

**CANADIAN DEVELOPMENT ASSISTANCE
TO PAKISTAN, 1951-1971: AN ASSESSMENT**

BY

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**A Thesis
Submitted to the Faculty of Graduate Studies
in Partial Fulfillment of the Requirements
for the Degree of**

MASTER OF ARTS

**Department of History
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A Thesis/Practicum submitted to the Faculty of Graduate Studies of the University of Manitoba in partial fulfillment of the requirements for the degree of

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ABSTRACT

From 1951 to 1971, Pakistan received a large share of total Canadian development assistance disbursed during that period. Only India secured more Canadian foreign aid. While Canadian aid to Pakistan ranked second in Canada's overall program, the amount of aid was small in comparison to that provided by other donor nations, and therefore had little discernable impact on Pakistan's overall development during the period studied.

External pressures, frequent dissent from linguistic and ethnic minorities within Pakistan, and numerous conflicts with its neighbour India, seriously inhibited political stability and economic growth in Pakistan. The high level of American military and economic assistance delivered to Pakistan ensured that Pakistan's civil and military élites were able to maintain their control over the state apparatus. In some respects, pre-existing political and economic difficulties worsened, thus limiting the impact of aid arriving from Canada and other donors.

Canada's development assistance program in Pakistan, while significant in the context of Canada's overall program, was not large enough to facilitate dramatic political change nor was it intended to do so. Rather, its purpose was to help build the economic framework that would maintain the political status quo.

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CONTENTS

ABSTRACT	ii
ACKNOWLEDGEMENTS	iii
ABBREVIATIONS	v
LIST OF TABLES	vi
LIST OF MAPS	vii
CHAPTER ONE INTRODUCTION	
Historiography	1
Focus and Scope	6
Methodology and Constraints	7
Thesis outline	8
CHAPTER TWO MODERN FOREIGN AID: BACKGROUND	
Modern Foreign Aid Begins	11
Canada and Asia	17
Background to Canada's Modern Foreign Aid Program	20
The Motivations Behind Canadian Foreign Aid	32
CHAPTER THREE TOWARDS THE COLOMBO PLAN	
Pakistan Prior to Colombo	37
The Colombo Plan	46
Official and Public Reaction	56
Why Canadian Aid to Pakistan?	58
CHAPTER FOUR CANADA AND PAKISTAN: SPECIFICS OF AID	
Civilian Rule in Pakistan, 1947-1958	62
Canada's Aid Response, 1950-1955	72
Pakistan's First Five-Year Plan, 1955-1960	96
Canada's Aid Response, 1955-1960	100
Military Rule in Pakistan, 1958-1969	106
Pakistan's Second Five-Year Plan, 1960-1965	110
Pakistan's Third Five-Year Plan, 1965-1970	113
Canada's Aid Response, 1960-1971	114
CHAPTER FIVE SOUTH ASIA IN CRISIS	
Background to Bangladesh Separatist Movement	129
Pakistan's Civil-War and Canada's Response	134
Pakistan's War with India, 1971	137
Canada's Aid Response, 1971	138
The Aftermath	140
CHAPTER SIX POSTSCRIPT	
Canada and Bangladesh After 1971	143
Canada and Pakistan After 1971	149
Quantitative Assessment	153
Conclusion	157
BIBLIOGRAPHY	162

ABBREVIATIONS

CANDU	Canada Deuterium-Uranium Reactor
CENTO	Central Treaty Organization
CCC	Canadian Commercial Corporation
CIDA	Canadian International Development Agency
CIRUS	Canada-India Nuclear Reactor
CMEA	Council for Mutual Economic Assistance
COMECON	See CMEA
DAC	Development Assistance Committee (see OECD)
DEA	Department of External Affairs
EAO	External Aid Office
EPWAPDA	East Pakistan Water and Power Development Authority
FAO	United Nations Food and Agriculture Organization
FSAS	French Speaking African States
GDP	Gross Domestic Product
GNP	Gross National Product
IAEA	International Atomic Energy Agency
IBDF	Indus Basin Development Fund
IBRD	International Bank for Reconstruction & Development
ICA	International Co-operation Administration
IETCD	International Economic and Technical Co-operation Division
IMF	International Monetary Fund
KANUPP	Karachi Nuclear Power Plant
NATO	North Atlantic Treaty Organization
OECD	Organization for Economic Co-operation & Development
PPP	Pakistan People's Party
PRC	People's Republic of China
SCAAP	Special Commonwealth Africa Assistance Program
SEATO	South East Asia Treaty Organization
SSEA	Secretary of State for External Affairs
UNDP	United Nations Development Program
UNETAP	United Nations Expanded Technical Assistance Program
UNFPA	United Nations Fund for Population Activities
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIPOM	United Nations India-Pakistan Observation Mission
UNMOGIP	United Nations Military Observer Group in India-Pakistan
UNRRA	United Nations Relief and Rehabilitation Administration
USAID	United States Agency for International Development
USSR	Union of Soviet Socialist Republics
WAPDA	Water and Power Development Authority
WFP	World Food Programme

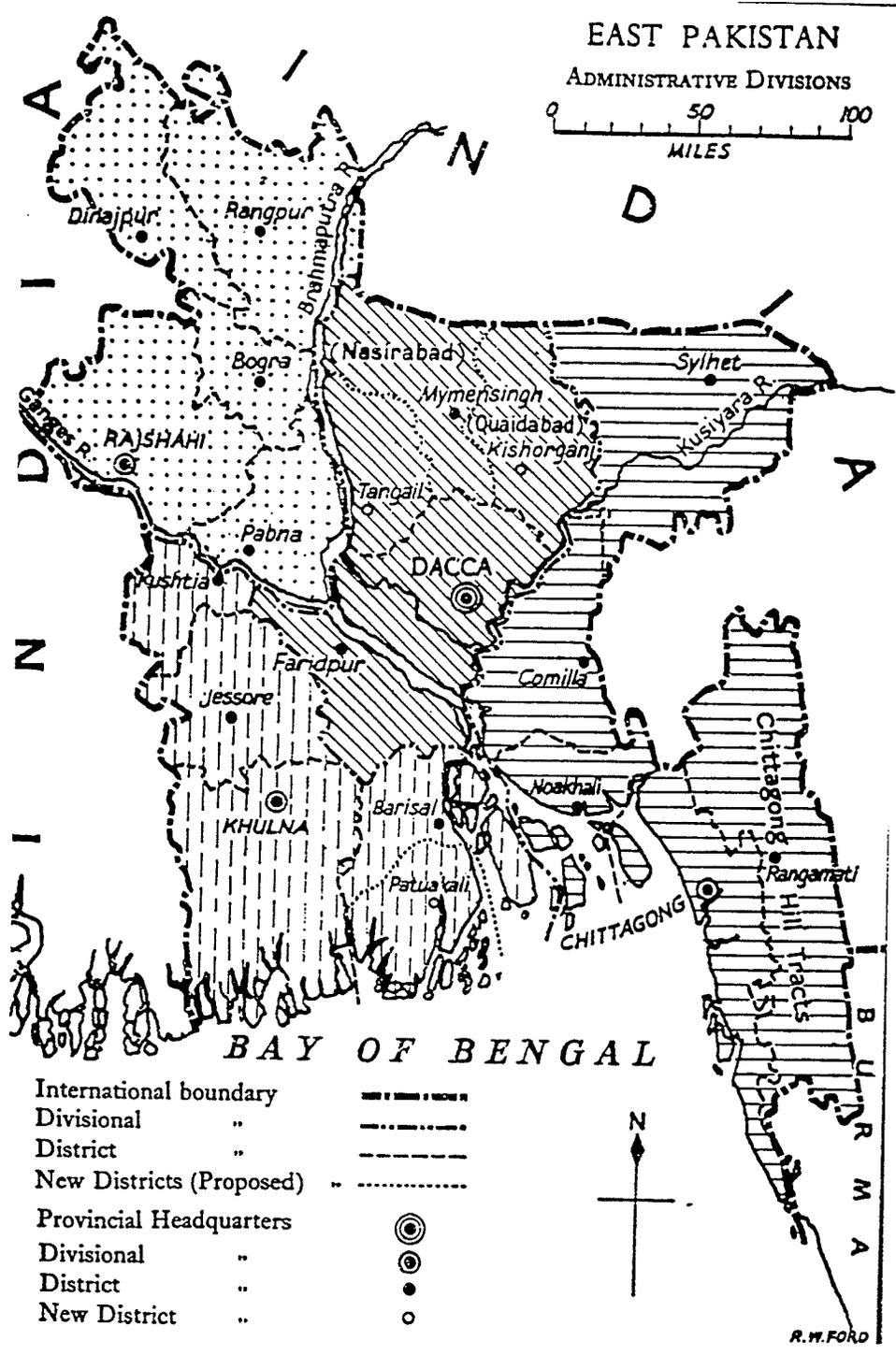
LIST OF TABLES

3.1	Colombo Plan Investment Distribution	54
3.2	Canadian Aid to Pakistan by Year, 1951-1952 to 1970-1971	60
4.1	Canada's Colombo Plan Allocations in Pakistan, 1951-1952	75
4.2	Canadian Bilateral Disbursements to Pakistan by Type, 1951-1952 to 1954-1955	94
4.3	Canadian Project Aid Commitments to Pakistan, 1951-1952 to 1954-1955	95
4.4	Canadian Bilateral Disbursements to Pakistan by Type, 1955-1956 to 1959-1960	103
4.5	Canadian Project Aid Commitments to Pakistan, 1955-1956 to 1959-1960	105
4.6	Canadian Bilateral Disbursements to Pakistan by Type, 1960-1961 to 1970-1971	126
4.7	Canadian Project Aid Commitments to Pakistan, 1960-1961 to 1970-1971	127
5.1	Canadian Project Aid Commitments to Pakistan, 1971-1972	139
5.2	Canadian Aid to South Asia, 1970-1971 to 1973-1974	142
6.1	Top ten Recipients of Canadian Bilateral Aid, Selected Years, 1970-1971 to 1990-1991	148
6.2	Canadian Bilateral Disbursements by Region, 1950-1951 to 1970-1971	154
6.3	Canadian Bilateral Disbursements to Pakistan & India as Percentage of Total	155
6.4	Canadian Bilateral Disbursements to Pakistan & India, 1950-1951 to 1970-1971	156

LIST OF MAPS

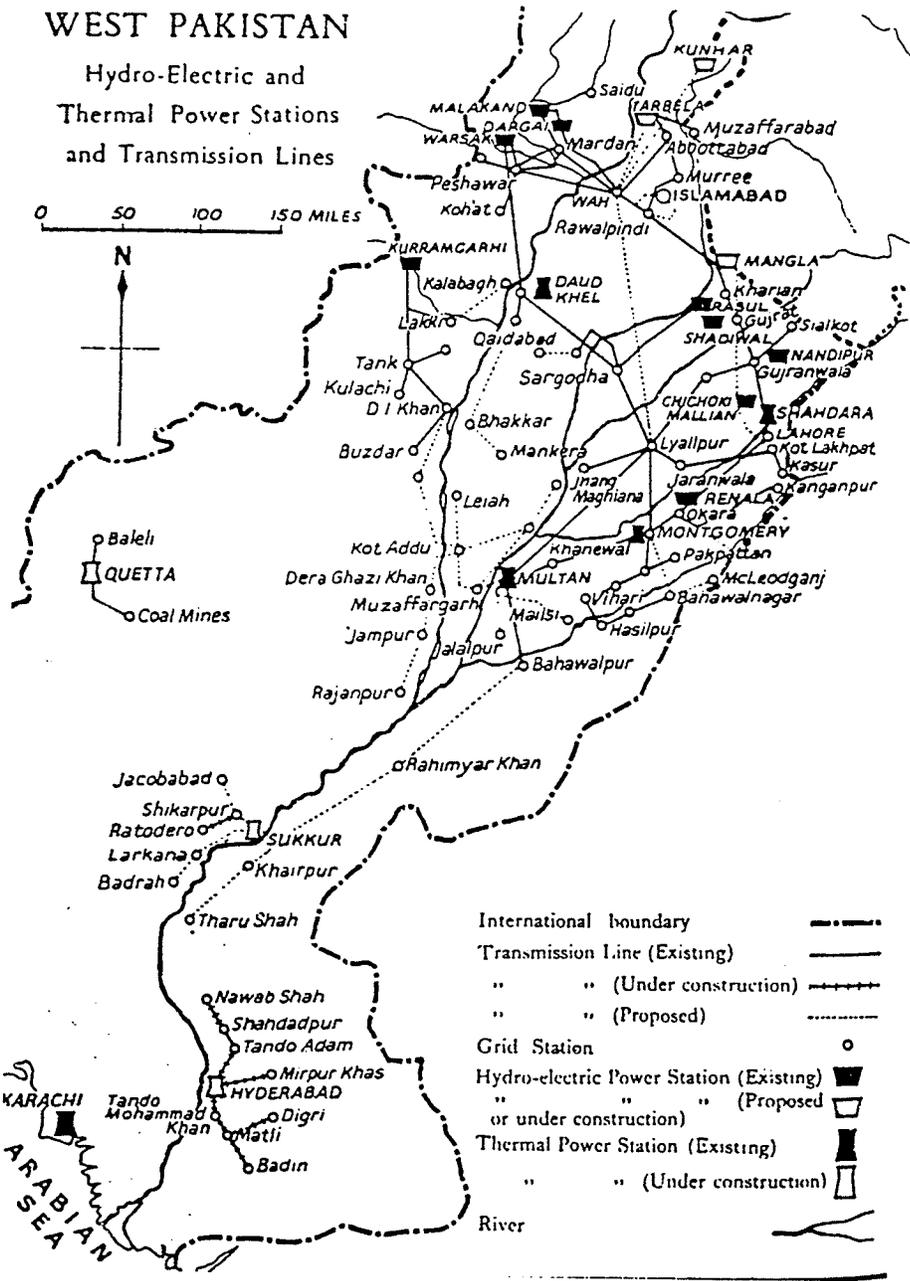
West Pakistan Administrative Divisions	viii
East Pakistan Administrative Divisions	ix
West Pakistan Hydro-Electric and Thermal Power Stations and Transmission Lines	x
East Pakistan Power Stations and Transmission Lines	xi

***Note: Source for maps is Ahmad, Khazi S. A Geography of Pakistan. Pakistan: Oxford University Press, 1964.**

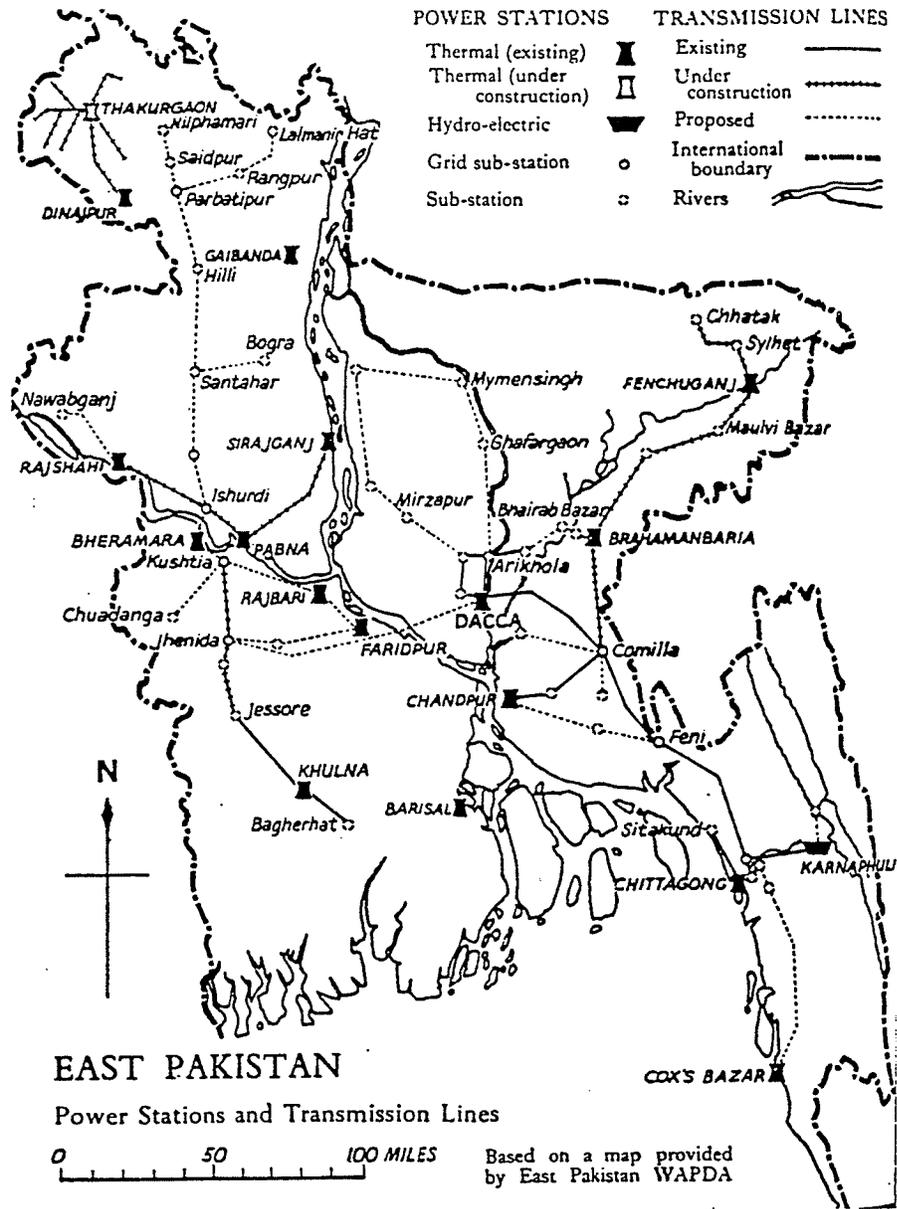


WEST PAKISTAN

Hydro-Electric and Thermal Power Stations and Transmission Lines



- International boundary -----
- Transmission Line (Existing) _____
- " " (Under construction) - - - - -
- " " (Proposed)
- Grid Station o
- Hydro-electric Power Station (Existing) ■
- " " " (Proposed or under construction) □
- Thermal Power Station (Existing) ■
- " " " (Under construction) □
- River ~



CHAPTER ONE

INTRODUCTION

Historiography

Since 1951, Canada's modern foreign aid program has become increasingly complex and regionally inclusive. While many of the so-called "Third World" countries are, or have been, recipients of Canadian aid dollars, there are a select few that have consistently been at the top of Canada's aid program since its inception. Most conspicuous among these are the nations of South Asia, primarily Pakistan, India and, after 1971, Bangladesh.

Canada's modern aid effort in Pakistan is worthy of further scrutiny for many reasons. Pakistan was one of the first developing countries to receive foreign aid from Canada and, throughout the period studied, was among the favourite destinations for Canadian aid dollars. Indeed, from 1951 to 1971, Pakistan was recipient of the second largest amount of development assistance provided by Canada to developing nations.

An assessment of the historiography on Canada's aid relationship with Pakistan suggests that the topic has been given insufficient attention by scholars. There are a number of informative studies that have undertaken the task of explaining and evaluating Canada's aid policy in general, but these studies tend to focus on Canada's post-1968 associations with nations in Africa and Asia and generally have a narrow

time frame of five to ten years.¹ These publications are, for the most part, historical but are undertaken by political scientists and economists interested in more contemporary developments. At present, there is no study that effectively explains the reasons for and describes the nature of Canada's involvement in Pakistan; consequently, the history of Canada's aid relationship with Pakistan is fragmented and inadequately explained, lacking any genuine thematic or chronological cohesion.

There are two studies of Canadian external aid that stand out for their comprehensive and critical approach to Canada's foreign aid policy in general. The first, A Samaritan State? by Keith Spicer, is quite comprehensive in its examination of the broader aspects of Canada's foreign aid experience.² Of particular interest is Spicer's discussion of the political, economic and humanitarian motivations for Canadian foreign aid. Although he does not focus specifically on Pakistan, Spicer includes a useful description and critical evaluation of two of Canada's Colombo Plan sponsored projects in Pakistan: the Warsak Dam project and the Maple Leaf Cement Plant project.

The second, Perpetuating Poverty by Robert Carty and Virginia Smith, approaches the topic of Canadian foreign

¹See, for instance, Cranford Pratt, ed., Canadian International Development Assistance Policies: An Appraisal, (Montreal: McGill-Queen's University Press, 1994); Roger Ehrhardt, Canadian Development Assistance to Bangladesh, (Ottawa: The North-South Institute, 1983); Réal Laverne, Canadian Development Assistance to Senegal, (Ottawa: The North-South Institute, 1987); and Roger Young, Canadian Development Assistance to Tanzania, (Ottawa: The North-South Institute, 1983).

²Keith Spicer, A Samaritan State?, (Toronto: University of Toronto Press, 1966).

assistance much more critically than A Samaritan State?. In their study, Carty and Smith outline the problems of Canadian bilateral, multilateral, and food and development aid to its various regional programs.³ They focus on the Canadian International Development Agency (CIDA) and therefore concentrate on Canada's aid program after CIDA's creation in 1968. While there is little to be learned of Canada's pre-CIDA aid program in Pakistan specifically, their often harsh analysis of CIDA's activities provides some valuable, albeit superficial, information on Canada's aid relationship with both Pakistan and Bangladesh during the 1970s.

Among the few studies that focus indirectly on Canada's relationship with Pakistan is an M.A. thesis written by Muhammed Abdul Hai. In his in-depth study of Canadian aid policy during the 1950s and 1960s, Hai contends that Canada extended development assistance to developing countries "because she is genuinely interested to help these countries achieve economic well-being, which also promotes security and peace of the world."⁴ Although his thesis does not focus directly on Canadian aid to Pakistan, Hai does devote a chapter to an exploration of Canada's development assistance program in Pakistan. While this chapter provides some useful insight into Canada's relationship with Pakistan, it does so

³Robert Carty and Smith, Virginia, Perpetuating Poverty: The Political Economy of Canadian Foreign Aid, (Toronto: Between the Lines, 1981).

⁴Muhammad Abdul Hai, Canadian Aid Policy, (Unpublished M.A. Thesis, School of Public Administration, Carleton University, 1967), i.

only superficially and contains very little analysis or critical examination of the political or economic dynamics that prompted Canada to supply aid to Pakistan. His study does, however, provide an early view of Canada's aid policy and Hai propagates the seeming importance of the humanitarian motivation in the formulation of Canadian aid policy.

Foreign Aid and Industrial Development in Pakistan, by S.A. Abbas and Irving Brecher, takes a somewhat different approach in that its focus is on Pakistan's overall aid experience.⁵ Both authors have backgrounds in economics or trade and export policy and there is little attempt or need on their part to provide an historical evaluation of the aid provided by Canada. Although their study does provide a brief summary of Canadian aid to Pakistan, with a focus on the relationship that existed during the 1960s, Abbas and Brecher's main purpose is to critically assess Pakistan's overall foreign aid experience from the early 1950s to the end of the Pakistan's Second Five-Year Plan in 1965. They are concerned with the potential for industrial development in Pakistan and the extent to which the foreign aid contributed by donor nations was utilized for that purpose. In addition to their discussion of Canada's involvement in Pakistan, the authors examine Pakistan's relationship with all major aid-giving nations.

⁵Irving Brecher & S.A. Abbas, Foreign Aid and Industrial Development in Pakistan, (Cambridge: Cambridge University Press, 1972).

An insightful exploration of the history of Canada's aid relationship with Bangladesh, the former East Pakistan, is found in Roger Ehrhardt's Canadian Development Assistance to Bangladesh. Ehrhardt touches briefly on the nature of that relationship before Bangladesh's emergence in 1971, but his primary focus is on Canada's post-1971 aid program in Bangladesh and how that program evolved to meet the changing needs of the new South Asian nation. Ehrhardt's work is especially valuable for its coherent use of statistics that illustrate aid amounts and types. These statistics assist the reader in comprehending the intricacies and diversity of Canada's aid program in Bangladesh and help to place it in the context of Canada's overall aid program.

Apart from these studies, little else has been written about Canada's foreign aid program in Pakistan. This is quite surprising given the close aid relationship that evolved between the two countries after 1951. The amount of Canadian aid delivered to Pakistan over the 20 year period studied was nearly \$320 million, and second only to aid provided to India. What is required, then, is a comprehensive study of Canada's aid program in Pakistan that explains the reasons for and nature of the aid relationship that evolved between the two countries, taking more fully into consideration the political and economic factors that influenced that relationship. Approaching the topic in this way will generate a more precise and meaningful understanding of Canada's foreign aid program

in Pakistan.

Focus and Scope

Canada's aid program in Pakistan formally began with the official launching of the Commonwealth's Colombo Plan for Co-operative Economic Development in South and South-East Asia in 1951. From then until 1971, Canada's aid effort in Pakistan expanded significantly and the amount of Canadian aid disbursed to the South Asian nation steadily increased. South Asia's regional stability was severely disrupted in 1971 after East Pakistan's secession from Pakistan to become the new nation of Bangladesh.⁶ The civil-war that ensued between the two wings and India's military intervention in the conflict forced Canadian policymakers to redefine their South Asian aid strategy.

Canadian aid policy towards Pakistan, as towards other developing countries, has generally been shaped by three broad sets of factors: domestic factors within Canada, international economic and political conditions, and the economic and political circumstances of Pakistan itself. Any examination of Canada's aid effort in Pakistan must take into consideration the political environment into which that aid was delivered and how events in both Pakistan and the whole of South Asia influenced the type and amount of aid provided. It

⁶Pakistan, during the period studied, was comprised of two sections: West Pakistan and East Pakistan, located on opposite sides of India.

should also be noted that although Pakistan consistently received a large share of Canadian aid dollars, Canada's aid program in Pakistan was overshadowed by a steady flow of substantial amounts of military and economic assistance from the United States.

Although Canada has provided development assistance to Pakistan through bilateral and a variety of multilateral channels, the focus of the thesis is on bilateral assistance. This assistance can be grouped into three main categories: grant aid, including technical assistance, development loans and food aid. Canada's grant aid, which was the main type of assistance provided to Pakistan through much of the period studied, was directed mainly towards capital projects and a variety of other development schemes. Development loans became an increasingly important part of Canada's aid program beginning in the mid-1960s. Food aid was a less frequent component of Canada's aid to Pakistan.

Methodology and Constraints

To determine the exact nature of Canada's aid program in East and West Pakistan, published materials, government documents and reports, both published and unpublished, were examined. In the course of the research, a number of problems were encountered. Some of the archival material is still classified and access to it was denied. The CIDA policy of not permitting outsiders to use its library was also a

frustrating constraint. In addition, CIDA denied access to evaluations and some end-of-project reports on its activities in Pakistan. Despite these constraints, sufficient research data were available to pursue an investigation of the major themes identified above.

Another significant difficulty encountered was sorting through discrepancies in the statistical information found in Canadian government publications regarding annual allocations and disbursements of aid.⁷ For example, while Canada's Department of External Affairs annual reviews or House of Commons debates may cite a proposed contribution of \$25 million to the Colombo Plan for a given year, the actual amount disbursed may be significantly lower or higher than that announced. In addition, annual figures for regional and country disbursements found in earlier CIDA documents are frequently dissimilar to more recent data. For the sake of consistency, recent data provided by CIDA will be used and discrepancies will be noted as they occur.

Thesis Outline

To properly understand the circumstances that motivated Canada to become a donor of foreign aid, it is prudent to devote some attention to an examination of the global climate that emerged after the Second World War. Accordingly, Chapter

⁷See Carty & Smith, Perpetuating Poverty, 29, for an explanation of the difference between appropriations, allocations, commitments and disbursements.

Two describes the momentous changes in global relations that occurred following the Second World War and how the fear of communism spreading to newly independent and impoverished regions of Asia was in large part responsible for providing the impetus for Canada's involvement with foreign aid.

Chapter Two also recounts Asia's post-war transition from colonialism to neo-colonialism and explains why, and to what extent, Canada became involved with foreign aid and why its immediate focus was South Asia, specifically India and Pakistan. This is followed by a brief examination of the historical background of Canadian-Asian relations at the end of World War II, the evolution of Canadian aid policy, and the motivations that have prompted Canada to distribute aid to its regional programs throughout the world.

Pakistan's political and economic situation prior to the formation of the Colombo Plan is discussed in some detail in Chapter Three. The creation of the Colombo Plan in 1950 is also explained as are its purpose and operation. Another issue given brief attention in this chapter is how Canada's participation in the Colombo Plan and its foreign aid effort were initially received by the Canadian public and media.

Chapter Four is a detailed examination of the aid relationship that evolved between Canada and Pakistan over the period under study. Besides its evaluation of Pakistan's often precarious political situation, Chapter Four also examines the changing economic conditions in Pakistan during

each of the three Pakistan Government Five-Year Economic Development Plans that ran from 1955-1960, 1960-1965 and 1965-1970 respectively. Canada's aid relationship with Pakistan is analyzed and how, if at all, Canadian aid policy adjusted to meet Pakistan's changing situation during each period.

The reasons for East Pakistan's withdrawal from its union with West Pakistan in 1971 are examined in Chapter Five. It also discusses in some detail the civil-war that occurred within Pakistan, and the ensuing war, brief as it was, that erupted between Pakistan and India over East Pakistan's secession. Canada's immediate response to the South Asian conflicts and the new political environment that emerged in that region are also explained in this chapter.

Chapter Six provides a postscript on Canada's aid relationship with both Pakistan and Bangladesh, the former East Pakistan, into the 1970s and 1980s with a brief look at where Pakistan fits today in Canada's aid program. To fully appreciate the place that Pakistan had in Canada's aid program, Chapter Six undertakes a quantitative assessment of that program as it relates to Canada's aid experience. An overall conclusion ends the thesis.

CHAPTER TWO

MODERN FOREIGN AID: BACKGROUND

Modern Foreign Aid Begins

The conclusion of the Second World War in August of 1945 ushered in a significantly new period of global political and economic interaction. Characterized by Cold War politics and the emergence of the so-called "Third World", this post-war period also witnessed the rapid demise of 19th-century style colonialism and the resulting demarcation of North and South based on regional disparities in economic prosperity and standard of living. The upshot of these emerging trends in the new relationship between North and South was the advent of modern development assistance or foreign aid.

An international environment emerged in which the flow of foreign aid from the developed nations to the developing nations became an acceptable and often successful means of maintaining Western hegemony in the politically and economically unstable regions of the world. However, the post-war foreign aid flow from the developed North to the developing South did not manifest itself until after 1950. Instead, the immediate flow of aid was directed towards Europe where nearly six years of conflict had left the continent in economic and social disarray. Large amounts of financial aid, specifically from the United States, were directed for reconstruction purposes to Western Europe in the form of the Marshall Plan (1947-1952) and served to dramatically speed up

Western Europe's post-war recovery. Formally known as the European Recovery Program, the Marshall Plan provided American economic and technical assistance to sixteen West European countries. Its objectives were to repair the war-ravaged West European economy and to stimulate rapid economic growth and trade among the major non-Communist countries.¹

Western Europe continued to benefit from a relatively steady flow of American capital aid during the early post-war years. American attention was, however, soon distracted by events unfolding in other regions of the world. These events, coupled with the perceived threat of global communist expansion, induced the United States and its Western allies, whose interests were also deemed to be threatened, to look outside of Europe at vulnerable new nations that were now emerging in the Asia.

The reasons for Western attention focusing on Asia are evident. It was in Asia that Europe's colonial hold on territory was first loosened and vulnerable new nations sought basic economic and political stability. Many of these nations, mainly those in South-East Asia, had been occupied by Japan during the war and, as was the case in Europe, repairing war-damaged economies was a priority. However, it was the communist "threat" that prompted Western attention to be turned towards Asia. Indeed, for the West the heightened fear

¹For a complete and detailed history of the Marshall Plan see Michael J. Hogan, The Marshall Plan, (USA: Cambridge University Press, 1987).

of communist ideology spreading into South and South-East Asia verged on rabid paranoia. China's revolutionary upheaval in 1949 and the outbreak of war on the Korean peninsula in 1950 reinforced Western fears that communist expansion throughout Asia was imminent.

Led by the United States, Western powers sought substantive measures that would assist in preserving their influence in a region that appeared to be increasingly threatened by communism. The Truman Doctrine, put before the American Congress in 1947, reinforced American resolve to assist independent countries struggling against internal and external subversion. Politicians in Britain agreed in principle with the Truman Doctrine and they, along with their Commonwealth allies, followed the American lead. With the addition of its new Asian members, the Commonwealth had become one of the largest and, it was believed by its members, one of the most important political associations in the world at that time. Great Britain and its Commonwealth allies sought to ensure that the spirit of Commonwealth "brotherhood" was preserved and expanded.²

One effort designed to promote and preserve the Commonwealth was the Colombo Plan. It had been proposed by Australia in January 1950 as a means of ensuring political stability in South and South-East Asia through the provision

²Lester B. Pearson confirmed this desire in an address to the Empire Club of Canada. See "Canada and the Commonwealth", Empire Club Addresses (1957-1958), 117-127.

of substantial development assistance by the wealthier members of the Commonwealth and, it was hoped, by the United States. Canada signed on, but its participation was, at first, reluctant and cautious. Canada's initial \$25 million contribution was directed towards India and Pakistan. It began what rapidly became a substantial effort and commitment on the part of Canada to provide development assistance to those, and later other, countries in both South and South-East Asia.

The motivations for providing foreign aid have been traditionally divided into humanitarian, political and economic categories. However, guided by a simplistic desire to prevent the spread of communism in Asia, Canada's first aid venture was clearly founded on political motivations. Canada's political élites, mirroring the efforts of their counterparts in the United States, gallantly sought to prepare Canada for the challenge of preventing unwanted and destructive political systems from spreading into a region of the world that Canada, ironically, had up to then no substantive political, economic or humanitarian involvement or interest.

Despite the blatant impact that political motivations had on early policy formulation, the presence of a genuine humanitarian element in Canada's aid policy should not be discounted. There was, certainly, an idealistic social and humanitarian element to be found in Canadian policy, that of

maintaining and strengthening the Commonwealth and of assisting the starving millions of the world. In fact, a scrutiny of the speeches and statements delivered by Canada's political élites during the early 1950s demonstrates that rhetoric with altruistic overtones was frequently employed.

These political leaders lamented the poverty that existed in the new Commonwealth and non-Commonwealth nations of Asia. They emphasized the need for Canada and other wealthy nations to assist in alleviating the suffering of Asia's millions. Despite his firm belief that communists were "the greatest menace to national freedom"³, Lester B. Pearson, then the Secretary of States for External Affairs (SSEA), in a speech to Parliament in January 1954, tempered his anti-communist rhetoric by arguing that Canada's "policy in Asia . . . must be more than a policy mainly of opposition to communism. It must be constructive, and anti-communism should not be the only claim to our assistance."⁴ The value of his words was, however, undermined by the conspicuous influence that political motivations, particularly that of anti-communism, had on Canada's political leaders as a whole.

The real justification for Canadian aid, then, was far more political than economic or humanitarian.⁵ Canada jumped headfirst onto the anti-communist bandwagon and followed the

³Lester B. Pearson, "Canada and the Commonwealth", Empire Club Addresses, (1957-1958), 120.

⁴Lester B. Pearson, House of Commons Debates, II (January 29, 1954), 1590 (hereafter cited as Debates).

⁵Douglas G. Anglin, "Canada's External Assistance Programme", International Journal IX (Summer 1954), 203.

lead of the United States, Great Britain and other Western powers in their hostility towards communist insurgency. It was the overwhelming fear of communist ideology subverting the newly independent economically and politically weak nations of Asia that prompted the Canadian government to act. Communist "imperialism" had, for the time being, been stopped in Europe, but it had not been stopped in Asia, where it was "trying desperately to win power over those millions of people by allying itself with forces of national liberation and social reform."⁶

Pearson's contention that the provision of Canadian aid needed to be based on a more constructive agenda was, in reality, naïve and simplistic given Canada's lack of a defined strategy for providing foreign assistance to developing countries. Because the whole concept of foreign aid was new to Canada, Canadian aid policy exhibited a lack of focus with no discernible strategy. Determining the amount and kind of aid to provide a recipient country was difficult as there was no government agency or department responsible for the administration of Canadian aid or for formulating aid policy. Such an agency would not appear until after 1960.

⁶Lester B. Pearson, Debates I (February 22, 1950), 130.

Canada and Asia

Canada had relatively few political or economic ties with Asia prior to 1950. The Canadian government did, beginning in the late 1800s, initiate limited official contact with China, Japan and Korea. This contact was confined, though, to basic trade and informal diplomatic relations. Canadian missionaries were also quite active in China and Korea at this time, but their activities were not sanctioned by the Canadian government. Asian immigration to Canada in the late 19th and early 20th century gave Canadians a closer view of Asian society and customs. However, Canada's restrictive Asian immigration policy, and incidents such as those involving the Komagata Maru, tarnished what might have otherwise grown into a friendlier and more productive relationship with South Asia.⁷ Canada's military effort in Asia during the Second World War was unremarkable, with the exception of Canada's participation in the token defense of Hong Kong.

The emergence of Pakistan and India as independent nations of the Commonwealth in 1947, China's revolution in 1949, and the outbreak of war in 1950 in Korea, were events that both "increased the scope of Canadian foreign policy and gave it a new, though by no means predominant, Asian orientation."⁸ As Canada's political leaders became aware of

⁷The Komagata Maru carried 376 Punjabis, mostly Sikhs, bound for Canada in 1914. After arriving in Vancouver, the immigrants were forced to remain aboard ship for 2 months while Canadian immigration officials manoeuvred successfully to keep them out of Canada. The incident received considerable negative press in India.

⁸Peter Harnetty, "Canada's Asian Policy: The Case of Pakistan", South Asian Review III (January 1970), 117.

Asia's rising importance, particularly that of the nations that comprised Commonwealth Asia, the level of contact with Asian nations began to increase dramatically and important new relationships were forged. Canada's SSEA, Lester Pearson, reminded Parliament that the "three Asian members of the Commonwealth at Colombo represent 440 million people while the rest of us . . . represent only 75 million."⁹ Canada's participation in programs such as the Colombo Plan was considered logical given Canada's passionate support of the Commonwealth and the spirit of "brotherhood" it promoted among member nations.

Until 1960, the nations of South Asia; India, Pakistan and Ceylon, were the main beneficiaries of Canada's fledgling aid program. Other Asian nations did receive aid but the amount provided to these nations was considerably less than the amounts offered to South Asia. Other regions of the world, such as Africa and Latin America, remained outside the scope or on the periphery of Canadian foreign aid policy.

The reasons for this are apparent. With only a few exceptions, most African nations remained under the control of Europe's surviving colonial powers and most would not gain their independence until after 1960. These countries continued to be the concern of their colonial masters, and their vulnerability to ideological intrusion was not a significant concern of Canadian policy. For those reasons,

⁹Lester B. Pearson, Debates, I (February 22, 1950), 129.

Canadian aid did not consistently appear on that continent until the early 1960s.

Canada also delivered aid to Latin America after 1960, but the amounts were insignificant when compared to aid offered to Asia, Africa and the Caribbean region. The United States considered its Monroe Doctrine still in effect and the Kennedy administration's launching of Alliance for Progress, an aid effort aimed at changing Latin America drastically in a decade, demonstrated its commitment to ensuring that Latin America remain part of its sphere of influence.¹⁰ For these reasons, the threat of communist expansion in Africa and Latin America did not become the motivational force that it became in Asia during the early period of the Cold War. Africa remained, for the time-being, safe in the arms of its colonial masters. Latin America, America's "backyard", was fenced in and thus safe.

Because the reality of communist expansion in Asia was considered more tangible, the Canadian government felt that it had a responsibility, through its membership in the Commonwealth, to ensure that democratic principles were promoted and protected in Commonwealth Asia. In a speech made to the Women's Canadian Club in Victoria, Canadian Prime Minister Louis St. Laurent told his audience that there were two useful weapons that could be employed to accomplish this.

¹⁰Howard J. Wiarda and Harvey F. Kline, eds., Latin American Politics and Development, (USA: Westview Press, Inc., 1990), 74.

While he acknowledged that Canada "may have no choice but to use the military weapons as we have been forced to do in Korea", he stressed that Canada preferred to "use the economic weapons as we are in the Colombo Plan."¹¹

Background to Canada's Modern Foreign Aid Program

A careful scrutiny of Canada's modern external aid program up to the 1970s reveals three basic periods in the Canadian government's efforts to define and implement its foreign aid objectives. These periods follow roughly the evolution of Canada's external aid program from a scheme which was poorly planned, lacked precise, long-term strategies and gave little consideration to balancing the national interest with foreign policy, to a program that had a central agency solely responsible for the administration and implementation of Canada's long-term foreign aid objectives.

The first period began in 1945 following the end of the Second World War and concluded prior to the creation of the Colombo Plan in 1950.¹² Although the war quadrupled Canada's national debt, the overall impact on the Canadian economy was positive. A good portion of mutual aid money had been spent in Canada, resulting in the doubling of Canada's gross

¹¹Louis St. Laurent, "Canada's Relations with Asia", Statements & Speeches 52/33 (Ottawa: DEA Information Division), 7.

¹²Douglas G. Anglin, in his article "Canada's External Assistance Programme" International Journal, IX (Summer 1954): 193-207, summarizes the key components of Canada's external assistance to European and under-developed nations before 1950.

national product (GNP).¹³ The creation of the Department of Reconstruction in 1944 was intended to assist in converting wartime industries to civilian and consumer production and was, by and large, remarkably successful. While an overall emphasis on national economic reconstruction during this period overshadowed foreign assistance, the foundations of Canada's external aid program were, in fact, being laid.

Most of Canada's post-war foreign assistance found its way to war-torn nations in Europe in the form of food aid and funds for reconstruction. The small amounts of economic aid designated for developing nations, mainly in Asia, were distributed through the multilateral channels of United Nations agencies. The Department of Finance, along with the Bank of Canada and the Department of External Affairs, determined the amounts for grants provided to UN agency funds. Because it lacked the control of a guiding central agency, the process for providing aid was complex given the involvement of many different government departments and UN agencies.

Also absent from Canadian aid policy were long-term goals or strategies. In the case of Asia, Canada's early efforts to provide development assistance there were constrained by an approach that assumed aid to Asia would "last no more than two or three years."¹⁴ Officials in Ottawa explained that Canada's cautious approach and limited aid effort in Asia were the

¹³The Mutual Aid Board was chaired by C.D. Howe and supervised all Allied wartime purchases in Canada of food, raw materials and munitions.

¹⁴Quoted in Keith Spicer, A Samaritan State?, 95.

result of "her prior commitments to the North Atlantic area."¹⁵ Even after the independence of India and Pakistan, and later Ceylon, Canadian activity in Asia remained cautious during the late 1940s and early 1950s.

In all, the Canadian government disbursed more than \$2.1 billion during this period. Nearly 96 percent of that amount went towards post-war relief and reconstruction, primarily in Europe. Approximately 15 percent of the relief and reconstruction assistance took the form of grants that were directed primarily towards civilian relief efforts and towards the United Nations Relief and Rehabilitation Administration (UNRRA), while the other 85 percent took the form of loans. Of the remaining 4 percent of total financial assistance provided during this period, aid in the form of grants was given to the multilateral assistance programs of the United Nations, including the United Nations Children's Fund (UNICEF) and the United Nations High Commissioner for Refugees (UNHCR). Loans were also provided to the International Bank for Reconstruction and Development (IBRD).¹⁶

The growing reality of a communist "threat" to Asia, however, played no small role in forcing Canadian officials to reconsider their limited, piecemeal approach to offering development assistance to the new nations of Asia. Events on

¹⁵F. Andrew Brewin, "Canadian Economic Assistance to Under-developed Areas", International Journal V (Autumn, 1950), 312. See also Report of the Department of External Affairs, 1950, (Ottawa: 1951), 4 (hereafter cited as Report of the DEA).

¹⁶Keith Spicer, A Samaritan State?, 252-253.

the Korean peninsula, combined with the "threat" communism posed to the precarious political situations in much of Asia, suggested that the continuation and expansion of Canadian financial involvement in Asia would be prudent. The second period began with the creation of the Colombo Plan and the inauguration of Canada's modern external aid program in 1950. Those involved with establishing Canada's membership in the Colombo Plan held considerable optimism for the vital role that Canada could play in Asia. While the communist "threat" became the incentive for Canada to become more actively involved in Asian development, there remained, despite the optimism, a sense of caution. That caution would, however, be quickly displaced as Canada's involvement and desire to assist its Commonwealth "brothers" grew.

Those responsible for the emergence of Canada's modern aid program were found at Canada's highest levels of political office. Louis St. Laurent, the chosen successor of the retiring Prime Minister Mackenzie King, became the leader of the Canadian government in November 1948 and his Liberal government would remain in power until June 1957. St. Laurent did not share the same sense of connection to the British Commonwealth as his predecessor did, but he held a strong fascination for Canada's role as a "middle power" in world affairs. This fascination was also shared by many of his colleagues in government and set the tone for St. Laurent's years in office.

St. Laurent's approach to government allowed power to be "distributed broadly throughout a committee of ministers and leading civil servants."¹⁷ This approach quickly singled out ministers and other civil servants who gained prominence for their roles in defining and expanding Canada's foreign aid program. Among them was Lester B. Pearson, who occupied the post of SSEA from 1948 to 1957, and later served one term as Canadian Prime Minister starting in 1963. Pearson played a pivotal role in clarifying Canada's role in international organizations and alliances such as the United Nations, the North Atlantic Treaty Organization (NATO), the Commonwealth and the Colombo Plan. Another notable figure was the highly influential C.D. Howe. During the Second World War, Howe served as Minister of Munitions and Supply and earned a reputation for efficiency and daring. Soon after the war ended, he was given responsibility for the Department of Reconstruction. Then, as Minister of Trade and Commerce during the 1950s, Howe successfully advanced Canada's trade overseas and encouraged the development of the nation's domestic industrial and manufacturing potential.

These men, among others, repeatedly confirmed that Canada would assist developing nations in their struggle to achieve economic prosperity and political stability. Conspicuous humanitarian motivations were, however, scarcely visible with

¹⁷J.L. Findlay and D.N. Sprague, The Structure of Canadian History, (Canada: Prentice-Hall Canada Inc., 1984), 393.

the launching of Canada's modern aid program. Critics have correctly argued that St. Laurent's government had "virtually no policy aim beyond a lively anti-Communist instinct and an exhilarating vision of a free, multi-racial Commonwealth."¹⁸ Indeed, despite the presence of complex domestic and international considerations, Canadian foreign aid policy remained impotent and its thrust narrowly focused. Canada's membership in the newly formed Colombo Plan marked the beginning of what many then thought would be a new and meaningful role for Canada on the international stage, a role that would undoubtedly enhance its status as a middle power.

In 1957, St. Laurent's Liberal government was defeated by the Conservatives led by John Diefenbaker, who became Prime Minister of Canada. Diefenbaker, while an opposition M.P., had been a vocal critic of Canadian aid to Colombo Plan nations. He was not opposed to the actual provision of aid; he was instead critical of the amount of aid that Canada was contributing and believed that Canada had the means to provide more aid than it was currently providing. He admitted that he had always been "a most strong supporter on behalf of an increase in the amounts being expended under the Colombo Plan."¹⁹ He rationalized the doubling of Canadian aid by suggesting that unless material assistance of this type was forthcoming, "in a few years communism, by its propaganda and

¹⁸Keith Spicer, A Samaritan State?, 3.

¹⁹J.G. Diefenbaker, Debates, VII (August 2, 1956), 6876.

by its promises of improving the economic lot of the peoples of those countries, would make invasions into the hearts and souls of the peoples of those countries to a degree that might never be retrieved by the free world."²⁰

Part of the reason for Diefenbaker's position was the strong feelings he held for the Commonwealth, especially for the non-white nations in the Commonwealth. His warm sentiments for the organization were made quite clear while on a visit to Pakistan in November of 1958 after becoming Prime Minister. He told an audience at the University of the Punjab in Lahore that "the Commonwealth is a unique organization. . . . a union of hearts joined together in interdependence. . . . it contains within it . . . the vibrant life of true comradeship for all mankind."²¹

Diefenbaker wasted little time in enhancing Canada's Colombo Plan contributions after becoming Prime Minister. Canada's allocations to the Plan were increased by nearly \$15 million dollars within the first few years of his term, although the actual amount of aid disbursed was much higher. Diefenbaker's government was also less reluctant than its predecessor to provide food aid. Indeed, the portion of aid designated as food aid was sharply increased, in part a response to pressure from western farmers, but also a reflection of Diefenbaker's belief that "Asian hunger and

²⁰J.G. Diefenbaker, Debates, VII (August 2, 1956), 6876.

²¹J.G. Diefenbaker, "Canada and Pakistan", Statements & Speeches, 59/6 (Ottawa: DEA Information Division), 3.

Canadian grain surpluses were logical antidotes for each other."²² Pakistan and India, the recipients of the largest amounts of Canadian aid, resented this stipulation and were unimpressed with Canada's effort to resolve its domestic food surplus problems at their expense.

While Canada's aid program was confined mainly to South Asia through the Colombo Plan, the scope of that program also changed dramatically during Diefenbaker's years as Prime Minister. Canadian development assistance was officially extended to the Commonwealth Caribbean in 1958, to Commonwealth Africa in 1960 under the Special Commonwealth African Assistance Plan (SCAAP), to French Speaking African States (FSAS) in 1961, and to Latin America in 1964.²³ Prior to the formalization of Canada's aid programmes in specific regions, some Commonwealth African countries did receive token aid as early as the late 1950s. Ghana, for instance, received assistance through a small technical program in 1959.²⁴ However, despite the regional expansion of Canada's aid program during the 1960s, India and Pakistan continued to be among the top recipients of Canadian aid dollars in that decade and throughout the 1970s and 1980s.

As Canada's aid program became larger and more complex,

²²Keith Spicer, A Samaritan State?, 180. See A Samaritan State?, 178-187, for a detailed explanation of food aid as part of Canada's overall aid program. Also see Chapter 5 in Carty & Smith, Perpetuating Poverty, 113-127.

²³The Canadian government initiated its FSAS program in part to hamper Quebec's efforts to establish bilateral aid links of its own with French speaking nations.

²⁴Canada, Report of the DEA, 1959, (Ottawa, 1960), 50. Although \$500,000 had been committed to Ghana to initiate a programme of technical assistance, only \$69,000 had actually been delivered by the start of the 1960-1961 fiscal year. See CIDA Report 12.

the ability of the DEA, along with other departments, to successfully and efficiently assign Canadian aid dollars where they were needed became increasingly difficult. The result was the third period in the evolution of Canada's external aid program, that of centralization, which began in 1960 during Diefenbaker's term as Prime Minister and was solidified during the terms of Lester B. Pearson and Pierre Trudeau.

The rapid expansion of Canada's external aid program that occurred during the late 1950s and early 1960s forced a rethinking of Canada's aid strategy and priorities. No longer was it sufficient for Parliament to announce an annual allocation of aid and leave the distribution of that money up to various departments. The large number of countries that Canada was providing aid to made the consolidation of Canada's aid program within a single, efficient agency a priority.

The first step towards such centralization was the creation of the External Aid Office (EAO) in 1960.²⁵ The EAO was a semi-autonomous aid agency responsible for the "operation of Canadian bilateral programmes of assistance to under-developed countries."²⁶ The EAO also became responsible for cooperating with the various agencies of the United Nations and in the distribution of emergency and disaster relief to other countries, in consultation with the Department

²⁵ Keith Spicer provides a detailed evaluation of the EAO's creation and function in A Samaritan State?, 108-115. The first Director General of the EAO was H.O. Moran, a career diplomat.

²⁶ Canada, Report of the DEA, 1961, (Ottawa: 1962), 38.

of External Affairs and the Canadian Red Cross Society.²⁷

Canada's assistance program was again significantly revamped in 1968 when the EAO was restructured to become the Canadian International Development Agency (CIDA). Its creation coincided with the 1968 election victory of Pierre Trudeau who succeeded Lester Pearson as Prime Minister. Trudeau's zeal for Canada's role as a "middle power" would contribute to the enlargement of CIDA's role around the world.

Similar to its counterparts in the United States (USAID) and Britain (the Overseas Development Agency), CIDA was the result of the Canadian government's desire to institutionalize its foreign aid program. A de facto government institution, CIDA represents the bureaucratization of Canada's aid program, yet as a special agency, CIDA enjoys some degree of autonomy from government. However, the agency is not responsible for policy formulation. Rather, CIDA implements policy directives received from the Canadian parliament. Among CIDA's responsibilities is the distribution of both bilateral and multilateral aid dollars.

The formalization of Canada's aid program and the complexities that arose from it demanded a rethinking in the approach to aid. Instead of continuing to provide the recipient country with grants, Canada began to provide development loans to the recipient on the condition that those

²⁷See Keith Spicer, A Samaritan State?, 109-110, for a complete summary of the Director General's duties in relation to the EAO.

funds be used to procure Canadian goods and services. Although Canada practiced the tying of aid from the start of its assistance program in 1951, it was not until the mid-1960s that "tied aid" became a consistent part of Canadian development assistance. By the 1970s, nearly 80 percent of the aid disbursed by CIDA was "tied aid".²⁸

One reason for the policy change and the shift to "tied aid" was growing pressure on government placed by Canadian interest groups representing agriculture, industry and producers of raw materials. These groups wanted greater input and participation in the aid process in order to reap greater economic gains from the program. But perhaps the most crucial factor behind the policy change was the realization that grant aid was often misused, misappropriated by officials in the recipient country whose job it was to distribute the funds for maximum benefit, or was simply being lost in expensive bureaucracy.

Opponents of "tied aid", including the recipient countries themselves, argued that "tied aid":

defeats the purpose of the [Colombo] plan when recipient countries are unable to buy in the cheapest market, or obtain the most congenial technical expert. It also defeats the purpose of the [Colombo] plan when it is regarded not as an altruistic social device, but as a channel for the marketing or dumping of products, for this revives the old suspicions of the imperialist motivations

²⁸ See Carty & Smith, Perpetuating Poverty, 86-94, for a concise explanation of 'tied aid' and its impact on Canadian aid policy.

of Western Powers.²⁹

The increase in development loans also meant a rise in the debt burden for developing countries. Service charges on development loans meant that an increasing proportion of aid provided to developing countries was channelled back to the donors.³⁰

Despite the validity of the criticism, attaching conditions to aid has obvious benefits for the donor nation. For Canada, resources allocated to foreign aid served to directly stimulate the growth of the Canadian economy by contributing to the level of production, exports and employment. Canadian producers, engineers, and educators were able to gain valuable overseas experience, and Canadian products and skills became known in new areas. In the process of providing foreign aid the horizons of Canadians were enlarged and Canada's image abroad more clearly defined. The use of Canadian goods and services gave Canadians a stake in foreign aid which helped to enlist and maintain public support in Canada for an expanding foreign aid program.³¹ Simply put, "tied aid" tended to command more public support and was perceived to have a greater impact on the Canadian economy.³²

By the late 1960s, Canada had established itself as a

²⁹Cyril S. Belshaw, "Canadian Policy and Asian Society", International Journal XI (1955-1956), 45.

³⁰Sartaj Aziz, Problems of Foreign Aid in Pakistan, (Pakistan: Pakistan Institute of Development Economics, n.d.), 6.

³¹Paul Martin, "Principles and Purposes of Foreign Aid" Statements & Speeches, 65/2 (Ottawa: DEA Information Division, 1965), 5.

³²Briant, Peter C. Canada's External Aid Program, (Canada: Private Planning Association of Canada, 1965), 13.

committed partner of economically struggling nations in the "Third World". However, the amount of Canadian aid, as a percentage of Canada's GNP, remained low compared to other members of the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD), the club of rich donor nations.³³ The amount of Canadian aid, as a percentage of GNP, would struggle in vain to reach the Canadian government's target of one percent of GNP. In 1961, for instance, Canadian aid amounted only to .19 percent of GNP. Throughout the 1960s that percentage would fluctuate below .40 percent of GNP. By 1971, it had risen to .42 percent of GNP, and throughout the 1970s it would hover around .50 percent of GNP.³⁴

The Motivations Behind Canadian Foreign Aid

Because development assistance has become the chief instrument of Canadian foreign policy towards the "Third World" since 1950, critics have frequently questioned the motivations that prompt the Canadian government to provide aid to developing nations.³⁵ Many critics and proponents of Canada's foreign aid policy frequently identify three motivations as being the prevalent rationales behind Canada's

³³Seymour J. Rubin provides a comprehensive assessment of the DAC and the OECD in The Conscience of the Rich Nations: The Development Assistance Committee and the Common Aid Effort (New York: Harper & Row, 1966).

³⁴Paul Gérin-Lajoie, "Canada's Foreign Aid Priorities", Statements & Speeches 71/7 (Ottawa: DEA Information Division, 1971), 8. See also Debates (October 14, 1963), 3517; Keith Spicer, A Samaritan State?, 40-43; and Robert Carty & Virginia Smith, Perpetuating Poverty, 34, for further explanation of Canada's aid in relation to GNP.

³⁵Robert Carty and Virginia Smith, Perpetuating Poverty, 27.

provision of aid to developing countries. They can be simply described as humanitarian or philanthropic, economic and political motives.³⁶ It is worthwhile at this point to examine in greater detail these motivations and how their influence on Canadian aid policy has both beneficial and harmful implications for both Canada and recipients of Canadian foreign aid.

Political and economic motives have sometimes together been euphemistically called the "enlightened self-interest" motive since both are assumed to have practical benefits for Canada.³⁷ The benefits and impact of aid based on political and economic motivations are also more easily corroborated by well-defined government objectives.

The economic motive revolves around the assumption that foreign assistance will result in increased exports, higher employment in Canada and the strengthening of the Canadian position in world markets through the establishment of external markets for Canadian products and services. Keith Spicer estimates that "probably between 90 and 95 percent of all Canadian bilateral aid funds are spent initially in Canada." He questions, however, claims by the Canadian government that Canadian aid provides a stimulus to the Canadian economy. Spicer contends that the short-term

³⁶See "Background Paper for Development Assistance Policy Review Conference" in "CIDA Policy Review". 8 vols. Mimeographed. A series of papers on Canada's foreign aid programme, tabled in the House of Commons, 13 January 1970. (Ottawa: CIDA Information Division), 1970.

³⁷Joan Matthews, Canadian Foreign Aid, 1950-1960: Parliamentary Policy; Administration; Content. (Unpublished M.A. Thesis, McGill University, 1962), 7-8.

stimulus to the Canadian economy is negligible given that the amount of Canadian aid is too small for it to play a significant role in stimulating economic activity.³⁸

The political motivation is based on the assumptions that foreign aid in developing countries will help reduce poverty with the purpose of forestalling political disorder and instability, thus thwarting the expansion of domestic or regional disorder and undesirable political systems. Canada's participation in aid programs is assumed to help enlarge and entrench Canada's role in the international community and establish within the recipient countries those political attitudes and military alliances that contribute to the maintenance of a reasonably stable and secure international or regional political system.³⁹

While the three motivations are often intertwined in the formulation of Canadian aid policy, ascertaining the influence that each has on Canada's aid policy is difficult. Government policy statements and parliamentary rhetoric suggest that the assistance provided to developing countries is given mainly to satisfy humanitarian concerns. Many proponents of Canada's external aid program have naively argued that Canada assists developing countries mainly because she "is deeply concerned with the well-being of mankind and world peace."⁴⁰

³⁸Keith Spicer, A Samaritan State, 43.

³⁹CIDA, "Background Paper for Development Assistance Policy Review Conference" in CIDA Policy Review, 4-7.

⁴⁰Hai, Muhammad Abdul, Canadian Aid Policy, 19.

Philanthropy is, however, difficult to define or justify as a convincing government policy since it:

... is not an objective of government. Love for mankind is a virtue of the human heart, an emotion which can stir only individuals - never bureaucracies or institutions. Governments exist only to promote the public good . . . they must act purely in the selfish interest of the state they serve. . . . To talk of humanitarian "aims" in Canadian foreign policy is . . . to confuse policy with the ethics of the individuals moulding it, to mix government objectives with personal motives.⁴¹

Simply, government policy is formulated as a matter of convenience, not conscience. However, providing a philanthropic rationale for foreign aid helps to soothe public opinion.

The formulation of Canadian aid policy during the early 1950s occurred foremost as a response to the threat that communism posed to Asian security. Indeed, the primary goal of Canadian aid at that time was to satisfy international political objectives. Any economic and humanitarian benefits that resulted from that aid were secondary to achieving political goals. Later, as Canada's regional aid programs grew larger and more complex and its responsibilities increased, political motivations, particularly those of combating communism and promoting democracy, became less crucial and were supplanted by satisfying more pressing national economic concerns. By the 1960s, national economic considerations assumed a prominent role in formulating aid

⁴¹Keith Spicer, A Samaritan State?, 11.

policy and the effort to satisfy political objectives through economic means became less important.

CHAPTER THREE
TOWARDS THE COLOMBO PLAN

Pakistan Prior to Colombo

The creation of Pakistan was the realization of an idea first articulated by the All-India Muslim League in the 1940s.¹ The chief architect of Pakistan and the leader of the Muslim League from 1916 was Mohammed Ali Jinnah who, by the 1930s, had become a strong proponent of Muslim self-rule. Distancing himself from his Hindu counterparts in India, who were themselves seeking autonomy for India from British rule, Jinnah envisioned a separate nation for the Muslims of the former British India.² However, while he was eager to create an independent state for Muslims, Jinnah intended it to remain a secular one-party democracy rather than a strict theocratic state. However, those forces seeking greater Islamic influence and control in Pakistan's constitution and government would be at constant odds with those whose intent was to avoid the integration of mosque and state.

South Asia's transition from a more or less unified British colonial possession to two independent nations in 1947, India and Pakistan, whose boundaries still had to be defined, left the Indian subcontinent in turmoil. The India created in 1947 was primarily an amalgamation of former

¹Insightful studies of Pakistan's creation can be found in Ayesha Jalal, The Sole Spokesman: Jinnah, the Muslim League and the Demand for Pakistan (Cambridge: Cambridge University Press, 1985) and Wayne Ayres Wilcox, Pakistan: The Consolidation of a Nation (New York: Columbia University Press, 1963).

²Jinnah originally sought special status for Muslims within a united India but achieving a constitutional structure that accommodated Muslim interests proved too difficult and was abandoned.

British India and most of the princely states, and was able to maintain its basic geographical cohesion.³ The Pakistan that emerged at Partition, with a population of nearly 75 million people, could not claim similar unity.

The geographic result of Partition was the creation of a nation that consisted of two sections: East Pakistan (the eastern part of the formerly undivided Bengal; roughly 144,000 square kilometres) and West Pakistan (which consisted of three provinces: the Sind, Punjab and North West Frontier Province; several princely states, and the centrally administered territory of Baluchistan; roughly 806,000 square kilometres).⁴ West Pakistan, in close proximity to the USSR to the north, was bordered by Iran to the southwest, Afghanistan to the west, and China to the northeast. East Pakistan had only a small border with Burma (Myanmar) to the southeast and was otherwise almost entirely engulfed by India. The province of Kashmir was claimed by both nations and was the source of armed conflict until a United Nations cease-fire was arranged in January, 1949.⁵ The most difficult geographic consequence of Partition for the two sections of the new Pakistan was their location on opposite sides of India, a distance of

³All the native states, except for Junagadh, Hyderabad, and Kashmir, had acceded to either India or Pakistan by January 1950.

⁴Statistics on East Pakistan can be found in Haroun Er Rashid, East Pakistan: A Systematic Regional Geography & Its Development Planning Aspects, (Lahore: Sh. Ghulam Ali & Sons, 1965), 1. Data on West Pakistan can be found in Ian Stephens, Pakistan, (London: Ernest Benn, Ltd, 1963), 33. Pakistan's area does not include the approximately 81,000 square kilometres of Pakistani-held territory in the disputed Jammu and Kashmir region.

⁵The United Nations Military Observer Group in India-Pakistan (UNMOGIP) was formed with Canadian participation to observe, report and investigate violations of the cease fire.

nearly 1,600 kilometres.

The land mass of India was not, however, the only barrier separating East and West Pakistan. Before they shared a central government, the regions that became East and West Pakistan lacked any close political, economic, racial or linguistic solidarity during the period of British rule. In East Pakistan, for example, which had more linguistic unity than West Pakistan, the principle language was Bengali which was spoken by 98 percent of the population. In West Pakistan, Urdu, Punjabi, Sindhi, Pushtu, and Baluchi were the predominant regional languages. The presence of so many linguistic minorities within one wing and the dominance of another linguistic group in the other created additional problems for the new government of Pakistan.

Population distribution in the two wings was also grossly unbalanced.⁶ East Pakistan contained almost four-sevenths of Pakistan's total population, but had roughly only one-seventh of the total land area. Population density in the East wing, as a result, was nearly nine times that of the West wing.⁷ East Pakistan complained throughout its early association with West Pakistan that despite its larger population, it lacked an adequate voice in the government as nearly all political and

⁶Pakistan's first official population census was accomplished in 1961 and revealed that West Pakistan had a population of 43 million compared to East Pakistan's 51 million.

⁷Ian Stephens, Pakistan, 33.

military power was concentrated in West Pakistan.⁸

The only real link that East and West Pakistan shared was a common faith in Islam. Yet that link was also tenuous. Bengali Islam possesses its own cultural distinctiveness, partly due to Islam's much later arrival in Bengal than in other parts of India. Because Bengali Muslims were usually converts from Hinduism, their Islam has been more liberal and tolerant of unorthodoxy than that of North West India and West Pakistan.⁹ West Pakistan was also more closely connected to the Middle-East, the centre of Islamic culture, than East Pakistan, which had closer proximity to South-East Asia. These geographic realities contributed to the cultural and religious differences that existed between East and West Pakistan.

The economic impact of Partition on both East and West Pakistan was serious and added to the material hardship experienced by both sections. Although Pakistan was a major exporter of raw cotton, the world's largest producer of raw jute, and a net exporter of food, large-scale industry was virtually non-existent in the areas that became Pakistan.¹⁰ India suffered much less economically from Partition than did Pakistan. It acquired most of the known mineral resources of

⁸In 1955, only 3 percent of officers in Pakistan's three military services combined were from East Pakistan. See Sultana Afroz, "The Cold War and United States Military Aid to Pakistan 1947-1960: A Reassessment" *South Asia* XVII (1994), 69.

⁹Denis Wright, "Islam and Bangladeshi Polity" *South Asia* X (December, 1987), 15.

¹⁰Stephen R. Lewis Jr, *Pakistan: Industrialization and Trade Policies*, (London: Oxford University Press, 1970), 2.

the subcontinent. A majority of the large technical and manufacturing companies such as the iron and steel industry of Jamshedpur were located in India. India's textile production was virtually untouched by partition since it was able to retain the numerous cotton mills located in the Bombay area, the wool mills of Cawnpore and the jute mills of Calcutta. Almost all the main tea, sugar, and cotton producing areas remained under India's control.¹¹

East Pakistan, the former east Bengal, did not fare as well as India in the division of the Bengal province. It lost Calcutta as its chief port and capital and was forced to set up a makeshift capital at Dacca and trade through an inadequate port at Chittagong. Before Partition, east Bengal had been a producer of raw materials, especially jute. In fact, nearly 70 percent of the world's jute was produced in east Bengal. That jute had traditionally been processed in western Bengal, which was now part of India and under a trade embargo imposed by Pakistan. At Partition, there was not one single jute-mill to be found in East Pakistan. As a result, East Pakistan's monopoly of raw jute production was useless since it was completely cut off from the manufacturing plants in the Calcutta area.¹² That problem was remedied in 1952 when the world's largest jute processing plant was built at

¹¹Peter Lyon, "Strategy and South Asia: Twenty-Five Years On", International Journal 27 (Summer, 1972), 341-342.

¹²See Ian Stephens, Pakistan, 223, and L.F. Rushbrook Williams, The State of Pakistan (London: Faber and Faber, 1962), 155, for helpful information on the impact of Partition on East Pakistan's jute industry.

Narayanganj in East Pakistan.

Partition had other significant debilitating economic and social consequences for Pakistan as a whole. The migration from India of more than seven million refugees, mainly Muslim, to both East and West Pakistan added to the financial burden of an already struggling economy. The Muslim refugees arriving in Pakistan were primarily craftsmen and farmers and had few assets and little or no education. The Pakistan government faced the daunting task of housing, compensating and feeding this large refugee population.

At the same time, the parallel exodus of Hindus and Sikhs from Pakistan to India after Partition struck a hard blow to Pakistan's professional classes. Many of the millions of Hindus and Sikhs who left Pakistan were its professional classes; bankers, businessmen, lawyers, doctors and engineers; and their departure left a void that the Pakistan social infrastructure could not easily fill. Banks and insurance companies, manufacturing and commercial firms were essentially crippled as the Hindus who operated them left.

Partition also caused considerable disruption to the established patterns of trade and communication in Pakistan. Railway connections were hit hard as rail lines were cut at the new borders. The major port cities and centres of trade and business, most of the raw materials for industry, and almost all of the established industrial facilities were in

India.¹³

While physical and material resources, such as land, minerals and canals, could be divided between India and Pakistan, it was impossible to divide up the rivers that ran through both countries. The international boundary that split India and Pakistan also cut across the Indus system of rivers, resulting in the upper reaches of the main Indus and its tributaries from the east becoming part of India. However, the prosperity of the arid plains of Pakistan almost entirely depended on the upper waters of the Indus rivers, which now were under India's control.

The Indus river and its tributaries together form one of the largest river systems in the world. Capable of watering nearly 14 million hectares, the Indus river system brought to West Pakistan's plains a comparable amount of water as the Danube does Europe or the Columbia does to North America.¹⁴ The diversion of these waters for irrigation purposes dates back to around 3000 B.C. when irrigated agriculture fully established itself in the Indus valley region. Pakistan's modern irrigation system dates from the nineteenth century when the old inundation canals, whose supply of water depended on seasonal river flows, were replaced by weirs and barrages. These were constructed by the British Indian Administration and were designed to serve as large an area as possible.

¹³Karachi, by the time of Partition, had already established itself as the main port for the area that became West Pakistan.

¹⁴Niranjan D. Gulhati, Indus Waters Treaty, (Bombay: Allied Publishers, 1973), 7.

Post-Partition tension between Pakistan and India over how to establish a new system of control over the Indus river and its tributaries led to serious accusations from both sides. Pakistan was concerned that India would divert water away from irrigation dependent agricultural areas in West Pakistan thus turning those areas into desert. The three largest tributaries, the Sutlej, Beas and Ravi, were in Indian hands and Pakistan was dependent on India's goodwill to allow the water to continue to flow. India's successful military campaigns in the post-Partition scramble for Kashmir gave India control over two more of the main tributaries of the Indus: the Chenab and Jhelum. In the spring of 1948, Pakistan's worst fears came true. As a result of a border dispute between India and Pakistan, India curtailed the water supply to Pakistan for several weeks. International intervention diffused the situation but the matter of control over the Indus would remain unresolved for more than a decade until the signing of the Indus Waters Treaty in 1960.

Pakistan's prospects after Partition, then, seemed bleak and discouraging. Two culturally and linguistically diverse regions with little historical connection were united into one country, divided by a hostile India and facing a grave and uncertain future. Communication and transportation links between East and West Pakistan depended in part on the goodwill of India. The redevelopment of Pakistan's economic infrastructure required more financial and material capital

than Pakistan itself could afford.

Pakistan's first Prime Minister, Liaquat Ali Khan, in a visit to Canada in 1950, admitted that "these unexpected shocks to our economy, both because of the great gaps that appeared in our economic structure and the heavy strain that was placed on our resources and our two-month-old administrative machinery, were our greatest trial."¹⁵ Emphasizing that Pakistan was primarily an agricultural country, Liaquat Ali Khan pointed to the need to expand and modernize agriculture through extensive irrigation projects, the manufacture and import of fertilizers and plans for cooperative farming. The key to improving the development of those areas, however, was improving Pakistan's capacity to produce electric power:

Cheap electrical power is the basic need of the country and the work in progress in this field is aimed at giving us by 1957 sufficient energy for industrial requirements, for modernizing our agriculture and for setting up a country-wide network of cottage and small-scale industries.¹⁶

While Liaquat Ali Khan clearly held high hopes for future development in Pakistan, achieving the goals set by his government would prove difficult without international financial support.

Canada and its Commonwealth partners recognized that their new "brothers" were in desperate need of financial

¹⁵Liaquat Ali Khan, Pakistan: The Heart of Asia: Speeches by Liaquat Ali Khan, (Massachusetts, Harvard University Press, 1951), 128.

¹⁶Ibid., 128.

assistance. They also feared that Pakistan and other new nations, because of their dire economic situations, were particularly vulnerable to unwanted political systems such as communism. As a result, a program was prepared to address the economic difficulties experienced by Pakistan and other Asian nations and preserve their status as "free" nations.

The Colombo Plan

Pakistan was not alone in having to confront serious economic and political challenges. Its South Asian neighbours India and Ceylon, along with other countries in South-East Asia, faced similar obstacles in the post-war and post-colonial reconstruction and development of their industries and infrastructures.

Recognizing that it was of the greatest importance that these countries succeed in attaining economic and social stability, the Commonwealth, on the initiative of Australia, Canada, Great Britain and New Zealand, devised a six-year program of economic development. In January 1950, the Commonwealth Consultative Committee met in Colombo, Ceylon. It was the first Commonwealth conference to be held in Asia and its purpose was to tackle a variety of pressing political and economic issues. These included the political situation in China, the peace treaty with Japan, the condition of South-East Asia and the situation in Europe. The primary problem that the delegates attending the conference hoped to resolve,

however, was how to implement measures that would maintain political stability in the new Asian countries. Political stability was considered possible only if conditions of economic security, and a steady flow of capital from more highly developed countries, were present.

The Foreign Ministers of the Commonwealth countries "agreed upon the vital importance of the economic development of South and South-East Asia in the maintenance of the political stability of the countries in that area, and in the growth of an expanding world economy based upon multilateral trade."¹⁷ The result was the Colombo Plan for Co-operative Economic Development in South and South-East Asia.¹⁸ Asia, specifically South Asia, thus became the focus of Canada's first post-war foreign assistance effort.¹⁹

In May 1950, the Commonwealth Consultative Committee gathered again, this time in Australia, for further meetings. It was here that they decided that a "comprehensive attack upon the problem of poverty and under-development" was necessary in Asia as a whole.²⁰ Later, in September of that same year, representatives from Australia, Canada, Ceylon, India, New Zealand, Pakistan and the United Kingdom, met in

¹⁷Commonwealth Consultative Committee, The Colombo Plan, 1-2.

¹⁸The original Asian members of the Colombo Plan were India, Pakistan, Ceylon and the Federation of Malaya, Singapore, North Borneo and Sarawak. Cambodia, Laos, Vietnam, Burma, Nepal, Indonesia, the Philippines and Thailand had all joined by 1954. Japan became a full member in 1954, but as a contributor of aid rather than a recipient.

¹⁹See Barrie M. Morrison, "Canada and South Asia", in Peyton V. Lyon and Tareq Y. Ismael, Canada and the Third World, (Canada: The Macmillan Company of Canada, 1976) for an in-depth account of Canada's interaction with South Asia.

²⁰Commonwealth Consultative Committee, The Colombo Plan for Co-operative Economic Development in South and South-East Asia, (London, 1950), v (hereafter cited as The Colombo Plan).

London to further define the development needs of South and South-East Asia and to prepare development plans on which to base a regional program of economic co-operation. A total expenditure of nearly \$5 billion, \$3 billion coming from outside sources, was envisaged for capital development over a six-year period in the Colombo Plan region.²¹

The program was designed to supplement already existing United Nations assistance programs and to provide immediate assistance to areas where the needs were most urgent. Those nations participating in the drawing up of the Colombo Plan for South and South-East Asia realized that an effective program must "provide expert advice and assistance to these countries both by training and by lending trained manpower." This would ensure that "any large scale financial assistance which might be made available to them is to be used to advantage."²² The result was the establishment of the Council for Technical Co-operation in South and South-East Asia. Its purpose was to give students and trainees from recipient nations the opportunity to study and train in the donor countries. The program also provided advisors and experts from the donor countries to assist in project determination, implementation and follow-up.²³

The Canadian government stressed that it considered the Colombo Plan's Technical Cooperation program to be a

²¹DEA, *External Affairs*, V, No. 4 (April 1953), 104.

²²DEA, *External Affairs*, II, No. 12 (December 1950), 19.

²³See *The Colombo Plan*, 99, for the Council for Technical Co-operation's constitution.

"temporary supplement" to the technical assistance activities of the United Nations and that the two programs should eventually be merged. Other Colombo Plan members, however, supported a United Kingdom proposal to extend the Technical Cooperation Program for the entire six-year life of the Colombo Plan and keep it separate from the United Nations program. Pearson noted that he would be reluctant to announce that Canada was breaking away from the Technical Cooperation Program after its termination in 1953 or was reserving its position on the issue. He suggested that Canada agree to the extension of the Technical Cooperation Program but that this support involve "no financial commitment whatsoever because . . . the question of contributions would have to be reviewed and recommendations submitted to parliament each year."²⁴

The Canadian delegates to the conference agreed that perhaps the most important result of the conference was the recommendation to set up the Colombo Plan. Canadian representatives confirmed that there was a desperate "need for capital development in all the countries stretching from Pakistan to Indonesia" and there was a great need to "increase agricultural yields through the introduction of irrigation systems and the greater use of fertilizer; also for the establishment of at least some new industries."²⁵ Canadian

²⁴Memorandum from SSEA to Prime Minister, Documents on Canadian External Relations 18 (1952), 1030-1031. See also Lester B. Pearson, "Canada and Technical Assistance to Under-Developed Countries", Statements & Speeches, 52/10, 3-4.

²⁵Lester B. Pearson, Debates, I (February 22, 1950), 132.

participation in the Colombo Plan was considered essential because Canada was considered to be "relatively disassociated from past events and present selfish interest" and was in a "strong position to comment upon and influence events in the Pacific area."²⁶

Officially, the Colombo Plan was not intended to act as an anti-Communist plan. However, it was indeed the perceived threat of communist expansion into a politically and economically unstable Asia that prompted the January 1950 Commonwealth Conference at Colombo, Ceylon²⁷. The view that economic stability meant salvation from communism prevailed and advocates of the plan argued that "Colombo means economic advance plus liberty and the rule of law: Communism means the purchase of some material prosperity by the sacrifices of freedom and human dignity."²⁸ The first Colombo Plan report itself stated that:

The improvement in the welfare of the South and Southeast Asia peoples is a vast human endeavour, and the community of free nations stands to gain immensely by it. The political stability of the countries in the area is possible only in conditions of economic progress, and the steady flow of capital from the more highly developed countries is essential for this purpose. . . . a fresh impetus should be given to economic development in South and Southeast Asia in order to increase production, raise standards of living, and thus enlarge the volume of trade around the world from which all countries may benefit.²⁹

36.

²⁶Cyril S. Belshaw, "Canadian Policy and Asian Society", International Journal 11 (1955-1956),

²⁷Ceylon was renamed Sri Lanka in 1977.

²⁸Guy Wint, What is the Colombo Plan, (London: The Batchworth Press, 1952), 34-35.

²⁹Commonwealth Consultative Committee, The Colombo Plan, 3.

Canadian representatives at the Colombo conference agreed, describing communism as a "malignancy that thrives on diseased tissues and the Colombo Plan by working to eliminate the diseased tissues of poverty and starvation is endeavouring to keep one-quarter of the world's population in the free world."³⁰ Proponents of aid argued further that "within the measure of its resources Canada should . . . do its part to help in this great effort to promote human welfare and hence to ensure peace."³¹ Similar sentiments were held by future Canadian Prime Minister John Diefenbaker, then the MP for Lake Centre, Saskatchewan. He told a CBC audience on 9 January 1950 that "50 million dollars a year . . . would be cheap insurance for Canada . . . to halt communism in Asia."³²

Canada's delegation in Colombo agreed that the stability of South and South-East Asia was critical to the future development of the region and welcomed the opportunity to "share in the tasks of new construction and reconstruction".³³ After returning from the conference, R.W. Mayhew, then Minister of Fisheries, told the members of the House of Commons that:

Most of these nations. . . . are struggling with great problems. . . . they are attempting to repair the damage done by war, civil disturbance, and economic dislocation. . . . but at the present time they are extremely vulnerable to dangerous forces,

³⁰Louis St. Laurent, "Canada's Relations with Asia", Statements & Speeches, 52/33, 5.

³¹External Affairs, II, No. 12 (December 1950), 18.

³²Cited in Keith Spicer, "Clubmanship Upstaged: Canada's Twenty Years in the Colombo Plan", International Journal XXV (Winter 1969-70), 25.

³³J.G. Diefenbaker, "Canada and Pakistan", Statements & Speeches, 59/6, 3.

from within and without. If these forces prevail, these countries will quickly be robbed of the freedom which they have so recently won.³⁴

While Mayhew does not explicitly name communism as one of the dangerous forces, Lester Pearson argued adamantly that:

Communism . . . in Asia . . . 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 the people will rise . . . and create chaos out of which communistic rule may emerge. . . . the appeal is to a better life at once . . . and to political freedom. Both appeals are strong, for millions of Asian people do not know that from communism both appeals are false.³⁵

During a lengthy address in the House of Commons, Pearson emphasized that "if southeast Asia 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."

It was mainly in Asia, however, where new independent nations were appearing one after the other that Canadian government concern over communist expansion existed. Pearson commented that the countries of South and South-East Asia were making "impressive efforts toward the establishment of strong modern nation states, and we of the western world should do what we can to encourage and assist these efforts." With independence came a new feeling of nationalism which had

³⁴R.W. Mayhew, Debates, IV (June 29, 1950), 4371.

³⁵Lester B. Pearson, Debates, I (February 22, 1950), 131. A condensed version of Pearson's speech can also be found in External Affairs, II, No. 2, (March 1950), 81.

"finally and fully arrested itself." This surge of nationalism in Asia resulted in political independence for fifteen Asian states in less than 25 years. The political danger from this was that by exploiting these nationalist movements, "communist expansion may now spill over into southeast Asia as well as into the Middle East." If forced to make the decision, new Asian nations "might prefer even communism to a return to colonialism. The existence of this feeling is recognized now by the nations of Europe and America."³⁶

Along with Canada's initial grant of \$25 million for the first year of the Plan, the financing of the Colombo Plan was undertaken by the United Kingdom, which agreed to contribute grants worth \$900 million over the initial six-year period of the program; Australia, which promised to provide grants worth \$21 million in the first year and \$75 million over a six-year period; and New Zealand, which pledged to provide grants worth \$9 million over the first three years of the program.³⁷ Non-Commonwealth countries, including the United States and Japan, would contribute to the program or provide complimentary assistance to the region.

The Colombo Plan was originally intended to cover a six year period, beginning in 1950, during which significant capital investment would occur in the region. Approximately

³⁶Lester B. Pearson, Debates, I (February 22, 1950), 130-131.

³⁷Nik Cavell, "Asia and the Free World", Statements & Speeches, 53/38, 5.

70 percent of the initial investment would be directed towards India. This amount was not considered unreasonable since India's population was three quarters of the population of the whole area. The aid that was delivered to Colombo Plan nations in the region was targeted towards various sectors of deserving development areas. Table 3.1 illustrates how the first investments were to be divided.

Table 3.1
Colombo Plan Investment Distribution

Transport and communications	-	34%
Agriculture improvement	-	32%
Housing, health and education	-	18%
Industry and mining	-	10%
Fuel and power	-	6%

Source: Guy Wint, What is the Colombo Plan?, (London: The Batchworth Press, 1952), 25.

As the implementation of the Plan progressed in these early years, new food supply problems caused by unexpected famine outbreaks led South Asian countries to request the shipment of large quantities of grain. However, the Colombo Plan had not been designed or intended to provide that kind of relief. The original intention of the plan was "to provide capital equipment of a permanent nature which could raise the standards of living."³⁸ Food aid was considered useful only for satisfying short-term objectives. It generally fell under

³⁸Nik Cavell, "Technical Assistance and the Colombo Plan", Statements & Speeches, 51/38, 4.

the category of relief aid and did little to address the underlying causes for food shortages.

It was realized, however, that it was useless to provide equipment "if in the meantime [the people] have all died of famine." A scheme was devised whereby when donor nations sent food aid, the recipient country would setup up "counterpart funds . . . they will pay into a bank in their own currency the equivalent of the value of food grains we send. From these counterpart funds they will pay for that part of capital assistance which must in any case be built in their countries."³⁹ It was noted at the time, however, that counterpart funds set aside by recipient governments were uncontrolled and could easily be used to fund military and police activities, rather than the development initiatives those funds were intended for.

Although food aid was not considered to be proper development assistance, Canada provided considerable amounts of food relief to India and Pakistan to alleviate famines, droughts and other food shortages caused by natural catastrophes. Accordingly, food aid became a consistent feature of Canada's overall aid program. Although there was criticism of the food aid component, requests for food aid were usually granted.⁴⁰ At the same time, it was acknowledged by both donors and recipients within the Colombo Plan that the

³⁹Nik Cavell, "Technical Assistance and the Colombo Plan", Statements & Speeches, 51/38, 4.

⁴⁰See Carty and Smith, Perpetuating Poverty, 123-127,

"real hope of saving the millions of Asians from hunger and hardship depends not upon importing food from abroad but upon increasing the productivity of the lands of their own countries."⁴¹

Official and Public Reaction

Despite the relative importance of Canada's participation in the Colombo Plan, public awareness of its involvement was minimal and media coverage meagre during the first few years of the Plan. This is not, however, surprising, given that the routine procedures of the Consultative Committee of the Colombo Plan members were not designed for public scrutiny. Nor did the Consultative Committee negotiate agreements at its annual Plan meetings. That was a process that occurred directly between the governments involved. Rather, the annual meetings were intended to allow member nations the opportunity to air general concerns and problems and to study the annual report.⁴²

Much of the early editorial commentary found in the Canadian media on Canada's new role in the Colombo Plan was positive yet suggested that Canada could still do more given its wealth and important position in the Commonwealth.⁴³ This

⁴¹Lester B. Pearson, "Canada and Technical Assistance to Under-Developed Countries", External Affairs IV (March, 1952), 90.

⁴²Thomas Peterson, Canada and the Colombo Plan, 1950-1960, (Unpublished M.A. Thesis, University of Manitoba, 1962), 119.

⁴³See Thomas Peterson, Canada and the Colombo Plan, 1950-1960, for an excellent survey of editorial commentary on the Colombo Plan.

sentiment was echoed by the Opposition Conservatives in Parliament as well. SSEA, Lester Pearson, in a statement made in the House of Commons, acknowledged that the Canadian government was "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."⁴⁴ Other members of parliament commented that Canadians everywhere were "full of enthusiasm for this splendid program which our government helped bring into existence. . . . To show less fortunate people a better way than communism is . . . in our best interests as well as theirs."⁴⁵

In political terms, many of the editorials complimented the government in its advocacy of greater efforts to defend the free world from the menace of communist expansion. They viewed the Colombo Plan's contribution to the "strength and unity of the free world" as vital.⁴⁶ Other editorials assumed that humanitarian motivations were in large part responsible for Canada's membership in the Colombo Plan. One editorial in Maclean's magazine took such a position, noting that "we like to think that was the main factor in Canada's decision - the harsh and simple fact of human need. But there were other reasons, less altruistic but no less honourable, for the act

⁴⁴Lester B. Pearson, "Canada and the Colombo Plan", Statements & Speeches, 51/6, 2.

⁴⁵D.D. Carrick, Debates, I (January 14, 1955), 223.

⁴⁶"Should we bring foreign aid back home", Maclean's LXXX (April 28, 1956), 2.

of statesmanship we supported in 1950 and 1951."⁴⁷

There was also a growing awareness by business groups in Canada of the potential demand for Canadian products in the Asian market. Canada shared the "great interest of the western democracies in the development of trade with Asia as a means of contributing to the growth and stability and healthy economic development of that part of the world which is so important to us."⁴⁸

Why Canadian Aid to Pakistan?

The events in Europe and Asia that enlarged Canada's role and interest in Asia helped also to thrust Pakistan near the top of Canada's aid program. Indeed, Pakistan was second only to India in the amount of Canadian aid it received during the 1951-1971 period.

Canada's formal association with Pakistan did not begin in any real sense until 1947. Pakistan was, until then, part of British India, although even in 1947 Pakistan remained "an unknown quantity for Canada."⁴⁹ India had been the main focus of Canadian foreign policy in Asia since Canada had "for a long time attached a special importance to the role of India in world affairs."⁵⁰ India's leaders, Gandhi and Nehru, were well known to Canadians whereas Jinnah and Liaquat Ali Khan of

⁴⁷"How much is Democracy in Asia worth?" Maclean's LXVII (February 1, 1954), 2.

⁴⁸Lester B. Pearson, Debates, I, (February 22, 1950), 135.

⁴⁹Peter Harnetty, "Canada's Asian Policy: The Case of Pakistan", South Asian Review, 2 (January, 1970), 118.

⁵⁰Ibid., 118.

Pakistan were names unfamiliar to most Canadians. Canada established full diplomatic relations with India as soon it became independent in 1947, but in Pakistan was represented only by a trade commissioner until 1950 when a High Commissioner was finally appointed. Pakistan had earlier established its High Commission in Canada during the summer of 1949.

The period from 1947 to 1951 saw a very modest relationship develop between Canada and Pakistan that was limited to basic trade. Data for 1949 show that Canada exported to Pakistan nearly \$18 million worth of goods, mainly commercial vehicles, arms and ammunition, asbestos, machinery, chemicals, medicine, clocks and watches and other hardware. Pakistan's exports to Canada in that same year, which were comprised mainly of raw wool, raw cotton and raw jute, amounted to approximately \$1.2 million.⁵¹

The political and economic uncertainty that Pakistan experienced immediately after Partition made it an ideal candidate for Canadian aid. The perceived "threat" that communism posed to the new nation was clearly a consideration for officials involved in the formulation of Canadian foreign policy. Given the motives of the Colombo Plan to promote economic growth and political stability among Commonwealth and non-Commonwealth countries in Asia, Canada's participation in

⁵¹Walter Godfrey, Pakistan: Economic and Commercial Conditions in Pakistan, (London: His Majesty's Stationery Office, 1950) 137-149. See also Debates I (March 13, 1950), 686.

that plan was both prudent and worthwhile. Despite the weakness of early Canadian aid policy, the amount of aid Canada contributed to Pakistan's development objectives was significant. Canada's aid relationship with Pakistan during the 1950s and 1960s was highlighted by a steady flow of financial and technical assistance amounting to more than \$318 million.

Table 3.2

Canadian Aid to Pakistan by Year
1951-1952 to 1970-1971
(\$000)

Fiscal Year	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
Amount	10,095	64	10,327	1,614	6,716	11,239	17,157	13,095	10,585	14,153
Fiscal Year	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
Amount	10,626	11,648	13,185	21,346	19,348	28,314	21,742	16,722	32,869	47,512

Source: CIDA, Report 12, 1-20 & CIDA, Report 18, 1-27. Amounts refer to Government-to-Government assistance (grants, loans and food aid) and Other Government-to-Government assistance.

On a visit to Pakistan in 1950, immediately following the Colombo Conference, Lester Pearson noted that "the achievements of two years in that country of Pakistan have been notable. . . . The difficulties facing Pakistan are very great, but they are being met in a spirit of eager and deep patriotism. . . . to those people Pakistan seemed almost as much of a religion as a state."⁵²

⁵²Lester B. Pearson, Debates, I (February 22, 1950), 136.

Under the auspices of the Colombo Plan, the thrust of Canada's assistance to Pakistan was concentrated in three essential areas: electric power, food aid, and industrial commodities. While these areas absorbed a good portion of Canada's aid allocations, Canada also provided assistance to developing Pakistan's agriculture and manufacturing industries, its transportation and communications sectors, the development of Pakistan's fisheries, and financing of aerial surveys of Pakistan's mineral and agricultural areas.

When determining its foreign aid allocations in general, the Canadian government usually assigned a low priority to capital equipment or industrial projects as they were considered to be:

not . . . a proper activity for development aid. . . . They form . . . the second stage of development, building on the infrastructure of institutions and services which external aid normally seeks to strengthen. Nevertheless, industries producing primary materials for local manufactures or basic construction can be fairly considered as accessory to infrastructure, and thereby make a reasonable secondary claim on aid funds.⁵³

In fact, by 1965 Canada had approved only five capital equipment projects, three of which had gone beyond the stage of a pilot study. Pakistan was the location of two of these projects: the Maple Leaf Cement Plant in West Pakistan and the Khulna Newsprint Mill and Hardboard Plant in East Pakistan. Both of these projects will be examined in the next chapter.

⁵³Keith Spicer, A Samaritan State?, 170.

CHAPTER FOUR

CANADA AND PAKISTAN: SPECIFICS OF AID

Civilian Rule in Pakistan, 1947-1958

Canada's aid relationship with Pakistan was established at a time when the stability of Pakistan's fledgling democratic system was uncertain at best. Indeed, the eleven year period from 1947 to 1958 has been identified by many scholars of Pakistan's constitutional and political development as crucial in defining the future course of military and civil relations in the Islamic nation.¹ During these eleven years Pakistan's civilian government attempted to devise a constitution which would serve as an effective guide for future political, economic and social development.

The task of formulating a constitution and allowing the incorporation of many varied interests into a cohesive government structure proved difficult. Hampered by their locations on either side of India, East and West Pakistan struggled in these early years to make success from a union that was pulled in different directions by competing political and social factions intent on defining their own place in the new nation. The economic uncertainty and hardship that prevailed throughout both wings weakened further the meagre stability that the political leaders attempted initially to establish democratically, and later attempted to impose

¹See, for instance, Ayesha Jalal, The State of Martial Rule: The Origins of Pakistan's Political Economy of Defence, (Cambridge: Cambridge University Press, 1985); Ian Stephens, Pakistan; Richard S. Wheeler, The Politics of Pakistan, (London: Cornell University Press, 1970); and Omar Noman, Pakistan: Political and Economic History Since 1947, (London: Kegan Paul International, 1992).

autocratically.

This is not to say that optimism for the future was absent from the national consciousness in 1947. Indeed, Pakistan's political future appeared quite promising after Partition and high hopes were held that the new nation would prosper. The necessary prerequisite of having a strong, visionary leader, considered vital for a smooth transition from colonial possession to free nation, seemed to be fulfilled in Pakistan in the person of Muhammed Ali Jinnah, the Quaid-i-Azam or "great leader".

Jinnah's political experience was impressive and his role in the new nation reflected the broad base of support and respect that he possessed throughout the nation. Following Pakistan's independence, Jinnah became its first Governor-General and the President of the Constituent Assembly, but stepped down as leader of Pakistan's main political party, the Muslim League, which he had guided for many years.² His close political ally and long-time secretary of the Muslim League, Liaquat Ali Khan, became Prime Minister and head of cabinet. The new President of the Pakistan Muslim League was Chaudhri Khaliquzzaman, a refugee from the United Provinces in India.³

Optimism for Pakistan's future was, however, quickly shattered. Jinnah, who unknown to the public had been

²The Pakistan Muslim League separated from the All-India Muslim League in December 1947. Jinnah was invited to become the new party's President but he refused because of his opposition to the League's adoption of a constitution based on the separation of government and party. See Ayesha Jalal, The State of Martial Rule, 61-63.

³Under Khaliquzzaman's leadership, the Muslim League became increasingly disorganized and factionalized and its popularity throughout the nation decreased.

suffering from tuberculosis at the time of independence, died only thirteen months after the birth of Pakistan. His death proved to be the first of many setbacks that seriously impeded Pakistan political development during its first eleven years as a nation. Liaquat Ali Khan was the only real choice to succeed Jinnah as the nation's de facto leader. He retained the title of Prime Minister while Khwaja Nazimuddin, a former minister of East Bengal, took over as Governor-General. Although Liaquat could not muster the authority and respect that Jinnah had commanded as the Quaid-i-Azam, his leadership was widely accepted and respected nonetheless.

Upon taking office in 1948, Liaquat turned his government's attention inward to address the many problems that plagued the new nation. These included the framing of a new constitution, dealing with the problem of India and Kashmir, resettling an enormous refugee population, and deciding how best to approach the task of developing and improving Pakistan's agricultural and industrial capacity.⁴

While Liaquat's government was able to make some basic progress towards improving the Pakistan's overall economic condition, the country was effectively paralyzed following his assassination in 1951.⁵ Not only did his untimely death setback the nation's constitutional and political development,

⁴Parmatma Sharan, Government of Pakistan, (India: Meenakshi Prakashan, 1975), 38. Kashmir was, and still is, an area of contention between India and Pakistan.

⁵Liaquat was assassinated by an Afghan national, Said Akbar, who had been in the employ of both British and Pakistani intelligence. Numerous conspiracy theories blamed India, Afghanistan and Britain, among others, for Liaquat's assassination.

but economic growth was also stymied. Among Pakistan's political élites there was no successor who could "fill the void he left in the party, the government, or the hearts of the people."⁶

Liaquat's successor as Prime Minister was Governor-General Nazimuddin, who took over that position and the leadership of the Muslim League in 1952. Succeeding Nazimuddin as Governor-General was Ghulam Mohammad, a Punjabi bureaucrat whose "impatience with politicians and parliamentarians had earned him notoriety in daring and initiative."⁷ Nazimuddin proved a weak and ineffectual leader whose government, plagued by numerous constitutional and economic crises, ultimately collapsed. These crises ranged from religious riots in the Punjab in 1953 and the demand for greater Islamic influence in the constitution, to the continued conflict between East and West Pakistan over a wide range of political and social issues, including the explosive issue of a national language.

Around the time of Partition, Jinnah and Liaquat Ali Khan had hinted that Pakistan's national language would be Urdu, a Hindustani language written in the Arabic script. For West Pakistan, with its many linguistic groups, this proposal made sense if the result meant linguistic and ethnic unity. However, the Bengalis in East Pakistan were entirely opposed

⁶Wayne Ayres Wilcox, Pakistan: The Consolidation of a Nation, 168.

⁷Ayesha Jalal, The State of Martial Rule, 136.

to this proposal since the overwhelming majority of East Pakistan's population spoke Bengali, a language derived from classical Sanskrit. For East Pakistanis, this was an alarming example of West Pakistan imposing its will on East Pakistan. When Nazimuddin, himself a Bengali, advocated Urdu as Pakistan's national language, intense rioting broke out in East Pakistan.

Nazimuddin's failure to effectively deal with these crises and rescue Pakistan's struggling economy resulted in his dismissal by the Governor-General. In itself, the dismissal was not extraordinary given the circumstances, yet it set precedent since it was Ghulam Mohammad who unilaterally made the decision to remove Nazimuddin from office. This action was quite significant because it "demonstrated the absence of an effective link between the Prime Minister and the institutions of party and parliament."⁸ Ghulam Mohammad proceeded to appoint Pakistan's Ambassador to the United States, Mohammad Ali Bogra, to the post of Prime Minister. An East Pakistani, Bogra was an established diplomat who had also served as Pakistan's Ambassador to Burma and High Commissioner in Canada but lacked political experience.

Bogra quickly became widely unpopular with elements of West Pakistan's powerful Punjabi political élite who soon began a quiet campaign to have him removed. He had previously rejected outright their proposals for incorporating Pakistan's

⁸Omar Noman, Pakistan: Political and Economic History Since 1947, 12.

provinces into a single, administrative unit. The common fear among non-Punjabis was that such a union would be dominated by the powerful Punjabis, who were disproportionately influential in the administration and military. Their dominance would serve to discourage potential alliances between the smaller administrative groupings in the West and East Pakistan's Bengalis.

The real test of Bogra's ability to pacify his opponents came with his handling of the constitutional deadlock. His main task was to devise a constitutional formula that accommodated East Pakistan in the political affairs of the nation but at the same time did not antagonize Punjabis in West Pakistan. His formula afforded Bengali the status of a national language, an effort that succeeded in appeasing the moderate elements of East Pakistan's political élite, but also served to further aggravate their Urdu counterparts in West Pakistan. The question of uniting the various provinces of West Pakistan into a single, administrative unit remained unresolved until the 1956 constitution came into effect. Bogra, succumbing to pressure from political elements in East Pakistan, sealed his fate by supporting a series of constitutional amendments that were aimed at curtailing the powers of the Governor-General.

In 1954, while Bogra was away on a tour of the United States and Britain, the constituent assembly ratified his new democratic constitution. However, Ghulam Mohammed was

unwilling to relinquish any of his powers as Governor-General and, supported by politicians in the Punjab and the Sind along with the higher civil service and the army command, proceeded to dismiss the constituent assembly. He allowed Bogra to remain on as Prime Minister, but de facto power was handed to a cabinet that included Major-General Iskander Mirza, a West Pakistani who had previously served as the Governor of East Pakistan and now became the Minister of the Interior, General Ayub Khan as Minister of Defence, and Chaudhri Mohammad Ali, another well-respected bureaucrat, as Minister of Finance. Pakistan's constitutional crisis had not been eased or eliminated, only delayed.

In 1955, serious illness forced Ghulam Mohammed to relinquish his official duties. Iskander Mirza took over as Governor-General while Bogra, who had lost the support of the Muslim League, resigned as Prime Minister but returned to his cherished post of Ambassador to the United States. He was replaced as Prime Minister by Chaudhri Mohammad Ali who took over that post in August 1955. Elections were immediately held to select a new National Assembly which was given the task of yet again attempting to draft a new constitution.

The constitution that was devised passed in 1956 and transformed Pakistan into an Islamic Republic with Mirza as its first President.⁹ The new constitution also put forward

⁹For a detailed examination of Pakistan as an Islamic Republic, see Lawrence Ziring, "From Islamic Republic to Islamic State in Pakistan", Asian Survey 24 (September 1984), 931-946.

the idea of "parity" between East and West Pakistan. The "parity" principle was essentially a means of ensuring that majority rule by the more populous East Pakistan was avoided. East Pakistan accepted the "parity" principle, but soon found that the West Pakistan government was not implementing the principle in budgetary, developmental and administrative activities that directly affected East Pakistan.¹⁰

Meanwhile, by 1958, economic distress added significantly to the political turmoil. Indeed, Pakistan's economy was in shambles. Teachers, oil workers and government employees were among the many workers that went on strike throughout the nation to demand higher wages. Increasing dissatisfaction and unrest in East Pakistan with its political and economic situation was also prevalent. The result was the abrogation of the 1956 constitution and imposition of martial law in October 1958 by Iskander Mirza, who was backed by General Ayub Khan and the army. Elections promised for 1958 were cancelled and postponed until 1959. The national and provincial legislative bodies were again dismissed and political parties were dissolved.

However, Pakistan's divergence from parliamentary "democracy" was not yet complete. The alliance forged between Mirza and Ayub Khan was one of necessity for Mirza, but only one of convenience for Ayub. Backed by the army, Ayub led a military coup only weeks after Mirza's declaration of martial

¹⁰Ashok Kapur, Pakistan in Crisis, (New York: Routledge, Chapman and Hall, Inc., 1991), 102.

law. Mirza was exiled and Ayub took over as Chief Martial Law Administrator, and later became President, a post he would hold until 1969.

Up to 1958, the national government had directed very little of its national wealth and resources towards education, health, and other social services. In fact, annual expenditure to those areas barely equalled four percent of total government expenditures. The funding that was provided to those areas was directed mainly towards the urban middle class and not to the majority population which was, for the most part, impoverished and illiterate.¹¹

National defence, not development, was a priority during these years. The threat that India represented to Pakistan's existence continued, in the minds of the ruling civil and military élites, to warrant a steady flow of national wealth to the military. An uneasy border with Afghanistan, the threat of internal dissension, and the desire to modernize its armed forces were also factors in Pakistan's emphasis on its military.

Between 1947 and 1958, Pakistan's annual military and defence expenditures accounted for, on average, just over sixty percent of its total government expenditure. India's defence expenditures during this same period never exceeded forty-seven percent of its total government expenditures.¹²

¹¹Omar Noman, Pakistan: A Political and Economic History Since 1947, 18.

¹²Veena Kukreja, Civil-Military Relations in South Asia, (New Delhi: Sage Publications, 1991), 49.

The continually high allocations to the military served only to enhance the "resources, prestige and influence of army".¹³

The collusion of West Pakistan's Punjabi civil and military élites was tacitly encouraged by the United States and overt American support for Pakistan's military ensured that Pakistan remained a strong ally and that American strategic interests in the area were guaranteed. The United States played a decisive role in guaranteeing Pakistan's political and geographical integrity through the provision of substantial amounts of economic and military assistance. In addition to providing Pakistan with more than \$725 million of economic assistance from 1949 to 1958, the United States contributed between \$400 and \$475 million of military assistance during that same period.¹⁴ The military relationship was begun with the signing of the Mutual Defense Assistance Agreement in 1954 and later confirmed with the Agreement of Cooperation in 1959. Pakistan's membership in the South-East Asia Treaty Organization (SEATO) in 1954 and the Baghdad Pact (CENTO) in 1955 further enhanced the American presence in its South Asian ally.¹⁵

During its first decade as a nation, Pakistan witnessed numerous power struggles and tensions within the state

¹³Veena Kukreja, Civil-Military Relations in South Asia, 198-201.

¹⁴Figures on U.S. economic assistance to Pakistan can be found in Brecher & Abbas, Foreign Aid in Pakistan, 122. Data on U.S. military assistance to Pakistan can be found in Sultana Afroz, "The Cold War and United States Military Aid to Pakistan 1947-1960", 61.

¹⁵Sultana Afroz, "The Cold War and United States Military Aid to Pakistan 1947-1960", 57. Afroz's assessment of the impact of U.S. military aid in Pakistan confirms West Pakistan's dominance in the nation's military affairs.

apparatus. The political uncertainty that prevailed prevented the successful formulation and implementation of economic development strategies that might otherwise have helped to relieve Pakistan's ailing economy. The routing of national wealth and resources to the military only worsened the economic crisis. It was under these uncertain conditions that Canadian aid was first delivered to Pakistan.

Canada's Aid Response, 1950-1955

On the surface, Canadian aid to Pakistan was launched with the same energy and optimism that Pakistan had initially expressed for its own future as a new nation. Behind its confident façade, however, was a Canadian government reluctant to commit itself financially in a region that held little appeal beyond its new Commonwealth connections. Cold War politics and the conflict in Korea, however, convinced officials in Ottawa that Canadian participation in the Colombo Plan was essential if these new nations were to be saved from the perceived communist threat.

Within the space of a few years, Canada's association with its Commonwealth partners in South Asian grew considerably. New political and economic contacts were established in India, Pakistan and Ceylon that would expedite the execution of Canada's Colombo Plan program in those countries. In 1949, Canada appointed its first High Commissioner to Pakistan, David M. Johnson, who had previously

served on the Canadian delegation to the first Colombo conference in 1950. The appointment was followed by the inauguration of the Canadian High Commission in Karachi in January 1950. Its opening served to formalize political association with Pakistan, a fellow Commonwealth country, and demonstrated Canada's commitment to strengthening political and economic relations between the two nations. The Canadian representative on the Colombo Plan's Council for Technical Co-operation in South and South-East Asia, whose headquarters were located in Colombo, was Paul Sykes.¹⁶

In Canada, Nik Cavell was quite influential and outspoken in his role as administrator of the International Economic and Technical Co-operation Division (IETCD) of the Department of Trade and Commerce. As Chairman of the Executive Committee of the Canadian Institute of International Affairs, Cavell had gained extensive government and business experience with Asia and was given responsibility for supervising all Canadian commitments for economic aid and technical assistance under the Colombo Plan.¹⁷ The IETCD was created in 1951 to guide both technical and capital assistance, the latter required primarily for the Colombo Plan. At the time, its creation was considered only a temporary measure, since Canada's bilateral aid program itself was generally regarded as a "strictly

¹⁶Canada, Report of the DEA, 1950, (Ottawa: 1951), 3-4.

¹⁷DEA, External Affairs, III, No. 9 (September, 1951), 313. Nik Cavell echoed the same anti-communist sentiments put forward by Canada's political leaders. See "The Colombo Plan", Statements & Speeches, 52/52 and "Asia and the Free World", Statements & Speeches, 53/38.

temporary" arrangement. In fact, the IETCD existed for seven years and played a pivotal role in laying "the foundations of Canada's bilateral aid program and its administrative machinery."¹⁸

Having both the political and economic machinery in place, Canada appeared ready to provide, at the very least, token support for the Plan agreed to at Colombo in 1950. It was at the Commonwealth's second annual consultative meeting, held in Colombo, Ceylon, in February 1951, that the Canadian delegation announced that a \$25 million contribution had been approved by Ottawa. The only condition attached was that this amount would be made available only if the amount of aid promised by other Colombo Plan members gave "reasonable hope that the broad objectives of the Plan would be achieved."¹⁹ The United Kingdom, Australia and New Zealand did, in fact, promise substantial quantities of aid and the Colombo Plan became a reality.

India and Pakistan were the first recipients of Canadian Colombo Plan aid dollars. Of the \$25 million allotted to the Colombo Plan for the 1951-1952 fiscal year, \$15 million was set aside for India while the remaining \$10 million was designated for Pakistan. To facilitate the carrying out of Canada's program in Pakistan, the Canadian Commercial Corporation (CCC) was designated as agent of the Government of

¹⁸Keith Spicer, A Samaritan State?, 95.

¹⁹Memorandum from SSEA to Cabinet, Documents on Canada's External Relations, 608. See also "Canada and the Colombo Plan", Statements & Speeches, 51/6, 2.

Pakistan. Grants made to Pakistan by Canada were directed to the CCC which in turn procured goods and services for projects approved by the Canadian government.²⁰

TABLE 4.1
Canada's Colombo Plan Allocations
in Pakistan, 1951-1952
(\$CDN)

1.	Cement plant for Thal Colonization Project	\$5.0 million
2.	Railway ties	\$2.8 million
3.	Air and geological survey	\$1.0 million
4.	Agricultural machinery	\$1.0 million
5.	Experimental Livestock Farm for Thal Colonization Project	\$0.2 million
Total		\$10.0 million

SOURCE: Documents on Canadian External Relations, 18 (1952), 1066 & Debates, IV (1963), 3812-3813.

Agreements were reached between the Canadian and Pakistan governments on a number of specific projects to be undertaken with help from Canada. These projects included capital works and equipment in connection with a large refugee settlement scheme in the Thal area, experimental and demonstration work in the field of livestock, and some electrical and transport equipment (Table 4.1).²¹ Pakistan later decided that its request for agricultural machinery be deleted and asked that the expenditure for the air and geological survey be increased to \$2 million, a request agreed to by the Canadian

²⁰SSEA to Acting High Commissioner of Pakistan, Documents on Canadian External Relations, 18 (1952), 1066-1067.

²¹External Affairs, III, No. 9 (September 1951), 313. See also Nik Cavell, "Asia and the International Situation", Statements & Speeches, 52/19, 4-6.

government.²²

By the end of 1951, however, the arrival of Canadian aid dollars in Pakistan had not yet materialized. Of the \$25 million promised by Canada that year for the Colombo Plan, only a \$10 million portion of India's total allotment of \$15 million, which had been set aside for the purchase of wheat, was actually spent.

Why, given the energy and enthusiasm with which Canada entered into the Colombo Plan program, had the dollars not reached the intended recipients? There are a number of reasons for the delays. Until the mid-1950s, when Pakistan set firm development goals in its First Five-Year Plan, the implementation of Canada's aid program in Pakistan was haphazard at best. Administrators in Canada and Pakistan discovered during the first five years of the Colombo Plan that prescribing remedies for Pakistan's economic woes was both complex and difficult. While progress was made in identifying specific areas of Pakistan's infrastructure, such as hydro-electric power development and agriculture, as requiring immediate assistance, getting projects off the ground proved easier on paper than in reality.

On the Canadian side, there was, in fact, an expressed dissatisfaction with the slow pace of the execution of the Colombo Plan aid program. Officials in Ottawa acknowledged

²²High Commissioner of Pakistan to SSEA, Documents on Canadian External Relations, 18 (1952), 1068-1969 and SSEA to High Commissioner of Pakistan, Documents on Canadian External Relations, 18 (1952), 1070.

that steps should be taken to improve the speed at which Canada's Colombo Plan program was administered. However, from the Canadian government's perspective, the basic weakness of the implementation of the Plan was deemed to be the "inept handling of Colombo Plan matters by the responsible government officials in the recipient countries."²³

The opinion held by many Canadian officials was that some recipient countries, including Pakistan, had in place a very rudimentary and generally inefficient administration that was unable to render decisions rapidly. Canada's High Commissioner in India maintained that the problems experienced in Pakistan and other recipient nations were effectively epitomised by India:

There is an Indian way of doing things. By our standards, it is slow, hesitant, and confused, and is based on a fundamental lack of planning and a tendency continually to make ad hoc decisions.²⁴

The ranks of India's and Pakistan's civil service were indeed inadequately filled with skilled or experienced officials familiar with the administration of a foreign aid program. Canadian ethnocentrism aside, the turmoil and chaos caused by Partition and the legacy of British rule had seriously weakened Pakistan's civil service.

Canadian officials also complained of having insufficient

²³Confidential letter from Under-SSEA to High Commissioner of Pakistan, Documents on Canada's External Relations 18 (1952), 993.

²⁴Confidential letter from High Commissioner in India to SSEA, Documents on Canada's External Relations 18 (1952), 996. Warwick Chipman outlines in his letter a range of shortcomings found in India's Civil Service.

information available for deciding which aid projects should be given funding. Without such information, the merits of project proposals could not be ascertained and the decision of which to support delayed. However, as both Canada and the countries receiving Canadian assistance were new to foreign aid, it is certainly unfair to apportion blame to one side alone since weaknesses existed on both sides.

The end result for Pakistan after the first fiscal year of the Colombo Plan was no tangible economic assistance. The only aid Pakistan did receive through Canada's Colombo Plan program was a Ford station wagon.²⁵ Notwithstanding the quality of Ford vehicles, this was not an impressive beginning. As a result, the remaining Canadian aid had to be carried over into the 1952-1953 fiscal year.

When the projects designated for the first year finally got underway in the second year of the Plan, their impact on Pakistan's development was considered a success. The most important project was the Maple Leaf Cement Plant, Canada's first capital and largest industrial project ever undertaken in a developing country. The project was located in the Thal area of the Punjab which had been set aside by the Pakistan government for refugee colonization. Under construction from 1953 to 1957, the Maple Leaf Cement Plant absorbed nearly \$6.5 million of Canada's Colombo Plan contributions during those

²⁵Extract from telegram from High Commissioner in Pakistan to SSEA, Documents on Canada's External Relations 18 (1952), 995.

five years.²⁶ Only \$5 million had initially been set aside for the project, but the estimated costs of equipment and services supplied by Canada exceeded that amount and additional funding for the project was approved.²⁷

For Pakistan, the value of the Maple Leaf project was evident. Resettling the nearly seven million refugees who had arrived in Pakistan from India after Partition was a daunting and arduous task for a government with limited resources at its disposal. Nik Cavell, in a speech delivered at the Empire Club in Toronto, told his audience that:

What Pakistan is doing, is to set up new areas of irrigation and to try to settle [the refugees] on the land as quickly as possible. One such area . . . is the Thal area in the Northwest Punjab. . . . It is now a great sandy, thirsty waste. Thousands of miles of irrigation canals will have to be build, and every inch of those canals must be lined with cement. Houses have to be erected, villages build, roads put in - all requiring vast quantities of cement.²⁸

Pakistan's existing cement and brick factories were, however, unable to keep up with the demand for supplies of primary building materials for the construction of housing facilities for these refugees. Cavell explained that "it became obvious that the only practical solution was to build a cement mill right in the area. Fortunately, the limestone and other raw materials necessary are available."²⁹ The Maple Leaf Cement

²⁶Keith Spicer, A Samaritan State, 171.

²⁷Top Secret Extract from Cabinet Conclusions, Documents on Canada's External Relations 19 (1953), 947.

²⁸Nik Cavell, "The Colombo Plan", Statements & Speeches, 52/52, 7.

²⁹*Ibid.*, 7.

Plant was intended to dramatically increase production of these building materials and ease the pressure upon Pakistan's existing building supply manufacturers.

Despite numerous technical and personnel problems inherent to any project of this type, the Maple Leaf project proved a remarkable success. Dozens of refugees were employed full-time at the plant and the living standards of the remote village of Daud Khel, located near the cement plant, rose significantly. Thousands of new homes were built for the displaced refugees. The high level of production at the Maple Leaf Plant helped with the construction of future Canadian-funded projects, including the Warsak and Shadiwal projects. When finished, the factory was the centre of much publicity in Canada since it was the first major Canadian development project to be completed.³⁰

In addition to the cement plant, Canada, along with Australia and New Zealand, assisted with the development of an experimental farm, also in the Thal area. According to Nik Cavell, the purpose of the farm was to "supply the settlers with draft bullocks, buffalo, good seed and expert advice." Canada provided nearly \$200,000 worth of agricultural machinery to the farm.³¹

Another example of early success was the country-wide

³⁰Keith Spicer, A Samaritan State?, 171-173. Spicer also outlines problems that were experienced during the life of the project.

³¹Nik Cavell, "The Colombo Plan", Statements & Speeches, 52/52, 8 and Nik Cavell, "Asia and the Free World", Statements & Speeches, 53/38, 6-7.

aerial photographic and geological survey of Pakistan's natural resources. Nik Cavell explained to his audience at the Empire Club in Toronto that:

If a nation is to be industrialized, she must first know what raw materials she has - and this Pakistan did not know. We arranged with her for an aerial resources survey of their country, and a Toronto firm, which took this contract, has now its men and planes in Pakistan actually operating on such a survey. Within two years, we hope to have produced a resources survey map, which will give indications of what natural resources are available and where they are most likely to be found.³²

In 1953, the Canadian High Commissioner to Pakistan, K.P. Kirkwood, described the aerial survey as "the most successful element in Canada's capital assistance program for Pakistan up to the present time."³³ Pakistan's High Commissioner to Canada agreed, saying the survey was of "incalculable value."³⁴ Not only did the aerial survey give Pakistan a clear view of its resource potential, but because the surveys were conducted by private aerial survey companies doing aid work, administrative relations were relatively untroubled and the surveys themselves "strengthened goodwill not only by diminishing abrasive contacts with local administrators but by forging bonds of respect and comradeship with local technicians."³⁵

A Pakistani involved with the survey process stated that

³²Nik Cavell, "The Colombo Plan", Statements & Speeches, 52/52, 7.

³³Letter from High Commissioner in Pakistan to Under-SSEA, Documents on Canadian External Relations 19 (1953), 949. In his article, "What We Have Done" in "Canada and Colombo - A Symposium" Queen's Quarterly 61 (1954), 324, Nik Cavell also emphasized the value of the aerial survey in "Asia and the Free World", Statements & Speeches, 53/38, 6.

³⁴Mirza Osman Ali Baig, "Pakistan To-day" The Empire Club of Canada, 185.

³⁵Keith Spicer, A Samaritan State?, 158. See Nik Cavell, Statements & Speeches, 52/52 for a lengthy discussion of Canada's first year in the Colombo Plan.

"the elaborate equipment and copious supplies made possible the completion of the field work in exceptionally fast time and probably with a high degree of accuracy." He went on to say that the "equipment and supplies are useless without the personnel to use them. All the geologists of the Canadian party . . . worked with great enthusiasm and courage."³⁶

The rehabilitation of its railways was also undertaken by Pakistan with assistance from the International Bank for Reconstruction and Development (IBRD) and Canada's Colombo Plan allocations. Converting its railways to handle diesel locomotives was considered crucial, given Pakistan's lack of coal but potential for oil. According to Nik Cavell, Pakistan's network of railway tracks "were in very bad condition" and thousands of miles had to be relaid to accommodate the new diesel locomotives.³⁷ The Canadian contribution amounted to \$2.8 million worth of wooden railway ties for the refurbishment of Pakistan's railway system.

Another significant component of Canada's aid program in Pakistan was its involvement in the Colombo Plan's technical assistance program. The Canadian government, in addition to its annual capital aid allocations, allotted some \$400,000 annually to the Technical Assistance Program.³⁸ This amount would see modest increases in the late 1950s and early 1960s.

³⁶Keith Spicer, *A Samaritan State?*, 159.

³⁷Nik Cavell, "The Colombo Plan", *Statements & Speeches*, 52/52, 8.

³⁸See Nik Cavell, *Statements & Speeches*, 51/38, 1-3. For a critical assessment of technical assistance, see Benjamin Higgins, "The Evaluation of Technical Assistance" *International Journal XXV* (1969-1970), 34-55.

Separate from the United Nations Expanded Technical Assistance Program (UNETAP), to which Canada also allocated some \$850,000 annually, the technical aid component of the Colombo Plan was intended to bring trainees from Colombo Plan nations to Canada for further training in their fields of expertise. It also allowed for experts from Canada to travel to developing countries and assist in technical training programs there.

However, as with the provision of capital aid, the technical aid component of the Colombo Plan got off to a slow start. Only a small percentage of the initial \$400,000 technical aid allocation for 1950 was actually spent and the failure to fully utilize the allocated funds was repeated through most of 1951. During that year, Canada offered sixty scholarships and fellowships to Asian students. A total of forty-eight students were accepted to study in Canada. However, of those forty-eight who had been accepted, only a handful had actually arrived in Canada; eleven from India, six from Pakistan, and one from Ceylon. The rest were set to arrive in early October 1951 for the beginning of the new academic year.³⁹ By the end of 1951, only two experts from Canada had departed for the Colombo Plan region.⁴⁰ Administrative difficulties and inexperience, as was the case with the project component of Canada's Colombo Plan program, were partly to blame for the slow start.

³⁹DEA, External Affairs, III, No. 9 (September, 1951), 313-314.

⁴⁰Mohammed Abdul Hai, Canadian Aid Policy, 73. The experts were a fisheries consultant and a refrigeration engineer sent to Ceylon. See DEA, External Affairs, III, No. 9 (September, 1951), 314.

Improvements and experience sped up the pace at which the technical program was implemented and several technical missions eventually arrived in Canada to study Canada's methods of highway and bridge construction, public health, agriculture, hydro-electric development and public administration.⁴¹ Pakistan's High Commissioner to Canada lauded the technical assistance program and complimented the Canadian role in the training of young Pakistanis in agriculture, civil administration, and technology. He noted that "when these trainees return home they in turn impart their knowledge to their colleagues and compatriots and thus help to increase the number of technicians and trained personnel at our disposal."⁴² At least, that was the assumption.

Canada's participation in the technical training component of the Colombo Plan also garnered considerable positive attention in Parliament. Wallace Nesbitt, the M.P. for Oxford, informed his fellow members of the nine students from Pakistan who were learning about farm machinery at the Massey Harris Ferguson plant in his riding. He proudly described how the Pakistan students:

... lived in homes throughout the community. They took part in all the social activities of the community. They played badminton, took part in

⁴¹Louis St. Laurent, "Canada's Relations with Asia", Statements & Speeches, 52/33, 6. See also Nik Cavell, "The Colombo Plan", Statements & Speeches, 52/52 and L.B. Pearson, "Canada and Technical Assistance to Under-developed Countries", Statements & Speeches, 52/10 for a discussion of technical cooperation under the Colombo Plan.

⁴²Mirza Osman Ali Baig, "Pakistan To-day", The Empire Club of Canada, 185.

little theatre activities, spoke at the service clubs. . . . they were invited out socially at all times and everybody . . . made a fuss over them.⁴³

While their social interaction with the community no doubt had a positive impact, it is difficult to determine the extent to which the Pakistani students' knowledge of farm machinery improved during their stay in Canada or was usefully applied upon their return home.

Nik Cavell also commented positively on the role played by the Colombo Plan in training people from South and Southeast Asia. One mission he singled out was that of twelve young Pakistanis who had just entered Pakistan's civil service and had arrived in Canada to study Canada's system of government. Cavell explained that:

They started here with an interview with the Prime Minister who not only welcomed them to Canada but told them something about his job in this democratic country. They saw members of the Cabinet and learned something of their jobs . . . and . . . all the ramifications of our federal government system. . . . they toured the provinces. . . . dug into our municipal problems . . . studied the workings of a well established democratic country. . . . I am reasonably sure that those twelve young men will enter on their careers with broader minds and an affection for Canada.⁴⁴

Clearly, the arrival of foreigners to Canada for training had a tremendous public relations benefit and also helped to educate Canadians of their country's expanding role in Asia.

Canadian and Pakistani aid officials gained considerable administrative experience during the first year of the Plan

⁴³Wallace Nesbitt, Debates, VII (August 2, 1956), 6867.

⁴⁴Nik Cavell, "The Colombo Plan", Statements & Speeches, 52/52, 9.

and were much better able to coordinate their activities in subsequent years. Project determination and program delivery improved throughout the 1950s, though there remained no clear strategy on the part of the Canadian government for providing foreign assistance.

Canada's announced contribution to the Colombo Plan for the 1952-1953 fiscal year remained at \$25 million and was again directed mainly towards India and Pakistan, with some aid delivered to Ceylon.⁴⁵ An additional \$400,000 was set aside for the technical assistance program. In reality, however, the total amount of aid disbursed that year was approximately \$5.52 million.⁴⁶ Of that, Pakistan was recipient of grant aid valued at \$64,000 while India received food aid valued at \$5 million and grant aid totalling only \$55,000. The rest of the Colombo Plan region, mainly Ceylon, received \$405,000.⁴⁷

Canadian aid to Pakistan during that year was directed towards the projects that began, or rather, were supposed to begin, in the previous year. Ottawa also announced that a grant of \$5 million would be provided to Pakistan for the purchase of wheat, the first Canadian food grant to that country. In fact, the actual amount of food aid amounted to \$10 million and was delivered to Pakistan during the 1953-1954

⁴⁵In fact, the actual amount disbursed to the Colombo Plan area during this period was \$5.52 million. India received a food grant of \$5 million.

⁴⁶The announced annual allocation to the Colombo Plan appears to have been more of a guide and the actual amounts spent, for many reasons, frequently fell short of the allocated amount.

⁴⁷CIDA, Report 12, 1.

fiscal year.

The amounts aside, the provision of wheat to Pakistan warrants further mention here. The intent of the Colombo Plan was not to provide food aid since that type of assistance did not eliminate the source of the problem - low food production. It instead provided only short-term relief. Food shortages were, however, a recurring problem for Pakistan and India during the years following Partition. Pakistan's government had attempted to avoid using Colombo Plan funds for procuring wheat from Canada and had instead spent nearly \$17 million from its own resources to buy Canadian wheat.

In February 1953, L.D. Wilgress, the Under-Secretary of State for External Affairs, suggested to the SSEA that "evidence of the effort which Pakistan has made to meet its own needs, combined with the seriousness of the food prospect, would seem to warrant at least this measure of assistance." Wilgress also argued that:

On political grounds it would seem most desirable to do what we can. The present Government is not strong. It is subject to internal political pressures . . . as a result of provincial jealousies and communist agitation. . . . Nevertheless, it is by far the best government in sight from our point of view. Another government would probably look with disfavour on the Commonwealth; and, if a change took place as the result of a military coup, the future shape of Pakistan would be difficult to predict.⁴⁸

Clearly, while there were humanitarian considerations behind

⁴⁸Confidential Memorandum from Under-SSEA to SSEA, Documents on Canadian External Relations, 19 (1953), 953-954.

the provision of wheat, political motivations were the foremost concern. Officials in Ottawa were cognizant of Pakistan's uncertain political situation and believed that the provision of wheat was necessary for ensuring the stability of Pakistan's weak government. For its part, Pakistan was required to allocate a similar amount of funds to be used for development purposes under the auspices of the Colombo Plan, a condition the Pakistan government complied with.⁴⁹

Besides the food assistance, Canada, at the request of Pakistan, expanded the 1951 aerial geological survey project to include an agricultural land-use examination. The expanded survey assisted in more effectively identifying the agricultural resources of the country and determining where new irrigation schemes could best be utilized.

Pakistan's need for pest control equipment for the protection of crops prompted Canada to deliver three aircraft for crop dusting. These aircraft, provided for the spraying of locusts, became the nucleus of a Pest Control Service set up through the United Nations Food and Agriculture Organization (FAO). Locusts had become a persistent pest in parts of Pakistan and it was thought "useless to spend money growing more food if locusts eat it all up."⁵⁰ Canada's involvement in Pakistan's pest control efforts lasted until

⁴⁹Thomas Peterson, Canada and the Colombo Plan, 1950-1960, 71-73. Mohammad Abdul Hai also provides a clear definition of the counterpart fund procedure and its positive and negative impact on Canada's aid programme.

⁵⁰Nik Cavell, "Asia and the Free World", Statements & Speeches, 53/38, 7.

1964 and during that time, in addition to the aircraft, Canada provided trucks, spray equipment and pesticides.

And finally, arrangements were made to begin Canada's most important new project in Pakistan: the Warsak Dam hydro-electric project.⁵¹ The Warsak Dam project absorbed the largest amount of Canadian project aid to Pakistan under the Colombo Plan during the period studied: nearly \$38 million over the course of Canada's initial involvement, which lasted from 1952 to 1959.

Located on the Kabul River near the Afghan border with West Pakistan, the Warsak Dam, when completed, was intended to satisfy four main objectives established by the Pakistan government. The first was to produce electric power on a scale large enough to stimulate industrial growth in the region where it was located and to overcome power shortages in southern West Pakistan. The second objective was to provide irrigation for nearly 100,000 acres of the dry plains of Peshawar. The third was to train almost 10,000 tribesmen from the surrounding hills as a semi-skilled labour force for use in future development projects. The final objective was to pacify and stabilize the area's turbulent tribal society through their salaried employment as local workers.⁵² Given the area's close proximity to the USSR, the fourth objective was intended to prevent local tribesmen from becoming lured

⁵¹Canada, Report of the DEA, 1953, (Ottawa: 1954), 26. Also see Nik Cavell, "What Have We Done" in "Canada and Colombo: A Symposium" Queen's Quarterly 61 (1954), 325.

⁵²Keith Spicer, A Samaritan State? 127.

into destabilizing Pakistan's government through inducements from the USSR.

In fact, the immediate impact of the Warsak Dam was the doubling of West Pakistan's capacity for the generation of electrical power. Nearly 100,000 acres of formerly infertile land was irrigated through the scheme and the standard of living in the immediate areas was improved due to the employment of the local citizens and their development of new skills. Nik Cavell, after visiting the project area, commented that what he saw was "nothing short of marvellous."⁵³ Later upgrades to the power generation equipment at the Warsak Dam would substantially increase its kilowatt output and irrigation capacity.

Canada's announced Colombo Plan contributions for the 1953-1954 fiscal year again totalled \$25 million, with an additional \$400,000 set aside for the technical assistance component of the Plan. As before, the announced amounts were not realized. Only \$11.72 million was actually delivered to India, Pakistan and Ceylon, and the majority of that consisted of the \$10 million worth of wheat provided to Pakistan. Pakistan's share of the remaining aid was directed towards the Warsak Dam project, the provision of consulting engineering services, agricultural machinery, and an extension of the aerial resources survey, this time with a special emphasis on better determining Pakistan's agricultural potential.

⁵³Nik Cavell, "Asia and the Free World", Statements & Speeches, 53/38, 7.

In early 1954, Canadian Prime Minister Louis St. Laurent embarked on lengthy trip abroad. His tour began in Europe, with brief stops in Great Britain, France, Germany and Italy, where he and his entourage were entertained by these country's respective heads of state. His visit to Europe was followed by an extensive sojourn to Asia. Among his many stops in Asia were visits to Bahrain, Pakistan, India, Ceylon, Indonesia, the Philippines, Korea, and Japan, and a brief stop in Hawaii, before returning home to Canada. Part of the reason for the trip was to allow St. Laurent to see first-hand, albeit superficially, precisely how Canada was involved, through the Colombo Plan, in the development of Pakistan and its neighbours. Upon his return to Canada, St. Laurent commented, during a rather lengthy address to the House of Commons in March of that year, that the Colombo Plan and its technical assistance component, based on his observations, were "most practical and appropriate."⁵⁴

The amount of assistance Canada allocated to the Colombo Plan for the 1954-1955 fiscal year remained at \$25.4 million. As before, the actual amount disbursed during that year fell short of that announced, totalling only \$12.55 million. Pakistan's share of that aid, just over \$1.6 million, was destined for projects already in progress, although some new projects were also initiated that year. In East Pakistan, the

⁵⁴Louis St. Laurent, "Prime Minister's Report to Parliament on Return from Trip Abroad", Statements & Speeches, 54/17, 6.

Ganges-Kobadak project was begun while the Shadiwal Hydro-Electric Power Development project in the Punjab area of West Pakistan was initiated. A limited amount of assistance in the form of aluminum and copper was also supplied to Pakistan.⁵⁵ Agreements were also reached for Canada's involvement in the construction of the Dacca-Chittigong-Karnaphuli Transmission Line, although that project did not actually get underway until 1955.

Some further mention of the Ganges-Kobadak project, of considerable importance for East Pakistan, is warranted here. It was part of a multi-purpose scheme for the development and irrigation of the Brahmaputra-Ganges delta in East Pakistan. Financed in part by the Colombo Plan, the Food and Agriculture Organization (FAO) and the International Co-operation Administration (ICA), the project concentrated on utilizing East Pakistan's water resources to their maximum potential. Improving East Pakistan's irrigation, drainage, navigation, flood protection and power development were the main objectives of the project. Included in these objectives was improving the irrigation potential of the deteriorating Kobadak river through drainage channels and the interlacing of the irrigated area to regulate the water flow and reduce the effect of flooding. It was also expected that the scheme would irrigate nearly 2 million acres when completed.⁵⁶ The

⁵⁵Canada, Report of the DEA, 1954, (Ottawa: 1955), 31-32.

⁵⁶Second Five Year Plan, 199-200.

focus areas of the project were the Kushtia, Jessore and Khulna districts.⁵⁷ Canada contributed more than \$2.5 million to the power development component of the project.⁵⁸

The first four years of Canada's participation in the Colombo Plan were, for the most part, a public relations success for St. Laurent's Liberal government. Its efforts had strengthened Canada's relations with new Commonwealth nations and had demonstrated Canada's resolve to help avert the threat of political and economic instability to those countries. It should be noted, however, that although \$102 million had been allocated for use in the Colombo Plan region during those years, an amount of just over \$55 million was actually disbursed. Of the total amount of aid provided, India received the most; over \$29.3 million or 53.2 percent; Pakistan's share totalled \$22.1 million or 44.1 percent; while the rest of the Colombo Plan region received just over \$3.6 million or 6.7 percent. The number of students and trainees in Canada from the Colombo Plan region rose from forty-eight in 1951 to a reported two-hundred and seven by 1955. The number of Canadian advisors serving in Colombo Plan nations rose from just two in 1951 to forty-eight by 1955.⁵⁹

Canada's aid to Pakistan took two main forms during the 1951-1952 to 1954-1955 period. Of the \$22.1 million disbursed

⁵⁷ Nafis Ahmad, An Economic Geography of East Pakistan, (London: Oxford University Press, 1958), 160-163.

⁵⁸ Canada, Report of the DEA, 1954, (Ottawa: 1955), 31-33.

⁵⁹ EAO, Annual Review 1966-1967, (Ottawa: 1967), 10-13.

to Pakistan, nearly 55 percent of that aid consisted of grant aid while the remaining 45 percent took the form of food aid (Table 4.2). Canadian grant aid to India, by comparison, accounted for almost 49 percent of the \$29.3 million in total aid to India while the remaining 51 percent took the form of food aid.

Table 4.2

Canadian Bilateral Disbursements to Pakistan
by Type, 1951-1952 to 1954-1955
(\$000)

Fiscal Year	Grants	%	Loans	%	Food Aid	%	Total
1951-1952	10,095	100.0	0	0.0	0	0.0	10,095
1952-1953	64	100.0	0	0.0	0	0.0	64
1953-1954	327	3.2	0	0.0	10,000	96.8	10,327
1954-1955	1,614	100.0	0	0.0	0	0.0	1,614
Totals	12,100	54.8	0	0.0	10,000	45.2	22,100

Source: CIDA, Report 12 and CIDA, Report 18. Percentages are for % of Total.

The distribution of project aid between West and East Pakistan must be considered at this point. Of the funding provided for projects initiated during the period starting in the 1951-1952 fiscal year and ending in the 1954-1955 fiscal year, West Pakistan clearly received the dominant share. The Warsak Dam project, the Maple Leaf Cement Plant and the Shadiwal Hydro-Electric Power project, all in West Pakistan, accounted for nearly 74 percent of Canada's project aid allocations to Pakistan. The two projects in East Pakistan; the Ganges-Kobadak Project and the Dacca-Chittigong-Karnaphuli

Transmission Line; received only 13 percent of the total project aid provided.

Table 4.3
Canadian Project Aid Commitments to Pakistan,
1951-1952 to 1954-1955
(\$CDN)

Project	Duration	Commitment
Railway Ties	1951-1952	2,770,490
Thal Experimental Farm	1951-1952	196,745
Aerial Resources Survey	1951-1958	3,355,990
Warsak Hydro-electric and Irrigation Project	1952-1959	37,575,518
Pest Control	1952-1964	2,193,950
Maple Leaf Cement Plant	1952-1957	6,439,502
Shadiwal Hydro-electric Power Development	1953-1958	3,126,820
Ganges-Kabadak Project, Thermal Plant	1954-1955	2,592,963
Dacca-Chittigong-Karnaphuli Transmission Line	1954-1959	5,769,620
Hatching Eggs and Incubator	1954-1955	3,106
Biological Control Station, Rawalpindi	1954-1958	55,383
Total Commitment 1951-1952 to 1954-1955		\$64,080,087

Source: Keith Spicer, *A Samaritan State?*, 123-173, and Irving Brecher and S.A. Abbas, *Foreign Aid in Pakistan*, 214-239.

The remaining projects listed in Table 4.3, with the exceptions of the Thal Experimental Farm and the Biological Control Station in Rawalpindi, both of which were located in West Pakistan and received between them a total of around \$250,000, were nationwide. However, while it is difficult to ascertain how that remaining aid was actually divided between West and East Pakistan, it would be fair to speculate, given the central government's regional bias towards the West, that West Pakistan received a disproportionately higher share of the aid. Such imbalances in the share of aid provided to West and East Pakistan illustrate West Pakistan's dominance in the political and economic affairs of the nation.

Pakistan's First Five-Year Plan, 1955-1960

Pakistan's National Planning Board was established in 1953 to prepare the country's First Five-Year Plan covering the period 1955 to 1960.⁶⁰ For Pakistan, the Plan was its first systematic attempt to accelerate the pace of economic development.⁶¹ On paper, the Planning Board would assist the government in formulating policies that were more development oriented. The institutional framework for planning and development would be strengthened and organized in such a way as to facilitate maximum cooperation and collaboration between the planning machinery and the administrative machinery.

However, the Planning Board itself was only partially staffed by April 1955, and while its members included some able people, most of its staff were inadequately trained with little or no experience. A positive aspect of the Planning Board's structure was that the Chairman of the Planning Board had direct access to the Minister of Economic Affairs. This access was crucial to the speeding up of policy development, and clearing up questions of procedural or personnel matters. Unfortunately, the frequent replacement of Pakistan's political leaders and ministers effectively impaired the ability of the Planning Board to execute policy.⁶²

⁶⁰The National Planning Board was reorganized and renamed the National Planning Commission in 1958.

⁶¹Commonwealth Consultative Committee, The Colombo Plan: Country Papers on the Special Topic, 1969, (Canada: 1969), 151.

⁶²See Albert Waterston, Planning In Pakistan, (Baltimore: The John Hopkins Press, 1963), 21-27. Waterston provides an excellent summary of Pakistan's planning institutions.

As a result of these personnel and policy difficulties, the First Five-Year Plan, which was drafted in 1955, only received approval from Pakistan's National Economic Council in the spring of 1957. Despite it being approved, the First Plan was still not published until May of 1958, three years into the First Plan's period of coverage. By the time it was finally published, it was clear that Pakistan's development during those first three years covered by the Plan had fallen well-below the Plan's expectations.

The First Five-Year Plan listed numerous development targets and priorities covering the main areas where Pakistan needed development. The Plan was designed to achieve objectives that, on paper, were considered feasible. These objectives were to raise the national income and the standard of living of the people; to improve the balance of payments of the country by increasing exports and by production of substitutes for imports; to increase the opportunities for useful employment in the country; to make steady progress in providing social services; and to increase rapidly the rate of development, especially in East Pakistan and other less-developed regions of the country.⁶³

During the five year period beginning in 1950, foreign aid represented a little over one percent of Pakistan's GNP. During the period covered by the First Five-Year Plan, that percentage nearly tripled to represent three percent of

⁶³First Five-Year Plan, 13.

Pakistan's GNP.⁶⁴ Although, during the First Five-Year Plan, industrial production and the development of the transportation and communication infrastructure showed strong growth, the development of the agricultural sector, which was considered the priority, fell far short of the expectations outlined in the Plan. The Plan itself was considered a failure.

The failure of the First Plan was attributed to several causes: non-development expenditures exceeded expectations; earnings of foreign exchange fell considerably short of Plan projections; arrivals of foreign aid were slower than expected; a considerable rise in both internal and external prices upset the cost calculations included in the Plan; many projects took longer to complete than expected; and factors beyond the control of the Plan such as weather and the deterioration of Pakistan's terms of trade. Above all, there was a serious failure to observe the discipline of the Plan, that is, an inability to stay within the parameters of development as defined by the Plan.⁶⁵

The First Five-Year Plan also suggested that some effort to address the regional disparity that existed between East and West Pakistan was necessary to ensure that the average standards of living in the two wings "become approximately

⁶⁴Lester B. Pearson, Partners in Development: Report of the Commission on International Development, (New York: Praeger Publishers, 1970), 313.

⁶⁵Government of Pakistan, The Second Five-Year Plan (1960-1965) (Karachi: Manager of Publications, 1960), 1-3.

equal."⁶⁶ Despite its recognition of East Pakistan's weaker economic positions, however, the Plan actually allocated to West Pakistan nearly double the expenditure that it allocated to East Pakistan during the Plan period. The Pakistan government's policy of rapid industrialization resulted in a concentration of investment in the West since, according to policy makers in West Pakistan, it was in the Western wing where the greatest potential for industrial growth lay. Other sectors of East Pakistan's infrastructure, such as transportation, communications and agriculture, were neglected and what little industrial activity that did take place in the East wing was controlled by West Pakistan business interests.⁶⁷

The Plan cited a variety of geographical and historical reasons for East Pakistan's lower allocations, but also suggested that East Pakistan lacked personnel with the technical skill and knowledge "to prepare schemes in sufficient detail to establish their soundness and feasibility."⁶⁸ That may have been true, but the inherent weakness of East Pakistan's civil service was its domination by West Pakistan and the distinct bias towards West Pakistan in the nation's economic activities.⁶⁹

⁶⁶First Five-Year Plan, 74.

⁶⁷Roger Ehrhardt, Canadian Development Assistance to Bangladesh, 3.

⁶⁸First Five-Year Plan, 74-75.

⁶⁹Rounaq Jahan, Pakistan: Failure in National Integration, (New York: Columbia University Press, 1972), 26-27. See also Md. Anisur Rahman, East and West Pakistan: A Problem in the Political Economy of Regional Planning, (USA: Centre for International Affairs, Harvard University, 1968), 15.

Canada's Aid Response, 1955-1960

St. Laurent's Liberal government increased Canada's overall allocations to the Colombo Plan to \$26.4 million for the 1955-1956 fiscal year. Contrary to past performance, the actual amount provided by Canada, an amount of \$25.3 million, nearly equalled that which was announced. Pakistan's precarious political situation did not prompt a reduction in Canada's Colombo Plan aid flow to Pakistan. Indeed, quite the opposite was true. Pakistan's share of that aid, some \$6.7 million, was more than four times higher than the previous fiscal year and was directed towards the continued construction of and equipment for the Warsak project.

The Canadian government also announced that a thermal power plant, the Goalpara Thermal Station, would be provided for use at Khulna in East Pakistan. Arrangements were also finally made for funding to begin on the construction of the Dacca-Chittagong-Karnaphuli electricity transmission line, also in East Pakistan.⁷⁰ It was a high-voltage transmission line that, when connected to other neighbouring high-voltage grids, would help to increase the distribution of power to industrial users and serve the major load centres throughout the area.⁷¹ Funding for another high-voltage transmission line connecting thermal stations at Bheramara and Goalpara was also provided by the Canadian government.

⁷⁰Canada, Report of the DEA, 1955, (Ottawa: 1956), 33.

⁷¹Second Five-Year Plan, 214.

Canada's 1956-1957 Colombo Plan allocation was increased by \$8 million, but only \$22.4 million of the \$34.4 million was actually disbursed. Pakistan's share amounted to \$11.23 million, nearly double that of the year before, and was approximately half of the total amount allocated to the Colombo Plan region. Included in Canada's assistance was a \$1.5 million gift of wheat to Pakistan to alleviate another grain shortage.⁷² Further funds were made available for the Warsak hydro-electric project. Additional assistance was given to the aerial survey of natural resources in Pakistan, and commodity assistance in the form of copper was also sent to Pakistan. Continued assistance was also provided for the Goalpara thermal power plant and the construction of the electricity transmission line between Dacca and Chittagong in East Pakistan, and the construction of the hydro-power plant at Shadiwal in West Pakistan.⁷³

Canada's allocations for the 1957-1958 fiscal year remained steady at \$34.4 million, but more than \$58 million was actually provided. Nearly all of the \$17.2 million made available to Pakistan was committed to the Warsak project. Of the balance, \$1 million was allocated to the construction of an electricity transmission line in connection with the Ganges-Kobadek power project. A sum of \$1 million was provided for the doubling of the circuit on the Dacca-

⁷²It should be noted that the actual amount of Canadian food aid for 1956-1957 was \$1.48 million. See CIDA, Report 12, 3.

⁷³Canada, Report of the DEA, 1956, (Ottawa: 1957), 43-44.

Chittagong transmission line and \$2 million worth of wheat was also provided to Pakistan.⁷⁴ By comparison, India received more than \$35.4 million from Canada that year while the rest of the Colombo Plan region received \$5.5 million.

A distinct change in Canadian aid policy occurred following an upset election victory in June 1957 by the Conservatives led by J.G. Diefenbaker. Diefenbaker was a staunch supporter of the Commonwealth and his enthusiasm for its multi-racial composition was demonstrated during a visit to Pakistan in November of 1958. In a speech made at the University of the Punjab in Lahore, Diefenbaker applauded the spirit of the Commonwealth and the "brotherhood" of nations that it represented:

When our engineers build dams together when our students learn together, when our statesmen and national leaders confer and confide, we being about within this Commonwealth of different races and religions, of different forms of government, a unity in the spirit, a dedication to the assurance that any disputes that we have . . . can, and must, be settled in an amicable way.⁷⁵

He went on to say that Canada welcomed "the opportunity of the Colombo Plan to co-operate with the countries of South Asia and to share in the task of new construction and reconstruction."⁷⁶

It was Diefenbaker's avid support of Colombo Plan activities and his anti-communist sentiments that in large

⁷⁴Canada, Report of the DEA, 1957, (Ottawa: 1958), 45-46. The amount of the food aid is confirmed in CIDA Report 12.

⁷⁵J.G. Diefenbaker, "Canada and Pakistan", Statements & Speeches, 59/6, 5.

⁷⁶ibid., 5.

part contributed to both an increase in Canada's Colombo Plan allocations and expansion of the program itself. The amount of food aid delivered to the Colombo Plan region also increased substantially during Diefenbaker's term as Prime Minister. Canada's overall allocations rose from \$35 million at the start of Diefenbaker's term in 1957, to \$50 million by 1959.⁷⁷

Table 4.4
Canadian Bilateral Disbursements to Pakistan,
by Type, 1955-1956 to 1959-1960
(\$000)

Fiscal Year	Grants	%	Loans	%	Food Aid	%	Total
1955-1956	6,716	100.0	0	0.0	0	0.0	6,716
1956-1957	9,763	86.9	0	0.0	1,476	13.1	11,239
1957-1958	15,157	88.3	0	0.0	2,000	11.7	17,157
1958-1959	9,095	69.5	0	0.0	4,000	30.5	13,095
1959-1960	6,935	65.5	0	0.0	3,650	34.4	10,585
Totals	47,666	81.0	0	0.0	11,126	19.0	58,792

Source: CIDA, Report 12 and CIDA, Report 18. Percentages are for % of Total.

In fact, the actual amount of Canadian assistance disbursed to the Colombo Plan region during the 1958-1959 and 1959-1960 fiscal years surpassed the amount announced by parliament. More than \$66.8 million was delivered to the Colombo Plan region during the 1958-1959 fiscal year. Pakistan received over \$13 million and India over \$36.6 million, while the remaining aid, some \$17 million, was

⁷⁷Diefenbaker, as Leader of the Opposition, reminded the new Liberal government of this increase during an exchange with SSEA Paul Martin. See Debates, IV (November 14, 1963), 4719. Also see Report of the DEA, 1959, (Ottawa: 1960), 49-50.

distributed among other countries of the Colombo Plan region. In Pakistan, the Warsak project received the dominant share of the aid allotted while much smaller amounts went towards other projects that were continuing. Food aid worth \$4 million was also provided. The following fiscal year, a total of \$60.9 million was disbursed to the Colombo Plan region. Of that, Pakistan received nearly \$10.6 million, India nearly \$32.4 million, while the rest of the region was provided a total of some \$18 million.

As Table 4.4 shows, 81 percent of the aid Canada provided to Pakistan during the five-year period beginning in 1955 took the form of grant aid while the remaining 19 percent was food aid. India's portion of grant aid during that same period, by comparison, rose from its previous level of 48.2 percent to 68.9 percent, but food aid declined in favour of development loans, which received 5.4 percent and 25.7 percent respectively.

From 1955 to 1960, the number of students and trainees in Canada from Colombo Plan countries nearly tripled from two-hundred and seven in 1955 to five-hundred and thirty-seven in 1960. The average number of Canadian advisors serving in Colombo Plan countries was around fifty in each year from 1955 to 1960.⁷⁸

The imbalance of Canada's aid disbursement between East and West Pakistan must again be noted. Of the \$17.9 million

⁷⁸EAO, Annual Review 1966-1967, (Ottawa: 1967), 10-13.

in project aid provided by Canada during the 1955-1956 fiscal year to the 1959-1960 fiscal year period, East Pakistan received roughly 36 percent while West Pakistan received nearly 64 percent. The Goalpara power projects in East Pakistan accounted for some \$6.4 million of the total aid delivered to the country. In West Pakistan, the Sukkur Thermal Power Plant received the largest share of assistance provided during this period, over \$11.4 million, and the Tarnab Farm Workshop a small amount of \$2,277. The remaining aid, with no apparent regional focus, amounted to approximately \$44,000.

Table 4.5
Canadian Project Aid Commitments to Pakistan,
1955-1956 to 1959-1960
(\$CDN)

Project	Duration	Commitment
Goalpara Thermal Station, Khulna	1955-1956	2,062,610
Equipment for Tractor Training School	1955-1956	17,250
Mobile Dispensaries	1955-1965	11,795
Bheramara-Ishurdi-Goalpara Transmission Line	1957-1963	4,400,000
Sukkur Thermal Power Plant	1958-1964	11,415,000
Tarnab Farm Workshop Equipment	1957-1958	2,277
Books on Cost Accounting	1959-1960	15,000
Total Commitment, 1955-1960		17,923,932

Source: CIDA, Project Summary, Keith Spicer, A Samaritan State?, 123-173, and Irving Brecher and S.A. Abbas, Foreign Aid in Pakistan, 214-239.

Military Rule in Pakistan, 1958-1969

The inherent weaknesses of Pakistan's political system during the 1950s contributed to a marked inability on the part of the Pakistan government to devise an effective, long-term economic strategy that addressed the wide range of problems plaguing the national economy. Quite simply, the economic measures adopted during the 1950s failed to alleviate the conditions of poverty that affected a majority of Pakistan's population.⁷⁹ Ayub's military coup in 1958 brought some measure of political and economic stability to the nation, but at a serious price. Military expenditures increased dramatically after 1958, the military's role in national politics was consolidated, and its collaboration with the Punjabi élite in West Pakistan was continued.

The régime that emerged after the coup can best be described as a streamlined military administration, though the military was content to keep a low profile and allow the civil service to maintain day-to-day activities. In addition to his role as Chief Martial Law Administrator, Ayub Khan assumed the title of President in 1960. His government took on the laborious task of overhauling the legal, constitutional and economic and administrative organization of the country, the proclaimed ultimate objective being the restoration of a

⁷⁹By 1958, Pakistan's population stood at nearly 45 million with an annual growth rate of over 2 percent. In 1970, Pakistan's population reached 60 million with an annual growth rate of nearly 3 percent. See Omar Noman, Pakistan, xi.

representative form of government.⁸⁰ Ayub's régime attempted to purge corrupt and inefficient officials, break up the feudal land system, and discourage the black market, tax evasions and hoarding.⁸¹

Ayub also made efforts to expedite rural development and improve social welfare facilities by redefining Pakistan's system of government. He introduced the concept of "Basic Democracies", a system for local government which was designed to implant values of self-reliance among Pakistan's masses by abolishing direct adult franchise and replacing it with a form of indirect democracy. Pakistan was divided into 80,000 geographical units with each unit containing an average electorate of 1,000. However, while outwardly noble, Ayub's "Basic Democracies" have been described as an "undisguised attempt to institutionalize bureaucratic control over the political process."⁸² In short, the "Basic Democracies" system gave the semblance of popular participation in the political system but at the same time ensured strict government control over the democratic process. Indeed, in 1960, Ayub's presidency was endorsed by 95.6 percent of basic democrats who were asked if they had confidence in him as President.⁸³

A new constitution was introduced in 1962 which provided for a government with a strong executive and a President at

⁸⁰A.M. Haq, "Pakistan's Economic Development" Pacific Affairs 32 (1959), 157.

⁸¹According to Ayesha Jalal, however, much of the land was redistributed to military and civil officials, mainly Punjabis, at drastically reduced prices. See The State of Martial Rule, 305.

⁸²Ayesha Jalal, The State of Martial Rule, 302.

⁸³Omar Noman, Pakistan, 27.

its head. The federal legislature was to sit at Dacca in East Pakistan, although when completed Islamabad, in West Pakistan, was to be the capital. Urdu and Bengali remained the official languages. The new National Assembly met for the first time in 1962. Martial law was lifted and Ayub Khan was sworn in as President in 1962 and reaffirmed to that post again in 1965. The nation continued to be dominated, however, by the Punjabi élite and the military.

Pakistan's military government was put to the test during a serious dispute in September 1965 between Pakistan and India over the unresolved issue of Kashmir. India accused Pakistan of supporting militant Kashmiri Muslims who were attempting to destabilize India's control of the vale of Kashmir. Numerous border clashes occurred in the spring of that year. Despite a British sponsored cease-fire, a brief yet destructive war between India and Pakistan broke out later in 1965.

The dispute climaxed when India retook positions in the north previously occupied by Pakistan, forcing Pakistan to retaliate in the southwestern part of the state. Both countries had limited military objectives and when the United States and Britain cut off military and economic assistance to both countries, neither country was able to sustain the war. The conflict ended after another United Nations cease-fire was arranged on 23 September 1965. Thanks to a Soviet Union initiative in January 1966, the Tashkent Agreement was signed between the two powers reaffirming their desire to "promote

understanding and friendly relations" between the two countries.⁸⁴

The existing UNMOGIP mission was expanded following the cease-fire while a new mission, the United Nations India-Pakistan Observation Mission (UNIPOM), was formed under a Canadian commanding officer, Major-General B.F. Macdonald. Its role was to supervise the new cease-fire and the withdrawal of forces to their respective sides of the Kashmir cease-fire line. Canada also provided a total of nineteen officers, a senior air advisor, and an air-transport unit with nearly one hundred men and six aircraft to serve both UNMOGIP and UNIPOM.⁸⁵

Public anger and frustration in Pakistan with the results of the war was expressed by widespread rioting throughout the country. However, this was not something new to Ayub's régime. Throughout its term in office, Ayub's administration was discredited by riots and strikes which seriously impaired the functions of the public service, education, industry and commerce. These civil disturbances were the result of a variety of factors, not least of which was the increasingly pervasive political and economic discontent felt in East Pakistan. By 1968, the East Pakistan desire for some form of autonomy had reached a climax. Serious rioting and mass

⁸⁴See Herbert Feldmen, *From Crisis to Crisis, 1962-1969*, (London: Oxford University Press, 1972), 330-332, for the complete text of the Tashkent Agreement.

⁸⁵Canada, *Report of the DEA, 1965*, (Ottawa: 1966), 4-5. For a useful assessment of UNIPOM, see Robert W. Redford, "UNIPOM: Success of a Mission" *International Journal* 27 (Summer 1972), 405-423.

strikes were commonplace. Politically, Ayub's government was on the brink of collapse.

Pakistan's Second Five-Year Plan, 1960-1965

Meanwhile, Pakistan's Second Five-Year Plan, the so-called blueprint of the Ayub régime's new economic order, sought to speed up the pace of development that had been set into motion during the First Five-Year Plan.⁸⁶ The Second Plan again acknowledged that the pace of economic development in East Pakistan was to be accelerated, but maximizing development in the less developed parts of the country would not prejudice "national development as a whole."⁸⁷ As had occurred during the First Five-Year Plan, allocations to West Pakistan exceeded those to East Pakistan by a margin of nearly 38 percent.⁸⁸

The Second Five-Year Plan also sought to overcome the inadequacies of the First Five-Year Plan, especially in agriculture.⁸⁹ Like his predecessors, Ayub again attached the highest priority to increasing agricultural production and stated that effective agricultural programs and administrative policies needed to be devised to bring about increased provision and utilization of fertilizers, pesticides and other aids to agriculture.

⁸⁶Ayesha Jalal, The State of Martial Rule, 305.

⁸⁷Second Five-Year Plan 1960-1965, 398.

⁸⁸Md. Anisur Rahman, East And West Pakistan, 20.

⁸⁹The Second Five-Year Plan, 1-23.

Irrigation, considered to be even more important in the 1960s, was to be expanded and improved as was drainage, flood control and reclamation facilities. Naturally, increases in agriculture and industrial production would require further development of water and power resources, transportation, and communications. During the 1960s, the development internationally of new high yielding varieties of wheat led to a "Green Revolution", which had its impact on the Punjab area of Pakistan in particular. Agricultural production in Pakistan genuinely benefited through the use of improved seed varieties and increased mechanization. The effects of the Green Revolution were especially evident during the late 1960s and the early 1970s.⁹⁰ Wheat acreage, for instance, increased by nearly 1.5 million acres from 13.2 million acres in 1964 to 14.7 million acres in 1969. Wheat production rose from 4.5 million tonnes in 1964 to 6.9 million tonnes in 1969.⁹¹

It was evident, however, that although Ayub Khan had postponed political for economic development, "this progress did not ease the impoverishment of the overwhelming majority. The concentration of wealth in a few hands was abrasive."⁹² While complaining that Pakistan would become a welfare state without the help of foreign countries, Ayub had "no compunctions about the rich increasing their fortunes. . . .

⁹⁰See Leslie Nulty, The Green Revolution in West Pakistan, (New York: Praeger Press, 1972) for an informative study of the impact of technological change on Pakistan's agricultural industry.

⁹¹Ibid., 110.

⁹²Lawrence Ziring, The Ayub Khan Era, (New York: Syracuse University Press, 1971), 179.

the President's explanation that profits were being reinvested in the nation's economic program did not quiet the critics."⁹³ Ayub himself was accused of becoming the wealthiest man in Pakistan. These allegations were difficult for Ayub to refute since he had acquired for himself huge tracts of farmland and his sons had succeeded in building an extensive industrial empire.

Overall, although Pakistan remained under tight military control during Ayub Khan's term in office, the achievements under the Second Five-Year Plan were "widely applauded. . . . political stability, few restraints on free enterprise, reasonably efficient administration, and the effective use of foreign assistance . . . all helped to bolster a successful image."⁹⁴ Pakistan's GNP under the Second Five-Year Plan averaged 5.5 percent annual growth as compared to 2.7 percent for the years 1950-1955 and 2.4 percent during the First Five-Year Plan period.⁹⁵ Under the Second Five-Year Plan, foreign aid had also increased to represent seven percent of Pakistan's total GNP, a rise of four percent from the previous plan.⁹⁶ The modest level of economic growth and political stability achieved during the Second Five-Year Plan could not, however, be repeated during the Third Five-Year Plan.

⁹³Lawrence Ziring, The Ayub Khan Era, 179.

⁹⁴Ibid., 179.

⁹⁵Brecher & Abbas, Foreign Aid in Pakistan, 35.

⁹⁶Lester B. Pearson, Partners in Development, 313.

Pakistan's Third Five-Year Plan, 1965-1970

Influenced by the relative success of the Second Plan the pattern of growth envisaged by the Third Five-Year Plan proved to be too ambitious. A major reason for the Plan's shortfall was the brief, yet destructive, September 1965 war with India. The massive reallocation of resources to defence slowed economic development in other vital areas such as education and transportation. The war also decreased the amount of foreign aid that had been expected to flow into Pakistan during the course of the Plan.⁹⁷ Agricultural development under the Third Five-Year Plan was also setback as a result of the 1965 war with India. According to one Pakistani official, the war "adversely affected the available canal water supply supplemented by unprecedented drought conditions."⁹⁸

Notwithstanding the 1965 war, Pakistan did manage to maintain an overall rate of economic growth close to 5 percent annually, which was below Plan expectations but consistent with the performance of the Second Five-Year Plan. West Pakistan fared better than East Pakistan in agricultural growth and was consistent in its adoption of newer agricultural technology. In East Pakistan, food prices rose substantially which further added to the economic hardships and promoted civil and political unrest in that region.

⁹⁷S.R. Lewis, Pakistan: Industrialization and Trade Policies, (London: Oxford University Press, 1970), 166-167.

⁹⁸Muhammad Shaffi Gill, Agricultural Prospects Under the Third Plan in West Pakistan, (Karachi: Pakistan Institute of Development Economics, 1967), 1.

Overall growth in East Pakistan was sharply lower than in West Pakistan in the period from 1959-1960 to 1969-1970. Growth of the Gross Domestic Product (GDP) during that decade in West Pakistan was 42 percent, compared to only 17 percent in East Pakistan. Under the Third Plan, growth of the GDP in West Pakistan was nearly four times that of East Pakistan. East Pakistani economists blamed the disparity on the systematic neglect of East Pakistani interests by policy-makers in West Pakistan. Economists, supported by the national Ministry of Finance, blamed the disparity on factors beyond their control.⁹⁹ Such casual dismissal of East Pakistan's concerns was not, however, inconsistent and contributed to the gradual erosion of the union between East and West Pakistan.

Canada's Aid Response, 1960-1971

The creation in late 1960 of the External Aid Office (EAO) was a recognition by the Canadian government of the growing complexity of its overseas aid activities and the need to ensure the continued effectiveness of its overall aid program.¹⁰⁰ Canada's aid activities were indeed becoming more complex and global in nature. The Special Commonwealth Africa Aid Program (SCAAP) and the Program of Canadian Aid to French-speaking Countries in Africa (FSAS) came into existence in

⁹⁹K.B Sayeed, "The Breakdown of Pakistan's Political System" International Journal XXVII (Summer, 1972), 400-401.

¹⁰⁰Canada, Report of the DEA, 1961, (Ottawa: 1962), 38.

1961 as a response to the "urgent problem of assisting the newly-emerging African states to achieve political stability and satisfactory economic progress."¹⁰¹ Canadian aid was also being delivered to the Caribbean region and to smaller nations in Latin America such as Belize and Guyana.

Canada joined with other aid donor nations in the 1960s in reassessing the form of the foreign assistance it disbursed to Pakistan and to other developing countries. By the mid-1960s, the percentage of aid Canada provided to recipient countries in the form of development loans increased significantly. By the late 1960s, nearly half of the total amount of Canadian aid would be in the form of "tied" loans. Even by the late 1950s, over 46 percent of India's annual aid allocation from Canada was in the form of "tied" development loans, although such loans would not consistently be a part of Canada's aid to India until 1966. Similar loans were introduced as part of Canada's aid program in Pakistan in 1964.

Canada's relationship with Pakistan was further strengthened throughout the 1960s. Along with other members of the international community, Canada helped resolve the dispute between India and Pakistan over the use of the waters of the Indus river and its tributaries. The Indus Basin Development Fund (IBDF), which had been established in 1948 by the International Bank for Reconstruction and Development

¹⁰¹Canada, Report of the DEA, 1961, (Ottawa: 1962), 38.

(IBRD), allowed United States, United Kingdom and other Western nations to provide financial assistance to India and Pakistan for the development of the Indus Basin.¹⁰² For its part, the Canadian government agreed to increase its Colombo Plan contributions by an additional \$22.1 million over ten years for use by the IBDF.¹⁰³ The Indian and Pakistan governments were also required to make substantial contributions to the IBDF. The peaceful division of the Indus waters was intended to allow for the construction of additional hydro-electric power resources, irrigation schemes and flood control works in both countries.

During the early 1960s, Canada also co-operated with Pakistan on a variety of development projects funded through the EAO. Projects with a national emphasis included an aerial survey and forest inventory, equipment for an agricultural census, cobalt beam therapy units and fishing equipment. Funding for these projects totalled around \$4.9 million. In East Pakistan, Canada provided funding for the Sangu multi-purpose scheme, a land use study of the Chittagong Hill Tracts, the construction of the Comilla-Sylhet electricity transmission line, and a newsprint mill and hardboard plant at Khulna.¹⁰⁴ Funding for these projects totalled more than \$15.7 million. In West Pakistan, Canada disbursed assistance for a

¹⁰²Canada, Report of the DEA, 1959, (Ottawa: 1960), 49.

¹⁰³Howard Green, "Indus Waters Settlement", Statements & Speeches, 60/14, 1.

¹⁰⁴The purpose of the Comilla-Sylhet transmission line to interconnect the power plants at Dacca and Sylhet with the East Pakistan main grid electrical system. See CIDA, Corporate Memory/Project Summary, 714/07031.

floating crane and other equipment for the Karachi Port, equipment and materials for a refugee housing scheme in Lahore and a veterans' hospital in Rawalpindi. Some \$2.1 million was allocated to these projects.

The Khulna project in East Pakistan requires further examination at this point. In 1954, the Khulna project sponsor, the Pakistan Industrial Development Corporation (PIDC), commissioned Messrs Sandwell and Co., Consultants, Ltd., of Vancouver to undertake a technical and economic feasibility study of a newsprint mill in Khulna. A subsidiary of Sandwell and Co., Sandwell International Ltd., was given responsibility for the management of the mill once agreements had been signed. It was not until 1963, however, that the Canadian and Pakistan governments were able to agree on the terms of Canadian financial assistance to the project. Canada agreed to provide some \$1.85 million from its Colombo Plan allocations to the project.¹⁰⁵

The Khulna project ran into numerous problems delaying the completion of the project on schedule. Disputes between the PIDC and Sandwell and Co., and between the Canadian government and Sandwell and Co., resulted in frequent delays.¹⁰⁶ When finally completed, the hardboard plant was unable to maintain production at its rated capacity and Canada

¹⁰⁵Keith Spicer, A Samaritan State?, 171, and Irving Brecher and S.A. Abbas, Foreign Aid and Industrial Development in Pakistan, 87-89, 232.

¹⁰⁶See Irving Brecher and S.A. Abbas, Foreign Aid and Industrial Development in Pakistan, 87-89, for a detailed account of the Khulna newsprint and hardboard plant project.

provided an additional \$2.3 million in 1970 to facilitate production at the hardboard plant's rated capacity.¹⁰⁷

Canadian aid policy would undergo additional changes following the return of the Liberals to power in 1963, led by Lester Pearson. In a speech to Parliament on 14 November 1963, SSEA Paul Martin stated that the Canadian government had "formulated general plans for an expansion of Canada's aid programs beginning in the fiscal year 1964-1965."¹⁰⁸ While Opposition members praised the government's intention to expand Canada's aid program, they were critical of the fact that foreign aid as a percentage of Canada's GNP remained less than 1 percent.¹⁰⁹ These criticisms were, however, unwarranted considering that during Diefenbaker's term in office, foreign aid as a percentage of GNP remained well below 1 percent of GNP. The insistence on food aid as part of Canada's regular aid program was also dropped by the Liberals. Instead, food aid was separated from regular development assistance and all of Canada's food aid programs, multilateral and bilateral, were consolidated.

By 1965, Canadian assistance to Pakistan had risen to nearly \$20 million and much of that assistance was directed towards further power development projects. For instance, Canada provided \$1.1 million for the upgrade of Pakistan's electrical power distribution network through the funding of

¹⁰⁷CIDA, Corporate Memory/Project Summary, 714/00058, Khulna Hardboard Plant - Phase II.

¹⁰⁸Paul Martin, Debates, IV, (November 14, 1963), 4714.

¹⁰⁹Debates, IV (November 14, 1963), 4719-4721.

a detailed design phase of the East/West transmission line. Its purpose was to interconnect two grid systems to facilitate the transmission of surplus power. However, the most significant project to be undertaken by Pakistan with Canadian assistance in 1965 was the Karachi Nuclear Power Plant (KANUPP).

Pakistan, by the mid-1950s, had become quite interested in developing an atomic energy program. The establishment of the Pakistan Atomic Energy Commission in the spring of 1956 was evidence of this. Canadian cooperation in this area was growing rapidly, despite Pakistan's interest and potential for the construction of nuclear weapons. By 1960, Canada and Pakistan had signed an agreement for cooperation in the peaceful uses of atomic energy.¹¹⁰

Canada and India had signed similar agreements in 1956 and 1963. Construction of the Canada-India Atomic Reactor (CIRUS) at Trombay, India began in 1956 and was completed in 1960. A further project with India, the RAPP I power reactor agreement, following the success of the CIRUS, was signed in 1963 with the reactor in operation by 1972. Significant problems arose with Canada's nuclear cooperation with India. At the time the CIRUS agreement was signed, the International Atomic Energy Agency (IAEA) did not exist and there were no international safeguards in place to monitor and regulate the operation of nuclear reactors and to ensure their peaceful

¹¹⁰Canada, Report of the DEA, 1959, (Ottawa: 1960), 73.

use. What safeguards Canada had put in place fell away as soon as India was able to substitute its own fuel for Canadian fuel, a clear violation of its agreement with Canada. The plutonium produced at CIRUS was used to fuel India's detonation of its first atomic weapon in 1974. At the time of the agreement with Pakistan, however, the IAEA did exist and IAEA safeguards became obligatory in Canadian reactor sales, thus providing some minimum assurance at the time that Pakistan could not easily construct a nuclear weapon on its own.

The cooperation between Canada and Pakistan on matters of atomic power was formalized with an agreement to construct a CANDU reactor near Karachi in 1966.¹¹¹ A heavy water moderated, fresh water cooled reactor, KANUPP used natural uranium as fuel and its design was based on experience with similar plants in Ontario. The approved budget for Canadian assistance amounted to \$23.3 million, but just over \$24 million was actually provided. The rationale for assisting with KANUPP was that because of the substantial assistance Canada had given to India in the atomic energy field, the Pakistan Government and public alike would have reacted unfavourably if Canada declined to give comparable support.¹¹² Initially, the safeguards on the KANUPP project were to be decided between Canada and Pakistan. However, responsibility

¹¹¹Canada, Report of the DEA, 1966, (Ottawa: 1967), 30.

¹¹²CIDA Corporate Memory/Project Summary, 714/00101, KANUPP - Karachi Nuclear Power.

for the safeguarding was eventually transferred to the IAEA in 1969. The KANUPP reactor began operation in 1971 and was hailed as the first CANDU reactor to operate on foreign soil.¹¹³

Although Pakistan's nuclear program remained outwardly peaceful, there was an element within Pakistan's government that favoured Pakistan acquiring a nuclear weapon capability. This pro-nuclear weapon element would grow substantially following Pakistan's defeat by India in the 1965 war. Canadian officials seems unconcerned with the potential for the proliferation of atomic weapon materials or technology to Pakistan, despite Pakistan's declared intention that it too wanted the weapon. India's explosion of its atomic bomb in 1974 prompted the immediate suspension of Canada's nuclear cooperation. It took more than two years before it terminated its nuclear cooperation agreement with Pakistan in January 1977.

The creation of the Canadian International Development Agency (CIDA) in 1968 was a further step towards improving Canada's international aid effort. Its birth coincided with the election triumph of the Liberals led by the highly charismatic and outspoken Pierre Trudeau, who had replaced a retiring Lester Pearson. Trudeau, like his predecessor, was an avid supporter of Canada's role as a "middle power" and made efforts to enhance and further build Canada's reputation

¹¹³Ron Finch, Exporting Danger, (Montreal: Black Rose Books, 1986), 80.

around the world.

With the creation of CIDA, Canadian assistance to Pakistan continued to focus on improving and modernizing Pakistan's transportation and communications network, its hydro-power systems, and agricultural potential. In 1968, CIDA provided a development loan to Pakistan worth \$2 million to finance the purchase of Canadian telephone cable to be utilized towards the modernization and expansion of Pakistan's telecommunications system. The project was justified as necessary assistance for the upgrading of Pakistan's communications system, but it also helped to develop ties for Canadian cable manufacturers. CIDA also provided Pakistan with loan funding worth \$11.7 million in 1969 to purchase telecommunications equipment for the construction of two earth satellite ground stations. These stations would be utilized for providing communications links between East and West Pakistan including telephone, television, and other forms of communications.¹¹⁴ Funding was also provided for a pre-feasibility study for the establishment of a locomotive workshop in East Pakistan and a loan worth \$1 million for locomotive spare parts was also provided.¹¹⁵

In the area of Pakistan's hydro-power systems, CIDA provided management services and specialized training

¹¹⁴Subject of much criticism, the satellite station in Bangladesh has been used to provide international telephone communications and the reception of global television for the nation's few televisions. See Carty and Smith, Perpetuating Poverty, 89.

¹¹⁵CIDA, Corporate Memory/Project Summary, 714/02140, Earth Satellite Ground Stations, 714/00153, Pakistan Telephone Cable, 714/09384, Pakistan Eastern Railways Workshop and 714/00129, Pakistan Western Railways Spares.

equipment and materials to the East Pakistan Water and Power Development Authority (EPWAPDA) for a program that trained operational and maintenance personnel for transmission systems. The amount of aid to this project, which began in 1968 and lasted until 1971, was around \$471 thousand. In 1969, CIDA agreed to provide funding for the rehabilitation of the Warsak hydro-electric plant in West Pakistan. The granite silt of the Kabul River had irreparably eroded the turbine runners which were to have been replaced through grant funding in 1969. The project was delayed, however, because of Pakistan's 1971 war with India. The initial budget for the project, which was to last nearly eleven years, was \$1.1 million, but the actual disbursement was nearly \$2.6 million.¹¹⁶

Responding to a request by the Pakistan government, the Canadian government agreed in 1970 to provide funding to a Canadian consulting firm, Canadian Hoosier Engineering Company, to undertake a feasibility study to assess the most economical and practical means of meeting the power deficit in the Hyderabad region of West Pakistan. The project, to which CIDA provided more than \$4.1 million, was intended to design and supervise the construction of two electricity transmissions lines to transmit a power surplus from the Karachi area to the Hyderabad area.¹¹⁷

¹¹⁶CIDA, Corporate Memory/Project Summary, 714/00125, Warsak Rehabilitation, 714/00057, East Pakistan Water and Power Development Authority Training Program.

¹¹⁷CIDA, Corporate Memory/Project Summary, 714/09111, Karachi Hyderabad Interconnector.

Canadian assistance to Pakistan's agricultural sector included grants worth \$72 thousand for the purchase of eight Beaver Aircraft and necessary spare parts. The new aircraft were intended to replace crop dusting aircraft provided to Pakistan on previous projects. Commodity aid, which included fertilizers for agriculture, amounting to \$12.3 million was delivered to Pakistan in 1969. Industrial commodities and non-project/non-commodity assistance were also provided. In 1970, CIDA sent agricultural census equipment worth \$71.6 million to Pakistan for a census of agricultural land use in East and West Pakistan.¹¹⁸

CIDA also dispensed assistance to the Pakistan Institute of Industrial Accountants (PIIA), various medical supplies, and technical assistance to the Institute of Graphic Arts (IGA) in East Pakistan. Emergency housing was provided to East Pakistan in 1970 following severe flooding conditions which had destroyed thousands of homes.¹¹⁹

The DEA's annual report for 1969 reiterated that Canada's bilateral aid to Pakistan had "the expressed purpose of contributing to Pakistan's efforts to achieve economic and political self-reliance."¹²⁰ However, this appeared a doubtful prospect given the vast sums of military and other economic assistance provided by the United States to ensure that

¹¹⁸CIDA, Corporate Memory/Project Summary, 714/00120, Agriculture Census Equipment.

¹¹⁹CIDA, Corporate Memory/Project Summary, 714/00053, Institute of Pakistan/Industrial Accountants, 714/00137, Drugs and Medicaments, 714/00131, Institute of Graphic Arts and 714/00135, Emergency Housing.

¹²⁰Canada, Report of the DEA, 1969, (Ottawa: 1970), 15.

Pakistan's military élite remain in power.

On the other side, Pakistani officials were becoming increasingly critical of international assistance and believed that:

the focus of foreign aid policy has shifted from its fundamental object of struggle against poverty to short term political objectives. This crisis is developing at a time when the rate of progress in the developing world has slowed down and the gap between the rich and poor nations is widening.¹²¹

These same officials agreed that "the best form of aid . . . would be food aid and essential consumer goods since these directly satisfy the aspiration of the people and keep them contented."¹²² While contradicting previous statements which stressed that what Pakistan really desired was basic development aid rather than food aid, the change in Pakistan's stated requirements is not surprising considering the widespread popular unrest with the Ayub régime and its policies. Placating the Pakistan people, particular those in East Pakistan, with essential consumer goods and food aid was certainly an effort designed to keep them contented and disinterested in promoting civil disorder.

Food aid had indeed become a large share of the total aid disbursed to Pakistan by Canada during the eleven year period starting in the 1960-1961 fiscal year. Nearly 21 percent, or \$49 million, of Canadian aid during that period consisted of food aid. Grant aid and loans accounted for 46.2 percent and

¹²¹Sartaj Aziz, Problems of Foreign Aid in Pakistan, 1-2.

¹²²*Ibid.*, 5.

33.2 percent respectively of total Canadian aid during that same period. India's totals, by comparison, are strikingly different. Only 21.3 percent of total Canadian aid to India during that period took the form of grant aid while loans accounted for another 24.4 percent. Food aid represented the remaining 54.3 percent of Canada's total aid to India.

Table 4.6

**Canadian Bilateral Aid to Pakistan
by Type, 1960-1961 to 1970-1971
(\$000)**

Fiscal Year	Grants	%	Loans	%	Food Aid	%	Total
1960-1961	11,166	78.9	0	0.0	2,987	21.1	14,153
1961-1962	6,313	59.4	0	0.0	4,313	40.6	10,626
1962-1963	11,648	100.0	0	0.0	0	0.0	11,648
1963-1964	12,435	94.3	0	0.0	750	5.7	13,185
1964-1965	16,946	79.4	0	0.0	4,400	20.6	21,346
1965-1966	12,352	63.8	2,996	15.5	4,000	20.7	19,348
1966-1967	16,633	58.7	4,281	15.1	7,400	26.1	28,314
1967-1968	7,854	36.1	5,388	24.8	8,500	39.1	21,742
1968-1969	1,717	10.3	10,007	59.8	4,998	29.9	16,722
1969-1970	7,764	23.6	20,989	63.9	4,116	12.5	32,869
1970-1971	4,775	10.1	35,207	74.1	7,530	15.8	47,512
Totals	109,603	46.2	78,868	33.2	48,994	20.6	237,465

Source: CIDA, Report 12. Percentages represent % of Total. Grant amounts include voluntary assistance.

The imbalance of aid delivery to West Pakistan must again be noted. From the 1960-1961 fiscal year to the 1970-1971 fiscal year, 57.9 percent of Canada's total project aid went to West Pakistan and 16.0 percent to East Pakistan, while the remaining 26.1 percent was designated for disbursement nationwide. Further scrutiny of detailed data on aid disbursements to West and East Pakistan confirms that the imbalance of aid distribution between the two wings was not

confined only to Canada's aid program. Indeed, during the period 1952 to 1967, West Pakistan received more than five times as much assistance from the United States as East Pakistan.¹²³ A similar bias towards West Pakistan can be seen in the aid focus of other donor nations, including Japan, Germany and the United Kingdom.

Table 4.7
Canadian Project Aid Commitments to Pakistan,
1960-1961 to 1970-1971
(\$CDN)

Project	Duration	Commitment
Aerial Survey and Forest Inventory	1960-1961	625,000
Agriculture Census Equipment	1961-1962	271,810
Comilla-Sylhet Transmission Line	1961-1971	6,767,500
Khulna Hardboard Plant	1961-1963	1,850,000
Sangu Multi-Purpose Scheme	1961-1963	355,000
Karachi Port Trust Equipment	1963-1964	100,000
Chittagong Hill Tracts (Land Use Study)	1963-1964	500,000
Equipment for Rawalpindi Veterans' Hospital	1963-1964	25,000
Cobalt Beam Therapy Units	1963-1964	75,000
Lahore Refugee Housing Scheme	1963-1964	2,000,000
Fishing Equipment	1963-1965	3,950,000
East/West Interconnector Line	1965-1971	1,136,800
KANUPP - Karachi Nuclear Power	1965-1970	24,058,100
Beaver Aircraft	1966-1970	72,000
Institute of Pakistan Industrial Accountants	1967-1970	50,500
Pakistan Telephone Cable	1968-1969	2,000,000
EPWAPDA Training Programme	1968-1971	471,700
Earth Satellite Ground Stations	1969-1970	11,758,600
Warsak Rehabilitation	1969-1980	2,595,200
Commodity Program	1969-1970	12,300,000
Drugs and Medicaments	1970	73,900
Agricultural Census Equipment	1970-1971	71,600
Pakistan Eastern Railways Workshop	1970-1972	185,000
Karachi Hyderabad Interconnector	1970-1973	4,159,100
Pakistan Western Railways Spares	1970-1979	1,002,400
Emergency Housing	1970-1971	90,800
Khulna Hardboard Plant - Phase II	1970-1971	2,366,400
Total Commitment 1960-1961 to 1970-1971		78,911,410

Source: CIDA, Project Summary, Keith Spicer, A Samaritan State?, 123-173, Irving Brecher and S.A. Abbas, Foreign Aid in Pakistan, 214-239, and CIDA, Corporate Memory/Project Summaries.

It would be unfair to suggest that donor nations were

¹²³Brecher and Abbas, Foreign Aid in Pakistan, 62.

solely responsible for affording West Pakistan preferential status for development assistance. In fact, the Punjabi civil and military élite in West Pakistan maintained considerable control over the final destination of development assistance delivered to the country, and this usually occurred at the expense of East Pakistan. Nevertheless, certain powers, particularly the United States, had few misgivings about propping up West Pakistan's civil and military élites in an effort to ensure Pakistan remain friendly and, by all outward appearances, politically stable. In reality, the efforts of the United States and its allies served only to further strengthen and enhance West Pakistan's dominance over its eastern partner and add fuel to the Bengali nationalist cause. The Canadian government also followed the American lead and tolerated the abuses of Pakistan's military régime, choosing instead to continue to provide a modest level of assistance with the belief that the Ayub régime was the lesser of the world's many evils.

CHAPTER FIVE
SOUTH ASIA IN CRISIS

Background to Bangladesh Separatist Movement

West Pakistan's dominance in all aspects of national affairs would face its most serious challenges in 1970 and 1971. Bengali nationalists in East Pakistan, repeatedly frustrated throughout their association with West Pakistan, were convinced that the nation, as envisioned by Jinnah in 1947, was no longer viable, if it ever had been. The reasons for their disillusionment are apparent. Although the Bengalis of East Pakistan were the largest group in Pakistan, comprising more than 55 percent of the national population, they were also the weakest group politically.¹ Indeed, the Bengali struggle from 1947 to 1971 was one for "recognition of their political rights which, as a majority in Pakistan, they could gain only through the democratic process."² Pakistan's democratic process did little, however, to accommodate East Pakistani interests. Dominated by the West Pakistan civil and military Punjabi élite, the makeup of Pakistan's political system ensured that West Pakistan was able to maintain its domination over East Pakistan.

West Pakistan's failure to accommodate Bengali demands for greater participation in the union allowed the Bengali

¹Rounaq Jahan, Pakistan: Failure in National Integration, (New York: Columbia University Press, 1972.), 12. The next largest group were the Punjabi's of West Pakistan which made up nearly 30 percent of the national population.

²Denis Wright, "Islam and Bangladeshi Polity", South Asia X (December, 1987), 16.

nationalist movement to gain strength. The blatant political, economic, cultural and social inequities that divided the two wings allowed West Pakistan to continually thwart East Pakistan's aspirations for a more equal partnership, giving nationalist leaders in the eastern wing additional ammunition for their attacks on East Pakistan's unfair situation.³

Efforts by Pakistan's first civilian governments to implement political and economic strategies that would benefit all citizens of a united Pakistan were discouraging at best. Ayub Khan's military coup in 1958 demonstrated an unwillingness on the part of the military to tolerate ineffectual and weak civilian governments. While the military was able to provide more substantive economic and political stability to the country, East Pakistan's efforts to secure greater political and economic benefits from its association with West Pakistan were effectively suppressed under successive military régimes whose power was centred in West Pakistan.

During Ayub Khan's term as Pakistan's President, little effort was made to satisfy East Pakistan's aspirations for greater participation in the national government.⁴ While his administration aspired to efficiently tackle its economic objectives, Ayub economic policies failed to contribute to

³See G.W. Choudhury, The Last Days of United Pakistan, (Bloomington: Indiana University Press, 1974), 1, and Kabir Uddin Ahmad, Breakup of Pakistan, (London: The Social Science Publishers, 1972), 26-96.

⁴G.W. Choudhury's chapter "The Fall of Ayub: A Personal Account" in The Last Days of a United Pakistan, 13-46, is an excellent account of Ayub's term in office and the failure of his policies to promote and maintain national unity.

national unification and effectively widened the gap between the two wings. At the political level, the consequence of Ayub's failure to accommodate East Pakistan was a marked increase in Bengali nationalism and secessionist rhetoric from the Awami League, East Pakistan's main political party. In 1966, Sheikh Mujibur Rahman, the secretary for the Awami League, issued his Six-Point Movement which was to that date the most "radical demand for East Pakistani autonomy."⁵ For ordinary citizens in East Pakistan, their frustration and anger with Ayub's government and their weak position in the country was repeatedly expressed in the form of riots and strikes.⁶

By 1969, severe political turmoil was frequent in both East and West Pakistan, although the situation was much more serious in East Pakistan. Ayub's gradual loss of political control resulted in the resignations of his Oxford-educated and civilian Foreign Minister, Zulfaqir Ali Bhutto, and other close members of his government. Bhutto, who came from a well-established landed family in Pakistan's Sind province, organized the Pakistan People's Party (PPP) which presented a serious challenge to Ayub's presidency.⁷ Having suffered a near fatal illness in 1968 and realizing he no longer wielded

⁵Rounag Jahan, *op. cit.*, 139. Jahan discusses the Six-Point Movement in detail in chapter VII.

⁶After 1958, there was, on average, more than 4,500 riots annually in East Pakistan compared to 1,000 annually in West Pakistan. See Omar Noman, The Political Economy of Pakistan, 1947-1985, (London: KPI), 32.

⁷Bhutto's views on Pakistan's political, economic and social relations with its neighbours and with other global powers are related in The Myth of Independence, written by Bhutto in the fall of 1967.

the same political power that he had previously, Ayub stepped aside in 1969 in favour of another military officer, General Yahya Khan. Yahya was keenly aware that promoting greater equality between the two wings was crucial if the accelerating momentum of civil unrest in East Pakistan was to be curtailed. Under Yahya's leadership, the Pakistan government made a determined effort to undo the damage caused by Ayub's administration.

The first step towards easing East-West tensions was Yahya's announcement that national elections would be held in 1970. The election would be held not on the basis of Ayub's discredited "Basic Democracies", but on the principle of "one man [person], one vote". This was intended to address East Pakistan's complaint that, given its majority of the population, it should have greater representation in government and be better able to influence government policy that affected it either directly or indirectly. This electoral concession was intended to pacify East Pakistan and give it a new, more positive role in the nation's political affairs. An Election Commission was established in 1969 with the task of enumerating Pakistan's eligible electorate. In less than a year, the Election Commission had compiled its list of eligible voters. Of the total number of registered voters, over 31 million were from East Pakistan and over 25

million were from West Pakistan.⁸

The election was held in December 1970 and the results, though not unanticipated, suggested that the tenuous political union between East and West was in danger of collapse. Both the Awami League of East Pakistan and the Pakistan's People's Party (PPP) won large electoral majorities in their respective wings of the country. In East Pakistan, the Awami League captured 167 of 169 seats, while in West Pakistan the PPP performed well by securing 88 seats out of 144.⁹ Its success gave the Awami League a majority in the national assembly.

It appeared, at first, that both the Awami League and Yahya Khan were able to reach an understanding regarding the direction of Pakistan's future political development. The Awami League was prepared to negotiate, on behalf of East Pakistan, a new partnership with West Pakistan and was willing to compromise on its Six-Point demand. However, Bhutto, along with other PPP leaders and the more belligerent elements within the civilian bureaucracy and the army were distrustful of the Awami League's intentions and urged Yahya to suspend the inaugural session of the National Assembly. The success of the PPP in the election and Bhutto's alliance with hard-liners in the military permitted bolder action of this nature by the PPP and Bhutto. Yahya was himself dependent on army

⁸G.W. Choudhury, The Last Days of United Pakistan, (Bloomington: Indiana University Press, 1974), 109.

⁹Herbert Feldman, The End and the Beginning: Pakistan 1969-1971, (London: Oxford University Press, 1975), 94.

support and, with few other options, complied with Bhutto's demands and suspended the scheduled inaugural session two days before it was to sit.¹⁰

Pakistan's Civil War and Canada's Response

Reaction in East Pakistan to Yahya's postponement of the new legislature was swift. Widespread rioting and strikes erupted throughout East Pakistan at a scale greater than that witnessed previously. The Awami League announced its commitment to the Six-Point demand in its entirety and affirmed its intention to withdraw East Pakistan from the national union. These actions cleared the way for East Pakistan's secession from West Pakistan and permitted the creation of the new nation of Bangladesh, a move that was widely applauded throughout East Pakistan. A last ditch effort to stave off East Pakistan's departure through a negotiated political settlement failed, leaving little chance for a peaceful compromise.

On 25 March, 1971, Yahya Khan ordered the Pakistan army to move into East Pakistan to quell the violence and reestablish control over the breakaway region. West Pakistan's attempt to extinguish the independence movement through military force resulted in civil war. The army ruthlessly destroyed villages in East Pakistan and massacred

¹⁰ See Rounaq Jahan, Pakistan: Failure in National Integration, Herbert Feldman, The End and the Beginning of Pakistan, 1969-1971, and G. W. Choudhury, The Last Days of United Pakistan, for accounts of the post-election negotiations and the attempt at reaching a compromise between the Awami League, PPP, and the Yahya regime.

their inhabitants. The military action sent nearly ten million refugees from East Pakistan into India.

The response from Canada and its Commonwealth partners to the civil war in Pakistan was, at first, muted. While the Canadian government was "very deeply concerned"¹¹ about allegations that a campaign of genocide was being waged by the West Pakistan army against the civilian population of East Pakistan, it stressed that it was committed to staying out of what it considered to be a strictly internal matter for the Pakistan government. In April 1971, nearly a month after the civil disorder began, Mitchell Sharp (SSEA), when asked what Canada was doing about the conflict in Pakistan, responded that "our problem is we do not yet have facts. I believe it is important, before we take any action, for us to know what is going on."¹² While the Canadian government was unwilling to become involved in Pakistan's political turmoil, Sharp confirmed that the Canadian government was ready to help in a "constructive way in humanitarian efforts that may be launched."¹³

There also appeared to be very little enthusiasm in Ottawa for the prospect of an independent East Pakistan. In fact, when asked if the Canadian government supported or would be ready to support the separation of East Pakistan from Pakistan, Mitchell Sharp replied that "the government of

¹¹Mitchell Sharp, *Debates*, V (April 2, 1971), 4853.

¹²*Ibid.*, 4853.

¹³*Ibid.*, 4853.

Canada is not supporting any movement for the separation of East Pakistan from Pakistan."¹⁴ No doubt this position was intended, in part, to appease Pakistan and assure its government that Canada remained a loyal friend.

By late June it was clear that the Canadian government was not only without information about the civil war in Pakistan, but was caught off-guard by events in Canada. One incident worth mentioning began with reports from the Bangladesh Association of Canada that Canadian arms were still being shipped to Pakistan. According to reports, one ship, the Padma, was docked in Montreal and had been loaded with Canadian arms bound for Karachi. Mitchell Sharp was questioned in parliament about the alleged shipment of Canadian arms to Pakistan. Upon investigation, Sharp confirmed that the ship was indeed docked in Montreal but gave assurance that instructions had been issued that no "military sensitive items" were to be loaded aboard the Padma. All companies that had export permits which involved the shipment of "military sensitive items" were advised that their export permits were suspended until the situation in Pakistan was resolved.¹⁵

¹⁴Mitchell Sharp, Debates, VII (June 17, 1971), 6813.

¹⁵Mitchell Sharp, Debates, VII (June 28, 1971), 7373, (June 29, 1971), 7437, and (June 30, 1971), 7518.

Pakistan's War with India, 1971

The intensification of Pakistan's military action in its East wing prompted a massive exodus of East Pakistan's civilian population away from the fighting. The flood of nearly ten million refugees that fled East Pakistan to neighbouring West Bengal and Assam in India created a significant economic strain on India. At the same time, India's increasing support of the Bengali separatist movement eventually drew her into Pakistan's civil war. While it is not necessary here to give a detailed account of the military action, it is useful to briefly trace the main events of the conflict.¹⁶ Clashes between units of the India's and Pakistan's armed forces along the India-East Pakistan border escalated seriously by 22 November 1971. By 3 December the conflict had expanded into West Pakistan and involved widespread air, sea and ground action.

Unlike the civil-war between East and West Pakistan, which was considered an internal matter that was not Canada's direct concern, the escalation of the conflict between India and Pakistan drew considerable attention in Canada's parliament. Prime Minister Trudeau's Liberal government was questioned on a variety of issues including Canada's provision of relief supplies to East Pakistani refugees in India, the contribution of Canadian military personnel to a possible

¹⁶For a comprehensive account of the 1971 see Herbert Feldman, The End and the Beginning: Pakistan 1969-1971, (London: Oxford University Press, 1975).

peacekeeping force, and the question of recognizing a new state of Bangladesh. To the latter question, Sharp reiterated the Canadian government's position that "it is not our intention to do so."¹⁷

On 7 December, the conflict having raged for more than two weeks, a resolution was passed by the United Nations assembly which called for an immediate cease-fire and the withdrawal of armed forces from each other's territories. India, however, refused to accept the resolution. The superiority of its military machine overwhelmed the Pakistan army in East Pakistan and was progressing rapidly to East Pakistan's capital, Dacca. On 16 December 1971, Lieutenant-General A.A.K. Niazi, commander of the Pakistan army in East Pakistan, surrendered in East Pakistan to General Aurora of the Indian army. Both sides declared that a cease-fire would come into effect as of December 17.

Canada's Aid Response, 1971

The precarious political situation in Pakistan resulted in the initiation of very few CIDA projects in 1971. In fact, only three new projects, to which some \$1.5 million was disbursed, were approved early in 1971 and all were located in West Pakistan. Two of the projects involved the training of engineering staff at Pakistan's Water and Power Development Authority (WAPDA) and the supervision and training of staff

¹⁷Mitchell Sharp, Debates, X (December 6, 1971), 10163.

involved with KANUPP.¹⁸ The third project was a study aimed at identifying factors that caused excessive corrosion and contamination in electricity transmission lines.¹⁹

Table 5.1
Canadian Project Aid Commitments to Pakistan
1971-1972, (\$CDN)

Project	Duration	Commitment
Training Miscellaneous	1971	210,000
KANUPP - Supervision and Training	1971-1973	1,159,800
Transmission Line Corrosion and Contamination Study	1971-1980	113,200
Total Commitment 1971-1972		1,483,000

Source: CIDA, Corporate Memory/Project Summary.

Once the 1971 civil strife began later in the year, Canada's normal development assistance to Pakistan was interrupted. During the civil war, Canadian development projects in East Pakistan were suspended and CIDA staff withdrawn.²⁰ All projects in both wings were suspended when the war spread to include West Pakistan and India.

Pakistan's civil war posed a dilemma for Canada concerning the provision of humanitarian relief to a secessionist state. The Canadian government was careful not to violate the code of non-intervention, but did provide considerable support to East Pakistan through the Red Cross

¹⁸CIDA, Corporate Memory/Project Summary, #714/00201, Training Miscellaneous, and #714/00218, KANUPP - Supervision and Training.

¹⁹CIDA, Corporate Memory/Project Summary, #714/00094, Transmission Line Corrosion and Contamination Study.

²⁰CIDA, Annual Review, 1971-1972, 11.

and the World Food Program and to refugees who fled to India. Relief food aid to the amount of \$7 million was provided for the population of East Pakistan while an additional \$500,000 was contributed to the United Nations East Pakistan Relief Operation.²¹ Mitchell Sharp, in a statement to the House of Commons on 17 November 1971, pledged \$22 million to India for refugee relief, in addition to \$7 million provided to the World Food Program and \$500,000 to United Nations relief operations.²²

The Aftermath

Canada recognized the new nation of Bangladesh in February 1972. The need for further development assistance to the new nation was quite evident. The nine-month civil war with West Pakistan caused extensive damage to Bangladesh's transportation, communication and power systems. Its network of rail-roads and rail bridges were partly or wholly destroyed and the ports of Chittagong and Chalna were blocked by sunken vessels. Bangladesh suffered the loss of skilled technical and managerial personnel who had either been killed during the war or had returned to West Pakistan. Nearly 10 million refugees, who had fled to India at the outset of the war, returned to Bangladesh burdening further the Bangladesh

²¹Canada, Report of the DEA, 1971, 14.

²²Mitchell Sharp, "Relief for Pakistani Refugees in India", Statements & Speeches, 71/27. See also Report of the DEA, 1971, 14.

government.²³

Once India's invasion ensured independence for Bangladesh, CIDA's President Gérin-Lajoie was quick to make a site visit, aid workers returned to projects begun prior to Bangladesh's creation, and new forms of assistance were provided.²⁴ Mitchell Sharp confirmed that the Canadian government had:

tentatively set aside a sum of money for Bangladesh that would otherwise have been available to the whole of Pakistan in order to assist in the reconstruction effort being made. We are now in the process of once more discussing with Pakistan the new projects that we would have been discussing with them had it not been for the war.²⁵

During the 1972-1973 fiscal year, Canadian bilateral disbursements to Bangladesh amounted to \$48.3 million. Direct Canadian assistance to Pakistan, however, amounted to only \$14.6 million during the same period.²⁶ And until 1975, the amount of aid going to Bangladesh would be nearly double or even triple that which was destined for Pakistan. This variance was in part due to Canadian government concern over the massive and widespread destruction in East Pakistan caused by 1971 conflict.

²³Roger Ehrhardt, Canadian Development Assistance to Bangladesh, 1-4.

²⁴David R. Morrison, "The Choice of Bilateral Aid Recipients" in Canadian International Development Assistance Policies: An Appraisal, 133.

²⁵Mitchell Sharp, Debates, I (February, 1972), 62.

²⁶CIDA, Annual Review, 1972-1973, 64.

Table 5.2
Canadian Aid to South Asia, 1970-1971 to 1973-1974
(\$000)

	1970-71	1971-72	1972-73	1973-1974
India	103,359	101,964	78,260	69,280
Bangladesh	0	0	48,290	58,270
Pakistan	47,512	37,546	14,605	37,630

SOURCE: CIDA, *Annual Review*, 1971-72 & 1973-1974. Note: A portion of Pakistan's 1971-1972 disbursement went to Bangladesh, including more than \$13 million of humanitarian assistance.

Canada, like other donor nations, was forced to re-evaluate its foreign assistance strategies in South Asia following the political changes that occurred in that region. Canada's policy towards South Asia concentrated on promoting social justice through the provision of development assistance and adjusting to the changed situation in the sub-continent following the war. Bangladesh's economy was in critical condition and was in desperate need of outside financial and other material assistance.

CHAPTER SIX

POSTSCRIPT

Canada and Bangladesh After 1971

CIDA's aid program in Bangladesh was more easily undertaken given the past record of Canadian aid involvement with the former East Pakistan. Projects already in place were continued and the process of determining new projects was helped by CIDA officials who had some experience and knowledge of Bangladesh's unique aid requirements.

CIDA's annual report for 1971-72 stated that the main goal of Canadian assistance to Bangladesh was "to help improve living conditions for the people by supplying food aid and transportation equipment."¹ In fact, throughout the 1970s, food aid accounted for more than 66 percent of Canada's total aid to Bangladesh. Commodity aid accounted for nearly 18 percent of total Canadian aid and project aid the remaining 16 percent.² Canada's commodity aid included "significant shipments of commodities such as wood, pulp, copper, aluminum, paper felts, sulphur, and synthetic rubber."³ The advantage of food aid for Canada, and commodity aid to some extent, was that it required minimal input. For Bangladesh, the advantage was that until 1979, Canadian food aid, mainly in the form of wheat, arrived with almost no strings attached, giving the Bangladesh government complete freedom over its distribution

¹CIDA, Annual Review 1971-1972, 11-12.

²Roger Ehrhardt, Canadian Development Assistance to Bangladesh, 45.

³CIDA, Annual Review 1971-1972, 11-12.

and use.

It is crucial to understand the conditions present in Bangladesh under which Canadian aid arrived. The prospects for achieving its economic and development objectives seemed quite bleak following Bangladesh's secession from West Pakistan in 1971.⁴ Tremendous restructuring was required to repair its ravaged economy and to fill the numerous gaps left after its estrangement with Pakistan. Its large-scale industries, owned almost entirely by West Pakistan business interests, had been abandoned. Its public service and administration were also in disarray as they too had been dominated by West Pakistanis. New trade links were required to replace those lost with Pakistan. Food shortages and rising prices added to the hardship. These weaknesses, coupled with the damage caused by the war with Pakistan and recurring natural disasters, left a nation in dire need of development assistance. For Bangladesh, the entire experience was all too reminiscent of the hardships that a united Pakistan had endured after Partition in 1947.

The Bangladesh that emerged in 1971 was a nation with a small industrial sector and an economy based primarily on agriculture. Its small geographic area, less than twice the size of New Brunswick, and large population of nearly 90 million, resulted in a population density of close to 630 per square kilometre. Population growth during the 1970s

⁴Although it seceded in 1971, Bangladesh was formally declared a nation in April 1972.

increased at an annual rate of 2.6 percent.⁵ While rapid population growth and a high population density imposed serious constraints on Bangladesh's development potential, they also served to amplify already existing deficiencies that existed in Bangladesh's infrastructure and social system.

The makeup of Bangladesh's agricultural infrastructure was also quite revealing. Although nearly 90 percent of its population resided in a rural setting, almost 50 percent of the rural land was owned by only 9 percent of rural households while another 60 percent of rural households owned only 8 percent of the land.⁶ Simply, a small rural élite controlled a majority of the land and was able to benefit from government development funds at the expense of the majority rural population.

The stability of Bangladesh's political system after 1971 also proved quite tenuous and failed to provide an environment in which productivity and economic growth could easily occur. The author of the Six-Point demand, Sheikh Mujibur Rahman, became Bangladesh's first Prime Minister and, under the amended constitution of 1975, its first President. While his government implemented many political and economic reforms, Mujibur avoided confronting the explosive issue of Islam and its role in the state. Backed by the Awami League, Mujibur insisted that a secular approach to running the nation was

⁵Roger Ehrhardt, Canadian Development Assistance to Bangladesh, 5.

⁶*Ibid.*, 6.

necessary. This secular approach was not intended to be a rejection of Islam's role in the affairs of state, but rather an effort to ensure that "other important religious minorities in the country . . . had the right to the same treatment as Muslims."⁷

However, Bangladesh's experiment with democracy would be brief. Mujibur was overthrown and assassinated on 15 August 1975 during a military coup led by Khondaker Moshtaque Ahmed. Three months later another military coup handed power to General Ziaur Rahman. Ziaur Rahman remained in power until May 1981, when he too was assassinated in an unsuccessful military coup. Former vice-President Abdus Sattar succeeded Ziaur Rahman as President in November 1981 but was deposed in March 1982 in a bloodless military coup led by Lieutenant General Hossain Mohammad Ershad.

Ershad formed his own political party and proclaimed himself head of state and Chief Martial Law Administrator in December 1983. In a March 1985 referendum, voters approved Ershad's policies and his continuation in office until elections under the suspended constitution could be held. The elections finally took place in May 1986, but they were marked by substantial violence. In the end, the Jatiya party won a majority in parliament and Ershad won the Presidency. However, the election had been boycotted by the opposition which accused Ershad supporters in the Jatiya party of fraud

⁷Denis Wright, "Islam and Bangladesh Polity", South Asia, 20.

and vote-rigging. New parliamentary elections held in 1988 after a wave of anti-government protests were also boycotted by the opposition, and there was further violence when Islam was declared the state religion later that year.

In December 1990, Ershad suddenly resigned under pressure. A caretaker government was formed, and Ershad was later placed under house arrest and charged with corruption and misuse of power. New elections were held in February 1991. Begum Khaleda Zia, head of the center-right Bangladesh Nationalist party and widow of former President Ziaur Rahman, became Bangladesh's first woman Prime Minister on March 20, 1991. On 30 April 1991, the fragile new democracy was severely tested when a devastating cyclone left more than 125,000 people dead and thousands more homeless and threatened by famine and disease.

One might conclude that Bangladesh's unstable political system would warrant a suspension or, at the very least, a reassessment of Canada's aid effort in that country. However, this did not occur. In fact, CIDA's aid strategy in Bangladesh remained consistent with its previous efforts in East Pakistan. In addition to the food and commodity aid it provided Bangladesh, Canada also maintained a steady, albeit small, level of project aid. This aid continued to be directed towards the two sectors in which Canadian advisors and engineers had proven their technical and administrative ability: power development and transportation.

TABLE 6.1

**Top Ten Recipients of Canadian Bilateral Aid,
Selected Years, 1970-71 to 1985-1986
(\$CDN Millions)**

1970-1971		1975-1976		1980-1981		1985-1986		1990-1991	
India	103.36	India	98.91	Bangladesh	74.40	Bangladesh	100.11	Bangladesh	117.24
Pakistan	47.51	Pakistan	63.94	Pakistan	38.13	Indonesia	74.94	China	72.70
Turkey	8.00	Indonesia	36.70	Sri Lanka	37.67	Pakistan	66.68	Indonesia	46.16
Ghana	7.10	Bangladesh	29.48	India	29.50	India	45.49	Egypt	40.53
Nigeria	6.74	Tanzania	29.38	Tanzania	29.20	Jamaica	28.78	Jamaica	37.45
Tunisia	5.49	Ghana	17.63	Egypt	22.11	Sri Lanka	26.52	Ghana	35.14
Sri Lanka	5.20	Niger	17.48	Cameroon	20.16	Niger	26.37	Cameroon	34.98
Morocco	4.77	Tunisia	16.42	Sahel	19.64	Tanzania	24.41	Morocco	34.61
Guyana	4.18	EAC	15.73	Turkey	18.98	Kenya	22.41	Senegal	32.71
Algeria	4.01	Malawi	14.91	Indonesia	17.95	Senegal	20.59	Tanzania	32.40

Sources: CIDA, Report 18, CIDA, Annual Report, various years. Cranford Pratt, ed., Canadian International Development Assistance Policies: An Appraisal, 132. Amounts include grants, development loans, food aid and loan repayments.

The amount of bilateral assistance Canada provided to Bangladesh after 1971 was considerable and, in fact, experienced a steady annual increase. From 1972 to 1981, Canada disbursed more than half a billion dollars to Bangladesh, making it recipient of the second largest amount of Canadian aid after India.⁸ By 1981 and after, Bangladesh was recipient of the highest amounts of aid distributed by CIDA. In 1990, for instance, Bangladesh received just over \$117.2 million through CIDA disbursements, compared to \$9.6 million furnished to India and \$27.2 million provided to Pakistan that same year.⁹

As one of the most impoverished and heavily populated

⁸See Roger Ehrhardt, Canadian Development Assistance to Bangladesh, for a complete study of Canadian aid to Bangladesh.

⁹CIDA, Annual Report, 1992-1993, 9-18. Contributions to India and Pakistan were \$30 million and \$45 million respectively for that year, but CIDA includes recipient loan repayments when calculating its overall contributions for a given year.

countries in the world, Bangladesh quickly became a favourite aid recipient among aid donors, including Canada. Humanitarian motivations have been largely responsible for influencing aid donors to become involved in Bangladesh because "if donors are really serious about helping the poorest countries and the poorest people, Bangladesh is one of the places to be."¹⁰

Canada and Pakistan After 1971

Pakistan's economic and political situation was also seriously weakened following East Pakistan's departure and the 1971 war with India. Yahya Khan, viewed with considerable disfavour after leading Pakistan to defeat in the war, stepped aside in favour of Zulfikar Ali Bhutto. The selection of Bhutto for the position of President and Chief Martial Law Administrator occurred not simply because he was favoured by the military. Bhutto's standing in the 1970 elections confirmed he was widely supported by the Pakistani public and Pakistan's military élite agreed it was in their best interests to sanction his leadership.

A brilliant politician, Bhutto actively pursued a policy of decreasing Pakistan's reliance on the West. Upon assuming power, Bhutto withdrew Pakistan from the Commonwealth, prompted in part by the recognition of Bangladesh by the

¹⁰Roger Ehrhardt, Canadian Development Assistance to Bangladesh, 25. While acknowledging that political motivations have also been a factor for aid donors, particularly the United States, Ehrhardt argues the relative unimportance of economic motivations since the potential for gain in Bangladesh is not so high as to make it a plausible explanation for the high disbursements levels.

United Kingdom, Australia and New Zealand. And, with the loss of East Pakistan, there was little reason to remain part of SEATO and Bhutto withdrew Pakistan from that alliance. He also made overtures to Islamic and Eastern bloc countries and the PRC. Pakistan formally recognized Bangladesh in 1974 and diplomatic ties with India were re-established in 1976.

Bhutto also made efforts to redefine Pakistan's political framework and rehabilitate its weak economy. The first effort was the drafting and adoption of a new constitution in 1973. Under the new constitution, Pakistan's Presidential system was replaced by one headed by a Prime Minister. The constitution contained commitments to the principles of democracy, freedom, equality, tolerance and social justice and guaranteed the rights of religious and other minorities.

While the measures defined in the 1973 constitution were quite positive, the economic policies implemented under Bhutto's government were all too reminiscent of those undertaken by Ayub Khan's régime. He instituted reforms in land tenancy and the feudal social system and raised wages and benefits for the development of Pakistan's agricultural potential. However, despite early popularity, Bhutto's government began to indulge in the same paternalistic and autocratic tendencies that had been witnessed during Ayub's term. Economic growth slowed and Pakistan's economy began to falter.

As required by the 1973 constitution, Bhutto called

elections for March 1977 in which he and the PPP won overwhelming majorities. The Pakistan National Alliance, the main opposition party which had formed in 1977 from a coalition of nine other parties, accused the government of fraud and claimed the elections had been rigged. Widespread strikes, demonstrations and violent protests followed, forcing Bhutto to impose martial law in the major cities. Bhutto's hold on power soon suffered the same fate as previous civilian governments.

In July 1977, General Mohammad Zia ul-Haq led a military coup, arrested Bhutto, along with several members of his cabinet, and the opposition leaders. A martial law régime was imposed throughout the country with General Zia as Chief Martial Law Administrator. He later declared himself President in September 1978. New elections, which had been promised for 1977, were cancelled by Zia who insisted that the time was not yet right to hold elections.

Bhutto was accused in the murder of a former member of the National Assembly, tried by a Court which was subject to Zia's influence, and sentenced to death. In April 1979, he was hanged amidst widespread public and international protests. Zia had pledged that elections would be held in 1979, but he promptly cancelled them after Bhutto's execution. Political parties were banned and future national elections postponed indefinitely. Although Zia's régime had succeeded in solidifying its control over Pakistan, its policies,

including the pursuit of a nuclear capability, caused a severe strain in its relations with the United States, which suspended military aid to Pakistan.

Zia's years as virtual dictator of Pakistan coincided with the Soviet invasion of Afghanistan in 1979 and its subsequent military campaign against Afghan mujihadeen rebels. For Zia, the Soviet military presence on his border could not have come at a better time. Led by the United States, Western nations delivered substantial amounts of military and economic assistance to Pakistan to defend itself against any possible incursion by the Soviet sponsored régime in Kabul. In fact, Pakistan grew increasingly reliant on Western aid during Zia's term. Zia himself justified Pakistan's requests for loans and assistance from friendly countries by declaring there was no harm in making such requests to countries that knew the "full value of friendship."¹¹

Zia's sudden death in an airplane crash in 1988 opened the door for free and fair elections.¹² The PPP, led by Zulfakir Ali Bhutto's daughter Benazir Bhutto, won the 1988 elections and Benazir became Prime Minister. Her government fared no better than previous civilian governments and was dismissed in 1991 to be replaced by a military "sponsored" civilian government. A narrow victory after national elections in October 1993 returned Bhutto and the PPP to

¹¹"Zia justifies loans, aid from friends." The Pakistan Times, 22 October 1985, 1.

¹²The airplane crash was the result of a mid-air explosion most likely caused by a bomb.

power.

Interestingly, Canadian development assistance to Pakistan rose significantly after Zia's takeover in 1977. From that year to 1988, Canada disbursed, on average, some \$62 million annually to Pakistan. In fact, more than \$680 million worth of aid was delivered to Pakistan from 1977 to 1988. By the 1993-1994 fiscal year, Canadian bilateral assistance to Pakistan totalled nearly \$1.5 billion.¹³ After 1988, Canadian assistance to Pakistan decreased to previous levels with annual disbursements averaging \$43 million. This earlier increase was not necessarily a reflection of overt Canadian support for Zia's régime. Rather, it was a response to Pakistan's continuing need for outside assistance, including the demand on resources following the influx of more than three million Afghan refugees who had arrived in Pakistan following the Soviet invasion of Afghanistan.

Quantitative Assessment

From the 1950-1951 fiscal year to the 1970-1971 fiscal year, Canada's global disbursement of bilateral assistance totalled nearly \$1.56 billion (Table 6.2). Multilateral assistance during this same period totalled \$507.56 million, raising the total disbursement of Canadian aid dollars to over \$2 billion. An analysis of Canada's bilateral aid commitments by region reveals that Asia was the primary destination of

¹³CIDA, Report 5, 59.

Canadian aid dollars. During the period under study, more than \$1.2 billion was disbursed to that region, most of which was covered by the Colombo Plan. African nations, including those in SCAAP and the FSAS, received a total of nearly \$195 million. The Americas, including the Caribbean, South America, Central America and Mexico, received just over \$93 million. Canada also disbursed nearly \$9.7 million to Europe and \$109,000 to Oceania. The amount of miscellaneous disbursements to all regions totalled approximately \$50 million.

Table 6.2

Canadian Bilateral Disbursements
by Region, 1950-1951 to 1970-1971
(\$000)

	1950-1951 to 1954-1955	1955-1956 to 1959-1960	1960-1961 to 1970-1971	1950-1951 to 1970-1971
Asia	55,067	233,594	923,503	1,212,164
Africa	0	107	194,499	194,606
Americas	0	285	93,106	93,391
Europe	0	0	9,676	9,676
Oceania	0	0	109	109
World	2,124	2,840	42,933	47,897
Miscellaneous	0	0	1,981	1,981
Total Bilateral	57,191	236,826	1,265,807	1,559,824
Multilateral	21,152	26,216	460,192	507,560
Total	78,343	263,042	1,725,999	2,067,384

Source: CIDA, Report 12 and CIDA, Report 18. Regional amounts are for Government-to-Government and Other Government-to-Government disbursements. These amounts include grants, loans, food grants, repayments and debt forgiveness.

From 1951 to 1971, two countries, Pakistan and India, received between them more than 86 percent of Canada's total

aid to Asia and 67 percent of total Canadian bilateral assistance overall (Table 6.3). Canada delivered nearly \$318.36 million worth of aid to Pakistan while India, recipient of the highest amount of Canadian aid during this period, received a total of \$727.53 million.¹⁴ Even after factoring in Canada's multilateral disbursements during that twenty-year period, aid to India and Pakistan together accounted for over 50 percent of Canada's total disbursement of development assistance.

Table 6.3

Canadian Bilateral Disbursements to Pakistan & India
as Percentage of Total
(\$000)

	1950-1951 to 1954-1955	1955-1956 to 1959-1960	1960-1961 to 1970-1971	1950-1951 to 1970-1971
Pakistan	22,100	58,792	237,465	318,357
% of Total Bilateral	38.6%	24.8%	18.7%	20.4%
% of Total	28.2%	22.4%	13.8%	15.4%
India	29,309	128,525	569,692	727,526
% of Total Bilateral	51.2%	54.2%	45.0%	46.6%
% of Total	37.4%	48.9%	33.0%	35.2%
India & Pakistan as % of Total Bilateral	89.8%	79.0%	63.7%	67.0%
India & Pakistan as % of Total	65.6%	71.3%	46.8%	50.6%

Source: CIDA, Report 12 and CIDA, Report 18. % of Total refers to percentage of total bilateral and multilateral.

From 1950-1951 to 1970-1971, Pakistan secured more than one-fifth of Canada's total bilateral development assistance.

¹⁴Pakistan, with roughly one-fifth the population of India, did receive more aid per capita than India since aid to India was generally only double that going to Pakistan.

If multilateral aid is included in the equation, Pakistan received nearly one-sixth of total Canadian aid for that period.

Table 6.4
Canadian Bilateral Disbursements to Pakistan & India
1950-1951 to 1971-1972
(\$000)

	1950-1951 to 1954-1955	1955-1956 to 1959-1960	1960-1961 to 1970-1971	1950-1951 to 1970-1971
Pakistan				
Grants	12,100	47,666	109,478	169,244
Loans	0	0	78,868	78,868
Food Aid	10,000	11,126	48,994	70,120
Other	0	0	125	125
Total	22,100	58,792	237,465	318,357
India				
Grants	14,309	88,525	120,978	223,812
Loans	0	33,000	138,978	171,978
Food Aid	15,000	7,000	308,914	330,914
Other	0	0	822	822
Total	29,309	128,525	569,692	727,526

Source: CIDA, Report 18, 1-27.

A breakdown of the type of aid Canada provided to Pakistan indicates that of the \$318.36 million worth of aid Canada provided from 1950-1951 to 1970-1971, \$169.2 million, or 53.2 percent, of that aid took the form of grants. Development loans worth \$78.9 million or 24.8 percent were provided while food aid accounted for the remaining \$70.1 million or 22.0 percent. Miscellaneous aid amounted to \$125,000. Grant aid for India, by comparison, accounted for \$223.9 million or 30.8 percent of its \$727.53 million from Canada, development loans represented nearly \$172 million or

23.6 percent, food aid nearly \$331 million or 45.5 percent and other aid the remaining 0.1 percent.

Conclusion

It is clear that Canada's modern global aid effort has undergone significant changes since its inception in 1951. Beginning as a simple effort to stabilize new Asian democracies and prevent communist "intrusion", Canadian aid policy has since had to evolve and respond to a much wider range of domestic and international influences. Through its membership in the Colombo Plan, Canada's relations with its Commonwealth "brothers" in Asia were strengthened and the granting of funds to these countries seemed an easy method of increasing their political and economic stability.

Indeed, the Colombo Plan's initial objective of thwarting communist expansion in Asia was somewhat successful. With the exception of Vietnam, and Afghanistan later, most Colombo Plan members in Asia remained outwardly friendly to the intent of the Plan and their susceptibility to communist "intrusion" was reduced. In many instances, however, freedom from communist "intrusion" occurred at the expense of the democracy that the Colombo Plan had so zealously intended to promote and preserve. Numerous repressive governments, many operating under a thinly-veiled guise of democracy, welcomed outside assistance as it usually enhanced their control of the state apparatus and pacified discontented segments of the local

population.

In fact, the Colombo Plan effort to promote democracy and economic stability among member states was in most instances a failure. The list of Colombo Plan members with a history of repressive governments and insufficient income distribution is numerous and include, among others, Pakistan, Bangladesh, Burma, Indonesia, Sri Lanka, the Philippines and the Khmer Republic, presently known as Kampuchea. While these nations' governments often remained outwardly friendly and staunch allies of the West, internal political dissent was usually harshly repressed and ethnic or religious minorities the victims of constant harassment. In many instances, the majority of citizens in many of these countries lived under conditions of extreme poverty and economic hardship. The steady flow of military and economic aid from the United States to many of these countries further guaranteed the preservation of the status quo.

When considering the role played by Canadian foreign assistance in Pakistan, one also cannot help but question whether the desired objectives for providing aid were actually achieved. Further, since the amount of aid offered by Canada to Pakistan during the period studied was relatively small compared to that offered by the United States and other Western nations, was there any genuine possibility of Canadian aid having a discernable influence on Pakistan government

policy?¹⁵ The answer is clearly no.

Canadian aid did facilitate the strengthening of relations between the two countries. The purpose of that aid was not, however, intended to bring about dramatic political changes in Pakistan but rather, as with American aid, preserve the status quo. The United States, through its provision of military assistance to Pakistan, helped West Pakistan's civil and military élite to maintain their control over the state apparatus. Sacrificing democracy was deemed necessary to ensure that the more "dangerous" undemocratic influences of communism did not gain a foothold in Pakistan. Granted, some measure of political and economic stability was maintained during the period of military rule in Pakistan, but that stability was confined mainly to West Pakistan. East Pakistan's weak position in the nation and West Pakistan's unwillingness to afford it more political, economic, or military power, promoted and intensified an already impatient Bengali nationalist sentiment.

Canadian aid, even from the start of Canada's involvement in Pakistan, was directed towards sectors of development in which Canadians had demonstrated their abilities and expertise. Transportation and power development, for those reasons, consumed the majority of Canada's project aid. The completion of Canadian assisted power and other projects in

¹⁵Canadian aid between 1960-1961 and 1964-1965, for instance, represented only 4.2 percent of total aid received by Pakistan.

Pakistan was hailed as a noble effort of cooperation and the public relations impact of such schemes in Canada as well as in Pakistan must not be discounted.

It is often too easy to criticize Canada's foreign aid program as inadequate to properly address the development needs of recipient countries. While this is certainly true in some instances, the wide range of interests and influences on Canadian aid policy make its formulation and implementation more difficult. In instances where the recipient government has had to defend against internal and external pressures, or, as in the case of Pakistan, exacerbates those pressures through political and economic subjugation of its citizens, the provision of Canadian assistance has done little, in the short term, to remedy the situation. It has, however, provided the basis for long term economic stability through the strengthening of the recipient's infrastructure. What is often required is a government with the political will to facilitate political and economic changes that address the needs of all citizens, not a privileged minority.

It should also be remembered that most developing countries have had independence for less than fifty years and the path towards the building of a viable, stable nation is one with many obstacles. In the case of Pakistan, internal and external pressures prevented any real effort at formulating a long term strategy of national development. Under these conditions, the best that Canadian aid could hope

to achieve was to provide assistance in the completion of a variety of useful economic development projects that would contribute to creating an environment of political and economic stability.

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