

to the equivalent of \$25 million, accruing from the sales of Canadian commodities previously provided to India, to defray the local costs of the Kundah scheme.

Mr. Green made a similar statement concerning aid to Pakistan on January 23;

On Friday next the Warsak hydroelectric project in Pakistan will be formally inaugurated, with the Minister of Veterans Affairs representing the Government of Canada. This is the largest Colombo Plan project in which Canada has participated. It is also the largest project of its kind in Pakistan. Warsak will produce 160,000 kilowatts of power and help irrigate 110,000 acres of virgin land. In the process of construction, some 10,000 Pakistanis, mostly tribal people, have had training in modern trades and techniques.

In the course of his current visit to Pakistan, the Minister of Veterans Affairs is also representing the Canadian Government at the inauguration of two other projects in which Pakistan and Canada have co-operated under the Colombo Plan. Yesterday the Shadiwal hydroelectric project in West Pakistan was inaugurated, and tomorrow there will be a similar ceremony at the Goalpara thermal power station in East Pakistan.

With the completion of these major projects, we are now discussing with the Pakistan Government other projects in which we might assist Pakistan to further its economic development. From the \$50 million appropriated for Canadian aid under the Colombo Plan in the fiscal year 1960-61, \$15 million has been allocated for capital assistance to Pakistan. Discussions have been proceeding with the Government of Pakistan on the projects to be financed out of this allocation, and I am now able to inform the House that Canada has agreed to provide the following goods and services to Pakistan in 1960-61: wheat to the value of \$3,650,000; fertilizers to the value of \$2 million; aluminum to the value of \$1,140,000; wood pulp to the value of \$1,300,000, and an aerial survey and forest inventory in the Chittagong area of East Pakistan at a cost of \$500,000.

These grants total \$8.6 million. We are continuing our discussions with the Pakistan Government on projects which might be financed with the remainder of the \$15 million. I will be making further announcements when we have reached agreement on other items in this year's Colombo Plan programme for Pakistan.

In the case of the wheat, fertilizers, aluminum and wood pulp, the Government of Pakistan has agreed to set aside counterpart funds in local currency equivalent to the value of the Canadian grant. The counterpart funds will be spent on economic development projects in Pakistan to be agreed upon between the two governments. The aluminum will be used to help maintain an adequate level of production and employment in Pakistan's metal working industries. The fertilizer is urgently needed for increased food production in Pakistan to meet the demands of the increasing population. The wood pulp will enable a new paper mill in East Pakistan to operate while adequate local supplies of pulp are being developed. These commodities will help provide imports essential for the maintenance of the Pakistan economy and the success of its development plans in the face of an acute shortage of foreign exchange.