



PRESS RELEASE

DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

No.16

FOR IMMEDIATE RELEASE
WEDNESDAY, MARCH 24, 1954.

The Department of External Affairs announced to-day that at the request of the Indian Government Canada has agreed to allocate \$5 million of the funds which have been appropriated for Colombo Plan purposes to the purchase of copper and aluminum for use in India's economic development programme. It is expected that \$3.5 million of this amount will be spent for the procurement of aluminum rods and bars while the balance of \$1.5 million will be used to supply electrolytic copper.

The provision of these industrial raw materials under the Colombo Plan will assist Indian development in two ways. Firstly, the copper and aluminum will be used for the production of transmission lines and other electrical equipment required for hydro-electric installations under construction in India. Secondly, these materials will be sold to Indian manufacturers, and will thus provide the Indian Government with rupee revenue for its Five-Year Development Plan.

Procedures have been worked out to ensure that the provision of these industrial raw materials will interfere as little as possible with normal commercial procurement. Orders will be placed by the Indian manufacturers concerned with their traditional Canadian suppliers, and payment for these orders will be made on the one hand by the Canadian Government to the Canadian suppliers and on the other hand by the Indian manufacturers to the Government of India.

The rupee equivalent of the price of the Canadian raw materials will be credited by the Government of India to its Special Development Fund, and will represent a counterpart fund to be used to assist in the financing of further economic development projects in India, as may be agreed between the two Governments.
