THE UNITED STATES CONTRIBUTION

TO

INDIAN DEVELOPMENT

U.S. A.I.D. MISSION TO INDIA
NEW DELHI

OFFICE OF PROGRAM AND FINANCE
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SUMMARY

From U.S. Fiscal Year 1951, when organized United States aid to India began, through FY 1957 most activities were identified as part of the "Indo-American Program". This program was administered by the International Cooperation Administration (ICA) through the Technical Cooperation Mission (TCM) to India, under authorization of the Mutual Security Act and the former Act for International Development. The provisions governing TCM operations are set forth in the Point Four General Agreement for Technical Cooperation of December 28, 1950, and the Indo-United States Technical Cooperation Agreement of January 5, 1952.

Recognizing that India's needs could not be met through technical assistance projects alone, the joint program soon embraced (a) what was called Development Assistance -- the financing through loans and/or grants of imports of capital goods and equipment; (b) Special Assistance grants for India's Malaria Eradication program; and (c) a loan from the Asian Development Fund for development of the Kiriburu iron ore deposits in Orissa. During the early years, however, the U.S. also provided specific assistance to India outside the Indo-American Program, principally through the Wheat Loan of $189.7 million in 1951.

In FY 1957 Development Assistance was terminated, to be replaced by loans from the newly established Development Loan Fund (DLF) and also eventually from the Export-Import Bank of Washington. That year, the first P.L. 480 Sales Agreement between India and the United States was signed; this and subsequent agreements give this new phase of U.S. assistance a special significance to Indian economic development.

The methods of rendering U.S. assistance to India have been adjusted as India's needs and U.S. legislative and administrative requirements changed. The latest administrative change took place on 3 November 1961, when technical assistance activities, until then administered by ICA, were incorporated with DLF operations into the Agency for International Development (AID). AID programs in India now are administered by the U.S. A.I.D. Mission to India, formerly the U.S. Technical Cooperation Mission.

To present a readily understandable account, all U.S. aid activities are placed in five main categories, each discussed in succeeding pages. Table I, immediately following, shows the total assistance in each category to date.

The Peace Corps, established by Executive Order on 1 March 1961, is outside the regular U.S. aid structure. However, because of its significance for India, it is discussed under "Special Programs", page

UNITED STATES ECONOMIC PROGRAMS IN INDIA

INTRODUCTION

After achieving independence in 1947, India adopted as its first goal improvement of the living standard of its now more than 450 million citizens. Working through democratic institutions it has organized coordinated economic and social development projects under its comprehensive Five-Year Programs, inaugurated in 1951. Its objectives are production of more food, building of a broad industrial base, creation of new employment opportunities, education of the Indian people, improvement in health conditions, and development of sound social institutions to promote the general welfare.

At India's request, the United States is assisting to achieve these goals. U.S. aid plays a supporting role in many areas: Railways, mining, seed improvement, malaria eradication, training future university professors, instruction in industrial crafts. The forms of aid have changed with the changing needs of India, as well as changes in methods of administration of U.S. foreign aid programs.

This report covers the various phases of U.S. economic aid to India, as follows:

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Note: One lakh is equivalent to 100,000
One crore is equivalent to 10 million
Indian Fiscal Year: April 1 - March 31
U.S. Fiscal Year: July 1 - June 30

TABLE I

Commitments Through December 31, 1964
(In Millions of U.S. Dollars)

	Type			Amount
I.	Technical Cooperation			110.6
II.	Malaria Control and Eradication			90.8
III.	Development Financing			
	A. Development Assistance to June 30, 1957	306.6		
	B. DLF Loans	742.8		
	C. AID Loans	990.7		
	D. Orissa Iron Ore Project	18.4		
	E. Export-Import Bank Credits	386.1		2,444.6
IV.	Food for Peace			
	A. 1951 Wheat Loan	189.7		
	B. P.L. 480 Sales Agreements	2,911.5	1/	
	C. P.L. 480 Title II	15.5	2/	
	D. P.L. 480 Title III	188.7		
	E. Miscellaneous Relief Grants	5.5		3,319.9
V.	Triangular Trade			5.8
	TOTAL			5,962.7

Of the total of $5,956.9 million (Rs. 2,836.6 crores)[3/], grant aid totalled $1,375.9 million (Rs. 655.2 crores) and loan assistance amounted to $4,222.7 million (Rs. 2,010.8 crores). The balance, $358.3 million (Rs. 170.6 crores), represents the portion of P.L. 480 sales proceeds reserved for U.S. uses, which is discussed later.

1/ Per report of 30 November 1964
2/ Per AID Operations Report, 31 December 1963
3/ Excludes $5.8 million Triangular Trade.

I. TECHNICAL COOPERATION

United States Technical Cooperation activities began in India in FY 1951, as one phase of the so-called "Indo-American Program". Project activities are now carried on through the U.S. A.I.D. Mission to India, under the title of Technical Cooperation.

The purpose of all Technical Cooperation projects is to help India develop its human resources and thereby to increase productivity: Reducing bottlenecks resulting from lack of technical knowledge, shortages of necessary skills, or lack of organizational experience. Joint projects in support of India's Five Year Plans are initiated by the Government of India (GOI) ministries and approved by the Ministry of Finance and by the U.S. A.I.D. Mission, to accord with the broad policies of the Planning Commission.

The GOI agrees to contribute toward rupee costs of joint projects, including local construction, project sites, domestic transport, part of the within-India support for U.S. project technicians, salaries of Indian personnel working on joint projects, and salaries and other rupee costs (exclusive of international travel) of Indian personnel sent abroad for training.

U.S. assistance to such projects is provided, only at the request of the GOI, through:

American experts - to work on specific technical and economic problems in the Indian development program. Each expert is assigned to work in a training, demonstration, or advisory capacity (with an Indian counterpart), in a government office, a manufacturing plant, a training or educational institute, a research institution, a professional or trade society, or on a demonstration project in a rural area.

Training programs - either in the U.S.A. or other countries outside of India, to give Indian participants the technical knowledge or skills permitting them to make greater contributions to their country's development.

A limited amount of supplies and equipment - provided to support the work of the American technicians, in demonstrations and training.

U.S. technicians in India on regular duty tours or for short consultations may be hired directly as members of the U.S. A.I.D. staff, or their services may be provided under a contract with an American university or engineering firm. Generally, they work closely with Indian counterparts who will learn from this association new techniques in the performance of their duties after departure of the temporary American colleagues. The

number of program personnel in India at the end of each fiscal year by field of activity is shown in Table II, on page 8. Since the inception of the program in India they have rendered about 1,975 man years of service.

Since 1951 more than 4,094 Indian participants have gone abroad or are now preparing to depart, representing almost 37,000 man-months of training. Table III, page 9, shows the numbers by years and fields of activity.

The criteria for establishment of participant training projects and selection of candidates are:

(1) Training must relate to a specific joint Indo-American project, and must be for the furtherance of definite project goals, as distinct from general academic studies.

(2) Desired training is not readily available in India.

(3) Candidates must be sufficiently qualified and experienced to ensure that training will be of benefit and will assist in implementation and completion of pertinent projects upon the participant's return.

(4) The sponsoring authorities must agree to bear rupee costs, covering salaries of participants during the training period, cost of domestic transportation, and incidentals (passport fees, medical certificate charges, etc.).

Since the limited number of U.S. technicians available in any given year and the relatively few Indian participants in training programs abroad can at best represent only a small part of India's needs, "training of trainers" projects have been emphasized increasingly in the last several years' programs. Prominent among such projects are those contributing to the founding of new or upgrading of established educational and training institutions; the institutions so assisted are designed to alleviate India's present trained manpower shortages. Among the most important are:

Agricultural Universities Development. The predecessor to this project, entitled "Agricultural Education and Research", started in 1955 and ended June 30, 1963. This major India-wide effort was directed first to 80 and later to 45 agricultural and veterinary colleges, to strengthen their staffs and improve their facilities, and was performed under contracts with five U.S. universities. The contractors assigned 90 technicians and consultants to India for about 180 man years; provided U.S. training, generally at the Master degree level, to about 400 Indian faculty members; and procured scientific books and equipment valued at about $2,000,000 for the various colleges. The total assistance amounted to $11,000,000, plus 29,500,000 rupees.

Since July 1963 all assistance, through contracts with U.S. universities, is focussed on seven new Indian agricultural universities:

Uttar Pradesh Agricultural University	- University of Illinois
Jawaharlal Nehru Krishi Vishwa Vidyalaya, Madhya Pradesh	- University of Illinois
Punjab Agricultural University	- Ohio State University
University of Udaipur, Rajasthan	- Ohio State University
Orissa University of Agriculture & Technology	- University of Missouri
Andhra Pradesh Agricultural University	- Kansas State University
Mysore Agricultural University	- University of Tennessee

Coordinated programs of teaching, research, and extension are being developed. Six of the universities brought together several existing colleges, the seventh is completely new.

The present professional staff numbers about 850, undergraduate students about 10,000, and post-graduate students about 1,100. On an average about half the research in each of the seven States is now with the universities. Only one university offers extension education, but all have extension training programs.

The present program calls annually for about 48 U.S. administration and professional advisors and U.S. training for about 60 Indian staff members. It is envisioned that all seven universities will be largely on a self-development basis by 1971.

National Productivity Council. Established in 1958 with U.S. assistance and support, the N.P.C. is designed to increase the productivity consciousness and efficiency of operation of Indian industry. The U.S. contribution through FY 1964, the last year of U.S. assistance, totals about $3.5 million plus Section 402 rupees equivalent to $1.7 million; the GOI's and private industries' contributions to date are the equivalent of $4.3 million. Three hundred managers and technicians have gone to the U.S. for training, and 43 Productivity Teams (six to seven members each) have been sent abroad for observation and study. A total of 493 man months of U.S. technical services under a George Fry & Associates contract, to organize and conduct in-country training programs, was provided. A contract with the Council for International Progress in Management provided four teams of short-term U.S. technicians, to conduct management seminars in India's four leading industrial centers; another team will

visit India during FY 1965. In addition 96 man months of U.S. technical services were provided through direct-hire recruitment.

Construction Equipment Training and Utilization. Activities in this field started in FY 1954; through FY 1965, when U.S. assistance will end, a total of about $1.7 million plus about Rs. 1.6 million will have been provided.

Of the dollar funds, $425,000 were used to procure heavy earthmoving equipment for training operators and mechanics; the balance financed the services of technicians, mainly under contract with the Ralph M. Parsons Company, who instituted and initially operated training programs at training centers in Kotah, Rajasthan, and Nagarjunasagar, Andhra Pradesh, established in 1955 and 1956. To date 690 operators have been graduated from these two centers; they now are employed on various projects throughout India as foremen and supervisors and are, in turn, training their subordinates in operation and maintenance techniques.

The GOI now is operating these two centers with its own personnel; two new centers, one each at Nangal, Punjab, and Kakrapar, Gujarat, were opened in 1963 with U.S. assistance provided initially. As of 31 December 1964, 56 operators have been graduated from the Nangal center and 60 persons were undergoing training there; 60 trainees are enrolled at Kotah, 51 at Nagarjunasagar and 54 at Kakrapar.

In addition to the above, U.S. assistance contributed to establishment of two Central Mechanical Liaison Units, one at Bangalore and the other at New Delhi, operating directly under the Central Water and Power Commission (CWPC), and of a number of State Mechanical Organizations. U.S. technicians are assisting the CWPC Central Mechanical Liaison Units in the effective utilization and management of construction equipment on power and irrigation projects, in monitoring equipment and spare parts inventories, and in the improvement of maintenance and repair facilities.

A total of 12 Indian engineers and technicians from CWPC and the several States have been trained in the U.S., one of whom is Director of the Kotah Center. Ten more are to depart in FY 1965.

Indian Institute of Technology, Kanpur. Under the GOI plan to expand engineering education, the U.S. through FY 1964 has assisted this Institute to a total of $6.0 million for technician services, participant training and equipment and books. By FY 1970, when U.S. assistance to the project is expected to terminate, U.S. aid may total $12.5 million and, through a contract with Educational Services Incorporated, representing a consortium of nine American universities, will provide up to 217 man years of technician services and 42 man years of participant training. The GOI has provided land for the Institute and has committed Rs. 8.7 crores for recurring

expenses. The project also is expected to receive P.L. 480 rupee grants totalling Rs. 4.7 crores ($10.0 million) during its life.

Multipurpose Secondary Education. This activity, now in its third stage, was initiated in FY 1956 to upgrade secondary education, with special consideration to improvement of teaching. The first phase assisted in establishing 92 extension centers for in-service training of secondary school teachers; the second involved upgrading the vocational or practical courses in 26 selected multi-purpose secondary schools. The present assistance is directed toward establishment of four regional colleges for training teachers for multipurpose secondary schools. The colleges located in Ajmer, Bhubaneswar, and Mysore City were opened with limited programs in July 1963; the college at Bhopal opened in July 1964. The attached demonstration multipurpose secondary schools at Ajmer, Bhubaneswar and Mysore also opened in July 1964; that at Bhopal will open in July 1965. Through FY 1970 the U.S. will have contributed 134 man years of technicians services, 147 man years of participant training and $1.3 million worth of instructional materials, for an aggregate contribution of $5.5 million.

Bombay Craftsmen Training Center. This activity assists the GOI in establishing training programs for craftsmen and instructors to meet India's urgent need for highly skilled industrial craftsmen. Present plans contemplate a smoothly running Center by 1965, with 9-month courses for instructor-trainees in classes of 320 each and 24-month courses for craftsmen in classes of 583 members; the courses provide training in 29 engineering trades and 22 non-engineering trades. An AID-financed contract with Dunwoody Industrial Institute is providing services of nine technicians to formulate training programs and assist in their initial operation; to date more than 3,037 Indian craftsmen (2,782) and instructors (593) have been trained. U.S. assistance through FY 1964 totals more than one million dollars.

Under the aegis of this project, the first all-India annual Skills Competition was held in May 1964, to encourage proficiency in technical skills. The U.S. provided tool kits and books as awards to the three winners from each State (total 51) and will finance six months' training in the U.S. for the three all-India winners.

Total dollar commitments to-date for Technical Assistance activities are shown in Table I on page 2.

TABLE II

PROGRAM PERSONNEL ASSIGNED TO INDIA BY FIELD OF ACTIVITY

Field of Activity	U.S. Fiscal Year Ending June 30										
	'52/55	'56	'57	'58	'59	'60	'61	'62	'63	'64	'65*
Agriculture & Natural Resources	142	54	76	76	53	59	58	45	50	49	58
Industry & Mining	118	52	58	40	27	30	36	41	34	26	19
Transportation	1	12	2	1	1	-	-	-	-	-	-
Labor	3	1	3	2	-	1	2	1	8	9	8
Health & Sanitation	27	13	22	18	24	26	19	26	21	19	17
Education	47	27	16	9	11	27	21	30	50	53	60
Public Administration	8	6	-	1	2	4	1	1	1	7	8
Community Development, Social Welfare & Housing	41	10	9	6	9	4	2	-	-	-	-
General & Miscellaneous	20	7	21	12	13	16	20	16	26	27	28
TOTAL	407	182	207	165	140	167	159	160	190	190	198

The total of 198 as of December 31, 1964, includes 81 direct-hire, 7 participating agency employees, and 110 under contract, all working on joint projects or in project support positions in the U.S. A.I.D. Mission. In addition there were 25 persons in administrative positions in the Mission.

*As of 31 December 1964.

PARTICIPANT TRAINING PROGRAM

NOMINATIONS PROCESSED DURING U.S. FISCAL YEARS

Field of Activity	FISCAL YEAR										Total
	1951/56	1957	1958	1959	1960	1961	1962	1963	1964	1965*	
Agriculture and Natural Resources	216	87	120	142	121	111	121	112	132	1	1,163
Industry and Mining	138	18	42	246	385	201	106	84	85	-	1,305
Transportation	23	18	10	10	16	5	-	-	-	-	82
Labor	57	-	-	2	8	11	30	19	18	-	145
Health	84	1	49	39	64	46	34	45	30	-	392
Education	100	2	97	168	72	56	135	20	32	-	682
Public Administration	4	4	1	-	2	4	4	36	41	-	96
Community Dev., Social Welfare & Housing	5	6	9	3	-	-	-	-	-	-	23
General & Misc.	17	3	24	36	33	21	22	33	17	-	206
TOTAL	644	139	352	646	701	455	452	349	355	1	4,094
Under Contract Arrangements	(111)	(51)	(100)	(95)	(70)	(93)	(210)	(84)	(100)		

Of the total, 3,664 have returned to India and are now working in their particular fields, 304 are in the U.S. for training, and 126 are preparing to depart.

*As of 31 December 1964

II. MALARIA CONTROL AND ERADICATION

In pre-World War II days there were an estimated 100 million cases of malaria in India yearly and two million resultant deaths. In FY 1953 the U.S. provided assistance to the GOI in the latter's National Malaria Control Program, which by 1957 was credited with having reduced the incidence of malaria by roughly four-fifths. With the recognition that eradication of malaria was technically feasible, the program was changed from one of control to one of eradication, and in FY 1958 India joined the worldwide malaria eradication compaign.

During 1964 there were less than 88,000 confirmed cases of malaria, with no deaths reported as attributable to that cause, and spraying operations were withdrawn from areas with a total population of about 340 million.

As shown in Table I, a total of $90.8 million (Rs. 43.2 crores) of U.S. dollar assistance has been made available to India for these programs. Of this $48.0 million was supplied specifically for the Malaria Eradication program from special U.S. aid funds (under Section 402, Title IV of the MSP Act, entitled Special Assistance and Other Programs). Another $10.9 million was provided from a U.S. non-project loan to the GOI. These moneys were used for training of key personnel, procurement of jeeps and trucks, and importation of insecticides. In addition, P.L. 480 rupee grants were made to the project to a total of Rs. 69.2 crores ($145.3 million).

The GOI to date has expended about Rs. 24.5 crores ($51.5 million) for salaries, allowances, etc., for staff; training of staff; buildings; supplies, including locally made DDT, and equipment; and transportation of staff. WHO is cooperating in the program, having provided $1.5 million worth of DDT in FY 1958 and fellowships at an average cost of $21,000 annually. UNICEF supplied financial and technical assistance in the construction of a DDT plant in India which provides a portion of the DDT used in spraying operations.

III. DEVELOPMENT FINANCING

This category of U.S. assistance to India was established to make possible the purchase and importation of certain capital goods and equipment, and related services, for planned basic developmental projects and programs. Such assistance, both loans and grants, has been provided in different forms and from several U.S. agencies.

A. Development Assistance to June 30, 1957, was part of the Indo-American Program mentioned earlier. From FY 1951 through June 30, 1957, when this form of assistance was terminated, obligations totalled $306.6 million (Rs. 146 crores).

Until June 30, 1954, this was entirely grant aid. Subsequently, an amendment to the Mutual Security Act required that no less than 30 percent of aid should be loans, in recognition by Congress and leaders of many economically developing countries that in long-range development programs gifts might engender dependence, whereas loans would encourage independence. Furthermore, the U.S. Congress believed that such foreign economic aid could be handled more efficiently.

From U.S. Fiscal Year 1955 the loan portion of Development Assistance to India totalled $130 million (Rs. 61.9 crores) in the next three years, under agreements providing for repayment in dollars or rupees at India's option, with amortization to start four years after the first disbursement and extending over 36 years. To ease the debt retirement burden for India when its balance of payments problems were expected to be most acute, amortization installments are small during the early life of the loan, increasing at a steeply progressive rate thereafter. The interest charge is 4 percent if repayment is in rupees and 3 percent if in dollars.

Fiscal Year 1955 saw a second important change. Thereafter, under Section 402 of the MSP Act of 1954, as amended, American wheat and cotton formed a large portion of the Development Assistance, to a total of $66.7 million. The US-owned rupee proceeds generated by sale in India of these commodities were reserved to finance mutually approved projects.

This Development Assistance has financed importation of equipment for such projects as Ground Water Irrigation, River Valley Development, Ground Water Exploration, Rihand Valley Development, Delhi Thermal Plant, and Rural Electrification. The so-called "non-project" portion of the funds financed importation of fertilizers, iron and steel for agriculture, industry and transportation facilities, and DDT and jeeps for the malaria program.

B. The Development Loan Fund was established by the U.S. Congress in 1957, under the Mutual Security Act of 1954, as amended, to provide long-term loans to developing friendly countries unable to finance development projects from other free world sources on reasonable terms.

On 3 November 1961 DLF became part of the Agency for International Development (AID); by then DLF had made 30 loans to India, totalling $742.8 million (Rs. 353.7 crores), all repayable in either dollars or rupees at the option of the Indian Government.

C. AID Loans are a continuation of DLF loans under the new U.S. government foreign aid structure, with one important difference: All AID loans are repayable only in dollars. As with DLF, each AID loan application is considered individually, on the basis of the economic and technical soundness of the proposed activity and its anticipated contribution to the economic growth of the country. To date, 33 AID loans have been approved for a total of $990.7 million (Rs.471.8 crores).

Of the total $1,733.5 million (Rs. 825.5 crores) of loan assistance from these two sources, $181.0 million (all for railway modernization) represent assistance to transportation development projects. Power projects account for $431.3 million, while capital equipment loans for public and private enterprises (including steel, non-ferrous metals and miscellaneous imports) total $1,015.5 million. Small industries have been assisted to a total of $55.0 million, either through governmental financing agencies or directly, while fertilizer imports total $50.7 million.

D. Orissa Iron Ore Project. In June 1958 India received additional dollar capital investment assistance, a $20.0 million (Rs. 9.5 crores) loan from the Asian Economic Development Fund, authorized by the U.S. Congress in 1955 to finance projects to strengthen the economic ties between free nations of Asia.

Of this amount $18.4 million (Rs. 8.8 crores) was expended (for procurement of equipment and port facilities) to assist in developing the productive capacity of the Kiriburu iron ore mines in the Rourkela area of Orissa, to facilitate annual export of two million tons of iron ore to Japan. Japan is supplementing the U.S. loan aid with a Yen credit equivalent to $8.0 million (Rs. 3.8 crores), and the Indian Government is financing all rupee costs. This activity was also considered part of the Indo-American Program.

E. Export-Import Bank Credits. Created in 1934, the Export-Import Bank operates under the Export-Import Bank Act of 1945, as amended, to facilitate and assist in financing export-import trade between the United States and other countries. The proceeds of loans made by this foreign lending arm of the U.S. Government are used for purchase in the United States of capital equipment and related services.

A latecomer to India (except as the U.S. agent in negotiating the 1951 $189.7 million Wheat Loan discussed later), the Bank's first loan ($60,000) to India was made in March 1957, to Sundatta Foods and Fibers, which was followed in October by another private sector loan ($1.8 million) to the National Rayon Corporation. Its biggest single loan was a $150 million line of credit extended to the GOI in July 1958 (all of which was allocated as of 30 March 1960). Since then the Bank's dollar loans to India have increased to 22, totalling $386.1 million (Rs. 183.9 crores), of which $106.1 million (Rs. 50.6 crores) are for private sector undertakings and $280.0 million (Rs. 133.3 crores) are for public sector enterprises.

IV. FOOD FOR PEACE

This category accounts for more than one-half of all U.S. assistance to India since FY 1951. The first such aid was the FY 1951 Wheat Loan, followed the same year by relief grants; both are described below. But by far the greatest share of assistance in this field (and of all U.S. assistance to India) resulted from nine P.L. 480 sales agreements, the first of which was signed in FY 1957.

A. Wheat Loan of 1951. Under authority of the India Emergency Act of 1951 (Public Law 48), a loan of $189.7 million (Rs. 90.3 crores) was extended to India, to finance purchase of two million tons of American food grains to alleviate India's food crisis of that year.

With an interest rate of $2\frac{1}{2}$ percent per annum and repayable in dollars, repayment was to commence on June 30, 1957. However, in 1958 India faced serious foreign exchange difficulties. The United States Government in September 1958 postponed the 18 semi-annual installments of interest and principal due from December 31, 1959, and rescheduled them to fall due from December 31, 1986, to June 30, 1995, without additional interest payments.

P.L. 48 also provided that the first $5 million interest paid by India was to be available for the rehabilitation and development of Indian universities and institutions of higher learning. The India Wheat Loan Educational Exchange Program began in FY 1954, administered by the United States Information Service. The total amount now is expended, as follows: $1,824,275 for scientific equipment to Indian institutions of higher learning; $1,376,513 for books for their libraries; $1,055,614 for an exchange-of-persons program; $75,000 for purchase from Central and State Governments of books for the U.S. Congressional Library; and $652,000 for administration. Altogether 145 Indian educators went to the United States for tours of observation and 31 American professors came to Indian universities to advise and assist them in their fields of specialty. The fund assisted 102 Indian educational institutions.

B. P.L. 480 Title I (Sales Agreements). The bulk of American agricultural commodities has moved to India under sales agreements executed in accordance with Title I of the Agricultural Trade Development and Assistance Act (P.L. 480). Food and fibres imported under these agreements constitute a major factor in India's ability to feed and clothe her people and to carry out the economic development programs in her three Five Year Plans. Their introduction has kept prices relatively stable and represented a significant increase in real resources available to the country.

The terms of sale are extremely generous. In each instance, payment in rupees is required rather than in foreign exchange, and most of the rupee sales proceeds are available for internal financing of India's development program. Since 1956, nine sales agreements have been signed, with a total value of Rs. 1,386.4 crores ($2,911.5 million). Table IV shows the value of each and the total of their commodity components.

TABLE IV

P.L. 480 SALES AGREEMENTS

Agreement	Value: Dollars (Millions)	Value: Re. Equivalent (Crores)
1. August 29, 1956	354.5	169.8
2. June 23, 1958	55.3	26.5
3. September 26, 1958	259.8	124.4
4. November 13, 1959	297.9	142.6
5. May 4, 1960	1,369.8	655.8
6. May 1, 1962	39.3	18.8
7. November 26, 1962	103.1	49.3
8. November 30, 1962	5.1	2.4
9. September 30, 1964	426.7	196.8
	2,911.5	1,386.4

COMMODITY COMPONENT

	Unit	Per Agreements (Thousands)	Market Value ($ Millions)	Imports a/ (Thousands)
Wheat and Flour	MT	31,067.2	1,905.2	23,773.9
Rice	MT	1,748.1	207.5	1,423.1
Cotton	Bales b/	2,363.0	272.7	1,896.8 b/
Feedgrains	MT	967.3	49.0	737.9
Tobacco	MT	6.3	13.8	5.6
Tallow	MT	50.0	9.9	0.0
Non-fat Dried Milk	MT	20.9	3.6	c/
Soybean oil	MT	78.7	19.9	3.0
Evaporated Milk	MT	13.0	4.1	c/
Whole Milk Powder	MT	0.2	0.3	c/
Cheese (Processed)	MT	0.1	0.1	c/
Canned Fruit	MT	0.4	0.1	c/
Total Market Value			2,486.2	
Ocean Transportation			431.9 d/	
TOTAL VALUE			2,918.0	

a/ As of 30 September 1964; b/ Indian bales (392 pounds each)
c/ All or virtually all completed.
d/ Includes approximately $6.5 million ocean transportation differentials for which the U.S. is not reimbursed by India.

C. P.L. 480 Title II. Under this Title, the U.S. donated to India, for free distribution in the famine years 1956 and 1957, foodstuffs valued at $4.9 million (Rs. 2.3 crores). A small contribution of $.3 million was made in 1961, and in 1962 the U.S. donated a total of $4.0 million (Rs.1.9 crores), which included $2.0 million worth of rice for a CARE school feeding program in Madras State; it also included $2.0 million in foodstuffs to cover part of the labor costs on rehabilitation of minor irrigation works in Purulia, West Bengal.

The most recent programs include that recently completed in the drought-affected areas of Rajasthan, under which wheat valued at $5.8 million is being supplied to pay wages to laborers on public works projects and milo to a value of $2.7 million is being provided as livestock feed. They also include small programs for emergency assistance to refugees from East Pakistan.

To date the CCC value of commodities programmed for these purposes is $17.7 million (Rs. 8.4 crores). The total shown in Table I reflects only the transfers of these commodities which were effected by 30 November 1964.

D. P.L. 480 Title III. Beginning in FY 1952, the U.S. Commodity Credit Corporation was authorized by the Mutual Security Act to donate surplus foodstuffs and miscellaneous relief and medical supplies to U.S. voluntary agencies for assistance to needy persons abroad. In 1954 this authorization was incorporated in Title III of P.L. 480. The total value of such contributions to India programmed through 31 December 1964 is $210.5 million (Rs. 100.2 crores). The figure shown in Table I represents the value of transfers of commodities made against these programs as of 31 December 1963.

Through 1964 nearly 120,000 metric tons worth $30.5 million were distributed to 10 million of India's poor and needy people. Eighty-two percent (eight million) of the beneficiaries were the school children covered by the several Agencies' school feeding programs. Of these, CARE served 6.3 million, UNICEF 1,027,000, while CRS (600,000) and CWS/LWR together served some 800,000. CRS and CWS/LWR provided supplementary feeding to over 600,000 needy individuals through their family feeding programs, and served at least one meal daily to 235,437 inmates of various institutions. Under its Maternal Child Health Program UNICEF provided milk powder to 754,000 mothers and pre-school children. CRS and CWS/LWR also fed 150,000 needy persons in such categories as Tibetan refugees and recipients in health and feeding centers, using Title III commodities.

E. Miscellaneous Relief Grants. The first relief gift was in 1951, when the U.S. donated supplies worth $4.5 million (Rs. 2.1 crores). By 1954 the total was $5.5 million (Rs. 2.6 crores); thereafter such donations were under authority of P.L. 480 Title II, discussed above.

Use of Sales Proceeds

Section 402, Mutual Security Act (P.L. 665). Beginning in FY 1955 wheat and cotton valued at $66.7 million (Rs. 31.8 crores) were supplied as a part of Development Assistance. Virtually all rupee sales proceeds from this source are programmed, as discussed on page 11.

P.L. 480 Title I. All sales agreements provide for the use of the rupee proceeds. As with commodities furnished under Section 402, P.L. 665, title to these proceeds rests with the U.S., and the rupees may be used only to finance projects mutually agreed upon by the U.S. and India or to pay operating costs of U.S. agencies in India.

The several P.L. 480 sales agreements include varying provisions as to the use of rupee proceeds. Under the three signed before June 30, 1959, roughly 14 percent was granted to India for non-revenue producing developmental or educational projects. A little more than 58 percent was for long-term, low-interest loans to the Indian Government to cover rupee costs of economic development projects. About 11 percent was for deposit with the Export-Import Bank, to be made available for Cooley Amendment rupee loans, discussed below. The remainder, approximately 17 percent, was retained by the U.S. Government to cover its agencies' operating expenses in India.

The November 1959 agreement, however, provided 80 percent of the sales proceeds to India for its economic development, 40 percent as grants and 40 percent as loans, five percent for Cooley Amendment loans, and about 15 percent reserved for U.S. Government. The fifth agreement calls for 84 percent to India (42% loans, 42% grants), with 16 percent to the U.S. for its uses (including 5% for Cooley Amendment loans), while the sixth sets up about 89 percent for loans; the balance is for U.S. uses. Under the seventh and eighth, 85 percent is for loans to India, and under the ninth 80 percent is so reserved. Thus, under the nine agreements approximately 87.6 percent is for loans and grants to India including Cooley Amendment loans.

Table V, page 24, shows total expected rupee sales proceeds by agreement and the portions reserved for agreed uses, according to Section 104 of P.L. 480.

Cooley Loans. While under the Cooley Amendment to P.L. 480, up to 25 percent of the local currency proceeds of sales of the U.S. agriculture commodities supplied may be used for local currency loans, the percentage so reserved in India represents just over seven percent of the aggregate value of the nine agreements. These funds may be loaned to:

(1) Indian subsidiaries or affiliates of American firms; and

(2) Indian firms facilitating disposition of these U.S. agricultural commodities, i.e., private warehouses storing the imported grain, mills grinding it, or companies transporting it.

Reservations for this purpose are shown in Table V, and loans authorized against these reservations are listed in Table VI.

Research Grants. Under provisions of Title I, Section 104(k), U.S. Government agencies are authorized to grant rupees (drawn from the U.S.-uses portion -- see above) to Indian institutions or individuals for carrying out research programs in such fields as agriculture, health, education, social welfare and commerce. As of 31 December 1964, 146 such research projects were in progress in India in 75 institutions, representing a total obligation of almost Rs. 5.3 crores ($11.1 million) and sponsored by eight U.S. government agencies.

Development Projects. As stated, use of local currency generated by sales of all such American agricultural products, either under Section 402 of the Mutual Security Act (P.L. 665) or Title I of P.L. 480, must be agreed upon by the GOI and the U.S. The U.S. A.I.D. Mission therefore participates with various GOI agencies in planning use of these sales proceeds; the list of project activities approved to date is shown in Table VII, on page 26.

Table VII also shows projects approved for use of rupees from a third source, "Fund B", proceeds of Mutual Security dollar aid. These rupees, owned by the Indian Government, were generated by commercial sales of dollar commodities granted to India and from reimbursable transfer of AID-financed equipment from the Central Government to revenue-earning public enterprises, such as railways. Also, the value of AID-financed imports for State projects is treated in GOI financial records as a Central Government loan to the States, and repayments accrue to "Fund B". The U.S. A.I.D. Mission participates in planning expenditure of these credits. ("Fund A" designates AID dollar funds which finance (1) procurement of GOI-titled commodities and/or (2) technical services contracts between the GOI and contractors.)

As Table VII shows, just over 30 percent of all obligations of rupee proceeds is for projects to control and exploit India's water resources for power generation, irrigation and flood control; almost 13

percent is exclusively for electric power development; and 10.9 percent is for assistance to four investment finance institutions. The projects are described below.

Water Resources Development Projects. The first water resources project for which U.S.-owned local currencies were committed was the Rihand Valley Development Project. Involving construction of a 250,000 k.w. hydroelectric power plant and approximately 2,800 miles of transmission and distribution lines in southern Uttar Pradesh, this was the third most important project in the all-India programs of power development in the first two Five Year Plans. Rihand power comprises 5.4 percent of the total increase in generating capacity India hoped to achieve from 1951 to 1961. In Uttar Pradesh, the Rihand project was considered the most important development project of the first two Plans, with its generating capacity of one and one-half times the State's 1951 total capacity. Its low cost hydroelectric power will (a) promote industrial development (particularly heavy power consuming industries, such as aluminium) in the area near the plant; (b) be used for pumping water from approximately 4,000 new tubewells to irrigate 1,600,000 acres; (c) be an important energy source for railroad electrification; and (d) contribute heavily to the State transmission grid.

In addition to rupees the Indo-American program financed importation of heavy construction equipment worth $6 million and provided services of technical consultants valued at $78 thousand.

The River Valley Development Program is made up of 12 river valley projects, of which the ten states of Maharashtra, Rajasthan, Gujarat, Madras, Mysore, Andhra Pradesh, Orissa, Bihar, West Bengal and Madhya Pradesh are the beneficiaries. Boosting India's food output through irrigation and raising the power potential for hydroelectric power generation are the aims of this program. It is expected that all these projects will provide an installed capacity of about 2,000 MW and irrigation for more than 11 million acres.

In addition to the local currency assistance, AID financed $7 million of imports and technical assistance valued at $70,000.

The projects being assisted with these rupee funds are:

	Rs. Million
Chambal Project - Stage I (Rajasthan & UP)	307.5
Hirakud Project Stage I (Orissa)	58.0
Damodar Valley Project (Bihar, West Bengal)	74.5
Mahi Right Bank Canal (Gujarat)	28.8
Kakrapar Project (Gujarat)	47.3

Nagarjunasagar Project (Andhra Pradesh)	483.3
Kosi Project (Bihar)	334.9
Bhadra Reservoir (Mysore)	132.3
Tungabhadra (Andhra Pradesh, Mysore)	184.2
Mahanadi Delta Irrigation Project (Orissa)	113.7
Kunda Hydel Project (Madras)	76.3
Koyna Hydel Project (Maharashtra)	191.7
Total	2,032.5 1/
	($426,825,000)

1/ Including a grant of Rs. 59.4 million

Power Development Projects. As noted, activities in this field represent almost 13 percent of all rupee sales proceeds obligations, or Rs. 99.7 crores ($199.3 million), with assistance provided to ten plants as listed in Table VII. All these plants also have received DLF and AID loans, totalling $216.8 million (Rs. 103.2 crores), the principal beneficiaries being the Chandrapura project ($46.0 million), and the Bandel project ($38.0 million). With the exception of the Sharavathi project, U.S. assistance (dollars and rupees) is financing the entire cost of construction and equipment. When these ten plants are completed India's installed electric power generating capacity will be increased by 2,130.4 MW.

(Nine other DLF and AID loans (total $214.5 million) have been made or approved for power development purposes; together, all the power and water resources projects which the United States will have assisted will provide an expected increase of almost six million kilowatts installed capacity. This is nearly half the total installed capacity expected at the end of the Third Plan.)

Investment Institutions. A major impediment to the establishment of new productive enterprises in India has been the difficulty of marshalling adequate domestic capital resources, particularly for small or medium-sized companies. To fill this deficiency, Rs. 84.1 crores ($176.6 million) of the rupees generated by U.S. aid programs in India are being channeled into private investment through four investment institutions. They are: The Refinance Corporation of India (RCI), the Industrial Credit and Investment Corporation of India (ICICI), the Industrial Finance Corporation (IFC), and the Indian Investment Center.

To stimulate greater and more effective participation by Indian and foreign private banks in financing industrial expansion in the private sector, the RCI received loans of Rs. 36.2 crores ($76.0 million) to supplement its subscribed capital of Rs. 12.5 crores. The Corporation refinances loans for investment in productive facilities extended by private commercial banks to private medium-sized concerns. The ICICI and IFC each have received loans of Rs. 20 crores ($42 million) of the rupees

generated by U.S. aid programs; ICICI also received from the GOI a loan of Rs. 7.5 crores from Fund "B" moneys. Both make medium and long-term loans directly to industrial concerns; the ICICI is authorized also to guarantee loans from other private investment sources, underwrite new issues of stocks or bonds, or assist industrial concerns with equity participation. A grant of Rs. 0.4 crores ($840 thousand) was made to the Indian Investment Center, established to promote and facilitate investment of private foreign capital in India. In addition, DLF loans were extended to the IFC ($40 million) and the ICICI ($5 million).

As shown in Table VII, page 26, a total of Rs. 775.8 crores of local currency proceeds (equivalent to $1,629.2 million) from all three sources has been programmed. The total loans and grants, by source, are given below:

		(Rupees Crores)	
Source	Loans	Grants	Total
PL 665, Section 402	19.7	9.4	29.1
PL 480, Title I	441.2 1/	230.3	671.5
Fund B	7.5	67.7	75.2
	468.4	307.4	775.8

1/ Includes Cooley Amendment Loans of Rs. 48.9 crores.

V. THIRD COUNTRY TRADE

Section (d) of P.L. 480, Title I, provides that a portion of the "U.S.-uses" local currency sales proceeds may be spent to finance purchases of goods and services for other friendly countries. The total of $5.8 million (Rs. 2.76 crores) of such "Triangular Trade" transactions include purchases by AID for India of fertilizer with Japanese Yen, French Francs, and Italian Lire, and electrical goods and clay products from Japan. These commodities are resold in India and the rupee proceeds of these transactions accrue to the U.S. Treasury, for use in financing the operations of the U.S. Government in India.

SPECIAL PROGRAMS

Peace Corps: This form of U.S. assistance began on 1 March 1961 to provide a cadre of American young men and women to serve wherever their services are needed and asked for. Volunteers function as teachers, workers in community development and agricultural extension programs, as sanitary engineers, mechanics, nurses, laboratory technicians and a variety of other ways. Projects for their assistance must be approved by the host country.

Volunteers average 26 years of age, but age is not a limiting factor in the rigid selection process. A three-month training period develops host country language ability, knowledge of customs and enhancement of needed skills.

The first group of 26 arrived in India in December 1961, all for agricultural service in Punjab. Since then the number has grown to 238 (184 men, 54 women), including 11 married couples. They are serving in 11 States and Delhi and Tripura Territories, with the largest groups in Andhra Pradesh (42) and Uttar Pradesh (32).

One hundred three men and five women are engaged in poultry activities in six states and the two territories (Bihar 22, Uttar Pradesh 22, West Bengal 17, Rajasthan 16, Maharashtra 15, Madhya Pradesh 13, Tripura 2, Delhi 1).

Thirteen of the 17 nurses in the group are in Andhra Pradesh, two in Mysore and one each in Rajasthan and Bihar. Teachers number 82, with 38 in science and 29 in English; other subjects are mathematics (11), home economics (3) and history (1). While they, like all the Volunteers, are serving in 11 States and two territories, 29, the greatest number, are in Andhra Pradesh, where 10 teach the sciences, 10 teach mathematics, and six conduct courses in English, while two are teachers of home economics and one is a history teacher.

Thirteen Volunteers are working in India's dairy industry, eight, including one married couple, in Maharashtra and five (including two couples) in West Bengal. Five Volunteers are assisting in irrigation programs, four are in agricultural extension and one in rural youth work; in industry there are seven, two of them in the small industry area and four serving as mechanics, and one generalist. One Volunteer is secretary at the New Delhi headquarters.

U.S. Excess Property: An increasingly important source of assistance to developing countries is the U.S. Excess Property Program, established in 1949. Under it, developing countries receive, cost free, selected items of equipment excess to U.S. Government needs. The program provides for acquisition of such equipment by a recipient

country on an "as is, where is" basis, the receiving country to pay all accessorial costs (packing, shipping, desired rehabilitation, etc.), under Section 607 of the U.S. Foreign Assistance Act of 1961, as amended. Any U.S. dollar costs involved are charged to a trust fund established for the purpose by the recipient. It also provides, under Section 608, for withdrawal by AID/W from U.S.Excess Property stockpiles of certain equipment for rehabilitation, in advance of requests from developing countries. The latter may select such items, at their option; in such instances the recipient remits to the U.S. the rehabilitation and concomitant charges incurred by AID/W.

Through December 1964, the GOI had indented for equipment having a total acquisition (original cost) value of $77.8 million (Rs. 37 crores), against which transfers to the GOI worth $8.9 million (Rs. 4.2 crores) have been made.

TABLE V

PL 480 TITLE I AGREEMENTS: TOTAL EXPECTED SALES PROCEEDS AND THEIR RESERVATIONS
(In Crores of Rupees)

Agreement Number	Date	Latest Amendment Date	Expected Total Sale Proceeds	General U.S. Uses	Cooley Amendment Loans	Grants to GOI	Loans to GOI
1.	August 29, 1956	October 28, 1959	169.7	35.6	-	25.8	108.3
2.	June 23, 1958	October 28, 1959	26.5	3.9	6.6	-	16.0
3.	September 26, 1958	October 28, 1959	124.4	13.2	31.1	18.0	62.1
4.	November 13, 1959	November 9, 1960	142.6	21.4	7.2	57.0	57.0
5.	May 4, 1960	March 9, 1961	655.8	70.0	32.8	276.5	276.5
6.	May 1, 1962	May 17, 1962	18.8	1.9	0.2	-	16.7
7.	November 26, 1962	April 17, 1964	49.4	4.9	2.5	-	42.0
8.	November 30, 1962	-	2.4	0.2	0.1	-	2.1
9.	September 30, 1964	December 31, 1964	204.3	20.5	20.4	-	163.4
Total Expected Sales Proceeds			1,393.9	171.6	100.9	377.3	744.1
Total Actual Deposits as of 30 June 1964			1,075.3	140.7	72.1	347.0	515.5

TABLE VI

RUPEE CREDITS AUTHORIZED UNDER COOLEY AMENDMENT OF PL 480 AS OF 31 DECEMBER 1964

Name	Rs. Crores
1. Otis Elevator, Ltd., I and II	.20
2. Goodyear Tyre & Rubber Co.	2.25
3. Synthetics & Chemicals, Ltd., I and II	6.50
4. Hindusthan Aluminium, Ltd., I and II	2.00
5. Mysore Cements, Ltd., I and II	1.32
6. Ex-Cell-O-India, Ltd.	.20
7. Premier Tyres, Ltd.	.30
8. Seshasayee Paper & Board Co., Ltd.	2.00
9. Lederle Laboratories (India), Ltd.	.25
10. Gabriel India, Ltd., I and II	.19
11. The East India Hotels, Ltd.	.76
12. Wyeth Laboratories, Ltd.	.17
13. Madras Rubber Factory, Ltd., I and II	.75
14. Victor Gasket, Ltd.	.08
15. Wyman Gordon	.25
16. Harig-Malik Manufacturing Co., Ltd.	.03
17. McNally Bird Engineering, Ltd., I and II	1.00
18. India Precision Bearing, Ltd.	.30
19. Union Carbide, Ltd.	2.16
20. Arbor Acres Farms, Ltd.	.25
21. Napco Bevel Gear, Ltd., I and II	.80
22. Kirloskar Cummins, Ltd.	1.25
23. Cochin Co., Ltd.	.24
24. Frick, Ltd.	.25
25. Mandya Paper Mills, Ltd.	1.50
26. Elpro International, Ltd.	.40
27. Coromandel Fertilizers, Ltd.	10.76
28. Everest Refrigerants, Ltd.	.60
29. Bharat Steel Tubes, Ltd.	.25
30. I.A. and I.C. Ltd.	.05
31. Borosil Glass Works, Ltd.	.71
32. Chemicals & Plastics, Ltd.	.33
33. Graphite India, Ltd.	.69
34. Synbiotics, Ltd.	1.34
35. Indabrator, Ltd.	.14
36. American Universal Electric (India), Ltd.	.21
37. Shama Forge, Ltd.	.48
38. Sylvania & Laxman, Ltd.	.50
39. Indofil Chemicals, Ltd.	.30
40. Herdillia Chemicals, Ltd.	2.65
41. Renusagar Power Co., Ltd.	3.00
42. United Carbon India, Ltd.	1.41
	48.88

($102.65 million).

TABLE VII

OBLIGATIONS OF RUPEES DERIVED FROM U.S. A.I.D. PROGRAMS IN INDIA AS OF 31 DECEMBER 1964 (In Crores of Rupees)

	Sec. 402	PL 480	Fund B	Total
Water Resources Development	19.8	216.3	-	236.1
Rihand Valley	19.8 a/	5.6 b/	-	25.4
River Valley	-	203.3 c/	-	203.3
Exploration of Groundwater Resources	-	0.8	-	0.8
Soil and Water Conservation	-	6.6	-	6.6
Power Development	-	99.7 b/	-	99.7
Sharavathi Hydel	-	34.5	-	34.5
Chandrapura Thermal Station	-	20.5	-	20.5
Barauni Thermal Station	-	1.3	-	1.3
Durgapur Thermal Plant	-	3.4	-	3.4
Kanpur Thermal Plant	-	1.0	-	1.0
Barapani Hydroelectric Plant	-	6.4	-	6.4
Cambay Thermal Plant	-	9.0	-	9.0
Birsinghpur Power Plant	-	6.7	-	6.7
Bandel Thermal Plant	-	8.4	-	8.4
Talcher Thermal Plant	-	8.5	-	8.5
Investment Institutions	-	76.6	7.5	84.1
Refinance Corporation	-	36.2 b/	-	36.2
Ind. Credit & Inv. Corp.	-	20.0 b/	7.5 b/	27.5
Industrial Finance Corp.	-	20.0 b/	-	20.0
Indian Investment Centre	-	0.4	-	0.4
U.P. Agricultural University	-	2.2	-	2.2
Trombay Fertilizer Plant	-	13.4 b/	-	13.4
Dairy Development	-	3.6	-	3.6
Grain Storage	-	13.2	-	13.2
Malaria Eradication	-	69.2	-	69.2
All India Inst. of Med. Sci. Hos.	-	2.9	-	2.9
Medical Educator Training	-	7.4	-	7.4
Primary Health Centers	-	9.8	-	9.8
Smallpox Eradication	-	8.7	-	8.7
IIT Kanpur	-	3.2	-	3.2
Higher Technical Education	-	6.9	-	6.9
Elementary Education	-	42.0	-	42.0
Craftsmen Training	-	27.4	-	27.4
National Highways	-	20.0	-	20.0
National Productivity Council	-	0.1	-	0.1
Community Development	-	-	67.7	67.7
Miscellaneous (Incl. TC)	9.3	-	-	9.3
Sub Total	29.1	622.6	75.2	726.9
Cooley Loans	-	48.9	-	48.9
Grand Total	29.1	671.5	75.2	775.8

a/ Includes 19.7 loans and 0.1 grants; b/Loans, all others Grants;
c/ Includes Rs. 197.4 loans and Rs. 5.9 Grants.

APPENDIX

SUMMARY OF U.S. ECONOMIC AND TECHNICAL ASSISTANCE PROGRAMS IN INDIA BY TYPE OF PROGRAM
U.S. Fiscal Year Ending June 30, 1964
(In Millions of Dollars)

		1951/57	1958	1959	1960	1961	1962	1963	1964	1965*	Total
I.	Development Grant	53.7	6.3	7.4	8.7	8.0	8.6	4.9	7.1	5.9	110.6
II.	Malaria Control & Eradication	27.6	12.0	10.2	15.6	13.5	11.0	0.1	0.1	0.7	90.8
III.	Development Financing										
	A. Prior to June 30, 1957	306.6	-	-	-	-	-	-	-	-	306.6
	B. DLF Loans	-	64.9	99.7	98.6	159.0	320.6	-	-	-	742.8
	C. AID Loans	-	-	-	-	-	156.1	321.3	397.2	116.1	990.7
	D. Orissa Iron Ore Project	-	18.4	-	-	-	-	-	-	-	18.4
	E. Export-Import Bank Loans	.1	151.8	-	13.6	79.5	25.7	40.3	57.3	17.8	386.1
IV.	Food for Peace										
	A. 1951 Wheat Loan	189.7	-	-	-	-	-	-	-	-	189.7
	B. PL 480 Sales Agreements, Title I	354.5	55.3	259.8	1667.7	-	39.3	108.2	-	426.7	2911.5
	C. PL 480 Title II	4.9	-	-	-	0.3	3.3	5.0	2.0	-	15.5 a/
	D. PL 480 Title III	78.2	17.6	19.4	10.0	18.4	22.8	13.6	8.7	-	188.7 b/
	E. Misc. Relief Grants	5.5	-	-	-	-	-	-	-	-	5.5
V.	Triangular Trade	-	-	4.0	1.8	-	-	-	-	-	5.8
	TOTAL	1020.8	326.3	400.5	1816.0	278.7	587.4	493.4	472.4	567.2	5962.7

a/ According to AID/W report of transfers by CCC as of 30 November 1964

b/ Per AID Operations Report of 31 December 1963

* As of 31 December 1964

APPENDIX

U.S. ECONOMIC AND TECHNICAL ASSISTANCE PROGRAMS IN INDIA BY GRANTS AND LOANS WITH TERMS OF REPAYMENT AS OF DECEMBER 31, 1964 (In Millions of Dollars)

		Grants	Loans		Total
			Repayable in Dollars	Repayable in Dollars or Rupees	
I.	Development Grants	110.6	-	-	110.6
II.	Malaria Control and Eradication	90.8	-	-	90.8
III.	Development Financing				
	A. Development Assistance to 6/30/57	176.6	-	130.0	306.6
	B. DLF Loans	-		742.8	742.8
	C. AID Loans	-	990.7	-	990.7
	D. Orissa Iron Ore Project	-	-	18.4	18.4
	E. Export-Import Bank Credits	-	386.1	-	386.1
IV.	Food for Peace				
	A. 1951 Wheat Loan	-	189.7	-	189.7 a/
	B. PL 480, Title I	788.2	-	1765.0	2553.2 b/
	C. PL 480, Title II	15.5	-	-	15.5 c/
	D. PL 480, Title III	188.7	-	-	188.7 d/
	E. Miscellaneous Relief Grants	5.5	-	-	5.5 e/
	TOTAL	1375.9	1566.5	2656.2	5598.6
	Triangular Trade	-	-	-	5.8 f/

a/ See Page

b/ Represents the portions of PL 480 sales proceeds available for grants and loans to India under Sections 104(e) and (g) of the Act, including Cooley Amendment loans ($210.7) million); the balance, $358.3 million (Rs. 170.6 crores), represents the portion reserved for U.S. uses.

c/ Transfers as of 30 November 1964; d/ AID Operations Report, 31 December 1963

e/ Includes $0.5 ocean freight financed under appropriation to AID.

f/ Covers Third-Country transactions authorized by Title I, PL 480, See Page 21.

APPENDIX

EXTERNAL AID COMMITMENTS TO INDIA FROM 1951 THROUGH 31 DECEMBER 1963
(In Millions of Rupees)

	Grants	Loans	Total	% of Total
FREE WORLD				
*United States	1,416.3	9,438.5	10,849.6	34.21
*West Germany	20.9	3,598.6	3,619.5	11.43
*United Kingdom	14.5	2,726.5	2,741.0	8.66
*Canada	1,189.7	322.2	1,511.9	4.77
*Japan	51.1	1,077.6	1,128.7	3.56
*Italy		470.4	470.4	1.48
*France		380.9	380.9	1.20
Yugoslavia		190.5	190.5	0.60
Australia	155.1		155.1	0.50
Switzerland		152.5	152.5	0.48
*Netherlands		131.5	131.5	0.41
*Belgium		95.2	95.2	0.30
*Austria		42.9	42.9	0.14
Norway	41.8		41.8	0.13
New Zealand	36.3		36.3	0.11
Denmark		10.3	10.3	0.03
Sweden	1.5		1.5	0.004
Sub total	2,927.2	18,637.6	21,559.6	68.01
SOVIET BLOC				
USSR	11.5	3,838.1	3,849.6	12.12
Poland		298.0	298.0	0.94
Czechoslovakia	4.0	231.0	235.0	0.74
Sub total	15.5	4,367.1	4,382.6	13.80
INTERNATIONAL INSTITUTIONS				
*IBRD		4,034.0	4,034.0	12.71
*IDA		1,428.0	1,428.0	4.51
UN Special Fund	66.1		66.1	0.21
Sub total	66.1	5,462.0	5,528.1	17.43
GRAND TOTAL	3,187.7	28,466.3	31,654.0	

These figures are based on the GOI report of external assistance through 1963, and are given for comparative purposes only, as explained below.

* Consortium members

External aid to India during the First Five Year Plan, which ended 31 March 1956, is estimated at about Rs. 228.6 crores (roughly equivalent to $480 million), or 7.2 percent of all assistance from outside sources in the 12 years ending 31 December 1963. (GOI figures for 1964 are not available.) In the first year of the Second Plan, the total of external assistance rose to about Rs. 333.3 crores (approximately $700 million), representing just over 10 percent of the 12-year total; thus almost 90 percent of all aid commitments were made in the subsequent six years, most of them during 1960, 1961 and 1962.

U.S. assistance stood at 72 percent of all external commitments during the First Plan; at the end of the 12-year period it represented 34.2 percent of the grand total and 50.2 percent of the Free World total.

There was no Soviet bloc assistance to India during the First Plan; the total from that area now amounts to 13.8 percent of all assistance from whatever source.

It is to be noted that the countries of the Free World account for virtually Rs. 2,156 crores ($4.5 billion), or just over 68 percent; that from USSR, Poland and Czechoslovakia comes to about Rs. 438.3 crores ($920 million) and represents nearly 14 percent of all external aid to India. It is of interest, too, that the countries forming the Aid-India consortium and the IBRD and IDA, also members, together account for about Rs. 2,643.4 crores, (over $5.5 billion), which is about 84 percent of the grand total.

Grants (Rs. 318.7 crores) run to just over 10 percent of the entire aid figure. For the Free World, the proportion is a little more than 13 percent of its total aid; for the Soviet bloc grants represent 0.35 percent of all assistance from those countries.

Almost 92 percent (Rs. 292.7 crores) of all grants came from Free World countries; grant aid from the ten Consortium countries (excluding UN Special Fund) totals Rs. 269.3 crores, or about 92 percent of all grants from the Free World and about the same percentage of the total aid in that category. Australia's, Norway's and New Zealand's aid to India is all grant; Canada (the second largest grantor, after the US) has provided a total assistance of Rs. 151.2 crores, of which almost 79 percent is as grants.

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