

VISIT OF CIDA PRESIDENT

The new President of the Canadian International Development Agency, Mr. Paul Gerin-Lajoie, visited India from April 2 to April 10. Mr. Gerin-Lajoie recently succeeded Mr. Maurice Strong as head of CIDA, the Agency responsible for administering the Canadian Government's program of international development assistance.

The visit by the President was part of a tour through Asia. He attended the annual meeting of the Asian Development Bank and visited India, Malaysia, Thailand and Vietnam. He saw Canadian assisted projects in each country and spoke with Canadians attached to a number of these projects. While in the capitals, he discussed the Canadian assistance program with ministers and officials concerned.

Mr. Gerin-Lajoie arrived in Madras on April 2 and travelled to Idikki, the site of a hydro-electric development project being carried out by the Kerala State Electricity Board for which Canada is providing \$25 million in loans and grants. The Canadian firm of Surveyer, Nenninger and Chenevert of Montreal is providing engineering consultancy services. Following a day at the dam, which will be the largest arch dam in Asia, the President met with two Canadian agricultural teams in Hyderabad involved in technical assistance activities supporting Indian agricultural research in dryland farming and groundwater. In Bombay, the President saw the Bhabha Atomic Research Centre, Trombay, the site of the Canada-India Reactor, Canada's major contribution in the field of scientific research in India.

In New Delhi, the President had discussions with President Giri, Prime Minister Gandhi and other Ministers and officials concerned

with development assistance. He also signed two Canadian development loans worth Rs. 30 crores (\$43 million). One loan for Rs. 28 crores (\$40 million) will be used during 1971-72 to finance the import of industrial commodities, fertilizers and fertilizer materials. This was the tenth commodity and fertilizer loan signed by India and Canada since 1967. At Rs. 28 crores it was 33% larger than those provided in each of the last three years. The increase was due to the rapid utilization of earlier loans as well as increased demand for fertilizers and industrial commodities. The loan provides India with funds for the purchase of copper, lead, zinc, nickel, asbestos, woodpulp, newsprint, ferroalloys, aluminium, synthetic rubber, sulphur and several varieties of fertilizers.

Canadian industrial commodities contribute significantly to the development and operation of important sectors of the Indian economy. Fertilizers are essential to increase food production and while domestic fertilizer production is increasing rapidly, it has not yet caught up with demand. Fertilizers from Canada are helping to fill this gap.

The second loan was a Rs. 2 crores (\$3 million) line of credit for use by the Oil and Natural Gas Commission. It permits the ONGC to buy part of their equipment, material and service requirements in Canada on a continuing basis during the remainder of the Fourth Five Year Plan. The equipment and materials will be used in the ONGC's continuing oil exploration and development programs. As one of the world's leading gas and oil producers Canada has a technologically advanced oil and gas equipment industry and is able to supply a wide range of exploration and development equipment. This was the second loan Canada has provided the ONGC. In the fall of 1969 Rs. 1.4 crores (\$2 million) were provided for the purchase of oil well casings. In 1964, a Rs. 84 lakhs (\$1.2 million) grant was also provided to the Commission for the import of construction equipment.

Both loans were on the usual soft terms granted for all Canadian development loans to India during the last five years: they are repayable in fifty years including a ten year grace period; there are no interest, service or commitment charges. **These terms are the softest available to India from any source.**