

Out of the \$50 million appropriated for Canada's participation in the Colombo Plan for the fiscal year 1960-61, an amount of \$25 million has been allocated for capital assistance to India.

Discussions have been proceeding with the Indian Government on the projects which might be financed out of this grant. I am now in a position to inform the House that Canada has agreed to provide the following economic assistance to India under our Colombo Plan programme for 1960-61: wheat to the value of \$7 million; aluminum, copper and nickel to the value of \$11.7 million; a final allocation for completion of the Canada-India atomic reactor in the amount of \$600,000; an initial allocation of \$3½ million for Stage 3 of the Kundah hydro-electric project.

Our agreement to these allocations brings Canadian Colombo Plan assistance to India already approved under 1960-61 appropriations to a total of \$22.8 million.

The wheat has already been shipped in order to have it cleared from Canadian ports before freeze-up on the St. Lawrence Seaway. Arrangements are being made to have the non-ferrous metals shipped without delay.

As is the usual practice in the case of commodities, the Indian Government has agreed to set aside counterpart funds in local currency equivalent to the value of the Canadian grant. These counterpart funds will be spent on economic development projects in India to be agreed upon between the two governments. The Canadian wheat will of course be most helpful to India in meeting the food requirements of her growing population, which cannot be met from local sources. The metals will assist Indian industry to maintain production and enable development plans to go forward in the face of an acute shortage of foreign exchange.

The Canada-India atomic reactor near Bombay has now been completed, and the Minister of Veterans Affairs represented Canada at the inaugural ceremonies which were held on January 16. The allocation of \$600,000 to this project in the current fiscal year is required to cover final expenditures on the Canadian share of the cost of the reactor.

Canada's participation in Stage 3 of the Kundah hydroelectric project in Madras State represents a continuation of Canadian interest in this major Indian development scheme, since we have already made a substantial contribution to Stages 1 and 2. The first two stages were formally inaugurated yesterday, January 18, and the Minister of Veterans Affairs also represented Canada at these ceremonies. Additional power from the Kundah project is urgently required for agricultural and industrial development in South India. Canada has, therefore, agreed to provide Canadian equipment, material and engineering services representing the foreign exchange costs of the third stage of Kundah.

This year's allocation of \$3.5 million will cover the first instalment of the Canadian contribution and, subject to the appropriation of funds by Parliament, further allocations will be made in future years up to an estimated total of \$22 million. In addition, Canada has agreed that India should use counterpart funds