the less-developed parts of the Commonwealth. Naturally it is our desire that such opportunities be made available on the widest possible scale, but we regard this as a reciprocal plan through which selected young men and women from every part of the Commonwealth will gain a better understanding of the life, culture and institutions of other countries in the Commonwealth. We believe that we Canadians shall gain no less than the smaller and newer members of the Commonwealth if our young scholars are able to increase their knowledge and understanding of the wider problems and aspirations within the Commonwealth through the operation of such a programme.¹

The scholarships are intended for those who may be expected to make a significant contribution to their own countries on their return from study abroad.

The Montreal Conference expected that within a few years after

¹Hon. G. Drew, "The Commonwealth Scholarship Plan". An address to the Commonwealth Education Conference, Oxford, July 15, 1959. Department of External Affairs Information Division, Publication No. 59/25.

See also Rt. Hon. J. G. Diefenbaker, "The Role of The University in the Modern World". An address to the University of Delhi, India, November 22, 1958. Department of External Affairs Information Division, Publication No. 59/7.

its inception the Plan would cover some 1,000 Commonwealth scholars and fellows of which 250 would be in Canada in any one year. The cost to Canada is \$1 million offered annually. In the first fiscal year of the Plan, 1960-1961, 101 scholarships were awarded in the arts, sciences and social welfare. These scholarships are normally for a post-graduate study period of two years.

Special Commonwealth Aid to Africa Programme (SCAAP)

This Programme was announced by the Prime Minister in September, 1960 and it makes provision for assistance to the Commonwealth countries and areas of Africa, whether independent or not, of \$10.5 million over a period of three years beginning April 1, 1961. Although this programme is just beginning to get under way, it may prove to be a very important feature of the Canadian aid programme and in time, be comparable to the Colombo Plan. The states or territories in Africa which are eligible for assistance under this programme are Sierra Leone, Gambia, Ghana, Nigeria, Kenya, Uganda, Tanganyika, the Federation of Rhodesia and Nyasaland, Basutoland, Bechuanaland, Swaziland, Mauritius and Zanzibar.

Multilateral Economic Aid Programmes.

Canada participates in three multilateral economic aid programmes: The United Nations Expanded Programme of Technical Assistance to Under-developed Countries; The Special United Nations Fund for Economic Development; and the International Atomic Energy Agency. By 1960 Canada had contributed \$18.8 million to these programmes since their inception.¹

¹Material for Multilateral Aid Programs was taken from Report to the Standing Committee of External Affairs, 1960. External Aid Office, Op. Cit.

The United Nations Expanded Programme for Technical Assistance to Under-developed Countries.

Canada has actively supported this Programme since its beginning in 1950. The Programme is financed by voluntary contributions of governments and is designed to provide experts, training facilities and technical knowledge to underdeveloped countries. This programme has become one of the most widely supported and effective activities of the United Nations. Canada's total allocation by 1960 was \$12.92 million.¹

The Special United Nations Fund for Economic Development (SUNFED).

This programme began operation in 1959 and is designed to help under-developed countries in such fields as surveying natural resources, and establishing facilities for technical training, education and public administration. It has concentrated on relatively large projects which are beyond the scope of the UN Expanded Program of Technical Assistance. Canada allocated \$2 million for 1960 and in doing so, rated fifth amongst the twelve largest contributors. (See Figure 5.).

Figure 5. The Twelve Largest Contributors to SUNFED.

<u>Countries</u>	<u>Pledges for 1960</u> <u>(US Dollars)</u>
United States	\$14,000,000. (est.)
United Kingdom	5,000,000.
Netherlands	2,440,105.
Sweden	2,103,000.
Canada	2,000,000.
Germany, Federal Republic	1,904,762.
France	1,072,000.
USSR	1,000,000.
India	700,000. (est.)

¹This agency provides the same type of assistance as that given under the Colombo Plan.

Italy	\$ 600,000.
Japan	480,000.
Norway	419,992.

Special Aid Programme.

Canada contributes on a voluntary basis to the budgets of a number of U.N. aid programme designed to deal with problems such as the care and settlement of refugees. In addition Canada has also made contributions to meet special phases of these programmes and to other organizations which deal with emergencies such as famine and floods. The total contribution Canada has made to these special programmes by 1960 amounted to \$120. million, exclusive of post-war relief and reconstruction grants. Among the refugees aid programmes have been the Hungarian, Palestinian, Far Eastern.

Figure 6. Total Amount of Canadian Foreign Aid Economic Contribution to Under-developed Countries, 1945 - 1962

	Expenditures to March 31, 1961	Appropriations Main Estimates 1961-1962	Total March 31, 1962
1. Contributions to Economic Aid Programmes			
A. <u>Bilateral</u>			
Colombo Plan	\$331.67	\$50.00	\$381.67
Commonwealth West-Indies Aid Programme	5.52	1.50	7.02
Commonwealth Technical Assistance Plan	.63	.12	.75
Commonwealth Scholarship and Fellowship Plan	.51	1.00	1.51
Commonwealth Special African Aid Programme	-	3.50	3.50
Total	<u>\$337.82</u>	<u>\$56.12</u>	<u>\$394.45</u>

Expenditures	Appropriations	Total
to	Main Estimates	March 31,
March 31, 1961	1961-1962	1962

B. Multilateral

U.N. Technical Assistance	\$ 14.81	\$ 2.10	\$ 16.91
U.N. Children's Fund	12.63	.65	13.28
U.N. Special Fund	3.82	2.30	6.12
Miscellaneous Grants	.32	.06	.38
Total	\$ 31.58	\$ 5.11	\$ 36.69

2. Contributions to Special
Aid Programmes

A. Refugee

Hungarian	\$ 16.22	\$ -	\$ 16.22
IRO, UNREF, UNHCR	20.26	.29	20.55
Palestine Refugees	12.29	.50	12.79
Far Eastern Refugees	.22	.06	.28
Tubercular Refugee Programme	.60	.05	.65
Total	\$ 49.59	\$.90	\$ 50.49

B. Other

U.N. Korean Reconstruc- tion	\$ 7.75	\$ -	\$ 7.75
Wheat/Flour to India, Pakistan, Ceylon	35.00	-	35.00
Misc. Relief in Kind	15.97	-	15.97
Total	\$ 58.72	-	\$ 58.72

3. Loans and Advances

Colombo Plan Countries for purchase of Canadian wheat and flour	\$ 34.50	-	\$ 34.50
Total			\$ 34.50

GRAND TOTAL			\$574.85
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The Estimates for 1961-1962

In the Estimates of the Department of External Affairs for 1961-1962 a total of \$63. million has been included to finance Canada's contributions to these various bilateral and multilateral international economic and special aid programmes. In the field of bilateral aid Canada again provided \$50 million for the Colombo Plan, \$1.5 million for the Canada - West Indies Assistance Programmes, \$120,000 for the programme of technical assistance to Commonwealth countries and territories, and \$1. million for the Commonwealth Scholarship Plan and \$3.5 million to finance the first phase of the Special African Aid Programme. Canada also contributed \$5.1 million as her share in the various multilateral aid programmes in which she is participating and \$1.8 million was provided for special assistance.

Although there are good reasons for a country like Canada to proportion more of its foreign aid for under-developed countries by multilateral arrangements, it seems evident that the Canadian Government has preferred to handle the bulk of its foreign aid by bilateral arrangements. It might be concluded that the Canadian Government has enjoyed somewhat the direct public recognition derived in this way for obvious reasons.

Although the Canadian projects have been given brief treatment in this chapter, it is fair to say that the extent of Canadian aid appears to be substantial to Canadian eyes at any rate. According to the latest figures, by 1962 the Canadian Government had appropriated more than \$574. million for foreign aid to under-developed countries. (See Figure 6.).

Canada's part in the Colombo Plan project is worthy of special mention both as regards capital aid and technical assistance, and this Plan is to be commended for its part in teaching international co-operation and understanding. It can only be expected that Canada's contributions to the multilateral projects and the bilateral projects, notably the West Indies Aid Programme and the Special Commonwealth Aid to Africa Programme, will increase in the near future with the ever-growing awareness of economic problems in the under-developed countries.

CONCLUSION

Assessment of the Evolution of Political Policies to Canadian Foreign Aid

From 1950 to the end of 1960 a few dominant themes have appeared in the analysis of the record of the three major political parties' attitude to foreign aid. It is clear that in 1950 all the parties accepted the necessity and obligation of foreign aid to the under-developed countries. Hence it appears that the only real differences among the parties were those of degree. The standard government role was to make sizeable initial contributions to foreign aid and then maintain a policy in defence of this position. The standard opposition role was to support the government appropriation for foreign aid but to press immediately for far larger contributions, either in money or in kind. It is interesting to note that the two major parties appeared quite capable of switching these roles with little difficulty to fit their changed circumstances. When the Liberal party went out of office, they quickly abandoned their former arguments for defending foreign aid contributions, and they assumed the former arguments of the Progressive Conservative Party and on occasion those of the C.C.F., in advocating increased aid. Likewise the Progressive Conservatives, on assuming office, immediately increased the foreign aid appropriations and then took over the former Liberal Administration tactics of defence of this position. Thus it seems evident that by the end of 1960 only the scope of Canadian foreign

aid had changed and there is really not much evidence of basic political attitudes changing over the years.

Assessment of the Administration of Canadian Foreign Aid

In the early years of the administration of Canadian foreign aid, the Canadian record revealed a very informal beginning. No new administrative machinery was set up; rather, staff was borrowed from existing ministries with minimum disruption and to all intents and purposes the administration was housed in the Department of Trade and Commerce. The history of foreign aid administration revealed three distinct phases - that of the administration known as the International Economic and Technical Co-operation Division, the Economic and Technical Assistance Branch and finally, the External Aid Office. In addition to its informal beginning, the administration was early divided in responsibility, and this division in large measure almost inevitably led to conflicts and at times confusion within the administration. By 1960 long-term planning regarding foreign aid was accepted by the government and it was evident that some change in administrative machinery was necessary. In that year, the External Aid Office was created, and although there are still some difficulties connected to the administration of foreign aid, this new centralized machinery will be able to cope more adequately in the future.

Assessment of Canada's Economic Aid Programmes

So far as they have been in operation, Canada's economic aid programmes have been, by and large, successful. A great deal has been accomplished during the years 1950 - 1960 inclusive due to the overall high quality of those directing and participating in the programmes

and their readiness to benefit from the experience of each other.

It is of course fair to say that undoubtedly there have been mistakes. These were inevitable in a novel adventure in which it was necessary to proceed largely by trial and error. There is still room for improvement as the people concerned come to appreciate more fully the complexity of the operation in which they are engaged. For example, it has already taken time to learn how difficult it could be to secure the right kind of people or training facilities really needed.

We all know of experts or students who have been almost overwhelmed by the adjustments which they have had to undergo or the frustrations to which they have been subjected. Yet when the right kind of technical assistance has been supplied we have seen what returns and satisfactions it could bring.¹

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Perhaps the most basic need for Canadians in their approach to foreign aid is to have the 'right attitude'. To regard the underdeveloped countries as being permanently 'on the dole' is not the right solution. Canadians are beginning to realize that assistance is not simply a matter of transplanting equipment or methods wholesale. The West has in the past been inclined to replace the old-fashioned 'holier than thou' superiority attitude with a no less objectionable modern equivalent which might be expressed as 'more know-how than thou'. It has become apparent that a substantial adaptation is required in the Western way of doing things to fit them to conditions and cultures which have existed for centuries and cannot easily be displaced. There is in Canada a growing respect for the ambitions of the underdeveloped

¹Mr. L. B. Pearson, speaking to the Conference on Canadian Aid to Underdeveloped Countries, Ottawa, May 27-28, 1955. United Nations Association in Canada, 1955.

countries and a growing awareness that the people of these countries can, by their own efforts and with some help from outside, break the shackles of poverty and achieve a sustained rate of economic growth that will yield a fuller and more fruitful life.

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