

# PRESS RELEASE

DEPARTMENT OF EXTERNAL AFFAIRS  
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The Department of External Affairs announced today that on January 11 representatives of the Governments of India and Canada completed an exchange of notes in New Delhi providing for the allocation of \$3.3 million of Canadian Colombo Plan aid to a proposed hydro-electric scheme on the Umtru River in Assam.

The project is designed to hasten economic progress in the Indian State of Assam. The new power to be generated will in part be used for irrigation and drainage thus allowing new land to be brought under cultivation. Some of the new power will also be used in existing small industries, while it is hoped that the growth of new industries, which will supplement the low income of the local people, will be stimulated.

Part of the contribution of the Canadian Government will take the form of engineering services and hydraulic, electric and other equipment costing approximately \$1.2 million. The Government of Canada will also help to meet the local costs of labour and materials to the extent of \$2.1 million in counterpart funds derived from the sale by the Indian authorities of industrial raw materials provided by Canada under the Colombo Plan. The project will be carried out by the appropriate authorities of the State of Assam in consultation with Canadian engineers appointed by the Government of Canada.

About \$100 million has been made available by Canada for economic development assistance to South and South-East Asia in the first four years of the Colombo Plan. Agreement on the Umtru project brings the total so far allocated to India to about \$49 million.

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